

# Rackspace Technology

## Q1 2026 Earnings Presentation

May 7, 2026

# Disclaimer

## Forward-Looking Statements

Rackspace Technology has made statements in this presentation and other reports, filings, and other public written and verbal announcements that are forward-looking and therefore subject to risks and uncertainties. All statements, other than statements of historical fact, included in this presentation are, or could be, “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 and are made in reliance on the safe harbor protections provided thereunder. These forward-looking statements relate to anticipated financial performance, including our financial outlook and expected future results, management’s plans and objectives for future operations, business prospects, outcome of regulatory proceedings, market conditions, and other matters.

In addition, with respect to the Memorandum of Understanding (MOU) with AMD, the MOU represents a non-binding framework only and does not constitute a binding commitment by either party to complete any specific transaction, financing, warrant issuance, or other commercial arrangement. No definitive agreements have been reached, discussions remain preliminary, and there can be no assurance that any such arrangements will be entered into, that the parties will reach agreement on terms, or that the anticipated benefits of the collaboration will be realized. Any third-party financing required to implement the transactions contemplated by the MOU is subject to the availability of financing on acceptable terms. There can be no assurance that any such financing will be obtained.

Any forward-looking statement made in this presentation speaks only as of the date on which it is made. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise. Forward-looking statements can be identified by various words such as “expects,” “intends,” “will,” “anticipates,” “believes,” “confident,” “continue,” “propose,” “seeks,” “could,” “may,” “should,” “estimates,” “forecasts,” “might,” “goals,” “guidance,” “objectives,” “outlook,” “targets,” “planned,” “projects,” and similar expressions. These forward-looking statements are based on management’s current beliefs and assumptions and on information currently available to management. Rackspace Technology cautions that these statements are subject to risks and uncertainties, many of which are outside of our control, and could cause future events or results to be materially different from those stated or implied in this presentation, including among others, risk factors that are described in Rackspace Technology, Inc.’s Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and other filings with the Securities and Exchange Commission, including the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” contained therein.

## Non-GAAP Measures

To provide investors with additional information in connection with our results as determined in accordance with generally accepted accounting principles in the United States (“GAAP”), we disclose Non-GAAP Gross Profit, Non-GAAP Operating Profit, Non-GAAP Net Income (Loss), Adjusted EBITDA, and Non-GAAP Earnings (Loss) Per Share as non-GAAP financial measures. These non-GAAP financial measures are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understanding and assessing our financial results. Therefore, these measures should not be considered in isolation or as an alternative or superior to GAAP measures. You should be aware that our presentation of these measures may not be comparable to similarly-titled measures used by other companies. Reconciliations of each non-GAAP financial measure to the applicable most comparable GAAP measure can be found in the Appendix.

We present these non-GAAP financial measures to provide investors with meaningful supplemental financial information, in addition to the financial information presented on a GAAP basis. Rackspace Technology management believes that excluding items such as the impacts from foreign currency rate fluctuations on our international business operations or certain costs, losses and gains that may not be indicative of, or are unrelated to, our core operating results, and that may vary in frequency or magnitude, enhances the comparability of our results and provides a better baseline for analyzing trends in our business. Rackspace Technology management believes the non-GAAP measures provided are also considered important measures by financial analysts covering Rackspace Technology as equity research analysts continue to publish estimates and research notes based on our non-GAAP commentary.

Amounts on subsequent pages may not add due to rounding.

# Executive Summary

- **Q1 revenue of \$678M, up 2% year-over-year**, and marking a return to year-over-year revenue growth, driven by Public Cloud growth of 7%. Non-GAAP operating profit up 20% year-over-year, driven by operating expense discipline.
- **Private Cloud revenue of \$235M**, consistent with the large healthcare deal onboarding timing outlined last quarter; full-year growth outlook unchanged and on track.
- **AMD MOU announced** – Integrating AMD Instinct GPU accelerators, EPYC CPUs and ROCm software ecosystem into Rackspace's governed AI stack for regulated and sovereign environments; definitive agreement targeted near-term.
- **Palantir partnership delivering early results** — first joint deal closed, strong pipeline generation and continued expansion of FDE model into EMEA.
- **Full-year 2026 guidance reaffirmed** – Revenue, EBITDA, and cash flow outlook unchanged.
- **Capital Structure** – Repurchased ~\$96M of debt, reducing interest expense and advancing our deleveraging trajectory. Total liquidity of \$295M at quarter-end, inclusive of undrawn revolver.

# Strategic Partnership

MEMORANDUM OF UNDERSTANDING SIGNED, WITH A GOAL OF EXECUTING DEFINITIVE AGREEMENTS NEAR-TERM

# Establishing a New Category: Governed Enterprise AI Infrastructure

## WHAT THIS IS

- Fully managed AI infrastructure for regulated and sovereign environments
- Rackspace operates the full stack: silicon → infrastructure → inference → outcomes
- Designed for mission-critical production AI workloads

## WHY IT MATTERS

- Entry into high-growth enterprise AI infra market
- Expands TAM in healthcare, financial services, and public sector
- Fills governance and accountability gaps; gaps Hyperscalers cannot address

## AMD PARTNERSHIP

- Multiyear strategic partnership with AMD
- Open-architecture compute foundation differentiated from hyperscaler and commodity GPU rental models
- AMD Instinct GPUs, EPYC CPUs + ROCm software ecosystem

**DIFFERENTIATION** Fully managed, governed solution with single-point accountability — the operator model Hyperscalers cannot replicate

## 4 INTEGRATED CAPABILITIES

**01**

### Enterprise AI Cloud

Fully managed private, public & sovereign AI — with one partner accountable

**02**

### Enterprise Inference Engine

Context-aware inference runtime that retains domain knowledge, session history, and enterprise-specific data

**03**

### Inference as aService

Dedicated accelerated compute as a governed alternative to commodity GPU rental

**04**

### Bare Metal Accelerated Compute

Launching with AMD Instinct for training and inference workloads requiring deterministic performance.

# Q1 2026 Financial Results

*\$'s in millions (except EPS)*

	Q1 2026	Q/Q	Y/Y
<b>Total Revenue</b>	<b>\$678</b>	<b>(1%)</b>	<b>2%</b>
<b>Non-GAAP Gross Profit</b>	<b>\$124</b>	<b>-%</b>	<b>(6%)</b>
<i>Non-GAAP Gross Margin</i>	<i>18.3%</i>	<i>0.2 pts</i>	<i>(1.6 pts)</i>
<b>Non-GAAP Operating Profit</b>	<b>\$31</b>	<b>(25%)</b>	<b>20%</b>
<i>Non-GAAP Operating Margin</i>	<i>4.5%</i>	<i>(1.5 pts)</i>	<i>0.7 pts</i>
<b>Non-GAAP Loss per Share</b>	<b>(\$0.06)</b>	<b>(\$0.05)</b>	<b>\$ -</b>

Q1 2026 results reflect accelerating momentum – both revenue and operating profit showed year-over-year growth

NOTES:

1. Refer to Appendix for reconciliation of Non-GAAP measures to most comparable GAAP measures, as well as detailed definitions of Non-GAAP metrics

# Q1 2026 Segment Financials

\$'s in millions

	Total Rackspace	Private Cloud	Public Cloud	Q/Q %			Y/Y %		
				Total Rackspace	Private Cloud	Public Cloud	Total Rackspace	Private Cloud	Public Cloud
<b>Total Revenue</b>	<b>\$678</b>	<b>\$235</b>	<b>\$443</b>	(1%)	(2%)	-%	2%	(6%)	7%
<b>Non-GAAP Gross Profit</b>	<b>\$124</b>	<b>\$85</b>	<b>\$39</b>	-%	(2%)	4%	(6%)	(9%)	(1%)
<i>Non-GAAP Gross Margin</i>	18.3%	36.0%	8.9%	0.2 pts	0.3 pts	0.4 pts	(1.6 pts)	(1.1 pts)	(0.6 pts)
<b>Segment Operating Profit</b>	<b>\$79</b>	<b>\$58</b>	<b>\$21</b>	(5%)	(8%)	3%	-%	(5%)	20%
<i>Segment Operating Margin</i>	11.6%	24.7%	4.7%	(0.5 pts)	(1.4 pts)	0.2 pts	(0.2 pts)	0.3 pts	0.5 pts
Corporate Functions	(\$48)			15%			(9%)		
<b>Non-GAAP Operating Profit</b>	<b>\$31</b>			(25%)			20%		
<i>Non-GAAP Operating Margin</i>	4.5%			(1.5 pts)			0.7 pts		

NOTES:

1. Refer to Appendix for reconciliation of Non-GAAP measures to most comparable GAAP measures, as well as definitions for Segment Operating Profit and Corporate Functions
2. Pass-through infrastructure resale costs were \$322M

# Cash Flow & Capital Expenditures

\$'s in millions

	Q1'26	LTM
<b>Cash Provided by Operating Activities</b>	<b>\$5</b>	<b>\$144</b>
<b>Free Cash Flow</b>	<b>(\$9)</b>	<b>\$77</b>
<i>LTM Free Cash Flow Yield</i>		31%
<b>Total Capital Expenditures</b>	<b>\$35</b>	<b>\$147</b>
<i>Total CAPEX Intensity</i>	5%	5%
<b>Cash Capital Expenditures</b>	<b>\$15</b>	<b>\$67</b>
<i>Cash CAPEX Intensity</i>	2%	2%
<b>As of March 31, 2026</b>		
Cash & Cash Equivalents		<b>\$94</b>
Revolving Credit Facility		<b>\$201</b>
<b>Total Liquidity</b>		<b>\$295</b>

NOTES:

1. Free cash flow is a Non-GAAP metric and is presented as cash flow from operations less cash paid for purchases of property, equipment and software. Refer to Appendix for a reconciliation of Free Cash Flow to the most comparable GAAP measure
2. LTM free cash flow yield calculated as LTM Free Cash Flow divided by Market Capitalization as of March 31, 2026
3. Refer to Appendix for how we define capital intensity
4. Revolving Credit Facility balance reflects undrawn letters of credit (\$24 million) which decreases our available commitments

# FY26 Outlook

Full-year 2026

Guidance Reaffirmed

	Full Year Guidance	Y/Y %
<b>Total Revenue</b>	<b>\$2,600 - \$2,700 million</b>	<b>-1%</b>
Private Cloud Revenue	\$1,025 - \$1,075 million	6%
Public Cloud Revenue	\$1,575 - \$1,625 million	-6%
<b>Non-GAAP Operating Profit</b>	<b>\$160 - \$170 million</b>	<b>31%</b>
Adjusted EBITDA	\$305 - \$315 million	12%
Non-GAAP Loss Per Share	(\$0.15) - (\$0.20)	
Non-GAAP Other Income (Expense)	(\$220) - (\$230) million	
Non-GAAP Tax Expense Rate	26%	
Non-GAAP Weighted Average Shares	250 - 260 million	
Free Cash Flow	\$90 - \$110 million	10%

Growth expected to accelerate through the year

NOTES:

1. Refer to Appendix for more information on how we define Non-GAAP Tax Expense Rate and Non-GAAP Weighted Average Shares
2. Y/Y % growth is defined as guidance midpoint vs. 2025 full year results
3. Free cash flow is a Non-GAAP metric and is presented as cash flow from operations less cash paid for purchases of property, equipment and software
4. We expect non-GAAP Other Income and Expense of \$220M - \$230M. This excludes the non-cash benefits from our March 2024 debt refinancing transaction

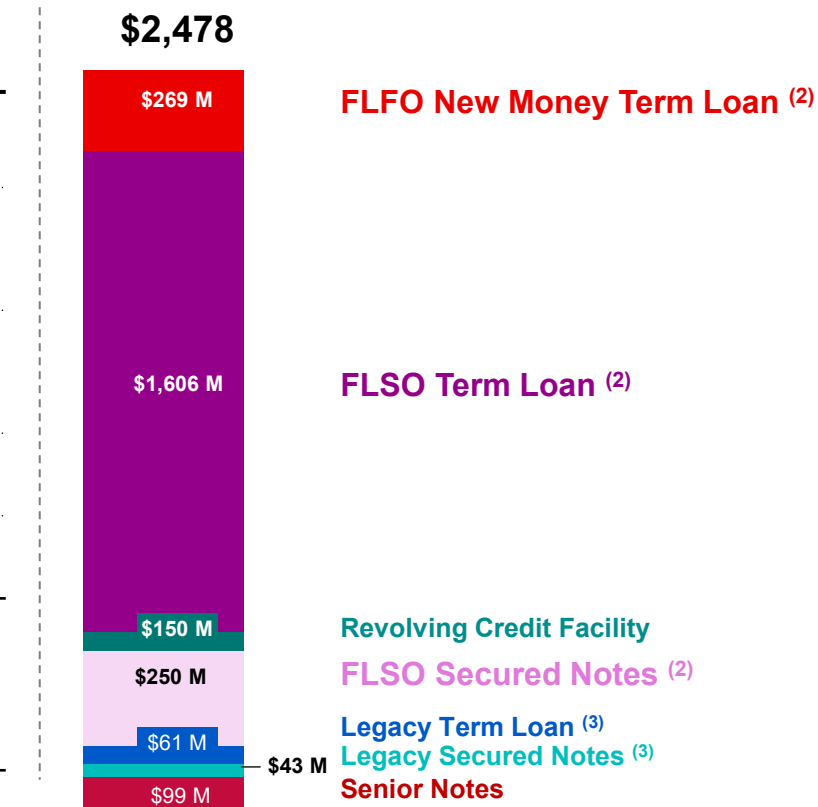


# Appendix

# As of March 31st, Debt Maturity Overview <sup>1</sup>

\$'s in millions

Facility	Balance	Maturity	Rate
FLFO New Money Term Loan	\$269	May-2028	1-mth SOFR + 625 bps + 0.114% Spread
FLSO/Legacy Term Loan	\$1,667	May-2028 (FLSO)/ Feb-2028 (L)	1-mth SOFR + 275 bps + 0.114% Spread
FLSO/Legacy Secured Notes	\$293	May-2028 (FLSO)/ Feb-2028 (L)	3.500% Fixed Rate
Senior Notes	\$99	Dec-2028	5.375% Fixed Rate
Revolving Credit Facility	\$150	May-2028	1-mth SOFR + 300 bps
<b>Total Principal Balance</b>	<b>\$2,478</b>		
Unamortized debt issuance costs, debt premium, and debt discount	\$231		
<b>Total Debt</b>	<b>\$2,709</b>		



The Company has no corporate maturities prior to 2028.

- (1) Debt values are shown at principal value.
- (2) Under the terms of the security documents and intercreditor agreements dated March 12, 2024, any amounts received by the collateral agent or any other secured party in respect of the proceeds of collateral will be applied first to repay the holders of the FLFO New Money Term Loan and the Revolving Credit Facility (the "Super Priority Indebtedness"). The Super Priority Indebtedness will be repaid in full prior to any payment in respect of collateral to the holders of the FLSO Term Loan, the FLSO Secured Notes and any other indebtedness of the New Borrower and the Guarantors.
- (3) Following the debt refinancing transactions completed in March 2024, the Company subsidiaries that previously guaranteed the Legacy Term Loan and the Legacy Secured Notes no longer guarantee or pledge collateral to secure the Legacy Term Loan or the Legacy Secured Notes.

# Non-GAAP Gross Profit Reconciliation

<i>(In millions)</i>	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
GAAP Gross Profit	\$126.9	\$129.2	\$129.9	\$120.4	\$119.1
Share-based compensation expense	1.8	1.3	1.2	0.8	0.9
Purchase accounting impact on expense	0.2	0.2	0.2	0.2	0.2
Restructuring and transformation expenses	3.2	1.2	2.3	2.2	3.6
Total Adjustments	\$5.2	\$2.7	\$3.7	\$3.2	\$4.7
<b>Non-GAAP Gross Profit</b>	<b>\$132.1</b>	<b>\$131.9</b>	<b>\$133.6</b>	<b>\$123.6</b>	<b>\$123.8</b>

# Non-GAAP Net Loss Reconciliation

<i>(In millions)</i>	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Net income (loss)	\$(71.5)	\$(54.5)	\$(67.1)	\$(32.7)	\$8.3
Share-based compensation expense	12.0	10.0	18.2	4.9	6.6
Transaction-related adjustments, net	1.5	0.4	0.2	0.4	1.6
Restructuring and transformation expenses	13.1	4.4	10.0	4.8	9.0
Net (gain) loss on divestiture and investments	0.1	(0.3)	(0.1)	-	0.1
Gain on debt extinguishment	-	-	-	-	(55.8)
Interest expense impact from the March 2024 Refinancing Transactions	(21.0)	(21.1)	(21.1)	(19.8)	(18.8)
Other adjustments	0.4	(1.5)	(1.2)	0.2	(1.1)
Amortization of intangible assets	37.4	37.6	37.5	34.4	31.3
Tax effect of non-GAAP adjustments	13.3	10.0	12.1	4.3	4.9
<b>Non-GAAP Net Loss</b>	<b>\$(14.7)</b>	<b>\$(15.0)</b>	<b>\$(11.5)</b>	<b>\$(3.5)</b>	<b>\$(13.9)</b>

# Non-GAAP Operating Profit Reconciliation

<i>(In millions)</i>	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Loss from operations	\$(38.4)	\$(25.1)	\$(33.9)	\$(3.3)	\$(17.8)
Share-based compensation expense	12.0	10.0	18.2	4.9	6.6
Transaction-related adjustments, net	1.5	0.4	0.2	0.4	1.6
Restructuring and transformation expenses	13.1	4.4	10.0	4.8	9.0
Amortization of intangible assets	37.4	37.6	37.5	34.4	31.3
Total Adjustments	\$64.0	\$52.4	\$65.9	\$44.5	\$48.5
<b>Non-GAAP Operating Profit</b>	<b>\$25.6</b>	<b>\$27.3</b>	<b>\$32.0</b>	<b>\$41.2</b>	<b>\$30.7</b>

# Adjusted EBITDA Reconciliation

<i>(In millions)</i>	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Net income (loss)	\$(71.5)	\$(54.5)	\$(67.1)	\$(32.7)	\$8.3
Share-based compensation expense	12.0	10.0	18.2	4.9	6.6
Transaction-related adjustments, net	1.5	0.4	0.2	0.4	1.6
Restructuring and transformation expenses	13.1	4.4	10.0	4.8	9.0
Net (gain) loss on divestiture and investments	0.1	(0.3)	(0.1)	-	0.1
Gain on debt extinguishment	-	-	-	-	(55.8)
Other expense, net	5.4	3.8	4.0	5.5	3.5
Interest expense	19.4	21.3	21.2	20.8	26.2
Provision (benefit) for income taxes	8.2	4.6	8.1	3.1	(0.1)
Depreciation and amortization	73.1	74.7	74.8	73.9	71.8
<b>Adjusted EBITDA</b>	<b>\$61.3</b>	<b>\$64.4</b>	<b>\$69.3</b>	<b>\$80.7</b>	<b>\$71.2</b>

# Non-GAAP Loss Per Share Reconciliation

<i>(In millions)</i>	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Net income (loss) attributable to common stockholders	\$(71.5)	\$(54.5)	\$(67.1)	\$(32.7)	\$8.3
Non-GAAP Net Loss	\$(14.7)	\$(15.0)	\$(11.5)	\$(3.5)	\$(13.9)
Weighted average number of shares – Diluted	231.9	238.0	240.4	244.2	249.7
Effect of dilutive securities	9.6	1.3	1.8	2.6	-
Non-GAAP weighted average number of shares – Diluted	241.5	239.3	242.2	246.8	249.7
Net earnings (loss) per share – Diluted	\$(0.31)	\$(0.23)	\$(0.28)	\$(0.13)	\$0.03
Per share impacts of adjustments to net income (loss)	0.24	0.17	0.23	0.12	(0.09)
Per share impacts of shares after adjustments to net income (loss)	0.01	0.00	0.00	0.00	0.00
<b>Non-GAAP Loss per Share</b>	<b>\$(0.06)</b>	<b>\$(0.06)</b>	<b>\$(0.05)</b>	<b>\$(0.01)</b>	<b>\$(0.06)</b>

# Free Cash Flow Reconciliation

<i>(In millions)</i>	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Net cash provided by operating activities	\$12.6	\$8.4	\$70.7	\$59.7	\$5.1
Cash purchases of property, equipment and software	(8.3)	(20.8)	(28.0)	(3.7)	(14.5)
<b>Free Cash Flow</b>	<b>\$4.3</b>	<b>\$(12.4)</b>	<b>\$42.7</b>	<b>\$56.0</b>	<b>\$(9.4)</b>

# Definitions

<b>Segment Operating Profit</b>	Segment revenue less expenses directly attributable to running the respective segments' business. These expenses exclude centralized corporate function costs.
<b>Corporate Functions</b>	Costs that are not allocated to segments. These costs are related to centralized corporate functions that provide services to the segments in areas such as accounting, information technology, marketing, legal and human resources.
<b>Capital Intensity</b>	Capital intensity reflects capital expenditures divided by revenue for the same period.
<b>Non-GAAP Tax Expense Rate</b>	We utilize an estimated structural long-term non-GAAP tax rate in order to provide consistency across reporting periods, removing the effect of non-recurring tax adjustments, which include but are not limited to tax rate changes, U.S. tax reform, share-based compensation, audit conclusions and changes to valuation allowances. We used a structural non-GAAP tax rate of 26% for all periods which reflects the removal of the tax effect of non-GAAP pre-tax adjustments and non-recurring tax adjustments on a year-over-year basis. The non-GAAP tax rate could be subject to change for a variety of reasons, including the rapidly evolving global tax environment, significant changes in our geographic earnings mix including due to acquisition activity, or other changes to our strategy or business operations. We will re-evaluate our long-term non-GAAP tax rate as appropriate. We believe that making these adjustments facilitates a better evaluation of our current operating performance and comparisons to prior periods.
<b>Non-GAAP Weighted Average Shares</b>	Reflects impact of awards that would have been anti-dilutive to net loss per share, and therefore not included in the calculation, but would be dilutive to Non-GAAP EPS and are therefore included in the share count for purposes of this non-GAAP measure. Potential common share equivalents consist of shares issuable upon the exercise of stock options, vesting of restricted stock units (including performance-based restricted stock units) or purchases under the Employee Stock Purchase Plan (the "ESPP"), as well as contingent shares associated with our acquisition of Datapipe Parent, Inc. Certain of our potential common share equivalents are contingent on Apollo achieving pre-established performance targets based on a multiple of their invested capital ("MOIC"), which are included in the denominator for the entire period if such shares would be issuable as of the end of the reporting period assuming the end of the reporting period was the end of the contingency period.

The logo features the text 'rackspace technology' in a white, italicized sans-serif font. 'rackspace' is on the top line and 'technology' is on the bottom line, with a registered trademark symbol (®) at the end. The text is centered within a black circle, which is itself centered within a larger circle with a red-to-purple gradient background.

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*technology*®