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

FORM 10-Q

(Mark one)

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

For the quarterly period ended September 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: 001-39420

RACKSPACE TECHNOLOGY, INC.
(Exact name of registrant as specified in its charter)

Delaware	**81-3369925**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

19122 US Highway 281N, Suite 127
San Antonio, Texas 78258
(Address of principal executive offices, including zip code)

1-800-961-4454
(Registrant's telephone number, including area code)

None
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $0.01 per share	RXT	The Nasdaq Stock Market LLC

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 ☑

On November 3, 2026, 263,048,856 shares of the registrant's common stock, par value $0.01 per share, were outstanding.

RACKSPACE TECHNOLOGY, INC.
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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2026 (this "Quarterly Report") contains certain information that may constitute "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. While we have specifically identified certain information as being forward-looking in the context of its presentation, we caution you that all statements contained in this report that are not clearly historical in nature, including statements regarding anticipated financial performance, management's plans and objectives for future operations, including the implementation of our Enterprise AI strategy and expected impact on revenue, business prospects, market conditions, and other matters are forward-looking. Forward-looking statements are contained principally in the sections of this report entitled "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations." Without limiting the generality of the preceding sentence, any time we use the words "expects," "intends," "will," "anticipates," "believes," "confident," "continue," "propose," "seeks," "could," "may," "should," "estimates," "forecasts," "might," "goals," "objectives," "targets," "planned," "projects," and similar expressions, we intend to clearly express that the information deals with possible future events and is forward-looking in nature. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking.

Forward-looking information involves risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied in, or reasonably inferred from, such statements, and the risks and uncertainties disclosed or referenced under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025 and any of our subsequent Quarterly Reports on Form 10-Q. Therefore, caution should be taken not to place undue reliance on any such forward-looking statements. Much of the information in this report that looks toward future performance of the company is based on various factors and important assumptions about future events that may or may not actually occur. As a result, our operations and financial results in the future could differ materially and substantially from those we have discussed in the forward-looking statements included in this Quarterly Report. We assume no obligation (and specifically disclaim any such 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.

TRADEMARKS, TRADE NAMES AND SERVICE MARKS

"Rackspace," "Rackspace Technology," "Fanatical," "Fanatical Experience," "Rackspace Fabric," "Rackspace Data Freedom," "Rackspace Services for VMware Cloud™" and "My Rackspace" are registered or unregistered trademarks of Rackspace US, Inc. in the United States and/or other countries. OpenStack® is a registered trademark of OpenStack, LLC and OpenStack Foundation in the United States. Solely for convenience, trademarks, trade names and service marks referred to in this Quarterly Report may appear without the ® or ™ symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensor to these trademarks, trade names and service marks. Other trademarks, trade names and service marks appearing in this Quarterly Report are the property of their respective holders. We do not intend our use or display of other companies' trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

PART I – FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

RACKSPACE TECHNOLOGY, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions, except per share data)	December 31, 2025	September 30, 2026
ASSETS		
Current assets:		
Cash and cash equivalents	$ 105.8	$ 108.0
Accounts receivable, net of allowance for credit losses and accrued customer credits of $12.2 and $11.1, respectively	266.5	212.3
Prepaid expenses	84.4	80.7
Other current assets	61.1	94.3
Total current assets	517.8	495.3
Property, equipment and software, net	596.3	638.1
Goodwill, net	740.1	738.7
Intangible assets, net	698.3	604.6
Operating right-of-use assets	144.6	117.4
Other non-current assets	102.7	157.0
Total assets	$ 2,799.8	$ 2,751.1
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable and accrued expenses	$ 413.9	$ 444.7
Accrued compensation and benefits	85.4	68.2
Deferred revenue	94.6	69.3
Debt	27.3	22.4
Accrued interest	5.4	6.1
Operating lease liabilities	54.7	48.7
Finance lease liabilities	48.0	73.7
Financing obligations	14.0	9.7
Other current liabilities	23.4	18.3
Total current liabilities	766.7	761.1
Non-current liabilities:		
Debt	2,718.7	2,770.2
Operating lease liabilities	84.2	64.9
Finance lease liabilities	297.7	312.7
Financing obligations	39.3	35.4
Deferred income taxes	34.7	28.8
Other non-current liabilities	78.0	85.3
Total liabilities	4,019.3	4,058.4
Commitments and Contingencies (Note 8)		
Stockholders' deficit:		
Preferred stock, $0.01 par value per share: 5.0 shares authorized; no shares issued or outstanding	—	—
Common stock, $0.01 par value per share: 1,495.0 shares authorized; 248.4 and 262.3 shares issued; 245.3 and 259.2 shares outstanding, respectively	2.5	2.6
Additional paid-in capital	2,709.7	2,745.5
Accumulated other comprehensive income (loss)	7.5	(3.5)
Accumulated deficit	(3,908.2)	(4,020.9)
Treasury stock, at cost; 3.1 shares held	(31.0)	(31.0)
Total stockholders' deficit	(1,219.5)	(1,307.3)
Total liabilities and stockholders' deficit	$ 2,799.8	$ 2,751.1

See accompanying notes to the unaudited condensed consolidated financial statements.

RACKSPACE TECHNOLOGY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited)

(In millions, except per share data)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2026	2025	2026
Revenue	$ 671.2	$ 609.1	$ 2,002.9	$ 1,957.3
Cost of revenue	(541.3)	(496.0)	(1,616.9)	(1,610.3)
Gross profit	129.9	113.1	386.0	347.0
Selling, general and administrative expenses	(163.8)	(125.6)	(483.4)	(410.5)
Loss from operations	(33.9)	(12.5)	(97.4)	(63.5)
Other income (expense):				
Interest expense	(21.2)	(35.5)	(61.9)	(95.9)
Gain on investments, net	0.1	0.1	0.3	0.1
Gain on debt extinguishment	—	—	—	62.5
Other expense, net	(4.0)	(1.8)	(13.2)	(10.4)
Total other expense	(25.1)	(37.2)	(74.8)	(43.7)
Loss before income taxes	(59.0)	(49.7)	(172.2)	(107.2)
Provision for income taxes	(8.1)	(3.8)	(20.9)	(5.5)
Net loss	$ (67.1)	$ (53.5)	$ (193.1)	$ (112.7)
Other comprehensive income (loss), net of tax				
Foreign currency translation adjustments	$ (1.5)	$ (1.4)	$ 11.5	$ (8.5)
Unrealized gain on derivative contracts	0.5	—	1.9	—
Amount reclassified from accumulated other comprehensive income (loss) to earnings	(8.7)	—	(25.9)	(2.5)
Other comprehensive loss	(9.7)	(1.4)	(12.5)	(11.0)
Comprehensive loss	$ (76.8)	$ (54.9)	$ (205.6)	$ (123.7)
Net loss per share:				
Basic and diluted	$ (0.28)	$ (0.21)	$ (0.82)	$ (0.45)
Weighted average number of shares outstanding:				
Basic and diluted	240.4	256.3	236.8	251.0

See accompanying notes to the unaudited condensed consolidated financial statements.

RACKSPACE TECHNOLOGY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(In millions)	Nine Months Ended September 30, 2025	2026
Cash Flows From Operating Activities		
Net loss	$ (193.1)	$ (112.7)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	224.0	212.2
Reduction in carrying amount of operating right-of-use assets	48.5	46.9
Deferred income taxes	(2.2)	(10.7)
Share-based compensation expense	40.2	21.0
Gain on debt extinguishment	—	(62.5)
Gain on investments, net	(0.3)	(0.1)
Provision for bad debts and accrued customer credits	8.3	3.3
Amortization of debt issuance costs and debt discount and premium	4.5	4.7
Non-cash fair value adjustments	(2.1)	(3.2)
Other operating activities	(0.3)	(3.3)
Changes in operating assets and liabilities:		
Accounts receivable	17.8	68.5
Prepaid expenses and other current assets	(14.4)	(13.8)
Accounts payable, accrued expenses, and other current liabilities	7.5	(19.8)
Deferred revenue	(10.9)	(24.4)
Operating lease liabilities	(52.1)	(45.0)
Other non-current assets and liabilities	16.3	(51.8)
Net cash provided by operating activities	91.7	9.3
Cash Flows From Investing Activities		
Purchases of property, equipment and software	(57.1)	(65.8)
Other investing activities	1.7	(4.5)
Net cash used in investing activities	(55.4)	(70.3)
Cash Flows From Financing Activities		
Proceeds from issuance of common stock, net of offering costs	—	11.6
Proceeds from employee stock plans	0.3	0.2
Shares of common stock withheld for employee taxes	(2.0)	(0.3)
Proceeds from borrowings under long-term debt arrangements	130.0	330.0
Payments on long-term debt	(143.4)	(220.4)
Payments on financing component of interest rate swap	(13.0)	(3.0)
Principal payments of finance lease liabilities	(43.3)	(40.6)
Principal payments of financing obligations	(13.2)	(11.9)
Net cash provided by (used in) financing activities	(84.6)	65.6
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	2.6	(1.9)
Increase (decrease) in cash, cash equivalents, and restricted cash	(45.7)	2.7
Cash, cash equivalents, and restricted cash at beginning of period	147.0	108.0
Cash, cash equivalents, and restricted cash at end of period	$ 101.3	$ 110.7

Supplemental Cash Flow Information		
Cash payments for interest, net of amount capitalized	$ 62.7	$ 97.9
Cash payments for income taxes, net of refunds	$ 2.7	$ 8.7
Non-cash Investing and Financing Activities		
Acquisition of property, equipment and software by finance leases	$ 29.9	$ 46.6
Acquisition of property, equipment and software by financing obligations	—	3.7
Increase in property, equipment and software accrued in liabilities	5.6	52.3
Acquisition of property, equipment and software through issuance of common stock	—	14.0
Other non-cash activity	(1.0)	(15.2)
Non-cash purchases of property, equipment and software	$ 34.5	$ 101.4
Offering costs included in accrued liabilities	$ —	$ 0.5

The following table provides a reconciliation of cash, cash equivalents, and restricted cash to the total of such amounts shown on the Condensed Consolidated Statements of Cash Flows.

	Nine Months Ended September 30,	
(In millions)	**2025**	**2026**
Cash and cash equivalents	$ 99.5	$ 108.0
Restricted cash included in other non-current assets	1.8	2.7
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	$ 101.3	$ 110.7

See accompanying notes to the unaudited condensed consolidated financial statements.

RACKSPACE TECHNOLOGY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
(Unaudited)

(In millions)	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Treasury Stock, at Cost		Total Stockholders' Deficit
	Shares	Amount				Shares	Amount	
Balance at June 30, 2025	242.1	$ 2.4	$ 2,696.7	$ 21.3	$ (3,808.4)	3.1	$ (31.0)	$ (1,119.0)
Exercise of stock options and release of stock awards, net of shares withheld	4.6	0.1	(1.3)	—	—	—	—	(1.2)
Share-based compensation expense for equity classified awards	—	—	9.8	—	—	—	—	9.8
Net loss	—	—	—	—	(67.1)	—	—	(67.1)
Other comprehensive loss	—	—	—	(9.7)	—	—	—	(9.7)
Balance at September 30, 2025	246.7	$ 2.5	$ 2,705.2	$ 11.6	$ (3,875.5)	3.1	$ (31.0)	$ (1,187.2)

(In millions)	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Treasury Stock, at Cost		Total Stockholders' Deficit
	Shares	Amount				Shares	Amount	
Balance at December 31, 2024	232.2	$ 2.3	$ 2,682.8	$ 24.1	$ (3,682.4)	3.1	$ (31.0)	$ (1,004.2)
Exercise of stock options and release of stock awards, net of shares withheld	14.2	0.2	(2.2)	—	—	—	—	(2.0)
Issuance of shares from Employee Stock Purchase Plan	0.3	—	0.3	—	—	—	—	0.3
Share-based compensation expense for equity classified awards	—	—	24.3	—	—	—	—	24.3
Net loss	—	—	—	—	(193.1)	—	—	(193.1)
Other comprehensive loss	—	—	—	(12.5)	—	—	—	(12.5)
Balance at September 30, 2025	246.7	$ 2.5	$ 2,705.2	$ 11.6	$ (3,875.5)	3.1	$ (31.0)	$ (1,187.2)

(In millions)	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Treasury Stock, at Cost		Total Stockholders' Deficit
	Shares	Amount				Shares	Amount	
Balance at June 30, 2026	254.8	$ 2.5	$ 2,716.9	$ (2.1)	$ (3,967.4)	3.1	$ (31.0)	$ (1,281.1)
Issuance of common stock under equity offering, net	2.8	—	11.1	—	—	—	—	11.1
Exercise of stock options and release of stock awards, net of shares withheld	2.5	0.1	—	—	—	—	—	0.1
Issuance of common stock in exchange for assets	2.2	—	14.0	—	—	—	—	14.0
Share-based compensation expense for equity classified awards	—	—	3.5	—	—	—	—	3.5
Net loss	—	—	—	—	(53.5)	—	—	(53.5)
Other comprehensive loss	—	—	—	(1.4)	—	—	—	(1.4)
Balance at September 30, 2026	262.3	$ 2.6	$ 2,745.5	$ (3.5)	$ (4,020.9)	3.1	$ (31.0)	$ (1,307.3)

(In millions)	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Treasury Stock, at Cost		Total Stockholders' Deficit
	Shares	Amount				Shares	Amount	
Balance at December 31, 2025	248.4	$ 2.5	$ 2,709.7	$ 7.5	$ (3,908.2)	3.1	$ (31.0)	$ (1,219.5)
Issuance of common stock under equity offering, net	2.8	—	11.1	—	—	—	—	11.1
Exercise of stock options and release of stock awards, net of shares withheld	8.7	0.1	(0.4)	—	—	—	—	(0.3)
Issuance of shares from Employee Stock Purchase Plan	0.2	—	0.2	—	—	—	—	0.2
Issuance of common stock in exchange for assets	2.2	—	14.0	—	—	—	—	14.0
Share-based compensation expense for equity classified awards	—	—	10.9	—	—	—	—	10.9
Net loss	—	—	—	—	(112.7)	—	—	(112.7)
Other comprehensive loss	—	—	—	(11.0)	—	—	—	(11.0)
Balance at September 30, 2026	262.3	$ 2.6	$ 2,745.5	$ (3.5)	$ (4,020.9)	3.1	$ (31.0)	$ (1,307.3)

See accompanying notes to the unaudited condensed consolidated financial statements.

RACKSPACE TECHNOLOGY, INC.
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Company Overview, Basis of Presentation, and Summary of Significant Accounting Policies

Nature of Operations and Basis of Presentation

Rackspace Technology, Inc. ("Rackspace Technology") is a Delaware corporation formerly controlled by investment funds affiliated with Apollo Global Management, Inc. and its subsidiaries ("Apollo"). Rackspace Technology was formed on July 21, 2016 but had no assets, liabilities or operating results until November 3, 2016 when Rackspace Hosting, Inc. (now named Rackspace Technology Global, Inc., or "Rackspace Technology Global"), a global provider of modern information technology-as-a-service, was acquired by Inception Parent, Inc., a wholly-owned entity indirectly owned by Rackspace Technology (the "Rackspace Acquisition").

Rackspace Technology Global commenced operations in 1998 as a limited partnership and was incorporated in Delaware in March 2000. Rackspace Technology serves as the holding company for Rackspace Technology Global and does not engage in any material business or operations other than those related to its indirect ownership of the capital stock of Rackspace Technology Global and its subsidiaries or business or operations otherwise customarily undertaken by a holding company.

For ease of reference, the terms "we," "our company," "the company," "us," or "our" as used in this report refer to Rackspace Technology and its consolidated subsidiaries.

The unaudited condensed consolidated financial statements include the accounts of Rackspace Technology, Inc. and our wholly-owned subsidiaries. Intercompany transactions and balances have been eliminated in consolidation.

Unaudited Interim Financial Information

The unaudited condensed consolidated financial statements as of September 30, 2026, and for the three and nine months ended September 30, 2025 and 2026, have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information. Accordingly, certain financial information and disclosures required for financial statements prepared under GAAP have been omitted in accordance with the Securities and Exchange Commission ("SEC") disclosure rules and regulations that permit reduced disclosure for interim periods. These unaudited interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the related notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2025 as filed with the SEC on March 6, 2026 ("Annual Report"). The unaudited interim condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements included in our Annual Report and, in the opinion of management, reflect all adjustments, which include normal recurring adjustments, necessary for a fair statement of our financial position as of September 30, 2026, our results of operations and stockholders' deficit for the three and nine months ended September 30, 2025 and 2026, and our cash flows for the nine months ended September 30, 2025 and 2026.

The results of operations for the three and nine months ended September 30, 2026 are not necessarily indicative of the results of operations to be expected for the year ending December 31, 2026, or for any other interim period, or for any other future year.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenue and expenses, and related disclosures of contingent assets and liabilities in the condensed consolidated financial statements and accompanying notes. On an ongoing basis, we evaluate our estimates, including those related to the allowance for credit losses, useful lives of property, equipment and software, software capitalization, incremental borrowing rates for lease liability measurement, fair values of intangible assets and reporting units, useful lives of intangible assets, share-based compensation, contingencies, and income taxes, among others. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results could differ from our estimates.

Liquidity Overview

We are a highly leveraged company. As of September 30, 2026, we had $2,306.3 million aggregate principal amount outstanding under our debt instruments, which are comprised of the first lien first out senior secured term loan facility (the "FLFO Term Loan Facility"), the first lien second out senior secured term loan facility (the "FLSO Term Loan Facility"), the senior secured first lien term loan facility (the "Term Loan Facility"), 3.50% FLSO Senior Secured Notes due 2028 (the "3.50% FLSO Senior Secured Notes"), 5.375% Senior Notes due 2028 (the "5.375% Senior Notes"), and 3.50% Senior Secured Notes due 2028 (the "3.50% Senior Secured Notes"). We primarily finance our operations and capital expenditures with internally-generated cash from operations and hardware leases, and if necessary, borrowings under the senior secured first lien first out revolving credit facility (the "Revolving Credit Facility"). As of September 30, 2026, the Revolving Credit Facility provided for up to $375.0 million of borrowings, $290.0 million of which was drawn and outstanding as of September 30, 2026. Our primary uses of cash are working capital requirements, debt service requirements and capital expenditures. Based on our current level of operations and available cash and cash equivalents of $108.0 million as of September 30, 2026, we believe our sources will provide sufficient liquidity over at least the next twelve months. We cannot provide assurance, however, that our business will generate sufficient cash flows from operations or that future borrowings will be available to us under the Revolving Credit Facility or from other sources in an amount sufficient to enable us to pay our indebtedness or to fund our other liquidity needs. Our ability to do so depends on our ability to deliver on our strategic objectives and prevailing economic conditions and other factors, many of which are beyond our control.

Subsequent Events

Pursuant to share purchase agreements entered into with an investor group led by Voss Capital, LP, we issued an aggregate of 24.0 million shares of our common stock to such investors on November 9, 2026 for a cash purchase price of $66.0 million.

Significant Accounting Policies and Estimates

Our Annual Report includes an additional discussion of the significant accounting policies and estimates used in the preparation of our consolidated financial statements. There were no material changes to our significant accounting policies and estimates during the nine months ended September 30, 2026.

Recent Accounting Pronouncements

Measurement of Credit Losses

In July 2025, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2025-05, *Financial Instruments - Credit Losses (Topic 326) - Measurement of Credit Losses for Accounts Receivable and Contract Assets*. ASU 2025-05 allows entities to apply a practical expedient when estimating expected credit losses for current accounts receivable and current contract assets arising from transactions under Accounting Standards Codification ("ASC") No. 606, *Revenue from Contracts with Customers*. We adopted this guidance on January 1, 2026 on a prospective basis. The adoption did not have a material impact on our consolidated financial statements.

2. Customer Contracts

The following table presents the balances related to customer contracts:

(In millions)	Condensed Consolidated Balance Sheets Account	December 31, 2025	September 30, 2026
Accounts receivable, net	Accounts receivable, net [1]	$ 266.5	$ 212.3
Current portion of contract assets	Other current assets	$ 3.8	$ 5.9
Non-current portion of contract assets	Other non-current assets	$ 3.5	$ 3.1
Current portion of deferred revenue	Deferred revenue	$ 94.6	$ 69.3
Non-current portion of deferred revenue	Other non-current liabilities	$ 2.6	$ 3.2

(1) Allowance for credit losses and accrued customer credits was $12.2 million and $11.1 million as of December 31, 2025 and September 30, 2026, respectively.

Amounts recognized in revenue for the three months ended September 30, 2025 and 2026, which were included in deferred revenue as of the beginning of each period totaled $42.8 million and $74.5 million, respectively. Amounts recognized in revenue for the nine months ended September 30, 2025 and 2026, which were included in deferred revenue as of the beginning of each period totaled $80.3 million and $91.9 million, respectively.

Cost Incurred to Obtain and Fulfill a Contract

As of December 31, 2025 and September 30, 2026, the balances of capitalized costs to obtain a contract were $30.8 million and $24.9 million, respectively, and the balances of capitalized costs to fulfill a contract were $16.3 million and $16.9 million, respectively. These capitalized costs are included in "Other non-current assets" on the Condensed Consolidated Balance Sheets.

Amortization of capitalized sales commissions and implementation costs was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	2025	2026	2025	2026
Amortization of capitalized sales commissions	$ 6.2	$ 5.3	$ 19.5	$ 16.7
Amortization of capitalized implementation costs	$ 2.4	$ 2.8	$ 7.1	$ 8.2

Remaining Performance Obligations

As of September 30, 2026, the aggregate amount of transaction price allocated to remaining performance obligations was $850.3 million, of which approximately 11% is expected to be recognized as revenue during the remainder of 2026 and the remainder thereafter. These remaining performance obligations primarily relate to our fixed-term arrangements. The aggregate amount of transaction price excludes variable consideration related to our usage-based arrangements for which we recognize revenue based on the right to invoice for the services performed.

The E.U. Data Act became effective in September 2025 and establishes new requirements related to cloud service switching rights and limits on early termination fees. These provisions will require modifications to our existing E.U. contract terms. We are currently assessing which of our contracts are subject to these requirements. As of September 30, 2026, our existing contractual terms were in place and provide the basis for the remaining performance obligations disclosed above. We expect to revise our contractual terms to comply with the E.U. Data Act in 2026 which could reduce the amount of remaining performance obligations disclosed in future periods.

Convertible Promissory Note

On September 27, 2022, we entered into a convertible note purchase agreement with a private company that is also a customer and a vendor. Pursuant to the purchase agreement, we purchased an unsecured convertible promissory note (the "Note") in an aggregate principal amount of $15.0 million. The Note accrues simple interest at a rate of 6% per annum and matures on September 27, 2027, unless earlier converted per the terms of the agreement. Principal and accrued interest are due and payable on the maturity date. We have elected to apply the fair value option under ASC No. 825, *Financial Instruments*, to account for the Note. As of December 31, 2025 and September 30, 2026, the fair value of the Note was $17.1 million and $20.3 million, respectively. The fair value of the Note is included in "Other non-current assets" and "Other current assets" on our Condensed Consolidated Balance Sheets as of December 31, 2025 and September 30, 2026, respectively. The increase in the fair value of the Note is included in “Other expense, net” in the Condensed Consolidated Statements of Comprehensive Loss.

3. Sale of Receivables

On September 29, 2023, Rackspace US, Inc. and Rackspace Receivables II, LLC, a bankruptcy-remote special purpose vehicle ("SPV"), each an indirect subsidiary of the company, entered into an accounts receivable purchase agreement (the "Receivables Purchase Agreement") with PNC Bank, National Association ("PNC") and other parties thereto. On February 12, 2024, the Receivables Purchase Agreement was amended to include certain international subsidiaries of the company as parties to the agreement and Rackspace Receivables Canada Limited, a Canadian indirect subsidiary of the company, was established as a SPV. On July 2, 2026, the SPVs, and certain other subsidiaries of the company entered into another amendment that, among other things, extended the termination date from September 29, 2026 to the earlier of July 2, 2029 or six months prior to the maturity date of our Revolving Credit Facility (or any revolving credit facility that refinances or replaces such revolving credit facility) and permits the aggregate maximum limit of accounts receivable the SPVs can sell to be increased from $300.0 million to $350.0 million.

We recorded $5.2 million and $5.9 million of yield charges and fees for the three months ended September 30, 2025 and 2026, respectively, and $15.5 million and $14.6 million of yield charges and fees for the nine months ended September 30, 2025 and 2026, respectively, in connection with sold accounts receivable. This expense is recorded within "Other expense, net" in the Condensed Consolidated Statements of Comprehensive Loss.

The outstanding portfolio of sold accounts receivable derecognized from our Condensed Consolidated Balance Sheet as of December 31, 2025 and September 30, 2026 was $253.8 million and $179.5 million, respectively. The SPVs hold unsold accounts receivable of $55.5 million as of September 30, 2026 that are pledged as collateral to PNC.

4. Net Loss Per Share

Basic net loss per share is calculated by dividing net loss attributable to common stockholders by the weighted average number of shares of common stock outstanding during the period. Diluted net loss per share is calculated based on the weighted average number of shares of common stock plus the dilutive effect of potential common share equivalents outstanding during the period as determined under the treasury stock method.

The following table sets forth the computation of basic and diluted net loss per share:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions, except per share data)	2025	2026	2025	2026
Basic and diluted net loss per share:				
Net loss attributable to common stockholders	$ (67.1)	$ (53.5)	$ (193.1)	$ (112.7)
Weighted average shares outstanding:				
Common stock	240.4	256.3	236.8	251.0
Number of shares used in per share computations	240.4	256.3	236.8	251.0
Net loss per share	$ (0.28)	$ (0.21)	$ (0.82)	$ (0.45)

Potential common share equivalents consist of shares issuable upon the exercise of stock options, vesting of restricted stock or purchase under the Employee Stock Purchase Plan (the "ESPP"), as well as contingent shares associated with our acquisition of Datapipe Parent, Inc. Since we were in a net loss position for all periods presented, basic net loss per share is the same as diluted net loss per share for all periods as the inclusion of all potential common shares outstanding would have been anti-dilutive. We excluded 21.8 million and 21.0 million potential common shares from the computation of dilutive loss per share for the three months ended September 30, 2025 and 2026, respectively, and 21.8 million and 21.0 million for the nine months ended September 30, 2025 and 2026, respectively, because the effect would have been anti-dilutive.

5. Property, Equipment and Software, net

Property, equipment and software, net, consisted of the following:

(In millions)	December 31, 2025	September 30, 2026
Computers and equipment	$ 1,114.5	$ 1,137.3
Software	428.6	430.3
Furniture and fixtures	7.3	6.2
Buildings and leasehold improvements	416.6	411.7
Property, equipment and software, at cost	1,967.0	1,985.5
Less: Accumulated depreciation	(1,377.7)	(1,378.4)
Work in process	7.0	31.0
Property, equipment and software, net	$ 596.3	$ 638.1

6. Goodwill and Intangible Assets

The following table sets forth the changes in the carrying amounts of goodwill by reportable segment.

(In millions)	Public Cloud	Private Cloud	Total
Gross goodwill as of December 31, 2025	$ 597.5	$ 1,566.3	$ 2,163.8
Less: accumulated impairment charges	(454.6)	(969.1)	(1,423.7)
Goodwill, net as of December 31, 2025	142.9	597.2	740.1
Foreign currency translation	(0.5)	(0.9)	(1.4)
Goodwill, net as of September 30, 2026	$ 142.4	$ 596.3	$ 738.7
Gross goodwill as of September 30, 2026	$ 597.0	$ 1,565.4	$ 2,162.4
Less: accumulated impairment charges [(1)]	(454.6)	(969.1)	(1,423.7)
Goodwill, net as of September 30, 2026	$ 142.4	$ 596.3	$ 738.7

(1) On a consolidated basis, gross and net goodwill as of September 30, 2026 was $3,044.3 million and $738.7 million, respectively. Accumulated impairment charges on a consolidated basis was $2,305.6 million as of September 30, 2026.

The following table provides information regarding our intangible assets other than goodwill:

	December 31, 2025			September 30, 2026		
(In millions)	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
Customer relationships	$ 1,935.4	$ (1,377.6)	$ 557.8	$ 1,933.9	$ (1,469.9)	$ 464.0
Other	26.7	(26.2)	0.5	26.6	(26.0)	0.6
Total definite-lived intangible assets	1,962.1	(1,403.8)	558.3	1,960.5	(1,495.9)	464.6
Trade name (indefinite-lived)	140.0	—	140.0	140.0	—	140.0
Total intangible assets other than goodwill	$ 2,102.1	$ (1,403.8)	$ 698.3	$ 2,100.5	$ (1,495.9)	$ 604.6

7. Debt

Debt consisted of the following:

(In millions, except %)		December 31, 2025		September 30, 2026	
Debt Instrument	**Maturity Date**	**Interest Rate[1]**	**Amount**	**Interest Rate[1]**	**Amount**
FLSO Term Loan Facility	May 15, 2028	6.61%	$ 1,610.0	6.76%	$ 1,597.4
FLFO Term Loan Facility	May 15, 2028	10.11%	270.2	10.26%	268.1
Term Loan Facility	February 15, 2028	6.60%	61.1	6.76%	60.6
Revolving Credit Facility	May 15, 2028	6.73%	60.0	6.88%	290.0
3.50% FLSO Senior Secured Notes	May 15, 2028	3.50%	318.6	3.50%	248.2
3.50% Senior Secured Notes	February 15, 2028	3.50%	43.9	3.50%	42.6
5.375% Senior Notes	December 1, 2028	5.375%	125.4	5.375%	89.4
Total principal amount outstanding			2,489.2		2,596.3
Unamortized debt issuance costs, debt premium, and debt discount			256.8		196.3
Total debt			2,746.0		2,792.6
Less: current portion of debt			(27.3)		(22.4)
Debt, excluding current portion			$ 2,718.7		$ 2,770.2

(1) Contractual interest rate as of each respective balance sheet date. The Revolving Credit Facility interest rate is the weighted average interest rate of borrowings outstanding as of the balance sheet date.

Senior Facilities

On March 12, 2024, Rackspace Finance Holdings, LLC ("Rackspace Finance Holdings"), Rackspace Finance, LLC ("Rackspace Finance"), the lenders and issuing banks party thereto and Citibank, N.A., as the administrative agent and collateral agent, entered into the credit agreement governing the FLSO Term Loan Facility, FLFO Term Loan Facility and Revolving Credit Facility (together, the "Senior Facilities") (the "First Lien Credit Agreement").

FLSO Term Loan Facility

Rackspace Finance issued the FLSO Term Loan Facility in an aggregate principal amount of $1,687.2 million. The FLSO Term Loan Facility matures on May 15, 2028. Borrowings under the FLSO Term Loan Facility bear interest at an annual rate equal to Term Secured Overnight Financing Rate ("SOFR") equal to the forward-looking term rate, based on the secured overnight financing rate as administered by the Federal Reserve Bank of New York, for the interest period relevant to such borrowing, plus a credit spread adjustment of 0.11% for an interest period of one-month's duration, 0.26% for an interest period of three-month duration, and 0.43% for an interest period of six-month duration, subject to a 0.75% floor, plus an applicable margin of 2.75%.

As of September 30, 2026, the contractual interest rate on the FLSO Term Loan Facility was 6.76%. We are required to make quarterly principal payments of $4.2 million.

Affiliates of Apollo are FLSO Term Loan Facility lenders under the First Lien Credit Agreement. As of September 30, 2026, the outstanding principal amount of the FLSO Term Loan Facility was $1,597.4 million, of which $61.1 million, or 3.8%, is due to Apollo affiliates.

Rackspace Finance may prepay some or all of the FLSO Term Loan Facility, together with accrued and unpaid interest, without prepayment premium or penalty.

The fair value of the FLSO Term Loan Facility as of September 30, 2026 was $1,437.7 million, based on quoted market prices for identical assets that are traded in over-the-counter secondary markets that are not considered active. The fair value of the FLSO Term Loan Facility is classified as Level 2 within the fair value hierarchy.

The FLSO Term Loan Facility contains certain customary affirmative covenants, negative covenants, and events of default.

FLFO Term Loan Facility

Rackspace Finance issued the FLFO Term Loan Facility in an initial aggregate principal amount of $275.0 million. The FLFO Term Loan Facility matures on May 15, 2028. Borrowings under the FLFO Term Loan Facility bear interest at an annual rate equal to Term SOFR equal to the forward-looking term rate, based on the secured overnight financing rate as administered by the Federal Reserve Bank of New York, for the interest period relevant to such borrowing, plus a credit spread adjustment of 0.11% for an interest period of one-month's duration, 0.26% for an interest period of three-month duration, and 0.43% for an interest period of six-month duration, subject to a 0.75% floor, plus an applicable margin of 6.25% and were issued with 1.00% of original issue discount.

As of September 30, 2026, the contractual interest rate on the FLFO Term Loan Facility was 10.26%. We are required to make quarterly principal payments of $0.7 million.

On or after September 12, 2025 but prior to September 12, 2027, Rackspace Finance may prepay some or all of the FLFO Term Loan Facility, together with accrued and unpaid interest, subject to a prepayment fee equal to (x) 3.00% of the principal amount of the FLFO Term Loan Facility so prepaid prior to September 12, 2026 and (y) 1.00% of the principal amount of the FLFO Term Loan Facility so prepaid on or after September 12, 2026 but prior to September 12, 2027. On or after September 12, 2027, Rackspace Finance may prepay some or all of the FLFO Term Loan Facility, together with accrued and unpaid interest, without prepayment premium or penalty.

The fair value of the FLFO Term Loan Facility as of September 30, 2026 was $270.8 million, based on quoted market prices for identical assets that are traded in over-the-counter secondary markets that are not considered active. The fair value of the FLFO Term Loan Facility is classified as Level 2 within the fair value hierarchy.

The FLFO Term Loan Facility contains certain customary affirmative covenants, negative covenants, and events of default.

Revolving Credit Facility

Rackspace Finance established the Revolving Credit Facility in an aggregate principal amount of $375.0 million of commitments. The Revolving Credit Facility matures on May 15, 2028 and bears interest at an annual rate equal to Term SOFR equal to the forward-looking term rate, based on the secured overnight financing rate as administered by the Federal Reserve Bank of New York, for the interest period relevant to such borrowing, subject to a 1.00% floor, plus an applicable margin of initially 3.00%. The applicable margin is subject to a net first lien leverage-based pricing grid as set forth in the First Lien Credit Agreement. In addition to paying interest on the outstanding principal under the Revolving Credit Facility, Rackspace Finance is required to pay a commitment fee equal to initially 0.50% per annum to the lenders under the Revolving Credit Facility in respect of the unutilized commitments thereunder. The commitment fee is subject to a net first lien leverage-based pricing grid as set forth in the First Lien Credit Agreement. Rackspace Finance may prepay loans incurred under the Revolving Credit Facility, together with accrued and unpaid interest, without prepayment premium or penalty.

The Revolving Credit Facility contains certain customary affirmative covenants, negative covenants, and events of default. In addition, the Revolving Credit Facility contains a financial covenant which limits the super-priority net senior secured leverage ratio to a maximum of 5.00 to 1.00; however, this covenant is only applicable and tested if the aggregate amount of outstanding borrowings under the Revolving Credit Facility and letters of credit issued thereunder (excluding $25.0 million of undrawn letters of credit and cash collateralized letters of credit) as of the last day of a fiscal quarter is greater than 35% of the Revolving Credit Facility commitments as of the last day of such fiscal quarter.

During the nine months ended September 30, 2026, we borrowed $330.0 million and repaid $100.0 million on the Revolving Credit Facility. As of September 30, 2026, we had total commitments of $375.0 million, $290.0 million of outstanding borrowings under the Revolving Credit Facility, and $23.5 million of letters of credit issued thereunder. As such, as of September 30, 2026, we had $61.5 million of available commitments remaining.

As of September 30, 2026, we were in compliance with all covenants under the Senior Facilities, including the financial covenant under the Revolving Credit Facility, which was applicable and tested as of such date.

3.50% FLSO Senior Secured Notes due 2028

On March 12, 2024, Rackspace Finance issued $267.3 million initial aggregate principal amount of the 3.50% FLSO Senior Secured Notes. On April 2, 2024 and April 16, 2024, Rackspace Finance issued additional 3.50% FLSO Senior Secured Notes in an aggregate principal amount of $93.3 million and $3.6 million, respectively. The 3.50% FLSO Senior Secured Notes will mature on May 15, 2028 and bear interest at an annual fixed rate of 3.50%. Interest is payable semiannually on February 15 and August 15. The 3.50% FLSO Senior Secured Notes are not subject to registration rights.

Rackspace Finance may redeem the 3.50% FLSO Senior Secured Notes at its option, in whole at any time or in part from time to time, at a redemption price equal to 100% of the principal amount of the 3.50% FLSO Senior Secured Notes redeemed, plus accrued and unpaid interest, if any, to but excluding the redemption date.

During the nine months ended September 30, 2026, Rackspace Finance repurchased and surrendered for cancellation $70.3 million principal amount of the 3.50% FLSO Senior Secured Notes for $35.5 million, including accrued interest and fees of $0.4 million. In connection with these repurchases, we recorded a gain, included in "Gain on debt extinguishment", of $40.3 million in our Condensed Consolidated Statements of Comprehensive Loss for the nine months ended September 30, 2026, which includes $5.2 million of unamortized debt premium write-offs.

The indenture governing the 3.50% FLSO Senior Secured Notes (the "3.50% FLSO Senior Secured Notes Indenture") contains covenants that, among other things, limit our ability to incur certain additional debt, incur certain liens securing debt, pay certain dividends or make other restricted payments, make certain investments, make certain asset sales and enter into certain transactions with affiliates. These covenants are subject to a number of exceptions, limitations, and qualifications as set forth in the 3.50% FLSO Senior Secured Notes Indenture. Additionally, upon the occurrence of a change of control (as defined in the 3.50% FLSO Senior Secured Notes Indenture), we will be required to make an offer to repurchase all of the outstanding 3.50% FLSO Senior Secured Notes at a price in cash equal to 101.000% of the aggregate principal amount, plus accrued and unpaid interest, if any, to, but not including the purchase date. The 3.50% FLSO Senior Secured Notes Indenture also contains customary events of default.

As of September 30, 2026, we were in compliance with all covenants under the 3.50% FLSO Senior Secured Notes Indenture.

The fair value of the 3.50% FLSO Senior Secured Notes as of September 30, 2026 was $212.2 million based on quoted market prices for identical assets that are traded in over-the-counter secondary markets that are not considered active. The fair value of the 3.50% FLSO Senior Secured Notes is classified as Level 2 within the fair value hierarchy.

Term Loan Facility

On February 9, 2021, Rackspace Technology Global amended and restated the credit agreement governing the $2,300.0 million Term Loan Facility. The Term Loan Facility matures on February 15, 2028.

Borrowings under the Term Loan Facility bear interest at an annual rate equal to an applicable margin plus, at our option, either (a) Term SOFR equal to the forward-looking term rate, based on the secured overnight financing rate as administered by the Federal Reserve Bank of New York, for the interest period relevant to such borrowing, plus a credit spread adjustment of 0.11% for an interest period of one-month's duration, 0.26% for an interest period of three-month duration, and 0.43% for an interest period of six-month duration, subject to a 0.75% floor or (b) a base rate determined by reference to the highest of (i) the federal funds rate plus 0.50%, (ii) the prime rate last quoted by The Wall Street Journal and (iii) adjusted Term SOFR for a one-month tenor plus 1.00%.

The applicable margin for the Term Loan Facility is 2.75% for SOFR loans and 1.75% for base rate loans. Interest is due at the end of each interest period elected, not exceeding 90 days, for SOFR loans and at the end of every calendar quarter for base rate loans.

As of September 30, 2026, the contractual interest rate on the Term Loan Facility was 6.76%. We are required to make quarterly principal payments of $0.2 million.

In addition to the quarterly amortization payments discussed above, the Term Loan Facility requires us to make certain mandatory prepayments, including using (i) a portion of annual excess cash flow, as defined in the credit agreement governing the Term Loan Facility, to prepay the Term Loan Facility, (ii) net cash proceeds of certain non-ordinary assets sales or dispositions of property to prepay the Term Loan Facility and (iii) net cash proceeds of any issuance or incurrence of debt not permitted under the Term Loan Facility to prepay the Term Loan Facility. We may make voluntary prepayments at any time without penalty.

As of September 30, 2026, we were in compliance with all covenants under the credit agreement governing the Term Loan Facility.

The fair value of the Term Loan Facility as of September 30, 2026 was $51.8 million, based on quoted market prices for identical assets that are traded in over-the-counter secondary markets that are not considered active. The fair value of the Term Loan Facility is classified as Level 2 within the fair value hierarchy.

3.50% Senior Secured Notes due 2028

On February 9, 2021, Rackspace Technology Global issued $550.0 million aggregate principal amount of the 3.50% Senior Secured Notes. The 3.50% Senior Secured Notes will mature on February 15, 2028 and bear interest at an annual fixed rate of 3.50%. Interest is payable semiannually on February 15 and August 15. The 3.50% Senior Secured Notes are not subject to registration rights.

Rackspace Technology Global may redeem the 3.50% Senior Secured Notes at its option, in whole at any time or in part from time to time, at a redemption price equal to 100.000% of the principal amount, plus accrued and unpaid interest, if any, to but excluding the redemption date. Notwithstanding the foregoing, Rackspace Technology Global may redeem during each twelve-month period, commencing with February 9, 2021, up to 10.0% of the original aggregate principal amount of the 3.50% Senior Secured Notes at a redemption price of 103.000%, plus accrued and unpaid interest, if any, to, but excluding, the applicable redemption date.

During the nine months ended September 30, 2026, Rackspace Technology Global repurchased and surrendered for cancellation $1.3 million principal amount of the 3.50% Senior Secured Notes for $0.6 million. In connection with this repurchase, we recorded a gain, included in "Gain on debt extinguishment", of $0.7 million, in our Condensed Consolidated Statements of Comprehensive Loss for the nine months ended September 30, 2026.

The indenture governing the 3.50% Senior Secured Notes (the "3.50% Notes Indenture") contains covenants that, among other things, limit our ability to incur certain additional debt, incur certain liens securing debt, pay certain dividends or make other restricted payments, make certain investments, make certain asset sales and enter into certain transactions with affiliates. These covenants are subject to a number of exceptions, limitations, and qualifications as set forth in the 3.50% Notes Indenture. Additionally, upon the occurrence of a change of control (as defined in the 3.50% Notes Indenture), we will be required to make an offer to repurchase all of the outstanding 3.50% Senior Secured Notes at a price in cash equal to 101.000% of the aggregate principal amount, plus accrued and unpaid interest, if any, to, but not including the purchase date.

As of September 30, 2026, Rackspace Technology Global was in compliance with all covenants under the 3.50% Notes Indenture.

The fair value of the 3.50% Senior Secured Notes as of September 30, 2026 was $26.5 million, based on quoted market prices for identical assets that are traded in over-the-counter secondary markets that are not considered active. The fair value of the 3.50% Senior Secured Notes is classified as Level 2 within the fair value hierarchy.

5.375% Senior Notes due 2028

On December 1, 2020, Rackspace Technology Global issued $550.0 million aggregate principal amount of the 5.375% Senior Notes. The 5.375% Senior Notes will mature on December 1, 2028 and bear interest at an annual fixed rate of 5.375%. Interest is payable semiannually on June 1 and December 1. The 5.375% Senior Notes are not subject to registration rights.

Rackspace Technology Global may redeem the 5.375% Senior Notes at its option, in whole at any time or in part from time to time, at a redemption price equal to 100.000% of the principal amount, plus accrued and unpaid interest, if any, to but excluding the redemption date.

During the nine months ended September 30, 2026, Rackspace Technology Global repurchased and surrendered for cancellation $36.0 million principal amount of the 5.375% Senior Secured Notes for $15.0 million, including accrued interest and fees of $0.7 million. In connection with these repurchases, we recorded a gain, included in "Gain on debt extinguishment", of $21.4 million, in our Condensed Consolidated Statements of Comprehensive Loss for the nine months ended September 30, 2026, which includes $0.2 million of unamortized debt issuance costs write-offs.

The indenture governing the 5.375% Senior Notes (the "5.375% Notes Indenture") contains covenants that, among other things, limit our ability to incur certain additional debt, incur certain liens securing debt, pay certain dividends or make other restricted payments, make certain investments, make certain asset sales and enter into certain transactions with affiliates. These covenants are subject to a number of exceptions, limitations, and qualifications as set forth in the 5.375% Notes Indenture. Additionally, upon the occurrence of a change of control (as defined in the 5.375% Notes Indenture), we will be required to make an offer to repurchase all of the outstanding 5.375% Senior Notes at a price in cash equal to 101.000% of the aggregate principal amount, plus accrued and unpaid interest, if any, to, but not including the purchase date.

As of September 30, 2026, Rackspace Technology Global was in compliance with all covenants under the 5.375% Notes Indenture.

The fair value of the 5.375% Senior Notes as of September 30, 2026 was $71.2 million, based on quoted market prices for identical assets that are traded in over-the-counter secondary markets that are not considered active. The fair value of the 5.375% Senior Notes is classified as Level 2 within the fair value hierarchy.

8. Commitments and Contingencies

We have contingencies that arise from various litigation, claims and commitments, none of which we consider to be material. From time to time, we may be party to various legal proceedings arising in the ordinary course of business. In addition, third parties may bring intellectual property claims against us asserting that certain of our offerings, services and technologies infringe, misappropriate or otherwise violate the intellectual property or proprietary rights of others. Adverse results in these lawsuits may include awards of substantial monetary damages, costly royalty or licensing agreements, or orders preventing us from offering certain features, products, or services, and may also cause us to change our business practices and require development of non-infringing products or technologies, which could result in a loss of revenue for us or otherwise harm our business.

We record an accrual for a loss contingency when a loss is considered probable and reasonably estimable. As additional facts concerning a loss contingency become known, we reassess our position and make appropriate adjustments to a recorded accrual. The amount that will ultimately be paid related to a matter may differ from the recorded accrual, and the timing of such payments, if any, may be uncertain.

Except as noted below and based on current information, we are not a party to any litigation, the outcome of which, if determined adversely to us, would individually or in the aggregate be reasonably expected to have a material and adverse effect on our business, financial position or results of operations.

On July 29, 2026, we and two of our executive officers were named as defendants in a putative securities class action complaint filed in the United States District Court for the Southern District of New York (*Morgan-Reed v. Rackspace Technology, Inc., et al., Case No. 1:26-cv-06491*). The complaint asserts claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 on behalf of a putative class of persons who purchased or otherwise acquired our common stock between May 7, 2026 and July 8, 2026. See Part II, Item 1, "Legal Proceedings," for further detail. As this matter is in its preliminary stages, we are unable to predict its outcome or reasonably estimate a range of possible loss, if any, and no liability has been recorded as of the date of this filing.

9. Share-Based Compensation and Stockholder's Equity

2020 Incentive Plan

On April 27, 2026, the Board of Directors approved an amendment to the Rackspace Technology, Inc. 2020 Equity Incentive Plan (the "2020 Incentive Plan") to increase the maximum number of shares of our common stock available for issuance under the 2020 Incentive Plan from 87.9 million shares to 107.9 million shares, subject to stockholder approval. The amendment was subsequently approved by our stockholders as part of the 2026 Annual Meeting of Stockholders held on June 18, 2026.

During the nine months ended September 30, 2026, we granted 8.8 million restricted stock units ("RSUs") under the 2020 Incentive Plan with a weighted-average grant date fair value of $1.67. The majority of the RSUs were granted as part of our annual compensation award process and vest ratably over a three-year period, subject to continued service.

In addition, during the nine months ended September 30, 2026, we granted 18.3 million long-term incentive cash units ("LTIC units") under the 2020 Incentive Plan. The awards were valued using a Monte Carlo simulation and as of September 30, 2026 the LTIC units had a weighted average fair value of $0.95. The LTIC units represent the target amount of grants, and the actual number of units awarded upon vesting may vary depending upon the achievement of the relevant market condition which is based on the performance of our common stock. The awards are eligible to vest in equal installments over three years based on the attainment of the market condition and the employee's continued service through the vesting date. As the company intends to settle the LTIC units in cash, they were classified as liabilities within "Other current liabilities" and "Other non-current liabilities" in the Condensed Consolidated Balance Sheets.

Lastly, during the nine months ended September 30, 2026, we granted 0.3 million stock options under the 2020 Incentive Plan with a grant date fair value of $3.68. These options were granted as part of our recruitment process and vest ratably over a four-year period, subject to continued service.

Share-Based Compensation Expense

Total share-based compensation expense is comprised of the following equity and liability classified award amounts:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	2025	2026	2025	2026
Equity classified awards	$ 9.8	$ 3.5	$ 24.3	$ 10.9
Liability classified awards	8.4	0.5	15.9	10.1
Total share-based compensation expense	$ 18.2	$ 4.0	$ 40.2	$ 21.0

Total share-based compensation expense recognized was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	2025	2026	2025	2026
Cost of revenue	$ 1.2	$ 0.7	$ 4.3	$ 2.8
Selling, general and administrative expenses	17.0	3.3	35.9	18.2
Pre-tax share-based compensation expense	18.2	4.0	40.2	21.0
Less: Income tax benefit	(3.8)	(0.8)	(8.4)	(4.4)
Total share-based compensation expense, net of tax	$ 14.4	$ 3.2	$ 31.8	$ 16.6

As of September 30, 2026, there was $23.7 million of total unrecognized compensation cost related to RSUs, performance stock units, stock options and the ESPP, which will be recognized using the service period or over our best estimate of the period over which the performance condition will be met, as applicable. Additionally, as of September 30, 2026 there was $12.5 million of total unrecognized expense related to LTIC units, which will be recognized over the remaining service period. The expense ultimately recognized is dependent on the fair value of the award as of the end of the performance periods.

Stockholder's Equity

On July 9, 2026, we entered into an equity distribution agreement with Goldman Sachs & Co. LLC under which we may offer and sell up to $250.0 million of shares of our common stock, par value $0.01 per share. We currently intend to use the net proceeds from this offering for general corporate purposes, including for working capital, capital expenditures and growth capital (including GPU-related costs). During the three months ended September 30, 2026, we sold 2.8 million shares of our common stock under the equity distribution agreement for net proceeds to us of $12.2 million, after deducting compensation paid to Goldman Sachs & Co. LLC of $0.2 million and transaction fees, or $11.1 million after also deducting other offering costs (with total commissions, fees and other offering costs of $1.3 million).

Pursuant to a Share Issuance Agreement with Palantir Technologies Inc. ("Palantir"), we issued 2.2 million shares of our common stock to Palantir on July 6, 2026 as non-cash consideration having an aggregate fair value of approximately $14.0 million on the date of issuance. We issued an additional 3.8 million shares of our common stock to Palantir on October 1, 2026 as non-cash consideration having an aggregate fair value of approximately $14.7 million on the date of issuance.

10. Taxes

We are subject to U.S. federal income tax and various state, local, and international income taxes in numerous jurisdictions. The differences between our effective tax rate and the U.S. federal statutory rate of 21% generally result from various factors, including the geographical distribution of taxable income, contingency reserves for uncertain tax positions, and permanent differences between the book and tax treatment of certain items. Additionally, the amount of income taxes paid is subject to our interpretation of applicable tax laws in the jurisdictions in which we file. For the three and nine months ended September 30, 2026, our effective tax rate is lower than the U.S. federal statutory rate of 21% primarily due to the tax impact associated with changes in valuation allowance, executive compensation that is nondeductible under Internal Revenue Code ("IRC") Section 162(m), and the net impact of the geographic distribution of our earnings.

11. Derivatives

We utilize derivative instruments, including interest rate swap agreements, to manage our exposure to interest rate risk. We only hold such instruments for economic hedging purposes, not for speculative or trading purposes. Our derivative instruments are transacted only with highly-rated institutions, which reduces our exposure to credit risk in the event of nonperformance.

Interest Rate Swaps

We are exposed to interest rate risk associated with fluctuations in interest rates on the floating-rate Term Loan Facility, FLSO Term Loan Facility, and FLFO Term Loan Facility. The objective in using interest rate derivatives is to manage our exposure to interest rate movements. To accomplish this objective, we have entered into interest rate swap agreements as part of our interest rate risk management strategy. Interest rate swaps involve the receipt of variable amounts from a counterparty in exchange for the company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount.

On February 9, 2021, we entered into a $1.35 billion pay-fixed interest rate swap that matured in February 2026. The pay-fixed interest rate swap qualified as a hybrid instrument in accordance with ASC No. 815, *Derivatives and Hedging*, consisting of a loan and an embedded at-market derivative that was designated as a cash flow hedge. The loan was accounted for at amortized cost over the life of the swap while the embedded at-market derivative was accounted for at fair value. The $1.35 billion swap was indexed to one-month Term SOFR and net settled on a monthly basis with the counterparty for the difference between the fixed rate of 2.34150% and the variable rate based upon one-month Term SOFR (subject to a floor of 0.75%) as applied to the notional amount of the swap. The cash flows related to the portion treated as debt was classified as financing activities in the Condensed Consolidated Statements of Cash Flows while the portion treated as an at-market derivative was classified as operating activities.

Our interest rate swap agreement, excluding the portion treated as debt, was recognized at fair value in the Condensed Consolidated Balance Sheets and was valued using pricing models that rely on market observable inputs such as yield curve data, which are classified as Level 2 inputs within the fair value hierarchy.

As of December 31, 2025 the cash flow hedge was highly effective. Our interest rate swap matured on February 9, 2026. Therefore, as of September 30, 2026, we do not have any interest rate swaps outstanding.

Fair Values of Derivatives on the Condensed Consolidated Balance Sheets

The fair value of our derivative and its location on the Condensed Consolidated Balance Sheets as of December 31, 2025 was as follows:

(In millions)		December 31, 2025	
		Assets	Liabilities
Derivatives designated as hedging instruments	**Location**		
Interest rate swaps	Other current assets	$ 4.0	$ —
Interest rate swaps	Other current liabilities [1]	—	3.0
Total		$ 4.0	$ 3.0

(1) The entire balance is comprised of the financing component of the pay-fixed interest rate swap.

For financial statement presentation purposes, we do not offset assets and liabilities under master netting arrangements and all amounts above are presented on a gross basis. The following table, however, is presented on a net asset and net liability basis:

(In millions)	December 31, 2025		
	Gross Amounts on Balance Sheet	Effects of Counterparty Netting	Net Amounts
Assets			
Interest rate swaps	$ 4.0	$ (3.0)	$ 1.0
Liabilities			
Interest rate swaps	$ 3.0	$ (3.0)	$ —

Effect of Derivatives on the Condensed Consolidated Statements of Comprehensive Loss

The effect of our derivative and its location on the Condensed Consolidated Statements of Comprehensive Loss for the three and nine months ended September 30, 2025 and 2026 was as follows:

(In millions)		Three Months Ended September 30,		Nine Months Ended September 30,	
		2025	2026	2025	2026
Derivatives designated as hedging instruments	**Location**				
Interest rate swaps	Interest income (expense)	$ 11.6	$ —	$ 34.4	$ 4.0

See Note 12, "Accumulated Other Comprehensive Income (Loss)," for information regarding changes in fair value of our derivatives designated as hedging instruments.

12. Accumulated Other Comprehensive Income (Loss)

Accumulated other comprehensive income (loss) consisted of the following:

(In millions)	Accumulated Foreign Currency Translation Adjustments	Accumulated Gain on Derivative Contracts	Accumulated Other Comprehensive Income
Balance at June 30, 2025	$ 2.8	$ 18.5	$ 21.3
Foreign currency translation adjustments, net of tax benefit of $0.2	(1.5)	—	(1.5)
Unrealized gain on derivative contracts, net of tax expense of $0.1	—	0.5	0.5
Amount reclassified from Accumulated other comprehensive income (loss) into earnings, net of tax expense of $2.9 [1]	—	(8.7)	(8.7)
Balance at September 30, 2025	$ 1.3	$ 10.3	$ 11.6

(1) Includes a reduction to interest expense recognized of $11.6 million related to the cash flow hedge gain for the three months ended September 30, 2025.

(In millions)	Accumulated Foreign Currency Translation Adjustments	Accumulated Gain on Derivative Contracts	Accumulated Other Comprehensive Income
Balance at December 31, 2024	$ (10.2)	$ 34.3	$ 24.1
Foreign currency translation adjustments, net of tax expense of $1.5	11.5	—	11.5
Unrealized gain on derivative contracts, net of tax expense of $0.6	—	1.9	1.9
Amount reclassified from Accumulated other comprehensive income (loss) into earnings, net of tax expense of $8.5 [1]	—	(25.9)	(25.9)
Balance at September 30, 2025	$ 1.3	$ 10.3	$ 11.6

(1) Includes a reduction to interest expense recognized of $34.4 million related to the cash flow hedge gain for the nine months ended September 30, 2025.

(In millions)	Accumulated Foreign Currency Translation Adjustments	Accumulated Gain on Derivative Contracts	Accumulated Other Comprehensive Loss
Balance at June 30, 2026	$ (2.1)	$ —	$ (2.1)
Foreign currency translation adjustments	(1.4)	—	(1.4)
Balance at September 30, 2026	$ (3.5)	$ —	$ (3.5)

(In millions)	Accumulated Foreign Currency Translation Adjustments	Accumulated Gain on Derivative Contracts	Accumulated Other Comprehensive Income (Loss)
Balance at December 31, 2025	$ 5.0	$ 2.5	$ 7.5
Foreign currency translation adjustments, net of tax expense of $2.4	(8.5)	—	(8.5)
Amount reclassified from Accumulated other comprehensive income (loss) into earnings, net of tax expense of $1.5 [1]	—	(2.5)	(2.5)
Balance at September 30, 2026	$ (3.5)	$ —	$ (3.5)

(1) Includes a reduction to interest expense recognized of $4.0 million related to the cash flow hedge gain for the nine months ended September 30, 2026.

13. Segment Reporting

We have organized our operations into two operating segments, which correspond directly to our reportable segments: Public Cloud, a services-centric, capital-light model providing value-added cloud solutions through managed services, Elastic Engineering and professional services offerings for customer environments hosted on the Amazon Web Services ("AWS"), Microsoft Azure and Google Cloud public cloud platforms; and Private Cloud, a technology-forward, capital-intensive model providing managed service offerings for customer environments hosted in one of our data centers as well as in those owned by customers or by third parties such as colocation providers.

This two-business unit operating model allows for each segment to be managed separately based on the different service offerings and respective operational and marketing strategies, ensuring increased focus, delivery, and service quality for our customers.

Our segments are based upon a number of factors, including, the basis for our budgets and forecasts, organizational and management structure and the financial information regularly provided to our Chief Operating Decision Maker ("CODM"), who we have determined to be our Chief Executive Officer. The CODM is responsible for making key operating and strategic decisions to assess performance for each segment. We assess financial performance of our segments on the basis of revenue and segment operating profit. The CODM utilizes both revenue and segment operating profit or loss before interest and income taxes to allocate resources and assesses performance of each segment by comparing actual revenue and operating profit or loss results, respectively, to historical results and previously forecasted financial information. Segment operating profit includes expenses directly attributable to running the respective segments' business. This excludes any corporate overhead expenses. We have centralized corporate functions that provide services to the segments in areas such as accounting, information technology, marketing, legal and human resources. Corporate function costs that are not allocated to the segments are included in the row labeled "Corporate functions" in the table below.

The table below presents revenue and segment operating profit by reportable segment and a reconciliation of consolidated segment operating profit to consolidated loss before income taxes for the three and nine months ended September 30, 2025 and 2026.

(In millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2026	2025	2026
Public Cloud				
Revenue	$ 421.6	$ 349.1	$ 1,253.8	$ 1,199.3
Third party infrastructure [1]	(329.0)	(284.3)	(979.7)	(960.5)
Other cost of revenue [2]	(54.1)	(28.1)	(156.2)	(123.5)
Other segment items [3]	(24.5)	(9.5)	(70.4)	(48.4)
Segment operating profit	$ 14.0	$ 27.2	$ 47.5	$ 66.9
Private Cloud				
Revenue	$ 249.6	$ 260.0	$ 749.1	$ 758.0
Cost of revenue	(154.6)	(178.0)	(469.5)	(506.5)
Other segment items [3]	(27.8)	(28.6)	(89.9)	(82.7)
Segment operating profit	$ 67.2	$ 53.4	$ 189.7	$ 168.8
Total Consolidated				
Revenue	$ 671.2	$ 609.1	$ 2,002.9	$ 1,957.3
Segment operating profit	$ 81.2	$ 80.6	$ 237.2	$ 235.7
Corporate functions	(49.2)	(44.7)	(152.3)	(141.7)
Share-based compensation expense	(18.2)	(4.0)	(40.2)	(21.0)
Transaction-related adjustments, net [4]	(0.2)	(0.1)	(2.1)	(2.2)
Restructuring and transformation expenses [5]	(10.0)	(13.1)	(27.5)	(40.5)
Amortization of intangible assets [6]	(37.5)	(31.2)	(112.5)	(93.8)
Interest expense	(21.2)	(35.5)	(61.9)	(95.9)
Gain on investments, net	0.1	0.1	0.3	0.1
Gain on debt extinguishment	—	—	—	62.5
Other expense, net	(4.0)	(1.8)	(13.2)	(10.4)
Total consolidated loss before income taxes	$ (59.0)	$ (49.7)	$ (172.2)	$ (107.2)

(1) Represents usage charges from public cloud infrastructure providers.

(2) Other cost of revenue excludes third party infrastructure expenses and is comprised of certain license costs, labor, and other designated expenses.

(3) Other segment items for each segment include directly allocable research and development expenses, sales and marketing expenses, and certain other general and administrative expenses.

(4) Includes purchase accounting adjustments, exploratory acquisition and divestiture costs, and expenses related to financing activities.

(5) Includes consulting and advisory fees related to business transformation and optimization activities, as well as associated severance, certain facility closure costs, and lease termination expenses. Also includes payroll taxes associated with the exercise of stock options and vesting of restricted stock. The three and nine months ended September 30, 2026 also includes $5.7 million and $17.8 million, respectively, of severance and related expenses associated with the workforce realignment plan announced in June 2026. The workforce realignment plan is intended to accelerate our Enterprise AI strategy and is expected to result in the termination of approximately 15% of our global workforce, with estimated one-time expenses of approximately $14.0 million to $19.0 million to be incurred in 2026.

(6) All of our intangible assets are attributable to acquisitions, including the Rackspace Acquisition in 2016.

The table below presents depreciation expense included in segment operating profit above for the three and nine months ended September 30, 2025 and 2026.

(In millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2026	2025	2026
Public Cloud	$ 1.7	$ 1.8	$ 5.1	$ 5.4
Private Cloud	30.6	32.9	90.9	98.8
Corporate functions	5.3	4.5	15.5	14.1
Total depreciation expense	$ 37.6	$ 39.2	$ 111.5	$ 118.3

Management does not use total assets by segment to evaluate segment performance or allocate resources. As such, total assets by segment are not disclosed.

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help readers understand our results of operations, financial condition and cash flows and should be read in conjunction with the condensed consolidated financial statements and the related notes included elsewhere in this Quarterly Report on Form 10-Q (this "Quarterly Report") and with the audited consolidated financial statements and the related notes included in our Annual Report. References to "Rackspace Technology," "we," "our company," "the company," "us," or "our" refer to Rackspace Technology, Inc. and its consolidated subsidiaries.

The following discussion contains forward-looking statements that are subject to risks and uncertainties. Actual results may differ materially from those contained in any forward-looking statements. See "Special Note Regarding Forward-Looking Statements" contained elsewhere in this Quarterly Report.

Overview

We are the operator of the full enterprise AI stack from governed private cloud to AI inference and agents in production. With an Outcomes-as-a-Service model built on secure infrastructure, data foundations, and forward-deployed engineering, Rackspace delivers business results for regulated and mission-critical industries where governance, sovereignty, and uptime are non-negotiable.

We operate our business and report our results through two reportable segments: Public Cloud and Private Cloud. Our Public Cloud segment is a services-centric, capital-light model providing value-added cloud solutions through managed services, Elastic Engineering and professional services offerings for customer environments hosted on the AWS, Microsoft Azure and Google Cloud public cloud platforms. Our Private Cloud segment is a technology-forward, capital-intensive model providing managed service offerings for customer environments hosted in one of our data centers as well as in those owned by customers or by third parties such as colocation providers. See Item 1 of Part I, Financial Statements - Note 13, "Segment Reporting," for additional information about our segments.

Subsequent Events

For a description of subsequent events, see "Subsequent Events" in Item 1 of Part I, Financial Statements - Note 1, "Company Overview, Basis of Presentation, and Summary of Significant Accounting Policies."

Key Factors Affecting Our Performance

We believe our combination of proprietary technology, automation capabilities and technical expertise creates a value proposition for our customers that is hard to replicate for both competitors and in-house IT departments. We and our customers face a variety of challenges, including evolving technologies (including AI and GenAI) and an uncertain regulatory landscape, including international trade policies and tariffs, as well as other macroeconomic and geopolitical factors. These factors have and will continue to affect demand for our products and services. We believe enterprise demand for AI is shifting from experimentation toward production deployment, with growing emphasis on inference workloads and on governance, security and data control requirements, particularly among customers in regulated industries and the public sector. Our continued success depends to a significant extent on our ability to respond to these and other challenges presented by our highly competitive and dynamic market, including the following key factors:

Differentiating Our Service Offerings in a Competitive Market Environment

Our success depends to a significant extent on our ability to continue to differentiate, expand and upgrade our service offerings in line with developing customer needs. We believe our curated, best-of-breed partners across every layer of the AI stack, combined with data center capacity and over 25 years of technical expertise, represents a unique positional advantage for us. We are the operator of the full enterprise AI stack and have strategic partnership agreements with AMD, VMware by Broadcom, Palantir, Uniphore, Rubrik, and Dell Technologies, with Rackspace remaining fully accountable from silicon through business outcomes. We are also a certified premier consulting and managed services partner to some of the largest cloud computing platforms, including AWS, Microsoft Azure, Google Cloud, Oracle, SAP and VMware by Broadcom. We believe we are unique in our ability to serve customers across major technology stacks and deployment options, while helping customers move AI from experimentation to real-world production. Our existing and prospective customers are also under increasing pressure to move from on-premise or self-managed IT to the cloud to compete effectively in a digital economy and maximize the value of their cloud investments, which we believe presents an opportunity for professional services projects as well as new recurring business.

Customer Relationships and Retention

Our success greatly depends on our ability to retain and develop opportunities with our existing customers and to attract new customers. We operate in a growing but competitive and evolving market environment, requiring innovation to differentiate us from our competitors. Enterprise AI offerings in the market today typically put the full operational burden on the customer, which is especially difficult in regulated industries where governance, data sovereignty and operational continuity are critical. We believe Rackspace is uniquely positioned to deliver the full governed enterprise AI stack from silicon through business outcomes under a single accountable operator, serving a demand visible across the market. Enterprises, particularly in regulated industries, are seeking control over their compute, their models, and their data, and assurance that the proprietary knowledge embedded in that data is not transferred outside their environments. We are model-agnostic by design and operate the governed layer that allows enterprises to use the best available models, whether open, closed, or their own, on private cloud where control matters and public cloud where elasticity matters, while policy, identity, and data boundaries remain under the enterprise’s control.

Business Mix Shift

Private Cloud offerings are generally hosted on our own infrastructure and deliver higher segment operating margins, but also require a higher level of capital expenditures. Historical Private Cloud offerings have also included colocation and basic hosting contracts, which typically generate lower margins relative to other Private Cloud offerings, including managed services and Enterprise AI. Public Cloud segment operating margins have historically been lower than Private Cloud segment operating margins, driven by high volumes of infrastructure resale revenue which come at significantly lower margins. However, Public Cloud requires significantly less capital expenditures.

As we continue to execute our Enterprise AI strategy, we may de-emphasize and/or exit certain colocation and basic hosting arrangements within our established Private Cloud base in order to reserve and optimize capacity for Enterprise AI, our new revenue growth vector within Private Cloud. We also expect to continue to de-emphasize and/or exit lower-margin infrastructure resale in Public Cloud over time, as hyperscalers continue to move customers to direct contracts and we prioritize resources for higher-margin opportunities. Following these transitions, we believe our business mix will shift from legacy lower-growth, lower-margin revenue opportunities toward higher-growth, higher margin revenue opportunities as our strategy matures.

Our Enterprise AI strategy will require significant upfront capital investment (including GPU-related costs). We expect near-term margin pressure as we fund this next phase of growth, as certain investments are anticipated to be incurred ahead of Enterprise AI revenue ramping.

Key Components of Statement of Operations

Revenue

A substantial amount of our revenue, particularly within our Private Cloud segment, is generated pursuant to contracts that typically have a fixed term (typically from 12 to 36 months). Our customers generally have the right to cancel their contracts by providing us with written notice prior to the end of the fixed term, though most of our contracts provide for termination fees in the event of cancellation prior to the end of their term, typically amounting to the outstanding value of the contract. These contracts include a monthly recurring fee, which is determined based on the computing resources utilized and provided to the customer, the complexity of the underlying infrastructure and the level of support we provide. Most of our services within our Public Cloud segment generate usage-based revenue invoiced on a monthly basis and can be canceled at any time without penalty. We also generate revenue from usage-based fees and fees from professional services earned from customers using our hosting and other services. We typically recognize revenue on a daily basis, as services are provided, in an amount that reflects the consideration to which we expect to be entitled in exchange for our services. Our usage-based arrangements generally include a variable consideration component, consisting of monthly utility fees, with a defined price and undefined quantity. Our customer contracts also typically contain service level guarantees, including with respect to network uptime requirements, that provide discounts when we fail to meet specific obligations and, with respect to certain products, we may offer volume discounts based on usage. As these variable consideration components consist of a single distinct daily service provided on a single performance obligation, we account for all of them as services are provided and earned.

Cost of revenue

Cost of revenue consists primarily of usage charges for third-party infrastructure and personnel costs (including salaries, bonuses, benefits and share-based compensation) for engineers, developers and other employees involved in the delivery of services to our customers. Cost of revenue also includes depreciation of servers, software and other systems infrastructure, data center rent and other infrastructure maintenance and support costs, including software license costs and utilities. Cost of revenue is driven mainly by demand for our services, our service mix and the cost of labor in a given geography.

Selling, general and administrative expenses (SG&A)

Selling, general and administrative expenses consist primarily of personnel costs (including salaries, bonuses, commissions, benefits and share-based compensation) for our sales force, executive team and corporate administrative and support employees, including our human resources, finance, accounting and legal functions. SG&A also includes research and development costs, repair and maintenance of corporate infrastructure, facilities rent, third-party advisory fees (including audit, legal and management consulting costs), marketing and advertising costs and insurance, as well as the amortization of related intangible assets and certain depreciation of fixed assets.

SG&A also includes transaction costs related to acquisitions and financings along with costs related to integration and business transformation initiatives which may impact the comparability of SG&A between periods.

Income taxes

Our income tax benefit (provision) and deferred tax assets and liabilities reflect management's best assessment of estimated current and future taxes to be paid. To date, we recorded consolidated tax expense, despite our net losses, due to the recording of valuation allowances against our deferred tax assets. Certain of our non-U.S. subsidiaries continue to incur corporate tax expense or benefit according to the relevant taxing jurisdictions. We are under certain domestic and foreign tax audits. Due to the complexity involved with certain tax matters, there is the possibility that the various taxing authorities may disagree with certain tax positions filed on our income tax returns. We believe we have made adequate provision for all uncertain tax positions. See Item 1 of Part I, Financial Statements - Note 10, "Taxes."

Results of Operations

We discuss our historical results of operations, and the key components of those results, below. Past financial results are not necessarily indicative of future results.

Three Months Ended September 30, 2025 Compared to Three Months Ended September 30, 2026

The following table sets forth our results of operations for the specified periods, as well as changes between periods and as a percentage of revenue for those same periods (totals in table may not foot due to rounding):

	Three Months Ended September 30,					
	2025		2026		Year-Over-Year Comparison	
(In millions, except %)	Amount	% Revenue	Amount	% Revenue	Amount	% Change
Revenue	$ 671.2	100.0 %	$ 609.1	100.0 %	$ (62.1)	(9.3)%
Cost of revenue	(541.3)	(80.6)%	(496.0)	(81.4)%	45.3	(8.4)%
Gross profit	129.9	19.4 %	113.1	18.6 %	(16.8)	(12.9)%
Selling, general and administrative expenses	(163.8)	(24.4)%	(125.6)	(20.6)%	38.2	(23.3)%
Loss from operations	(33.9)	(5.1)%	(12.5)	(2.1)%	21.4	(63.1)%
Other income (expense):						
Interest expense	(21.2)	(3.2)%	(35.5)	(5.8)%	(14.3)	67.5 %
Gain on investments, net	0.1	0.0 %	0.1	0.0 %	—	— %
Other expense, net	(4.0)	(0.6)%	(1.8)	(0.3)%	2.2	(55.0)%
Total other expense	(25.1)	(3.7)%	(37.2)	(6.1)%	(12.1)	48.2 %
Loss before income taxes	(59.0)	(8.8)%	(49.7)	(8.2)%	9.3	(15.8)%
Provision for income taxes	(8.1)	(1.2)%	(3.8)	(0.6)%	4.3	(53.1)%
Net loss	$ (67.1)	(10.0)%	$ (53.5)	(8.8)%	$ 13.6	(20.3)%

Revenue

Revenue decreased $62 million, or 9.3%, to $609 million in the three months ended September 30, 2026 from $671 million in the three months ended September 30, 2025. Revenue decreased due to the decline in Public Cloud, as discussed below.

After removing the impact of foreign currency fluctuations, on a constant currency basis, revenue decreased 9.2% year-over-year. The following table presents revenue by segment:

	Three Months Ended September 30,		% Change	
(In millions, except %)	2025	2026	Actual	Constant Currency [a]
Public Cloud	$ 421.6	$ 349.1	(17.2)%	(17.2)%
Private Cloud	249.6	260.0	4.2 %	4.2 %
Total	$ 671.2	$ 609.1	(9.3)%	(9.2)%

(a) Refer to "*Non-GAAP Financial Measures*" in this section for further explanation and reconciliation.

Public Cloud revenue in the three months ended September 30, 2026 decreased 17.2% on an actual and constant currency basis, from the three months ended September 30, 2025. The decline was driven by both lower services and infrastructure resale revenue.

Private Cloud revenue in the three months ended September 30, 2026 increased 4.2% on an actual and constant currency basis, from the three months ended September 30, 2025, largely due to revenue related to certain customer contracts that include embedded sales-type lease arrangements for hardware.

Cost of Revenue

Cost of revenue decreased $45 million, or 8%, to $496 million in the three months ended September 30, 2026 from $541 million in the three months ended September 30, 2025. The primary driver of the decrease was a reduction in usage charges for third-party infrastructure, consistent with the decline in Public Cloud revenue between periods. Personnel costs also decreased largely due to a decline in headcount between periods, driven by the workforce realignment plan announced in June 2026, and a reduction in non-equity incentive compensation. These decreases were partially offset by higher expense for hardware mainly related to certain customer contracts that include embedded sales-type lease arrangements.

As a percentage of revenue, cost of revenue increased 80 basis points in the three months ended September 30, 2026 to 81.4% from 80.6% in the three months ended September 30, 2025 as the revenue decline slightly outpaced the expense reduction.

Gross Profit

Our gross profit was $113 million in the three months ended September 30, 2026, a decrease of $17 million from $130 million in the three months ended September 30, 2025. Our gross margin was 18.6% in the three months ended September 30, 2026, a decrease of 80 basis points from 19.4% in the three months ended September 30, 2025.

Selling, General and Administrative Expenses

Selling, general and administrative expenses decreased $38 million, or 23%, to $126 million in the three months ended September 30, 2026 from $164 million in the three months ended September 30, 2025. Personnel costs had the largest impact on the overall reduction in selling, general and administrative expense due to a decline in headcount between periods, driven by the workforce realignment plan announced in June 2026, and a reduction in share-based compensation and non-equity incentive compensation. Amortization expense also decreased as certain customer relationship intangible assets reached the end of their useful lives between periods. An increase in professional fees between periods partially offset these expense reductions.

As a percentage of revenue, selling, general and administrative expenses decreased 380 basis points, to 20.6% in the three months ended September 30, 2026 from 24.4% in the three months ended September 30, 2025 primarily due to the decline in personnel costs, as discussed above.

Loss from Operations, Segment Operating Profit, and Non-GAAP Operating Profit

Our loss from operations was $13 million in the three months ended September 30, 2026 compared to $34 million in the three months ended September 30, 2025. Our Non-GAAP Operating Profit was $36 million in the three months ended September 30, 2026, an increase of $4 million from $32 million in the three months ended September 30, 2025. Non-GAAP Operating Profit is a non-GAAP financial measure. See "Non-GAAP Financial Measures" below for more information.

The table below presents a reconciliation of loss from operations to Non-GAAP Operating Profit.

(In millions)	Three Months Ended September 30, 2025	2026
Loss from operations	$ (33.9)	$ (12.5)
Share-based compensation expense	18.2	4.0
Transaction-related adjustments, net [a]	0.2	0.1
Restructuring and transformation expenses [b]	10.0	13.1
Amortization of intangible assets [c]	37.5	31.2
Non-GAAP Operating Profit	$ 32.0	$ 35.9

(a) Includes purchase accounting adjustments, exploratory acquisition and divestiture costs, and expenses related to financing activities.

(b) Includes consulting and advisory fees related to business transformation and optimization activities, as well as associated severance, certain facility closure costs, and lease termination expenses. Also includes payroll taxes associated with the exercise of stock options and vesting of restricted stock.

(c) All of our intangible assets are attributable to acquisitions, including the Rackspace Acquisition in 2016.

Our segment operating profit and segment operating margin for the periods indicated, and the change between periods is shown in the table below:

(In millions, except %)	Three Months Ended September 30, 2025		2026		Year-Over-Year Comparison	
Segment operating profit:	**Amount**	**% of Segment Revenue**	**Amount**	**% of Segment Revenue**	**Amount**	**% Change**
Public Cloud	$ 14.0	3.3 %	$ 27.2	7.8 %	$ 13.2	94.3 %
Private Cloud	67.2	26.9 %	53.4	20.5 %	(13.8)	(20.5)%
Corporate functions	(49.2)		(44.7)		4.5	(9.1)%
Non-GAAP Operating Profit	$ 32.0		$ 35.9		$ 3.9	12.2 %

Public Cloud operating profit increased 94% in the three months ended September 30, 2026 from the three months ended September 30, 2025. Segment operating profit as a percentage of segment revenue increased by 450 basis points, reflecting a 21% decrease in segment operating expenses, partially offset by a 17% decrease in segment revenue. The decrease in expenses was mainly driven by lower cost of revenue, in-line with revenue decline between periods, and reduced selling, general and administrative expenses reflecting ongoing cost management initiatives.

Private Cloud operating profit decreased 21% in the three months ended September 30, 2026 from the three months ended September 30, 2025. Segment operating profit as a percentage of segment revenue decreased by 640 basis points due to a 13% increase in segment operating expenses, partially offset by a 4% increase in segment revenue. The increase in expenses was mainly due to higher cost of revenue, including higher expense for hardware mainly related to certain customer contracts that include embedded sales-type lease arrangements and customer license costs, driven by margin compression between periods.

Centralized corporate functions that provide services to the segments in areas such as accounting, information technology, marketing, legal and human resources are not allocated to the segments and are included in "corporate functions" in the table above. This expense decreased 9% in the three months ended September 30, 2026 from the three months ended September 30, 2025 due to our continued focus on cost management.

For more information about our segment operating profit, see Item 1 of Part I, Financial Statements - Note 13, "Segment Reporting."

Interest Expense

Interest expense increased $14 million, or 67%, to $36 million in the three months ended September 30, 2026 from $21 million in the three months ended September 30, 2025 driven by the impact of our interest rate swap maturing in February 2026. Borrowings on the Revolving Credit Facility also contributed to the increase in interest expense between periods. These increases in interest expense were partially offset by repurchases of senior notes between periods.

Other Expense, Net

The decrease in other expense, net to $2 million in the three months ended September 30, 2026 from $4 million in the three months ended September 30, 2025 is primarily due to foreign currency transaction gains and the increase in the fair value of our convertible promissory note, as discussed in Item 1 of Part I, Financial Statements - Note 2, "Customer Contracts."

Provision for Income Taxes

Our income tax expense was $4 million in the three months ended September 30, 2026 compared to $8 million in the three months ended September 30, 2025. Our effective tax rate increased to (7.7)% in the three months ended September 30, 2026 from (13.6)% in the three months ended September 30, 2025. The increase in the effective tax rate year-over-year is primarily due to the tax impact associated with changes in valuation allowance, executive compensation that is nondeductible under Internal Revenue Code ("IRC") Section 162(m), non-deductible share-based compensation, and the net impact of the geographic distribution of our earnings. The difference between the effective tax rate and the statutory rate for the three months ended September 30, 2026 is primarily due to the tax impact associated with changes in valuation allowance, executive compensation that is non-deductible under IRC Section 162(m), and the net impact of the geographic distribution of our earnings.

Nine Months Ended September 30, 2025 Compared to Nine Months Ended September 30, 2026

The following table sets forth our results of operations for the specified periods, as well as changes between periods and as a percentage of revenue for those same periods (totals in table may not foot due to rounding):

	Nine Months Ended September 30,					
	2025		2026		Year-Over-Year Comparison	
(In millions, except %)	Amount	% Revenue	Amount	% Revenue	Amount	% Change
Revenue	$ 2,002.9	100.0 %	$ 1,957.3	100.0 %	$ (45.6)	(2.3)%
Cost of revenue	(1,616.9)	(80.7)%	(1,610.3)	(82.3)%	6.6	(0.4)%
Gross profit	386.0	19.3 %	347.0	17.7 %	(39.0)	(10.1)%
Selling, general and administrative expenses	(483.4)	(24.1)%	(410.5)	(21.0)%	72.9	(15.1)%
Loss from operations	(97.4)	(4.9)%	(63.5)	(3.2)%	33.9	(34.8)%
Other income (expense):						
Interest expense	(61.9)	(3.1)%	(95.9)	(4.9)%	(34.0)	54.9 %
Gain on investments, net	0.3	0.0 %	0.1	0.0 %	(0.2)	(66.7)%
Gain on debt extinguishment	—	— %	62.5	3.2 %	62.5	100.0 %
Other expense, net	(13.2)	(0.7)%	(10.4)	(0.5)%	2.8	(21.2)%
Total other expense	(74.8)	(3.7)%	(43.7)	(2.2)%	31.1	(41.6)%
Loss before income taxes	(172.2)	(8.6)%	(107.2)	(5.5)%	65.0	(37.7)%
Provision for income taxes	(20.9)	(1.0)%	(5.5)	(0.3)%	15.4	(73.7)%
Net loss	$ (193.1)	(9.6)%	$ (112.7)	(5.8)%	$ 80.4	(41.6)%

Revenue

Revenue decreased $46 million, or 2.3%, to $1,957 million in the nine months ended September 30, 2026 from $2,003 million in the nine months ended September 30, 2025. Revenue decreased due to the decline in Public Cloud, as discussed below.

After removing the impact from foreign currency fluctuations, on a constant currency basis, revenue decreased 2.6% year-over-year. The following table presents revenue by segment:

	Nine Months Ended September 30,		% Change	
(In millions, except %)	2025	2026	Actual	Constant Currency [(a)]
Public Cloud	$ 1,253.8	$ 1,199.3	(4.3)%	(4.6)%
Private Cloud	749.1	758.0	1.2 %	0.6 %
Total	$ 2,002.9	$ 1,957.3	(2.3)%	(2.6)%

(a) Refer to "*Non-GAAP Financial Measures*" in this section for further explanation and reconciliation.

Public Cloud revenue in the nine months ended September 30, 2026 decreased 4.3% on an actual basis and 4.6% on a constant currency basis, from the nine months ended September 30, 2025. The revenue decline was driven by lower services revenue.

Private Cloud revenue in the nine months ended September 30, 2026 increased 1.2% on an actual basis and 0.6% on a constant currency basis, from the nine months ended September 30, 2025, largely due to revenue related to certain customer contracts that include embedded sales-type lease arrangements for hardware.

Cost of Revenue

Cost of revenue decreased $7 million, or 0.4%, to $1,610 million in the nine months ended September 30, 2026 from $1,617 million in the nine months ended September 30, 2025. Personnel costs was the largest driver of the decrease due to a decline in headcount between periods and a reduction in non-equity incentive compensation, partially offset by an increase in severance expense driven by the workforce realignment plan announced in June 2026. Also contributing to the decrease was a reduction in usage charges for third-party infrastructure, consistent with the decline in Public Cloud revenue, and lower license expense, due to a reduction in usage between periods. Partially offsetting these decreases in cost of revenue was higher depreciation expense and higher expense for hardware mainly related to certain customer contracts that include embedded sales-type lease arrangements.

As a percentage of revenue, cost of revenue increased 160 basis points in the nine months ended September 30, 2026 to 82.3% from 80.7% in the nine months ended September 30, 2025 as the decline in revenue outpaced the reduction in cost of revenue.

Gross Profit

Our gross profit was $347 million in the nine months ended September 30, 2026, a decrease of $39 million from $386 million in the nine months ended September 30, 2025. Our gross margin was 17.7% in the nine months ended September 30, 2026, a decrease of 160 basis points from 19.3% in the nine months ended September 30, 2025.

Selling, General and Administrative Expenses

Selling, general and administrative expenses decreased $73 million, or 15%, to $411 million in the nine months ended September 30, 2026 from $483 million in the nine months ended September 30, 2025. Declining personnel costs had the largest impact due to a reduction in headcount between periods and a decrease in share-based compensation and non-equity incentive compensation expense, partially offset by an increase in severance expense. Also driving the overall reduction in selling, general and administrative expenses was a decrease in amortization expense as certain customer relationship intangible assets reached the end of their useful lives between periods. An increase in professional fees between periods partially offset these expense reductions.

As a percentage of revenue, selling, general and administrative expenses decreased 310 basis points, to 21.0% in the nine months ended September 30, 2026 from 24.1% in the nine months ended September 30, 2025 primarily due to personnel costs and amortization expense, discussed above.

Loss from Operations, Segment Operating Profit, and Non-GAAP Operating Profit

Our loss from operations was $64 million in the nine months ended September 30, 2026 compared to $97 million in the nine months ended September 30, 2025. Our Non-GAAP Operating Profit was $94 million in the nine months ended September 30, 2026, an increase of $9 million from $85 million in the nine months ended September 30, 2025. Non-GAAP Operating Profit is a non-GAAP financial measure. See "Non-GAAP Financial Measures" below for more information.

The table below presents a reconciliation of loss from operations to Non-GAAP Operating Profit.

(In millions)	Nine Months Ended September 30, 2025	2026
Loss from operations	$ (97.4)	$ (63.5)
Share-based compensation expense	40.2	21.0
Transaction-related adjustments, net [a]	2.1	2.2
Restructuring and transformation expenses [b]	27.5	40.5
Amortization of intangible assets [c]	112.5	93.8
Non-GAAP Operating Profit	$ 84.9	$ 94.0

(a) Includes purchase accounting adjustments, exploratory acquisition and divestiture costs, and expenses related to financing activities.

(b) Includes consulting and advisory fees related to business transformation and optimization activities, as well as associated severance, certain facility closure costs, and lease termination expenses. Also includes payroll taxes associated with the exercise of stock options and vesting of restricted stock.

(c) All of our intangible assets are attributable to acquisitions, including the Rackspace Acquisition in 2016.

Our segment operating profit and segment operating margin for the periods indicated, and the change between periods is shown in the table below:

(In millions, except %)	Nine Months Ended September 30, 2025		2026		Year-Over-Year Comparison	
Segment operating profit:	**Amount**	**% of Segment Revenue**	**Amount**	**% of Segment Revenue**	**Amount**	**% Change**
Public Cloud	$ 47.5	3.8 %	$ 66.9	5.6 %	$ 19.4	40.8 %
Private Cloud	189.7	25.3 %	168.8	22.3 %	(20.9)	(11.0)%
Corporate functions	(152.3)		(141.7)		10.6	(7.0)%
Non-GAAP Operating Profit	$ 84.9		$ 94.0		$ 9.1	10.7 %

Public Cloud operating profit increased 41% in the nine months ended September 30, 2026 from the nine months ended September 30, 2025. Segment operating profit as a percentage of segment revenue increased by 180 basis points, reflecting a 6% decrease in segment operating expenses, partially offset by a 4% decrease in segment revenue. The decrease in expenses was mainly driven by lower cost of revenue, in-line with revenue decline between periods, and reduced selling, general and administrative expenses reflecting ongoing cost management initiatives.

Private Cloud operating profit decreased 11% in the nine months ended September 30, 2026 from the nine months ended September 30, 2025. Segment operating profit as a percentage of segment revenue decreased by 300 basis points due to a 5% increase in segment operating expenses, partially offset by a 1% increase in segment revenue. The increase in expenses was mainly driven by higher cost of revenue.

Centralized corporate functions that provide services to the segments in areas such as accounting, information technology, marketing, legal and human resources are not allocated to the segments and are included in "corporate functions" in the table above. This expense decreased 7% in the nine months ended September 30, 2026 from the nine months ended September 30, 2025 due to our continued focus on cost management.

For more information about our segment operating profit, see Item 1 of Part I, Financial Statements - Note 13, "Segment Reporting."

Interest Expense

Interest expense increased $34 million, or 55%, to $96 million in the nine months ended September 30, 2026 from $62 million in the nine months ended September 30, 2025 driven by the impact of our interest rate swap maturing in February 2026. Borrowings on the Revolving Credit Facility also contributed to the increase in interest expense between periods. These increases in interest expense were partially offset by repurchases of senior notes between periods, discussed below.

Gain on Debt Extinguishment

We recorded a $63 million gain on debt extinguishment in the nine months ended September 30, 2026 related to repurchases of $108 million principal amount of the 3.50% FLSO Senior Secured Notes, 3.50% Senior Secured Notes, and 5.375% Senior Notes.

For more information, see Item 1 of Part I, Financial Statements - Note 7, "Debt."

Other Expense, Net

The decrease in other expense, net to $10 million in the nine months ended September 30, 2026 from $13 million in the nine months ended September 30, 2025 is primarily due to foreign currency transaction gains and the increase in the fair value of our convertible promissory note, as discussed in Item 1 of Part I, Financial Statements - Note 2, "Customer Contracts."

Provision for Income Taxes

Our income tax expense was $6 million in the nine months ended September 30, 2026 compared to $21 million in the nine months ended September 30, 2025. Our effective tax rate increased to (5.2)% in the nine months ended September 30, 2026 from (12.1)% in the nine months ended September 30, 2025. The increase in the effective tax rate year-over-year is primarily due to the tax impact associated with changes in valuation allowance, the net impact of the geographic distribution of our earnings, and the tax effects from non-deductible share-based compensation. The difference between the effective tax rate and the statutory rate for the nine months ended September 30, 2026 is primarily due to the tax impact associated with changes in valuation allowance, executive compensation that is non-deductible under IRC Section 162(m), and the net impact of the geographic distribution of our earnings.

Non-GAAP Financial Measures

We track several non-GAAP financial measures to monitor and manage our underlying financial performance. The following discussion includes the presentation of constant currency revenue, Non-GAAP Gross Profit, Non-GAAP Net Income (Loss), Non-GAAP Operating Profit, Adjusted EBITDA and Non-GAAP Earnings (Loss) Per Share, which are non-GAAP financial measures that exclude the impact of certain costs, losses and gains that are required to be included in our profit and loss measures under GAAP. Although we believe these measures are useful to investors and analysts for the same reasons they are useful to management, as discussed below, these measures are not a substitute for, or superior to, U.S. GAAP financial measures or disclosures. Other companies may calculate similarly-titled non-GAAP measures differently, limiting their usefulness as comparative measures. We have reconciled each of these non-GAAP measures to the applicable most comparable GAAP measure throughout this MD&A.

Constant Currency Revenue

We use constant currency revenue as an additional metric for understanding and assessing our growth excluding the effect of foreign currency rate fluctuations on our international business operations. Constant currency information compares results between periods as if exchange rates had remained constant period over period and is calculated by translating the non-U.S. dollar income statement balances for the most current period to U.S. dollars using the average exchange rate from the comparative period rather than the actual exchange rates in effect during the respective period. We also believe this is an important metric to help investors evaluate our performance in comparison to prior periods.

The following tables present, by segment, actual and constant currency revenue and constant currency revenue growth rates, for and between the periods indicated:

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2026			% Change	
(In millions, except %)	Revenue	Revenue	Foreign Currency Translation [a]	Revenue in Constant Currency	Actual	Constant Currency
Public Cloud	$ 421.6	$ 349.1	$ 0.1	$ 349.2	(17.2)%	(17.2)%
Private Cloud	249.6	260.0	0.1	260.1	4.2 %	4.2 %
Total	$ 671.2	$ 609.1	$ 0.2	$ 609.3	(9.3)%	(9.2)%

(a) The effect of foreign currency is calculated by translating current period results using the average exchange rate from the prior comparative period.

	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2026			% Change	
(In millions, except %)	Revenue	Revenue	Foreign Currency Translation [a]	Revenue in Constant Currency	Actual	Constant Currency
Public Cloud	$ 1,253.8	$ 1,199.3	$ (3.0)	$ 1,196.3	(4.3)%	(4.6)%
Private Cloud	749.1	758.0	(4.3)	753.7	1.2 %	0.6 %
Total	$ 2,002.9	$ 1,957.3	$ (7.3)	$ 1,950.0	(2.3)%	(2.6)%

(a) The effect of foreign currency is calculated by translating current period results using the average exchange rate from the prior comparative period.

Non-GAAP Gross Profit

We present Non-GAAP Gross Profit in this MD&A because we believe the measure is useful in analyzing trends in our underlying, recurring gross margins. We define Non-GAAP Gross Profit as gross profit, adjusted to exclude the impact of share-based compensation expense, purchase accounting-related effects, and certain business transformation-related costs.

The table below presents a reconciliation of gross profit to Non-GAAP Gross Profit:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	2025	2026	2025	2026
Gross profit	$ 129.9	$ 113.1	$ 386.0	$ 347.0
Share-based compensation expense	1.2	0.7	4.3	2.8
Purchase accounting impact on expense [(a)]	0.2	0.2	0.6	0.6
Restructuring and transformation expenses [(b)]	2.3	4.7	6.7	16.5
Non-GAAP Gross Profit	$ 133.6	$ 118.7	$ 397.6	$ 366.9

(a) Adjustment for the impact of purchase accounting from the Rackspace Acquisition on expenses.

(b) Adjustment for the impact of business transformation and optimization activities, as well as associated severance, certain facility closure costs and lease termination expenses. Also includes payroll taxes associated with the exercise of stock options and vesting of restricted stock.

Non-GAAP Net Income (Loss), Non-GAAP Operating Profit and Adjusted EBITDA

We present Non-GAAP Net Income (Loss), Non-GAAP Operating Profit and Adjusted EBITDA because they are a basis upon which management assesses our performance and we believe they are useful to evaluating our financial performance. We believe that excluding items from net income 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.

The Rackspace Acquisition was structured as a leveraged buyout of Rackspace Technology Global, our predecessor, and resulted in several accounting and capital structure impacts. For example, the revaluation of our assets and liabilities resulted in a significant increase in our amortizable intangible assets and goodwill, the incurrence of a significant amount of debt to partially finance the Rackspace Acquisition resulted in interest payments that reflect our high leverage and cost of debt capital, and the conversion of Rackspace Technology Global's unvested equity compensation into a cash-settled bonus plan and obligation to pay management fees to our equity holders resulted in new cash commitments. In addition, the change in ownership and management resulting from the Rackspace Acquisition led to a strategic realignment in our operations that had a significant impact on our financial results. Following the Rackspace Acquisition, we acquired several businesses, sold businesses and investments that we deemed to be non-core and launched multiple integration and business transformation initiatives intended to improve the efficiency of people and operations and identify recurring cost savings and new revenue growth opportunities. We believe that these transactions and activities resulted in costs, which have historically been substantial, and that may not be indicative of, or are not related to, our core operating results, including interest related to the incurrence of additional debt to finance acquisitions and third party legal, advisory and consulting fees and severance, retention bonus and other internal costs that we believe would not have been incurred in the absence of these transactions and activities and also may not be indicative of, or related to, our core operating results.

We define Non-GAAP Net Income (Loss) as net income (loss) adjusted to exclude the impact of non-cash charges for share-based compensation, transaction-related costs and adjustments, restructuring and transformation charges, the amortization of acquired intangible assets, goodwill and asset impairment charges, the interest expense impact from the refinancing transactions announced in March 2024 (the "March 2024 Refinancing Transactions"), and certain other non-operating, non-recurring or non-core gains and losses, as well as the tax effects of these non-GAAP adjustments.

We define Non-GAAP Operating Profit as income (loss) from operations adjusted to exclude the impact of non-cash charges for share-based compensation, transaction-related costs and adjustments, restructuring and transformation charges, the amortization of acquired intangible assets, goodwill and asset impairment charges, and certain other non-operating, non-recurring or non-core gains and losses.

We define Adjusted EBITDA as net income (loss) adjusted to exclude the impact of non-cash charges for share-based compensation, transaction-related costs and adjustments, restructuring and transformation charges, certain other non-operating, non-recurring or non-core gains and losses, interest expense, expenses for our Receivables Purchase Agreement, income taxes, depreciation and amortization, and goodwill and asset impairment charges.

Non-GAAP Operating Profit and Adjusted EBITDA are management's principal metrics for measuring our underlying financial performance. Non-GAAP Operating Profit and Adjusted EBITDA, along with other quantitative and qualitative information, are also the principal financial measures used by management and our Board of Directors in determining performance-based compensation for our management and key employees.

These non-GAAP measures are not intended to imply that we would have generated higher income or avoided net losses if the Rackspace Acquisition and the subsequent transactions and initiatives had not occurred. In the future we may incur expenses or charges such as those added back to calculate Non-GAAP Net Income (Loss), Non-GAAP Operating Profit or Adjusted EBITDA. Our presentation of Non-GAAP Net Income (Loss), Non-GAAP Operating Profit and Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by these items. Other companies, including our peer companies, may calculate similarly-titled measures in a different manner from us, and therefore, our non-GAAP measures may not be comparable to similarly-titled measures of other companies. Investors are cautioned against using these measures to the exclusion of our results in accordance with GAAP.

The following tables present a reconciliation of Non-GAAP Net Loss and Adjusted EBITDA to the most directly comparable GAAP financial measures. For a reconciliation of loss from operations to Non-GAAP Operating Profit, see "*Loss from Operations, Segment Operating Profit, and Non-GAAP Operating Profit*" in the year-over-year comparison under "Results of Operations" above.

Net loss reconciliation to Non-GAAP Net Loss

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	2025	2026	2025	2026
Net loss	$ (67.1)	$ (53.5)	$ (193.1)	$ (112.7)
Share-based compensation expense	18.2	4.0	40.2	21.0
Transaction-related adjustments, net [a]	0.2	0.1	2.1	2.2
Restructuring and transformation expenses [b]	10.0	13.1	27.5	40.5
Net gain on divestiture and investments [c]	(0.1)	(0.1)	(0.3)	(0.1)
Gain on debt extinguishment	—	—	—	(62.5)
Interest expense impact from the March 2024 Refinancing Transactions [d]	(21.1)	(18.2)	(63.2)	(55.0)
Other adjustments [e]	(1.2)	(4.1)	(2.3)	(4.2)
Amortization of intangible assets [f]	37.5	31.2	112.5	93.8
Tax effect of non-GAAP adjustments [g]	12.1	10.0	35.4	24.1
Non-GAAP Net Loss	$ (11.5)	$ (17.5)	$ (41.2)	$ (52.9)

Net loss reconciliation to Adjusted EBITDA

(In millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2026	2025	2026
Net loss	$ (67.1)	$ (53.5)	$ (193.1)	$ (112.7)
Share-based compensation expense	18.2	4.0	40.2	21.0
Transaction-related adjustments, net [(a)]	0.2	0.1	2.1	2.2
Restructuring and transformation expenses [(b)]	10.0	13.1	27.5	40.5
Net gain on divestiture and investments [(c)]	(0.1)	(0.1)	(0.3)	(0.1)
Gain on debt extinguishment	—	—	—	(62.5)
Other expense, net [(h)]	4.0	1.8	13.2	10.4
Interest expense	21.2	35.5	61.9	95.9
Provision for income taxes	8.1	3.8	20.9	5.5
Depreciation and amortization [(i)]	74.8	70.5	222.6	212.1
Adjusted EBITDA	$ 69.3	$ 75.2	$ 195.0	$ 212.3

(a) Includes purchase accounting adjustments, exploratory acquisition and divestiture costs, and expenses related to financing activities.

(b) Includes consulting and advisory fees related to business transformation and optimization activities, as well as associated severance, certain facility closure costs, and lease termination expenses. Also includes payroll taxes associated with the exercise of stock options and vesting of restricted stock.

(c) Includes gains and losses on investment and from dispositions.

(d) Interest expense impact due to the accounting for contractual interest payments on debt instruments entered into as part of the March 2024 Refinancing Transactions, which reduced interest expense relative to contractual interest cost.

(e) Primarily consists of foreign currency gains and losses.

(f) All of our intangible assets are attributable to acquisitions, including the Rackspace Acquisition in 2016.

(g) 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. When computing this long-term rate for the 2025 and 2026 interim periods, we based it on an average of the 2024 and estimated 2025 tax rates and 2025 and estimated 2026 tax rates, respectively, recomputed to remove the tax effect of non-GAAP pre-tax adjustments and non-recurring tax adjustments, resulting in a structural non-GAAP tax rate of 26% for all periods. 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.

(h) Primarily consists of foreign currency gains and losses and expense related to our Receivables Purchase Agreement.

(i) Excludes accelerated depreciation expense related to facility closures.

Non-GAAP Earnings (Loss) Per Share

We define Non-GAAP Earnings (Loss) Per Share as Non-GAAP Net Income (Loss) divided by our GAAP weighted average number of shares outstanding for the period on a diluted basis and further adjusted for the weighted average number of shares associated with securities which are anti-dilutive to GAAP loss per share. Management uses Non-GAAP Earnings (Loss) Per Share to evaluate the performance of our business on a comparable basis from period to period, including by adjusting for the impact of the issuance of shares. The following table reconciles Non-GAAP Loss Per Share to our GAAP net loss per share on a diluted basis:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions, except per share amounts)	2025	2026	2025	2026
Net loss attributable to common stockholders	$ (67.1)	$ (53.5)	$ (193.1)	$ (112.7)
Non-GAAP Net Loss	$ (11.5)	$ (17.5)	$ (41.2)	$ (52.9)
Weighted average number of shares - Diluted	240.4	256.3	236.8	251.0
Effect of dilutive securities [(a)]	1.8	14.2	6.5	13.5
Non-GAAP weighted average number of shares - Diluted	242.2	270.5	243.3	264.5
Net loss per share - Diluted	$ (0.28)	$ (0.21)	$ (0.82)	$ (0.45)
Per share impacts of adjustments to net loss [(b)]	0.23	0.14	0.64	0.24
Per share impacts of shares after adjustments to net loss [(a)]	0.00	0.01	0.01	0.01
Non-GAAP Loss Per Share	$ (0.05)	$ (0.06)	$ (0.17)	$ (0.20)

(a) 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 certain investment funds managed by affiliates of 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.

(b) Reflects the aggregate adjustments made to reconcile Non-GAAP Net Loss to our net loss, as noted in the above table, divided by the GAAP diluted number of shares outstanding for the relevant period.

Liquidity and Capital Resources

Overview

We primarily finance our operations and capital expenditures with internally-generated cash from operations and hardware leases, and if necessary, borrowings under the Revolving Credit Facility. As of September 30, 2026, the Revolving Credit Facility provided for up to $375 million of borrowings, $290 million of which was drawn and outstanding as of September 30, 2026. Our primary uses of cash are working capital requirements, debt service requirements and capital expenditures. Based on our current level of operations and available cash, we believe our sources will provide sufficient liquidity over at least the next twelve months. We cannot provide assurance, however, that our business will generate sufficient cash flows from operations or that future borrowings will be available to us under the Revolving Credit Facility or from other sources in an amount sufficient to enable us to pay our indebtedness or to fund our other liquidity needs. Our ability to do so depends on our ability to deliver on our strategic objectives and prevailing economic conditions and other factors, many of which are beyond our control. In addition, upon the occurrence of certain events, such as a change of control, we could be required to repay or refinance our indebtedness. We cannot assure that we will be able to refinance any of our indebtedness on commercially reasonable terms or at all. Any future acquisitions, joint ventures or other similar transactions will likely require additional capital, and there can be no assurance that any such capital will be available to us on acceptable terms or at all.

From time to time, depending upon market and other conditions, as well as upon our cash balances and liquidity, we, our subsidiaries or our affiliates may acquire (and have acquired) our outstanding debt securities or our other indebtedness through open market purchases, privately negotiated transactions, tender offers, redemption or otherwise, upon such terms and at such prices as we, our subsidiaries or our affiliates may determine (or as may be provided for in the indenture governing the 3.50% FLSO Senior Secured Notes (the “3.50% FLSO Senior Secured Notes Indenture”), the indenture governing the 5.375% Senior Notes (the "5.375% Notes Indenture") or the indenture governing the 3.50% Senior Secured Notes (the "3.50% Notes Indenture" and, together with the 3.50% FLSO Senior Secured Notes Indenture and 5.375% Notes Indenture, the "Indentures"), if applicable), for cash or other consideration.

On July 9, 2026, we entered into an equity distribution agreement with Goldman Sachs & Co. LLC under which we may offer and sell up to $250 million of shares of our common stock, par value $0.01 per share. We currently intend to use the net proceeds from this offering for general corporate purposes, including for working capital, capital expenditures and growth capital (including GPU-related costs) to enable us to expedite our Enterprise AI strategy.

We also have third-party lease financing arrangements in place for the procurement of the initial deployment of GPUs under the previously announced definitive agreement with AMD. The first deployment is currently expected to be nearly 2 megawatts targeted for completion by the end of 2026, with approximately $75 million of associated capital expenditures.

In addition, on July 2, 2026, our Receivables Purchase Agreement was amended to extend the termination date from September 29, 2026 to the earlier of July 2, 2029 or six months prior to the maturity date of our Revolving Credit Facility (or any revolving credit facility that refinances or replaces such revolving credit facility) and permits the aggregate maximum limit of accounts receivable the SPVs can sell to be increased from $300 million to $350 million.

At September 30, 2026, we held $108 million in cash and cash equivalents (not including $3 million in restricted cash, which is included in "Other non-current assets"), of which $66 million was held by foreign entities.

We have entered into installment payment arrangements with certain equipment and software vendors, along with sale-leaseback arrangements for equipment and certain property leases that are considered financing obligations. We had $45 million outstanding with respect to these arrangements as of September 30, 2026. We may choose to utilize these various sources of funding in future periods.

We also lease certain equipment and real estate under operating and finance lease agreements. We had $500 million outstanding with respect to operating and finance lease agreements as of September 30, 2026. We may choose to utilize such leasing arrangements in future periods.

As of September 30, 2026, we had $2,306 million aggregate principal amount outstanding under the FLSO Term Loan Facility, the FLFO Term Loan Facility, the Term Loan Facility, 3.50% FLSO Senior Secured Notes, 5.375% Senior Notes, and 3.50% Senior Secured Notes. The Revolving Credit Facility provides for up to $375 million of borrowings, $290 million of which was drawn and outstanding as of September 30, 2026. Our liquidity requirements are significant, primarily due to debt service requirements.

Debt

Senior Facilities

On March 12, 2024, Rackspace Finance Holdings, LLC ("Rackspace Finance Holdings"), Rackspace Finance, LLC ("Rackspace Finance"), the lenders and issuing banks party thereto and Citibank, N.A., as the administrative agent and collateral agent, entered into the credit agreement governing the FLSO Term Loan Facility, FLFO Term Loan Facility and Revolving Credit Facility (together, the "Senior Facilities") (the "First Lien Credit Agreement").

FLSO Term Loan Facility

Rackspace Finance issued the FLSO Term Loan Facility in an aggregate principal amount of $1,687 million. The FLSO Term Loan Facility matures on May 15, 2028.

As of September 30, 2026, the contractual interest rate on the FLSO Term Loan Facility was 6.76%. We are required to make quarterly principal payments of $4 million.

As of September 30, 2026, $1,597 million in aggregate principal amount of the FLSO Term Loan Facility remained outstanding.

FLFO Term Loan Facility

Rackspace Finance issued the FLFO Term Loan Facility in an aggregate principal amount $275 million. The FLFO Term Loan Facility matures on May 15, 2028.

As of September 30, 2026, the contractual interest rate on the FLFO Term Loan Facility was 10.26%. We are required to make quarterly principal payments of $0.7 million.

As of September 30, 2026, $268 million aggregate principal amount of the FLFO Term Loan Facility remained outstanding.

Revolving Credit Facility

Rackspace Finance established the Revolving Credit Facility in an aggregate principal amount of $375 million of commitments. The Revolving Credit Facility matures on May 15, 2028.

The Revolving Credit Facility includes a commitment fee equal to 0.50% per annum in respect of the unused commitments that is due quarterly. This fee is subject to one step-down based on the net first lien leverage ratio.

As of September 30, 2026, we had total commitments of $375 million, $290 million of outstanding borrowings under the Revolving Credit Facility, and $24 million of letters of credit issued thereunder. As such, as of September 30, 2026, we had $62 million of available commitments remaining.

3.50% FLSO Senior Secured Notes due 2028

On March 12, 2024, Rackspace Finance issued $267 million initial aggregate principal amount of 3.50% FLSO Senior Secured Notes. On April 2, 2024 and April 16, 2024, Rackspace Finance issued additional 3.50% FLSO Senior Secured Notes in an aggregate principal amount of $93 million and $4 million, respectively. The 3.50% FLSO Senior Secured Notes will mature on May 15, 2028 and bear interest at an annual fixed rate of 3.50%. Interest is payable semiannually on February 15 and August 15.

During the nine months ended September 30, 2026, we repurchased and surrendered for cancellation $70 million aggregate principal amount of the 3.50% FLSO Senior Secured Notes for $36 million, including accrued interest and fees of $0.4 million.

As of September 30, 2026, $248 million aggregate principal amount of the 3.50% FLSO Senior Secured Notes were outstanding.

Term Loan Facility

On February 9, 2021, we amended and restated the credit agreement governing the $2,300 million senior secured first lien term loan facility (the "Term Loan Facility"). The Term Loan Facility matures on February 15, 2028.

Interest on the Term Loan Facility is due at the end of each interest period elected, not exceeding 90 days, for SOFR loans and at the end of every calendar quarter for base rate loans. As of September 30, 2026, the contractual interest rate on the Term Loan Facility was 6.76%. We are required to make quarterly amortization payments of $0.2 million. We are required to make certain mandatory prepayments under certain conditions defined in the credit agreement governing the Term Loan Facility.

As of September 30, 2026, $61 million aggregate principal amount of the Term Loan Facility remained outstanding.

3.50% Senior Secured Notes due 2028

On February 9, 2021, Rackspace Technology Global issued $550 million aggregate principal amount of 3.50% Senior Secured Notes. The 3.50% Senior Secured Notes will mature on February 15, 2028 and bear interest at an annual fixed rate of 3.50%. Interest is payable semiannually on February 15 and August 15.

During the nine months ended September 30, 2026, we repurchased and surrendered for cancellation $1.3 million aggregate principal amount of the 3.50% Senior Secured Notes for $0.6 million.

As of September 30, 2026, $43 million aggregate principal amount of the 3.50% Senior Secured Notes remained outstanding.

5.375% Senior Notes due 2028

Rackspace Technology Global issued $550 million aggregate principal amount of the 5.375% Senior Notes on December 1, 2020. The 5.375% Senior Notes will mature on December 1, 2028 and bear interest at a fixed rate of 5.375% per year, payable semi-annually on June 1 and December 1.

During the nine months ended September 30, 2026, we repurchased and surrendered for cancellation $36 million aggregate principal amount of the 5.375% Senior Notes for $15 million, including accrued interest and fees of $0.7 million.

As of September 30, 2026, $89 million aggregate principal amount of the 5.375% Senior Notes remained outstanding.

Debt covenants

The FLSO Term Loan Facility, FLFO Term Loan Facility, and Term Loan Facility are not subject to a financial maintenance covenant. The Revolving Credit Facility includes a financial maintenance covenant that limits the super-priority net senior secured leverage ratio to a maximum of 5.00 to 1.00. The super-priority net senior secured leverage ratio is calculated as the ratio of (x) the total amount of consolidated super-priority senior secured debt for borrowed money, less unrestricted cash and cash equivalents, to (y) consolidated EBITDA (as defined under the First Lien Credit Agreement governing the Senior Facilities). However, this financial maintenance covenant will only be applicable and tested if the aggregate amount of outstanding borrowings under the Revolving Credit Facility and letters of credit issued thereunder (excluding $25 million of undrawn letters of credit and cash collateralized letters of credit) as of the last day of a fiscal quarter is greater than 35% of the Revolving Credit Facility commitments as of the last day of such fiscal quarter. This threshold was exceeded as of September 30, 2026 and, accordingly, the financial maintenance covenant was applicable and tested as of such date. Additional covenants in the Senior Facilities and Term Loan Facility limit our subsidiaries' ability to, among other things, incur certain additional debt and liens, pay certain dividends or make other restricted payments, make certain investments, make certain asset sales and enter into certain transactions with affiliates.

The Indentures contain covenants that, among other things, limit our subsidiaries' ability to incur certain additional debt, incur certain liens securing debt, pay certain dividends or make other restricted payments, make certain investments, make certain asset sales and enter into certain transactions with affiliates. These covenants are subject to a number of exceptions, limitations, and qualifications as set forth in the Indentures. Additionally, upon the occurrence of a change of control (as defined in the Indentures), we will be required to make an offer to repurchase all of the outstanding 3.50% FLSO Senior Secured Notes, 5.375% Senior Notes and 3.50% Senior Secured Notes, respectively, at a price in cash equal to 101.000% of the aggregate principal amount, plus accrued and unpaid interest, if any, to, but not including the purchase date.

Our "consolidated EBITDA," as defined under our debt instruments, is calculated in the same manner as our Adjusted EBITDA, presented elsewhere in this report, except that our debt instruments allow us to adjust for additional items, including certain start-up costs, and to give pro forma effect to acquisitions, including resulting synergies, and internal cost savings initiatives. In addition, under the Indentures, the calculation of consolidated EBITDA does not take into account any changes in GAAP subsequent to the date of issuance, whereas under the Senior Facilities and Term Loan Facility, the calculation of consolidated EBITDA takes into account the impact of certain changes in GAAP subsequent to December 1, 2020 other than with respect to capital leases.

As of September 30, 2026, we were in compliance with all covenants under the Senior Facilities, the credit agreement governing the Term Loan Facility, and the Indentures.

Supplemental Financial Information

In accordance with the 3.50% FLSO Senior Secured Notes Indenture, Rackspace Finance Holdings, Rackspace Finance and certain subsidiaries of Rackspace Finance (together with their restricted subsidiaries, the “New Credit Group”) are obligors under the 3.50% FLSO Senior Secured Notes. The following presents summarized financial information for the New Credit Group after eliminating intercompany transactions and balances among the New Credit Group.

As of September 30, 2026, the New Credit Group had total assets of $2,751 million and total liabilities of $3,867 million, which included total debt of $2,601 million. The financial information for the New Credit Group differs from the financial information for the company and its consolidated subsidiaries primarily because Rackspace Technology Global has debt that is not guaranteed by the New Credit Group, which debt was $192 million as of September 30, 2026.

Capital Expenditures

The following table sets forth a summary of our total capital expenditures for the periods indicated:

	Nine Months Ended September 30,	
(In millions)	**2025**	**2026**
Customer gear	$ 52.0	$ 104.8
Data center build outs	6.0	1.4
Capitalized software and other projects	33.6	61.0
Total capital expenditures	$ 91.6	$ 167.2

Capital expenditures were $167 million in the nine months ended September 30, 2026, compared to $92 million in the nine months ended September 30, 2025, an increase of $76 million. The increase in capital expenditures was driven by customer gear purchases related to new contract deployments and higher capitalized software and internally developed project costs between periods.

Cash Flows

The following table sets forth a summary of certain cash flow information for the periods indicated:

(In millions)	Nine Months Ended September 30, 2025	2026
Cash provided by operating activities	$ 91.7	$ 9.3
Cash used in investing activities	$ (55.4)	$ (70.3)
Cash provided by (used in) financing activities	$ (84.6)	$ 65.6

Cash Provided by Operating Activities

Net cash provided by operating activities results primarily from cash received from customers, offset by cash payments made for employee and consultant compensation (less amounts capitalized related to internal-use software that are reflected as cash used in investing activities), data center costs, license costs, third-party infrastructure costs, marketing programs, interest, taxes, and other general corporate expenditures.

Net cash provided by operating activities was $9 million in the nine months ended September 30, 2026 compared to $92 million of net cash provided by operating activities in the nine months ended September 30, 2025. The decrease in operating cash between periods was primarily driven by a reduction in cash proceeds related to accounts receivable sold of $74 million in the nine months ended September 30, 2026 compared to an increase of $22 million in the nine months ended September 30, 2025. The decrease was partially offset by a $26 million decrease in cash paid for operating expenses in the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025 and an increase in cash receipts from customers between periods.

Cash Used in Investing Activities

Net cash used in investing activities primarily consists of capital expenditures to meet the demands of our customer base and our strategic initiatives. The largest outlays of cash are for purchases of customer gear, data center and office build outs, and capitalized payroll costs related to internal-use software development.

Net cash used in investing activities increased $15 million, or 27%, in the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025 primarily due to a $9 million increase in cash purchases of property, equipment, and software between periods.

Cash Provided by (Used in) Financing Activities

Financing activities generally include cash activity related to debt and other long-term financing arrangements (for example, finance lease obligations and financing obligations), including proceeds from and repayments of borrowings, and cash activity related to the issuance and repurchase of equity.

Net cash provided by financing activities was $66 million in the nine months ended September 30, 2026 compared to $85 million of net cash used in financing activities in the nine months ended September 30, 2025. The change was primarily driven by a $200 million increase in borrowings on the Revolving Credit Facility, partially offset by an increase in debt repayments of $77 million between periods. Also contributing to the increase in financing cash was $12 million of cash proceeds, net of offering costs for common stock sold in the current period and a $10 million reduction in payments on the financing component of our interest rate swap that matured in February 2026.

Critical Accounting Policies and Estimates

Our critical accounting policies and estimates have not changed from those described in our Annual Report under "Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies and Estimates." For a description of recent accounting pronouncements, see Item 1 of Part I, Financial Statements - Note 1, "Company Overview, Basis of Presentation, and Summary of Significant Accounting Policies."

ITEM 3 – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rates

We are exposed to interest rate risk associated with fluctuations in interest rates on our floating-rate Senior Facilities, which includes our $375 million Revolving Credit Facility and $1,866 million outstanding under the FLSO Term Loan Facility and FLFO Term Loan Facility, and $61 million outstanding under our floating-rate Term Loan Facility. As of September 30, 2026, there was $290 million of outstanding borrowings under the Revolving Credit Facility. As of September 30, 2026, assuming the Revolving Credit Facility was fully drawn, each 0.125% change in assumed blended interest rates would result in a $3 million change in annual interest expense on indebtedness under the Senior Facilities and Term Loan Facility.

Our Term Loan Facility, FLSO Term Loan Facility, and FLFO Term Loan Facility bear interest at an annual rate equal to an applicable margin plus one-month Term SOFR, subject to a 0.75% floor. We have in the past and may in the future enter into interest rate swap agreements to manage our risk from fluctuations in one-month Term SOFR above the 0.75% floor.

Foreign Currencies

We are subject to foreign currency translation risk due to the translation of the results of our subsidiaries from their respective functional currencies to the U.S. dollar, our functional currency. As a result, we discuss our revenue on a constant currency as well as actual basis, highlighting our sensitivity to changes in foreign exchange rates. See "*Constant Currency Revenue*." While the majority of our customers are invoiced, and the majority of our expenses are paid, by us or our subsidiaries in their respective functional currencies, we also have exposure to foreign currency transaction gains and losses as the result of certain receivables due from our foreign subsidiaries. As such, the results of operations and cash flows of our foreign subsidiaries are subject to fluctuations in foreign currency exchange rates. In the nine months ended September 30, 2026, we recognized foreign currency transaction gains of $1 million within "Other expense, net" in our Condensed Consolidated Statements of Comprehensive Loss. As we grow our international operations, our exposure to foreign currency translation and transaction risk could become more significant.

We have in the past and may in the future enter into foreign currency hedging instruments to limit our exposure to foreign currency risk.

Power Prices

We are a large consumer of power. In the nine months ended September 30, 2026, we expensed approximately $27 million for utility companies to power our data centers, representing approximately 1% of our revenue. Power costs vary by geography, the source of power generation and seasonal fluctuations and are subject to certain proposed legislation and geopolitical tensions that may increase our exposure to increased power costs. We have power contracts for data centers in the Dallas-Fort Worth, San Jose, Somerset, New Jersey and London areas that allow us to procure power either on a fixed price or on a variable price basis.

ITEM 4 – CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our senior management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act"), as amended, as of the end of the period covered by this Quarterly Report (the "Evaluation Date"). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer, concluded as of the Evaluation Date that our disclosure controls and procedures were effective such that the information relating to the company, including our consolidated subsidiaries, required to be disclosed in our SEC reports (i) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (ii) 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

There were no changes in our internal controls over financial reporting during our most recent fiscal quarter reporting period identified in connection with management's evaluation that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations of Internal Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all error and fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II – OTHER INFORMATION

ITEM 1 – LEGAL PROCEEDINGS

From time to time, we are subject to various legal proceedings, claims, inquiries, investigations, demands or other disputes arising in the ordinary course of our business. These matters include, among other things, commercial disputes (including contract interpretation, service level performance, billing disputes, customer service issues and similar matters), employment and labor claims, intellectual property disputes (including third-party claims by both operating companies and non-practicing entities alleging that our offerings, services, or technologies infringe, misappropriate, or otherwise violate the intellectual property or proprietary rights of others or that our use of third-party software (including open source components) violates copyright, licensing obligations or trade secret rights), and regulatory inquiries. In addition, we may receive requests for information, subpoenas, or be subject to investigations by governmental authorities relating to areas such as privacy, data protection, cybersecurity, competition/antitrust, and export controls and sanctions, among others.

We record accruals for loss contingencies when losses are considered probable and can be reasonably estimated. Because litigation and regulatory matters are inherently unpredictable, the amount that may ultimately be paid could differ from our recorded accruals and the timing of such payments is uncertain. It is reasonably possible that losses in excess of recorded amounts could be material in a particular period. Additional information about our loss contingencies is included in Item 1 of Part I, Financial Statements - Note 8, "Commitments and Contingencies." We maintain insurance for certain claims and losses; however, coverage may not be available for all matters and is subject to deductibles, exclusions, and policy limits.

Except as noted below and based on current information, we are not party to any pending litigation that would, if determined adversely to us, individually or in the aggregate be reasonably expected to have a material adverse effect on our business, financial condition, results of operations, or cash flows. However, litigation is inherently uncertain, and adverse developments or outcomes could potentially result in significant monetary damages or injunctive relief. We expense legal fees as incurred.

On July 29, 2026, we and two of our executive officers were named as defendants in a putative securities class action filed in the United States District Court for the Southern District of New York (*Morgan-Reed v. Rackspace Technology, Inc., et al., Case No. 1:26-cv-06491*). The complaint asserts claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 on behalf of a putative class of persons who purchased or otherwise acquired our common stock between May 7, 2026 and July 8, 2026, and alleges, among other things, that certain public statements concerning our enterprise AI initiatives and business segment outlook were materially false or misleading. The complaint seeks unspecified compensatory damages, interest, and attorney’s fees and costs. On October 13, 2026, the court appointed lead plaintiffs and lead counsel. We believe the claims lack merit and intend to defend the action vigorously. We are unable to predict the outcome of this matter or reasonably estimate the amount or range of any possible loss, if any.

For a discussion of risks related to intellectual property claims, data security, privacy and cybersecurity, regulatory compliance and other legal exposures, see "Risk Factors" in our Annual Report.

ITEM 1A – RISK FACTORS

We have disclosed under the heading "Risk Factors" in our Annual Report the risk factors which materially affect our business, financial condition or results of operations. Other than as set forth below, there have been no material changes from the risk factors previously disclosed. You should carefully consider the risk factors set forth in our Annual Report and the other information set forth elsewhere in this Quarterly Report on Form 10-Q. You should be aware that these risk factors and other information may not describe every risk facing our company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

We depend on AMD as well as other Key Partners for our Enterprise AI business.

Our Enterprise AI business depends substantially on our relationship with Advanced Micro Devices, Inc. ("AMD") as well as on other partners who provide, or may provide in the future, complementary products, software and platform capabilities for our Enterprise AI solutions, including Palantir Technologies Inc., VMware by Broadcom, Uniphore Technologies, Inc., Rubrik, Inc. and any future partners (collectively, our "Key Partners"). Our ability to obtain AMD Products and related hardware on commercially acceptable terms and timelines depends on our relationships with the third-party original equipment manufacturers who incorporate AMD Products into their servers as well as supply and demand for GPUs and related hardware in the overall market, which can fluctuate rapidly.

We have entered into a definitive GPU-as-a-Service Agreement - Master Terms and Conditions (the "GPUaaS Agreement") with AMD intended to facilitate the phased deployment of AMD AI compute products (including AMD Instinct™ GPUs (e.g., MI355X, MI350P, and future successor chips) and AMD EPYC™ CPUs) (collectively, the "AMD Products") in our global data centers. The GPUaaS Agreement establishes a commercial framework and does not itself obligate AMD to purchase any particular quantity of services, approve any deployment, or enter into future commercial arrangements. We have agreed to dedicate, maintain and make available an aggregate of 30 megawatts of capacity within our data centers as an initial launch footprint for AMD Products, where AMD Products are fit for purpose and subject to certain financing, operational, and legal conditions (the "AMD Footprint Obligation"). Satisfying the AMD Footprint Obligation will require significant capital expenditures, financing, customer demand, power availability, cooling capacity, networking infrastructure, operational execution and other conditions that may not occur on the anticipated timeline, at the anticipated costs, or at all. If we fail to satisfy the AMD Footprint Obligation, we could lose certain benefits under the GPUaaS Agreement, and our relationship with AMD could be adversely affected.

Each deployment under the GPUaaS Agreement is subject to agreement between the parties on the commercial terms applicable to such deployment, including pricing, term and financial parameters, and AMD has no obligation under the GPUaaS Agreement to agree to any particular deployment as being within the scope of the framework of the GPUaaS Agreement. If the parties agree that a deployment is within the scope of the GPUaaS Agreement, AMD has agreed to purchase residual unsold capacity from the applicable deployment, subject to the satisfaction of delivery and service availability requirements and an aggregate cap for each deployment. There can be no assurance that the applicable conditions will be satisfied or that such purchases will offset our investment, financing or operating costs. The GPUaaS Agreement also provides AMD with a right of first refusal to consume GPU capacity before the company sells GPUaaS services to third parties below a specified price threshold. The GPUaaS Agreement remains in effect until the expiration or termination of all deployments thereunder. Either party may terminate an affected deployment upon the other party's uncured material breach or insolvency, if the go-live date for such deployment has not occurred by a specified outside date, or upon certain service level failures.

We also depend on joint marketing and demand generation activities conducted together with AMD and our Key Partners to build customer awareness and generate sales opportunities for our Enterprise AI solutions. Any reduction in, or failure to effectively execute, these efforts could adversely affect demand for our Enterprise AI solutions and our results of operations. Demand for our Enterprise AI solutions may also be affected by customer preferences for GPU technology that may not align with the technology we have deployed or plan to deploy. AMD or our Key Partners may change product roadmaps, allocation priorities, commercialization strategies, pricing or licensing terms, interoperability, preferred deployment partners or channel relationships at any time, which could reduce our access to the products and services offered by AMD and our Key Partners or adversely affect the pricing, economics, or competitiveness of our Enterprise AI offerings. Our ability to realize anticipated benefits from these relationships depends upon successful integration of the platforms of our Key Partners into our offerings, customer adoption, continued commercial cooperation, and the ability of the parties to execute their obligations. Customers may elect not to adopt offerings provided by our Key Partners or may prefer competing platforms. If our relationship with AMD or any of our Key Partners deteriorates for any reason, our ability to deliver Enterprise AI solutions to customers, and our results of operations, could be materially and adversely affected.

The debt we have incurred or may incur to deploy AI infrastructure could adversely affect our financial condition and results of operations.

To fund the acquisition of GPU hardware and related AI infrastructure, we expect to incur substantial additional indebtedness, whether through equipment financing/leasing arrangements, secured term loans, vendor or OEM financing, or other instruments. Additional leverage will increase our overall debt service obligations, may impose restrictive covenants limiting our operational and financial flexibility, and increase our exposure to interest rate fluctuations and refinancing risk. Certain financing arrangements may require us to pledge GPUs or other assets as collateral, which could limit our financial flexibility. Our ability to service this debt depends on generating sufficient Enterprise AI revenue and infrastructure utilization to justify the underlying capital expenditure; if customer demand does not develop as anticipated, if pricing for AI compute declines due to competition or oversupply, or if we are not able to attach value-added services, we may be unable to generate returns sufficient to service this debt or recover our capital investment. In addition, there can be no assurances that we will be able to obtain financing on commercially reasonable terms or in the amounts necessary to facilitate such deployments, if at all. If we are unable to access capital markets or financing on acceptable terms in the future, our ability to expand or maintain our Enterprise AI business could be impaired.

Our Enterprise AI business is capital-intensive and depends on recovering large investments in rapidly evolving GPU infrastructure, and if GPU utilization, customer demand, hardware residual values or other assumptions fall short of our expectations, our results of operations could be materially and adversely affected.

Our Enterprise AI business is capital-intensive, and its profitability depends on maintaining sufficient utilization of deployed GPU infrastructure. Our expectations regarding the size, timing and growth of the Enterprise AI market, customer demand, utilization rates, pricing, financing availability, returns on invested capital and our ability to attach value-added services may prove inaccurate. Because a substantial portion of our operating and financing costs is fixed and continues to be incurred regardless of utilization, periods of underutilization, including if demand develops more slowly than we anticipate, or if we invest ahead of customer adoption, could materially reduce our margins and cash flows. The Enterprise AI infrastructure market is characterized by rapid technological change, and the GPUs and related infrastructure we acquire may become obsolete or non-competitive before we have recovered our investment, requiring further capital expenditure to remain competitive. The residual value of AI hardware is uncertain. If the market value of our GPU infrastructure declines more rapidly than expected, we could incur impairment charges, refinancing challenges or losses upon disposition. We may also face customer concentration risk if a limited number of large customers account for a significant portion of Enterprise AI revenue, and the loss of any such customer could materially affect our results. Any of these factors, individually or together, could prevent us from realizing an adequate return on our GPU infrastructure investments and could have a material adverse effect on our results of operations.

Although we are no longer a "controlled company" within the meaning of Nasdaq's rules, during a one-year transition period, we may continue to rely on exemptions from certain corporate governance requirements that provide protection to stockholders of companies that are subject to those corporate governance requirements.

Prior to September 9, 2026, Apollo controlled a majority of the voting power of our outstanding voting stock, and as a result, we were a "controlled company" within the meaning of Nasdaq's corporate governance standards and elected not to comply with certain Nasdaq corporate governance requirements. On September 9, 2026, Apollo's ownership of our outstanding voting stock fell below 50%, and consequently, we are no longer considered a "controlled company" under Nasdaq rules. As a result, we are subject to additional governance requirements under Nasdaq rules, including the requirements that:

- a majority of our Board of Directors consist of independent directors;
- our nominating and corporate governance committee be composed entirely of independent directors or otherwise require that the nominees for directors are determined or recommended to our Board of Directors by the independent members of our Board of Directors pursuant to a formal resolution addressing the nominations process and such related matters as may be required under the federal securities laws; and
- our compensation committee be composed entirely of independent directors.

Nasdaq rules provide for phase-in periods for these requirements. Under these phase-in rules, (i) each of our compensation committee and our nominating and corporate governance committee must have at least one independent member as of the date on which we ceased to be a "controlled company," a majority of independent members within 90 days of such date and only independent members within one year of such date and (ii) a majority of our Board of Directors must consist of independent directors within one year of such date. During this transition period, we may not have a majority of independent directors on our Board of Directors and our nominating and corporate governance committee and compensation committee may not be composed entirely of independent directors. As a result, during this transition period, our stockholders may not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of Nasdaq.

ITEM 2 – UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Unregistered Sales of Equity Securities and Use of Proceeds

Pursuant to a Share Issuance Agreement with Palantir Technologies Inc. ("Palantir"), on July 6, 2026, we issued 2.2 million shares of our common stock to Palantir as non-cash consideration having an aggregate fair value of approximately $14.0 million on the date of issuance. The shares were issued in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended.

ITEM 3 – DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4 – MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5 – OTHER INFORMATION

Rule 10b5-1 Trading Arrangements

During the quarter ended September 30, 2026, none of the company’s directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement" (as each term is defined in Item 408 of Regulation S-K).

ITEM 6 – EXHIBITS

Exhibit Number		Exhibit Description
10.1	†*	Separation Agreement and Release between Rackspace US, Inc. and Dharmendra Kumar ("DK") Sinha, dated September 14, 2026
31.1	*	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	*	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	**	Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	**	Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	*	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its 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)

* Filed herewith.
** Furnished herewith.
† Indicates management contract or compensatory plan.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

RACKSPACE TECHNOLOGY, INC.

Date: November 9, 2026

By: /s/ Mark Marino
Mark Marino
Chief Financial Officer

SEPARATION AGREEMENT AND RELEASE

This Separation Agreement and Release ("Agreement") is between **Dharmendra Kumar ("DK") Sinha** ("Employee" or "You") and Rackspace US, Inc. ("Rackspace" or the "Company").

This Agreement is entered into pursuant to, and in satisfaction of the Company's severance obligations described in, the Confidential Memo Regarding Employment Transition between Employee and the Company dated August 21, 2026 (the "Memorandum"). The terms of this Agreement govern the release of claims, restrictive covenants, and other separation terms described herein. The provisions of the Memorandum concerning the Transition Period and the transition priorities described therein remain in effect according to their terms.

1. **Termination of Employment Relationship**. Your employment relationship with the Company terminated on the "Employment End Date" set forth on the Severance Summary Exhibit attached to this Agreement. At the time of your termination, the Company provided you with materials relating to Claims for unemployment benefits and a Notice to Employee as to Change in Relationship, which provides a brief summary of the termination of the employment relationship.

2. **Severance Payments**. In exchange for the promises contained in this Agreement, and subject to your compliance with this Agreement, Rackspace will pay you the severance amount outlined on the Severance Summary Exhibit of this Agreement, less applicable withholdings and other ordinary payroll deductions (the "Severance Amount"). This Severance Amount does not include any unpaid wages through your Employment End Date, earned commissions, if applicable, or any other payments outlined below, which will be paid separately. It also does not include payment for any accrued but unused paid time off, which will be paid in accordance with applicable law and current Company policy. The Severance Amount will be paid in equal, biweekly installments, as outlined on the Severance Summary Exhibit, beginning on the first or second payroll date after the Effective Date of this Agreement. These installment payments will continue until all payments have been made unless you: (i) are in breach of or do not comply with any of the obligations set forth in this Agreement as determined by the Company or (ii) are rehired by Rackspace in any capacity during the payment period. The Severance Amount is separate from, and does not include or duplicate, the Additional Severance Benefits described below.

3. **Additional Severance Benefits**. In addition to the Severance Amount described above, the Company has agreed to provide you with the following severance benefits, in the same amounts you would receive under Section 8(c)(i) of your Employment Agreement with the Company dated July 13, 2022 (the "Employment Agreement"), regardless of whether Section 8(c)(i) applies to the characterization of your separation, and subject to your compliance with this Agreement, less applicable withholdings and other ordinary payroll deductions:

a. **Base Salary Severance.** An amount equal to twelve (12) months of your base salary in effect immediately prior to the Employment End Date, paid in periodic payments on the same schedule as the Severance Amount described above.

b. **Target Bonus.** An amount equal to your target annual performance bonus (100% of your base salary in effect immediately prior to the Employment End Date), paid in periodic payments on the same schedule as the Severance Amount described above.

c. **Pro-Rata Annual Bonus.** A pro-rata portion of your actual annual performance bonus for fiscal year 2026, calculated based on the actual level of achievement of the applicable performance objectives, paid in a lump sum at the same time annual bonuses for 2026 are paid to the Company's other US-based employees.

d. **COBRA Lump Sum.** A lump sum cash payment equal to the applicable premium cost for twelve (12) months of continued Company group health coverage for you and your covered spouse and dependents, if any, under COBRA, based on your health coverage elections in effect immediately prior to the Employment End Date (calculated using the premium for the first month of COBRA coverage), payable on the same date as the first installment of the Severance Amount, regardless of whether you elect COBRA continuation coverage.

The benefits described in this Section are being provided pursuant to Section 8(c) of the Employment Agreement notwithstanding that the Memorandum did not separately reference them. For the avoidance of doubt, the Severance Amount described above constitutes consideration for the unvested equity awards you would otherwise forfeit as a result of the termination of your employment, and does not include, offset, or duplicate any of the amounts described in this Section.

4. **No Other Payments.** After the Company pays you the amounts outlined in this Agreement, Rackspace is not obligated to make any additional severance, bonus or wage-related payments to you in any amount or for any purpose, other than any unpaid wages, earned commissions, or payment for paid time off as may be required by applicable law

5. **Benefit Plan Coverage.** Except as expressly provided in this Agreement, your participation in all Company-sponsored benefit plans shall terminate in accordance with the terms of each applicable plan and applicable law, effective as of your Employment End Date. Nothing in this Agreement shall be construed to create any new or vested rights to benefits beyond those provided by the terms of the applicable Benefit Plans. You may be eligible to elect continuation of group health coverage under COBRA and/or Cal-COBRA**,** as applicable, and information regarding such continuation rights will be provided in a separate written notice. Any continuation coverage, and any premium payments related to such coverage, shall be governed by applicable federal and California law and the terms of the applicable health plan(s). Nothing in this provision alters your rights, if any, to benefit continuation arising from any protected leave under federal or California law, which shall be administered in accordance with applicable statutes and regulations. See also the COBRA Lump Sum benefit described in Section 3 above.

6. **Compliance with Agreement.** To receive the payments and benefits described in this Agreement, you must comply with the terms of this Agreement. In the event you breach or fail to abide by the terms of this Agreement, Rackspace may permanently discontinue all remaining payments and benefits described herein that are conditioned on your adherence to the terms of this Agreement, in addition to other remedies which Rackspace may have under this Agreement or in equity or at law. Should Rackspace exercise its right to discontinue these payments, you will continue to be bound by this Agreement.

7. **Release and Waiver of Claims.** In exchange for the promises in this Agreement, you agree to irrevocably and unconditionally release all Claims you may now have or that you could have asserted against the Released Parties as set forth in this section ("Claim(s)"). The "Released Parties" are Rackspace US, Inc., Rackspace Hosting, Inc., Datapipe, Inc. and all of their respective affiliates, subsidiaries, related companies, partnerships, or joint ventures, and, with respect to each of them, their predecessors and successors; and with respect to each entity, all of its past and present employees, officers, directors, fiduciaries, agents, administrators, stockholders, owners, investors, and representatives, assigns, attorneys, agents, both in their individual and corporate capacities, and any other persons acting by, through, under, or in concert with any of the persons or entities listed in this subsection.

You understand and agree that this general release of Claims against the Released Parties applies to any and all known and unknown Claims, damages, charges of discrimination, demands, losses, liabilities and causes of action, of any type that you may have against the Released Parties, which arose or occurred on or before the date you executed this Agreement. This general release of all Claims includes any Claims in connection with or arising from your employment with, or separation of employment from, Rackspace whether or not currently known to you or suspected to exist at the time of execution hereof.

You understand and agree that you are waiving and releasing all Claims against the Released Parties, of any known and unknown Claims, promises, causes of action, including but not limited to breach of contract, conversion, invasion of privacy, intentional infliction of emotional distress, promissory estoppel, equitable estoppel, assault, battery, defamation, disparagement, negligence, fraud, torts, and any and all similar rights of any type that you may have against any Released Party.

You further understand that the Claims that you are releasing may arise under many different laws (including statutes, regulations, other administrative guidance, and common law doctrines), including, but not limited to: the Age Discrimination in Employment Act, if applicable, Title VII of the Civil Rights Act; Section 1981 of the Civil Rights Act; Executive Order 11246; the Equal Pay Act; Lilly Ledbetter Fair Pay Act; the Americans with Disabilities Act, as amended, Section 503 and 504 of the Rehabilitation Act; the Genetic Information Nondiscrimination Act; the Texas Workers' Compensation Act; Chapter 21 of the Texas Labor Code; the Worker Adjustment and Retraining Notification Act; the Employee Retirement Income Security Act; the Fair Labor Standards Act; the National Labor Relations Act; the Family and Medical Leave Act; the Uniformed Services Employment and Reemployment Rights Act; the Defend Trade Secrets Act; the California Constitution; the California Family Rights Act; the California Labor Code; the California Business and Professions Code, the California Civil Code; the California Government Code; the California Workers' Compensation Act; the California Fair Employment and Housing Act; the California Private Attorneys General Act; the Unruh Civil Rights Act; any federal, state, or local laws restricting an employer's right to terminate employees, or otherwise regulating employment; any federal, state, or local law enforcing express or implied employment contracts or requiring an employer to deal with employees fairly or in good faith; Claims for physical or personal injury (including, but not limited to, Claims based on the negligence of the Released Parties), wrongful discharge, intentional infliction of emotional distress, fraud, fraud in the inducement, negligent misrepresentation, negligent infliction of emotional distress, defamation, invasion of privacy, conversion, theft, interference with contract or with prospective economic advantage, negligent investigation, Claims for wages, severance, bonus, salary,

commission and/or benefits, breach of express or implied contract, and breach of covenants of good faith and fair dealing, and similar or related Claims. Nothing in this section is intended to limit or restrict any rights that cannot, by express and unequivocal terms of law, be limited, waived, or extinguished, including any right that you may have under California Labor Code Section 2802 to indemnification of your expenses or losses incurred in discharging your duties. However, you acknowledge that you have submitted and/or received reimbursement for all expenses incurred up to the date of execution of this Agreement.

PLEASE NOTE THAT THIS RELEASE INCLUDES A RELEASE OF CLAIMS FOR NEGLIGENCE AND GROSS NEGLIGENCE. THIS DOCUMENT IS INTENDED TO BE A COMPLETE RELEASE OF ALL CLAIMS.

You understand that you are releasing Claims up to and including the date you sign this Agreement, including Claims that you may not know about. You affirm that this is your knowing and voluntary intent, even though you recognize that someday you might learn that some or all of the facts you currently believe to be true are untrue, and even though you might then regret having signed this Release. Nevertheless, you are assuming that risk, and you agree that this Release will remain effective in all respects in any such case. You expressly waive all rights you might have under any law that is intended to protect you from waiving unknown Claims. You understand the significance of doing so. This Agreement does not release any Claims or causes of action that accrue or arise after the date you sign this Agreement.

California Civil Code Section 1542. You acknowledge that you have been advised to consult with legal counsel and are familiar with the provisions of California Civil Code Section 1542, a statute that otherwise prohibits the release of unknown Claims, which provides as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

You, with awareness of this code section, and understanding that you are a creditor for purposes of this section, agree to expressly waive any rights you may have under it, as well as under any other statute or common law principles of similar effect.

8. **Covenant Not to Sue.** You covenant and agree that you will not now or at any time in the future commence, maintain, prosecute, or participate in as a party, or permit to be filed by any other person on your behalf or as a member of any alleged class of persons, any action, suit, proceeding, Claim, or complaint of any kind against any of the Released Parties with respect to any matter which arises from or relates to your employment with the Released Parties or the termination thereof or which is encompassed in the release set forth above. Nothing in this Agreement prevents you from (i) filing a Claim to enforce the terms of this Agreement; (ii) asserting a Claim arising after the Effective Date of this Agreement; or (iii) filing a charge with the Equal Employment Opportunity Commission (EEOC) or participating in any EEOC investigation or proceeding. You promise, however, never to seek or accept any damages, remedies or other relief for you personally with respect to any Claim released by this Agreement.

9. **Certain Actions Not Prohibited.** Nothing in this Agreement is intended to interfere with your right to report possible violations of federal, state or local law or regulation to any governmental or law enforcement agency or entity, to respond to law enforcement inquiries or to make other disclosures that are protected under the whistleblower provisions of federal or state law or regulation. By signing this Agreement, you acknowledge that nothing in this Agreement shall affect any eligibility that you may have to receive a whistleblower award or bounty for information provided to the Securities and Exchange Commission ("SEC") or any other government agency or official. Nothing in this Agreement shall be construed to affect the rights and responsibilities of the Equal Employment Opportunity Commission (the "EEOC"), the National Labor Relations Board (the "NLRB"), the Occupational Safety and Health Commission ("OSHA") or any other federal, state or local agency with similar responsibilities. Likewise, this waiver will not be used to justify interfering with the protected right of any employee to file a charge or participate in an investigation or proceeding conducted by the EEOC, the NLRB, OSHA or any similar agency. However, to the fullest extent permitted by applicable law, you waive the right to receive or participate in any payment or benefits arising out of any such proceeding.

10. **Confidentiality of The Agreement**. You will not directly or indirectly disclose any provision of this Agreement to any person or entity other than (i) any legal or other professional advisor(s), (ii) immediate family members, or (iii) any governmental agency. You will not copy this Agreement except as necessary to provide a copy to any legal advisor or any governmental agency. This provision is not intended to prevent you from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that you have reason to believe is unlawful. In addition, you understand that nothing contained in this Agreement limits your rights under the National Labor Relations Act.

11. **Consultation with Counsel.** You are advised to review this Agreement with an attorney, at your expense, concerning its effect prior to signing it. By signing this Agreement, you acknowledge that you have been given an opportunity to consult with counsel about the terms and provisions in this Agreement.

12. **Confidential Information and Return of Company Property.**

a. Employee acknowledges and agrees that Sections 4 (Nondisclosure of Confidential Information), 5 (Non-Hire of Company Employees), 6 (Non-Solicitation of Customers and Suppliers), and 9 (Ownership of Materials) of Employee's Employment Agreement remain in full force and effect according to their terms following the termination of Employee's employment, in each case to the extent enforceable under applicable law. In the event of any conflict between the surviving terms of the Employment Agreement and the terms of this Agreement, the terms of this Agreement will control.

b. Within two weeks following your Employment End Date, you will return to the Company all property belonging to the Company that you possess or possessed but provided to a third party, including but not limited to, all equipment or other materials and all originals and copies of Company documents, files, memoranda, notes, computer-readable information (maintained on a removable drive, home computer, or in any other form) and video or tape recordings of any kind other than personal materials relating solely to you. You warrant and represent that you have not retained, distributed or caused to be distributed, and will not retain, distribute or cause to be distributed, any original or duplicates of any such Company property specified in this section.

c. You are hereby notified in accordance with the Defend Trade Secrets Act of 2016 that you will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. You are further notified that if you file a lawsuit for retaliation against the Company for reporting a suspected violation of law, you may disclose the Company's trade secrets to your attorney and use the trade secret information in the court proceeding if you: (a) file any document containing the trade secret under seal; and (b) do not disclose the trade secret, except pursuant to court order.

13. **Representation.** You acknowledge that you are not relying on any representations that are not in this Agreement when deciding to sign the Agreement. Rackspace would not have agreed to pay the consideration you are receiving in exchange for this Agreement but for the representations and promises you are making by signing it. You acknowledge and represent that you have not suffered any job-related wrongs or injuries, such as any type of discrimination or workplace injury, for which you might still be entitled to compensation or relief now or in the future. You have properly reported all hours that you have worked and have been paid all wages, overtime, commissions, compensation, benefits, and other amounts that Rackspace or any Released Party should have paid you in the past.

14. **Cooperation.** You agree to cooperate with the Company and its designated attorneys, representatives and agents in connection with the transition of your duties, any actual or threatened judicial, administrative, or other legal or equitable proceeding in which the Company is or may become involved. Upon reasonable notice, you agree to meet with and provide the Company and its designated attorneys, representatives or agents all information and knowledge you may have relating to the subject matter of any such proceeding. Rackspace agrees to reimburse you for any reasonable pre-approved out of pocket expenses incurred by you as a result of your cooperation.

15. **Payment Timing; Section 409A.** Notwithstanding anything in this Release to the contrary, the Parties hereto agree and acknowledge that Section 16 of the Employment Agreement is hereby incorporated by reference and that any payments or benefits owed to Employee pursuant to this Release are intended to be made in a manner that is either (i) exempt from Section 409A of the Code ("Section 409A") or (ii) compliant with Section 409A. Without limiting the foregoing, (x) if Employee is deemed at the time of Employee's separation from service to be a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code and any payment, compensation or other benefit provided to Employee in connection with his termination of employment is determined in whole or part, to constitute "non-qualified deferred compensation" within the meaning of Section 409A, no part of such payment, compensation or other benefit shall be paid to Employee prior to the earlier of (A) the day that is the first business day after the expiration of the six-month period measured from the date of Employee's "separation from service", and (B) the date of Employee's death; provided, that upon the earlier of such dates, all payments deferred pursuant to this Section shall be paid to Employee in a lump sum, and any remaining payments, compensation or other benefits shall be paid as otherwise provided herein; and (y) for purposes of Section 409A, Employee's right to receive installment payments hereunder shall be treated as a right to receive a series of separate and distinct payments.

16. **Tax Consequences.** You acknowledge and agree that you are solely responsible for the tax consequences to you of any benefits conferred on you, or any payments made to you or on your behalf, under the terms of this Agreement. Rackspace has not made any representations to you concerning any possible tax consequences of any payments made pursuant to this Agreement.

17. **Arbitration.** All Claims and matters in question arising out of this Agreement or the relationship between the Parties, whether sounding in contract, tort, a statutory cause of action or otherwise, will be resolved by binding arbitration pursuant to the Federal Arbitration Act. Either Party, however, may bring an action in any court of competent jurisdiction to compel arbitration under this Agreement; enforce or vacate an arbitration award; or seek injunctive relief. This arbitration will be administered by the American Arbitration Association ("AAA") in accordance with the National Rules for Resolution of Employment Disputes of the American Arbitration Association ("National Rules") in effect at the time the dispute arose. There will be one arbitrator selected pursuant to the National Rules, unless the Parties agree on a different arbitration service. The arbitrator will issue a reasoned award within six (6) months of the filing of the arbitration notice. The Company will pay for all costs unique to arbitration. The parties further agree that by entering into this Agreement, the right to participate in a class or collective action is waived. CLAIMS MAY BE ASSERTED AGAINST THE OTHER PARTY ONLY IN AN INDIVIDUAL CAPACITY AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING. Further, unless the parties agree otherwise, the arbitrator may not consolidate more than one person's claims, and may not otherwise preside over any form of a representative, collective or class proceeding. If this specific provision is found to be unenforceable, then the entirety of this arbitration provision shall be null and void.

18. **Jurisdiction.** The substantive laws of California govern this Agreement.

19. **Headings.** The headings in this Agreement were used for administrative convenience only and will not be used in interpreting or construing the meaning of any provision.

20. **Invalid Provision.** If any provision of this Agreement is or may be held by a court of competent jurisdiction to be invalid, void, or unenforceable to any extent, the validity of the remaining parts, terms or provision of this Agreement will not be affected thereby, and such illegal or invalid part, term, or provision will be deemed not to be part of this Agreement. The remaining provisions will nevertheless survive and continue in full force and effect.

21. **Interpretation.** This Agreement will be construed as a whole according to its fair meaning. It will not be construed strictly for or against you. Unless the context indicates otherwise, the singular or plural number will be deemed to include the other. Captions are intended solely for the convenience of reference and will not be used in the interpretation of this Agreement.

22. **Review and Revocation Period.** In conformity with the Older Workers Benefit Protection Act (OWBPA), you acknowledge that (i) this Agreement is written in a manner calculated to be understood by you, (ii) this Agreement represents your knowing and voluntary waiver and release of any and all Claims that you might have, including any such Claims arising under the Age Discrimination in Employment Act of 1967, as amended (the ADEA), (iii) you have not waived any Claim under the ADEA that may arise after the date you execute this Agreement, (iv) the consideration you will receive in exchange for this Agreement (i.e., the payments and benefits set forth above) is something of value to which you are not already entitled, (v) you are hereby being advised to consult with an attorney prior to executing this Agreement, (vi) you have

been given, at least forty-five (45) days to consider this Agreement, together with any disclosures required by the OWBPA, and (vii) you have seven days following your execution of this Agreement in which to revoke it by written notice of revocation that must be emailed to and received by askhr@rackspace.com no later than the seventh day after you have signed this Agreement. If signed and not revoked, this Agreement will become effective and enforceable the later of (i) your Employment End Date or (ii) the eighth day after your execution of this Agreement without revocation (the "Effective Date").

23. **Counterparts.** This Agreement may be executed in a number of identical counterparts, each of which for all purposes is deemed an original and all of which constitute collectively one Agreement.

24. **Entire Agreement.** This Agreement represents the entire agreement by and between the parties and there are no other agreements or understandings related to your employment with any of the Released Parties or the subject matter of this Agreement other than your equity grant agreement(s), if any, and the surviving provisions of your Employment Agreement referenced above, which survive the end of your employment and continue in effect. You represent and acknowledge that: (a) in executing this Agreement, you are not relying, and have not relied, on any representation(s) by any of the Released Parties, except as expressly contained in this Agreement and that you relied on your own judgment; and (b) you have not transferred or assigned, to any person or entity, any Claim involving any of the Released Parties or any portion thereof or interest therein. This Agreement may not be changed except by written agreement signed by the parties.

25. **Binding Heirs, Successors and Assigns**. Except as herein expressly provided, the terms and provisions of this Agreement will inure to the benefit of and be binding upon the heirs, successors, assigns and legal representatives of the parties.

26. **Review by Employee.** You acknowledge the following:

(1) That you carefully read this Agreement, and that you understand it;

(2) That you were advised and have had the opportunity to consult an attorney, at your expense, regarding the terms and meaning of this Agreement;

(3) That you understand your deadline to consider whether to agree to and accept this Agreement;

(4) That you understand that the Agreement is effective and enforceable on the Effective Date as defined above.

[SIGNATURE PAGE FOLLOWS]

PLEASE READ THIS AGREEMENT CAREFULLY AND CONSIDER ALL OF ITS PROVISIONS BEFORE SIGNING IT. IT INCLUDES A RELEASE OF KNOWN AND UNKNOWN CLAIMS, INCLUDING CLAIMS BASED ON NEGLIGENCE. IF YOU WISH, YOU SHOULD TAKE ADVANTAGE OF THE FULL REVIEW PERIOD AFFORDED UNDER THIS AGREEMENT AND YOU SHOULD CONSULT AN ATTORNEY OF YOUR CHOOSING.

BY SIGNING THIS AGREEMENT AND GENERAL RELEASE, YOU AGREE THAT YOU READ IT AND UNDERSTAND IT AND THAT YOU HAVE KNOWINGLY AND VOLUNTARILY SIGNED THIS DOCUMENT AND AGREE TO EACH OF THE TERMS AND CONDITIONS BELOW. YOU ARE ADVISED TO CONSULT WITH AN ATTORNEY PRIOR TO SIGNING THIS AGREEMENT AND GENERAL RELEASE.

Employee:
By: /s/ Dharmendra Kumar Sinha Date: 14 September 2026
Dharmendra Kumar Sinha

Rackspace:
By: /s/ Kellie Teal-Guess Date: 14 September 2026
Kellie Teal-Guess
On Behalf of Rackspace

IF YOU AGREE, PLEASE ELECTRONICALLY SIGN THIS AGREEMENT THROUGH DOCUSIGN PRIOR TO THE DEADLINE.

SEVERANCE SUMMARY EXHIBIT

Employee Name: **Dharmendra Kumar Sinha**

Employment End Date: September 14, 2026

Severance Payment: **$1,500,000.00**

Number of Severance Payment Installments: **26 (paid biweekly over approximately one year)**

Base Salary Severance: **An amount equal to 12 months of base salary in effect immediately prior to the Employment End Date (see Additional Severance Benefits section)**

Target Bonus: **100% of base salary in effect immediately prior to the Employment End Date (see Additional Severance Benefits section)**

Pro-Rata Annual Bonus: **Calculated per the Additional Severance Benefits section when 2026 bonuses are paid to other US-based employees**

COBRA Lump Sum: **An amount equal to 12 months of COBRA premium based on elections in effect immediately prior to the Employment End Date (see Additional Severance Benefits section)**

Human Resources Contact: AskHR@Rackspace.com

Please review your personal information in Workday including payment elections, mailing address and personal email address, and make any updates before your exit date. Visit the How to Change your Contact Information in Workday help guide in the AskHR portal, for instructions.

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) OR 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Gajen Kandiah, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Rackspace Technology, Inc.;
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 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 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: November 9, 2026

By: /s/ Gajen Kandiah
Gajen Kandiah
Chief Executive Officer; Director

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) OR 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark Marino, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Rackspace Technology, Inc.;
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 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 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: November 9, 2026

By: /s/ Mark Marino
Mark Marino
Chief Financial Officer

Exhibit 32.1

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

I, Gajen Kandiah, Chief Executive Officer of Rackspace Technology, Inc. (the "Company"), certify pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1. The Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2026 (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 Rackspace Technology, Inc.

Date: November 9, 2026

By: /s/ Gajen Kandiah
Gajen Kandiah
Chief Executive Officer; Director

Exhibit 32.2

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

I, Mark Marino, Chief Financial Officer of Rackspace Technology, Inc. (the "Company"), certify pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1. The Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2026 (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 Rackspace Technology, Inc.

Date: November 9, 2026

By: /s/ Mark Marino
Mark Marino
Chief Financial Officer