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Teradata Corporation Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). Our first question comes from Katie Huberty from Morgan Stanley. Please go ahead.

Katie Huberty - Morgan Stanley

Thanks. Good morning. So, obviously a phenomenal March quarter after a strong December. So, I guess, the question is, whether you think you have stolen revenue in earnings from later this year, or if, these fundamentals are just a clear sign that data warehousing is facing different spending patterns than the rest of technology this year?

Mike Koehler

Katie, this is Mike Koehler. We had the normal deferrals and spillovers from Q4 to Q1, Q1 to Q 2, so I don't think there's anything indicative there as far as any movement of revenues, okay?

The challenge that we've got is the lack of visibility going forward. Clearly, we have some pretty strong activity going, in particular, in Europe and other places of the world, not as strong. So, at this juncture, it's a little too early to tell and like the visibility isn't there as far as getting a picture for where this thing is headed.

Katie Huberty - Morgan Stanley

Can you expand on some of the qualitative commentary around the pipeline of deals and maybe the number of conversations you're having with new customers today versus where you were at exiting the fourth quarter, understanding that some of those are 12-plus month lead times?

Mike Koehler

I would say activity is very similar to what we saw coming out of the fourth quarter. So if you go back to what we said back in February, and what we were seeing in terms of activity around the world, it's very similar. EMEA continues to have extremely strong activity. They have a good pipeline.

The challenge we have in EMEA like we had in the first quarter is about a 17% currency headwind and the thing that is a little bit different about Q2, well, actually, it's significantly different in Q2, as EMEA had biggest quarter ever last year in the second quarter and they grew revenues 33%. That said, the EMEA activity in the pipeline is very good, new customers as well as everything across the board.

In Asia Pacific/Japan, once again the activity in the pipeline is good outside of Japan. What we saw coming out of the fourth quarter was softness in Japan, outside of Japan. The overall activity in pipeline remains strong.

The Americas coming out of the fourth quarter, what we said was the number of mature opportunities in the pipeline was lagging. It was down sequentially from the fourth quart as you'd expect with the big fourth quarter that we had in the Americas. Going into the second quarter, once again the amount of mature deals in the Americas are still lagging where we need them to be.

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