



Rackspace Technology, Inc. Class Action Lawsuit – RXT

Rackspace Technology, Inc.
NASDAQ: RXT

Affected RXT Investor Summary

- **Who:** Rackspace Technology, Inc. ([NASDAQ: RXT](#))
 - **What:** Securities fraud class action lawsuit filed
 - **Class Period:** May 7, 2026 through July 8, 2026
 - **Deadline to Seek Lead Plaintiff Status:** September 28, 2026
 - **Key Lawsuit Allegations:** Material misstatements and/or omissions concerning the company's enterprise AI efforts.
 - **Investor Action:** Contact [Kessler Topaz Meltzer & Check, LLP \(www.ktmc.com\)](#) for recovery options
-

The *Rackspace Technology, Inc.* class action lawsuit was filed on behalf of those who purchased or otherwise acquired *Rackspace Technology, Inc.* ("Rackspace") (NASDAQ: RXT) securities between May 7, 2026, and July 8, 2026, inclusive (the "Class Period"). Captioned *Morgan-Reed v. Rackspace Technology, Inc.*, No. 1:26-cv-06491 (S.D.N.Y.), the *Rackspace* class action lawsuit alleges that *Rackspace* and/or certain of its officers and/or directors violated federal securities laws by making false or misleading statements and/or omitted to disclose material information.

If you lost money as a result of your *Rackspace* investment and want to find out more about this action and your rights, fill out the form on this page or contact attorney Jonathan Naji, Esq. of KTMC by calling (484) 270-1453 or via e-mail at info@ktmc.com. Lead plaintiff motions must be filed with the court no later than September 28, 2026.

COMPLAINT ALLEGATION SUMMARY:

The complaint alleges that, throughout the Class Period, Defendants made materially false and/or misleading statements, and/or failed to disclose material adverse facts about the company's business, operations, and prospects. Specifically, Defendants misrepresented and/or failed to disclose that: (1) Rackspace's enterprise AI efforts would require the company to significantly re-prioritize its capacity and capital away from the profitable Private Cloud segment; (2) Rackspace's Public Cloud revenue was declining as customers contracted directly with hyperscale cloud platforms; (3) as a result, Rackspace was likely to significantly reduce a material portion of its Public Cloud infrastructure resale business; (4) consequently, Rackspace's fiscal year 2026 revenue would be significantly impacted; and (5) as a result of the foregoing, Defendants' positive statements about the company's business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

WHY DID RACKSPACE'S STOCK DROP?

On July 9, 2026, before the market opened, Rackspace published its second quarter 2026 financial results and disclosed "a strategic and financial update on its transition to



Rackspace Technology, Inc. Class Action Lawsuit - RXT

becoming the operator of the full enterprise AI stack." Specifically, Rackspace revealed that its AI investments would require a significant re-prioritization of resources and, as a result, reduced its full year 2026 revenue guidance by \$150 million. Rackspace also cut its full year 2026 Private Cloud revenue outlook by \$25 million and explained that "[l]ower near-term margins reflect upfront growth investment and restructuring, ahead of AI revenue ramping."

On this news, Rackspace's stock price fell \$2.21 per share, or 33.6%, to close at \$4.37 per share on July 9, 2026.

THE LEAD PLAINTIFF PROCESS:

The Private Securities Litigation Reform Act of 1995 permits any investor who purchased or acquired *Rackspace* securities during the Class Period to seek appointment as lead plaintiff in the *Rackspace* class action lawsuit. A lead plaintiff is a representative party that acts on behalf of other class members in directing the litigation. In order to be appointed lead plaintiff, the Court must determine that the class member's claim is typical of the claims of other class members, and that the class member will adequately represent the class. Your ability to share in any recovery is not, however, affected by the decision whether or not to serve as a lead plaintiff. Filling out the online form above or communicating with any counsel is not necessary to participate or share in any recovery achieved in this case. Any member of the purported class may move the court to serve as a lead plaintiff through counsel of his/her choice, or may choose to do nothing and remain an inactive class member.

ABOUT KESSLER TOPAZ MELTZER & CHECK, LLP:

Kessler Topaz Meltzer & Check, LLP (KTMC) is a leading U.S. plaintiff-side law firm focused on securities-fraud class actions and global investor protection. The firm represents individual investors as well as institutions, such as major pension funds, asset managers, and international investors. KTMC has led some of the largest recoveries in securities litigation and has been recognized by peers and the legal media with numerous accolades, including being recognized in [Chambers & Partners USA 2026 as a Band 1 Top Firm](#) in Securities and Class Actions, [Legal 500's Tier 1 Rankings for Securities and M&A Litigation](#), The National Law Journal's Plaintiff's Hot List and Trailblazers in Plaintiffs' Law, BTI Consulting Group's Honor Roll of Most Feared Law Firms, The Legal Intelligencer's [Class Action Firm of the Year](#), Lawdragon's Leading Plaintiff Financial Lawyers, and Law360's Titans of the Plaintiffs Bar. The firm operates globally with offices in Pennsylvania and California. KTMC has recovered over \$25 billion for our clients and the classes they represent.

