

Financial Results for Q4 2019 and Full Year 2019

Updated March 23, 2020 to reflect impairment of minority investment in RealWear

January 23, 2020

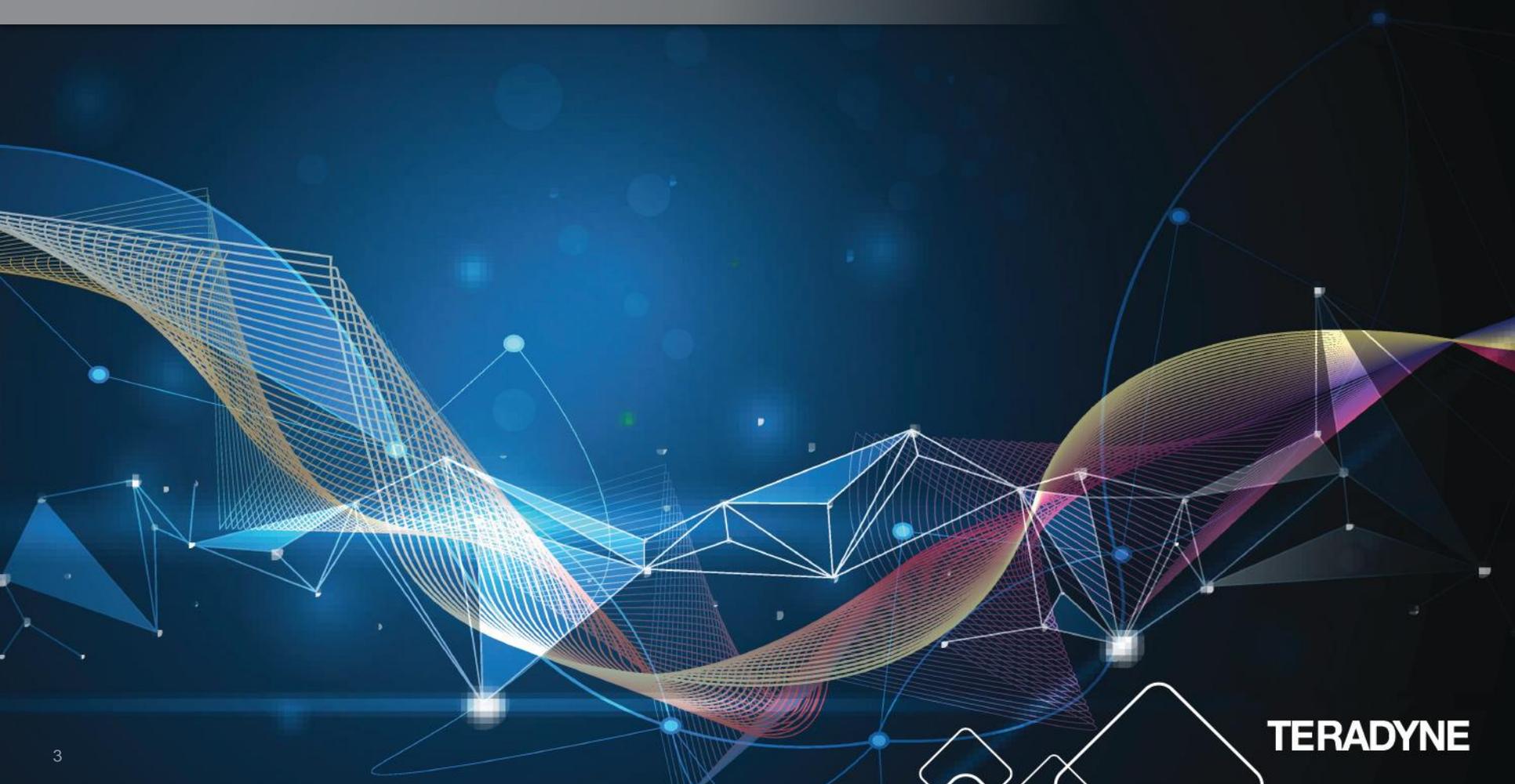


SAFE HARBOR

This presentation contains forward-looking statements regarding Teradyne's future business prospects, results of operations, market conditions, earnings per share, the payment of a quarterly dividend, the repurchase of Teradyne common stock pursuant to a share repurchase program, use of proceeds and potential dilution from the senior convertible notes offering, and the impact of the U.S. export and tariff laws. Such statements are based on the current assumptions and expectations of Teradyne's management and are neither promises nor guarantees of future performance, events, earnings per share, use of cash, payment of dividends, repurchases of common stock, payment of the senior convertible notes, or the impact of the U.S. export and tariff laws. There can be no assurance that management's estimates of Teradyne's future results or other forward-looking statements will be achieved. Additionally, the current dividend and share repurchase programs may be modified, suspended or discontinued at any time. On May 16, 2019, Huawei and 68 of its affiliates, including HiSilicon, were added to the U.S. Department of Commerce Entity List under U.S. Export Administration Regulations (the "EAR"). This action by the U.S. Department of Commerce imposed new export licensing requirements on exports, re-exports, and in-country transfers of all U.S. - regulated products, software and technology to the designated Huawei entities. While most of our products are not subject to the EAR and therefore not affected by the Entity List restrictions, some of our products are currently manufactured in the U.S. and thus subject to the Entity List restrictions. Compliance with the current Entity List restrictions has not significantly impacted our sales. There have been recent news reports that the U.S. Department of Commerce plans to modify the U.S. EAR to expand the scope of the regulations to include more products that would become subject to the Entity List restrictions relating to Huawei and the designated Huawei entities including HiSilicon. These modified regulations, if implemented as currently reported, would impact our ability to continue to sell certain products directly to Huawei and HiSilicon, both of which are significant Teradyne customers. However, based on our understanding, these proposed modified regulations would not impact our sales to third party contract manufacturers used by Huawei and HiSilicon to manufacture and test semiconductor and other electronic devices. Because the business environment for Huawei is both fluid and uncertain, there are also risks that Huawei and HiSilicon may have less demand for our products and/or may purchase products from our competitors who are not impacted by the U.S. regulations. Until these or any new regulations become public and effective, we will not know the extent of the impact on our business with Huawei and HiSilicon. However, it is possible that these modified regulations and any other additional regulations that may be implemented by the U.S. Department of Commerce or other government agency would have a material impact on our business and financial results. Important factors that could cause actual results, earnings per share, use of cash, dividend payments, repurchases of common stock, or payment of the senior convertible notes to differ materially from those presently expected include: conditions affecting the markets in which Teradyne operates; decreased or delayed product demand from one or more significant customers; development, delivery and acceptance of new products; the ability to grow the Industrial Automation business; increased research and development spending; deterioration of Teradyne's financial condition; the consummation and success of any mergers or acquisitions; unexpected cash needs; insufficient cash flow to make required payments and pay the principal amount on the senior convertible notes; the business judgment of the board of directors that a declaration of a dividend or the repurchase of common stock is not in the company's best interests; additional U.S. tax regulations or IRS guidance; the impact of any tariffs or export controls imposed in the U.S. or China; compliance with trade protection measures or export restrictions; the impact of U.S. Department of Commerce or other government agency regulations relating to Huawei and HiSilicon; and other events, factors and risks disclosed in filings with the SEC, including, but not limited to, the "Risk Factors" section of Teradyne's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 and the Quarterly Report on Form 10-Q for the period ended September 29, 2019. The forward-looking statements provided by Teradyne in this presentation represent management's views as of the date of this presentation. Teradyne anticipates that subsequent events and developments may cause management's views to change. However, while Teradyne may elect to update these forward-looking statements at some point in the future, Teradyne specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing Teradyne's views as of any date subsequent to the date of this presentation.

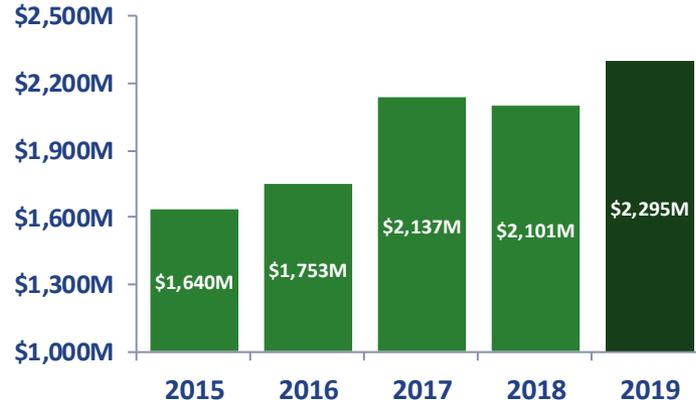
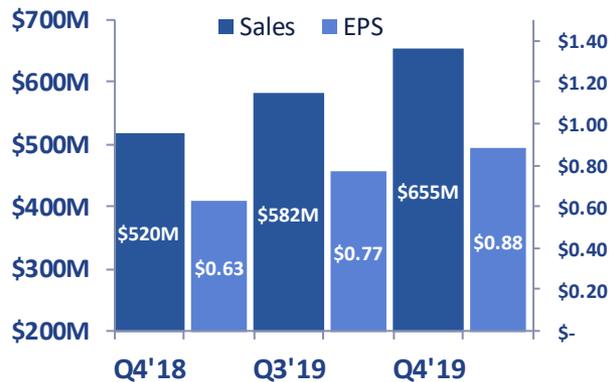
Business Update and Outlook

Mark Jagiela, Teradyne President and CEO



Q4'19 and 2019 Summary

All Business Segments' Revenue Grew Quarter on Quarter and Year on Year
2019 Sales of \$2,295M, Non-GAAP EPS of \$2.86



Quarterly Sales/Non-GAAP EPS

Full Year Sales

Full Year Non-GAAP EPS⁽¹⁾

- Semiconductor strength in 4G, 5G and Memory Test
- System Test sales up 53% from Q4'18 on Storage Test growth

- Sales up 9% from 2018
- Four year sales CAGR of 9%

- Full year 2019 Non-GAAP EPS of \$2.86 up \$0.49/21% from 2018
- Four year Non-GAAP EPS CAGR of 23%
- Reduced diluted share count by 8% in 2019 compared to 2018



January 2020 Update

- Q4 Sales up 26% and non-GAAP EPS up 40% from Q4'18
- Full year 2019 sales up 9%, Non-GAAP EPS up 21% on Test strength in 4G/5G, Storage and Defense/Aerospace markets
- Industrial Automation (IA) below plan in 2019; grew 14% as reported, 12% proforma in face of global manufacturing slow down
- Expect 2020 SOC Test market to be \$3.1-3.4B, Memory Test market \$650-750M
- New product design wins will begin to ramp in 1H-'20
- IA long term growth rate expected to moderate to 20-35% CAGR, expect 25% in 2020

Fourth Quarter and Full Year 2019 Financial Results and First Quarter 2020 Guidance

Sanjay Mehta, Teradyne Vice President and Chief Financial Officer



Q4'19 Non-GAAP Results

\$s in millions, except EPS	Q4'18 Actual ⁽¹⁾		Q3'19 Actual ⁽¹⁾		Q4'19 Actual ⁽¹⁾	
Sales		\$520M		\$582M		\$655M
Gross Margin	59.6%	\$310M	59.3%	\$345M	58.5%	\$383M
R&D	14.4%	\$75M	13.4%	\$78M	13.3%	\$87M
SG&A	19.4%	\$101M	18.4%	\$107M	17.9%	\$117M
OPEX	<u>33.8%</u>	<u>\$175M</u>	<u>31.8%</u>	<u>\$185M</u>	<u>31.2%</u>	<u>\$204M</u>
Operating Profit	25.8%	\$134M	27.5%	\$160M	27.4%	\$179M
Income Taxes (& effective tax rate)	15.0%	\$20M	17%	\$27M	17%	\$30M
EPS		\$0.63		\$0.77		\$0.88
Diluted Shares		181M		175M		175M

(1) See attached appendix for GAAP to non-GAAP reconciliations

Balance Sheet & Capital Return

	Q4'18 Actual	Q3'19 Actual	Q4'19 Actual
Cash and Marketable Securities	\$1,205M	\$1,040M	\$1,016M
Inventory	\$154M	\$178M	\$197M
DSO	52 Days	56 days	51 Days
Acquisition Earn-out Accruals ⁽¹⁾	\$71M	\$18M	\$40M
Capital Additions	\$26M	\$37M	\$39M
Depreciation and Amortization ⁽²⁾	\$39M	\$40M	\$41M
Free Cash Flow ⁽³⁾	\$160M	\$162M	\$178M
Capital Return { Buybacks Dividends	\$261M	\$122M	\$131M
	\$16M	\$15M	\$15M

(1) Includes UR, MiR and AutoGuide

(2) Includes depreciation, stock based compensation, amortization of acquired intangible assets and amortization of the non-cash convertible debt discount

(3) Teradyne calculates free cash flow as: GAAP Cash flow from operations, excluding discontinued operations, less property, plant and equipment additions; see GAAP to non-GAAP reconciliations.



Q4'19 and 2019 Segment Summary

Semiconductor Test

\$439M

5G Infrastructure and 4G handset demand stronger than planned

Successfully entered the LPDDR5 DRAM test market

Industrial Automation

\$88M

UR sales up 6%, MiR sales up 43% in 2019 vs 2018 on a pro forma basis

Acquired AutoGuide, a leader in autonomous forklift technology, in Q4

System Test

\$83M

Sales up 33% in 2019 vs 2018 with growth in all 3 businesses

Storage Test grew 73% in 2019 vs 2018 on higher capacity HDDs and increased System Level Test demand

Wireless Test

\$45M

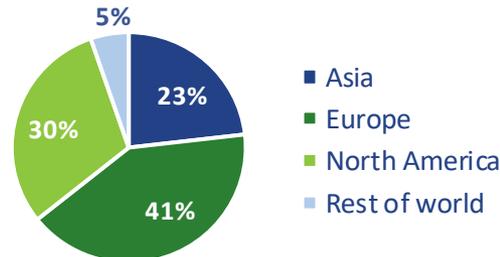
Sales growth of 19% in 2019 vs 2018 on strong Connectivity and early 5G demand

Advanced connectivity and 5G expected to drive demand in 2020

SemiTest Sales

Semi Product	\$353M
Semi Service	\$86M

Industrial Automation Revenue



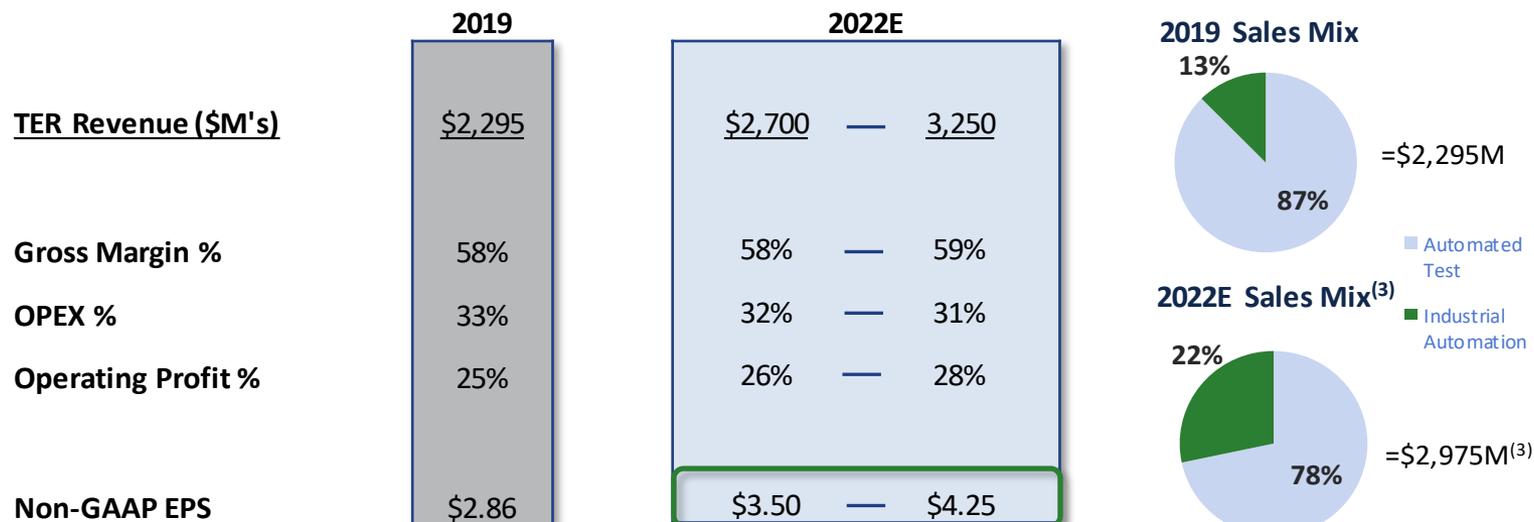
4th Quarter Sales

2019 Key Highlights

4th Quarter Sales Detail

Teradyne Updated Non-GAAP Earnings Model

Financial Model Update⁽¹⁾⁽²⁾



2022E Updated Model Assumptions

Metric	Old Model	New Model	Comment
IA Revenue CAGR	30-40% off 2018	20-35% off 2019	14% growth as reported in 2019 due to economic headwinds
Test Revenue CAGR	3-5% off 2018	4-8% off 2019	9% growth in 2019

(1) See attached appendix for GAAP to non-GAAP reconciliations

(2) Financial Model updated as of 1/23/20

10 (3) 2022E sales mix is at mid-point of model range

Q1'20 Non-GAAP Guidance

\$s in millions, except EPS	Q4'19 Actual ⁽¹⁾	Q1'20 Guidance ⁽¹⁾
Sales	\$655M	\$670M - \$710M
Gross Margin	59%	57%-58%
OPEX	31%	31% - 30%
Operating Profit	27%	26% - 28%
Net Interest & Other Income	\$4M	\$1M
Effective Tax Rate	17%	16%
EPS	\$0.88	\$0.86 - \$0.96
Diluted Shares	175M	174M

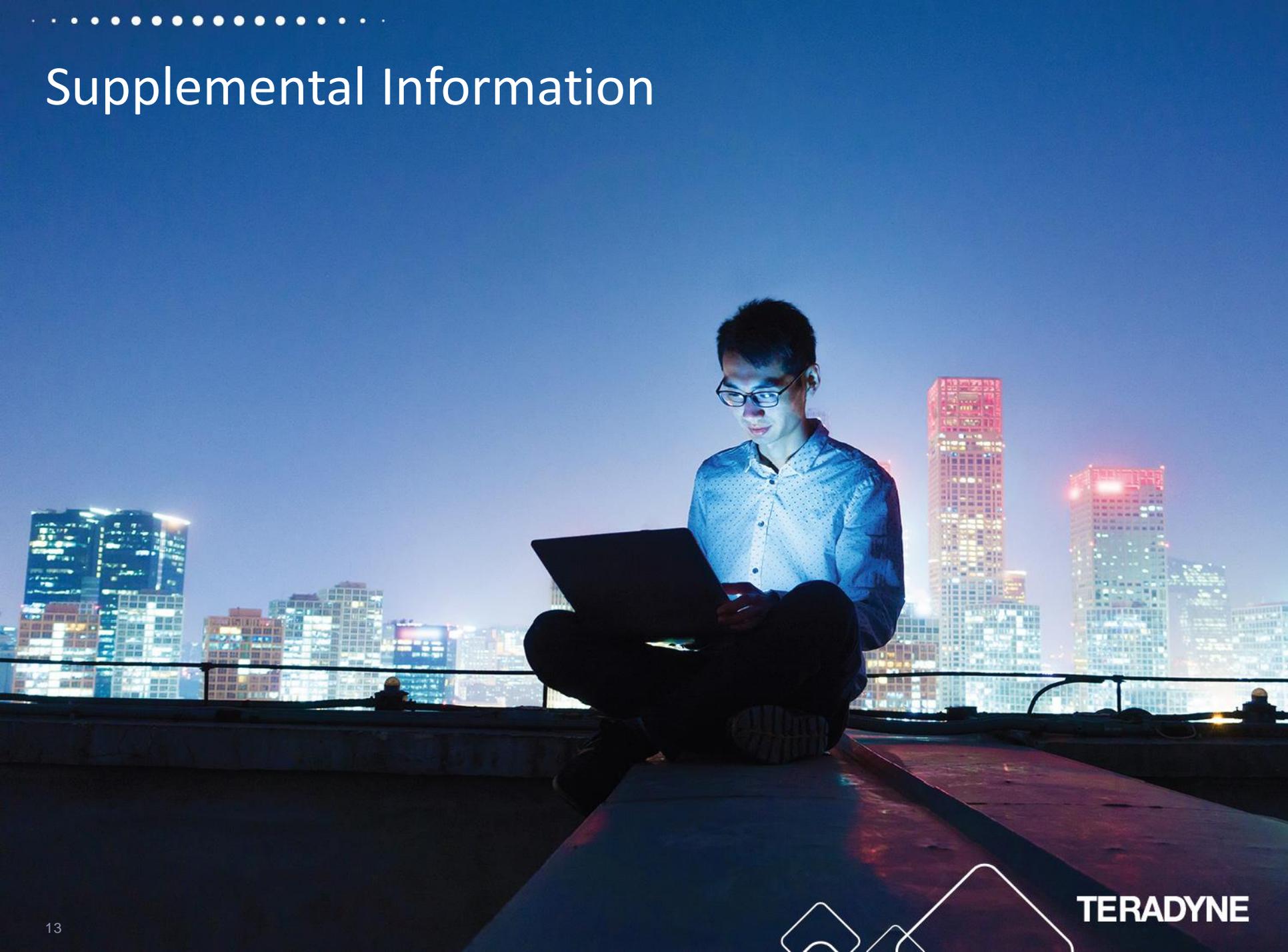
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January 2020 Summary

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- Expect 2020 SOC Test market to be \$3.1-3.4B, Memory Test market \$650-750M
- New product design wins will begin to ramp in 1H-'20
- IA long term growth rate expected to moderate to 20-35% CAGR, expect 25% in 2020
- Raised top end of non-GAAP EPS earnings model from \$4.00 to \$4.25 in 2022 to reflect latest Test and IA outlook
- Expect to repurchase a minimum of \$250 million of Teradyne shares in 2020 as part of \$1B repurchase authorization

Supplemental Information



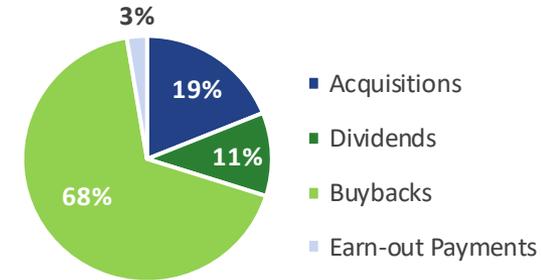
Annual Non-GAAP Results

\$s in millions, except EPS	2018 ⁽¹⁾		2019 ⁽¹⁾	
Sales		\$2,101M		\$2,295M
Gross Margin	58%	\$1,221M	58%	\$1,340M
R&D	14%	\$302M	14%	\$322M
SG&A	19%	\$391M	19%	\$435M
OPEX	<u>33%</u>	<u>\$692M</u>	<u>33%</u>	<u>\$758M</u>
Operating Profit	25%	\$529M	25%	\$582M
Income Taxes (& effective tax rate)	16%	\$84M	17%	\$98M
EPS		\$2.37		\$2.86
Diluted Shares		189M		175M



History of Balanced Capital Allocation

Cumulative Capital Allocation Breakdown 2014-2019



	2014	2015	2016	2017	2018	2019	Cumulative
Buybacks	\$0M	\$300M	\$146M	\$200M	\$823M	\$500M	\$1,970M ⁽¹⁾
Dividends	\$37M	\$51M	\$49M	\$55M	\$67M	\$61M	\$320M
Acquisitions	\$19M	\$283M	\$0M	\$0M	\$169M	\$80M	\$551M
Earn-out Payments ⁽²⁾	<u>\$0M</u>	<u>\$0M</u>	<u>\$15M</u>	<u>\$1M</u>	<u>\$25M</u>	<u>\$35M</u>	<u>\$76M</u>
Total	\$57M	\$633M	\$210M	\$257M	\$1,085M	\$676M	\$2,918M
Free Cash Flow ⁽³⁾	\$323M	\$323M	\$370M	\$521M	\$370M	\$444M	\$2,351M

(1) 60.8 million shares repurchased at an average price of \$32.38

(2) Earn-Out payments flow through both financing and operating sections of the cash flow statement.

(3) Teradyne calculates free cash flow as: GAAP Cash flow from operations, excluding discontinued operations, less property, plant and equipment additions net of gov't subsidies; see GAAP to non-GAAP



Appendix | GAAP to Non-GAAP Reconciliation

In addition to disclosing results that are determined in accordance with GAAP, Teradyne also discloses in this presentation and on the earnings call non-GAAP results of operations that exclude certain income items and charges. These results are provided as a complement to results provided in accordance with GAAP. These non-GAAP performance measures are used to make operational decisions, to determine employee compensation, to forecast future operational results, and for comparison with the Company's business plan, historical operating results and the operating results of the Company's competitors. Management believes each of these non-GAAP performance measures provides useful supplemental information for investors, allowing greater transparency to the information used by management in its operational decision making and in the review of the Company's financial and operational performance, as well as facilitating meaningful comparisons of the Company's results in the current period compared with those in prior and future periods. A reconciliation of each available GAAP to non-GAAP financial measure discussed in this presentation is contained in the following slides and on the Teradyne website at www.teradyne.com by clicking on "Investors" and then selecting the "GAAP to Non-GAAP Reconciliation" link. The non-GAAP performance measures discussed in this presentation may not be comparable to similarly titled measures used by other companies. The presentation of non-GAAP measures is not meant to be considered in isolation, as a substitute for, or superior to, financial measures or information provided in accordance with GAAP.

Appendix | GAAP to Non-GAAP Reconciliation

(1) For the quarter ended September 29, 2019, selling and administrative expenses include an equity charge for the modification of Teradyne's retired CFO's outstanding equity awards to allow continued vesting and maintain the original term in connection with his July 17, 2019

(2) Restructuring and other consists of:

	Quarter Ended		
	December 31, 2019	September 29, 2019	December 31, 2018
Contingent consideration fair value adjustment	\$ (2.8)	\$ (7.8)	\$ 10.2
Acquisition related expenses and compensation	0.2	0.5	0.5
Employee severance	0.5	0.8	0.8
	<u>\$ (2.1)</u>	<u>\$ (6.5)</u>	<u>\$ 11.4</u>

(3) For the quarters ended December 31, 2019, September 29, 2019, and December 31, 2018, adjustment to exclude non-cash convertible debt interest expense. For the quarters ended December 31, 2019 and 2018, adjustment to exclude actuarial loss (gain) recognized under GAAP in accordance with Teradyne's mark-to-market pension accounting. For the quarter ended December 31, 2019, adjustment to exclude RealWear \$15.0 million investment impairment.

(4) For the quarters ended December 31, 2019, September 29, 2019, and December 31, 2018, adjustment to exclude discrete income tax items. For the quarter ended December 31, 2018, adjustment to treat the \$52 million tax benefit related to the finalization of our toll tax charge as a discrete item.

(5) For the quarters ended December 31, 2019 and September 29, 2019, the non-GAAP diluted EPS calculation adds back \$1.3 million of convertible debt interest expense to non-GAAP net income and non-GAAP weighted average diluted common shares include 5.4 million and 3.6 million shares, respectively, related to the convertible debt hedge transaction.

Appendix | GAAP to Non-GAAP Reconciliation

	Twelve Months Ended							
	December 31, 2019	% of Net Revenues	Net Income per common share		December 31, 2018	% of Net Revenues	Net Income per common share	
			Basic	Diluted			Basic	Diluted
Net Revenues	\$ 2,295.0				\$ 2,100.8			
Gross profit GAAP	\$ 1,339.8	58.4%			\$ 1,220.4	58.1%		
Inventory step-up	0.4	0.0%			0.4	0.0%		
Gross profit non-GAAP	\$ 1,340.2	58.4%			\$ 1,220.8	58.1%		
Income from operations - GAAP	\$ 553.7	24.1%			\$ 473.8	22.6%		
Acquired intangible assets amortization	40.1	1.7%			39.2	1.9%		
Equity modification charge (1)	2.1	0.1%			-	-		
Restructuring and other (2)	(13.9)	-0.6%			15.2	0.7%		
Inventory step-up	0.4	0.0%			0.4	0.0%		
Income from operations - non-GAAP	\$ 582.4	25.4%			\$ 528.6	25.2%		
Net income - GAAP	\$ 467.5	20.4%	\$ 2.74	\$ 2.60	\$ 451.8	21.5%	\$ 2.41	\$ 2.35
Acquired intangible assets amortization	40.1	1.7%	0.24	0.22	39.2	1.9%	0.21	0.20
Interest and other (3)	28.7	1.3%	0.17	0.16	13.1	0.6%	0.07	0.07
Equity modification charge (1)	2.1	0.1%	0.01	0.01	-	-	-	-
Restructuring and other (2)	(13.9)	-0.6%	(0.08)	(0.08)	15.2	0.7%	0.08	0.08
Inventory step-up	0.4	0.0%	0.00	0.00	0.4	0.0%	0.00	0.00
Pension mark-to-market adjustment (3)	8.2	0.4%	0.05	0.05	(3.3)	-0.2%	(0.02)	(0.02)
Exclude discrete tax adjustments (4)	(22.6)	-1.0%	(0.13)	(0.13)	(59.4)	-2.8%	(0.32)	(0.31)
Non-GAAP tax adjustments	(16.7)	-0.7%	(0.10)	(0.09)	(8.4)	-0.4%	(0.04)	(0.04)
Convertible share adjustment (5)	-	-	-	0.11	-	-	-	0.04
Net income - non-GAAP (5)	\$ 493.8	21.5%	\$ 2.90	\$ 2.86	\$ 448.6	21.4%	\$ 2.39	\$ 2.37
GAAP and non-GAAP weighted average common shares - basic	170.4				187.7			
GAAP weighted average common shares - diluted	179.5				192.6			
Exclude dilutive shares from convertible note	(4.9)				(3.2)			
Non-GAAP weighted average common shares - diluted (5)	174.6				189.4			

Appendix | GAAP to Non-GAAP Reconciliation

	Twelve Months Ended							
	December 31, 2017		December 31, 2016		December 31, 2016		December 31, 2016	
		% of Net Revenues			% of Net Revenues		% of Net Revenues	
Net Revenues	\$ 2,136.6				\$ 1,753.3			
Gross profit - GAAP	\$ 1,223.9	57.3%			\$ 959.6	54.7%		
Pension mark-to-market adjustment (1)	(2.8)	-0.1%			(1.0)	-0.1%		
Gross profit - non-GAAP	\$ 1,221.1	57.2%			\$ 958.6	54.7%		
Income (loss) from operations - GAAP	\$ 530.0	24.8%			\$ (60.0)	-3.4%		
Acquired intangible assets amortization	30.5	1.4%			52.6	3.0%		
Restructuring and other (2)	9.4	0.4%			21.9	1.2%		
Pension mark-to-market adjustment (1)	(6.3)	-0.3%			(3.2)	-0.2%		
Goodwill impairment (3)	-	-			254.9	14.5%		
Acquired intangible assets impairment (3)	-	-			83.3	4.8%		
Income from operations - non-GAAP	\$ 563.6	26.4%			\$ 349.5	19.9%		
			Net Income per Common Share				Net (Loss) Income per Common Share	
	December 31, 2017	% of Net Revenues	Basic	Diluted	December 31, 2016	% of Net Revenues	Basic	Diluted
Net income (loss) - GAAP	\$ 257.7	12.1%	\$ 1.30	\$ 1.28	\$ (43.4)	-2.5%	\$ (0.21)	\$ (0.21)
Acquired intangible assets amortization	30.5	1.4%	0.15	0.15	52.6	3.0%	0.26	0.26
Interest and other (4)	12.4	0.6%	0.06	0.06	0.6	0.0%	0.00	0.00
Restructuring and other (2)	9.4	0.4%	0.05	0.05	21.9	1.2%	0.11	0.11
Pension mark-to-market adjustment (1)	(6.3)	-0.3%	(0.03)	(0.03)	(3.2)	-0.2%	(0.02)	(0.02)
Goodwill impairment (3)	-	-	-	-	254.9	14.5%	1.26	1.25
Acquired intangible assets impairment (3)	-	-	-	-	83.3	4.8%	0.41	0.41
Exclude discrete tax adjustments (5)	178.3	8.3%	0.90	0.89	(4.5)	-0.3%	(0.02)	(0.02)
Non-GAAP tax adjustments (6)	(12.8)	-0.6%	(0.06)	(0.06)	(53.3)	-3.0%	(0.26)	(0.26)
Net income - non-GAAP	\$ 469.2	22.0%	\$ 2.37	\$ 2.34	\$ 308.9	17.6%	\$ 1.52	\$ 1.51
GAAP and non-GAAP weighted average common shares - basic	198.1				202.6			
GAAP weighted average common shares - diluted	201.6				202.6			
Exclude dilutive shares from convertible note	(1.3)				-			
Include dilutive shares	-				1.8			
Non-GAAP weighted average common shares - diluted	200.3				204.4			

Appendix | GAAP to Non-GAAP Reconciliation

	Q4'18		Q3'19		Q4'19		Q1'20 Low Guidance Q1'20 High Guidance		2018		2019	
	\$'s	% of sales	\$'s	% of sales	\$'s	% of sales	% of sales	% of sales	\$'s	% of sales	\$'s	% of sales
GAAP Operating Expenses	\$197	38%	\$190	33%	\$212	32%	33%	31%	\$747	36%	\$786	34%
Intangible Asset Amortization	-\$11	-2%	-\$10	-2%	-\$10	-1%	-2%	-2%	-\$39	-2%	-\$40	-2%
Restructuring and Other	-\$11	-2%	\$7	1%	\$2	0%			-\$15	-1%	\$14	1%
CFO Equity Modification			-\$2	0%		0%					-\$2	
Non GAAP Operating Expenses	\$175	34%	\$185	32%	\$204	31%	31%	30%	\$692	33%	\$758	33%

	Q4'18		Q3'19		Q4'19		2018		2019	
	\$'s	%	\$'s	%	\$'s	%	\$'s	%	\$'s	%
GAAP Income Tax	-\$33	-29%	\$16	10%	\$24	15%	\$16	3%	\$58	11%
Exclude discrete tax adjustments	\$53	48%	\$8	5%	-\$1	-1%	\$59	13%	\$23	4%
Tax effect of non-GAAP adjustments	\$0	0%	\$4	2%	\$8	5%	\$8	2%	\$17	3%
Effect of Higher Non-GAAP PBT		-3%		-1%		-1%		-2%		-1%
Non GAAP Income Tax	\$20	15%	\$27	17%	\$30	17%	\$84	16%	\$98	17%

Q4'19:

GAAP net interest and other income	-\$22.7
Exclude RealWear investment impairment	\$15.0
Exclude actuarial losses	\$7.7
Exclude non cash convertible debt interest	\$3.5
Non-GAAP net interest and other income	\$3.5

Q1'20 Guidance

GAAP net interest and other income	-\$2.5
Exclude non cash convertible debt interest	\$3.5
Non-GAAP net interest and other income	\$1.0

Q1'20 Guidance:

	Low End	High End
GAAP Operating Profit as % of Sales	24%	26%
Acquired intangible asset amortization	2%	2%
Non-GAAP Operating Profit as % of Sales	26%	28%

Q1'20 GAAP Guidance Diluted Shares	180
Exclude dilutive shares from convertible note	-6
Q1'20 Non-GAAP Guidance Diluted Shares	174

GAAP to Non-GAAP Reconciliation of First Quarter 2020 guidance:

GAAP and non-GAAP fourth quarter revenue guidance:

GAAP net income per diluted share

Exclude acquired intangible assets amortization	
Exclude non-cash convertible debt interest	
Tax effect of non-GAAP adjustments	
Convertible share adjustment	
Non-GAAP net income per diluted share	

	\$670 million to		\$710 million
\$	0.75	\$	0.85
	0.05		0.05
	0.02		0.02
	(0.01)		(0.01)
	0.05		0.05
\$	0.86	\$	0.96

Appendix | GAAP to Non-GAAP Reconciliation

- Teradyne determines non-GAAP operating cash flow (“Free Cash Flow”) by adjusting GAAP cash flow from operations excluding discontinued operations, less property, plant and equipment additions. Free cash flow is considered a non -GAAP financial measure. Teradyne believes that free cash flow, which measures our ability to generate cash from our business operations, is an important financial measure for use in evaluating Teradyne’s financial performance. Free cash flow should be considered in addition to, rather than as a substitute for, income (loss) from continuing operations or net income (loss) as a measure of our performance and net cash provided by operating activities as a measure of our liquidity.
- Teradyne believes it is important to view free cash flow as a measure that provides supplemental information to Teradyne’s entire statement of cash flows.
- Although other companies report their free cash flow, numerous methods may exist for calculating a company's free cash flow. As a result, the method used by Teradyne to calculate free cash flow may differ from the methods other companies use to calculate their free cash flow.
- The following table sets forth a reconciliation of free cash flow, a non-GAAP financial measure, to net cash provided by operating activities, a GAAP measure, which we believe to be the GAAP financial measure most directly comparable to free cash flow.

	<u>Q4'18</u>	<u>Q3'19</u>	<u>Q4'19</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
GAAP Cash Flow From Operations, Excl Disc Ops	\$186	\$199	\$216	\$492	\$413	\$455	\$626	\$477	\$579
Less Property, Plant and Equipment Additions net of Gov't Subsidy	-\$26	-\$37	-\$39	-\$169	-\$90	-\$85	-\$105	-\$107	-\$135
Non-GAAP Operating Cash Flow ("Free Cash Flow")	\$160	\$162	\$178	\$323	\$323	\$370	\$521	\$370	\$444

Appendix | GAAP to Non-GAAP Reconciliation

	<u>FY 2022 Low</u>	<u>FY 2022 High</u>
2022 Estimated GAAP Operating Expenses as a % of Sales	33%	32%
Less Intangible Asset Amortization as a % of Sales	<u>1%</u>	<u>1%</u>
2022 Estimated Non-GAAP Operating Expenses as a % of Sales	<u>32%</u>	<u>31%</u>

	<u>FY 2022 Low</u>	<u>FY 2022 High</u>
2022 Estimated GAAP Operating Profit as a % of Sales	25%	27%
Add back Intangible Asset Amortization as a % of Sales	<u>1%</u>	<u>1%</u>
2022 Estimated Non-GAAP Operating Profit as a % of Sales	<u>26%</u>	<u>28%</u>

	<u>FY 2022 Low</u>	<u>FY 2022 High</u>
2022 Estimated GAAP Diluted EPS	\$ 3.18	\$ 3.87
Add back Intangible Asset Amortization	\$ 0.09	\$ 0.10
Add back Non Cash Convertible Debt Interest	\$ 0.07	\$ 0.07
Convertible share adjustment	<u>\$ 0.15</u>	<u>\$ 0.21</u>
2022 Estimated Non-GAAP Diluted EPS	<u>\$ 3.50</u>	<u>\$ 4.25</u>

	<u>FY 2022 High Old</u>
2022 Estimated GAAP Diluted EPS (Old)	\$ 3.73
Add back Intangible Asset Amortization	\$ 0.07
Add back Non Cash Convertible Debt Interest	\$ 0.08
Convertible share adjustment	<u>\$ 0.13</u>
2022 Estimated Non-GAAP Diluted EPS	<u>\$ 4.00</u>

MiR's revenue increase for the period January 1, 2019 to December 31, 2019 compared to the period April 23, 2018 to December 31, 2018 is 84%. MiR's pro-forma revenue increase for the period January 1, 2019 to December 31, 2019 compared to the period January 1, 2018 to December 31, 2018 is 43%.

Industrial Automation GAAP revenue increase for the period January 1, 2019 to December 31, 2019 compared to the period January 1, 2018 to December 31, 2018 is 14%. Industrial Automation's pro-forma revenue increase for the period January 1, 2019 to December 31, 2019 compared to the period January 1, 2018 to December 31, 2018 is 12%.