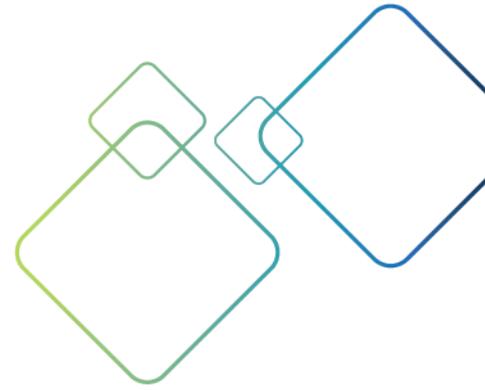


TERADYNE

Financial Results: Q1 2024

April 25, 2024



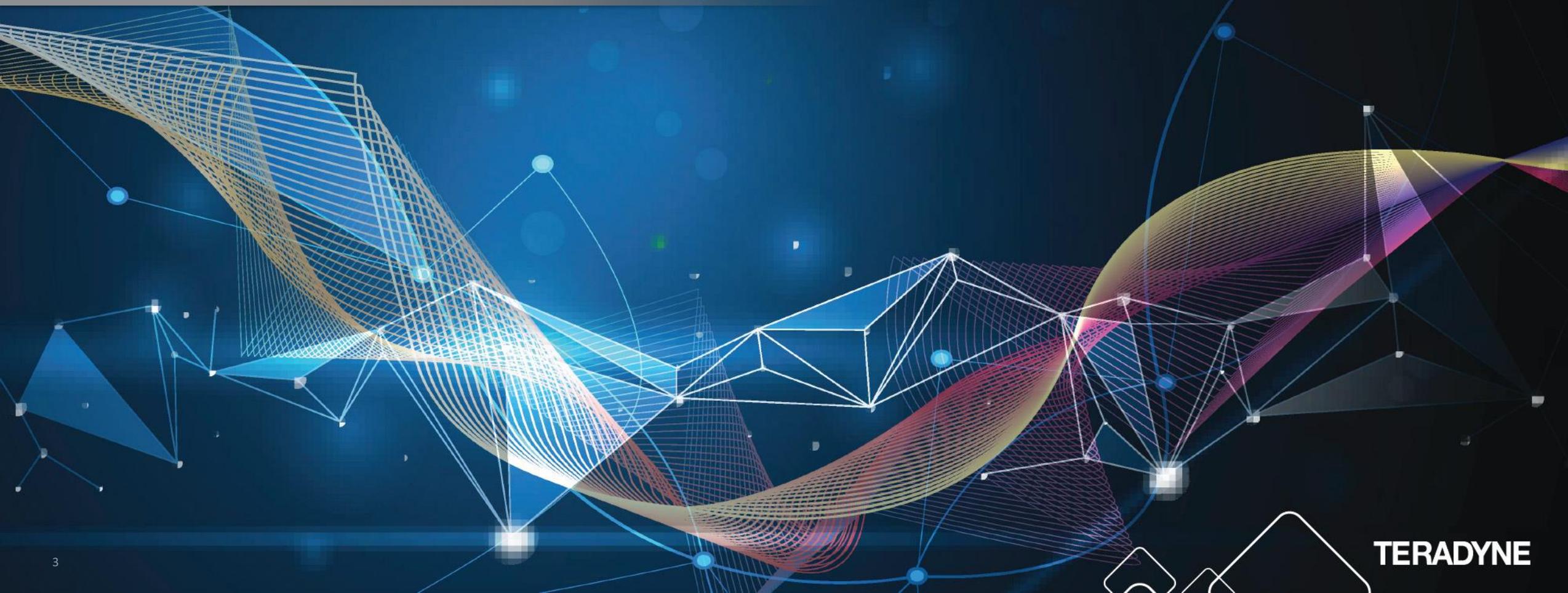


SAFE HARBOR

This presentation contains forward-looking statements including statements regarding Teradyne's future business prospects, financial performance or position and results of operations. You can identify forward-looking statements by their use of forward-looking words such as "anticipate," "expect," "plan," "could," "may," "will," "believe," "estimate," "goal" or other comparable terms. Forward-looking statements in this presentation address various matters, including statements regarding Teradyne's financial guidance, future business prospects, results of operations, market size and conditions, earnings per share, mid-term earnings model, sales mix, customer product development, customer demand and sales expectations, the payment of a quarterly dividend, and the repurchase of Teradyne common stock pursuant to a share repurchase program. Investors are cautioned that such forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements due to known and unknown risks, uncertainties, assumptions, and other factors. Such factors include, but are not limited to, macroeconomic factors and slowdowns or downturns in economic conditions generally and in the markets in which Teradyne operates; decreased or delayed product demand from one or more significant customers; a slowdown or inability in the development, delivery and acceptance of new products; the ability to grow the Robotics business; the impact of increased research and development spending; the impact of epidemics or pandemics such as COVID-19; the impact of a supply shortage on our supply chain and contract manufacturers; the consummation and success of any mergers or acquisitions; unexpected cash needs; the business judgment of the board of directors that a declaration of a dividend or the repurchase of common stock is not in Teradyne's best interests; changes to U.S. or global tax regulations or guidance; the impact of any tariffs or export controls imposed by the U.S. or China; the impact of U.S. Department of Commerce or other government agency regulations relating to Huawei, HiSilicon and other customers or potential customers; the impact of U.S. Department of Commerce export control regulations for certain U.S. products and technology sold to military end users or for military end-use in China; the impact of the Israel-Hamas conflict; and the impact of regulations published by the U.S. Department of Commerce relating to semiconductors and semiconductor manufacturing equipment destined for certain end uses in China. The risks included above are not exhaustive. For a more detailed description of the risk factors associated with Teradyne, please refer to Teradyne's Annual Report on Form 10-K for the fiscal year ended December 31, 2023. Many of these factors are macroeconomic in nature and are, therefore, beyond Teradyne's control. We caution readers not to place undue reliance on any forward-looking statements included in this presentation which speak only as of the date of this presentation. Teradyne specifically disclaims any obligation to update any forward-looking information contained in this presentation or with respect to the announcements described herein.

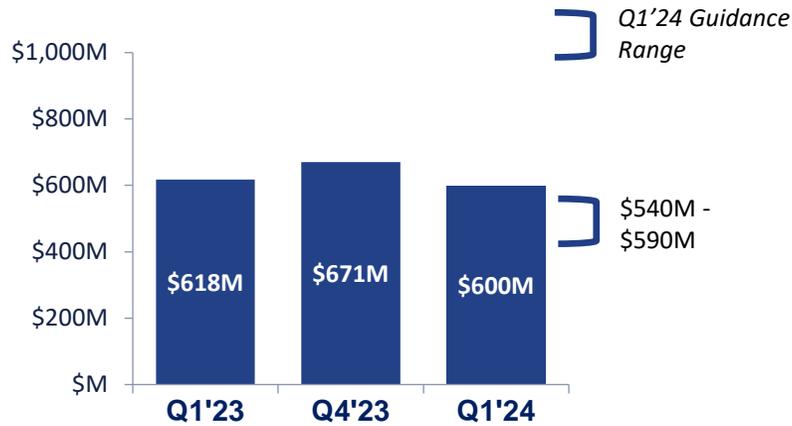
Business Update and Outlook

Greg Smith, President and CEO



Q1'24 Summary

Sales of \$600M, Gross Margin of 56.6%, Non-GAAP EPS of \$0.51



Quarterly Revenue



Gross Margin %



Non-GAAP EPS⁽¹⁾

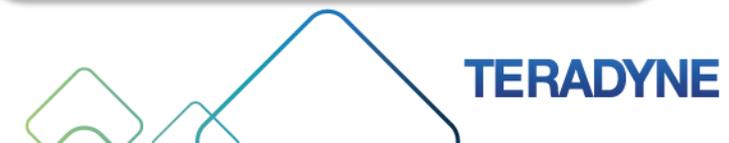
- AI Compute and Memory drove upside in SemiTest
- Robotics sales in line with plan

- Gross Margin flat from Q4'23 and improved from guidance
- Favorable product mix, higher volume and operational efficiencies were the main drivers

- Non-GAAP EPS of \$0.51
- Repurchased 0.2 million shares / \$22 million⁽²⁾, \$100.31/share average

(1) See appendix for GAAP to Non-GAAP reconciliation

(2) Includes \$220K of excise tax to be paid in 2024



Q1'24 Summary and Full Year Outlook

Q1 Summary

Q1'24 sales of \$600M and earnings (non-GAAP EPS of \$0.51) were above the top end of guidance range

- Strength in Memory and SOC driven by AI applications, Robotics delivered to plan for third consecutive quarter
- Gross margin strength from favorable product mix, increased volume and operational efficiencies
- Announced collaboration with NVIDIA for UR and SAM expanding MiR1200 Pallet Jack

2024 Outlook

SOC TAM unchanged at \$3.6-\$4.2B

- Compute TAM estimated at \$1.5B vs \$1.4B prior estimate

Memory test TAM expected higher at \$1.2-\$1.3B driven by stronger HBM demand

Expect revenue to grow in the low single digit range YoY (up from January view)

- Test revenue about flat YoY (up from January view), and Robotics revenue up 10-20% YoY (unchanged) on new products and channel improvements
- Revenue distribution for full year is now more evenly balanced between the first and second half compared to the January view

Mid-Term Earnings Model growth drivers remain in place

Test

- AI drives SOC and Memory test demand as Edge applications are deployed and 2nm/GAA delivers higher complexity
- Shift toward Vertically Integrated Producers continues
- Mobile, Auto, Industrial return to growth

Robotics

- AI expands the range of applications into a lightly penetrated market
- New products/services, channel improvements expected to drive growth through 2026+

First Quarter 2024 Financial Results & Second Quarter 2024 Guidance

Sanjay Mehta, Vice President and Chief Financial Officer



Q1'24 Non-GAAP Results

	Q1'23 Actual ⁽¹⁾		Q4'23 Actual ⁽¹⁾		Q1'24 Actual ⁽¹⁾	
Sales		\$618M		\$671M		\$600M
Gross Margin	57.7%	\$356M	56.6%	\$380M	56.6%	\$339M
R&D	17.1%	\$106M	15.2%	\$102M	17.2%	\$103M
SG&A	<u>23.5%</u>	<u>\$145M</u>	<u>21.2%</u>	<u>\$142M</u>	<u>24.6%</u>	<u>\$147M</u>
OPEX	40.6%	\$251M	36.5%	\$245M	41.8%	\$251M
Operating Profit	17.1%	\$106M	20.1%	\$135M	14.8%	\$89M
Income Taxes (& effective tax rate)	16.8%	\$18M	12.6%	\$18M	15.5%	\$15M
EPS		\$0.55		\$0.79		\$0.51
Diluted Shares		165M		162M		162M

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



Q1'24 Segment Summary

Q1'24 Sales

2024 Q1 Key Highlights

Semi Test Sales Detail

Semiconductor Test

\$412M

Sales down ~1% vs Q1'23

SOC test down 13% vs Q1'23 on softer MCU and industrial demand

Memory Test sales up 61% vs Q1'23 on high DRAM/HBM demand

Semi Product	\$299M
Semi Service	\$113M

System Test

\$75M

Sales flat vs Q1'23

Storage Test down vs Q1'23 on lower SLT /mobile demand; offset by stronger shipments in Defense & Aerospace

Wireless Test

\$25M

Sales down 36% vs Q1'23

Sustained lower PC, wireless networking and smartphone demand

Robotics

\$88M

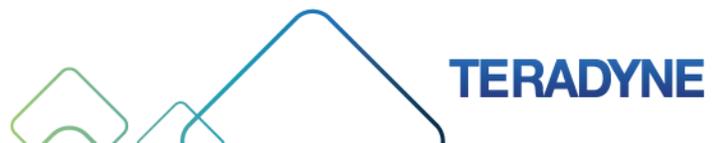
Sales down 2% from Q1'23

UR sales down 6% from Q1'23

MiR sales up 16% from Q1'23

Largest order in MiR's history

Total Company Product: \$459M
Total Company Service: \$141M



Balance Sheet & Capital Allocation

	Q1'23 Actual	Q4'23 Actual	Q1'24 Actual
Cash and Marketable Securities	\$859M	\$937M	\$871M
Inventory	\$352M	\$310M	\$314M
DSO	68 Days	57 Days	65 Days
Capital Additions	\$41M	\$44M	\$44M
Depreciation and Amortization ⁽¹⁾	\$46M	\$40M	\$44M
Free Cash Flow ⁽²⁾	(\$22M)	\$204M	(\$37M)
Capital Return	Buybacks ⁽³⁾	\$94M	\$51M
	Dividends	\$17M	\$17M
			\$22M
			\$18M

(1) Includes depreciation, stock-based compensation, amortization of acquired intangible assets

(2) 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.

(3) Includes \$0.5M in Q4'23 and \$0.2M in Q1'24 of excise tax to be paid in 2024

Q2'24 Non-GAAP Guidance

\$s in millions, except EPS	Q1'24 Actual ⁽¹⁾	Q2'24 Guidance ⁽¹⁾
Sales	\$600M	\$665M - \$725M
Gross Margin	56.6%	57% - 58%
OPEX	41.8%	39% - 36%
Operating Profit	14.8%	18% - 22%
Effective Tax Rate	15.5%	15.5%
EPS	\$0.51	\$0.64 - \$0.84
Diluted Shares	162M	162M

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



Q1'24 Summary and Full Year Outlook

Q1 Summary

Q1'24 sales of \$600M and earnings (non-GAAP EPS of \$0.51) were above the top end of guidance range

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Robotics

- AI expands the range of applications into a lightly penetrated market
- New products/services, channel improvements expected to drive growth through 2026+

Q2'24 Sales expected to be in the range of \$665 - 725M, GAAP EPS of \$0.90 - \$1.10, Non-GAAP EPS of \$0.64 - \$0.84



Supplemental Information

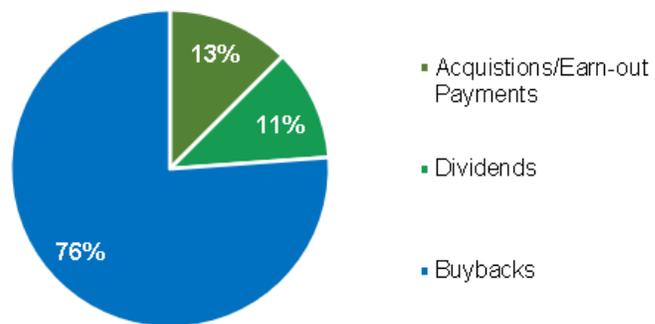


History of Capital Allocation

Since 2015, 78.5M shares repurchased at an average price of ~\$49 per share

(\$M)	2015	2016	2017	2018	2019	2020	2021	2022	2023	Q1'24	Cumulative
Buybacks ⁽¹⁾	300	146	200	823	500	88	600	752	401	22	3,833
Dividends	51	49	55	67	61	66	66	70	68	18	572
Acquisitions/Investments	283	15	1	194	115	9	12	-	-	-	629
Total	633	210	257	1,085	676	163	678	822	468	40	5,033
Free Cash Flow ⁽²⁾	323	370	521	370	444	684	966	415	426	(37)	4,483
% of FCF returned ⁽³⁾	109%	53%	49%	240%	126%	23%	69%	198%	110%	-109%	98%

Cumulative Capital Allocation Breakdown 2015 - Q1'24



- (1) Includes \$0.5M in Q4'23 and \$0.2M in Q1'24 of excise tax to be paid in 2024
- (2) 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 reconciliations.
- (3) Teradyne calculates % of FCF returned as Buybacks plus Dividends divided by Free Cash Flow

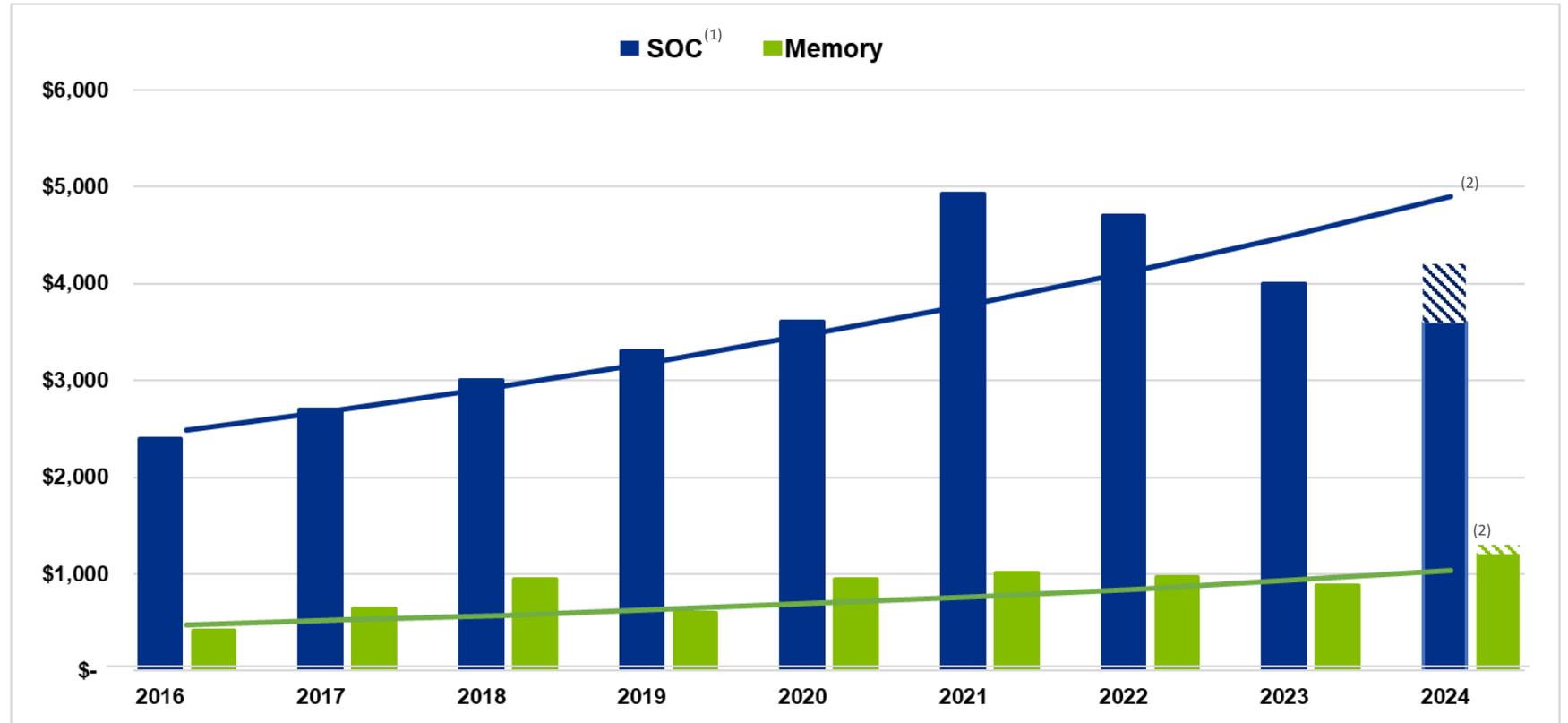
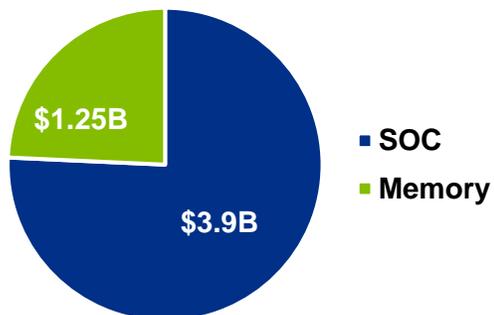
Semiconductor Test Market Growth Trends Are Favorable

Semiconductor Test

SOC market powered by unit growth, complexity, new technology adoption

Memory test driven by bit growth, diversity, higher bandwidth

2024 Market Sizes at Mid-Point of Range

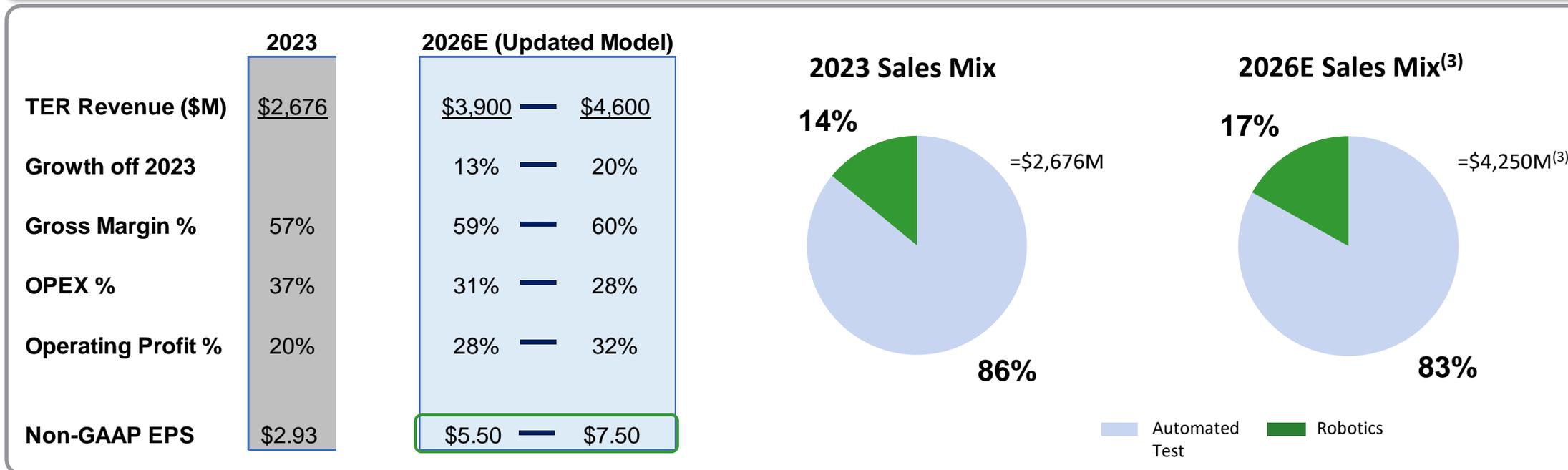


(1) SOC data includes product and service; market data from SEMI WWSEMS report and internal estimates

(2) Trendline reflects 9% and 11% CAGRs from 2016 for SOC and Memory, respectively

Teradyne Non-GAAP Mid-Term Earnings Model

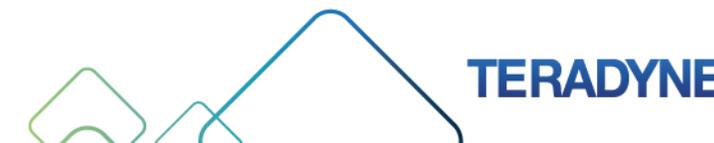
Financial Model ⁽¹⁾⁽²⁾



Model Assumptions

Metric	Old Model	New Model	Comment
Robotics Revenue CAGR	20-30% off 2022	20-30% off 2023	Drivers are labor shortages, cost and low penetration rate
Test Revenue CAGR	8-13% off 2022	12-18% off 2023	Drivers are complexity, Compute, Mobile and Auto markets

- (1) See attached appendix for GAAP to non-GAAP reconciliations
- (2) Financial Model updated as of 1/30/24
- (3) 2026E sales mix is at mid-point of model range



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

GAAP to Non-GAAP Earnings Reconciliation

(In millions, except per share amounts)

	Quarter Ended					
	March 31, 2024	% of Net Revenues	December 31, 2023		April 2, 2023	
Net revenues	\$ 599.8		\$ 670.6		\$ 617.5	
Gross profit GAAP and non-GAAP	339.3	56.6%	379.5	56.6%	356.4	57.7%
Income from operations - GAAP	77.8	13.0%	124.3	18.5%	92.9	15.0%
Acquired intangible assets amortization	4.7	0.8%	4.7	0.7%	4.8	0.8%
Restructuring and other (1)	4.4	0.7%	6.0	0.9%	2.0	0.3%
Equity Modification Charge (4)	1.7	0.3%	—	0.0%	5.9	1.0%
Income from operations - non-GAAP	\$ 88.6	14.8%	\$ 135.0	20.1%	\$ 105.6	17.1%

	Net Income per Common Share		Net Income per Common Share		Net Income per Common Share	
	March 31, 2024	% of Net Revenues	December 31, 2023	% of Net Revenues	April 2, 2023	% of Net Revenues
Net income - GAAP	\$ 64.2	10.7%	\$ 117.1	17.5%	\$ 83.5	13.5%
Loss (gain) of foreign exchange option	13.9	2.3%	(7.5)	-1.1%	—	—
Acquired intangible assets amortization	4.7	0.8%	4.7	0.7%	4.8	0.8%
Restructuring and other (1)	4.4	0.7%	6.0	0.9%	2.0	0.3%
Equity Modification Charge (4)	1.7	0.3%	—	—	5.9	1.0%
Pension mark-to-market adjustment (2)	—	—	2.6	0.4%	—	—
Exclude discrete tax adjustments	(2.2)	-0.4%	3.3	0.5%	(2.5)	-0.4%
Non-GAAP tax adjustments	(4.2)	-0.7%	1.0	0.1%	(2.4)	-0.4%
Net income - non-GAAP	\$ 82.5	13.8%	\$ 127.2	19.0%	\$ 91.3	14.8%

	Basic	Diluted	Basic	Diluted	Basic	Diluted
Net income - GAAP	\$ 0.42	\$ 0.40	\$ 0.77	\$ 0.72	\$ 0.54	\$ 0.50
Loss (gain) of foreign exchange option	0.09	0.09	(0.05)	(0.05)	—	—
Acquired intangible assets amortization	0.03	0.03	0.03	0.03	—	0.03
Restructuring and other (1)	0.03	0.03	0.04	0.04	0.01	0.01
Equity Modification Charge (4)	0.01	0.01	—	—	0.04	0.04
Pension mark-to-market adjustment (2)	—	—	0.02	0.02	—	—
Exclude discrete tax adjustments	(0.01)	(0.01)	0.02	0.02	(0.02)	(0.02)
Non-GAAP tax adjustments	(0.03)	(0.03)	0.01	0.01	(0.02)	(0.01)
Net income - non-GAAP	\$ 0.54	\$ 0.51	\$ 0.83	\$ 0.79	\$ 0.59	\$ 0.55

	March 31, 2024	December 31, 2023	April 2, 2023
GAAP and non-GAAP weighted average common shares - basic	153.0	152.8	155.9
GAAP weighted average common shares - diluted (3)	162.3	162.1	166.3
Exclude dilutive shares related to convertible note transaction	—	(0.2)	(0.9)
Non-GAAP weighted average common shares - diluted	162.3	161.9	165.4

Appendix | GAAP to Non-GAAP Reconciliation

(1) Restructuring and other consists of:

	Quarter Ended		
	March 31, 2024	December 31, 2023	April 2, 2023
Acquisition and divestiture related expenses	\$ 2.2	\$ 3.1	—
Employee severance	2.0	2.9	2.0
Other	0.2	—	—
	<u>\$ 4.4</u>	<u>\$ 6.0</u>	<u>\$ 2.0</u>

(2) For the quarter ended December 31, 2023, an adjustment to exclude a actuarial loss recognized under GAAP in accordance with Teradyne's mark-to-market pension accounting.

(3) For the quarters ended March 31, 2024, December 31, 2023, and April 2, 2023, non-GAAP weighted average diluted common shares include 8.9 million, 8.6 million and 9.0 million shares, respectively, from the convertible note hedge transaction.

(4) For the quarter ended March 31, 2024, selling and administrative expenses included an equity charge of \$1.7 million for the modification of Teradyne's executives' retirement agreements. For the quarter ended April 2, 2023, selling and administrative expenses included an equity charge of \$5.9 million for the modification of Teradyne's retired CEO's outstanding equity awards in connection with his February 1, 2023 retirement.

Appendix | GAAP to Non-GAAP Reconciliation

(1) Restructuring and other consists of:

	Quarter Ended		
	December 31, 2023	October 1, 2023	December 31, 2022
Acquisition and divestiture related expenses	\$ 3.1	\$ —	\$ —
Employee severance	3.0	4.7	0.8
Contract termination	—	1.5	—
Gain on sale of asset	—	—	(3.4)
Other	(0.1)	0.7	0.3
	<u>\$ 6.0</u>	<u>\$ 6.9</u>	<u>\$ (2.4)</u>

(2) For the quarters ended December 31, 2023, October 1, 2023 and December 31, 2022 adjustment to exclude actuarial loss recognized under GAAP in accordance with Teradyne's mark-to-market pension accounting.

(3) For the quarters ended December 31, 2023, October 1, 2023, and December 31, 2022, non-GAAP weighted average diluted common shares include 8.6 million, 9.2 million and 7.9 million shares, respectively, from the convertible note hedge transaction.

Appendix | GAAP to Non-GAAP Reconciliation

	Twelve Months Ended			
	December 31, 2023	% of Net Revenues	December 31, 2022	% of Net Revenues
Net Revenues	\$ 2,676.3		\$ 3,155.0	
Gross profit GAAP and non-GAAP	1,536.7	57.4%	1,867.2	59.2%
Income from operations - GAAP	501.1	18.7%	831.9	26.4%
Restructuring and other (1)	21.3	0.8%	17.2	0.5%
Acquired intangible assets amortization	19.0	0.7%	19.3	0.6%
Equity modification charge (2)	5.9	0.2%	—	—
Income from operations - non-GAAP	\$ 547.3	20.4%	\$ 868.4	27.5%

	December 31, 2023	% of Net Revenues	Net Income per Common Share		December 31, 2022	% of Net Revenues	Net Income per Common Share	
			Basic	Diluted			Basic	Diluted
Net income - GAAP	\$ 448.8	16.8%	\$ 2.91	\$ 2.73	\$ 715.5	22.7%	\$ 4.52	\$ 4.22
Restructuring and other (1)	21.3	0.8%	0.14	0.13	17.2	0.5%	0.11	0.10
Acquired intangible assets amortization	19.0	0.7%	0.12	0.12	19.3	0.6%	0.12	0.11
Equity modification charge (2)	5.9	0.2%	0.04	0.04	—	—	—	—
Pension mark-to-market adjustment (3)	2.7	0.1%	0.02	0.02	(25.6)	-0.8%	(0.16)	(0.15)
Gain on foreign exchange option	(7.5)	-0.3%	(0.05)	(0.05)	—	—	—	—
Exclude discrete tax adjustments	(3.4)	-0.1%	(0.02)	(0.02)	(12.1)	-0.4%	(0.08)	(0.07)
Non-GAAP tax adjustments	(7.7)	-0.3%	(0.05)	(0.05)	(1.4)	0.0%	(0.01)	(0.01)
Convertible share adjustment (4)	—	—	—	0.01	—	—	—	0.05
Net income - non-GAAP	\$ 479.1	17.9%	\$ 3.10	\$ 2.93	\$ 712.9	22.6%	\$ 4.50	\$ 4.25
GAAP and non-GAAP weighted average common shares - basic	154.3				158.4			
GAAP weighted average common shares - diluted	164.3				169.7			
Exclude dilutive shares from convertible note	(0.6)				(1.8)			
Non-GAAP weighted average common shares - diluted	163.7				167.9			

Appendix | GAAP to Non-GAAP Reconciliation

(1) Restructuring and other consists of:

	Twelve Months Ended	
	December 31, 2023	December 31, 2022
Employee severance	\$ 14.9	\$ 2.9
Acquisition and divestiture related expenses	3.1	—
Contract termination	1.5	—
Litigation settlement	—	14.7
Gain on sale of asset	—	(3.4)
Other	1.8	3.0
	<u>\$ 21.3</u>	<u>\$ 17.2</u>

(2) For the twelve months ended December 31, 2023, selling and administrative expenses include an equity charge of \$5.9 million for the modification of Teradyne's retired CEO's outstanding equity awards in connection with his February 1, 2023 retirement.

(3) For the twelve months ended December 31, 2023 adjustment to exclude actuarial loss recognized under GAAP in accordance with Teradyne's mark-to-market pension accounting.

(4) For the twelve months ended December 31, 2023 and December 31, 2022, the non-GAAP diluted EPS calculation adds back \$0.2 million and \$1.0 million, respectively, of convertible debt interest expense to non-GAAP net income. For the twelve months ended December 31, 2023 and December 31, 2022, non-GAAP weighted average diluted common shares include 8.9 million and 8.8 million shares, respectively, related to the convertible debt hedge transaction.

Appendix | GAAP to Non-GAAP Reconciliation

	Q1'23		Q4'23		Q1'24		Q2'24 Low Guidance		Q2'24 High Guidance	
	\$'s	% of sales	\$'s	% of sales	\$'s	% of sales	\$'s	% of sales	\$'s	% of sales
GAAP Operating Expenses	\$264	43%	\$255	38%	\$262	44%	\$264	40%	\$266	37%
Intangible Asset Amortization	-\$5	-1%	-\$5	-1%	-\$5	-1%	-\$5	-1%	-\$5	-1%
Restructuring and Other	-\$2	0%	-\$6	-1%	-\$4	-1%		0%		0%
Equity Modification Charge	-\$6	-1%			-\$2	0%				
Non GAAP Operating Expenses	\$251	41%	\$245	36%	\$251	42%	\$259	39%	\$262	36%

Q2'24 Guidance:

	Low End	High End
GAAP Operating Profit as % of Sales	17%	21%
Acquired intangible asset amortization	1%	1%
Restructuring and Other	0%	0%
Non-GAAP Operating Profit as % of Sales	18%	22%

	2022		2023	
	\$'s	% of sales	\$'s	% of sales
GAAP Operating Expenses	\$1,035	33%	\$1,036	39%
Intangible Asset Amortization	-\$19	-1%	-\$19	-1%
Restructuring and Other	-\$17	-1%	-\$21	-1%
Equity Modification Charge			-\$6	0%
Non GAAP Operating Expenses	\$999	32%	\$990	37%

	Q1'23		Q4'23		Q1'24	
	\$'s	%	\$'s	%	\$'s	%
GAAP Income Tax	\$14	14%	\$23	16%	\$9	12%
Exclude discrete tax adjustments	\$3	3%	-\$3	-2%	\$2	3%
Tax effect of non-GAAP adjustments	\$2	2%	-\$1	-1%	\$4	6%
Effect of Higher Non-GAAP PBT		-2%		-1%		-5%
Non GAAP Income Tax	\$18	17%	\$18	13%	\$15	16%

GAAP to Non-GAAP Reconciliation of Second Quarter 2024 guidance:

GAAP and non-GAAP second quarter revenue guidance:	\$665 million	to	\$725 million
GAAP net income per diluted share	\$ 0.90	\$	1.10
Exclude gain on divestiture	(0.36)		(0.36)
Exclude acquired intangible assets amortization	0.03		0.03
Non-GAAP tax adjustments	0.07		0.07
Non-GAAP net income per diluted share	\$ 0.64	\$	0.84

FY 2024 GAAP estimated tax rate	15.00%
Adjustment for Non GAAP items	0.50%
FY 2024 Non GAAP estimated tax rate	15.50%

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.

	2015	2016	2017	2018	2019	2020	2021	2022	2023	Q1'23	Q4'23	Q1'24
GAAP Cash Flow from Operations, Excl Disc Ops	\$ 413	\$ 455	\$ 626	\$ 477	\$ 579	\$ 869	\$ 1,098	\$ 578	\$ 585	\$ 19	\$ 249	\$ 7
Less Property, Plant, and Equipment Additions net of Gov't Subsidy	\$ (90)	\$ (85)	\$ (105)	\$ (107)	\$ (135)	\$ (185)	\$ (132)	\$ (163)	\$ (160)	\$ (41)	\$ (44)	\$ (44)
Non-GAAP Operating Cash Flow ("Free Cash Flow")	\$ 323	\$ 370	\$ 521	\$ 370	\$ 444	\$ 684	\$ 966	\$ 415	\$ 426	\$ (22)	\$ 204	\$ (37)

Appendix | GAAP to Non-GAAP Reconciliation

2026 Model Range

	<u>FY 2026 Low</u>	<u>FY 2026 Mid</u>	<u>FY 2026 High</u>
2026 Estimated GAAP Diluted EPS	\$ 5.49	\$ 6.49	\$ 7.49
Add Back Intangible Asset Amortization	\$ 0.01	\$ 0.01	\$ 0.01
2026 Estimated Non-GAAP Diluted EPS	\$ 5.50	\$ 6.50	\$ 7.50