

Financial Results for Q1 2025

April 29, 2025

Safe Harbor

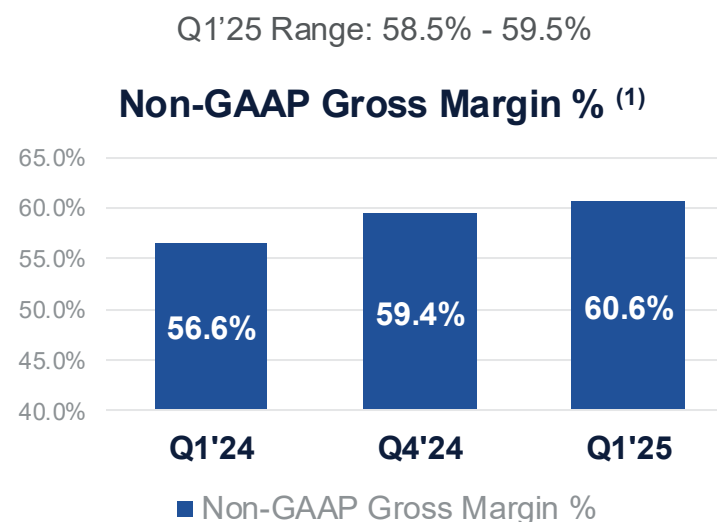
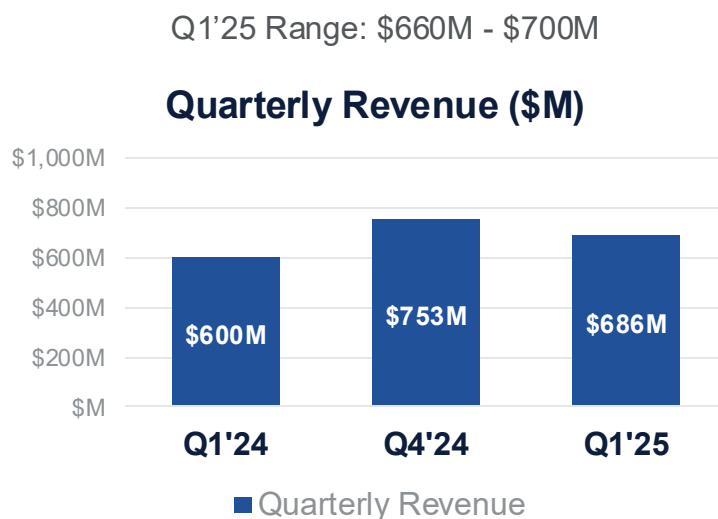
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Business Update and Outlook

Greg Smith, President and CEO

Q1'25 Summary

Sales of \$686M | Non-GAAP Gross Margin of 60.6% | Non-GAAP EPS of \$0.75 | EPS Above High Guidance



Strength in SoC mobile demand drove Q1'25 sales up ~14% YoY (~18% excluding DIS divestiture)

Semi Test up 25% YoY

Product Test down 4% YoY

Robotics sales down 21% YoY

Non-GAAP gross margin beat high guide due to favorable product mix

Non-GAAP EPS of \$0.75

Repurchased 1.5 million shares / \$159 million, ~\$107 per share average

162 million weighted average diluted shares outstanding

Q1'25 Summary and Q2'25 Outlook

Q1'25 Summary

Revenue of \$686M above mid-point of guidance; Non-GAAP EPS of \$0.75 above high-end of guidance

- Stronger than planned SoC driven primarily by Mobile
- Memory in line with expectations as customers absorb HBM capacity installed in 2024
- IST in line with expectations - including first SLT revenue for AI Compute
- Product Test in line with expectations
 - Wireless Test won 13 of 13 of the WiFi 7 test opportunities
- Robotics continues to face ongoing end market weakness but delivering on AI product portfolio (MiR 1200 Pallet Jack, UR AI Accelerator)
- Stronger than expected GMs of 60.6% due to favorable product mix
- Opex favorable while continuing investments in strategic initiatives

Q2'25 Outlook

Revenue between \$610M - \$680M; Non-GAAP EPS range from \$0.41 - \$0.64

- Second quarter guidance reflects order pushouts due to uncertainty related to end market demand causing some customers to evaluate capital plans
 - Expect revenue from Mobile to be softer in Q2 following two consecutive quarters of Mobile strength
 - Expect substantial QoQ decline in Memory due to lumpiness of orders
- GM of 56.5% to 57.5%, reflecting lower volume and product mix
- Opex of 40.5% to 44.5% as a percentage of sales
- Operating profit of 14.5% at the mid-point of range
- Increased share buybacks up to \$1B through 2026, up from target of \$400M in 2025

First Quarter 2025 Financial Results and Second Quarter 2025 Guidance

Sanjay Mehta, Vice President and Chief Financial Officer

Q1'25 Non-GAAP Results

\$ in millions, except EPS	Q1'24 Actual ⁽¹⁾		Q4'24 Actual ⁽¹⁾		Q1'25 Actual ⁽¹⁾	
Sales		\$600M		\$753M		\$686M
Gross Margin	56.6%	\$339M	59.4%	\$447M	60.6%	\$416M
R&D	17.2%	\$103M	17.1%	\$128M	17.2%	\$118M
SG&A	24.6%	\$147M	20.7%	\$156M	22.9%	\$157M
OPEX	41.8%	\$251M	37.8%	\$284M	40.1%	\$275M
Operating Profit	14.8%	\$89M	21.7%	\$163M	20.5%	\$141M
Income Taxes (& effective tax rate)	15.5%	\$15M	7.6%	\$13M	13.5%	\$19M
EPS		\$0.51		\$0.95		\$0.75
Diluted Shares		162M		163M		162M

Q1'25 Business Unit Summary

	Semiconductor Test	Robotics	Product Test
Q1'25 Sales	\$543M	\$69M	\$74M
Q1'25 Key Highlights	<ul style="list-style-type: none"> • Sales up 25% vs Q1'24, (32% excl. DIS) • SoC up 34% vs Q1'24 due to strength in Mobile • Memory Test sales flat vs Q1'24 • IST sales of \$27M • Sales Detail <ul style="list-style-type: none"> • Product: \$449M • Service: \$94M 	<ul style="list-style-type: none"> • Sales down 30% QoQ and down 21% from Q1'24 • Continued end market weakness in Industrial Automation • UR sales of \$49M • MiR sales of \$20M 	<ul style="list-style-type: none"> • Sales down 4% vs Q1'24 • Strength in connectivity as key WIFI 7 socket wins gain traction • Wireless Test sales of \$29M
Total Company Sales Detail	Total Company Product: \$562M Total Company Service: \$124M		

Balance Sheet & Capital Allocation

\$ in millions		Q1'24 Actual	Q4'24 Actual	Q1'25 Actual
Cash and Marketable Securities		\$871M	\$724M	\$622M
Inventory		\$314M	\$298M	\$345M
DSO		65 days	58 days	60 days
Capital Additions		\$44M	\$57M	\$64M
Depreciation and Amortization ⁽¹⁾		\$44M	\$49M	\$46M
Free Cash Flow ⁽²⁾		(\$37M)	\$225M	\$98M
Capital Return	Buybacks ⁽³⁾	\$22M	\$144M	\$159M
	Dividends	\$18M	\$19M	\$19M

(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 contained on the Teradyne website at www.teradyne.com by clicking on "Investors" and then selecting the "GAAP to Non-GAAP Reconciliation" link.

(3) Inclusive of excise taxes, as applicable

Q2'25 Non-GAAP Guidance

\$ in millions	Q1'25 Actual ⁽¹⁾	Q2'25 Guidance ⁽¹⁾
Sales	\$686M	\$610M - \$680M
Gross Margin	60.6%	56.5% - 57.5%
OPEX	40.1%	44.5% – 40.5%
Operating Profit	20.5%	12.0% - 17.0%
Income Taxes (& effective tax rate)	13.5%	13.5%
EPS	\$0.75	\$0.41 - \$0.64
Diluted Shares	162M	161M

Q1'25 Summary and Q2'25 Outlook

Q1'25 Summary

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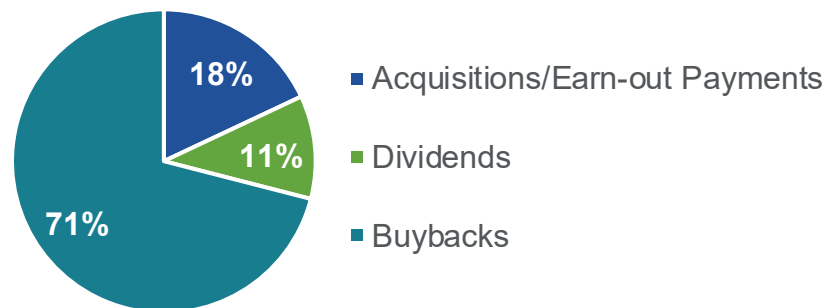
Supplemental Information

History of Capital Allocation

Since 2015, 82M shares repurchased at an average price of ~\$51 per share

\$ in millions	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Q1'25	Cumulative
Buybacks⁽¹⁾	\$300	\$146	\$200	\$823	\$500	\$88	\$600	\$752	\$401	\$199	\$159	\$4,168
Dividends	\$51	\$49	\$55	\$67	\$61	\$66	\$66	\$70	\$68	\$76	\$19	\$650
Acquisitions/ Investments⁽²⁾	\$283	\$15	\$1	\$194	\$115	\$9	\$12	-	-	\$422	\$20	\$1,091
Total	\$633	\$210	\$257	\$1,085	\$676	\$163	\$678	\$822	\$468	\$717	\$198	\$5,909
Free Cash Flow⁽³⁾	\$323	\$370	\$521	\$370	\$444	\$684	\$966	\$415	\$426	\$474	\$98	\$5,091
% of FCF Returned⁽⁴⁾	109%	53%	49%	240%	126%	23%	69%	198%	110%	58%	182%	95%

Cumulative Capital Allocation Breakdown 2015 - Q1'25



(1) Inclusive of excise taxes, as applicable

(2) Net acquisitions includes acquisitions, minority investments and divestitures

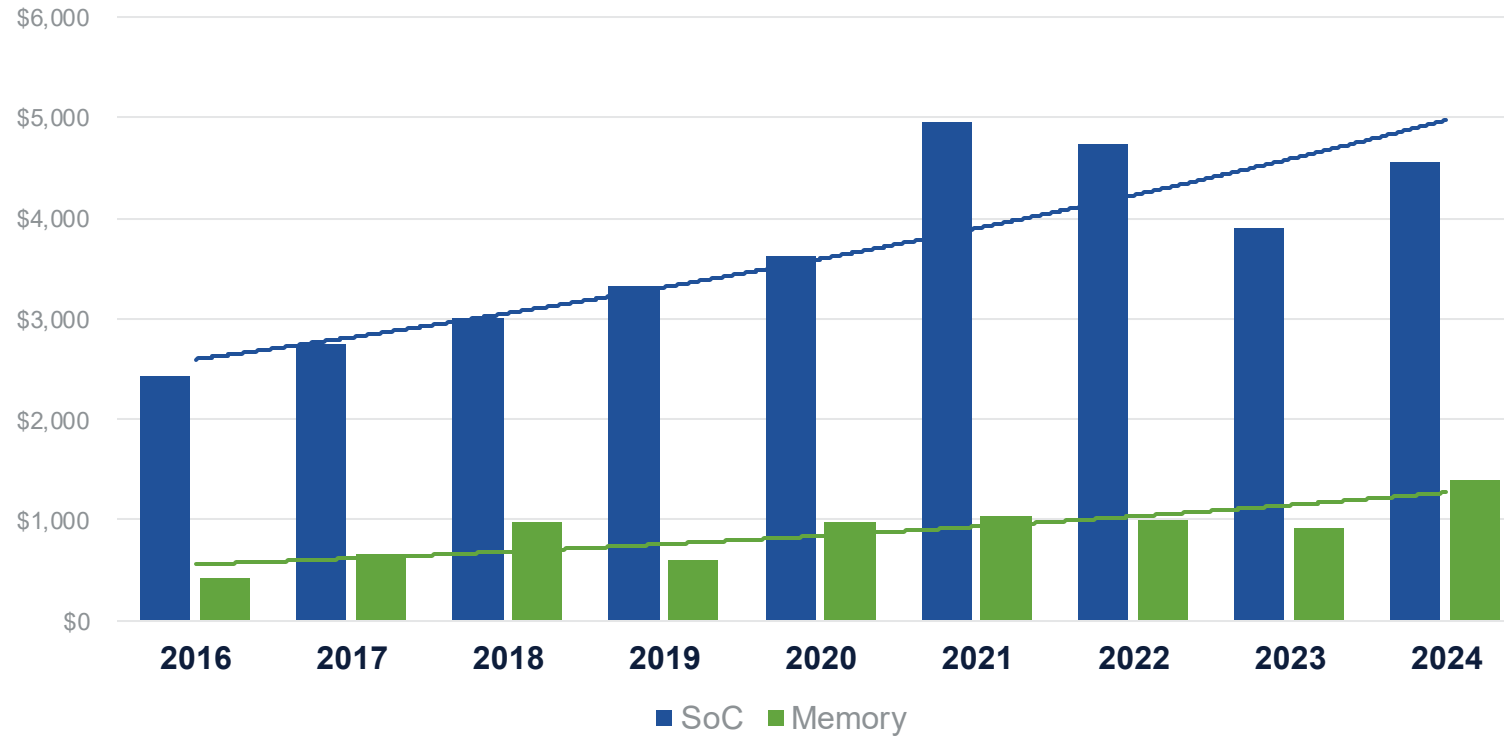
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(4) Teradyne calculates % of FCF returned as Buybacks plus Dividends divided by Free Cash Flow

Semiconductor Test Market Growth Trends Are Favorable

Semiconductor Test Market

- SoC market powered by unit growth, complexity, new technology adoption
- Memory test driven by bit growth, diversity, higher bandwidth



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

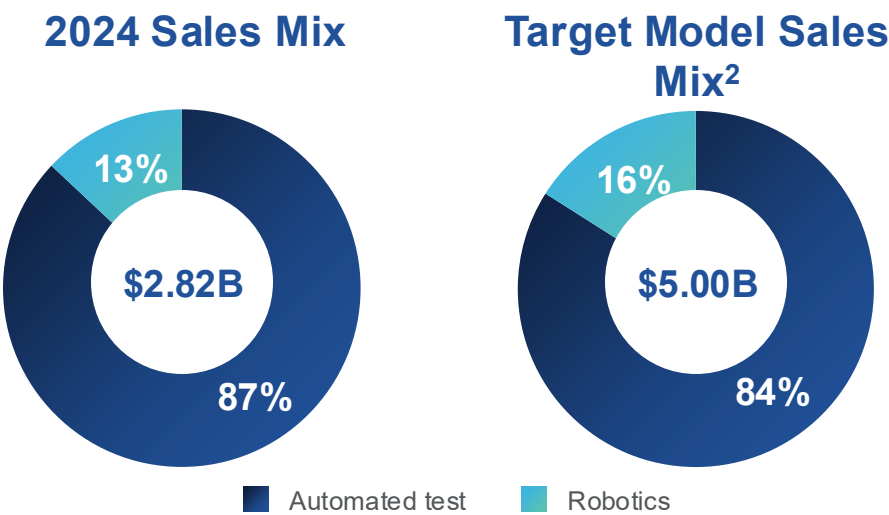
(2) Trendline reflects 9% and 11% CAGRs from 2016 for SoC and Memory, respectively

Teradyne Non-GAAP Target Earnings Model

27% EPS CAGR from '24 to '28 at Mid-Point

Target Earnings Model¹

	2024	Target Model
TER Revenue (\$M)	\$2,820	\$4,500 – \$5,500
Growth off 2024		12% - 18%
Gross Margin %	59%	59% - 60%
OPEX %	38%	31% - 28%
Operating Profit	20%	28% - 32%
Non-GAAP EPS	\$3.22	\$7.00 - \$9.50



Model Assumptions

Metric	Target Model	Comment
Test Revenue CAGR	12-17% off 2024	Drivers: AI – Compute and Memory growth, recovery in Mobility and Auto/Ind markets, IST growth tied to SLT
Robotics Revenue CAGR	18-24% off 2024	Drivers: AI expanding SAM and reducing implementation complexity. Persistent labor shortages in high wage countries

¹ Target Earnings Model Updated as of 1/30/2025; ² Target Model sales mix is at mid-point of model range

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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 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.

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