

TERADYNE

Financial Results for Q3 2025

October 29, 2025

TERADYNE

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 other countries; 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; 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; and the impact of trade regulations and restrictions that impact our ability to deliver certain products to and support certain customers. 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, 2024. 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

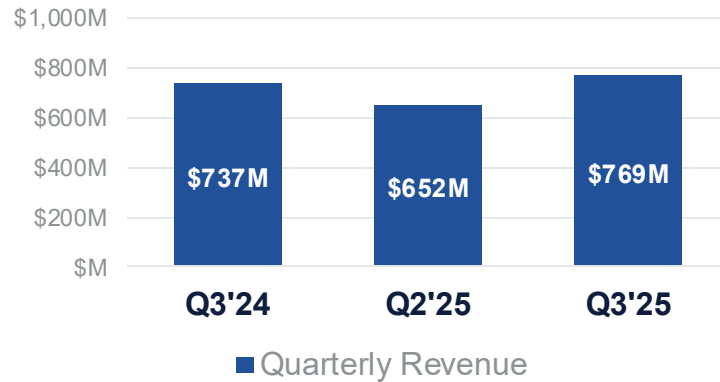
Greg Smith, President and CEO

Q3'25 Summary

Sales of \$769M | Non-GAAP Gross Margin⁽¹⁾ of 58.5% | Non-GAAP EPS⁽¹⁾ of \$0.85

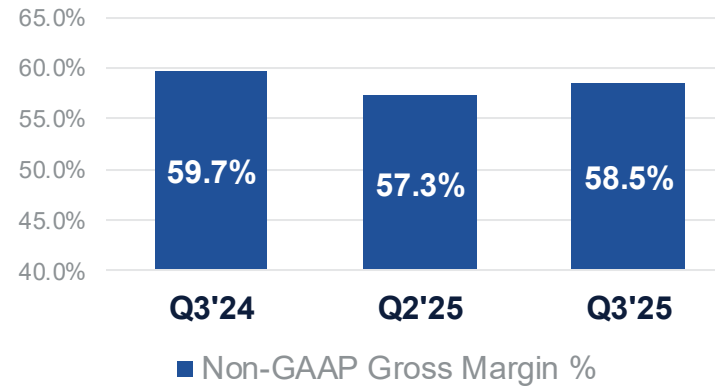
Q3'25 Range: \$710M - \$770M

Quarterly Revenue (\$M)



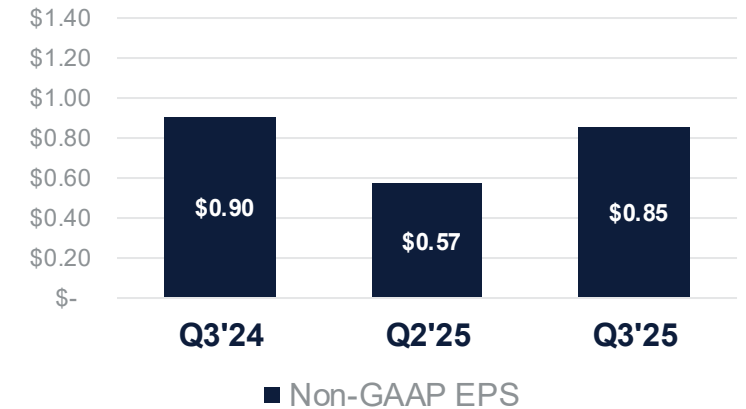
Q3'25 Range: 56.5% - 57.5%

Non-GAAP Gross Margin % ⁽¹⁾



Q3'25 Range: \$0.69 - \$0.87

Non-GAAP EPS ⁽¹⁾



- Semi Test up 23% QoQ
 - SoC up 11% driven by compute
 - Memory up more than 2x
 - IST up 9%
- Product Test up 4% QoQ
- Robotics flat QoQ

- Non-GAAP gross margin above guidance due to product mix

- Non-GAAP EPS of \$0.85
- Repurchased 2.2 million shares / \$246 million, ~\$113 per share average
- 159 million weighted average diluted shares outstanding

Q3'25 Summary and Q4'25 Outlook

Q3'25 Summary

Revenue of \$769M at high-point of guidance; Non-GAAP EPS of \$0.85 near high-point of guidance

- Third quarter revenue up 18% and Non-GAAP EPS up 49% QoQ
 - SoC strength driven by AI Compute and Power
 - Memory up over 2x QoQ on HBM/DRAM for AI applications
 - IST up 9% QoQ (nearly 50% YoY) driven by HDD and Mobile/Compute SLT
 - Product Test up 4% QoQ (10% YoY), on strength in D&A
 - Robotics flat QoQ in weak market conditions
- GM of 58.5% above guidance range on favorable product mix
- OPEX up 6% YoY driven by continued investments in Semi Test strategic initiatives and variable compensation

Q4'25 Outlook

Revenue between \$920M - \$1,000M; Non-GAAP EPS range from \$1.20 - \$1.46

- Fourth quarter revenue up 25% and Non-GAAP EPS up 56% QoQ at mid-guide
 - SoC up QoQ on VIP Compute and Networking demand
 - Memory up QoQ on HBM
 - Market conditions for Mobile and Auto/Industrial remain weak
- GM of 57.0% to 58.0%
- OPEX of 33.0% to 31.0% as a percentage of sales
- Operating profit of 24% to 27% as a percentage of sales

Third Quarter 2025 Financial Results and Fourth Quarter 2025 Guidance

Sanjay Mehta, Vice President and Chief Financial Officer

Q3'25 Non-GAAP Results

\$ in millions, except EPS	Q3'24 Actual⁽¹⁾		Q2'25 Actual⁽¹⁾		Q3'25 Actual⁽¹⁾	
Sales		\$737M		\$652M		\$769M
Gross Margin	59.7%	\$440M	57.3%	\$373M	58.5%	\$450M
R&D	15.9%	\$117M	18.2%	\$118M	16.2%	\$125M
SG&A	21.4%	\$158M	24.0%	\$157M	21.8%	\$168M
OPEX	37.3%	\$275M	42.2%	\$275M	38.1%	\$293M
Operating Profit	22.4%	\$165M	15.1%	\$98M	20.4%	\$157M
Income Taxes (& effective tax rate)	13.8%	\$23M	13.5%	\$14M	16.0%	\$26M
EPS		\$0.90		\$0.57		\$0.85
Diluted Shares		164M		160M		159M

Q3'25 Business Unit Summary

	Semiconductor Test	Product Test	Robotics
Q3'25 Sales	\$606M	\$88M	\$75M
Q3'25 Key Highlights	<ul style="list-style-type: none"> • Sales up 23% QoQ, 7% YoY • SoC up 11% QoQ, 12% YoY on strength in AI related demand • Memory Test sales up more than 2x QoQ, down 15% YoY • IST sales up 9% QoQ, 46% YoY • Sales detail <ul style="list-style-type: none"> • Product: \$505M • Service: \$101M 	<ul style="list-style-type: none"> • Sales up 4% QoQ, 10% YoY • Driven by strength in Defense/Aero 	<ul style="list-style-type: none"> • Sales flat QoQ, down 15% YoY • Continued end market weakness in Industrial Automation • UR sales of \$62M • MiR sales of \$13M
Total Company Sales Detail	Total Company Product: \$632M Total Company Service: \$137M		

Balance Sheet & Capital Allocation

\$ in millions	Q3'24 Actual	Q2'25 Actual	Q3'25 Actual
Cash and Marketable Securities	\$678M	\$489M	\$427M
Inventory	\$297M	\$351M	\$367M
DSO	60 days	60 days	70 days
Capital Additions	\$52M	\$50M	\$47M
Depreciation and Amortization ⁽¹⁾	\$45M	\$48M	\$46M
Free Cash Flow ⁽²⁾	\$114M	\$132M	\$2M
Capital Return	Buybacks ⁽³⁾	\$25M	\$119M
	Dividends	\$20M	\$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

Q4'25 Non-GAAP Guidance

\$ in millions	Q3'25 Actual⁽¹⁾	Q4'25 Guidance⁽¹⁾
Sales	\$769M	\$920M - \$1,000M
Gross Margin	58.5%	57.0% - 58.0%
OPEX	38.1%	33.0% - 31.0%
Operating Profit	20.4%	24.0% - 27.0%
Income Taxes (& effective tax rate)	16.0%	14.5%
EPS	\$0.85	\$1.20 - \$1.46
Diluted Shares	159M	157M

Q3'25 Summary and Q4'25 Outlook

Q3'25 Summary

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Q4'25 Outlook

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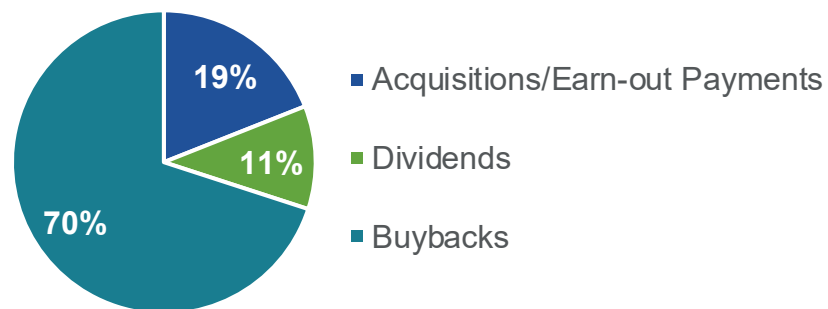
Supplemental Information

History of Capital Allocation

Since 2015, 85M shares repurchased at an average price of ~\$53 per share

\$ in millions	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD Q3'25	Cumulative
Buybacks⁽¹⁾	\$300	\$146	\$200	\$823	\$500	\$88	\$600	\$752	\$401	\$199	\$523	\$4,533
Dividends	\$51	\$49	\$55	\$67	\$61	\$66	\$66	\$70	\$68	\$76	\$58	\$688
Acquisitions/ Investments⁽²⁾	\$283	\$15	\$1	\$194	\$115	\$9	\$12	-	-	\$442	\$170	\$1,241
Total	\$633	\$210	\$257	\$1,085	\$676	\$163	\$678	\$822	\$468	\$717	\$751	\$6,462
Free Cash Flow⁽³⁾	\$323	\$370	\$521	\$370	\$444	\$684	\$966	\$415	\$426	\$474	\$232	\$5,225
% of FCF Returned⁽⁴⁾	109%	\$53%	49%	240%	126%	23%	69%	198%	110%	58%	251%	100%

Cumulative Capital Allocation Breakdown 2015 – Q3'25



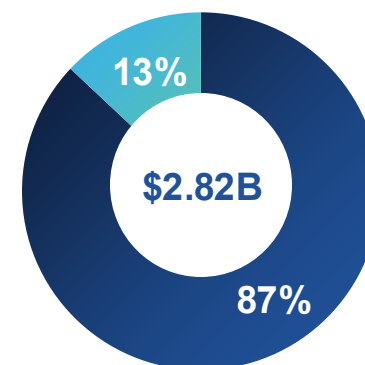
- (1) Inclusive of excise taxes, as applicable
- (2) Net acquisitions includes acquisitions, minority investments and divestitures
- (3) Teradyne calculates free cash flow as: GAAP Cash flow from operations, excluding discontinued operations, less property, plant and equipment additions net of gov't subsidies; see GAAP to non-GAAP reconciliations contained on the Teradyne website at www.teradyne.com by clicking on "Investors" and then selecting the "GAAP to Non-GAAP Reconciliation" link.
- (4) Teradyne calculates % of FCF returned as Buybacks plus Dividends divided by Free Cash Flow

Teradyne Non-GAAP Target Earnings Model

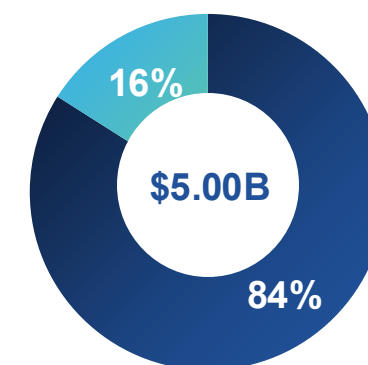
Target Earnings Model¹

	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

2024 Sales Mix



Target Model Sales Mix²



■ Automated test ■ Robotics

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

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

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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