

**TERADYNE**

# Financial Results for Q2 2025

July 30, 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

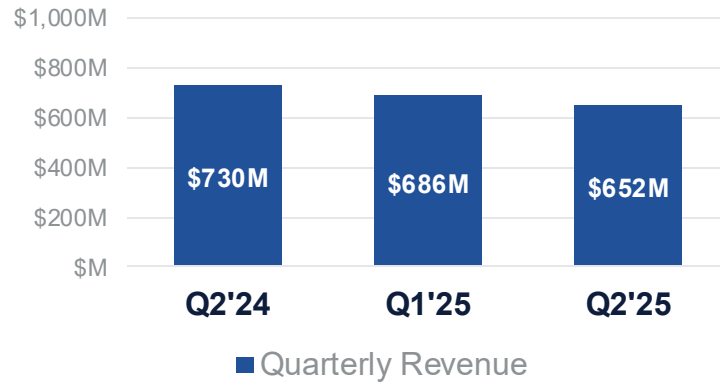
Greg Smith, President and CEO

# Q2'25 Summary

**Sales of \$652M | Non-GAAP Gross Margin<sup>(1)</sup> of 57.3% | Non-GAAP EPS<sup>(1)</sup> of \$0.57 | EPS Above Mid Guidance**

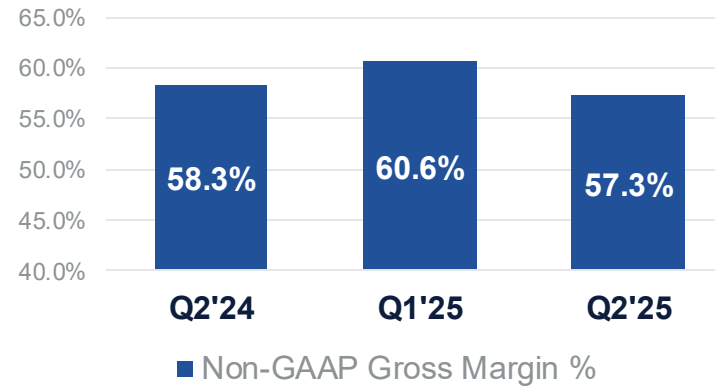
Q2'25 Range: \$610M - \$680M

## Quarterly Revenue (\$M)



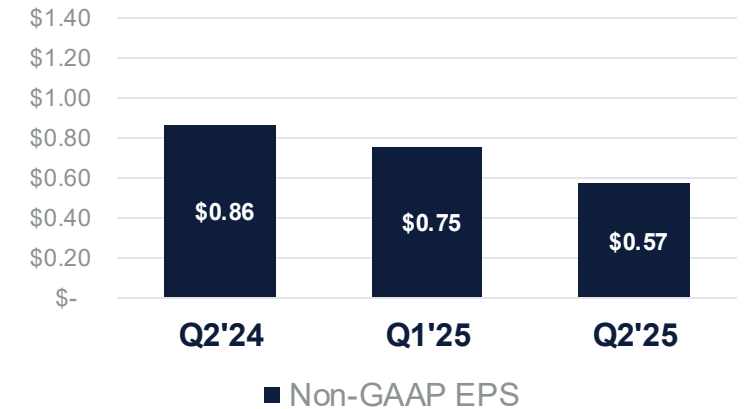
Q2'25 Range: 56.5% - 57.5%

## Non-GAAP Gross Margin % <sup>(1)</sup>



Q2'25 Range: \$0.41 - \$0.64

## Non-GAAP EPS <sup>(1)</sup>



- Semi Test down 12% YoY - as expected, Memory down on shipment timing
- Product Test up 7% YoY
- Robotics sales down 17% YoY (up 9% QoQ) in a weak market

- Non-GAAP gross margin above mid-guide

- Non-GAAP EPS of \$0.57
- Repurchased 1.5 million shares / \$119 million, ~\$80 per share average
- 160 million weighted average diluted shares outstanding

# Q2'25 Summary and Q3'25 Outlook

## Q2'25 Summary

---

### Revenue of \$652M above mid-point of guidance; Non-GAAP EPS of \$0.57 above mid-point of guidance

- SoC strength in AI Compute offsetting lower demand in Auto and Industrial end markets
- Memory lower, in-line with expectations as customers absorb HBM capacity installed in 2024
- IST doubled YoY, in-line with expectations driven by HDD and mobile
- Product Test up 7% YoY, in-line with expectations
  - Closed acquisition of Quantifi Photonics May 30th
- Robotics down 17% YoY, up 9% QoQ in weak market conditions
  - Secured a “plan of record” decision from large customer
- GM of 57.3% in-line with guidance range
- Opex in-line with expectation while continuing investments in Semi Test strategic initiatives

## Q3'25 Outlook

---

### Revenue between \$710M - \$770M; Non-GAAP EPS range from \$0.69 - \$0.87

- Third quarter revenue up 14% QoQ at mid-guide
  - Expect substantial QoQ increase in SoC and Memory due to AI Compute inflection
  - Expect modest revenue from Mobile and Auto/Industrial
- GM of 56.5% to 57.5%
- Opex of 36.5% to 38.5% as a percentage of sales
- Operating profit of 18% to 21% as a percentage of sales
- Q3 tax rate of 16.3% due to YTD catch-up tied to new legislation. Full year expected at 14.5%
- Share buybacks of up to \$1B through 2026 remains in place, up from target of \$400M in 2025

# Second Quarter 2025 Financial Results and Third Quarter 2025 Guidance

Sanjay Mehta, Vice President and Chief Financial Officer

# Q2'25 Non-GAAP Results

<b>\$ in millions, except EPS</b>	<b>Q2'24 Actual<sup>(1)</sup></b>		<b>Q1'25 Actual<sup>(1)</sup></b>		<b>Q2'25 Actual<sup>(1)</sup></b>	
Sales		<b>\$730M</b>		<b>\$686M</b>		<b>\$652M</b>
Gross Margin	58.3%	<b>\$426M</b>	60.6%	<b>\$416M</b>	57.3%	<b>\$373M</b>
R&D	15.3%	<b>\$112M</b>	17.2%	<b>\$118M</b>	18.2%	<b>\$118M</b>
SG&A	21.2%	<b>\$154M</b>	22.9%	<b>\$157M</b>	24.0%	<b>\$157M</b>
OPEX	36.5%	<b>\$266M</b>	40.1%	<b>\$275M</b>	42.2%	<b>\$275M</b>
Operating Profit	21.9%	<b>\$160M</b>	20.5%	<b>\$141M</b>	15.1%	<b>\$98M</b>
Income Taxes (& effective tax rate)	14.6%	<b>\$24M</b>	13.5%	<b>\$19M</b>	13.5%	<b>\$14M</b>
EPS		<b>\$0.86</b>		<b>\$0.75</b>		<b>\$0.57</b>
Diluted Shares		<b>163M</b>		<b>162M</b>		<b>160M</b>

# Q2'25 Business Unit Summary

	Semiconductor Test	Product Test	Robotics
<b>Q2'25 Sales</b>	<b>\$492M</b>	<b>\$85M</b>	<b>\$75M</b>
<b>Q2'25 Key Highlights</b>	<ul style="list-style-type: none"> <li>• Sales down 12% YoY</li> <li>• SoC down 4% YoY</li> <li>• Memory Test sales down 53% YoY</li> <li>• IST sales up 98% YoY</li> <li>• Sales Detail               <ul style="list-style-type: none"> <li>• Product: \$395M</li> <li>• Service: \$97M</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Sales up 7% YoY</li> <li>• All business units up YoY</li> <li>• Quantifi acquisition closed May 30th</li> </ul>	<ul style="list-style-type: none"> <li>• Sales up 9% QoQ and down 17% YoY</li> <li>• Continued end market weakness in Industrial Automation</li> <li>• UR sales of \$63M</li> <li>• MiR sales of \$12M</li> </ul>
<b>Total Company Sales Detail</b>	<b>Total Company Product: \$523M</b> <b>Total Company Service: \$129M</b>		



# Balance Sheet & Capital Allocation

\$ in millions	Q2'24 Actual	Q1'25 Actual	Q2'25 Actual
Cash and Marketable Securities	\$584M	\$622M	\$489M
Inventory	\$289M	\$345M	\$351M
DSO	59 days	60 days	60 days
Capital Additions	\$45M	\$64M	\$50M
Depreciation and Amortization <sup>(1)</sup>	\$45M	\$46M	\$48M
Free Cash Flow <sup>(2)</sup>	\$171M	\$98M	\$132M
Capital Return	Buybacks <sup>(3)</sup>	\$8M	\$159M
	Dividends	\$18M	\$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](http://www.teradyne.com) by clicking on "Investors" and then selecting the "GAAP to Non-GAAP Reconciliation" link.

(3) Inclusive of excise taxes, as applicable

# Q3'25 Non-GAAP Guidance

<b>\$ in millions</b>	<b>Q2'25 Actual<sup>(1)</sup></b>	<b>Q3'25 Guidance<sup>(1)</sup></b>
Sales	<b>\$652M</b>	<b>\$710M - \$770M</b>
Gross Margin	<b>57.3%</b>	<b>56.5% - 57.5%</b>
OPEX	<b>42.2%</b>	<b>38.5% - 36.5%</b>
Operating Profit	<b>15.1%</b>	<b>18.0% - 21.0%</b>
Income Taxes (& effective tax rate)	<b>13.5%</b>	<b>16.3%</b>
EPS	<b>\$0.57</b>	<b>\$0.69 - \$0.87</b>
Diluted Shares	<b>160M</b>	<b>158M</b>

# Q2'25 Summary and Q3'25 Outlook

## Q2'25 Summary

---

### Revenue of \$652M above mid-point of guidance; Non-GAAP EPS of \$0.57 above mid-point of guidance

- SoC strength in AI Compute offsetting lower demand in Auto and Industrial end markets
- Memory lower, in-line with expectations as customers absorb HBM capacity installed in 2024
- IST doubled YoY, in-line with expectations driven by HDD and mobile
- Product Test up 7% YoY, in-line with expectations
  - Closed acquisition of Quantifi Photonics May 30th
- Robotics down 17% YoY, up 9% QoQ in weak market conditions
  - Secured a “plan of record” decision from large customer
- GM of 57.3% in-line with guidance range
- Opex in-line with expectation while continuing investments in Semi Test strategic initiatives

## Q3'25 Outlook

---

### Revenue between \$710M - \$770M; Non-GAAP EPS range from \$0.69 - \$0.87

- Third quarter revenue up 14% QoQ at mid-guide
  - Expect substantial QoQ increase in SoC and Memory due to AI Compute inflection
  - Expect modest revenue from Mobile and Auto/Industrial
- GM of 56.5% to 57.5%
- Opex of 36.5% to 38.5% as a percentage of sales
- Operating profit of 18% to 21% as a percentage of sales
- Q3 tax rate of 16.3% due to YTD catch-up tied to new legislation. Full year expected at 14.5%
- Share buybacks of up to \$1B through 2026 remains in place, up from target of \$400M in 2025

See GAAP to non-GAAP reconciliations contained on the Teradyne website at [www.teradyne.com](http://www.teradyne.com) by clicking on "Investors" and then selecting the "GAAP to Non-GAAP Reconciliation" link

**TERADYNE**

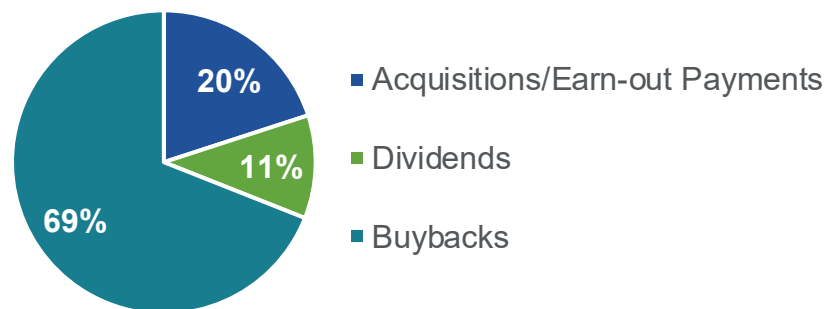
# Supplemental Information

# History of Capital Allocation

Since 2015, 83M shares repurchased at an average price of ~\$52 per share

\$ in millions	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	1H'25	Cumulative
<b>Buybacks<sup>(1)</sup></b>	\$300	\$146	\$200	\$823	\$500	\$88	\$600	\$752	\$401	\$199	\$277	<b>\$4,286</b>
<b>Dividends</b>	\$51	\$49	\$55	\$67	\$61	\$66	\$66	\$70	\$68	\$76	\$39	<b>\$669</b>
<b>Acquisitions/ Investments<sup>(2)</sup></b>	\$283	\$15	\$1	\$194	\$115	\$9	\$12	-	-	\$442	\$150	<b>\$1,221</b>
<b>Total</b>	<b>\$633</b>	<b>\$210</b>	<b>\$257</b>	<b>\$1,085</b>	<b>\$676</b>	<b>\$163</b>	<b>\$678</b>	<b>\$822</b>	<b>\$468</b>	<b>\$717</b>	<b>\$466</b>	<b>\$6,176</b>
<b>Free Cash Flow<sup>(3)</sup></b>	\$323	\$370	\$521	\$370	\$444	\$684	\$966	\$415	\$426	\$474	\$229	<b>\$5,223</b>
<b>% of FCF Returned<sup>(4)</sup></b>	109%	53%	49%	240%	126%	23%	69%	198%	110%	58%	138%	<b>95%</b>

## Cumulative Capital Allocation Breakdown 2015 – Q2'25



(1) Inclusive of excise taxes, as applicable

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

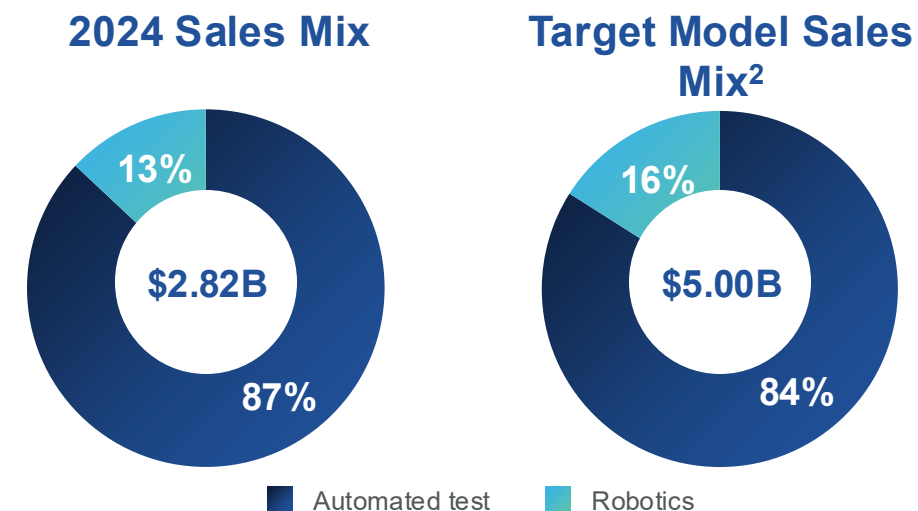
(3) Teradyne calculates free cash flow as: GAAP Cash flow from operations, excluding discontinued operations, less property, plant and equipment additions net of gov't subsidies; see GAAP to non-GAAP reconciliations contained on the Teradyne website at [www.teradyne.com](http://www.teradyne.com) by clicking 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 Model<sup>1</sup>

	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

<sup>1</sup> Target Earnings Model Updated as of 1/30/2025; <sup>2</sup> 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](http://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](http://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.



**TERADYNE**