Teradyne, Inc.

Certain Non-GAAP financial measures discussed during the Fourth Quarter of 2024 Earnings Conference Call

January 30, 2024

On the Company's earnings conference call on January 30, 2024, the following non-GAAP financial measures were discussed or presented:

Q4 2024- EPS (\$0.95), Operating Profit (22% and \$163M), Gross Margin (59.4% and \$447M), Operating Expenses (37.8% and \$284M), Effective Tax Rate (7.6% or \$13M), Shares (163M), Free Cash Flow (\$225M), Net income (\$155.0M), Robotics operating loss (13%)

Q3 2024- EPS (\$0.90), Operating Profit (22.4% and \$165M), Gross Margin (59.7% and \$440M), Operating Expenses (37.3% and \$275M), Effective Tax Rate (13.8% or \$23M), Shares (164M), Free Cash Flow (\$114M), Net income (\$147.6M)

Q4 2023 – EPS (\$0.79), Operating Profit (20.1% and \$135M), Gross Margin (56.6% and \$380M), Operating Expenses (36.5% and \$245M), Effective Tax Rate (12.6% or \$18M), shares (162M), Free Cash Flow (\$204M), Net income (\$127.2M)

FY 2024 – EPS (\$3.22), Gross Margin (58.6% and \$1.7bn), Operating Expenses (38.2% and \$1.08Bn), Operating profit (20.4% and \$576M), Free Cash Flow (\$474M), Effective tax rate (12.6% and \$75M), shares (163M), Robotics operating loss (13%)

FY 2023 – EPS (\$2.93), Gross Margin (57.4% and \$1.5bn), Operating expenses (37% and \$990M), Operating profit (20.4% and \$547M), Effective tax rate (15.5% and \$88M), shares (164M)

Q1'25 Guidance – EPS (\$0.58 to \$0.68), Operating Profit (16% -18%), Gross Margin (58.5.5%-59.5%), Operating Expenses (41.5-42.5%) Midpoint Operating Profit Rate (17%), tax rate (15%), shares (163M),

FY 2025 Guidance – Gross Margin (59%-60%), Operating expenses increase (8-10%), Tax rate (15%), Robotics break-even (0%)

2026 Updated Mid-Term Earnings Model – EPS (\$7- \$9.50), Gross Margin (59-60%), Operating Expenses (31%-28%), Operating Profit (29-32%), Robotics operating margin (5-15%)

EPS – FY'16 (\$1.51), FY '17 (\$2.34), FY'18 (\$2.37), FY'19 (\$2.86), FY'20 (\$4.62), FY'21 (\$5.98), FY'22 (\$4.25), FY'23 (\$2.93), FY'24 (\$3.22)

FCF - 2015 (\$323M), 2016 (\$370M), 2017 (\$521M), 2018 (\$370M), 2019 (\$444M), 2020 (\$684M), 2021 (\$966M), 2022 (\$415M), 2023 (\$426M), 2024 (\$474M)

GAAP to Non-GAAP Earnings Reconciliation (In millions, except per share amounts)

| | | | Quar | er Ended | | |
|---|----------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | December 31, 2024 | % of Net Revenues | September 29, 2024 | % of Net Revenues | December 31, 2023 | % of Net Revenues |
| Net revenues | \$ 752.9 | | \$ 737.3 | | \$ 670.6 | |
| Gross profit - GAAP | 447.3 | 59.4% | 436.5 | 59.2% | 379.5 | 56.6% |
| Legal settlement(1) | _ | _ | 3.6 | 0 | 0 | 0 |
| Gross profit - non-GAAP | 447.3 | 59.4% | 440.1 | 59.7% | 379.9 | 56.6% |
| Income from operations-GAAP | 153.6 | 20.4% | 152.1 | 20.6% | 124.3 | 18.5% |
| Acquired intangible assets amortization | 4.7 | 0.6% | 4.7 | 0.6% | 4.7 | 0.7% |
| Restructuring and other (2) | 4.6 | 0.6% | 4.6 | 0.6% | 6.0 | 0.9% |
| Legal settlem ent(1) | _ | _ | 3.6 | 0.5% | _ | _ |
| Loss(Gain) on sale of business(3) | 0.4 | 0.0% | | | | _ |
| Income from operations-non-GAAP | \$ 163.2 | 21.7% | \$ 165.0 | 22.4% | \$ 135.0 | 20.1% |

| | | | Net In per Comn | | September | | | ncome non Share | | | | ncome mon Share |
|---|----------------------|----------------------|--------------------|---------|-------------|----------------------|---------|--------------------|----------------------|----------------------|---------|--------------------|
| | December 31, 2024 | % of Net Revenues | Basic | Diluted | 29, 2024 | % of Net Revenues | Basic | Diluted | December 31, 2023 | % of Net Revenues | Basic | Diluted |
| Net income - GAAP | \$ 146.3 | 19.4% | \$ 0.90 | \$ 0.90 | \$ 145.6 | 19.7% | \$ 0.89 | \$ 0.89 | \$ 117.1 | 17.5% | \$ 0.77 | \$ 0.72 |
| Am ortization of equitym ethod investment | 8.0 | 1.1% | 0.05 | 0.05 | 2.4 | 0.3% | 0.01 | 0.01 | _ | _ | _ | _ |
| Acquired intangible assets amortization | 4.7 | 0.6% | 0.03 | 0.03 | 4.7 | 0.6% | 0.03 | 0.03 | 4.7 | 0.7% | 0.03 | 0.03 |
| Restructuring and other (2) | 4.6 | 0.6% | 0.03 | 0.03 | 4.6 | 0.6% | 0.03 | 0.03 | 6.0 | 0.9 % | 0.04 | 0.04 |
| Loss(gain) on sale of business(3) | 0.4 | 0.1% | 0.00 | 0.00 | _ | _ | _ | _ | _ | _ | _ | _ |
| Legal settlement(1) | _ | _ | _ | _ | 3.6 | 0.5% | 0.02 | 0.02 | _ | _ | _ | _ |
| Loss (gain) on foreign ex change option | _ | _ | _ | _ | _ | _ | _ | _ | (7.5) | -1.1% | _ | (0.05) |
| Pension mark-to-market a djustment(4) | (1.8) | -0.2% | (0.01) | (0.01) | (2.3) | -0.3% | (0.01) | (0.01) | 2.6 | 0.4% | 0.02 | 0.02 |
| Exclude discrete tax adjustments | (8.0) | -1.1% | (0.05) | (0.05) | (8.9) | -1.2% | (0.05) | (0.05) | 3.3 | 0.5 % | 0.02 | 0.02 |
| Non-GAAP tax adjustments | 0.9 | 0.1% | 0.01 | 0.01 | (2.1) | -0.3% | (0.01) | (0.01) | 1.0 | 0.1% | 0.01 | 0.01 |
| Net income-non-GAAP | \$ 155.0 | 20.6% | \$ 0.95 | \$ 0.95 | \$ 147.6 | 20.0% | \$ 0.91 | \$ 0.90 | \$ 127.2 | 19.0% | \$ 0.83 | \$ 0.79 |
| GAAP and non-GAAP weighted average common shares- | | | | | | | | | | | | |
| basic | 162.5 | | | | 163.0 | | | | 152.8 | | | |
| GAAP weighted average common shares-diluted (6) | 163.2 | | | | 164.3 | | | | 162.1 | | | |
| Exclude dilutive shares related to convertible note | | | | | | | | | | | | |
| transaction | | | | | | | | | (0.2) | | | |
| Non-GAAP weighted average common shares - diluted | 163.2 | | | | 164.3 | | | | 161.9 | | | |

| | | | | Twelve Months Ended | | | |
|---|----|---------------------|-------------------|---------------------|----|--------------------|-------------------|
| | D | ecember 31, 2024 | % of Net Revenues | | De | cember 31, 2023 | % of Net Revenues |
| Net Revenues | \$ | 2,819.9 | | | \$ | 2,676.3 | |
| Gross profit - GAAP | | 1,648.9 | 58.5% | | | 1,536.7 | 57.4% |
| Legal settlem ent(1) | | 3.6 | 0.1% | | | _ | _ |
| Gross profit - non-GAAP | | 1,652.5 | 58.6% | | | 1,536.7 | 57.4% |
| Income from operations-GAAP | | 593.8 | 21.1% | | | 501.1 | 18.7% |
| Acquired intangible assets amortization | | 18.8 | 0.7% | | | 19.0 | 0.7% |
| Restructuring and other (2) | | 15.6 | 0.6% | | | 21.3 | 0.8% |
| Legal settlem ent (1) | | 3.6 | 0.1% | | | _ | _ |
| Equity modification charge (3) | | 1.7 | 0.1% | | | 5.9 | 0.2% |
| Loss(gain) on sale of business(4) | | (57.1) | -2.0% | | | _ | _ |
| Income from operations-non-GAAP | \$ | 576.3 | 20.4% | | \$ | 547.3 | 20.4% |

| | | | Net In per Comn | | | | | Income mon Share |
|--|----------------------|-------------------|--------------------|---------|----------------------|-------------------|---------|---------------------|
| | December 31, 2024 | % of Net Revenues | Basic | Diluted | December 31, 2023 | % of Net Revenues | Basic | Diluted |
| Net income-GAAP | \$ 542.4 | 19.2 % | \$ 3.39 | \$ 3.32 | \$ 448.8 | 16.8% | \$ 2.91 | \$ 2.73 |
| Acquired intangible assets amortization | 18.8 | 0.7% | 0.12 | 0.11 | 19.0 | 0.7% | 0.12 | 0.12 |
| Restructuring and other (2) | 15.6 | 0.6% | 0.10 | 0.10 | 21.8 | 0.8% | 0.14 | 0.13 |
| Am ortization of equity method investment | 10.4 | 0.4% | 0.07 | 0.06 | _ | _ | _ | _ |
| Loss (gain) on foreign exchange option | 9.8 | 0.3 % | 0.06 | 0.06 | (7.5) | -0.3% | (0.05) | (0.05) |
| Legal settlem ent(1) | 3.6 | 0.1% | 0.02 | 0.02 | _ | _ | _ | _ |
| Equity modification charge (3) | 1.7 | 0.1% | 0.01 | 0.01 | 5.9 | 0.2% | 0.04 | 0.04 |
| Pension mark-to-market actiustment(5) | (4.4) | -0.2 % | (0.03) | (0.03) | 2.7 | 0.1% | 0.02 | 0.02 |
| Loss(gain) on sale of business(4) | (57.1) | -2.0% | (0.36) | (0.35) | - | _ | _ | _ |
| Exclude discrete tax adjustments | (8.7) | -0.3 % | (0.05) | (0.05) | (3.4) | -0.1% | (0.02) | (0.02) |
| Non-GAAP tax adjustments | (6.9) | -0.2 % | (0.04) | (0.04) | (7.7) | -0.3% | (0.05) | (0.05) |
| Convertible share adjustment (6) | `- | _ | | _ | _ | _ | _ | 0.01 |
| Net income-non-GAAP | \$ 525.1 | 18.6% | \$ 3.29 | \$ 3.22 | \$ 479.6 | 17.9% | \$ 3.11 | \$ 2.93 |
| GAAP and non-GAAP weighted average common shares-basic | 159.8 | | | | 1543 | | | |
| GAAP weighted average common shares-diluted(6) | 163.3 | | | | 164.3 | | | |
| Exclude dilutive shares from convertible note | _ | | | | (0.6) | | | |
| Non-GAAP weighted average common shares - diluted | 163.3 | | | | 163.7 | | | |

| | | | | | Twelve Mon | ths End | ed | | | | |
|---|-----|--------------------------------|--------------------------------|------------|--------------|---------|-----------------------------------|--------------------------------|------------|------|--------|
| | Dec | cember 31, 2022 | % of Net Revenues | | THOM O III O | | cember 31, 2021 | % of Net Revenues | | | |
| Net Revenues | \$ | 3,155.0 | | | | \$ | 3,702.9 | | | | |
| Gross profit GAAP and non-GAAP | \$ | 1,867.2 | 59.2% | | | \$ | 2,206.7 | 59.6% | | | |
| Income from operations - GAAP Restructuring and other (1) Acquired intangible assets amortization Income from operations - non-GAAP | \$ | 831.9 17.2 19.3 868.4 | 26.4% 0.5% 0.6% 27.5% | | | \$ | 1,200.7 9.3 21.5 1,231.5 | 32.4% 0.3% 0.6% 33.3% | | | |
| | | | | Net In o | аге | | | | Net In | come | iare |
| | Dec | cember 31, 2022 | % of Net Revenues | Basic | Diluted | De | cember 31, 2021 | % of Net Revenues | Basic | | iluted |
| Net income - GAAP | \$ | 715.5 | 22.7% | \$ 4.52 | \$ 4.22 | \$ | 1,014.6 | 27.4% | \$ 6.15 | \$ | 5.53 |
| Restructuring and other (1) | | 17.2 | 0.5% | 0.11 | 0.10 | | 9.3 | 0.3% | 0.06 | | 0.05 |
| Acquired intangible assets amortization | | 19.3 | 0.6% | 0.12 | 0.11 | | 21.5 | 0.6% | 0.13 | | 0.12 |
| Loss on convertible debt conversions (2) | | - | - | - | - | | 28.8 | 0.8% | 0.17 | | 0.16 |
| Interest and other (2) | | - | - | | - | | 10.3 | 0.3% | 0.06 | | 0.06 |
| Pension mark-to-market adjustment (2) | | (25.6) | -0.8% | (0.16) | (0.15) | | (2.2) | -0.1% | (0.01) | | (0.01) |
| Exclude discrete tax adjustments | | (12.1) | -0.4% | (0.08) | (0.07) | | (28.6) | -0.8% | (0.17) | | (0.16) |
| Non-GAAP tax adjustments | | (1.4) | 0.0% | (0.01) | (0.01) | | (3.4) | -0.1% | (0.02) | | (0.02) |
| Convertible share adjustment (3) | | - | | - | 0.05 | | - | | - | | 0.24 |
| Net income - non-GAAP | \$ | 712.9 | 22.6% | \$ 4.50 | \$ 4.25 | \$ | 1,050.3 | 28.4% | \$ 6.37 | \$ | 5.98 |
| GAAP and non-GAAP weighted average common shares - basic | | 158.4 | | | | | 165.0 | | | | |
| GAAP weighted average common shares - diluted | | 169.7 | | | | | 183.6 | | | | |
| Exclude dilutive shares from convertible note | _ | (1.8) | | | | _ | (7.4) | | | | |
| Non-GAAP weighted average common shares - diluted | | 167.9 | | | | _ | 176.2 | | | | |
| | | | | | | | | | | | |

| | | | | | | Twelve Mo | nthe Ende | í | | | | | |
|--|-----|--|--|---|------|---|-----------|---|---|----|---|------|--|
| | Dec | ember 31, 2021 | % of Net Revenues | | | I WEIVE MO | | ember 31, 2020 | % of Net Revenues | | | | |
| Net Revenues | \$ | 3,702.9 | | | | | \$ | 3,121.5 | | | | | |
| Gross profit GAAP | \$ | 2,206.7 | 59.6% | | | | \$ | 1,785.7 | 57.2% | | | | |
| Inventory step-up | | - | | | | | | 0.4 | 0.0% | | | | |
| Gross profit non-GAAP | \$ | 2,206.7 | 59.6% | | | | \$ | 1,786.1 | 57.2% | | | | |
| Income from operations - GAAP | \$ | 1,208.7 | 32.6% | | | | \$ | 928.4 | 29.7% | | | | |
| Acquired intangible assets amortization | | 21.5 | 0.6% | | | | | 30.8 | 1.0% | | | | |
| Restructuring and other (1) | | 1.3 | 0.0% | | | | | (13.2) | -0.4% | | | | |
| Inventory step-up | | - | - | | | | | 0.4 | 0.0% | | | | |
| Equity modification charge | | - | | | | | | 8.0 | 0.0% | | | | |
| Income from operations - non-GAAP | \$ | 1,231.5 | 33.3% | | | | \$ | 947.2 | 30.3% | | | | |
| | | | | Net In | come | | | | | | Net In | come | |
| | Dec | ember 31, 2021 | % of Net Revenues | Basic | Di | iluted | Dec | ember 31, 2020 | % of Net Revenues | В | asic | Di | luted |
| Net income - GAAP | \$ | 1,020.8 | 27.6% | \$ 6.19 | \$ | 5.56 | \$ | 784.1 | 25.1% | \$ | 4.72 | \$ | 4.28 |
| | | 21.5 | 0.6% | 0.13 | | 0.12 | | 30.8 | 1.0% | | 0.19 | | 0.17 |
| Acquired intangible assets amortization | | 21.5 | 0.0% | | | | | | | | | | (0.07) |
| Acquired intangible assets amortization Restructuring and other (1) | | 1.3 | 0.0% | 0.01 | | 0.01 | | (13.2) | -0.4% | | (0.08) | | |
| | | | | | | 0.01 0.06 | | (13.2) 14.4 | -0.4% 0.5% | | (0.08) | | 0.08 |
| Restructuring and other (1) | | 1.3 | 0.0% | 0.01 | | | | | | | | | 0.08 |
| Restructuring and other (1) Interest and other (2) | | 1.3 10.3 28.8 | 0.0% 0.3% | 0.01 0.06 | | 0.06 | | 14.4 | 0.5% | | 0.09 | | 0.08 |
| Restructuring and other (1) Interest and other (2) Loss on convertible debt conversions (2) | | 1.3 10.3 | 0.0% 0.3% 0.8% | 0.01 0.06 0.17 | | 0.06 0.16 | | 14.4 | 0.5% | | 0.09 | | - |
| Restructuring and other (1) Interest and other (2) Loss on convertible debt conversions (2) Pension mark-to-market adjustment (2) | | 1.3 10.3 28.8 | 0.0% 0.3% 0.8% -0.1% | 0.01 0.06 0.17 (0.01) | | 0.06 0.16 | | 14.4 - 10.3 | 0.5% - 0.3% | | 0.09 | | 0.06 |
| Restructuring and other (1) Interest and other (2) Loss on convertible debt conversions (2) Pension mark-to-market adjustment (2) Inventory step-up | | 1.3 10.3 28.8 | 0.0% 0.3% 0.8% -0.1% | 0.01 0.06 0.17 (0.01) | | 0.06 0.16 | | 14.4 - 10.3 0.4 | 0.5% - 0.3% 0.0% | | 0.09 - 0.06 0.00 | | 0.06 0.00 |
| Restructuring and other (1) Interest and other (2) Loss on convertible debt conversions (2) Pension mark-to-market adjustment (2) Inventory step-up Equity modification charge | | 1.3 10.3 28.8 (2.2) | 0.0% 0.3% 0.8% -0.1% - | 0.01 0.06 0.17 (0.01) | | 0.06 0.16 (0.01) | | 14.4 - 10.3 0.4 0.8 | 0.5% - 0.3% 0.0% 0.0% | | 0.09 - 0.06 0.00 0.00 | | 0.06 0.00 0.00 |
| Restructuring and other (1) Interest and other (2) Loss on convertible debt conversions (2) Pension mark-to-market adjustment (2) Inventory step-up Equity modification charge Exclude discrete tax adjustments | | 1.3 10.3 28.8 (2.2) - (28.6) | 0.0% 0.3% 0.8% -0.1% - - - -0.8% | 0.01 0.06 0.17 (0.01) - - (0.17) | | 0.06 0.16 (0.01) - - (0.16) | | 14.4 - 10.3 0.4 0.8 (15.2) | 0.5% - 0.3% 0.0% 0.0% -0.5% | | 0.09 - 0.06 0.00 0.00 (0.09) | | 0.06 0.00 0.00 (0.08) |
| Restructuring and other (1) Interest and other (2) Loss on convertible debt conversions (2) Pension mark-to-market adjustment (2) Inventory step-up Equity modification charge Exclude discrete tax adjustments Non-GAAP tax adjustments | \$ | 1.3 10.3 28.8 (2.2) - (28.6) (1.5) | 0.0% 0.3% 0.8% -0.1% - - -0.6% 0.0% | 0.01 0.06 0.17 (0.01) - (0.17) (0.01) | \$ | 0.06 0.16 (0.01) - - (0.16) (0.01) | \$ | 14.4 - 10.3 0.4 0.8 (15.2) (11.9) | 0.5% - 0.3% 0.0% 0.0% -0.5% | \$ | 0.09 - 0.06 0.00 0.00 (0.09) | \$ | 0.06 0.00 0.00 (0.08) (0.07) |
| Restructuring and other (1) Interest and other (2) Loss on convertible debt conversions (2) Pension mark-to-market adjustment (2) Inventory step-up Equity modification charge Exclude discrete tax adjustments Non-GAAP tax adjustments Convertible share adjustment (3) | \$ | 1.3 10.3 28.8 (2.2) - (28.6) (1.5) | 0.0% 0.3% 0.8% -0.1% - - -0.6% 0.0% | 0.01 0.06 0.17 (0.01) - (0.17) (0.01) | \$ | 0.06 0.16 (0.01) - (0.16) (0.01) 0.24 | \$ | 14.4 - 10.3 0.4 0.8 (15.2) (11.9) | 0.5% - 0.3% 0.0% 0.0% -0.5% -0.4% | \$ | 0.09 - 0.06 0.00 0.00 (0.09) (0.07) | \$ | 0.06 0.00 0.00 (0.08) (0.07) 0.25 |
| Restructuring and other (1) Interest and other (2) Loss on convertible debt conversions (2) Pension mark-to-market adjustment (2) Inventory step-up Equity modification charge Exclude discrete tax adjustments Non-GAAP tax adjustments Convertible share adjustment (3) Net income - non-GAAP | \$ | 1.3 10.3 28.8 (2.2) - (28.6) (1.5) - 1,050.4 | 0.0% 0.3% 0.8% -0.1% - - -0.6% 0.0% | 0.01 0.06 0.17 (0.01) - (0.17) (0.01) | \$ | 0.06 0.16 (0.01) - (0.16) (0.01) 0.24 | \$ | 14.4 - 10.3 0.4 0.8 (15.2) (11.9) - 800.5 | 0.5% - 0.3% 0.0% 0.0% -0.5% -0.4% | \$ | 0.09 - 0.06 0.00 0.00 (0.09) (0.07) | \$ | 0.06 0.00 0.00 (0.08) (0.07) 0.25 |
| Restructuring and other (1) Interest and other (2) Loss on convertible debt conversions (2) Pension mark-to-market adjustment (2) Inventory step-up Equity modification charge Exclude discrete tax adjustments Non-GAAP tax adjustments Convertible share adjustment (3) Net income - non-GAAP GAAP and non-GAAP weighted average common shares - basic | \$ | 1.3 10.3 28.8 (2.2) - (28.6) (1.5) - 1,050.4 | 0.0% 0.3% 0.8% -0.1% - - -0.6% 0.0% | 0.01 0.06 0.17 (0.01) - (0.17) (0.01) | \$ | 0.06 0.16 (0.01) - (0.16) (0.01) 0.24 | \$ | 14.4 - 10.3 0.4 0.8 (15.2) (11.9) - 800.5 | 0.5% - 0.3% 0.0% 0.0% -0.5% -0.4% | \$ | 0.09 - 0.06 0.00 0.00 (0.09) (0.07) | \$ | 0.06 0.00 0.00 (0.08) (0.07) 0.25 |

| | | | | Twelve Months Ended | | | |
|---|----|---------------------------|------------------------|---------------------|----|---------------------------|------------------------|
| | De | cember 31, 2020 | % of Net Revenues | | | ember31, 2019 | % of Net Revenues |
| Net Revenues | \$ | 3,121.5 | | | \$ | 2,295.0 | |
| Gross profit GAAP Inventory step-up Gross profit non-GAAP | \$ | 1,785.7 0.4 1,786.1 | 57.2% 0.0% 57.2% | | \$ | 1,339.8 0.4 1,340.2 | 58.4% 0.0% 58.4% |
| Income from operations - GAAP | \$ | 928.4 | 29.7% | | s | 553.7 | 24.1% |
| Acquired intangible assets amortization Restructuring and other (1) | Φ | 30.8 (13.2) | 1.0% -0.4% | | • | 40.1 (13.9) | 1.7% -0.6% |
| Inventory step-up Equity modification charge (2) | | 0.4 0.8 | 0.0% 0.0% | | | 0.4 2.1 | 0.0% 0.1% |
| Income from operations - non-GAAP | \$ | 947.2 | 30.3% | | \$ | 582.4 | 25.4% |

| | Decem | her 31 | % of Net | Net Income per Common Sh | are | | Dec | ember31. | % of Net | _ | Net In per Comm | |
|--|-------|--------|----------|---------------------------------|-----|--------|-----|----------|----------|----|--------------------|------------|
| | 20 | | Revenues | Basic | D | iluted | | 2019 | Revenues | | Basic | iluted |
| Net income - GAAP | \$ | 784.1 | 25.1% | \$ 4.72 | \$ | 4.28 | \$ | 467.5 | 20.4% | \$ | 2.74 | \$ 2.60 |
| Acquired intangible assets amortization | | 30.8 | 1.0% | 0.19 | | 0.17 | | 40.1 | 1.7% | | 0.24 | 0.22 |
| Interest and other (3) | | 14.4 | 0.5% | 0.09 | | 0.08 | | 28.7 | 1.3% | | 0.17 | 0.16 |
| Pension mark-to-market adjustments (3) | | 10.3 | 0.3% | 0.06 | | 0.06 | | 8.2 | 0.4% | | 0.05 | 0.05 |
| Restructuring and other (1) | | (13.2) | -0.4% | (80.0) | | (0.07) | | (13.9) | -0.6% | | (80.0) | (80.0) |
| Inventory step-up | | 0.4 | 0.0% | 0.00 | | 0.00 | | 0.4 | 0.0% | | 0.00 | 0.00 |
| Equity modification charge (2) | | 0.8 | 0.0% | 0.00 | | 0.00 | | 2.1 | 0.1% | | 0.01 | 0.01 |
| Exclude discrete tax adjustments (4) | | (15.2) | -0.5% | (0.09) | | (0.08) | | (22.6) | -1.0% | | (0.13) | (0.13) |
| Non-GAAP tax adjustments | | (11.9) | -0.4% | (0.07) | | (0.07) | | (16.7) | -0.7% | | (0.10) | (0.09) |
| Convertible share adjustment (5) | | - | - | - | | 0.25 | | - | - | | - | 0.11 |
| Net income - non-GAAP | \$ | 800.5 | 25.6% | \$ 4.82 | \$ | 4.62 | \$ | 493.8 | 21.5% | \$ | 2.90 | \$ 2.86 |
| GAAP and non-GAAP weighted average common shares - basic | | 166.1 | | | | | | 170.4 | | | | |
| GAAP weighted average common shares - diluted | | 183.0 | | | | | | 179.5 | | | | |
| Exclude dilutive shares from convertible note | | (8.5) | | | | | | (4.9) | | | | |
| Non-GAAP weighted average common shares - diluted | | 174.5 | | | | | | 174.6 | | | | |

| | | | | Twelve Months End | ded | | |
|---|-----|--------------------|----------|-------------------|-----|------------------|----------|
| | Dec | cember 31, 2019 | % of Net | - | | nber 31 , 018 | % of Net |
| | _ | 2019 | Revenues | _ | 20 | 118 | Revenues |
| 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 pe | commor | n share | | | Net Income pe | r commo | n share |
|--|------------------|----------------------|---------------|--------|---------|-------------------|----------------------|---------------|---------|---------|
| | mber 31, 2019 | % of Net Revenues | Basic | | Diluted | ember 31, 2018 | % of Net Revenues | Basic | | Diluted |
| 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% | (80.0) | | (0.08) | 15.2 | 0.7% | 0.08 | | 80.0 |
| 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 | | | | |

| | | Tw | relve Months Ended |
|---|--------------------|-------------------------|--|
| | December 2 2017 | 1, % of Net Revenues | December 31, % of Net 2016 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 57.296 | S 958.6 54.796 |
| Income (loss) from operations - GAAP | \$ 530 | .0 24.8% | \$ (60.0) -3.4% |
| Acquired intangible assets amortization | 30 | | 52.6 3.096 |
| Restructuring and other (2) | 9 | .4 0.496 | 21.9 1.2% |
| Pension mark-to-market adjustment (1) | (6 | .3) -0.396 | (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% |

| | | | per Ce | ommon are | | | per Co | ommon | |
|--|----------------------|----------------------|---------|--------------|----------------------|----------------------|-----------|-----------|--|
| | December 31, 2017 | % of Net Revenues | Basic | Diluted | December 31, 2016 | % of Net Revenues | Basic | Diluted | |
| Net income (loss) - GAAP | \$ 257.7 | 12.196 | \$ 1.30 | \$ 1.28 | \$ (43.4) | -2.596 | \$ (0.21) | \$ (0.21) | |
| Acquired intangible assets amortization | 30.5 | 1.496 | 0.15 | 0.15 | 52.6 | 3.096 | 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 | 0.496 | 0.05 | 0.05 | 21.9 | 1.296 | 0.11 | 0.11 | |
| Pension mark-to-market adjustment (1) | (6.3) | -0.396 | (0.03) | (0.03) | (3.2) | -0.296 | (0.02) | (0.02) | |
| Goodwill impairment (3) | _ | _ | _ | _ | 254.9 | 14.5% | 1.26 | 1.25 | |
| Acquired intangible assets impairment (3) | _ | - | - | _ | 83.3 | 4.896 | 0.41 | 0.41 | |
| Exclude discrete tax adjustments (5) | 178.3 | 8.3% | 0.90 | 0.89 | (4.5) | -0.396 | (0.02) | (0.02) | |
| Non-GAAP tax adjustments (6) | (12.8) | -0.6% | (0.06) | (0.06) | (53.3) | -3.096 | (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 | | | | |

GAAP to Non-GAAP Reconciliation of First Quarter 2025 guidance:

| GAAP and non-GAAP first quarter revenue guidance: | \$660 million | to | \$700 million |
|---|---------------|----|---------------|
| GAAP net income per diluted share | \$ 0.48 | \$ | 0.59 |
| Exclude acquired intangible assets amortization | 0.03 | | 0.03 |
| Exclude restructuring and other charges | 0.03 | | 0.03 |
| Exclude equity method investment amortization | 0.05 | | 0.05 |
| Non-GAAP tax adjustments | (0.01) | | (0.01) |
| Non-GAAP net income per diluted share | \$ 0.58 | \$ | 0.68 |

| | Q4'23 | | Q3'24 | | | Q4'24 Q1'25 Low Guidance | | w Guidance | Q1'25 Hig | gh Guidance |
|-------------------------------------|-------|------------|-------|------------|-------|--------------------------|-------|------------|-----------|-------------|
| | \$'s | % of sales | \$'s | % of sales | \$'s | % of sales | \$'s | % of sales | \$'s | % of sales |
| GAAP Operating Expenses | \$255 | 38% | \$284 | 39% | \$294 | 39% | \$293 | 44% | \$299 | 43% |
| Intangible Asset Amortization | -\$5 | -1% | -\$5 | -1% | -\$5 | -1% | -\$5 | -1% | -\$5 | -1% |
| Restructuring and Other | -\$6 | -1% | -\$5 | -1% | -\$5 | -1% | -\$6 | -1% | -\$6 | -1% |
| Equity Modification Charge | | | | | | | | | | |
| Loss (gain) on the sale of business | | | | | \$0 | 0% | | | _ | |
| Non GAAP Operating Expenses | \$245 | 36% | \$275 | 37% | \$284 | 38% | \$282 | 43% | \$288 | 41% |

| | 20 | 023 | 2 | 024 |
|-------------------------------------|-------------|------------|-------------|------------|
| | <u>\$'s</u> | % of sales | <u>\$'s</u> | % of sales |
| GAAP Operating Expenses | \$1,036 | 39% | \$1,055 | 37% |
| Intangible Asset Amortization | -\$19 | -1% | -\$19 | -1% |
| Restructuring and Other | -\$21 | -1% | -\$16 | -1% |
| Equity Modification Charge | -\$6 | 0% | -\$2 | 0% |
| Loss (gain) on the sale of business | | | \$57 | 2% |
| Non GAAP Operating Expenses | \$990 | 37% | \$1,076 | 38% |

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2 | 022 | 2 | 023 | 2 | 024 | Q4 ² 3 | Q | 3.24 | Q | 4.24 |
|--|---------|---------|----------|---------|----------|----------|----------|----|-------|----|-------|----|-------|-------------------|----|------|----|------|
| GAAP Cash Flow from Operations, Excl Disc Ops | \$413 | \$455 | \$ 626 | \$ 477 | \$ 579 | \$ 869 | \$1,098 | \$ | 578 | \$ | 585 | \$ | 672 | \$ 249 | \$ | 166 | \$ | 283 |
| Less Property, Plant, and Equipment Additions net of Gov't Subsidy | \$ (90) | \$ (85) | \$ (105) | \$(107) | \$ (135) | \$ (185) | \$ (132) | \$ | (163) | \$ | (160) | \$ | (198) | \$ (44) | \$ | (52) | \$ | (57) |
| Non-GAAP Operating Cash Flow ("Free Cash Flow") | \$323 | \$370 | \$ 521 | \$ 370 | \$ 444 | \$ 684 | \$ 966 | \$ | 415 | \$ | 426 | \$ | 474 | \$ 204 | \$ | 114 | \$ | 225 |

| | Q4'2 | 23 | Q3'24 | | Q4' | 24 |
|------------------------------------|-------------|----------|-------------|----------|------|----------|
| | <u>\$'s</u> | <u>%</u> | <u>\$'s</u> | <u>%</u> | \$'s | <u>%</u> |
| GAAP Income Tax | \$23 | 16% | \$12 | 8% | \$5 | 4% |
| Exclude discrete tax adjustments | -\$3 | -2% | \$9 | 6% | \$8 | 5% |
| Tax effect of non-GAAP adjustments | -\$1 | -1% | \$2 | 1% | -\$1 | -1% |
| Effect of Higher Non-GAAP PBT | | -1% | | -1% | | 0% |
| Non GAAP Income Tax | \$18 | 13% | \$23 | 14% | \$13 | 8% |

| Q1'25 Guidance: | Low End | High End |
|---|-----------|-----------|
| GAAP Operating Profit as % of Sales | 14% | 17% |
| Acquired intangible asset amortization | 1% | 1% |
| Restructuring and Other | <u>1%</u> | <u>1%</u> |
| Non-GAAP Operating Profit as % of Sales | 16% | 18% |

| | 202 | 3 | 20 |)24 |
|------------------------------------|-------------|----------|-------------|----------|
| | <u>\$'s</u> | <u>%</u> | <u>\$'s</u> | <u>%</u> |
| GAAP Income Tax | \$77 | 15% | \$60 | 10% |
| Exclude discrete tax adjustments | \$3 | 1% | \$9 | 1% |
| Tax effect of non-GAAP adjustments | \$8 | 1% | \$7 | 1% |
| Effect of Higher Non-GAAP PBT | | -1% | | 0% |
| Non GAAP Income Tax | \$88 | 16% | \$75 | 13% |

| FY 2025 GAAP estimated tax rate | 15.25% |
|-------------------------------------|---------------|
| Adjustment for Non GAAP items | <u>-0.25%</u> |
| FY 2025 Non GAAP estimated tax rate | 15.00% |

| | Q4 2024 |
|----------------------------------|-----------|
| Robotics PBIT GAAP | -20% |
| Add back intangible amortization | 4% |
| Add back restructuring and other | <u>3%</u> |
| Robotics PBIT Non-GAAP | -13% |
| | |
| | FY2024 |
| Robotics PBIT GAAP | -20% |
| Add back legal settlement | 1% |
| Add back intangible amortization | 5% |
| Add back restructuring and other | <u>2%</u> |
| Robotics PBIT Non-GAAP | -13% |
| | FY |

| | FY 2028 Low | | FY 2028 | 8 Mid | FY 2028 High | | |
|--|-------------|------|---------|-------|--------------|------|--|
| 2028 Estimated GAAP Diluted EPS | \$ | 6.81 | \$ | 8.06 | \$ | 9.31 | |
| Add Back Intangible Asset Amortization | \$ | 0.19 | \$ | 0.19 | \$ | 0.19 | |
| 2028 Estimated Non-GAAP Diluted EPS | \$ | 7.00 | \$ | 8.25 | \$ | 9.50 | |

| Q1'25 GAAP Guidance Diluted Shares | 163 |
|---|-----|
| Exclude dilutive shares from convertible note | 0 |
| Q1'25 Non-GAAP Guidance Diluted Shares | 163 |

| Robotics mid-term model 2028 | Low | High |
|------------------------------|-----------|-----------|
| GAAP Operating margin | 5% | 15% |
| Add back intangibles | <u>0%</u> | <u>0%</u> |
| Non-GAAP operating margin | 5% | 15% |

| Robotics 2025 Breakeven | FY 2025E |
|-------------------------|-----------|
| GAAP PBIT | -3% |
| Add back amortization | <u>3%</u> |
| Non GAAP PBIT | 0% |