

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2024
OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File No. 001-06462

TERADYNE, INC.
(Exact name of registrant as specified in its charter)

Massachusetts
(State or Other Jurisdiction of
Incorporation or Organization)

04-2272148
(I.R.S. Employer
Identification No.)

600 Riverpark Drive, North Reading,
Massachusetts
(Address of Principal Executive Offices)

01864
(Zip Code)

978-370-2700
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.125 per share	TER	Nasdaq Stock Market LLC

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to the filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files) Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large

accelerated filer,” “accelerated filer”, “smaller reporting company”, and “emerging growth company” in Rule of the Exchange Act (check one):

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer
Non-accelerated filer	<input type="checkbox"/>	Emerging growth com
Smaller reporting company	<input type="checkbox"/>	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of the registrant’s only class of Common Stock as of April 29, 2024, 156,111,885 shares.

TERADYNE, INC.

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PART I

Item 1: Financial Statements

TERADYNE, INC. CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

	March 31, 2024	December 31, 2023
	(in thousands, except per share amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 707,403	\$ 707,403
Marketable securities	41,300	41,300
Accounts receivable, less allowance for credit losses of \$1,947 and \$1,988 at March 31, 2024 and December 31, 2023, respectively	426,333	426,333
Inventories, net	314,232	314,232
Prepayments	537,642	537,642
Other current assets	16,057	16,057
Current assets held for sale	22,426	22,426
Total current assets	2,065,393	2,065,393
Property, plant and equipment, net	457,248	457,248
Operating lease right-of-use assets, net	74,625	74,625
Marketable securities	121,905	121,905
Deferred tax assets	185,734	185,734
Retirement plans assets	11,449	11,449
Other assets	45,098	45,098
Acquired intangible assets, net	30,234	30,234
Goodwill	407,576	407,576
Long-term assets held for sale	11,458	11,458
Total assets	\$ 3,410,720	\$ 3,410,720
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 153,873	\$ 153,873
Accrued employees' compensation and withholdings	121,144	121,144
Deferred revenue and customer advances	100,058	100,058
Other accrued liabilities	101,275	101,275
Operating lease liabilities	17,400	17,400
Income taxes payable	55,922	55,922
Current liabilities held for sale	4,687	4,687
Total current liabilities	554,359	554,359
Retirement plans liabilities	134,878	134,878
Long-term deferred revenue and customer advances	35,044	35,044
Long-term other accrued liabilities	16,653	16,653
Deferred tax liabilities	134	134
Long-term operating lease liabilities	65,554	65,554
Long-term incomes taxes payable	44,331	44,331
Long-term liabilities held for sale	1,938	1,938
Total liabilities	852,891	852,891
Commitments and contingencies (Note Q)		
SHAREHOLDERS' EQUITY		

Common stock, \$0.125 par value, 1,000,000 shares authorized; 153,757 and 152,698 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively	19,220	
Additional paid-in capital	1,848,088	
Accumulated other comprehensive loss	(39,739)	
Retained earnings	730,260	
Total shareholders' equity	2,557,829	
Total liabilities and shareholders' equity	\$ 3,410,720	\$

The accompanying notes, together with the Notes to Consolidated Financial Statements included in Teradyne's Annual Report on Form 10-K for the year ended December 31, 2023, are an integral part of the condensed consolidated financial statements.

TERADYNE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended	
	March 31, 2024	A
	(in thousands, except per share amount)	
Revenues:		
Products	\$ 458,433	\$
Services	141,386	
Total revenues	599,819	
Cost of revenues:		
Cost of products	200,763	
Cost of services	59,774	
Total cost of revenues (exclusive of acquired intangible assets amortization shown separately below)	260,537	
Gross profit	339,282	
Operating expenses:		
Selling and administrative	149,188	
Engineering and development	103,199	
Acquired intangible assets amortization	4,697	
Restructuring and other	4,427	
Total operating expenses	261,511	
Income from operations	77,771	
Non-operating (income) expense:		
Interest income	(7,867)	
Interest expense	661	
Other (income) expense, net	12,075	
Income before income taxes	72,902	
Income tax provision	8,705	
Net income	\$ 64,197	\$
Net income per common share:		
Basic	\$ 0.42	\$
Diluted	\$ 0.40	\$
Weighted average common shares—basic	153,047	
Weighted average common shares—diluted	162,348	

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TERADYNE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	For the Three Months Ended	
	March 31, 2024	April 30, 2023
	(in thousands)	
Net income	\$ 64,197	\$ 64,197
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustment, net of tax of \$0 and \$0, respectively	(11,457)	(11,457)
Available-for-sale marketable securities:		
Unrealized (losses) gains on marketable securities arising during period, net of tax of \$(221) and \$503, respectively	(902)	(902)
Less: Reclassification adjustment for losses included in net income, net of tax of \$30 and \$2, respectively	106	106
	(796)	(796)
Cash flow hedges:		
Unrealized gains arising during period, net of tax of \$358 and \$167, respectively	1,274	1,274
Less: Reclassification adjustment for (gains) losses included in net income, net of tax of \$(500) and \$338 respectively	(1,780)	(1,780)
	(506)	(506)
Defined benefit post-retirement plan:		
Amortization of prior service credit, net of tax of \$0 and \$0, respectively	(2)	(2)
Other comprehensive income (loss)	(12,761)	(12,761)
Comprehensive income	<u>\$ 51,436</u>	<u>\$ 51,436</u>

The accompanying notes, together with the Notes to Consolidated Financial Statements included in Teradyne's Annual Report on Form 10-K for the year ended December 31, 2023, are an integral part of the condensed consolidated financial statements.

TERADYNE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Unaudited)

	Shareholders' Equity				
	Common Stock Shares	Common Stock Par Value	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings
(in thousands)					
For the Three Months Ended March 31, 2024					
Balance, December 31, 2023	152,698	\$ 19,087	\$ 1,827,274	\$ (26,978)	\$ 706,111
Net issuance of common stock under stock-based plans	466	58	3,758		
Stock-based compensation expense			17,158		
Warrant exercises	813	102	(102)		
Repurchase of common stock	(220)	(27)			(22,000)
Cash dividends (\$0.12 per share)					(18,000)
Net income					64,000
Other comprehensive income (loss)				(12,761)	
Balance, March 31, 2024	<u>153,757</u>	<u>\$ 19,220</u>	<u>\$ 1,848,088</u>	<u>\$ (39,739)</u>	<u>\$ 730,111</u>
For the Three Months Ended April 2, 2023					
Balance, December 31, 2022	155,759	\$ 19,470	\$ 1,755,963	\$ (49,868)	\$ 725,111
Net issuance of common stock under stock-based plans	579	73	(3,943)		
Stock-based compensation expense			20,332		
Repurchase of common stock	(893)	(112)			(97,000)
Cash dividends (\$0.11 per share)					(17,000)
Settlements of convertible notes	324	41	(41)		
Exercise of convertible notes hedge call options	(324)	(41)	41		
Net income					83,000
Other comprehensive income (loss)				13,402	
Balance, April 2, 2023	<u>155,445</u>	<u>\$ 19,431</u>	<u>\$ 1,772,352</u>	<u>\$ (36,466)</u>	<u>\$ 694,111</u>

The accompanying notes, together with the Notes to Consolidated Financial Statements included in Teradyne Report on Form 10-K for the year ended December 31, 2023, are an integral part of the condensed consolidated statements.

TERADYNE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Three Months Ended	
	March 31,	
	2024	
	(in thousands)	
Cash flows from operating activities:		
Net income	\$ 64,197	\$
Adjustments to reconcile net income from operations to net cash provided by operating activities:		
Depreciation	23,354	
Stock-based compensation	15,758	
Provision for excess and obsolete inventory	6,177	
Amortization	4,766	
Deferred taxes	(9,669)	
Losses (gains) on investments	10,466	
Other	787	
Changes in operating assets and liabilities		
Accounts receivable	(8,055)	
Inventories	(6,932)	
Prepayments and other assets	11,089	
Accounts payable and other liabilities	(105,548)	
Deferred revenue and customer advances	(1,444)	
Retirement plans contributions	(1,421)	
Income taxes	3,754	
Net cash provided by operating activities	7,279	
Cash flows from investing activities:		
Purchases of property, plant and equipment	(44,023)	
Purchases of marketable securities	(16,042)	
Proceeds from maturities of marketable securities	14,438	
Proceeds from sales of marketable securities	20,734	
Proceeds from insurance	873	
Net cash used for investing activities	(24,020)	
Cash flows from financing activities:		
Repurchase of common stock	(22,117)	
Dividend payments	(18,370)	
Payments of convertible debt principal	—	
Payments related to net settlement of employee stock compensation awards	(13,115)	
Issuance of common stock under stock purchase and stock option plans	16,934	
Net cash used for financing activities	(36,668)	
Effects of exchange rate changes on cash and cash equivalents	3,241	
Decrease in cash and cash equivalents	(50,168)	
Cash and cash equivalents at beginning of period	757,571	
Cash and cash equivalents at end of period	\$ 707,403	\$
Non-cash investing activities:		
Capital expenditures incurred but not yet paid:	\$ 3,086	\$

The accompanying notes, together with the Notes to Consolidated Financial Statements included in Teradyne's Annual Report on Form 10-K for the year ended December 31, 2023, are an integral part of the condensed consolidated financial statements.

TERADYNE, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

A. THE COMPANY

Teradyne, Inc. (“Teradyne”) is a leading global supplier of automated test equipment and robotic solutions. Teradyne designs, develops, manufactures and sells automated test systems and robotic products. Teradyne’s automated test systems are used to test semiconductors, wireless products, storage and complex electronics systems in many industries including consumer electronics, wire automotive, industrial, computing, communications, and aerospace and defense industries. Teradyne’s robotics products include collaborative robotic arms, autonomous mobile robots, and advanced robotic control software used by global manufacturing, logistics and industrial customers to improve quality, increase manufacturing and material handling efficiency and decrease manufacturing and logistics costs. Teradyne’s automated test equipment and robotics products and services include:

- semiconductor test (“Semiconductor Test”) systems;
- storage and system level test (“Storage Test”) systems, defense/aerospace (“Defense/Aerospace”) test instrumentation and systems, and circuit-board test and inspection (“Production Board Test”) systems (collectively these products represent “System Test”);
- wireless test (“Wireless Test”) systems; and
- robotics (“Robotics”) products.

B. ACCOUNTING POLICIES

Basis of Presentation

The consolidated interim financial statements include the accounts of Teradyne and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated. These financial statements are unaudited and reflect all normal recurring adjustments that are, in the opinion of management, necessary for the fair statement of such interim financial statements. The December 31, 2023 condensed consolidated balance sheet data was derived from audited financial statements but does not include all disclosures required by United States of America generally accepted accounting principles (“U.S. GAAP”) for complete financial statements. The accompanying financial information should be read in conjunction with the consolidated financial statements and notes thereto contained in Teradyne’s 2023 Annual Report on Form 10-K, filed with the U.S. Securities and Exchange Commission (“SEC”) on February 22, 2024, for the year ended December 31, 2023.

Preparation of Financial Statements and Use of Estimates

The preparation of consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures of contingent liabilities. On an on-going basis, management evaluates its estimates, including those related to inventories, investments, goodwill, intangible and other long-lived assets, accounts receivable, income taxes, deferred tax assets and liabilities, pensions, warranties, contingent liabilities, and loss contingencies. Management bases its estimates on historical experience and on appropriate and customary assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Management is not aware of any specific event or circumstance that would require an update to its estimates or judgments or a revision to the carrying value of its assets or liabilities as of the date of issuance of this Quarterly Report on Form 10-Q. These estimates may change, as new events occur and additional information is obtained. Actual results may differ significantly from these estimates under different assumptions or conditions.

C. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures", which will require Teradyne to disclose significant segment expenses and other segment items used by the Chief Operating Decision Maker ("CODM") on an annual and interim basis as well as provide in interim periods all disclosures about a reportable segment's profit or loss and assets that are currently required annually. Additionally, Teradyne will be required to disclose the title and position of the CODM. The new standard is effective for fiscal years beginning after December 15, 2023, and for periods within fiscal years beginning after December 15, 2024, with early adoption permitted. This update will have no impact on results of operations, cash flows or financial condition. Upon

adoption, Teradyne will apply the amendments in this ASU retrospectively to all prior period disclosures presented in the financial statements.

In December 2023, FASB issued ASU 2023-09 – “Income Taxes (Topic 740): Improvements to Tax Disclosures”, which requires expanded disclosures relating to the tax rate reconciliation, income taxes paid, income (loss) before income tax expense (benefit) and income tax expense (benefit), requiring a greater disaggregation of information for each. The provisions of ASU 2023-09 are effective for years beginning after December 15, 2024. The amendments in this update should be applied on a prospective basis, but retrospective application is permitted. This ASU will have no impact on results of operations, cash flows or financial condition.

D. REVENUE

Disaggregation of Revenue

The following table provides information about disaggregated revenue by timing of revenue recognition, primary geographical market, and major product lines.

	Semiconductor Test		System Test	Robotics		Wireless Test
	System on-a-Chip	Memory		Universal Robots	Mobile Industrial Robots	
	(in thousands)					
For the Three Months Ended March 31, 2024 (1)						
Timing of Revenue Recognition						
Point in Time	\$ 229,592	\$ 102,436	\$ 58,073	\$ 65,893	\$ 19,290	\$ 20,000
Over Time	72,716	7,510	17,249	1,868	603	3,000
Total	\$ 302,308	\$ 109,946	\$ 75,322	\$ 67,761	\$ 19,893	\$ 24,000
Geographical Market						
Asia Pacific	\$ 270,567	\$ 95,606	\$ 25,781	\$ 11,625	\$ 2,954	\$ 17,000
Americas	22,551	9,052	36,594	20,005	14,625	5,000
Europe, Middle East and Africa	9,190	5,288	12,947	36,131	2,314	1,000
Total	\$ 302,308	\$ 109,946	\$ 75,322	\$ 67,761	\$ 19,893	\$ 24,000
For the Three Months Ended April 2, 2023 (1)						
Timing of Revenue Recognition						
Point in Time	\$ 273,275	\$ 61,258	\$ 56,857	\$ 70,029	\$ 15,959	\$ 35,000
Over Time	73,559	6,917	17,774	2,008	1,218	3,000
Total	\$ 346,834	\$ 68,175	\$ 74,631	\$ 72,037	\$ 17,177	\$ 38,000
Geographical Market						
Asia Pacific	\$ 283,259	\$ 63,695	\$ 39,590	\$ 13,217	\$ 1,502	\$ 23,000
Americas	41,568	2,944	28,980	20,447	11,806	12,000
Europe, Middle East and Africa	22,007	1,536	6,061	38,373	3,869	2,000
Total	\$ 346,834	\$ 68,175	\$ 74,631	\$ 72,037	\$ 17,177	\$ 38,000

(1) Includes \$0.9 million and \$1.3 million in the three months ended March 31, 2024 and in the three months ended April 2, 2023, respectively, for leases of Teradyne’s systems recognized outside Accounting Standards Codification (“ASC”) 606 “Revenue from Contracts with Customers.”

Contract Balances

During the three months ended March 31, 2024 and April 2, 2023, Teradyne recognized \$28. million and \$50.7 million, respectively, that was included within the deferred revenue and custom advances balances at the beginning of the period. This revenue primarily relates to undelivered hardware, extended warranties, training, application support, and post contract support. Each of represents a distinct performance obligation. As of March 31, 2024, Teradyne had \$1,075.2 million unsatisfied performance obligations. Teradyne expects to recognize approximately 90% of the remaining performance obligations in the next 12 months and the remainder in 1-3 years.

Deferred revenue and customer advances consist of the following and are included in short term deferred revenue and customer advances on the balance sheet:

	March 31, 2024	December 31, 2023
	(in thousands)	
Maintenance, service and training	\$ 61,404	\$ 66,458
Customer advances, undelivered elements and other	39,189	35,731
Extended warranty	34,509	34,897
Total deferred revenue and customer advances	<u>\$ 135,102</u>	<u>\$ 137,086</u>

Accounts Receivable

During the three months ended March 31, 2024 and April 2, 2023, Teradyne sold certain trade accounts receivables on a non-recourse basis to third-party financial institutions pursuant to factoring agreements. During the three months ended March 31, 2024 and April 2, 2023, total trade accounts receivable sold under the factoring agreements were \$23.4 million and \$34.2 million, respectively. Factoring fees for the sales of receivables were recorded in interest expense and were not material. Teradyne accounted for these transactions as sales of receivables and presented cash proceeds as provided by operating activities in the consolidated statements of cash flows.

E. ASSETS HELD FOR SALE

On November 7, 2023, Teradyne entered into a definitive agreement to sell Teradyne's Device Interface Solutions ("DIS") business, a component of the Semiconductor Test segment, to Technoprobe S.p.A. ("Technoprobe") for \$85.0 million in cash. As a result, the related assets and liabilities met the criteria and were classified as held-for-sale in Teradyne's consolidated balance sheet as of December 31, 2023. The transaction, which does not qualify as a strategic shift required for discontinued operations treatment, is expected to close in the second quarter of 2024, subject to regulatory approval.

Assets held-for-sale is comprised of the following as of March 31, 2024 and December 31, 2023:

	March 31, 2024	December 2023
	(in thousands)	
Current assets:		
Inventories, net	\$ 19,276	\$ 17,900
Prepayments	3,150	5,200
Total current assets held for sale	22,426	23,100
Property, plant and equipment, net	8,994	8,900
Operating lease right-of-use assets, net	2,464	2,500
Total assets held for sale	<u>\$ 33,884</u>	<u>\$ 34,500</u>
Current liabilities:		
Accounts payable	\$ 3,954	\$ 6,300
Other accrued liabilities	323	500
Operating lease liabilities	410	400
Total current liabilities held for sale	4,687	7,200
Long-term operating lease liabilities	1,938	2,000
Total liabilities held for sale	<u>\$ 6,625</u>	<u>\$ 9,200</u>
Net assets held for sale	<u>\$ 27,259</u>	<u>\$ 25,300</u>

F. INVENTORIES

Inventories, net consisted of the following at March 31, 2024 and December 31, 2023:

	March 31, 2024	December 31, 2023
	(in thousands)	
Raw material	\$ 243,871	\$ 258,422
Work-in-process	39,870	26,851
Finished goods	30,491	24,701
Total inventories, net (1)	<u>\$ 314,232</u>	<u>\$ 309,974</u>

(1) Inventories, net at March 31, 2024 and December 31, 2023 excludes \$19.3 million and \$18.0 million, respectively, of primarily work-in-process inventories, net classified as assets held for sale. See Note 5, "Assets held for sale" for additional information.

Inventory reserves at March 31, 2024 and December 31, 2023 were \$136.0 million and \$136.0 million, respectively.

G. FINANCIAL INSTRUMENTS

Cash Equivalents

Teradyne considers all highly liquid investments with maturities of three months or less at the date of acquisition to be cash equivalents.

Marketable Securities

Teradyne's equity and debt mutual funds are classified as Level 1 and available-for-sale debt securities are classified as Level 2. The vast majority of Level 2 securities are fixed income securities priced by third party pricing vendors. These pricing vendors utilize the most recent observable market information in pricing these securities or, if specific prices are not available, use other observable market data like market transactions involving identical or comparable securities.

During the three months ended March 31, 2024 and April 2, 2023, there were no transfers in or out of Level 1, Level 2, or Level 3 financial instruments.

Realized gains recorded in the three months ended March 31, 2024 and April 2, 2023, were \$0.4 million and \$0.3 million, respectively. Realized losses recorded in the three months ended March 31, 2024 and April 2, 2023, were \$0.2 million and \$0.1 million, respectively. Realized gains and losses are included in other (income) expense, net.

Unrealized gains on equity securities recorded in the three months ended March 31, 2024 and April 2, 2023 were \$2.6 million and \$2.0 million, respectively. Unrealized gains and losses on equity securities are included in other (income) expense, net.

Unrealized gains and losses on available-for-sale debt securities are included in accumulated other comprehensive income (loss) on the balance sheet.

The cost of securities sold is based on average cost.

The following table sets forth by fair value hierarchy Teradyne's financial assets and liabilities that were measured at fair value on a recurring basis as of March 31, 2024 and December 31, 2023.

	March 31, 2024			
	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	(in thousands)			
Assets				
Cash	\$ 278,229	\$ —	\$ —	\$ 278,229
Cash equivalents	428,675	499	—	429,174
Available-for-sale securities:				
U.S. Treasury securities	—	40,068	—	40,068
Corporate debt securities	—	35,845	—	35,845
Certificates of deposit and time deposits	—	21,706	—	21,706
Debt mutual funds	10,007	—	—	10,007
U.S. government agency securities	—	3,863	—	3,863
Commercial paper	—	1,689	—	1,689
Non-U.S. government securities	—	798	—	798
Equity securities:				
Mutual funds	49,229	—	—	49,229
	\$ 766,140	\$ 104,468	\$ —	\$ 870,608
Derivative assets	—	4,251	—	4,251
Total	\$ 766,140	\$ 108,719	\$ —	\$ 874,859
Liabilities				
Derivative liabilities	—	936	—	\$ 936
Total	\$ —	\$ 936	\$ —	\$ 936
Reported as follows:				
	(Level 1)	(Level 2)	(Level 3)	Total
	(in thousands)			
Assets				
Cash and cash equivalents	\$ 706,904	\$ 499	\$ —	\$ 707,403
Marketable securities	—	41,300	—	41,300
Long-term marketable securities	59,236	62,669	—	121,905
Prepayments	—	4,251	—	4,251
Total	\$ 766,140	\$ 108,719	\$ —	\$ 874,859
Liabilities				
Other current liabilities	\$ —	\$ 936	\$ —	\$ 936
Total	\$ —	\$ 936	\$ —	\$ 936

	December 31, 2023			
	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	(in thousands)			
Assets				
Cash	\$ 298,156	\$ —	\$ —	\$ 298,156
Cash equivalents	453,298	6,117	—	459,415
Available-for-sale securities:				
Corporate debt securities	—	52,734	—	52,734
U.S. Treasury securities	—	41,808	—	41,808
Certificates of deposit and time deposits	—	21,772	—	21,772
Debt mutual funds	8,773	—	—	8,773
U.S. government agency securities	—	4,892	—	4,892
Commercial paper	—	1,667	—	1,667
Non-U.S. government securities	—	810	—	810
Equity securities:				
Mutual Funds	47,132	—	—	47,132
	\$ 807,359	\$ 129,800	\$ —	\$ 937,159
Derivative assets	—	18,746	—	18,746
Total	\$ 807,359	\$ 148,546	\$ —	\$ 955,905
Liabilities				
Derivative liabilities	—	2,545	—	2,545
Total	\$ —	\$ 2,545	\$ —	\$ 2,545

Reported as follows:

	(Level 1)	(Level 2)	(Level 3)	Total
	(in thousands)			
Assets				
Cash and cash equivalents	\$ 751,454	\$ 6,117	\$ —	\$ 757,571
Marketable securities	—	62,154	—	62,154
Long-term marketable securities	55,905	61,529	—	117,434
Prepayments	—	18,746	—	18,746
Total	<u>\$ 807,359</u>	<u>\$ 148,546</u>	<u>\$ —</u>	<u>\$ 955,905</u>
Liabilities				
Other current liabilities	\$ —	\$ 2,545	\$ —	\$ 2,545
Total	<u>\$ —</u>	<u>\$ 2,545</u>	<u>\$ —</u>	<u>\$ 2,545</u>

The carrying amounts and fair values of Teradyne's financial instruments at March 31, 2024 and December 31, 2023, were as follows:

	March 31, 2024		December 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(in thousands)			
Assets				
Cash and cash equivalents	\$ 707,403	\$ 707,403	\$ 757,571	\$ 757,571
Marketable securities	163,205	163,205	179,588	179,588
Derivative assets	4,251	4,251	18,746	18,746

Liabilities

Derivative liabilities

936

936

2,545

2

The fair values of accounts receivable, net and accounts payable approximate the carrying value to the short-term nature of these instruments.

The following table summarizes the composition of available-for-sale marketable securities as of March 31, 2024:

	March 31, 2024			
	Available-for-Sale			
	Cost	Unrealized Gain	Unrealized (Loss)	Fair Market Value
			(in thousands)	
Corporate debt securities	\$ 39,946	\$ 89	\$ (4,190)	\$ 35,845
U.S. Treasury securities	44,519	1	(4,452)	40,068
Certificates of deposit and time deposits	21,706	—	—	21,706
Debt mutual funds	10,363	—	(356)	10,007
U.S. government agency securities	3,883	—	(20)	3,863
Commercial paper	1,670	19	—	1,689
Non-U.S. government securities	798	—	—	798
	<u>\$ 122,885</u>	<u>\$ 109</u>	<u>\$ (9,018)</u>	<u>\$ 113,976</u>

Reported as follows:

	Cost	Unrealized Gain	Unrealized (Loss)	Fair Market Value
			(in thousands)	
Marketable securities	\$ 41,308	\$ 19	\$ (27)	\$ 41,300
Long-term marketable securities	81,577	90	(8,991)	72,676
	<u>\$ 122,885</u>	<u>\$ 109</u>	<u>\$ (9,018)</u>	<u>\$ 113,976</u>

The following table summarizes the composition of available-for-sale marketable securities as of December 31, 2023:

	December 31, 2023			
	Available-for-Sale			
	Cost	Unrealized Gain	Unrealized (Loss)	Fair Market Value
			(in thousands)	
Corporate debt securities	\$ 56,458	\$ 201	\$ (3,925)	\$ 52,734
U.S. Treasury securities	45,725	14	(3,931)	41,808
Certificates of deposit and time deposits	21,772	—	—	21,772
Debt mutual funds	9,081	—	(308)	8,773
U.S. government agency securities	4,898	—	(6)	4,892
Commercial paper	1,633	34	—	1,667
Non-U.S. government securities	810	—	—	810
	<u>\$ 140,377</u>	<u>\$ 249</u>	<u>\$ (8,170)</u>	<u>\$ 132,456</u>

Reported as follows:

	<u>Cost</u>	<u>Unrealized Gain</u>	<u>Unrealized (Loss)</u> (in thousands)	<u>Fair Market Value</u>
Marketable securities	\$ 62,385	\$ 36	\$ (267)	62,154
Long-term marketable securities	77,992	213	(7,903)	70,302
	<u>\$ 140,377</u>	<u>\$ 249</u>	<u>\$ (8,170)</u>	<u>\$ 132,456</u>

As of March 31, 2024, the fair market value of investments with unrealized losses less than one year and greater than one year totaled \$36.2 million and \$41.4 million, respectively. As of December 31, 2023, the fair market value of investments with unrealized losses for less than one year and greater than one year totaled \$22.3 million and \$65.2 million, respectively.

Teradyne reviews its investments to identify and evaluate investments that have an indication of possible impairment. Based on this review, Teradyne determined that the unrealized losses related to these investments at March 31, 2024 and December 31, 2023 were not other than temporary.

The contractual maturities of investments in available-for-sale securities held at March 31, 2024 were as follows:

	March 31, 2024	
	Cost	Fair Market Value
	(in thousands)	
Due within one year	\$ 41,308	\$ 41,300
Due after 1 year through 5 years	26,360	25,819
Due after 5 years through 10 years	7,760	7,405
Due after 10 years	37,094	29,445
Total	<u>\$ 112,522</u>	<u>\$ 103,969</u>

Contractual maturities of investments in available-for-sale securities held at March 31, 2024, exclude debt mutual funds with a fair market value of \$10.0 million as they do not have a contractual maturity date.

Derivatives

Teradyne conducts business in various foreign countries, with certain transactions denominated in local currencies. As a result, Teradyne is exposed to risks relating to changes in foreign currency exchange rates. Teradyne's foreign currency risk management objective is to minimize the effect of exchange rate fluctuations associated with the remeasurement of monetary assets and liabilities denominated in foreign currencies, and changes in its cash inflows attributable to the forecasted cash flows from certain foreign currency denominated revenues.

To minimize the effect of exchange rate fluctuations associated with the remeasurement of monetary assets and liabilities denominated in foreign currencies, Teradyne enters into foreign currency forward contracts. The change in fair value of these derivatives is recorded directly in earnings and is used to offset the change in value of monetary assets and liabilities denominated in foreign currencies.

Teradyne also enters into foreign currency forward and option contracts designated as cash flow hedges to hedge the risk of changes in its cash inflows attributable to changes in foreign currency exchange rates. The cash flow hedges have maturities of less than six months and mature in the period of revenue recognition for certain products and services in backlog and forecasted to be recognized in the future period. Teradyne evaluates cash flow hedges for effectiveness at inception based on the critical terms match method. The hedges are not expected to incur any ineffectiveness however a quarterly qualitative assessment of effectiveness is done to determine if the critical terms match method remains appropriate to use. The change in fair value of the contracts is recorded in accumulated other comprehensive income (loss) and reclassified to earnings at maturity date.

Teradyne does not use derivative financial instruments for speculative purposes.

At March 31, 2024 and December 31, 2023, Teradyne had the following contracts to buy and non-U.S. currencies for U.S. dollars and other non-U.S. currencies with the following notional amounts:

	Net Notional Value	
	March 31,	December
	2024	31, 2023
	(in millions)	
Currency Hedged (Buy/Sell)		
U.S. dollar/Japanese yen	\$ 57.5	\$ 11.0
U.S. dollar/Danish krone	28.4	36.0
U.S. dollar/Taiwan dollar	20.1	42.7
U.S. dollar/Korean won	6.6	7.2
U.S. dollar/British pound sterling	1.0	1.5
Euro/U.S. dollar	25.8	25.3
Singapore dollar/U.S. dollar	17.6	16.6
Philippine peso/U.S. dollar	9.9	10.1
Chinese yuan/U.S. dollar	0.6	1.0
Danish krone/U.S. dollar	0.6	0.7
Total	<u>\$ 168.1</u>	<u>\$ 152.1</u>

The fair value of the outstanding contracts was a net loss of \$0.1 million and a net loss of \$1.1 million at March 31, 2024 and December 31, 2023, respectively.

Unrealized gains and losses on foreign currency forward contracts and foreign currency remeasurement gains and losses on monetary assets and liabilities are included in other (income) expense, net.

At March 31, 2024 and December 31, 2023, Teradyne had the following cash flow hedge contracts to buy and sell non-U.S. currencies for U.S. dollars with the following notional amounts:

	Net Notional Value	
	March 31,	December
	2024	31, 2023
	(in millions)	
Currency Hedged (Buy/Sell)		
U.S. dollar/Japanese yen	\$ —	\$ 35.5
Total	<u>\$ —</u>	<u>\$ 35.5</u>

There were no outstanding cash flow hedge contracts at March 31, 2024. The fair value of the outstanding cash flow hedge contracts was a gain of \$0.6 million at December 31, 2023.

Unrealized gains and losses on foreign currency cash flow hedge contracts are included in accumulated other comprehensive income (loss). At maturity, the gains or losses associated with cash flow hedge contracts are recorded to revenue.

On November 7, 2023, in connection with our agreement to acquire 10% investment in Techint S.p.A we purchased a call option to buy 481.0 million Euros. The expiration date of the option is April 12, 2024. On April 12, 2024, Teradyne entered into a forward to buy 481.0 million Euros expiring on April 12, 2024. At March 31, 2024 and December 31, 2023, the fair value of the outstanding contract was \$17.4 million and \$17.4 million, respectively.

million, respectively. For the three months ended March 31, 2024, an unrealized loss of \$13.9 million was recorded in other (income) expense, net.

The following table summarizes the fair value of derivative instruments as of March 31, 2024 and December 31, 2023:

	<u>Balance Sheet Location</u>	<u>March 31, 2024</u>	<u>December 2023</u>
		(in thousands)	
Derivatives not designated as hedging instruments:			
Foreign exchange forward contracts	Other current assets	\$ 805	\$ 7
Foreign exchange option contracts	Other current assets	3,446	17,3
Foreign exchange forward contracts	Other current liabilities	(936)	(2,5
Derivatives designated as hedging instruments:			
Foreign exchange forward contracts	Other current assets	—	6
Total derivatives		\$ 3,315	\$ 16,2

The following table summarizes the effect of derivative instruments recognized in the statement of operations for the three months ended March 31, 2024 and April 2, 2023:

		For the Three Months Ended	
	Location of (Gains) Losses Recognized in Statement of Operations	March 31, 2024	
		(in thousands)	
Derivatives not designated as hedging instruments:			
Foreign exchange forward contracts (1)	Other (income) expense, net	\$ (1,699)	\$
Foreign exchange option contracts	Other (income) expense, net	13,918	
Derivatives designated as hedging instruments:			
Foreign exchange forward and option contracts	Revenue	(2,280)	
Total Derivatives		\$ 9,939	\$

The table does not reflect the corresponding gains and losses from the remeasurement of the monetary assets and liabilities denominated in foreign currencies. For the three months ended March 31, 2024 and April 2, 2023, net losses from remeasurement of monetary assets and liabilities denominated in foreign currencies were \$2.7 million and \$0.4 million, respectively.

See Note H: "Debt" regarding derivatives related to the convertible senior notes.

H. DEBT

Convertible Senior Notes

On December 12, 2016, Teradyne completed a private offering of \$460.0 million aggregate principal amount of 1.25% convertible senior unsecured notes (the "Notes") and received net proceeds, after issuance costs, of approximately \$450.8 million, of which \$33.0 million was used to pay the net cost of the convertible note hedge transactions and \$17.0 million of which was used to repurchase 2.0 million shares of Teradyne's common stock under its existing stock repurchase program from the purchasers of the Notes in privately negotiated transactions effected through one of the initial purchasers or its affiliates conducted concurrently with the pricing of the Note offering. The Notes bear interest at a rate of 1.25% per year payable semiannually in arrears on June 15 and December 15 of each year. The Notes matured on December 15, 2023.

Concurrent with the offering of the Notes, Teradyne entered into convertible note hedge transactions (the “Note Hedge Transactions”) with the initial purchasers or their affiliates (the “Option Counterparties”). The Note Hedge Transactions cover, subject to customary anti-dilution adjustments, a number of shares of the common stock that underlie the Notes. Separately and concurrent with the pricing of the Notes, Teradyne entered into warrant transactions with the Option Counterparties (the “Warrant Transactions”) in which it sold net-share-settled (or, at its election subject to certain conditions, cash-settled) warrants to the Option Counterparties. These transactions have been accounted for as an adjustment to our shareholders’ equity. The Warrant Transactions, which began expiring March 1, 2024 and will continue to expire through July 10, 2024, currently cover, subject to customary anti-dilution adjustments, approximately 13.8 million shares of common stock. During the three months ended March 31, 2024, 0.8 million warrants expired. As of March 31, 2024, the strike price of the warrants was approximately \$39.37 per share. The strike price is subject to adjustment under certain circumstances. The Warrant Transactions could result in additional shares of Teradyne’s common stock being issued to the extent that the market price per share of Teradyne’s common stock, as measured under the terms of the Warrant Transactions, exceeds the applicable strike price of the warrants.

The interest expense on Teradyne's senior notes for three months ended April 2, 2023 was as follows:

	For the Three Months Ended	
	March 31, 2024	March 31, 2023
	(in thousands)	
Contractual interest expense on the coupon	\$ —	\$ —
Amortization of debt issuance fees recognized as interest expense	—	—
Total interest expense on the convertible debt	<u>\$ —</u>	<u>\$ —</u>

Revolving Credit Facility

On May 1, 2020, Teradyne entered into a credit agreement (the "Credit Agreement") with Truist Bank, as administrative agent and collateral agent, and the lenders party thereto. The Credit Agreement provided for a three-year, senior secured revolving credit facility of \$400.0 million (the "Credit Facility").

On December 10, 2021, the Credit Agreement was amended to extend the maturity date of the Credit Facility to December 10, 2026. On October 5, 2022, the Credit Agreement was amended to increase the amount of the Credit Facility to \$750.0 million from \$400.0 million.

The Credit Agreement provides that, subject to customary conditions, Teradyne may seek to increase from existing or new lenders the available incremental amount under the Credit Facility, not to exceed the greater of \$200.0 million or 15% of consolidated EBITDA. The interest rate applicable to loans under the Credit Facility are, at Teradyne's option, equal to either a base rate plus a margin ranging from 0.00% to 0.75% per annum or SOFR plus a margin ranging from 1.10% to 1.85% per annum, based on the consolidated leverage ratio of Teradyne. In addition, Teradyne will pay a commitment fee on the unused portion of the commitments under the Credit Facility ranging from 0.15% to 0.25% per annum based on the then applicable consolidated leverage ratio.

Teradyne is not required to repay any loans under the Credit Facility prior to maturity, subject to certain customary exceptions. Teradyne is permitted to prepay all or any portion of the loans under the Credit Facility prior to maturity without premium or penalty, other than customary SOFR breakage.

The Credit Agreement contains customary events of default, representations, warranties and affirmative and negative covenants that, among other things, limit Teradyne's ability to sell assets, incur liens on assets, incur other secured indebtedness and make certain investments and restricted payments, all subject to exceptions set forth in the Credit Agreement. The Credit Agreement also requires Teradyne to satisfy two financial ratios measured as of the end of each fiscal quarter: a consolidated leverage ratio and an interest coverage ratio.

The Credit Facility is guaranteed by certain of Teradyne's domestic subsidiaries and collateralized by the assets of Teradyne and such subsidiaries, including a pledge of 65% of the capital stock of certain foreign subsidiaries.

As of May 3, 2024, the Credit Agreement was undrawn and Teradyne was in compliance with the covenants under the Credit Agreement.

I. PREPAYMENTS

Prepayments consist of the following:

March 31, 2024	December 31, 2023
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	(in thousands)	
Contract manufacturer and supplier prepayments	\$ 491,512	\$ 502,257
Prepaid maintenance and other services	21,894	17,592
Prepaid taxes	14,335	16,083
Other prepayments	9,901	13,038
Total prepayments (1)	<u>\$ 537,642</u>	<u>\$ 548,970</u>

(1) Excludes \$3.2 million and \$5.3 million at March 31, 2024 and December 31, 2023, respectively, of contract manufacturer and supplier prepayments, classified as assets held for sale. See Note E: "Assets held for sale" for additional information.

J. PRODUCT WARRANTY

Teradyne generally provides a one-year warranty on its products, commencing upon installation acceptance or shipment. A provision is recorded upon revenue recognition to cost of revenues for estimated warranty expense based on historical experience. Related costs are charged to the warranty accrual as incurred. The balance below is included in other accrued liabilities.

	For the Three Months Ended	
	March 31, 2024	April 2, 2023
	(in thousands)	
Balance at beginning of period	\$ 15,698	\$ 14,1
Accruals for warranties issued during the period	3,259	4,1
Accruals related to pre-existing warranties	(683)	(4
Settlements made during the period	(2,950)	(4,9
Balance at end of period	<u>\$ 15,324</u>	<u>\$ 12,9</u>

When Teradyne receives revenue for extended warranties, beyond one year, it is deferred and recognized on a straight-line basis over the contract period. Related costs are expensed as incurred. The balance below is included in short and long-term deferred revenue and customer advances.

	For the Three Months Ended	
	March 31, 2024	April 2, 2023
	(in thousands)	
Balance at beginning of period	\$ 34,897	\$ 56,1
Deferral of new extended warranty revenue	6,914	4,4
Recognition of extended warranty deferred revenue	(7,302)	(11,2
Balance at end of period	<u>\$ 34,509</u>	<u>\$ 49,3</u>

K. STOCK-BASED COMPENSATION

On February 1, 2023 (the "Retirement Date"), Mark E. Jagiela retired as Chief Executive Officer of Teradyne and a member of Teradyne's Board of Directors, and Teradyne entered into an agreement ("Retirement Agreement") with Mr. Jagiela. Under the Retirement Agreement, Mr. Jagiela's unvested performance-based restricted stock units and stock options granted prior to his Retirement Date were modified to allow continued vesting; and any vested options or options that vest during that period may be exercised for the remainder of the applicable option term. During the three months ended April 2, 2023, Teradyne recorded a stock-based compensation expense of \$5.9 million related to the Retirement Agreement.

Under Teradyne's stock compensation plans, Teradyne grants time-based restricted stock units, performance-based restricted stock units and stock options, and employees are eligible to purchase Teradyne's common stock through its Employee Stock Purchase Plan ("ESPP").

Service-based restricted stock unit awards granted to employees vest in equal annual installments over four years. Restricted stock unit awards granted to non-employee directors vest after a one-year period, with 100% of the award vesting on the earlier of (a) the first anniversary of the grant date or the date of the following year's Annual Meeting of Shareholders. Teradyne expenses the cost of the restricted stock unit awards subject to time-based vesting, which is determined to be the fair market value of the shares at the date of grant, ratably over the period during which the restrictions lapse.

Performance-based restricted stock units ("PRSUs") granted to Teradyne's executive officers are based on a performance metric based on relative total shareholder return ("TSR"). Teradyne's three-

year TSR performance is measured against the New York Stock Exchange (“NYSE”) Composite Index. The final number of TSR PRSUs that vest will vary based upon the level of performance achieved, ranging from 0% to 200% of the target shares. The TSR PRSUs will vest upon the three-year anniversary of the grant date. The TSR PRSUs are valued using a Monte Carlo simulation model. The number of units expected to be earned, based upon the achievement of the TSR market condition, is factored into the grant date Monte Carlo valuation. Compensation expense is recognized on a straight-line basis over the shorter of the three-year service period or the period from the grant to the date described in the retirement provisions below. Compensation expense for executive officers meeting the retirement provisions is recognized from the grant date.

during the year following the grant. Compensation expense is recognized regardless of the event or number of units that are earned based upon the market condition, provided the executive officer remains an employee at the end of the three-year period. Compensation expense is reversed if at any time during the three-year service period the executive officer is no longer an employee, subject to the retirement and termination eligibility provisions noted below.

PRSUs granted to Teradyne's executive officers may also have a performance metric based on year cumulative non-GAAP profit before interest and tax ("PBIT") as a percent of Teradyne's revenue. Non-GAAP PBIT is a financial measure equal to GAAP income from operations less restructuring charges, other, net; amortization of acquired intangible assets; acquisition and divestiture related charges; credits; pension actuarial gains and losses; non-cash convertible debt interest expense; and other recurring gains and charges. The final number of PBIT PRSUs that vest will vary based upon the level of performance achieved from 0% to 200% of the target shares. The PBIT PRSUs will vest upon the three-year anniversary of the grant date. Compensation expense is recognized on a straight-line basis over the shorter of the three-year service period or the period from the grant date to the date described in the retirement provisions below. Compensation expense for executive officers meeting the retirement provisions prior to the grant date is recognized during the year following the grant. Compensation expense is recognized based on the number of units that are earned based upon the three-year Teradyne PBIT as a percent of Teradyne's revenue, provided the executive officer remains an employee at the end of the three-year period subject to the retirement and termination eligibility provisions noted below.

If a PRSU recipient's employment ends prior to the determination of the performance percentage due to (1) permanent disability or death or (2) retirement or termination other than for cause, after attaining both at least age sixty and at least ten years of service, then all or a portion of the recipient's PRSUs (based on the actual performance percentage achieved on the determination date) will vest on the date the performance percentage is determined. Except as set forth in the preceding sentence, no PRSUs will vest if the executive officer is no longer an employee at the end of the three-year period. Stock options to purchase Teradyne's common stock at 100% of the fair market value on the grant date will be paid in equal annual installments over four years from the grant date and have a maximum term of seven years.

On January 22, 2024, the Board enacted the Executive Retirement Policy for Restricted Stock Units and Option Vesting (the "Retirement Policy"). Under the Retirement Policy, an executive officer who is over the age of 65 and has 10 or more years of service as of the effective date of his or her retirement will be eligible for continued vesting of his or her unvested time-based restricted stock units and stock options granted prior to his or her retirement date.

During the three months ended March 31, 2024 and April 2, 2023, Teradyne granted 0.5 million of service-based restricted stock unit awards to employees at a weighted average grant date fair value of \$94.28 and \$102.36, respectively.

During the three months ended March 31, 2024 and April 2, 2023, Teradyne granted 0.1 million of PBIT PRSUs with a grant date fair value of \$94.01 and \$102.23, respectively.

During the three months ended March 31, 2024 and April 2, 2023, Teradyne granted 0.1 million of TSR PRSUs, with a grant date fair value of \$100.87 and \$137.64, respectively. The fair value was estimated using the Monte Carlo simulation model with the following assumptions:

	For the Three Months Ended	
	March 31, 2024	April 2, 2023
Risk-free interest rate	3.9 %	3.9 %
Teradyne volatility-historical	42.4 %	50.2 %
NYSE Composite Index volatility-historical	15.6 %	24.8 %
Dividend yield	0.5 %	0.4 %

Expected volatility was based on the historical volatility of Teradyne's stock and the NYSE Composite Index over the most recent three-year period. The risk-free interest rate was determined by the U.S. Treasury yield curve in effect at the time of grant. Dividend yield was based upon an estimated annual dividend amount of \$0.48 per share divided by Teradyne's stock price on the grant date of \$103.44 for the 2024 grant, and an estimated annual dividend amount of \$0.44 per share divided by Teradyne's stock price on the grant date of \$103.44 for the 2023 grant.

During the three months ended March 31, 2024 and April 2, 2023, Teradyne granted 0.1 million of service-based stock options to executive officers at a weighted average grant date fair value of \$37.50 and \$40.90, respectively.

The fair value of stock options was estimated using the Black-Scholes option-pricing model with the following assumptions:

	For the Three Months Ended	
	March 31, 2024	April 2, 2023
Expected life (years)	4.0	4.0
Risk-free interest rate	4.0 %	3.7 %
Volatility-historical	46.3 %	46.7 %
Dividend yield	0.5 %	0.4 %

Teradyne determined the stock options' expected life based upon historical exercise data for executive officers, the age of the executive officers and the terms of the stock option grant. Volatility was determined using historical volatility for a period equal to the expected life. The risk-free interest rate was determined using the U.S. Treasury yield curve in effect at the time of grant. Dividend yield was based upon an estimated annual dividend amount of \$0.48 per share divided by Teradyne's stock price on the grant date of \$95.14 for the 2024 grant and an estimated annual dividend amount of \$0.44 per share divided by Teradyne's stock price on the grant date of \$103.44 for the 2023 grant.

L. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Changes in accumulated other comprehensive income (loss), which are presented net of tax, are as follows:

	Foreign Currency Translation Adjustment	Unrealized (Losses) Gains on Marketable Securities	Unrealized (Losses) Gains on Cash Flow Hedges	Retirement Plans Provisions Service Credit
(in thousands)				
Three Months Ended March 31, 2024				
Balance at December 31, 2023, net of tax of \$0, \$(1,728),				
\$142, \$(1,132), respectively	\$ (22,442)	\$ (6,194)	\$ 506	\$ 1,132
Other comprehensive (loss) gain before reclassifications,				
net of tax of \$0, \$(221), \$358, \$0, respectively	(11,457)	(902)	1,274	
Amounts reclassified from accumulated other comprehensive income (loss), net of tax of \$0, \$30, \$(500), \$0, respectively	—	106	(1,780)	
Net current period other comprehensive loss, net of tax				
of \$0, \$(191), \$(142), \$0, respectively	(11,457)	(796)	(506)	
Balance at March 31, 2024, net of tax of \$0, \$(1,919), \$0, \$(1,132), respectively	<u>\$ (33,899)</u>	<u>\$ (6,990)</u>	<u>\$ —</u>	<u>\$ 1,132</u>
Three Months Ended April 2, 2023				
Balance at December 31, 2022, net of tax of \$0, \$(2,308),				
(\$708), \$(1,130), respectively	\$ (39,849)	\$ (8,661)	\$ (2,517)	\$ 1,130
Other comprehensive gain before reclassifications,				
net of tax of \$0, \$503, \$167, \$0, respectively	9,309	2,294	596	
	<u>—</u>	<u>5</u>	<u>1,200</u>	

Amounts reclassified from accumulated other comprehensive income (loss), net of tax of \$0, \$2, \$338, \$0, respectively

Net current period other comprehensive gain (loss), net of tax of \$0, \$505, \$505, \$0, respectively	9,309	2,299	1,796	
Balance at April 2, 2023, net of tax of \$0, \$(1,803), \$(203), \$(1,130), respectively	<u>\$ (30,540)</u>	<u>\$ (6,362)</u>	<u>\$ (721)</u>	<u>\$ 1,130</u>

Reclassifications out of accumulated other comprehensive income (loss) to the statement of operations for the three months ended March 31, 2024 and April 2, 2023, were as follows:

Details about Accumulated Other Comprehensive Income (Loss) Components	For the Three Months Ended		Affected Line Item in the Statement of Operations
	March 31, 2024	April 2, 2023	
	(in thousands)		
Available-for-sale marketable securities:			
Unrealized losses, net of tax of \$(30), \$(2), respectively	\$ (106)	\$ (5)	Other (income)
Cash flow hedges:			
Unrealized (losses) gains, net of tax of \$500, \$(338), respectively	1,780	(1,200)	Revenue
Defined benefit pension and postretirement plans:			
Amortization of prior service credit, net of tax of \$0, \$0, respectively	2	2	(a)
Total reclassifications, net of tax of \$470, \$(340), respectively	<u>\$ 1,676</u>	<u>\$ (1,203)</u>	Net income

(a) The amortization of prior service credit is included in the computation of net periodic postretirement benefit cost. See Note P: "Retirement Plans."

M. GOODWILL AND ACQUIRED INTANGIBLE ASSETS

Goodwill

Teradyne performs its annual goodwill impairment test as required under the provisions of ASC 350-10, "Intangibles—Goodwill and Other" on December 31 of each fiscal year unless interim indicators of impairment exist. In the three months ended March 31, 2024, there were no interim indicators of impairment. Goodwill is considered impaired when the net book value of a reporting unit exceeds its estimated fair value.

The changes in the carrying amount of goodwill by reportable segments for the three months ended March 31, 2024, were as follows:

	Robotics	Wireless Test	Semiconductor Test	System Test	
			(in thousands)		
Balance at December 31, 2023					
Goodwill	\$395,463	\$361,819	\$ 262,237	\$158,699	\$1,118,218
Accumulated impairment losses	—	(353,843)	(260,540)	(148,183)	(762,566)
Total Goodwill	<u>395,463</u>	<u>7,976</u>	<u>1,697</u>	<u>10,516</u>	<u>405,696</u>
Foreign currency translation adjustment	(7,962)	—	(114)	—	(8,076)
Balance at March 31, 2024					
Goodwill	\$387,502	\$361,819	\$ 262,123	\$158,699	\$1,109,143
Accumulated impairment losses	—	(353,843)	(260,540)	(148,183)	(762,566)
Total Goodwill	<u>\$387,502</u>	<u>\$ 7,976</u>	<u>\$ 1,583</u>	<u>\$ 10,516</u>	<u>\$ 405,696</u>

Intangible Assets

Teradyne reviews long-lived assets for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable or that the useful lives of these assets are no longer appropriate.

Amortizable intangible assets consist of the following and are included in intangible assets, net, on the balance sheet:

	Gross Carrying Amount	Accumulated Amortization	Foreign Currency Translation Adjustment	Net Carrying Amount
	(in thousands)			
Balance at March 31, 2024				
Developed technology	\$ 267,706	\$ (246,266)	\$ (5,635)	\$ 15,805
Customer relationships	52,109	(48,278)	203	4,034
Tradenames and trademarks	59,007	(47,231)	(1,381)	10,395
Total intangible assets	<u>\$ 378,822</u>	<u>\$ (341,775)</u>	<u>\$ (6,813)</u>	<u>\$ 30,234</u>
Balance at December 31, 2023				
Developed technology	\$ 267,706	\$ (243,191)	\$ (5,343)	\$ 19,212
Customer relationships	52,109	(47,850)	232	4,491
Tradenames and trademarks	59,007	(46,021)	(1,245)	11,741
Total intangible assets	<u>\$ 378,822</u>	<u>\$ (337,062)</u>	<u>\$ (6,356)</u>	<u>\$ 35,404</u>

Aggregate intangible asset amortization expense was \$4.7 million and \$4.8 million, respectively, for the three months ended March 31, 2024 and April 2, 2023.

Estimated intangible asset amortization expense for each of the five succeeding fiscal years and thereafter is as follows:

Year	Amortization Expense (in thousands)
2024	\$ 14,010
2025	11,290
2026	2,364
2027	1,148
2028	1,066
Thereafter	356

N. NET INCOME PER COMMON SHARE

The following table sets forth the computation of basic and diluted net income per common share:

	For the Three Months Ended	
	March 31, 2024	April 2, 2023
	(in thousands, except per share amounts)	
Net income for basic and diluted net income per share	\$ 64,197	\$ 83,500
Weighted average common shares-basic	153,047	155,900
Effect of dilutive potential common shares:		

Convertible note hedge warrant shares (1)	8,862	8,862
Incremental shares from assumed conversion of convertible notes (2)	—	9,999
Restricted stock units	419	419
Stock options	16	16
Employee stock purchase plan	4	4
Dilutive potential common shares	9,301	10,438
Weighted average common shares-diluted	162,348	166,348
Net income per common share-basic	<u>\$ 0.42</u>	<u>\$ 0.42</u>
Net income per common share-diluted	<u>\$ 0.40</u>	<u>\$ 0.40</u>

(C) Convertible notes hedge warrant shares were calculated using the difference between the average Teradyne stock price for the period and the warrant price, multiplied by the number of warrant shares. The result of this calculation, representing the total intrinsic value of the warrant, was divided by the average Teradyne stock price for the period.

(D) Incremental shares from assumed conversion of the convertible notes were calculated using the difference between the average Teradyne stock price for the period and the conversion price, multiplied by the number of convertible notes shares. The result of this calculation, representing the total intrinsic value of the convertible notes, was divided by the average Teradyne stock price for the period.

The computation of diluted net income per common share for the three months ended March 31, 2024 and April 2, 2023, excludes the effect of the potential vesting of 0.4 million and 0.5 million, respectively, of restricted stock units because the effect would have been anti-dilutive.

O. RESTRUCTURING AND OTHER

During the three months ended March 31, 2024, Teradyne recorded \$2.2 million of acquisition and divestiture expenses related to the Technoprobe transaction, and \$2.0 million of severance charges related to headcount reductions primarily in Robotics and Semiconductor Test, which included charges related to a voluntary early retirement program for employees meeting certain conditions.

During the three months ended April 2, 2023, Teradyne recorded a charge of \$2.0 million of severance charges related to headcount reductions primarily in Semiconductor Test, Robotics, and Corporate.

P. RETIREMENT PLANS

ASC 715, "Compensation—Retirement Benefits," requires an employer with defined benefit pension and other postretirement benefit plans to recognize an asset or a liability on its balance sheet for the overfunded or underfunded status of the plans as defined by ASC 715. The pension asset or liability represents a difference between the fair value of the pension plan's assets and the projected benefit obligation at December 31. Teradyne uses a December 31 measurement date for all its plans.

Defined Benefit Pension Plans

Teradyne has defined benefit pension plans covering a portion of domestic employees and employees of certain non-U.S. subsidiaries. Benefits under these plans are based on employees' years of service and compensation. Teradyne's funding policy is to make contributions to these plans in accordance with applicable laws and to the extent that such contributions are tax deductible. The assets of the U.S. qualified pension plans consist primarily of fixed income and equity securities. In addition, Teradyne has an unfunded supplemental executive defined benefit plan in the United States to provide retirement benefits in excess of levels allowed by the Employment Retirement Income Security Act ("ERISA") and the Internal Revenue Code (the "IRC"), as well as unfunded qualified foreign plans.

In the three months ended March 31, 2024 and April 2, 2023, Teradyne contributed \$0.8 million and \$0.8 million, respectively, to the U.S. supplemental executive defined benefit pension plan, and \$0.2 million and \$0.2 million, respectively, to certain qualified pension plans for non-U.S. subsidiaries.

For the three months ended March 31, 2024 and April 2, 2023, Teradyne's net periodic pension expense was comprised of the following:

For the Three Months Ended			
March 31, 2024		April 2, 2023	
United States	Foreign	United States	Foreign
(in thousands)			

Service cost	\$ 231	\$ 117	\$ 272	\$
Interest cost	1,647	246	1,711	
Expected return on plan assets	(1,268)	(16)	(1,285)	
Total net periodic pension cost	<u>\$ 610</u>	<u>\$ 347</u>	<u>\$ 698</u>	<u>\$</u>

Postretirement Benefit Plan

In addition to receiving pension benefits, Teradyne employees in the United States who meet retirement eligibility requirements as of their termination dates may participate in Teradyne's Welfare Plan, which includes medical and dental benefits up to age 65. Death benefits provide a fixed sum to retirees' survivors and are available to all retirees. Substantially all of Teradyne's current U.S. employees could become eligible for these benefits and the existing benefit obligation relates primarily to those employees. During the three months ended March 31, 2024, Teradyne recorded special termination benefit charges associated with a voluntary early retirement program.

For the three months ended March 31, 2024 and April 2, 2023, Teradyne's net periodic postretirement benefit cost was comprised of the following:

	For the Three Months Ended	
	March 31, 2024	April 2, 2023
	(in thousands)	
Service cost	\$ 10	\$
Interest cost	73	
Amortization of prior service credit	(2)	
Special termination benefits	292	
Total net periodic postretirement benefit cost	<u>\$ 373</u>	<u>\$</u>

Q. COMMITMENTS AND CONTINGENCIES

Purchase Commitments

As of March 31, 2024, Teradyne had entered into purchase commitments for certain components and materials. The purchase commitments covered by the agreements aggregate to approximately \$428.8 million, of which \$404.7 million is for less than one year.

Legal Claims

Teradyne is subject to various legal proceedings and claims which have arisen in the ordinary course of business such as, but not limited to, patent, employment, commercial and environmental matters. Teradyne believes that it has meritorious defenses against all pending claims and intends to vigorously contest them. While it is not possible to predict or determine the outcomes of any pending claims, the following provide possible ranges of losses that may arise, Teradyne believes the potential losses associated with all of these actions are unlikely to have a material adverse effect on its business, financial position or results of operations.

Guarantees and Indemnification Obligations

Teradyne provides indemnification, to the extent permitted by law, to its officers, directors, employees and agents for liabilities arising from certain events or occurrences, while the officer, director, employee, or agent, is or was serving, at Teradyne's request in such capacity. Teradyne may enter into indemnification agreements with certain of its officers and directors. With respect to acquisitions, Teradyne provides indemnifications to or assumes indemnification obligations for the current and former officers and directors, officers and employees of the acquired companies in accordance with the acquired company's by-laws and charter. As a matter of practice, Teradyne has maintained directors' and officers' liability insurance coverage including coverage for directors and officers of acquired companies.

Teradyne enters into agreements in the ordinary course of business with customers, resellers, distributors, integrators and suppliers. Most of these agreements require Teradyne to defend and indemnify the other party against intellectual property infringement claims brought by a third party.

respect to Teradyne's products. From time to time, Teradyne also indemnifies customers and business partners for damages, losses and liabilities they may suffer or incur relating to personal injury, property damage, product liability, breach of confidentiality obligations and environmental claims relating to the use of Teradyne's products and services or resulting from the acts or omissions of Teradyne, its employees, authorized agents or subcontractors. On occasion, Teradyne has also provided guarantees to customers regarding the delivery and performance of its products in addition to the warranty described below.

As a matter of ordinary course of business, Teradyne warrants that its products will substantially perform in accordance with its standard published specifications in effect at the time of delivery. Most warranties have a one-year duration commencing from

installation. A provision is recorded upon revenue recognition to cost of revenues for estimated warranty expense based upon historical experience. When Teradyne receives revenue for extended warranties beyond the standard duration, the revenue is deferred and recognized on a straight-line basis over the contract period. Related costs are expensed as incurred. As of March 31, 2024 and December 31, 2023, Teradyne had a product warranty accrual of \$15.3 million and \$15.7 million, respectively, included in other accrued liabilities and revenue deferrals related to extended warranties of \$34.5 million and \$34.5 million, respectively, included in short and long-term deferred revenue and customer advances.

In addition, in the ordinary course of business, Teradyne provides minimum purchase guarantees to certain vendors to ensure continuity of supply against the market demand. Although some of these guarantees provide penalties for cancellations and/or modifications to the purchase commitments if market demand decreases, most of the guarantees do not. Therefore, as the market demand decreases, Teradyne re-evaluates these guarantees and determines what charges, if any, should be recorded.

With respect to its agreements covering product, business or entity divestitures and acquisitions, Teradyne provides certain representations, warranties and covenants to purchasers and agrees to indemnify and hold such purchasers harmless against breaches of such representations, warranties and covenants. Many of the indemnification claims have a definite expiration date while some remain open indefinitely. With respect to its acquisitions, Teradyne may, from time to time, assume the liability for certain events or occurrences that took place prior to the date of acquisition.

As a matter of ordinary course of business, Teradyne occasionally guarantees certain indebtedness obligations of its subsidiary companies, limited to the borrowings from financial institutions, purchase commitments to certain vendors and lease commitments to landlords.

Based on historical experience and information known as of March 31, 2024 and December 31, 2023, except for product warranty, Teradyne has not recorded any liabilities for these guarantees obligations because the amount would be immaterial.

R. INCOME TAXES

A reconciliation of the United States federal statutory corporate tax rate to Teradyne's effective tax rate was as follows:

	For the Three Months Ended	
	March 31, 2024	April 2, 2023
U.S. statutory federal tax rate	21.0 %	
Tax credits	(3.1)	
Discrete benefit related to reserves for uncertain tax positions	(3.1)	
International provisions of the U.S. Tax Cuts and Jobs Act of 2017	(2.2)	
Foreign taxes	(2.1)	
Discrete benefit related to equity compensation	(0.9)	
Other, net	2.3	
Effective tax rate	11.9 %	

On a quarterly basis, Teradyne evaluates the realizability of the deferred tax assets by jurisdiction and assesses the need for a valuation allowance. As of March 31, 2024, Teradyne believes that it will ultimately realize the deferred tax assets recorded on the condensed consolidated balance sheet. However, should Teradyne believe that it is more-likely-than-not that the deferred tax assets would not be realized, the tax provision would increase in the period in which Teradyne determined that the realizability was not likely. Teradyne considers the probability of future taxable income and historical profitability, among other factors, in assessing the realizability of the deferred tax assets.

As of March 31, 2024 and December 31, 2023, Teradyne had \$15.9 million and \$18.6 million, respectively, of reserves for uncertain tax positions. The \$2.7 million net decrease in reserves for uncertain tax positions is related to the settlement of an audit.

As of March 31, 2024, Teradyne estimates that it is reasonably possible that the balance of unrecognized tax benefits may decrease approximately \$0.8 million in the next twelve months because of a lapse of statutes of limitation. The estimated decrease relates to U.S. federal and state research and development credits.

Teradyne recognizes interest and penalties related to income tax matters in income tax expense. As of March 31, 2024 and December 31, 2023, \$0.7 million and \$1.3 million, respectively, of interest and penalties were accrued for uncertain tax positions. For the three months ended March 31, 2024 and December 31, 2023, benefit of \$0.6 million and expense of \$0.1 million, respectively, was recorded for interest and penalties related to income tax items.

Teradyne qualifies for a tax holiday in Singapore by fulfilling the requirements of an agreement with the Singapore Economic Development Board under which certain headcount and spending requirements must be met. The tax savings due to the tax holiday for the three months ended March 31, 2024, was \$1.1 million, or \$0.01 per diluted share. The tax savings due to the tax holiday for the three months ended April 2, 2023, was \$0.2 million, or \$0.0 per diluted share. In November 2020, Teradyne entered into an agreement with the Singapore Economic Development Board which extended our Singapore tax holiday under substantially similar terms to the agreement which expired on December 31, 2020. A new tax holiday is scheduled to expire on December 31, 2025.

On August 16, 2022, the Inflation Reduction Act of 2022 ("IRA") was signed into law. The IRA introduced a 15% alternative minimum tax based on the financial statement income of certain large corporations ("CAMT"), effective January 1, 2023. Teradyne currently does not expect the CAMT to have a material impact on its financial results.

On December 15, 2022, the European Union ("EU") Member States formally adopted the EU Pillar Two Directive, which generally provides for a minimum effective tax rate of 15%, as established by the Organization for Economic Co-operation and Development ("OECD") Pillar Two Framework. The EU Pillar Two Directive effective dates are January 1, 2024, and January 1, 2025, for different aspects of the directive. On July 17, 2023, the OECD published Administrative Guidance proposing certain safe harbor rules that effectively extend certain effective dates to January 1, 2027. Certain EU Member States where Teradyne has a legal presence have recently enacted the directive and administrative guidance into their local tax legislation. Additionally, countries outside the EU where Teradyne has a legal presence have enacted similar language as the EU Member States in their local tax legislation. Teradyne is closely monitoring these developments and evaluating the potential financial impact on income tax expense. As of March 31, 2024, Teradyne anticipates it will meet the safe harbors in most jurisdictions, and any remaining tax under the rules should be immaterial for the year ending December 31, 2024.

S. SEGMENT INFORMATION

Teradyne has four reportable segments (Semiconductor Test, System Test, Wireless Test and Robotics). Each of the reportable segments represents an individual operating segment.

The Semiconductor Test segment includes operations related to the design, manufacturing and marketing of semiconductor test products and services. The System Test segment includes operations related to the design, manufacturing and marketing of products and services for storage and system test, defense/aerospace instrumentation test, and circuit-board test. The Wireless Test segment includes operations related to the design, manufacturing and marketing of wireless test products and services. The Robotics segment includes operations related to the design, manufacturing and marketing of collaborative robotic arms, autonomous mobile robots and advanced robotic control software. Each operating segment has a segment manager who is accountable to and maintains regular communication with Teradyne's chief operating decision maker (Teradyne's chief executive officer) to discuss operating activities, financial results, forecasts, and plans for the segment.

Teradyne evaluates performance based on several factors, of which the primary financial measure is business segment income (loss) before income taxes. The accounting policies of the business segments are the same as those described in Note B: "Accounting Policies" in Teradyne's Annual Report on Form 10-K for the year ended December 31, 2023.

Segment information for the three months ended March 31, 2024 and April 2, 2023 is as follows:

	Semiconductor Test	System Test	Robotics	Wireless Test	Segment Total	Corporate and Eliminations
(in thousands)						
Three Months Ended March 31, 2024						
Revenues	\$ 412,254	\$ 75,322	\$ 87,654	\$ 24,589	\$ 599,819	\$

Income (loss) before income taxes (1)						
(2)	79,414	18,391	(14,047)	(893)	\$ 82,865	(9
Total assets (3)	1,348,829	181,803	721,318	69,519	\$ 2,321,469	1,08
Three Months Ended April 2, 2023						
Revenues	\$ 415,009	\$ 74,631	\$ 89,214	\$ 38,675	\$ 617,529	\$
Income (loss) before income taxes (1)						
(2)	96,185	15,275	(18,490)	9,352	\$ 102,322	(9
Total assets (3)	1,386,851	173,669	676,092	87,875	\$ 2,324,487	1,05

(1) Included in Corporate and Eliminations are: interest income, interest expense, net foreign exchange gains (losses), intercompany eliminations, severance charges, pension, acquisition and divestiture related fees, and an expense for the modification of outstanding equity awards.

(2) Included in income (loss) before taxes are charges related to restructuring and other, expense for modification of outstanding equity awards, and inventory charges.

(3) Total assets are attributable to each segment. Semiconductor Test includes \$33.9 million of total assets classified as assets held for sale. See Note E: "Assets held for sale" for additional information. Corporate assets consist of cash and cash equivalents, marketable securities, and certain other assets.

Included in each segment are charges and credits in the following line items in the statement of operations:

	For the Three Months Ended	
	March 31, 2024	April 2, 2023
	(in thousands)	
Semiconductor Test:		
Cost of revenues—inventory charge	\$ 4,956	\$ 4,956
Restructuring and other—employee severance	983	983
System Test:		
Cost of revenues—inventory charge	\$ —	\$ —
Robotics:		
Cost of revenues—inventory charge	\$ —	\$ —
Corporate and Eliminations:		
Restructuring and other—acquisition & divestiture related expenses	2,214	2,214
Selling and administrative —equity modification	1,469	1,469
Restructuring and other—employee severance	\$ —	\$ —

T. SHAREHOLDERS' EQUITY

Stock Repurchase Program

In January 2023, Teradyne's Board of Directors cancelled its January 2021 repurchase program and approved a new repurchase program for up to \$2.0 billion of common stock. As of January 1, 2023, repurchases in excess of issuances are subject to a 1% excise tax, which is included as part of the basis of the shares acquired. Teradyne intends to repurchase up to \$90.0 million of its common stock in 2024 based on market conditions.

During the three months ended March 31, 2024, Teradyne repurchased 0.2 million shares of common stock for a total cost of \$22.1 million at an average price of \$100.31 per share. The cumulative repurchases under the January 2023 repurchase program as of March 31, 2024 were 4.1 million shares of common stock for \$422.6 million at an average price per share of \$102.35.

During the three months ended April 2, 2023, Teradyne repurchased 0.9 million shares of common stock for \$93.7 million at an average price of \$104.88 per share.

The total cost of shares acquired includes commissions and related excise tax, and is recorded as a reduction to retained earnings.

Dividend

Holders of Teradyne's common stock are entitled to receive dividends when they are declared by Teradyne's Board of Directors.

In January 2024 and January 2023, Teradyne's Board of Directors declared a quarterly cash dividend of \$0.12 per share and \$0.11 per share, respectively. Dividend payments for the three months ended March 31, 2024 and April 2, 2023, were \$18.4 million and \$17.2 million, respectively.

Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations

Statements in this Quarterly Report on Form 10-Q which are not historical facts, so called "forward-looking statements," are made pursuant to the safe harbor provisions of Section 21E of the Securities Exchange Act of 1934, as amended. Investors are cautioned that all forward-looking statements involve risks and uncertainties, including those detailed in our filings with the Securities and Exchange Commission. See also Part II, Item 1A of this Quarterly Report on Form 10-Q and Part I, Item 1A "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023. Readers are cautioned not to place undue reliance on these forward-looking statements which reflect management's analysis only as of the date hereof. We assume no obligation to update these forward-looking statements to reflect actual results or changes in factors or assumptions affecting forward-looking statements, as may be required by law.

Overview

We are a leading global supplier of automated test equipment and robotics products. We design, develop, manufacture and sell automatic test systems and robotics products. Our automatic test systems are used to test semiconductors, wireless products, data storage and complex electronics systems across many industries including the consumer electronics, wireless, automotive, industrial, computing, telecommunications, and aerospace and defense industries. Our robotics products include collaborative robotic arms and autonomous mobile robots ("AMRs") used by global manufacturing, logistics and industrial customers to improve quality, increase manufacturing and material handling efficiency and decrease manufacturing and logistics costs. Our automatic test equipment and robotics products and services include:

- semiconductor test ("Semiconductor Test") systems;
- storage and system level test ("Storage Test") systems, defense/aerospace ("Defense/Aerospace Test") test instrumentation and systems, and circuit-board test and inspection ("Production Board Test") systems (collectively these products represent "System Test");
- wireless test ("Wireless Test") systems; and
- robotics ("Robotics") products.

The market for our test products is concentrated with a limited number of significant customers accounting for a substantial portion of the purchases of test equipment. A few customers drive significant demand for our test products both through direct sales and sales to the customers' supply partners. We expect that sales of our test products will continue to be concentrated with a limited number of significant customers for the foreseeable future.

In the first quarter of 2024, artificial intelligence applications ("AI") drove Semiconductor Test performance above our plan, particularly in Memory. We expect AI to continue to drive meaningful demand into the second quarter of 2024, helping to offset weak demand in the smartphone mobility market. We anticipate an upturn in mobility, which may not materialize until 2025.

Our Robotics segment consists of Universal Robots A/S ("UR"), a leading supplier of collaborative robotic arms, and Mobile Industrial Robots A/S ("MiR"), a leading maker of AMRs for industrial automation. The market for our Robotics segment products is dependent on the adoption of new automation technologies by large manufacturers as well as small and medium enterprises ("SMEs") throughout the world. Robotics results in the first quarter of 2024 were in line with our forecast, putting us in position for full year growth due to new product offerings, expansion of our Original Equipment Manufacturer ("OEM") and large account channels, along with increasing recurring revenue via services and software offerings.

On November 7, 2023, Teradyne and Technoprobe S.p.A, ("Technoprobe"), a leader in the design and production of probe cards, announced the establishment of a strategic partnership that will seek to accelerate growth for both companies and enable higher performance semiconductor test interfaces.

customers worldwide. As part of the partnership, Teradyne agreed to make an investment of 481. million Euros in exchange for a 10% equity investment in Technoprobe, and Technoprobe agreed to acquire 100% of Teradyne's Device Interface Solutions ("DIS") business in exchange for \$85.0 million. The transaction is expected to close during the second quarter of 2024, subject to regulatory approval.

Our financial statements are denominated in U.S. dollars. While the majority of our revenues are in U.S. dollars, historically approximately 70 percent of our Robotics revenue is denominated in foreign currencies. Strengthening of the U.S. dollar would negatively affect Robotics revenue growth in 2024.

Our corporate strategy continues to focus on profitably gaining market share in our test business through the introduction of differentiated products that target expanding segments and accelerating growth through continued investment in our Robotics businesses. We plan to execute on our strategy while balancing capital allocations between returning capital to our shareholders through stock repurchases and dividends and using capital for opportunistic accretive acquisitions.

Critical Accounting Policies and Estimates

We have identified the policies which are critical to understanding our business and our results of operations. There have been no significant changes during the three months ended March 31, 2024, to the items disclosed as our critical accounting policies and estimates in Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, except as noted below.

Critical accounting estimates are complex and may require significant judgment by management. Changes to the underlying assumptions may have a material impact on our financial condition and results of operations. These estimates may change, as new events occur and additional information is obtained. Actual results could differ significantly from these estimates under different assumptions or conditions.

Preparation of Financial Statements and Use of Estimates

The preparation of consolidated financial statements requires management to make estimates and judgments that affect the amounts reported in the financial statements. Actual results may differ significantly from these estimates under different assumptions or conditions.

SELECTED RELATIONSHIPS WITHIN THE CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Three Months Ended	
	March 31, 2024	April 2, 2024
Percentage of revenues:		
Revenues:		
Products	76 %	
Services	24	
Total revenues	100	
Cost of revenues:		
Cost of products	33	
Cost of services	10	
Total cost of revenues (exclusive of acquired intangible assets amortization shown separately below)	43	
Gross profit	57	
Operating expenses:		
Selling and administrative	25	
Engineering and development	17	
Acquired intangible assets amortization	1	
Restructuring and other	1	
Total operating expenses	44	
Income from operations	13	
Non-operating (income) expense:		
Interest income	(1)	
Interest expense	—	
Other (income) expense, net	2	

Income before income taxes	12	
Income tax provision	1	
Net income	11 %	

Results of Operations

First Quarter 2024 Compared to First Quarter 2023

Revenues

Revenues by our reportable segments were as follows:

	For the Three Months Ended		Dollar Change
	March 31, 2024	April 2, 2023	
	(in millions)		
Semiconductor Test	\$ 412.3	\$ 415.0	\$ (2.7)
System Test	75.3	74.6	0.7
Robotics	87.7	89.2	(1.5)
Wireless Test	24.6	38.7	(14.1)
	<u>\$ 599.8</u>	<u>\$ 617.5</u>	<u>\$ (17.7)</u>

The decrease in Semiconductor Test revenues of \$2.7 million, or 0.7%, was driven primarily by tester sales for automotive applications, offset by Memory Test sales in DRAM wafer sort. The increase in System Test revenues of \$0.7 million, or 0.9%, was primarily due to higher sales in Defense/Aerospace, partially offset by lower sales in Storage Test of system level testers. The decrease in Wireless Test revenues of \$14.1 million, or 36.4% was primarily due to a decrease in connectivity and ultra wideband test products.

Revenues by country as a percentage of total revenues were as follows (1):

	For the Three Months Ended	
	March 31, 2024	April 2, 2023
Korea	28 %	12 %
United States	17	18
Taiwan	12	18
Japan	11	9
Europe	11	12
China	7	10
Singapore	3	8
Malaysia	3	3
Philippines	2	5
Thailand	2	3
Rest of World	4	2
	<u>100 %</u>	<u>100 %</u>

(1) Revenues attributable to a country are based on location of customer site.

Gross Profit

Our gross profit was as follows:

	For the Three Months Ended		Dollar/Point Change
	March 31, 2024	April 2, 2023	
	(in millions)		

Gross profit	\$	339.3	\$	356.4	\$	(17.1)
Percent of total revenues		56.6 %		57.7 %		(1.2)

Gross profit as a percent of revenue decreased by 1.2 points, primarily due to product mix and volume.

Selling and Administrative

Selling and administrative expenses were as follows:

	For the Three Months Ended		Dollar Change
	March 31, 2024	April 2, 2023 (in millions)	
Selling and administrative	\$ 149.2	\$ 151.0	\$ (1.8)
Percent of total revenues	24.9 %	24.4 %	

The decrease of \$1.8 million in selling and administrative expenses was primarily due to lower spending in Robotics, partially offset by higher spending in Semiconductor Test.

Engineering and Development

Engineering and development expenses were as follows:

	For the Three Months Ended		Dollar Change
	March 31, 2024	April 2, 2023 (in millions)	
Engineering and development	\$ 103.2	\$ 105.8	\$ (2.6)
Percent of total revenues	17.2 %	17.1 %	

The decrease of \$2.6 million in engineering and development expenses was primarily due to lower spending in Robotics.

Restructuring and Other

During the three months ended March 31, 2024, we recorded \$2.2 million of acquisition and divestiture related costs and \$2.0 million of severance charges related to headcount reductions primarily in Semiconductor Test and Robotics.

During the three months ended April 2, 2023, we recorded \$2.0 million of severance charges related to headcount reduction primarily in Semiconductor Test, Robotics and Corporate.

Interest and Other

	For the Three Months Ended		Dollar Change
	March 31, 2024	April 2, 2023 (in millions)	
Interest income	\$ (7.9)	\$ (5.3)	\$ (2.6)
Interest expense	0.7	1.0	\$ (0.3)
Other (income) expense, net	12.1	0.1	\$ 12.0

Other (income) expense, net increased \$12.0 million primarily due to the change in value of an option purchased in connection with the anticipated acquisition of Technoprobe.

Income (Loss) Before Income Taxes

	For the Three Months Ended		Dollar Change
	March 31, 2024	April 2, 2023	
	(in millions)		
Semiconductor Test	\$ 79.4	\$ 96.2	\$ (16.8)
System Test	18.4	15.3	3.1
Wireless Test	(0.9)	9.4	(10.3)
Robotics	(14.0)	(18.5)	4.5
Corporate and Eliminations (1)	(10.0)	(5.2)	(4.8)
	<u>\$ 72.9</u>	<u>\$ 97.1</u>	<u>\$ (24.2)</u>

(1) Included in Corporate and Eliminations are: interest income, interest expense, net foreign exchange gains (losses), intercompany eliminations, severance charges, pension, acquisition and divestiture related fees, and an expense for the modification of outstanding equity awards

The decrease in income before income taxes in Semiconductor Test was driven primarily by lower margins due to product mix as well as higher operating expenses on similar sales levels. The decrease in income before income taxes in Wireless Test was primarily due to a decrease in sales of connectivity ultra wide band test products. The increase in income before income taxes in Robotics was driven primarily by lower operating expenses on similar sales. The loss before income taxes in Corporate and Eliminations was primarily due to changes in unrealized gains/losses on equity securities and the option related to our anticipated investment in Technoprobe.

Income Taxes

The effective tax rate for the three months ended March 31, 2024 and April 2, 2023, was 11.9% and 14.0%, respectively. The decrease in the effective tax rate from the three months ended April 2, 2023 to the three months ended March 31, 2024, primarily resulted from the benefit of a reduction in uncertain tax positions and the benefit of a projected shift in the geographic distribution of income. These benefits were partially offset by a decrease in benefit related to equity compensation.

Contractual Obligations

There have been no changes outside of the ordinary course of business to our contractual obligations as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023.

Liquidity and Capital Resources

Our cash, cash equivalents and marketable securities balances decreased by \$66.6 million in the three months ended March 31, 2024, to \$870.6 million.

Operating activities during the three months ended March 31, 2024, provided cash of \$7.3 million. Changes in operating assets and liabilities used cash of \$108.6 million due to a \$3.9 million increase in operating assets and a \$104.7 million decrease in operating liabilities.

The increase in operating assets was primarily due to an \$8.1 million and \$6.9 million increase in accounts receivable and inventories, respectively, partially offset by a \$11.1 million decrease in other operating assets.

The decrease in operating liabilities was due to a \$70.2 million decrease in accrued employee compensation, a \$28.4 million decrease in accounts payable, a \$7.0 million decrease in accrued other, and a \$1.1 million decrease in other operating liabilities.

million decrease in deferred revenue and customer advance payments, and \$1.4 million of retirement plan contributions, partially offset by a \$3.8 million increase in income taxes.

Investing activities during the three months ended March 31, 2024, used cash of \$24.0 million to \$44.0 million used for the purchases of property, plant and equipment, \$16.0 million used for the purchase of marketable securities, partially offset by \$20.7 million and \$14.4 million in proceeds from the sale of maturities and marketable securities, respectively, and \$0.9 million in proceeds from life insurance.

Financing activities during the three months ended March 31, 2024, used cash of \$36.7 million to \$22.1 million used for the repurchase of 0.2 million shares of common stock at an average price of \$100.31 per share, \$18.4 million used for dividend payments and \$13.1 million used for payment to net settlements of employee stock compensation awards, partially offset by \$16.9 million from the issuance of common stock under employee stock purchase and stock option plans.

Operating activities during the three months ended April 2, 2023, provided cash of \$19.3 million. Changes in operating assets and liabilities used cash of \$106.5 million due to a \$1.9 million increase in operating assets and \$104.7 million decrease in operating liabilities.

The increase in operating assets was due to a \$23.7 million increase in inventories, a \$15.4 million increase in prepayments and other assets due to prepayments to our contract manufacturers, partially offset by a \$37.2 million decrease in accounts receivable.

The decrease in operating liabilities was due to a \$93.1 million decrease in accrued employee stock compensation, a \$32.7 million decrease in deferred revenue and customer advance payments, and a \$1.9 million of retirement plan contributions, partially offset by a \$12.5 million increase in income taxes payable, a \$9.6 million increase in accrued other liabilities, and a \$0.3 million increase in accounts payable.

In January 2024 and January 2023, Teradyne's Board of Directors declared a quarterly cash dividend of \$0.12 per share and \$0.11 per share, respectively. Dividend payments for the three months ended March 31, 2024 and April 2, 2023, were \$18.4 million and \$17.2 million, respectively.

In January 2023, our Board of Directors cancelled the 2021 repurchase program and approved a new repurchase program for up to \$2.0 billion of common stock.

During the three months ended March 31, 2024, we repurchased 0.2 million shares of common stock for \$22.1 million, which excludes related excise tax, at an average price of \$100.31 per share. We are authorized to repurchase up to \$90.0 million of common stock in 2024 subject to market conditions. The cumulative repurchases under the 2023 repurchase program as of March 31, 2024 were 4.1 million shares of common stock for \$419.4 million, which excludes related excise tax, at an average price per share of \$102.35. During the three months ended April 2, 2023, we repurchased 0.9 million shares of common stock for \$93.3 million, which excludes related excise tax, at an average price of \$104.88 per share.

While we have previously declared a quarterly cash dividend and authorized a share repurchase program, we may reduce or eliminate the cash dividend or share repurchase program in the future. Dividends and stock repurchases are subject to the discretion of our Board of Directors, which will consider, among other things, our earnings, capital requirements and financial condition.

On May 1, 2020, we entered into a credit agreement providing a three-year, senior secured revolving credit facility of \$400 million. On December 10, 2021, the credit agreement was amended to extend the senior secured revolving credit facility to December 10, 2026. On October 5, 2022, the credit agreement was amended to increase the amount of the credit facility to \$750.0 million from \$400.0 million. As of May 3, 2024, we have not borrowed any funds under the credit facility.

We believe our cash, cash equivalents, marketable securities and senior secured revolving credit facility will be sufficient to pay our quarterly dividend and meet our working capital and expenditure needs for at least the next twelve months. Inflation has not had a significant long-term impact on our earnings.

Equity Compensation Plans

In addition to our 1996 Employee Stock Purchase Program as discussed in Note Q: "Stock-Based Compensation" in our 2023 Annual Report on Form 10-K, we have a 2006 Equity and Cash Compensation Incentive Plan (the "2006 Equity Plan").

The purpose of the 1996 Employee Stock Purchase Plan is to encourage stock ownership by all eligible employees of Teradyne. The purpose of the 2006 Equity Plan is to provide equity ownership and compensation opportunities in Teradyne to our employees, officers and directors. Both plans were approved by our shareholders.

Recently Issued Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures", which will require us to disclose

significant segment expenses and other segment items used by the Chief Operating Decision Maker ("CODM") on an annual and interim basis as well as provide in interim periods all disclosures about reportable segment's profit or loss and assets that are currently required annually. Additionally, we will be required to disclose the title and position of the CODM. The new standard is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. This ASU will have no impact on our results of operations, cash flows or financial condition. Upon adoption, we will apply the amendments in this ASU retrospectively to all prior period disclosures presented in the financial statements.

In December 2023, FASB issued ASU 2023-09 – "Income Taxes (Topic 740): Improvements to Tax Disclosures", which requires expanded disclosures relating to the tax rate reconciliation, income taxes paid, income (loss) before income tax expense (benefit) and income tax expense (benefit), requiring a greater disaggregation of information for each. The provisions of ASU 2023-09 are effective for fiscal years beginning after December 15, 2024. The amendments in this update should be applied on a prospective basis, but retrospective application is permitted. This ASU will have no impact on results of operations, cash flows or financial condition.

Item 3: Quantitative and Qualitative Disclosures about Market Risks

For "Quantitative and Qualitative Disclosures about Market Risk" affecting Teradyne, see Part II, Item 7A, "Quantitative and Qualitative Disclosures about Market Risks," in our Annual Report on Form 10-K filed with the SEC on February 22, 2024. There were no material changes in our exposure to market risks from those set forth in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Item 4: Controls and Procedures

As of the end of the period covered by this report, our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15(b) or Rule 15d-15(f) promulgated under the Exchange Act. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective in ensuring that material information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms, including ensuring that such material information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, in a timely manner appropriate to allow timely decisions regarding required disclosure.

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended March 31, 2024, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1: Legal Proceedings

We are subject to various legal proceedings and claims which have arisen in the ordinary course of our business such as, but not limited to, patent, employment, commercial and environmental matters. Teradyne believes that it has meritorious defenses against all pending claims and intends to vigorously contest them. While it is not possible to predict or determine the outcomes of any pending claims, the ranges of losses that may arise, Teradyne believes the potential losses associated with all of these actions are unlikely to have a material adverse effect on its business, financial position or results of operations.

Item 1A: Risk Factors

In addition to other information set forth in this Form 10-Q, including the risk discussed below, investors should carefully consider the factors discussed in Part I, "Item 1A: Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023, which could materially affect our business, financial condition or future results. The risk factors described in our Annual Report on Form 10-K remain applicable to our business.

The risks described in our Annual Report on Form 10-K are not the only risks that we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

Item 2: Unregistered Sales of Equity Securities and Use of Proceeds

In January 2023, Teradyne's Board of Directors cancelled our 2021 repurchase program and approved a new repurchase program for up to \$2.0 billion of common stock. During the three months ended March 31, 2024, we repurchased 0.2 million shares of common stock for a total cost of \$22 million at an average price of \$100.31 per share. We record share repurchases at cost, which includes broker commissions and related excise taxes. During the three months ended April 2, 2023, we repurchased 0.9 million shares of common stock for \$93.7 million at an average price of \$104.88 per share.

The following table includes information with respect to repurchases we made of our common stock during the three months ended March 31, 2024, (in thousands except per share price):

Period	Total Number of Shares (or Units) Purchased	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs (2)
January 1, 2024 - January 28, 2024	22	\$ 110.59	—	\$ 1,59
January 29, 2024 - February 25, 2024	229	\$ 101.92	130	\$ 1,58
February 26, 2024 - March 31, 2024	92	\$ 102.51	90	\$ 1,57
	<u>343</u> (1)	<u>102.65</u> (1)	<u>220</u>	

(1) Includes approximately one hundred twenty two thousand shares at an average price of \$106.88 per share withheld from employees for the payment of taxes.

(2) As of January 1, 2023, share repurchases net of share issuances are subject to a 1% excise tax under the Inflation Reduction Act. Excise tax incurred is included as part of the cost basis of shares repurchased. See the Condensed Consolidated Statements of Convertible Common Shares and Stockholders' Equity for more information.

We satisfy U.S. federal and state minimum withholding tax obligations due upon the vesting and conversion of restricted stock units into shares of our common stock, by automatically withholding, from the shares being issued, a number of shares with an aggregate fair market value on the date of such vesting and conversion that would satisfy the minimum withholding amount due.

Item 4: Mine Safety Disclosures

Not Applicable

Item 5: Other Information

10b 5-1 Trading Plans

Our officers (as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended (“Exchange Act”)) (“Section 16 Officers”) and directors from time to time enter into contracts, instructions or written plans for the purchase or sale of our securities that are intended to satisfy the conditions specified in Rule 10b5-1(c) under the Exchange Act for an affirmative defense against liability for trading in securities on the basis of material nonpublic information. We refer to these contracts, instructions or written plans as “Rule 10b5-1 trading plans” and each one as a “Rule 10b5-1 trading plan.” During the fiscal quarter ended March 31, 2024, the following Section 16 Officers or directors adopted, modified or terminated Rule 10b5-1 trading plans:

Richard Burns, President, Semiconductor Test

Richard Burns, our President, Semiconductor Test, entered into a new Rule 10b5-1 trading plan on February 15, 2024. The Rule 10b5-1 trading plan provides that Mr. Burns, acting through a broker, may sell up to an aggregate of (i) 50% of the (net) shares resulting from the vesting of 10,759 (gross) restricted stock units (net shares are net of tax withholding), and (ii) 100% of the (net) shares resulting from the exercise of up to 8,700 stock options (net shares are net of the stock option exercise price). Subject to price limits, the first trade under Mr. Burns’s Rule 10b5-1 trading plan is scheduled for February 20, 2024. Mr. Burns’s plan is scheduled to terminate on February 28, 2025, subject to earlier termination upon the sale of all shares subject to the plan, upon termination by Mr. Burns or the broker, or as otherwise provided in the plan.

Mercedes Johnson, Director

Mercedes Johnson, a member of our Board of Directors, entered into a new Rule 10b5-1 trading plan on February 2, 2024. The Rule 10b5-1 trading plan provides that Ms. Johnson, acting through a broker, may sell up to an aggregate of 7,500 shares. Subject to price limits, the first trade under Ms. Johnson’s Rule 10b5-1 trading plan is scheduled for June 3, 2024. Ms. Johnson’s plan is scheduled to terminate on April 30, 2025, subject to earlier termination upon the sale of all shares subject to the plan, upon termination by Ms. Johnson or the broker, or as otherwise provided in the plan.

Item 6: Exhibits

Exhibit Number	Description
10.1	<u>Form of Time-Based Restricted Stock Unit Agreement for Executive Officers under the 2006 Equity and Cash Compensation Incentive Plan, as amended* (filed herewith)</u>
10.2	<u>Form of Executive Officer Stock Option Agreement under the 2006 Equity and Cash Compensation Incentive Plan, as amended* (filed herewith)</u>
31.1	<u>Certification of Principal Executive Officer, pursuant to Rule 13a-14(a) of Securities and Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)</u>
31.2	<u>Certification of Principal Financial Officer, pursuant to Rule 13a-14(a) of Securities and Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)</u>
32.1	<u>Certification of Principal Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)</u>
32.2	<u>Certification of Principal Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)</u>
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents
104	Cover Page Interactive Data File (formatted as Inline XBRL, and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly
this report to be signed on its behalf by the undersigned thereunto duly authorized.

TERADYNE, INC.
Registrant

/s/ SANJAY MEHTA

Sanjay Mehta
Vice President,
Chief Financial Officer and Treasurer
(Duly Authorized Officer
and Principal Financial Officer)
May 3, 2024