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DELTA REPORT

10-K

TER - TERADYNE, INC

10-K - DECEMBER 31, 2024 COMPARED TO 10-K - DECEMBER 31, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 2685

■ CHANGES	511
■ DELETIONS	1241
■ ADDITIONS	933

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

FORM 10-K

ANNUAL REPORT
PURSUANT TO SECTIONS 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

(MARK ONE)

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

For the fiscal year ended December 31, **2023** **2024**

OR

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

Commission file number 001-06462

TERADYNE, INC.

(Exact Name of Registrant as Specified in Its Charter)

MASSACHUSETTS

04-2272148

(State or Other Jurisdiction of
Incorporation or Organization)

(I.R.S. Employer
Identification Number)

600 RIVERPARK DRIVE

01864

NORTH READING, MASSACHUSETTS
(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code: (978) 370-2700

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 if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes No

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 such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File 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

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b).

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act (check one):

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth 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 Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes No

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

The aggregate market value of the voting stock held by non-affiliates of the registrant as of **July 2, 2023** **June 30, 2024**, was approximately **\$11.0** **24.0** billion based upon the closing price of the registrant's Common Stock on the Nasdaq Stock Market on that date.

The number of shares outstanding of the registrant's only class of Common Stock as of **February 16, 2024** **February 14, 2025**, was **153,080,607** **161,718,766** shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's proxy statement in connection with its 2024 annual meeting of shareholders are incorporated by reference into Part III of this Form 10-K.

[Table of Contents](#)

TERADYNE, INC.

INDEX

Page No.

PART I.

Item 1.	Business	2
Item 1A.	Risk Factors	109
Item 1B.	Unresolved Staff Comments	2120
Item 1C.	Cybersecurity	21
Item 2.	Properties	2322
Item 3.	Legal Proceedings	2322
Item 4.	Mine Safety Disclosure	2322

PART II.

Item 5.	Market for Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities	2423
Item 6.	(Reserved)	2423
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operation	2524
Item 7A.	Quantitative and Qualitative Disclosures about Market Risk	3635
Item 8.	Financial Statements and Supplementary Data	3836
Item 9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	8785
Item 9A.	Controls and Procedures	8785
Item 9B.	Other Information	8785
Item 9C.	Disclosure Regarding Foreign Jurisdictions that Prevent Inspections	8785

PART III.

Item 10.	Directors, Executive Officers and Corporate Governance	8886
Item 11.	Executive Compensation	8886
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	8886

Item 13.	Certain Relationships and Related Transactions, and Director Independence	88 86
Item 14.	Principal Accountant Fees and Services	88 86
PART IV.		
Item 15.	Exhibits and Financial Statement Schedule	89 87
Item 16.	Form 10-K Summary	90 88
	Signatures	95 93

[Table of Contents](#)

TERADYNE, INC.

FORM 10-K

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains "forward-looking statements" regarding Teradyne's future business prospects, financial performance or position and results of operations. When used herein, the words such as "anticipate," "expect," "plan," "could," "may," "will," "believe," "estimate," "goal," or other comparable terms are intended to identify forward-looking statements although not all forward-looking statements contain these identifying words. Forward-looking statements involve risks and uncertainties, including, but not limited to, those discussed in the section entitled "Risk Factors" of this Annual Report on Form 10-K and elsewhere, and in our other filings with the Securities and Exchange Commission ("SEC"). Readers are cautioned not to place undue reliance on these forward-looking statements which reflect management's analysis only as of the date hereof and are subject to risks and uncertainties that could cause actual results to differ materially from those stated or implied. Teradyne assumes no obligation to update these forward-looking statements for any reason, except as may be required by law.

1

[Table of Contents](#)

PART I

Item 1: Business

Teradyne, Inc. ("Teradyne") was founded in 1960 and is a leading global supplier of automated test equipment and robotics solutions.

We design, develop, manufacture and sell automated test systems and robotics products. Our automated test systems are used to test semiconductors, wireless products, data storage and complex electronics systems in many industries including consumer electronics, wireless, automotive, industrial, computing, communications, 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 automated test equipment and robotics products and services include:

- semiconductor test ("Semiconductor Test") systems;
- ~~storage~~ robotics ("Robotics") products; 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");
- and wireless test ("Wireless Test") systems (referred collectively as "All Other") 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 products both through direct sales and sales to the customer's 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 2023, the demand in our Semiconductor Test business, continued with memory and compute offerings growing considerably compared to be impacted by a correction cycle driven by excess semiconductor inventory, primarily 2023. We expect mobile, automotive, and industrial will grow in the mobility segment 2025 and that recent advancements in AI inference may help mid-term recovery in these markets. Beyond AI compute, we are investing in other areas of the market. The depth of this slowdown semiconductor test market that offer the opportunity for accelerating long-term growth, including power semi-conductors and the timing of shift towards vertically integrated products ("VIPs"). We have seen the recovery are uncertain, however, strong automotive benefits start to materialize in 2024 and image sensor demand partially offset these declines. The growth of DDR5 and High Bandwidth Memory ("HBM") devices for data center applications continued expect them to drive demand for our products in continue through the memory market in 2023. Over the midterm, we expect the ramp of 3 nanometer and gate-all-around process technology, increasing multichip packaging, additional device complexity and unit growth will drive additional demand for Semiconductor Test, mid-term.

Our 2024 was a very weak industrial automation market resulting in a year-over-year decline in Robotics segment consists of Universal Robots A/S ("UR"), a leading supplier of collaborative robotic arms, revenues while outperforming our peer group. In 2024, we built key OEM, systems integrators and Mobile Industrial Robots A/S ("MiR"), a leading maker of AMRs for industrial automation. The large account strategic partnerships which will strengthen our go to 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. Demand in the fourth quarter of 2023 increased, tied years to introduction come. Introduction of new products, and seasonally high demand in Robotics after market softness and including the impact of MiR 1200 Pallet Jack, will further expand our channel transformation resulted in a weaker than forecasted first half of 2023, available markets to support our growth.

On November 7, 2023 May 27, 2024, Teradyne we paid 483.1 million Euros, equivalent to \$524.1 million, to purchase a combination of previously issued and outstanding shares and shares newly issued by Technoprobe, S.p.A ("Technoprobe" S.p.A. ("Technoprobe")). The shares purchased represent 10% of the issued and outstanding shares of Technoprobe. We also received 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 for customers worldwide. As board seat as part of the partnership, Teradyne will make an investment purchase. Additionally, as part of 481.0 million Euros in exchange for a 10% equity investment in Technoprobe and Technoprobe will acquire 100% the transaction, we completed the sale of Teradyne's the Device Interface Solutions ("DIS") business, in exchange a component of our Semiconductor Test segment, to Technoprobe for \$85.0 million, in cash, net of cash and cash equivalents sold, and a customary working capital adjustment. The transaction is expected to close during sale resulted in a pre-tax gain of \$57.1 million recorded as 'Gain on sale of business' in the first half consolidated statement of 2024.

In 2023, inflation had minimal effect on our results. While both our test and robotics businesses may continue to be influenced by supply constraints, which could impact our revenue and costs, we do not anticipate that supply chain constraints will have a material impact on our financial results in 2024. operations.

Our financial statements are denominated in U.S. dollars. While revenues in our test businesses are predominantly in U.S. dollars, the majority of our revenues are in U.S. dollars, approximately 70 percent of our Robotics sales are revenue is denominated in foreign currencies. There was no material impact to our 2023 results due to changes in foreign exchange rates, however, in 2022, the strengthening of the U.S. dollar was a factor in lower than forecasted revenues in our Robotics segment. Strengthening of the U.S. dollar would adversely negatively affect Robotics revenue growth in 2024, 2025.

2

Table of Contents

Our corporate strategy continues for our test businesses is to focus on profitably gaining grow market share while in our test businesses Robotics, we plan to profitably grow revenue through the introduction of differentiated products that target targeting expanding segments and accelerating growth through continued investment in our Robotics businesses. We markets. Our capital allocation plan will continue to continue be balanced between investing in our organic and inorganic growth while balancing capital allocations between stock and returning cash to shareholders through share repurchases and dividends and using capital for acquisitions, dividends.

Investor Information

We are a Massachusetts corporation incorporated on September 23, 1960. We are subject to the informational requirements of the Securities Exchange Act of 1934 ("Exchange Act"). We file periodic reports, proxy statements and other information with the SEC. The SEC maintains an internet site (<http://www.sec.gov>) that contains reports, proxy and information statements and other information regarding issuers that file documents electronically.

2

Table of Contents

You can access financial and other information, including the charters of our Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee, our Corporate Governance Guidelines and Code of Conduct, by clicking the Investors link on our web site at www.teradyne.com. We make available, free of charge, copies of our filings with the SEC, including our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act through our web site as soon as reasonably practicable after filing such material electronically or otherwise furnishing it to the SEC.

Products

Semiconductor Test

We design, manufacture, sell and support Semiconductor Test products and services and hard disk drives on a worldwide basis. The test systems we provide are used both for wafer level, and device package testing, and system level testing of semiconductor devices. These devices are used in automotive, industrial, communications, consumer, smartphones, cloud, computer and electronic game applications, among others. Semiconductor devices span a broad range of functionality, from very simple low-cost devices such as appliance microcontrollers, operational amplifiers or voltage regulators to complex digital signal processors, Artificial Intelligence/Machine Learning ("AI/ML") training, high performance computing and microprocessors as well as memory devices. Semiconductor Test products and services are sold to integrated device manufacturers ("IDMs") that integrate the fabrication of silicon wafers into their business, "Fabless" companies that outsource the manufacturing of silicon wafers, "Foundries" that cater to the processing and manufacturing of silicon wafers, and semiconductor assembly and test providers ("OSATs") that provide test and assembly services for the final packaged devices to both Fabless companies and IDMs. Fabless companies perform the design of integrated circuits without manufacturing capabilities and use Foundries for wafer manufacturing and OSATs for test and assembly. These Our customers obtain the overall benefit of comprehensively testing devices and reducing the total costs associated with testing by using our Semiconductor Test systems to:

- improve and control product quality;
- measure and improve product performance;
- reduce time to market; and
- increase production yields.

Our FLEX Test Platform architecture advances our core technologies to produce test equipment that is designed for high efficiency multi-site testing. Multi-site testing involves the simultaneous testing of many devices in parallel. Leading semiconductor manufacturers are using multi-site testing to significantly improve their "Cost of Test" economics. The FLEX Test Platform architecture addresses customer requirements through the following key capabilities:

- A high efficiency multi-site architecture that reduces tester overhead such as instrument setup, synchronization and data movement, and signal processing;
- The IG-XL™ software operating system which provides fast program development, including instant conversion from single to multi-site test; and
- Broad technology coverage by instruments designed to cover the range of test parameters, coupled with a universal slot test head design that allows easy test system reconfiguration to address changing test needs.

FLEX Test Platform purchases are made by IDMs, OSATs, Foundries and Fabless customers. The FLEX Test Platform has become a widely used test solution at OSATs by providing versatile testers that can handle the widest range of devices, allowing OSATs to leverage their capital investments. The broad consumer, automotive and broadband markets have historically driven most of the device volume growth in the semiconductor industry. These markets include mobile phones and tablets, PCs, servers, networking

Table of Contents

and automotive electronics. These end use markets continue to be drivers for the FLEX Test Platform family of products because they require a wide range of technologies and instrument coverage. In 2019, we introduced our next generation UltraFLEX^{Plus} tester, the newest member of the UltraFLEX family, UltraFLEX^{Plus} which uses the new PACE™ architecture to deliver superior economics and fast time to market for complex digital devices.

Our J750™ test system shares the IG-XL software environment with the family of FLEX Test Platform systems. The J750 is designed to handle high volume semiconductor devices, such as microcontrollers, that are central to the functionality of almost every consumer electronics product, from small appliances to automobiles. J750 test systems combine compact packaging, high throughput and ease of production test. We extended the J750 platform technology to create the IP750 Image Sensor™ test system. The IP750 is focused on testing image sensor devices used in smartphones, automobiles and other imaging products. We have continued to invest in

[Table of Contents](#)

the J750 platform with new instrument releases that bring new capabilities to existing market segments and expand the J750 platform to new devices that include high end microcontrollers and the latest generation of image sensors.

Our Magnum platform addresses the requirements of mass production test of memory devices for flash and DRAM memory. Flash and DRAM memory are widely used core building blocks in modern electronic products finding wide application in consumer, industrial, and computing equipment. Our Magnum 7 the newest member of the family introduced at the end of 2021, solution is a next generation memory test solution designed for parallel memory test in the flash, DRAM and multi-chip package markets. In 2019, we introduced a high-speed DRAM test version of markets while our Magnum platform called Magnum EPIC giving us full product coverage of the memory test market.

Our ETS platform is used by semiconductor manufacturers and assembly and test subcontractors, primarily in the analog/mixed signal markets that cover more cost sensitive applications. Our proprietary SmartPin™ technology enables high efficiency multi-site testing on an individual test system permitting greater test throughput. Semiconductors tested by ETS platform systems are incorporated into a wide range of products in historically high-growth markets including mobile devices, automotive electronics, computer peripherals, and notebook and desktop computers. The Eagle platform includes the ETS-88 which is a high performance multi-site production test system designed to test a wide variety of high volume power and precision devices including Silicon Carbide (SiC) ("SiC") and Gallium Nitride (GaN) ("GaN") power devices used in vehicle electrification, and the electrification. The ETS-800, a high performance multi-site production test system, is used to test high complexity power devices in automotive, industrial and consumer applications.

System Test

Our The Integrated System Test segment group is comprised of three business units: Storage Test, Defense/Aerospace, our system level test ("SLT") testers and Production Board Test.

Storage Test

The Storage Test business unit addresses our hard disk drive ("HDD") testers. Our SLT testers for the semiconductor production market are used to test devices following wafer and package test. SLT testers address customer requirements related to factory density, throughput and thermal performance. HDD products address the high throughput and automated manufacturing test requirements of hard disk drive ("HDD") and semiconductor manufacturers. Our HDD products address the client and enterprise storage markets. The client market is driven by the needs of desktop, laptop, and external HDD storage products. The enterprise market is driven by the needs of data centers and cloud storage. Our system level test product for the semiconductor production market is used to test devices following wafer and package test. The business unit's products lead in addressing customer requirements related to factory density, throughput and thermal performance.

Defense/Aerospace

We are a leading provider of high performance test systems, subsystems, instruments and service for the defense and aerospace markets. Our test products are used to ensure the readiness of military and commercial aerospace electronics systems. New programs, such as tactical aircraft and missile systems, as well as upgrade programs, continue to fuel the demand for high performance test systems in this market. Our test products are well-suited to the demands of defense/aerospace electronics manufacturers and repair depots worldwide. Our leadership in this market is underscored by our success with major Department of Defense programs across all U.S. military service branches and many allied defense services worldwide.

Production Board Test

Our test systems are used by electronics manufacturers and OEMs worldwide to perform In-Circuit-Test ("ICT") and device programming of printed circuit board assemblies. Fast, accurate and cost-effective test capabilities are hallmark features of our Test Station product families. We offer the Test Station in off-line and automated in-line configurations. The automated in-line configurations address the growing requirements for automating production lines for high volume applications, such as automotive electronics, computing, and communications.

[Table of Contents](#)

Wireless Test

Our Wireless Test segment is a business unit run under the LitePoint brand name providing wireless test solutions for silicon validation, wireless module manufacturing, and wireless end device manufacturing. The world's leading makers of smartphones, laptops, access points, and Internet-of-Things ("IoT") devices rely on LitePoint equipment to ensure their products get into consumer's hands with high quality and high efficiency.

LitePoint wireless test systems span design verification to high volume manufacturing and are deployed across the entire production chain from wireless chipset suppliers to consumer brands. Design verification involves comprehensive automated testing of small quantities of devices in an R&D lab to ensure the device meets its design targets over a wide range of conditions and scenarios. High Volume manufacturing involves the calibration and testing of each wireless device to ensure the product will deliver the intended customer experience. This ensures all the products perform identically in terms of their wireless characteristics.

LitePoint equipment serves an ever-expanding number of wireless standards in three segments: connectivity, cellular, and secure ranging. Connectivity encompasses numerous short range unlicensed communication standards. Cellular includes standards operating in licensed spectrum from a few GHz to 10s of GHz (mmWave). Finally, secure ranging uses Ultra Wideband (UWB) technology to provide centimeter level positioning with secure data transactions for applications such as "digital keys" and item location (tag type trackers).

LitePoint serves these wireless segments with multiple product families. The LitePoint IQxel-MX and IQxel-MW7G series provide leading edge measurement performance for both design validation and high volume manufacturing of connectivity products. The LitePoint IQxstream-5G and IQgig-5G families combine support for 4G and 5G technologies across a wide range of frequencies to serve all the needs of both end user (smartphones) and network infrastructure (small cells and O-RAN) equipment. Finally, the IQgig-UWB+ provides comprehensive certification and manufacturing test support for UWB (802.15.14) products used for secure ranging.

Robotics

Our Robotics segment is comprised of two business units: Universal Robots and Mobile Industrial Robots.

Universal Robots

Universal Robots is a leading provider of collaborative robots (**cobots**) ("cobots") used across various industries, including automotive, food & beverage, metal & machining, electronics, pharmaceutical, and in education. Founded in 2005 and headquartered in Odense, Denmark, Universal Robots aims to create a world where people work with robots, not like robots. Its mission is simple: "*Automation for anyone. Anywhere.*"

Since introducing the world's first commercially viable cobot in 2008, Universal Robots has sold over 75,000 cobots worldwide and has developed a product portfolio reflecting a range of reaches and payloads, including the UR3e, UR5e, UR10e, UR16e, UR20 and UR30 robots. All models are robust, built to withstand a wide range of industrial environments, and can be easily integrated into existing production setups, providing a number of game-changing benefits:

- **Straightforward programming** – UR's intuitive software, PolyScope, enables users to program a cobot easily and have an application up and running within a few hours.
- **High return on investment** – cobots require a lower initial investment than traditional robotics and have an average payback time of 12-18 months.
- **Versatile deployment** – cobots' high degree of flexibility allows customers to change the task and pace of the cobot according to production demands.
- **Collaborative-capable safety functions** – following a risk assessment, most cobots can seamlessly operate alongside employees, assisting with dull, dirty, and dangerous tasks.
- **Cutting-edge precision engineering** – UR's global team of talented engineers creatively tackles customer challenges, ensuring our cobots are rigorously tested and built for demanding industrial tasks.

An extensive ecosystem has grown around the company's cobot, technology creating innovation and choice for customers and a wide range of components, kits and solutions to suit every application. UR also provides an all-encompassing customer experience including UR Academy - an award-winning training program, available both online and in person in more than 120 training centers worldwide, and three tiers of service offerings carefully designed to accelerate customer success.

Table of Contents

Universal Robots has recently established global Centers of Excellence for Welding, Palletizing, and Machine Tending applications. These centers, led by subject matter experts, serve as knowledge hubs, offering expert recommendations and guidance on the latest trends in the field to UR partners and key customers worldwide.

Mobile Industrial Robots

MiR is a leading provider of autonomous mobile robots (**AMRs**) ("AMRs") for the manufacturing and logistics segments. The MiR AMRs enhance productivity, offering a high return on investment by streamlining workforce efficiency, reducing lead times, and improving workplace safety. These AMRs operate autonomously, eliminating the need for

traditional guidance infrastructure. MiR currently offers three models—deckload AMR models, each supporting a different payload capacity—MiR250, MiR600, and MiR1350—each with varying payload capacities, as well as a pallet jack AMR—MiR1200 Pallet Jack—all managed by our unified fleet management software, MiR Fleet. Launched in fall 2021, MiR600 and MiR1350 are industrial-grade robots with IP52 rating, compliant with ISO 3691-4 safety standards, and TÜV certified.

All models can be easily integrated into existing production environments. MiR's products are differentiated by their:

- **Ease of Use and Speed of Deployment:** Our robots are designed for quick deployment and flexibility, allowing customers to adapt tasks based on changing demands.
- **Safe Operations:** Equipped with 360 safety coverage, our robots navigate around static and dynamic obstacles, ensuring safety in busy environments.
- **Reliable Autonomous Navigation:** The MiR robots demonstrate consistent, reliable navigation across large manufacturing and warehouse areas.
- **Short Payback Period:** With an average payback period of 12–24 months, MiR's products provide a swift return on investment.

System Test

Our System Test operating segment is comprised of two business units: Defense/Aerospace and Production Board Test.

Defense/Aerospace

We are a leading provider of high performance test systems, subsystems, instruments and service for the defense and aerospace markets. Our test products are used to ensure the readiness of military and commercial aerospace electronics systems. New programs, such as tactical aircraft and missile systems, as well as upgrade programs, continue to fuel the demand for high performance test systems in this market. Our test products are well-suited to the demands of defense/aerospace electronics manufacturers and repair depots worldwide. Our leadership in this market is underscored by our success with major Department of Defense programs across all U.S. military service branches and many allied defense services worldwide.

Production Board Test

Our test systems are used by electronics manufacturers and OEMs worldwide to perform In-Circuit-Test ("ICT") and device programming of printed circuit board assemblies. Fast, accurate and cost-effective test capabilities are hallmark features of our Test Station product families. We offer the Test Station in off-line and automated in-line configurations. The automated in-line configurations address the growing requirements for automating production lines for high volume applications, such as automotive electronics, computing, and communications.

Wireless Test

Our Wireless Test operating segment is a business unit run under the LitePoint brand name providing wireless test solutions for silicon validation, wireless module manufacturing, and wireless end device manufacturing. LitePoint wireless test systems span design verification to high volume manufacturing and are deployed across the entire production chain from wireless chipset suppliers to consumer brands.

Sales and Distribution

In 2023, revenues from Texas Instruments Inc., a customer of our Semiconductor Test segment, accounted for 10% of our consolidated revenues. In 2021, revenues from Taiwan Semiconductor Manufacturing Company Ltd., a customer of our Semiconductor Test segment, accounted for 12% of our consolidated revenues. In each of the years, 2024, 2023 2022 and 2021, 2022, our five largest direct customers in aggregate accounted for 32% 36%, 26% 32% and 33% 26% of our consolidated revenues, respectively.

Table of Contents

OSAT customers such as Taiwan Semiconductor Manufacturing Company Ltd., often purchase our test systems based upon recommendations from OEMs, IDMs and Fabless companies. In all cases when an OSAT customer purchases a test system from us, we consider the OSAT as the customer since credit risk, title and risk of loss, among other things, are between Teradyne and the OSAT. We in 2024, we estimate consolidated revenues driven by Samsung, a customer of our Semiconductor Test and Wireless Test segments, combining direct and indirect sales, accounted for approximately 12.5% of our consolidated revenues. In 2023, revenues driven by Texas Instruments Inc., a customer of our Semiconductor Test segment, accounted for 10% of our consolidated revenues. In 2022, we estimate consolidated revenues driven by Qualcomm, a customer of our Semiconductor Test, System Test, and Wireless Test operating segments, combining direct and indirect sales, accounted for approximately 11% of our consolidated revenues in 2022. We estimate consolidated revenues driven by one OEM customer, of our Semiconductor Test and Wireless Test segments, combining direct sales to that customer with sales to the customer's OSATs (which include Taiwan Semiconductor Manufacturing Company Ltd.), accounted for approximately 19% of our consolidated revenues in 2021. revenues.

The loss of, or significant decrease in demand from **this key OEM customer** or any of our five largest direct customers, could have a material adverse effect on our business, results of operations and financial condition.

We have sales and service offices located throughout North America, Central America, Asia and Europe. We sell in these areas predominantly through a direct sales force, except for Robotics products, which are sold principally through **distributors**. Our manufacturing activities for our test businesses are primarily conducted through subcontractors and outsourced contract manufacturers with significant operations in **China and Malaysia**. The manufacturing activities for our Robotics businesses are done primarily in our production facilities in Denmark and the U.S.

Sales to customers outside the United States were **84% 87%, 85% 84%, and 89% 85%**, respectively, of our consolidated revenues in **2024, 2023 2022** and **2021, 2022**. Sales are attributed to geographic areas based on the location of the customer site.

See also "Item 1A: Risk Factors" and Note **T:U**: "Operating Segment, Geographic and Significant Customer Information" in Notes to Consolidated Financial Statements.

6

[Table of Contents](#)

Competition

We face significant competition throughout the world in each of our reportable segments. Competitors in the Semiconductor Test segment include, among others, Advantest Corporation, **SPEA S.p.A.**, and Cohu, Inc.

Competitors in the System Test segment include, among others, Keysight Technologies, Inc., Advantest Corporation, Test Research, Inc. SPEA S.p.A. and Astronics Corporation.

Competitors in our Wireless Test segment include, among others, Rohde & Schwarz GmbH & Co. KG, Anritsu Company, Keysight Technologies, Inc., National Instruments Corporation, Welztek and iTest.

Competitors in our Robotics segment include manufacturers of traditional industrial robots such as KUKA Robotics Corporation, ABB, FANUC, Staubli and Yaskawa Electric Corporation, companies with emerging collaborative robot offerings such as Techman, Doosan, Jaka, and AUBO Robotics, and manufacturers of autonomous mobile robots in the material handling space such as Omron, Rockwell Automation, Junion, HikRobot, Agilox, and KION.

Competitors in the System Test operating segment include, among others, Advantest Corporation and Test Research, Inc.

Competitors in our Wireless Test operating segment include, among others, Rohde & Schwarz GmbH & Co. KG, Anritsu Company, National Instruments Corporation, Welztek and iTest.

Some of our competitors may have greater financial and other resources to pursue engineering, manufacturing, marketing, and distribution of their products. We also face competition from emerging Asian companies and from internal **suppliers** at several of our customers. Some of our competitors have introduced or announced new products with certain performance characteristics which may be considered equal or superior to those we currently offer. We expect our competitors to continue to improve the performance of their current products and to introduce new products or new technologies that provide improved cost of ownership and performance characteristics. See also "Item 1A: Risk Factors."

Backlog

At **December 31, 2023** December 31, 2024 and **2022, 2023**, our backlog of unfilled orders in our **four** reportable segments was as follows:

	2023		2022		2024		2023	
			(in millions)				(in millions)	
Semiconductor Test	\$	822.8	\$	879.6	\$	921.9	\$	893.4
System Test		223.8		253.0				
Robotics		42.3		42.6		36.6		42.3
Wireless Test		35.7		60.0				
All Other		203.7		188.9				
	\$	1,124.6	\$	1,235.2	\$	1,162.2	\$	1,124.6

Customers may delay delivery of products or cancel orders suddenly and without advanced notice, subject to possible cancellation penalties. Due to possible customer changes in delivery schedules and cancellation of orders, our backlog at any particular date is not necessarily

[Table of Contents](#)

indicative of the actual sales for any succeeding period. Delays in delivery schedules or cancellations of backlog during any particular period could have a material adverse effect on our business, financial condition or results of operations.

Raw Materials

Our products contain electronic and mechanical components that are provided by a wide range of suppliers. Some of these components are standard products, while others are manufactured to our specifications. We have experienced delays in obtaining timely delivery of certain components. These delays have impacted and may continue to impact the manufacturing of certain products and the timing of delivery of those products to our customers. While the majority of our components are available from multiple suppliers, certain items are obtained from sole sources. We may experience a temporary adverse impact if any of our sole source suppliers delay or cease to deliver products.

Intellectual Property and Licenses

The development of our products, both hardware and software, is based in significant part on proprietary information, our brands and technology. We protect our rights in proprietary information, brands and technology through various methods, such as:

- patents;
- copyrights;
- trademarks;

[Table of Contents](#)

- trade secrets;
- standards of business conduct and related business practices; and
- technology license agreements, software license agreements, non-disclosure agreements, employment agreements, and other agreements.

However, these protections might not be effective in all circumstances. Competitors might independently develop similar technology or exploit our proprietary information and our brands in countries where we lack enforceable intellectual property rights or where enforcement of such rights through the legal system provides an insufficient deterrent. Also, intellectual property protections can lapse or be invalidated through appropriate legal processes. We do not believe that any single piece of intellectual property or proprietary rights is essential to our business.

Human Capital

We believe that our future success depends upon our continued ability to attract, develop, and retain a high-performance workforce comprised of people with bound by shared values. As of December 31, 2023 December 31, 2024, we employed approximately 6,500 employees, of whom approximately 2,000 2,200 were employed in the United States and approximately 4,500 4,300 were employed outside of the United States. Our largest non-US employee populations are in the Philippines (18%), Denmark (12%), China (10% (7%), Taiwan (7%) and Costa Rica (6% Taiwan (5%). We also leverage contractors to provide flexibility for our business and manufacturing needs. As of December 31, 2023 December 31, 2024, we worked with approximately 300 400 contractors globally. Since the inception of our business, we have experienced no work stoppages or other labor disturbances.

Corporate Culture

Our core values are conducting business with honesty and integrity, collaborating with our colleagues as a company without doors, and partnering with our customers every step of the way, because customers count on us.

We strive to foster a positive work environment that helps employees thrive. It is a priority for us to ensure that our people feel inspired, supported, safe and able to achieve their personal best. We are committed to equality through nondiscrimination, harassment prevention and pay equity policies. We value a diverse, inclusive and respectful work

environment where all employees enjoy challenging assignments, development opportunities and a safe, positive culture.

We are committed to conducting business in a responsible manner, with strategic operational policies, procedures and values that support transparency, sustainability and legal compliance. We ensure ethical operations and business commitments through robust governance of the company's code of conduct and global environmental, health and safety programs.

[Table of Contents](#)

Competitive Pay and Benefits

The primary objective of our compensation program is to provide a compensation and benefits package that will continue to attract, retain, motivate and reward high performing employees who operate in a highly competitive and technologically challenging environment. We seek to achieve this objective by linking a meaningful portion of compensation to company and business unit performance. We enable employees worldwide to share in the success of the company through various programs including a stock purchase program, equity compensation **profit sharing** and bonus plans. We seek competitiveness and fairness in total compensation with reference to peer comparisons and internal equity.

In addition to providing our employees with competitive compensation packages, we offer benefits designed to meet the needs of employees and their families worldwide, including paid time off, parental leave, bereavement leave, health insurance coverage, flexible work arrangements, contributions to retirement savings, and access to employee assistance and work-life programs.

Employee Development and Training

We believe that employee development and training is a key factor in attracting, motivating, improving and retaining a strong, competitive global workforce. We provide continual development to our employees focused on developing their job skills and competencies. Examples include new manager competencies like giving feedback and coaching, and training in software development tools and project management. Our employees worldwide also receive annual performance reviews and are involved in setting goals for their own development and performance. Employees and managers look back on the previous year, review career development plans and create goals for the next year. **In 2022, we implemented a new learning management system integrated with our human resource system. This enabled our business to more easily create and offer business training courses.**

[Table of Contents](#)

We are committed to recruiting and developing talent at the collegiate level to help advance Science, Technology, Engineering and Mathematics ("STEM") education for the future **generation workforce**. For example, our paid internships and entry-level positions offer real-world experience, and our co-op program offers higher education students a unique learning opportunity as students alternate one semester in a work assignment and one semester in the classroom. Additionally, we offer reimbursement for educational courses related to an employee's work or as part of a degree program, including tuition, lab fees and books. We also offer a scholarship program for employees with college-age children, step-children and grandchildren. In **2023, 2024**, approximately half of the scholarship recipients were outside of the United States.

Employee Engagement

We conduct regular employee surveys to check in with our global workforce and obtain input on a number of topics. The feedback we receive from these surveys helps us assess employee sentiment, identify areas of improvement and guides our decision-making as it relates to people management. In addition, our CEO and other executives meet with employees worldwide on a frequent basis through exchange meetings and quarterly webcasts. The exchange meetings allow the executives to directly interact with a small group of employees, while the global webcasts enable all employees to engage with senior leaders and ask questions in an open Q&A session.

We also offer employees worldwide an opportunity to network and connect with colleagues who share similar interests. This includes global groups such as New Employees to Teradyne, Woman's Affinity Group, Veterans, Blue and Green (for team members that are committed to the environment), Runner's affinity group and LGBTQ+ advocates.

Diversity and Inclusion

We believe in fostering a diverse workforce, **and an** equitable and inclusive culture in order to build a stronger and more resilient company for our customers, our investors, our employees and our communities worldwide. To support this effort, we have **Diversity developed programs** and **Inclusion Charter which was developed by** **training courses for** our

Diversity, Equity and Inclusion (“DEI”) executive sub-committee and designated employees, to ensure that we build diversity across our workforce. Since 2021, we have had a DEI program manager to steer our DEI efforts and maintain an internal DEI website for employees. We have established programs for aid in recruiting and hiring candidates from various backgrounds and experiences. We have policies regarding gender pay equity and regularly conduct audits of pay equity in the United States. We conduct mandatory DEI-related training for our employees worldwide and offer a wide variety of optional DEI-related training courses as well. We are an equal opportunity and affirmative action employer committed to making employment decisions without regard to race, religion, ethnicity or national origin, gender, sexual orientation, gender identity or expression, age, disability, protected veteran status or any other characteristics protected by law.

We have a tradition of amplifying the charitable actions of our employees and responding to the needs of the communities where we work. To make it easier for employees to support charitable activities and magnify the impact of support, we established a formal matching gift program, “Teradyne Gives.” The program matches up to \$1,000 per year of an employee’s donations to charities of their choosing, selected from a wide range of qualified non-profit organizations.

8

[Table of Contents](#)

Additionally, advancing education for future generations is a primary initiative at Teradyne. We seek to increase the diversity of STEM graduates worldwide through our support of STEM programs at the middle, high school and collegiate level. We also donate test equipment and robots to colleges, universities, and vocational programs.

Health and Safety

The health and safety of our employees worldwide is our highest priority. We are committed to complying with all applicable regulatory health and safety requirements wherever we operate. We conduct internal audits, regular reviews and monitoring of regulations to ensure compliance with laws and regulations at the local, state, province and country levels. We ensure workers are provided with the knowledge to perform their jobs safely by deploying mandatory environmental, health and safety training. We also require contractors to complete safety training prior to working at any Teradyne site. We monitor, track and report common safety metrics such as accidents, near misses and illness. Our injury and illness rate is below the industry average. We also provide our employees with a flexible and adjustable workspace, which includes reviewing ergonomics issues in the workplace, educating employees to self-identify risks and ensuring they have the work environment they need to do their jobs safely and effectively.

Regulatory Environment

We are subject to various federal, state, and local government laws and regulations relating to international trade, business conduct, the protection of employee health and safety and the environment.

9

[Table of Contents](#)

We accrue for all known environmental liabilities when it becomes probable that we will incur cleanup costs and those costs can reasonably be estimated. Estimated environmental costs are not expected to materially affect the financial position or results of our operations in future periods. However, estimates of future costs are subject to change due to protracted cleanup periods and changing environmental remediation laws and regulations.

We are subject to U.S. and foreign laws and regulations that limit and restrict the export of some of our products and services and may restrict our transactions with certain customers, business partners and other persons. In certain circumstances, export control and economic sanctions or regulations prohibit the export of certain products, services, and technologies, and in other circumstances we are required to obtain an export license before exporting the controlled item. For example, we must comply with current U.S. Department of Commerce export control regulations restricting transactions with certain customers in China. We must also comply with export restrictions and laws imposed by other countries affecting trade and investments. We maintain an export compliance program but there are risks that the compliance controls could be circumvented, exposing us to legal liabilities. Compliance with these laws has limited our sales and likely will continue to limit sales to certain customers in the future. Changes in, and responses to, U.S. trade policy could reduce the competitiveness of our products and cause our sales to drop, which could have a material adverse effect on our business, financial condition or results of operations.

Item 1A: Risk Factors

The risks described below 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.

Risks Associated with Teradyne's Markets

Our business is impacted by global and industry-specific economic cycles, which are difficult to predict, and actions we have taken or may take to offset these cycles may not be sufficient.

Capital equipment providers in the electronics, semiconductor industries and robotics, such as Teradyne, have, in the past, been negatively impacted by both sudden slowdowns in the global economies and recurring cyclicalities within those industries. These cycles have resulted in periods of over-supply; a trend we believe will continue to occur. Our business and results of operations depend, in significant part, upon capital expenditures of manufacturers of semiconductors, electronics, and other industrial products, which in turn depend upon the current and anticipated market demand for those products. Disruption or deterioration in economic conditions may reduce customer purchases of our products, thereby reducing our revenues and earnings. In addition, such adverse changes in economic conditions, and resulting slowdowns in the market for our products, may, among other things, result in increased price competition for our products, increased risk of excess and obsolete inventories, increased risk in the collectability of our accounts receivable from our customers, potential reserves for credit losses and write-offs of accounts receivable, increased risk of restructuring charges, and higher operating costs as a percentage of revenues, which, in each case and together, adversely affect our operating results. We are unable to predict the likely duration, frequency and severity of disruptions in financial markets, credit availability, and adverse economic conditions throughout the world, and we cannot ensure that the level of revenues or new orders for a fiscal quarter will be sustained in subsequent quarters. We have taken actions to address the effects of general economic variability and recurring

9

[Table of Contents](#)

industry cyclicalities, including implementing cost control and reduction measures. We cannot predict whether these measures will be sufficient to offset global or market-specific disruptions that might affect our businesses and we may need to take additional or different measures in the future.

We are subject to intense competition.

We face significant competition throughout the world in each of our reportable segments. Some of our competitors have substantial financial and other resources to pursue engineering, manufacturing, marketing and distribution of their products. In addition, we are subject to trade regulations imposed by the United States government, which may not impact some of our competitors. We also face competition from emerging Asian companies and internal development at several of our customers. Some of our competitors have introduced or announced new products with certain performance characteristics that may be considered equal or superior to those we currently offer. We expect our competitors to continue to improve the performance of their current products and to introduce new products or new technologies that provide improved cost of ownership and performance characteristics. New product introductions by competitors could cause a decline in revenues or loss of market acceptance of our products.

The market for our products is concentrated, and our business depends, in part, on obtaining orders from a few significant customers.

10

[Table of Contents](#)

The market for our products is concentrated with a limited number of significant customers accounting for a substantial portion of the purchases of test equipment. In each of the years, 2024, 2023 2022 and 2021, 2022, our five largest direct customers in aggregate accounted for 32% 36%, 26% 32% and 33% 26% of consolidated revenues, respectively.

We estimate consolidated revenues driven by one OEM Samsung, a customer of our Semiconductor Test and Wireless Test segments, Segments, combining direct sales to that customer with sales to the customer's OSATs, (which include Taiwan Semiconductor Manufacturing Company Ltd.), accounted for 19% 12.5% of our consolidated revenues in 2021, 2024.

Customer consolidation could affect our operating results.

There has been a trend toward customer consolidation in the semiconductor industry through business combinations, including mergers, asset acquisitions and strategic partnerships. If this trend continues, it could make us more dependent on fewer customers who may be able to exert increased pressure on our prices and other contract terms and could increase the portion of our total sales concentration for any single customer. Customer consolidation activity could also reduce the demand for our products and services if such customers streamline research and development or operations, reduce purchases or delay purchasing decisions. These outcomes could negatively impact our operating results and financial condition.

If we fail to develop new technologies to adapt to our customers' needs or if our customers fail to accept our new products, our revenues will be adversely affected.

We believe that our technological position depends primarily on the technical competence and creative ability of our engineers. In a rapidly evolving market, such as ours, the development or acquisition of new technologies, commercialization of those technologies into products and market acceptance and customer demand for those products are critical to our success. Successful product development or acquisition, introduction and acceptance depend upon a number of factors, including:

- new product selection;
- ability to meet customer requirements including with respect to safety and cyber security;
- development of competitive products by competitors;
- timely and efficient completion of product design;
- timely and efficient implementation of manufacturing and manufacturing processes;
- timely remediation of product performance issues, if any, identified during testing;
- assembly processes and product performance at customer locations;
- differentiation of our products from our competitors' products;
- management of customer expectations concerning product capabilities and product life cycles;
- transition of customers to new product platforms;

10

[Table of Contents](#)

- compliance with product safety regulations;
- ability to protect products from cyber attacks when used by our customers;
- ability to attract and retain technical talent; and
- innovation that does not infringe on the intellectual property rights of third parties.

Risks Associated with Operating a Global Business

We are subject to risks of operating internationally.

A significant portion of our consolidated revenues is derived from customers outside the United States. Our international sales and operations are subject to significant risks and difficulties, including:

- unexpected changes in legal and regulatory requirements affecting international markets;
- cost increases due to inflation;
- changes in tariffs and exchange rates;
- social, political and economic instability, acts of terrorism and international conflicts;

11

[Table of Contents](#)

- disruption caused by health pandemics;
- difficulties in protecting intellectual property;
- difficulties in accounts receivable collection;
- cultural differences in the conduct of business;
- difficulties in staffing and managing international operations;
- compliance with anti-corruption laws;
- compliance with data privacy regulations;
- compliance with customs and trade regulations; and
- compliance with international tax laws and regulations.

In addition, an increasing portion of our products and the products we purchase from our suppliers are sourced or manufactured in foreign locations, including China, Malaysia and Denmark, and a large portion of the devices our products test are fabricated and tested by foundries and subcontractors in Taiwan, China, Korea and other parts of Asia. As a result, we are subject to a number of economic and other risks, particularly during times of political, health or financial instability in these regions. Disruption of manufacturing or supply sources in these international locations could materially adversely impact our ability to fill customer orders and potentially result in lost business.

We are subject to risks associated with doing business in China.

In addition to the risks associated with the tariffs and trade regulations detailed below, we are subject to the following risks associated with doing business in China:

- adverse changes in Chinese political, economic or social conditions or Chinese laws, regulations or policies, including the imposition of unexpected or confiscatory taxic restrictions on currency conversion, imports and sources of supply, devaluations of currency, the nationalization or other expropriation of private enterprises, or the reversal of economic reform policies that encourage private economic activity, foreign investments and greater economic decentralization;
- differing economic practices compared to most developed countries, including with respect to the amount of government involvement, control of foreign exchange and allocation of resources;
- uncertainties presented by the Chinese legal system, which is not fully integrated and continues to rapidly evolve, impeding our ability to interpret certain Chinese laws and regulations, predict and evaluate the outcome of administrative and court proceedings and the level of legal protection to enforce contracts we have entered into in China and Chinese controls on the convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China, restricting our ability to remit sufficient foreign currency to pay dividends or make other payments to us, or otherwise satisfy foreign currency-denominated obligations.

11

[Table of Contents](#)

The foregoing risks and the ongoing geopolitical tensions and economic uncertainty between the United States and China and the unknown impact of current and future Chinese rules and regulations, may cause increased costs, as well as restrictions on our ability to sell, or a decreased demand from customers to purchase, our products, which could harm our business, financial condition and operating results.

The Israel-Hamas conflict may have a material impact on our Business

The Israel-Hamas conflict could have a negative impact on our future revenue and supply chain, either of which could adversely affect our business and financial results. Our customers in Israel may experience delays in product releases due to impacts to their labor force and impacts on their suppliers because of the conflict, which could materially impact demand for our products. Similarly, our suppliers in Israel may experience delays in providing us with parts due to the conflict. In addition, the global economic uncertainty following the start of the conflict could impact demand for our products.

Risks Related to Teradyne's Finances

We may not fully realize the benefits of our acquisitions or strategic alliances.

In June 2015, we acquired Universal Robots, in 2018, we acquired Energid and MiR and, in 2019, we acquired Lemsys and AutoGuide. In November 2023, May 2024, we announced entering into closed on our strategic partnership agreement with Technoprobe which included

12

[Table of Contents](#)

Teradyne acquiring 10% of the equity in Technoprobe. We may not be able to realize the benefits of acquiring or successfully growing these businesses. We may continue to acquire additional businesses, form strategic alliances, or create joint ventures with third parties that we believe will complement or augment our existing businesses. We may not be able to realize the expected synergies and cost savings from the integration with our existing operations of other businesses or technologies that we may acquire. In addition, the integration process for our acquisitions may be complex, costly and time consuming and include unanticipated issues, expenses, and liabilities. We may have difficulty in developing, manufacturing, and marketing the products of a newly acquired company in a manner that enhances the performance of our combined businesses or product lines and allows us to realize value from expected synergies. Following an acquisition, we may not achieve the revenue or net income levels that justify the acquisition. Acquisitions may also result in one-time charges (such as acquisition-related expenses, write-offs or restructuring charges) or in the future, impairment of goodwill or acquired intangible assets, or adjustments to contingent consideration liabilities that adversely affect our operating results. Additionally, we may fund acquisitions of new businesses, strategic alliances, or joint ventures by utilizing our cash, incurring debt, issuing shares of our common stock, or by other means. Additionally, we may face restrictions pursuant to the terms of an acquisition or strategic

alliance agreement, such as the three year restriction on the transfer or disposition of the Technoprobe shares upon closing of the agreement, subject to certain early termination events. **agreement.**

We may incur higher tax rates than we expect and may have exposure to additional international tax liabilities and costs.

We are subject to paying income taxes in the United States and other countries where we operate. Our effective tax rate is dependent on where our earnings are generated and the tax regulations and the interpretation and judgment of administrative tax or revenue authorities in the United States and other countries. We have pursued a global tax strategy that could be adversely affected by the mix of earnings and tax rates in the countries where we operate, changes to tax laws (including but not limited to Pillar Two), tax regulations or an adverse tax ruling by administrative authorities. We are also subject to tax audits in the countries where we operate. Any material change in our tax liability resulting from changes in tax laws, tax regulations, administrative rulings or audits from an administrative tax or revenue authority could negatively affect our financial results.

As a multinational corporation, we are subject to income taxes as well as non-income-based taxes, in both the United States and various foreign jurisdictions. In certain foreign jurisdictions, we qualify for tax incentives and tax holidays based on our ability to meet, on a continuing basis, various tests relating to our employment levels, research and development expenditures and other qualification requirements in a particular foreign jurisdiction. While we intend to operate in such a manner to maintain and maximize our tax incentives and tax holidays, no assurance can be given that we have so qualified or that we will so qualify for any particular year or jurisdiction. If we fail to qualify or fail to remain qualified for certain foreign tax incentives and tax holidays, we may be subject to further taxation or an increase in our effective tax rate which would adversely impact our financial results. In November 2020, we 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. The new tax holiday is scheduled to expire on December 31, 2025.

The tax savings attributable to the Singapore tax holiday for the years ended December 31, 2023 December 31, 2024, 2023 and 2022 and 2021 were \$17.1 million or \$0.10 per diluted share, \$1.4 million or \$0.01 per diluted share, and \$16.0 million or \$0.09 per diluted share, and \$33.3 million or \$0.18 per diluted share, respectively. These tax savings may not be achievable in subsequent years due to changes in Singapore's tax laws, issuance of new global minimum tax laws, or the expiration of the tax holiday.

12

Table of Contents

In addition, we may incur additional costs, including headcount expenses, in order to maintain or obtain a foreign tax incentive or tax holiday in a particular foreign jurisdiction.

We have significant guarantees, indemnification, and customer confidentiality obligations.

From time to time, we make guarantees to customers regarding the delivery, price and performance of our products and guarantee certain indebtedness, performance obligations or lease commitments of our subsidiary and affiliate companies. We also have agreed to provide indemnification to our officers, directors, employees and agents, to the extent permitted by law, arising from certain events or occurrences, while the officer, director, employee or agent, is or was serving at our request in such capacity. Additionally, we have confidentiality obligations to certain customers and if breached would require the payment of significant penalties. If we become liable under any of these obligations, it could materially and adversely affect our business, financial condition or operating results. For additional information see Note M: "Commitments and Contingencies-Guarantees and Indemnification Obligations" in Notes to Consolidated Financial Statements.

We may discontinue or reduce our quarterly cash dividend or share repurchase program.

13

Table of Contents

In January 2014, our Board of Directors initiated a quarterly cash dividend. Since 2014, the Board of Directors has increased our quarterly cash dividend from \$0.06 per share to \$0.12 per share. Holders of our common stock are only entitled to receive dividends when and if they are declared by our Board of Directors.

In January 2021, our Board of Directors approved a \$2.0 billion share repurchase program. In 2022 and 2021, we repurchased \$752.1 million, and \$600.0 million, respectively of common stock. In January 2023, our Board of Directors cancelled the 2021 repurchase program and approved a new \$2.0 billion share repurchase program. In 2024, we repurchased \$199.4 million of common stock and, in 2023, we repurchased \$400.5 million \$400.5 million of common stock. We intend to repurchase up to \$90.0 million \$400 million in 2024. Under the share repurchase program, we may repurchase outstanding shares of our common stock from time to time in the open market and through privately

negotiated transactions. Unless terminated earlier by resolution of our Board of Directors, the repurchase program will expire when we have repurchased all shares authorized for repurchase under the share repurchase program.

Future cash dividends and share repurchases are subject to the discretion of our Board of Directors and will depend, among other things, upon our earnings, capital requirements and financial condition. While we have declared a quarterly cash dividend on our common stock and authorized a share repurchase program, we are not required to do either and may reduce or eliminate our cash dividend or share repurchase program in the future. The reduction or elimination of our cash dividend or our share repurchase program could adversely affect the market price of our common stock.

We have incurred indebtedness and may incur additional indebtedness.

On May 1, 2020, we entered into a three-year, senior secured revolving credit facility of up to \$400.0 million. 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 amended credit agreement provides that, subject to customary conditions, we may seek to obtain 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. We could borrow funds under this credit facility at any time for general corporate purposes and working capital. **On May 16, 2024, we borrowed \$185.0 million under this credit facility, primarily to fund our acquisition of the 10% equity interest in Technoprobe discussed above. By December 31, 2024, we had fully repaid all amounts borrowed under the credit facility. As of February 22, 2024 February 20, 2025, we have not borrowed any funds there are no outstanding borrowings under this credit facility.**

Our outstanding and any additional indebtedness, among other things, could:

- make it difficult to make payments on this indebtedness and our other obligations;
- make it difficult to obtain any necessary future financing for working capital, capital expenditures, debt service requirements or other purposes;
- require the dedication of a substantial portion of any cash flows from operations to service for indebtedness, thereby reducing the amount of cash flows available for other purposes, including capital expenditures, and
- limit our flexibility in planning for or reacting to changes in our business and the industries in which we compete.

Restrictive covenants in the agreement governing our senior secured revolving credit facility may restrict our ability to pursue business strategies.

13

Table of Contents

The agreement governing our senior secured revolving credit facility limits our ability, among other things, to incur additional secured indebtedness; sell, transfer, license or dispose of assets; consolidate or merge; enter into transactions with our affiliates; and incur liens. In addition, our senior secured revolving credit facility contains financial and other restrictive covenants that limit our ability to engage in activities that may be in our long-term best interest, such as, subject to permitted exceptions, making capital expenditures in excess of certain thresholds, making investments, loans and other advances, and prepaying any additional indebtedness while our indebtedness under our senior secured revolving credit facility is outstanding. Our failure to comply with financial and other restrictive covenants could result in an event of default, which if not cured or waived, could result in the lenders requiring immediate payment of all outstanding borrowings or foreclosing on collateral pledged to them to secure the indebtedness.^[3]

Our warrant transactions could impact the value of our stock.

On December 12, 2016, we completed a private offering of \$460.0 million aggregate principal amount of 1.25% convertible senior unsecured notes (the "Notes") that matured on December 15, 2023. Concurrent with the offering of the Notes, we entered into convertible note hedge transactions with the initial purchasers or their affiliates (the "Option Counterparties"). Separately and concurrent with the pricing of the Notes, we entered into warrant transactions with the Option Counterparties (the "Warrant Transactions") in which we sold net-share-settled (or, at our election subject to certain conditions, cash-settled) warrants to the Option Counterparties. The Warrant Transactions, which expire between March 18, 2024 and July 10, 2024, cover, subject to customary

14

Table of Contents

anti-dilution adjustments, approximately 14.7 million shares of our common stock. The strike price of the warrants is \$39.40 per share. The Warrant Transactions could result in increased common stock outstanding to the extent that the market price per share of our common stock, as measured under the terms of the Warrant Transactions, exceeds the applicable strike price of the warrants.

We may not be able to pay our debt and other obligations.

If our cash flows are inadequate to meet our obligations, we could face substantial liquidity problems. If we are unable to generate sufficient cash flows or otherwise obtain funds necessary to make required payments on our senior secured revolving credit facility or certain of our other obligations, we would be in default under the terms thereof, which would permit the holders of those obligations to accelerate their maturity and also could cause defaults under future indebtedness we may incur. Any such default could have a material adverse effect on our business, prospects, financial position and operating results.

Foreign currency exchange rates and fluctuations in those rates may affect the Company's ability to realize projected growth rates in its sales and earnings.

Our financial statements are denominated in U.S. dollars. While revenues in our test businesses are predominantly in U.S. dollars, the majority of our revenues are in U.S. dollars, approximately 70% of our Robotics revenue in 2023 was denominated in foreign currencies. Correspondingly, our results Strengthening of operations and our ability to realize projected growth rates in sales and earnings in Robotics could be adversely affected if the U.S. dollar strengthens significantly against foreign currencies. would negatively affect Robotics revenue growth.

Adverse developments affecting the financial services industry, including events or risks involving liquidity, defaults or non-performance by financial institutions, could have a material adverse effect on our business, financial condition or results of operations.

On March 10, 2023, Silicon Valley Bank (SVB), who is a lender in our revolving credit facility and where we maintain certain accounts and cash deposits, was placed into receivership with the Federal Deposit Insurance Corporation (FDIC), which resulted in all funds held at SVB being temporarily inaccessible by SVB's customers. As of March 13, 2023, access to our cash and cash equivalents at SVB was fully restored. Although our cash balances at SVB are insignificant and we do not expect further developments at SVB to have a material impact on our cash and cash equivalents, we do We hold cash balances in several large financial institutions significantly in excess of FDIC the Federal Deposit Insurance Corporation ("FDIC") and global insurance limits. If other banks and financial institutions with whom we have banking relationships enter receivership or become insolvent in the future, we may be unable to access, and we may lose some or all of our existing cash, cash equivalents and investments to the extent those funds are not insured or otherwise protected by the FDIC. For example, on March 10, 2023, Silicon Valley Bank ("SVB"), who is a lender in our revolving credit facility and where we maintain certain accounts and cash deposits, was placed into receivership with the FDIC, which resulted in all funds held at SVB being temporarily inaccessible by SVB's customers. As of March 13, 2023, access to our cash and cash equivalents at SVB was fully restored. There is no guarantee that the FDIC or any other global insurer will provide access to uninsured funds in the future in the event of the closure of any other banks or financial institutions in a timely fashion or at all. Any inability to access or delay in accessing these funds could adversely affect our business, financial position, and liquidity.

Our stock price has been subject to fluctuations, and will likely continue to be subject to fluctuations, which may be volatile and due to factors beyond our control.

The market price of our common stock is subject to wide fluctuations in response to various factors, some of which are beyond our control. In addition to the factors discussed in this "Risk Factors" section and elsewhere in this report, factors that could cause fluctuations in the market price of our common stock include the following:

- ratings changes by any securities analysts who follow our company;
- announcements by us or our competitors of significant technical innovations, acquisitions, strategic partnerships, joint ventures, or capital commitments;
- changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular;
- changes in accounting standards, policies, guidelines, interpretations, or principles;
- actual or anticipated developments in our business or our competitors' businesses or the competitive landscape generally;
- developments or disputes concerning our intellectual property or our products and platform capabilities, or third-party proprietary rights;

14

Table of Contents

- cybersecurity attacks or incidents;
- announced or completed acquisitions of businesses or technologies by us or our competitors;
- changes in our board of directors or management;
- announced or completed equity or debt transactions involving our securities;

15

Table of Contents

- sales of shares of our common stock by us, our officers, directors, or other stockholders; and
- other events or factors, including those resulting from global and macroeconomic conditions, including heightened inflation, rising interest rates, bank failures, and a potential recession, and speculation regarding the same, as well as public health crises, geopolitical tension, incidents of terrorism, or responses to these events.

In addition, the market for technology stocks and the stock markets in general have experienced extreme price and volume fluctuations. Stock prices of many technology companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. In the past, stockholders have instituted securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business, and adversely affect our business, results of operations, financial condition, and cash flows. A decline in the value of our common stock, including as a result of one or more factors set forth above, may result in substantial losses for our stockholders.

Risks Related to Operations

Our operating results are likely to fluctuate significantly.

Our operating results are affected by a wide variety of factors that could materially adversely affect revenues or profitability. The following factors could impact future operations:

- a worldwide economic slowdown or disruption in the global financial or industrial markets;
- cost increases from inflation on materials, employee wages, third party labor, and contract manufacturing;
- competitive pressures on selling prices;
- our ability to introduce, and the market acceptance of, new products;
- changes in product revenues mix resulting from changes in customer demand;
- the level of orders received which can be shipped in a quarter because of the tendency of customers to wait until late in a quarter to commit to purchase due to capital expenditure approvals and constraints occurring at the end of a quarter, or the hope of obtaining more favorable pricing from a competitor seeking the business;
- engineering and development investments relating to new product introductions, and the expansion of manufacturing, outsourcing and engineering operations in Asia;
- provisions for excess and obsolete inventory relating to the lack of demand for and the discontinuance of products;
- impairment charges for certain long-lived and intangible assets, and goodwill;
- an increase in the leasing of our products to customers;
- disruption caused by health pandemics, such as the coronavirus;
- the success of sales channel expansion in Robotics;
- our ability to expand our global distribution channel for our collaborative and mobile robots;
- parallel or multi-site testing which could lead to a decrease in the ultimate size of the market for our semiconductor and electronic test products; and
- the ability of our suppliers and subcontractors to meet product quality or delivery requirements needed to satisfy customer orders for our products, especially if consolidated revenues increase.

As a result of the foregoing and other factors, we have experienced and may continue to experience material fluctuations in future operating results on a quarterly or annual basis which could materially and adversely affect our business, financial condition, operating results or stock price.

15

[Table of Contents](#)

If our suppliers do not meet product or delivery requirements, we could have reduced revenues and earnings.

If any of our suppliers were to cancel contracts or commitments or fail to meet the quality or delivery requirements needed to satisfy customer orders for our products, we could lose time-sensitive customer orders, have significantly decreased revenues and earnings and be subject to contractual penalties, which would have a material adverse effect on our business, results of operations and financial condition. In addition, we rely on contract manufacturers for certain of our products, and our ability to meet customer orders

16

[Table of Contents](#)

for those products depends upon the timeliness and quality of the work performed by these subcontractors, over whom we do not exercise any control.

To a certain extent, we are dependent upon the ability of our suppliers and contract manufacturers to help meet increased product or delivery requirements. It may be difficult for certain suppliers to meet delivery requirements in a period of rapid growth, therefore impacting our ability to meet our customers' demands.

Our suppliers are subject to trade regulations, including tariffs and export restrictions imposed by the United States Government and by the governments of other countries. These regulations could impact our suppliers' ability to provide us with components for our products or could increase the price of those components.

We rely on the financial strength of our suppliers. The loss of suppliers either as a result of financial viability, bankruptcy or otherwise could have a material adverse effect on our business, results of operations or financial condition.

The global supply shortage of electrical components and inflationary cost increases has impacted our ability to meet customer demand and could adversely affect our business and financial results.

The global supply shortage of electrical components, including semiconductor chips, continued to impact our supply chain in 2023. As a result, we have experienced and may experience in the future, increases in our lead times and costs for certain components for certain products. We may also experience delays in the delivery of some orders placed by our customers. In addition, in 2023, inflationary pressures have contributed to increased costs for product components and along with wage inflation which had yielded a minimal impact on the costs of our cost of products, gross margin and profit for the year. Our supply chain team, and our suppliers, continue to manage numerous supply, production and logistics obstacles. In an effort to mitigate these risks, we may in some cases, we have incurred higher costs due to investment in supply chain resiliency and to secure available inventory or have extended or placed non-cancellable purchase commitments with semiconductor suppliers, which introduces inventory risk if our forecasts and assumptions prove inaccurate. We have also sourced components from additional suppliers and multi-sourced and pre-ordered components and finished goods inventory in some cases in an effort to reduce the impact of the adverse supply chain conditions we have experienced, experienced in the past. However, if we are unable to secure manufacturing capacities from our current or new suppliers and contract manufacturers, on acceptable terms or at all, or successfully manage our purchase commitments and inventory for components, our ability to deliver our products to our customers in the desired quantities, at competitive prices or in a timely manner may be negatively impacted for 2024. Also, our suppliers and contract manufacturers have increased their prices, which increased our cost of products. 2025. We also have been, and may continue to attempt to, offset the effect of these inflationary pressures by increasing the prices of our products. However, we may not be fully able to pass additional costs on to our customers, which could have a negative impact on our results of operations and financial condition.

Our operations may be adversely impacted if our outsourced contract manufacturers or service providers fail to perform.

We depend on Flex Ltd. ("Flex") to manufacture and test our FLEX and J750 family of products from its facility in Malaysia; Plexus Corp. ("Plexus") to manufacture and test our Magnum products from its facilities in Malaysia and also Thailand and our ETS family of products from its facility in Malaysia; SAM Meerkat to manufacture and test our storage test family of products from its facilities in Malaysia and Thailand and on other contract manufacturers to manufacture other products. If for any reason these contract manufacturers cannot provide us with these products in a timely fashion, or at all, we may not be able to sell these products to our customers until we enter a similar arrangement with an alternative contract manufacturer.

If we experience a problem with our supply of products from Flex, Plexus, SAM Meerkat, or our other contract manufacturers, it may take us significant time to either manufacture the product or find an alternate contract manufacturer, which could result in substantial expense and disruption to our business.

We have also outsourced certain general and administrative functions to reputable service providers, many of which are in foreign countries, sometimes impacting communication with them because of language and time differences. Their presence in foreign countries also increases the risk they could be exposed to political and cybersecurity risk. Additionally, there may be difficulties encountered in coordinating the outsourced operations with existing functions and operations. If we fail in successfully coordinating and managing the outsourced service providers, it may cause an adverse effect on our operations which could have a material adverse effect on our business, results of operations or financial condition.

[Table of Contents](#)

Our business may suffer if we are unable to attract and retain key employees.

Competition for employees with skills we require is intense in the high technology industry. We expect intense competition for employees to continue in 2024, 2025. Our success will depend on our ability to attract and retain key technical employees. The loss of one or

[Table of Contents](#)

more key or other employees, a decrease in our ability to attract additional qualified employees, or the delay in hiring key personnel could each have a material adverse effect on our business, results of operations or financial condition.

Our operations, and the operations of our customers and suppliers, are subject to risks of natural catastrophic events, severe weather, widespread health epidemics, acts of war, terrorist attacks and the threat of domestic and international terrorist attacks, any one of which could result in cancellation of orders, delays in deliveries or other business activities, or loss of customers and could negatively affect our business and results of operations. In certain cases, our insurance policy may be insufficient to cover losses.

Our business is international in nature, with our sales, service and administrative personnel and our customers and suppliers located in numerous countries throughout the world. Our operations, and those of our customers and suppliers, are subject to disruption for a variety of reasons, including work stoppages, acts of war, terrorism, health epidemics, fires, earthquakes, hurricanes, typhoons, volcanic eruptions, energy shortages, telecommunication failures, tsunamis, flooding or other natural disasters. Such disruption could materially increase our costs and expenses as well as cause delays in, among other things, shipments of products to our customers, our ability to perform services requested by our customers, or the installation and acceptance of our products at customer sites. Any of these conditions could have a material adverse effect on our business, financial condition or results of operations.

Global climate change can result in natural disasters occurring more frequently, with greater intensity and with less predictability. For example, ***in December 2021, when*** our operations in Cebu, Philippines experienced a devastating typhoon. ***Our typhoon, our*** employees in Cebu succeeded in restoring most of our operations within days despite the severity of the damage in the region. The long-term effects of climate change on the global economy and the semiconductor industry in particular are unclear but could be severe.

Risks Related to Intellectual Property ("IP") and Cybersecurity

Third parties may claim we are infringing their intellectual property and we could suffer significant litigation costs, licensing expenses or be prevented from selling our products.

We have been sued for patent infringement and receive notifications from time to time that we may be in violation of patents held by others. An assertion of patent infringement against us, if successful, could have a material adverse effect on our ability to sell our products or it could force us to seek a license to the intellectual property rights of others or alter such products so that they no longer infringe the intellectual property rights of others. A license could be very expensive to obtain or may not be available at all. Similarly, changing our products or processes to avoid infringing the rights of others may be costly or impractical. Additionally, patent litigation could require a significant use of management resources and involve a lengthy and expensive defense, even if we eventually prevail. If we do not prevail, we might be forced to pay significant damages, obtain licenses, modify our products, or stop making our products; each of which could have a material adverse effect on our financial condition, operating results or cash flows.

If we are unable to protect our IP, we may lose a valuable asset or may incur costly litigation to protect our rights.

We protect the technology that is incorporated in our products in several ways, including through patent, copyright, trademark and trade secret protection and by contractual agreement. However, even with these protections, our IP may still be challenged, invalidated or subject to other infringement actions. While we believe that our IP has value in the aggregate, we do not believe that any single element of our IP is in itself essential. If a significant portion of our IP is invalidated or ineffective, our business could be materially adversely affected.

A breach of our operational or security systems could negatively affect our business and results of operations.

We rely on various information technology networks and systems to process, transmit and store electronic information, including proprietary and confidential data, and to carry out and support a variety of business activities, including manufacturing, research and development, supply chain management, sales and accounting. We have experienced several attempted cyber-attacks of our network. None of the attempted attacks have caused a disruption to our operations or had a material adverse effect on our business or financial results. As a result of the attempts, we have taken further preventive security measures to protect our systems. Despite ***these*** preventative security measures we have implemented, we may continue to be vulnerable to attempts by third parties to gain unauthorized access to our networks or sabotage our systems. These attempts, which might be related to criminal hackers, industrial espionage or state-sponsored intrusions, include trying to covertly introduce malware to our computers, networks and systems and impersonating authorized users. In addition, third party suppliers and service providers that we rely on to manage our networks and

[Table of Contents](#)

systems and who process and store our proprietary and confidential data, including the data of our customers and suppliers, may also be subject to similar attacks. Employees and contractors may also attempt to gain unauthorized access to our systems and steal proprietary and confidential data. Such attempts could result in the misappropriation, theft, misuse, disclosure or loss or destruction of

[Table of Contents](#)

the intellectual property, or the proprietary, confidential or personal information, of Teradyne or our employees, customers, suppliers or other third parties, as well as damage to or disruptions in our information technology networks and systems. These threats are constantly evolving and expanding, such as through the increased use of artificial intelligence in our products and expanding remote work opportunities for our employees, thereby increasing the difficulty of defending against them or implementing adequate preventative measures. While we seek to detect and investigate all security incidents and to prevent their recurrence, attempts to gain unauthorized access to our information technology networks and systems may be successful, and in some cases, we might be unaware of an incident or its magnitude and effects. A failure in or a breach of our operational or security systems or infrastructure, or those of our suppliers and other service providers, including as a result of cyber-attacks, could have a material adverse effect on our business or financial results, disrupt our business, result in the disclosure or misuse of proprietary or confidential information, damage our reputation, cause losses and increase our costs. We expect to continue to devote significant resources to the security of our information technology networks and systems.

A breach of the security of our products could negatively affect our business and results of operations.

We may be subject to security breaches of certain of our products caused by viruses, illegal break-ins or hacking, sabotage, or acts of vandalism by third parties or our employees or contractors. A breach of our product security systems could have a material adverse effect on our business or financial results, disrupt our business, result in the disclosure or misuse of proprietary or confidential information, damage our reputation, cause losses, and increase our costs. We expect to continue to devote significant resources to the security of our products.

We are exposed to risks related to the use of AI tools by us and others.

Although we are evaluating, and where we believe appropriate, incorporating AI tools into our products and operations, our use of AI tools may subject us to significant competitive, legal, regulatory and other risks, and there can be no assurance that our use of AI tools will enhance our products, business operations or result in a benefit to us. Our competitors may be more successful in their use of AI tools, including by developing superior products or improving their operations with the assistance of AI. Additionally, there could be adverse impacts from flawed algorithms. Our use of AI tools, or our customers uses of our products that incorporate AI, could also result in the loss of confidential information or intellectual property or an inability to claim or enforce intellectual property rights, as well as subject us to risks related to intellectual property infringement or misappropriation, data privacy, cybersecurity, and the unauthorized use of our data. The jurisdictions in which we conduct business have and may adopt laws and regulations related to AI, which could cause us to incur greater compliance costs, limit our use of AI tools, or subject us to legal liabilities.

Risks Related to Legal and Regulatory Compliance

The implementation of tariffs on our products may have a material impact on our business.

Our business operations and supply chain are global and may be disrupted by the implementation of tariffs.

In 2018, the United States Trade Representative imposed a 25% tariff on many lists of products, including certain Teradyne products that are made in China and imported into the United States. We have implemented On February 1, 2025, President Trump issued an executive order directing the United States to impose an additional 10% tariff on all imports from China effective February 4, 2025. We plan to implement operational changes that mitigate some of the impact of the 25% tariff these tariffs on the import of our impacted products into the United States. As a result, the existing tariff has tariffs have not had a material adverse effect on our business, financial condition or results of operations. The implementation of additional tariffs by the United States could have a material adverse effect on our business, financial condition or results of operations.

In addition to the actions taken by the United States, China has implemented retaliatory tariffs on products made in the United States and imported into China, including certain China. These tariffs have not yet impacted Teradyne products. We have implemented, if appropriate, operational changes that would mitigate the impact of the retaliatory tariffs. However, notwithstanding our efforts, the retaliatory tariffs or other trade restrictions implemented by China and possible future retaliatory actions by China or other nations could disrupt our business operations, sales and supply chain and, therefore, have a material adverse effect on our business, financial condition or results of operations.

In February, 2025, President Trump issued executive orders directing the United States to impose new or additional tariffs on certain imports from Canada, Mexico and China and subsequently announced his intention to pause such tariffs on Canada and Mexico. While we do not believe any tariffs announced to date will have a material adverse effect on our business, financial condition or results of operations, we are still evaluating the potential impact of these tariffs and any additional tariffs implemented by the

[Table of Contents](#)

Trump administration as well as any retaliatory actions by the impacted countries to our business and financial condition and outlook. The actual impact on any new tariffs is subject to a number of factors including the effective date, duration, amount, scope and nature of the tariffs, any retaliatory actions any impacted country may take, and any mitigating actions that are available.

Trade regulations and restrictions impact our ability to manufacture certain products and to sell products to and support certain customers, which may materially adversely affect our sales and results of operations.

We are subject to U.S. laws and regulations that limit and restrict the export of some of our products and services and may restrict our transactions with certain customers, business partners and other persons. In certain circumstances, export control and economic sanctions regulations prohibit the export of certain products, services and technologies, and in other circumstances are required to obtain an export license before exporting the controlled item. We must also comply with export restrictions and laws imposed by other countries affecting trade and investments. We maintain an export compliance program but there are risks that the compliance controls could be circumvented, exposing us to legal liabilities. **Compliance** As further described below, compliance with these laws has not significantly limited our sales over time, but could significantly limit them in the future. Changes in, and responses to, U.S. trade policy could reduce the competitiveness of our products and cause our sales to drop, which could have a material adverse effect on our business, financial condition or results of operations.

The U.S. government from time to time has issued export restrictions that prohibit U.S. companies from exporting U.S. manufactured products, foreign manufactured products with more than 25% controlled U.S. content, foreign made product which was produced using U.S. technology, as well as U.S. origin technology. For example, the U.S. Department of Commerce has restricted the access of U.S. origin technologies to certain Chinese semiconductor companies by adding those companies to the Entity List and the Foreign Direct Product Rule ("FDP") under U.S. Export Administration Regulations ("EAR"). On May 16, 2019, Huawei and 68 of its affiliates, including HiSilicon, were added to the U.S. Department of Commerce Entity List under EAR. On December 2, 2024, certain of our customers and prospective customers were added to the U.S. Department of Commerce Entity List or FDP under EAR. The addition of certain of these companies to the entity list and FDP has had and will continue to have an adverse impact on our business with these customers. We will take appropriate actions, including filing for licenses with the U.S. Department of Commerce to attempt to minimize the impact of the restrictions on our business.

19

[Table of Contents](#)

On May 16, 2019, Huawei and 68 of its affiliates, including HiSilicon, were added to the U.S. Department of Commerce Entity List under the EAR. This action by the U.S. Department of Commerce imposed new export licensing requirements on exports, re-exports, and in-country transfers of all U.S. regulated products, software and technology to the designated Huawei entities. On August 17, 2020, the U.S. Department of Commerce published final regulations expanding the scope of the U.S. EAR to include additional products that would become subject to export restrictions relating to Huawei entities including HiSilicon. These new regulations restrict the sale to Huawei and the designated Huawei entities of certain non-U.S. made items, such as semiconductor devices, manufactured for or sold to Huawei entities including HiSilicon under specific, detailed conditions set forth in the new regulations. These new regulations have impacted our sales to Huawei, HiSilicon and their suppliers. We are taking appropriate actions, including filing license applications and obtaining licenses from the U.S. Department of Commerce. However, we do not expect these actions will mitigate the impact of the regulations on our sales to Huawei, HiSilicon and other suppliers. As a result, the regulations will continue to have an adverse impact on our business and financial results. It is uncertain the extent these new regulations and any additional regulations that may be implemented by the U.S. Department of Commerce or other government agency may have on our business with other customers or potential customers. Also, our controls related to Entity List compliance could be circumvented, exposing us to legal liabilities.

On April 28, 2020, the U.S. Department of Commerce published new export control regulations for certain U.S. products and technology sold to military end users or for military end-use in China, Russia and Venezuela. The definition of military end user is broad. The regulations went into effect on June 29, 2020. In December 2020, the U.S. Department of Commerce issued a list of companies in China and other countries that it considered to be military end users. Compliance with the new export controls has impacted our ability to sell products to certain customers in China. In addition, while we maintain an export compliance program, our compliance controls could be circumvented, exposing us to legal liabilities. We will continue to assess the impact of these export controls on our business and operations and take appropriate actions including filing for licenses with the U.S. Department of Commerce, to ensure compliance and minimize any disruption. However, we cannot be certain that the actions we take will mitigate all the risks associated with the export controls that may impact our business.

On October 7, 2022, the U.S. Department of Commerce published regulations restricting the export to China of advanced semiconductors, supercomputer technology, equipment for the manufacturing of advanced semiconductors and components and technology for the manufacturing in China of certain semiconductor manufacturing equipment. The restrictions impacted our sales to certain companies in China and our manufacturing and development operations in China. We mitigated the impact of these restrictions on our business by obtaining licenses from the U.S. Department of Commerce. On October 17, 2023, the U.S. Department of Commerce released new rules updating the export controls issued on October 7, 2022. The new rules, which took effect on November 17, 2023, significantly limit the impact of the October 7, 2022 restrictions on our business. However, On December 2, 2024, the U.S. Department of Commerce released additional new rules updating export controls. These regulations may continue to have an adverse impact on certain

actual or potential customers and on the global semiconductor industry. To the extent the regulations impact actual and potential customers or disrupt the global semiconductor industry, our business and revenues will be adversely impacted.

In response to the regulations issued by the U.S. Department of Commerce, the Chinese government has passed new laws, including blocking legislation, which may impact our business activities in China. The Company is assessing the potential impact of these new Chinese laws and monitoring relevant laws and regulations issued by the Chinese government. The impact of these new Chinese laws on our business activities in China remains uncertain at this time.

We may be subject to product recalls and warranty and product liability claims.

We invest significant resources in the design, manufacturing and testing of our products. However, from time to time, we discover design or manufacturing defects in our products after they have been shipped and, as a result, we have incurred development and remediation costs and settled warranty and product liability claims. In addition, when our products contain defects or have reliability, quality or safety issues, we have conducted a product recall which resulted in significant repair or replacement costs and

19

[Table of Contents](#)

substantial delays in product shipments and may damage our reputation which could make it more difficult to sell our products. We could continue to have warranty and product liability claims or product recalls in the future. Any of these results could have a material adverse effect on our business, results of operations or financial condition.

We may incur significant costs of complying with present and future environmental regulations and may incur significant liabilities if we fail to comply with such environmental regulations.

We are subject to both domestic and international environmental regulations and statutory strict liability relating to the use, storage, discharge, site cleanup and disposal of hazardous chemicals used in our manufacturing processes. In addition, future regulations in response to global climate change may affect us, our suppliers, and our customers. Such regulations could cause us to incur additional direct costs for compliance, as well as increased indirect costs resulting from our customers suppliers, and/or both incurring additional compliance costs that are passed on to us suppliers. Future climate change regulations could result in decreased demand for

20

[Table of Contents](#)

our products. If we fail to comply with present and future regulations, or are required to perform site remediation, we could be subject to future liabilities or cost, including penalties or the suspension of production. Present and future regulations may also:

- restrict our ability to expand facilities;
- restrict our ability to ship certain products;
- require us to modify our operations logistics;
- require us to acquire costly equipment; or
- require us to incur other significant costs and expenses.

Pursuant to present regulations and agreements, we are conducting groundwater and subsurface assessment and monitoring and are implementing remediation and corrective action plans for facilities located in Massachusetts and New Hampshire which are no longer conducting manufacturing operations. As of December 31, 2023 December 31, 2024, we have not incurred material costs as a result of the monitoring and remediation steps taken at the Massachusetts and New Hampshire sites.

The directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (the "RoHS Directive") and the directive on Waste Electrical and Electronic Equipment (the "WEEE Directive") altered the form and manner in which electronic equipment is imported, sold and handled in the European Union. Other jurisdictions, such as China, have followed the European Union's lead in enacting legislation with respect to hazardous substances and waste removal. Ensuring compliance with the RoHS Directive, the WEEE Directive and similar legislation in other jurisdictions, and integrating compliance activities with our suppliers and customers could result in additional costs and disruption to operations and logistics and thus, could have a negative impact on our business, operations or financial condition.

We currently are, and in the future may be, subject to litigation or regulatory proceedings that could have an adverse effect on our business.

From time to time, we may be subject to litigation or other administrative, regulatory or governmental proceedings, including tax audits and resulting claims that could require significant management time and resources and cause us to incur expenses and, in the event of an adverse decision, pay damages or incur costs in an amount that could have a material adverse effect on our financial position or results of operations.

We may face risks associated with shareholder activism.

We may become subject to campaigns by shareholders advocating corporate actions such as financial restructuring, increased borrowing, special dividends, stock repurchases or divestitures. Such activities could interfere with our ability to execute our business plans, be costly and time-consuming, disrupt our operations, divert the attention of management, or result in our initiating borrowing or increasing our share repurchase plan or dividend, any of which could have an adverse effect on our business or stock price.

Provisions of our charter and by-laws and Massachusetts law may make a takeover of Teradyne more difficult.

There are provisions in our basic corporate documents and under Massachusetts law that could discourage, delay or prevent a change in control, even if a change in control may be regarded as beneficial to some or all of our stockholders.

Item 1B: Unresolved Staff Comments

None.

20

[Table of Contents](#)

Item 1C: Cybersecurity

We believe cybersecurity is critical to supporting our vision and enabling our strategy. As a producer of leading-edge electronic testing products and maker of advanced robotics, we face a multitude of cybersecurity threats that range from attacks common to most industries, such as ransomware and denial-of-service, to attacks from more advanced, persistent, and highly organized adversaries, including nation state actors, that may target us for our role in critical infrastructure sectors. Our customers, suppliers, and partners face similar cybersecurity threats and, while we have not been materially affected to date, a cybersecurity incident impacting us or any of these entities could materially adversely affect our operations, performance, and results of operations. These cybersecurity threats and related risks make it imperative that we maintain a strong focus on cybersecurity.

21

[Table of Contents](#)

Governance

The Board of Directors oversees management's processes for identifying and mitigating risks, including cybersecurity risks, to help align our risk exposure with our strategic objectives. Senior leadership, including our Chief Information Security Officer ("CISO"), ~~regularly~~ brief the Audit Committee of the Board of Directors ~~quarterly and the full Board of Directors at least annually~~ on our cybersecurity and information security posture.

The corporate information security organization, under the CISO, has implemented a governance structure and processes to assess, identify, manage, and report cybersecurity risks. The CISO chairs management's Cybersecurity Steering Committee, in which current cyber threats, program performance, and ongoing risk mitigations are regularly ~~reviewed~~ ~~reviewed~~. Cybersecurity related risks are also integrated into our overall enterprise risk management ("ERM") process. These risks are included in the risk universe that the ERM function evaluates to assess top enterprise risks on an annual basis and is reviewed and evaluated by the Board of Directors. The Board of Directors is also apprised of cybersecurity issues or incidents deemed to have a moderate or higher business impact as they arise, even if considered immaterial.

In the event of a significant incident, we intend to follow our detailed incident response playbooks, which outline the steps to be followed from incident detection through mitigation, recovery and notification, including escalation to functional areas (e.g., legal), and escalation to senior leadership via the Cybersecurity Steering Committee. Upon escalation, the Cybersecurity Steering Committee will review all inputs, assess the materiality of the incident, and then brief the Board of Directors on the determination and on how management intends to respond.

Risk management and strategy

Our global information security organization, led by our CISO, is responsible for our overall information security strategy, policy, security engineering, operations, and cyber threat detection and response. Our CISO is an experienced cybersecurity senior executive with more than 25 years of experience building and leading cybersecurity, risk management and information technology teams. The information security organization manages and continually enhances a robust enterprise security structure with the goal of preventing cybersecurity incidents to the extent feasible, while simultaneously increasing system resilience and deploying highly proficient detection and response capabilities in an effort to minimize the business impact should an incident occur.

Central to this organization is our global cyber operations team, which is responsible for the protection, detection, and response capabilities used in the defense of critical data and enterprise computing services. We also have a corporate-wide insider threat detection program to proactively identify external and internal threats and mitigate those threats in a timely manner. Our broader Teradyne employee community also has a key role in our cybersecurity defenses and is immersed in a comprehensive training and awareness curriculum to build and promote a corporate culture supportive of security.

Third parties also play a role in our cybersecurity. We engage third-party services to provide 24x7x365 monitoring, escalation, and response to cyber events. In addition to consulting on best practices, we leverage third parties for independent evaluations of our security controls through penetration testing and independent audits. These evaluations include testing both the design and operational effectiveness of security controls. We also share and receive threat intelligence with our industry peers, cybersecurity associations, and our cyber controls vendors.

We rely on contract manufacturing organizations and distributors to deliver our products to our customers, and a cybersecurity incident at one of these organizations or a key supplier could materially adversely impact us. We assess third party and supply chain cybersecurity controls through risk monitoring services tailored to align with our risk policy. Notwithstanding the extensive approach we take to cybersecurity, we may not be successful in preventing or mitigating a cybersecurity incident that could have a material adverse effect on us, either directly within our managed environment or indirectly via a third-party partner or supply chain vendor. Periodically we have a recognized independent security expert firm to assess our cyber security maturity along with risks and provide

21

[Table of Contents](#)

feedback on where we should continue to improve to mitigate exposures. We share this review with our Board and develop a security roadmap which incorporates this feedback.

Additionally, for our business that supports the defense and aerospace sector, we must comply with extensive regulations, including requirements imposed by the Defense Federal Acquisition Regulation Supplement ("DFARS") related to adequately safeguarding controlled unclassified information ("CUI") and reporting cybersecurity incidents to the DoD. We have implemented cybersecurity policies and frameworks based on industry and governmental standards to align closely with DoD requirements, instructions, and guidance. Moreover, we are pursuing the necessary controls to support the Cybersecurity Maturity Model Certification ("CMMC") program, DoD's program to ensure members of the defense industrial base meet cybersecurity requirements for handling CUI and federal contract information. We believe we are well positioned to meet the requirements of the CMMC and are preparing for certification once the requirements are effective.

22

[Table of Contents](#)

Item 2: Properties

We conduct manufacturing, engineering, sales and marketing, service, corporate administration and other operations in various leased and owned facilities throughout the world. We own approximately 720,000 square feet of office space and lease approximately 1,500,000 square feet of office space. Our corporate headquarters is in North Reading, Massachusetts, in buildings that we own consisting of which is approximately 422,000 square feet. We believe our existing facilities and planned expansions noted below are adequate to meet our current and reasonably foreseeable requirements. We regularly evaluate our expected facility needs and periodically make adjustments based on these evaluations. In 2019, we purchased land in Denmark, completed construction of an approximately 200,000 square feet, to construct a new building in Odense, Denmark, for our Robotics operations. The new building construction is expected to be completed by the first half of 2024.

Item 3: Legal Proceedings

We are subject to legal proceedings, claims and investigations that arise in the ordinary course of business such as, but not limited to, patent, employment, commercial and environmental matters. We believe that we have meritorious defenses against all pending claims and intend to vigorously contest them. While it is not possible to predict or determine the outcomes of any pending claims or to provide possible ranges of losses that may arise, we believe the potential losses associated with all these actions are unlikely to have a material adverse effect on our results of operations, financial condition or cash flows.

Item 4: Mine Safety Disclosure

Not Applicable.

2322

[Table of Contents](#)

PART II

Item 5: Market for Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities

Our common stock is traded on the Nasdaq Global Select Market under the trading symbol "TER." As of February 22, 2024 February 20, 2025, there were approximately 1,148 1,084 holders of record of shares of our common stock.

See "Item 7: Management's Discussion and Analysis of Financial Condition and Results of Operations," for information on the frequency and amounts of our quarterly cash dividends, equity compensation plans and performance graph.

The following table includes information with respect to repurchases we made of our common stock during the three months ended December 31, 2023 December 31, 2024 (in thousands except per share price):

Period	(a) Total		(b) Average		(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs		(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that may Yet Be Purchased Under the Plans or Programs	
	Number of Shares (or Units) Purchased	Price Paid per Share (or Unit)	Price Paid per Share (or Unit)	Plans or Programs	Plans or Programs	Plans or Programs	Plans or Programs	Plans or Programs
October 2, 2023 – October 29, 2023	363	\$ 97.65			362	\$	1,615,390	
October 30, 2023 – November 26, 2023	185	85.97			185		1,599,497	
November 27, 2023 – December 31, 2023	1	93.70			—		1,599,497	
	<u>549</u>	<u>(1)</u>	<u>\$ 93.70</u>	<u>(1)</u>	<u>547</u>			

Period	(a) Total		(b) Average		(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs		(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that may Yet Be Purchased Under the Plans or Programs	
	Number of Shares (or Units) Purchased	Price Paid per Share (or Unit)	Price Paid per Share (or Unit)	Plans or Programs	Plans or Programs	Plans or Programs	Plans or Programs	Plans or Programs
September 30, 2024 – October 27, 2024	104	\$ 129.01			103	\$	1,531,150	
October 28, 2024 – November 24, 2024	475	107.04			475		1,480,482	
November 25, 2024 – December 31, 2024	668	120.26			668		1,400,063	
	<u>1,247</u>	<u>(1)</u>	<u>\$ 115.95</u>	<u>(1)</u>	<u>1,246</u>			

(1) Includes approximately two thousand shares at an average price of \$94.13 \$122.14 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 in the Condensed Consolidated Statements of Convertible Common Shares and Stockholders' Equity.

(3) In January 2023, the Board of Directors cancelled the 2021 repurchase program and approved a new \$2.0 billion of common stock. Unless terminated by resolution of our Board of Directors, the repurchase program will expire when we have repurchased all shares authorized for repurchase under the share repurchase program.

We satisfy U.S. federal and state minimum withholding tax obligations due upon the vesting and the 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 6: (Reserved)

24 23

[Table of Contents](#)

Item 7: Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

We are a leading global supplier of automated test equipment and robotics products. We design, develop, manufacture and sell automated test systems and robotics products. Our automated test systems are used to test semiconductors, wireless products, data storage and complex electronics systems in many industries including consumer electronics, wireless, automotive, industrial, computing, communications, 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 automated test equipment and robotics products and services include:

- semiconductor test ("Semiconductor Test") systems;
- ~~storage robotics~~ ("Robotics") products; 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");
- and wireless test ("Wireless Test") systems (referred collectively as "All Other") 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 products both through direct sales and sales to the customer's 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 2023, the demand 2024, we saw strength in our Semiconductor Test business, continued with memory and compute offerings growing considerably compared to be impacted by a correction cycle driven by excess semiconductor inventory, primarily 2023. We expect mobile, automotive, and industrial will grow in the mobility segment 2025 and that recent advancements in AI inference may help mid-term recovery in these markets. Beyond AI compute, we are investing in other areas of the market. The depth of this slowdown semiconductor test market that offer the opportunity for accelerating long-term growth, including power semi-conductors and the timing of shift towards vertically integrated products ("VIPs"). We have seen the recovery are uncertain, however, strong automotive benefits start to materialize in 2024 and image sensor demand partially offset these declines. The growth of DDR5 and High Bandwidth Memory ("HBM") devices for data center applications continued expect them to drive demand for our products in continue through the memory market in 2023. Over the midterm, we expect the ramp of 3 nanometer and gate-all-around process technology, increasing multichip packaging, additional device complexity and unit growth will drive additional demand for Semiconductor Test mid-term.

Our 2024 was a very weak industrial automation market resulting in a year-over-year decline in Robotics segment consists of Universal Robots A/S ("UR"), a leading supplier of collaborative robotic arms, revenues while outperforming our peer group. In 2024, we built key OEM, systems integrators and Mobile Industrial Robots A/S ("MiR"), a leading maker of AMRs for industrial automation. The large account strategic partnerships which will strengthen our go to 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. Demand in the fourth quarter of 2023 increased, tied years to introduction come. Introduction of new products, and seasonally high demand in Robotics after market softness and including the impact of MiR 1200 Pallet Jack will further expand our channel transformation resulted in a weaker than forecasted first half of 2023, available markets to support our growth.

On November 7, 2023 May 27, 2024, Teradyne we paid 483.1 million Euros, equivalent to \$524.1 million, to purchase a combination of previously issued and outstanding shares and shares newly issued by Technoprobe, S.p.A. ("Technoprobe" S.p.A. ("Technoprobe")). The shares purchased represent 10% of the issued and outstanding shares of Technoprobe. We also received a leader in the design and production of probe cards, announced establishment of a strategic partnership that will seek to accelerate growth for both companies and enable higher performance semiconductor test interfaces for customers worldwide. As board seat as part of the partnership, Teradyne will make an investment purchase. Additionally, as part of 481.0 million Euros in exchange for a 10% equity investment in Technoprobe and Technoprobe will acquire 100% the transaction, we completed the sale of Teradyne's Device Interface Solutions ("DIS") business, in exchange a component of our Semiconductor Test segment, to Technoprobe for \$85.0 million.

in cash, net of cash and cash equivalents sold, and a customary working capital adjustment. The transaction is expected to close during sale resulted in a pre-tax gain of \$57.1 million recorded as 'Gain on sale of business' in the first half consolidated statement of 2024.

In 2023, inflation had minimal effect on our results. While both our test and robotics businesses may continue to be influenced by supply constraints, which could impact our revenue and costs, We do not anticipate that supply chain constraints will have a material impact on our financial results in 2024, operations.

Our financial statements are denominated in U.S. dollars. While the majority of revenues in our revenues test businesses are predominantly in U.S. dollars, approximately 70 percent the majority of our Robotics revenue is denominated in foreign currencies. There was no material impact to our 2023 results due to changes in foreign exchange rates, however, in 2022, the strengthening of the U.S. dollar was a factor in lower than forecasted revenues in our Robotics segment. Continued strengthening Strengthening of the U.S. dollar would adversely negatively affect Robotics revenue growth in 2024, 2025.

Our corporate strategy continues for our test businesses is to focus on profitably gaining grow market share while in our test businesses Robotics, we plan to profitably grow revenue through the introduction of differentiated products that target targeting expanding segments and accelerating growth through continued investment in our Robotics businesses. We markets. Our capital allocation plan will continue to continue be balanced between investing in our organic and inorganic growth while balancing capital allocations between stock and returning cash to shareholders through share repurchases and dividends and using capital for acquisitions, dividends.

25

[Table of Contents](#)

Supply Chain Constraints and Inflationary Pressures

The global supply shortage of electrical components, including semiconductor chips, impacted our supply chain in the first half of 2023. In the second half of 2023 and the full year of 2024, we saw improvements related to supply constraints and, consequently, did not experience material increases in our lead times and costs for components. In addition, in the 2023 and 2024, inflationary pressures contributed to increased costs for product components and wage inflation, which had a minimal impact on our cost of products, gross margin and profit for the year. Our supply chain team, and our suppliers, continue to manage numerous supply, production, and logistics obstacles. In an effort to mitigate these risks, in some cases, we have incurred higher costs due to investment in supply chain resiliency and to secure available inventory or have extended or placed non-cancellable purchase commitments with semiconductor suppliers, which introduces inventory risk if our forecasts and assumptions prove inaccurate. We have also sourced components from additional suppliers and multi-sourced and pre-ordered components and finished goods inventory in some cases in an effort to reduce the impact of the adverse supply chain conditions we have experienced. Though these mitigation efforts have not had a material impact on our financial results, our continuing efforts may not be successful. While our businesses could be impacted by supply constraints in the future, we do not anticipate supply chain constraints will have a material impact on our financial results in 2024, 2025.

24

[Table of Contents](#)

Government Regulations

We are subject to numerous United States and foreign laws and regulations, including, without limitation, tariffs, trade sanctions, trade barriers, trade embargoes, regulations relating to import-export control, technology transfer restrictions, and other laws and regulations. Additionally, United States and foreign governmental authorities have taken, and may continue to take, administrative, legislative or regulatory action that could impact our operations. We believe that our operations are in material compliance with applicable trade regulations. The costs we incurred in complying with applicable trade regulations for the year ended December 31, 2024 were not material, and we do not currently expect the cost of complying with existing trade laws and regulations to have a material adverse effect on our capital expenditures or earnings or on our competitive position in any one year. It is possible, however, that future developments, including changes in laws and regulations or government policies, could lead to material costs, and such costs may have a material adverse effect on our future business or prospects.

Impact of the Israel-Hamas conflict on our Business

The recent Israel-Hamas conflict could have a negative impact on our future revenue and supply chain, either of which could adversely affect our business and financial results. Our customers in Israel may experience delays in product releases due to impacts to their labor force and impacts on their suppliers because of the conflict, which could materially impact demand for our products. Similarly, our suppliers in Israel may experience delays in providing us with parts due to the conflict. In addition, the global economic uncertainty following the start of the conflict could impact demand for our products.

Impact of October 7, 2022 and October 17, 2023 U.S. Department of Commerce Regulations on our Business

On October 7, 2022, the U.S. Department of Commerce published new regulations restricting the export to China of advanced semiconductors, supercomputer technology, equipment for the manufacturing of advanced semiconductors and components and technology for the manufacturing in China of certain semiconductor manufacturing equipment. As previously disclosed, the restrictions impacted Teradyne's sales to certain companies in China and Teradyne's manufacturing and development operations in China. Teradyne mitigated the impact of these restrictions on its business by obtaining licenses from the Department of Commerce. On October 17, 2023, the Department of Commerce released new rules updating the exporting controls issued on October 7, 2022. The new rules which took effect on November 17, 2023 significantly limit the impact of the October 7, 2022 restrictions on Teradyne's business. However, the regulations may continue to have an adverse impact on certain actual or potential customers of Teradyne and on the global semiconductor industry. To the extent the regulations impact actual and potential customers or disrupt the global semiconductor industry, Teradyne's business and revenues will be adversely impacted.

See Part II—Item 1A, "Risk Factors," included herein for updates to our risk factors for information regarding risks associated with supply chain issues, international conflicts, import-export control regulations and legal similar applicable laws and regulatory compliance. For information regarding risks associated with supply chain issues, international conflicts, import-export control regulations and legal similar applicable laws and regulatory compliance, see Part II - Item 1A "Risk Factors- Risks Related to Legal and Regulatory Compliance" included elsewhere in this Form 10-K.

Critical Accounting Policies and Estimates

We have identified the policies and estimates discussed below as critical to understanding our business and our results of operations and financial condition. The impact and any associated risks related to these estimates on our business operations is discussed throughout Management's Discussion and Analysis of Financial Condition and Results of Operations where such policies affect our reported and expected financial results. For a full description of our accounting policies related to the below items refer to Note B. Accounting Policies, included in the Notes to Consolidated Financial Statements in this Annual Report.

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.

Revenue Recognition

In accordance with ASC 606, "Revenue from Contracts with Customers" ("ASC 606"), we recognize revenues, when or as control is transferred to a customer. Our determination of revenue requires judgment in the determination of performance obligations and allocation of the transaction price to performance obligations. We often sell bundled orders that include both product and services or multiple different products within the same order. We evaluate each of the deliverables to determine if it meets the definition of a performance obligation, which requires that it is capable of being distinct and distinct within the context of the contract. This

26

Table of Contents

determination is based on an assessment of contractual rights of the contract and the ability of the performance obligation to perform on its own or with readily available resources. In bundled transactions we estimate the standalone selling price of each identified performance obligation and use that estimate to allocate the transaction price among said performance obligations. The estimated standalone selling price is determined using all information reasonably available to us, including standalone transactions, market information and other observable inputs.

Equity Method Investments

We account for investments using the equity method of accounting when it has significant influence over the financial and operating policies, but not control, of the investee. The equity method investments are initially recorded at cost and included in the 'Equity method investment' in the consolidated balance sheet. We record our share of investee's net income or loss and other comprehensive income, and the amortization of equity method basis difference, calculated as the difference between the investment and the amount of underlying equity in net assets acquired, on a 3-month lag, which is applied consistently from period to period. Our share of investee's net income and the amortization of equity method basis difference are reported in 'Equity in net earnings of affiliate' in the consolidated statement of operations. We include our share of investee's other comprehensive income and a cumulative translation adjustment in the consolidated statements of comprehensive income. We monitor on an ongoing basis its equity method investments for indicators of other-than-temporary declines in fair value below carrying value.

Inventories

Inventories are stated at the lower of cost using a standard costing system which approximates cost based on a first-in, first-out basis or net realizable value. On a quarterly basis, we evaluate all inventories for net realizable value. This quarterly process identifies obsolete and excess inventory. Obsolete inventory, which represents items for which there is no demand, is fully reserved. Excess inventory, which represents inventory items that are not expected to be consumed within the forecasted demand window, is written

25

[Table of Contents](#)

down to estimated net realizable value. Forecasted demand information is obtained from the sales and marketing groups and incorporates factors such as backlog and future revenues. The demand forecast is based on assumptions around the product life and customer and market expectations.

Retirement and Postretirement Plans

We recognize net actuarial gains and losses and the change in the fair value of the plan assets in our operating results in the year in which they occur or upon any interim remeasurement of the plans. Discount rate and expected return on assets are two assumptions which are important elements of pension plan expense and asset/liability measurement. We evaluate our discount rate and expected rate of return on assets assumptions annually on a plan and country specific basis. We evaluate other assumptions related to demographic factors, such as retirement age, mortality and turnover periodically, and update them to reflect our experience and expectations for the future.

In developing the expected return on U.S. Qualified Pension Plan ("U.S. Plan") assets assumption, we evaluated input from our investment manager and pension consultants, including their forecast of asset class return expectations. We believe that **4.75% 4.65%** was an appropriate rate of return on assets to use for **2023 2024**. The **December 31, 2023 December 31, 2024** asset allocation for our U.S. Plan was 94% invested in fixed income securities, 5% invested in equity securities, and 1% invested in other securities. Our investment manager regularly reviews the actual asset allocation and periodically rebalances the portfolio to ensure alignment with our target allocations.

The discount rate that we utilized for determining future pension obligations for the U.S. Plan is based on the FTSE Pension Index adjusted for the U.S. Plan's expected cash flows and was **5.45% at December 31, 2024, up from 4.75% at December 31, 2023, down from 4.95% at December 31, 2022**. We estimate that in **2024 2025** we will recognize approximately **\$0.2 million \$0.1 million** of pension expense for the U.S. Plan. The U.S. Plan pension expense estimate for **2024 2025** is based on a **4.75% 5.45%** discount rate and a **4.65% 5.05%** return on assets. Future pension expense or income will depend on future investment performance, changes in future discount rates and various other factors related to the employee population participating in our pension plans.

Goodwill, Intangible and Long-Lived Assets

We assess goodwill for impairment at least annually in the fourth quarter, as of December 31, on a reporting unit basis, or more frequently, when events and circumstances occur indicating that the recorded goodwill may be impaired. We review intangible and 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. Goodwill impairment will be the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. Impairment of intangible and long-lived assets would result in the asset being written down to its estimated fair value. The calculated fair value of a reporting unit or intangible or long-lived asset is dependent upon discounted cash flow ("DCF") models, discount rates, and market multiples. DCF models rely on our forecasted mid-term plans which are subjective based on customer or market conditions and can change materially. We utilize third party specialists when determining discount rates and selected market multiples. A change in any of these key assumptions could result in a reporting unit, intangible asset, or long-lived asset being impaired in a future period.

Convertible Debt

We adopted Accounting Standards Update ("ASU") ASU 2020-06 – "Debt—Debt with Conversion and Other Options and Derivatives and Hedging—Contracts in Entity's Own Equity," on January 1, 2022 using the modified retrospective method of adoption. As a result of adoption, we recorded an increase of \$1.4 million to current debt for unsettled shares, an increase of \$1.8 million to deferred tax assets, an increase of \$6.6 million to long-term debt for unamortized debt discount, and an increase to retained earnings of \$94.6 million for the reclassification of the equity component. Mezzanine equity representing unsettled shares value was reduced to zero and additional paid-in capital was reduced by \$100.8 million. In accordance with ASU 2020-06, we account for a

[Table of Contents](#)

convertible debt instrument as a single liability measured at its amortized cost, as long as no other features require bifurcation and recognition as derivatives. Unsettled shares are recorded in current debt, and there is no recognition of a debt discount, which was previously amortized to interest expense. Settled shares reduce the outstanding debt balance in an amount equal to the cash paid, but do not result in any gain or loss on extinguishment. We use the if-converted method in the diluted EPS calculation for convertible instruments.

Income Taxes

Deferred tax assets and liabilities are determined based on differences between financial reporting and tax basis of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The measurement of deferred tax assets is reduced by a valuation allowance if it is

more likely than not that some or all of the deferred tax assets will not be realized. Evaluating the positive and negative evidence regarding the realization of the net deferred tax assets in accordance with ASC 740, "Accounting for Income Taxes" is a key judgment in the valuation of income taxes. This assessment included the evaluation of scheduled reversals of deferred tax liabilities, estimates of projected future taxable income and tax-planning strategies. Although realization is not assured, based on our assessment, we concluded that it is more likely than not that such assets, net of the existing valuation allowance, will be realized.

[Table of Contents](#)

Results of Operations

Information pertaining to fiscal year 2021 2022 results of operations, including a year-to-year comparison against fiscal year 2022 2023, was included in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 under Part II, Item 7, "Management's Discussion and Analysis of Financial Position and Results of Operations," which was filed with the SEC on February 22, 2023 February 22, 2024. This information is incorporated by reference herein.

The following table sets forth the percentage of total net revenues included in our consolidated statements of operations:

	Years Ended December 31,	
	2023	2022
Percentage of revenues:		
Revenues:		
Products	78.3 %	82.1 %
Services	21.7	17.9
Total revenues	100.0	100.0
Cost of revenues:		
Cost of products	33.0	33.0
Cost of services	9.6	7.8
Total cost of revenues (exclusive of acquired intangible assets amortization shown separately below)	42.6	40.8
Gross profit	57.4	59.2
Operating expenses:		
Selling and administrative	21.6	17.7
Engineering and development	15.6	14.0
Acquired intangible assets amortization	0.7	0.6
Restructuring and other	0.8	0.5
Total operating expenses	38.7	32.8
Income from operations	18.7	26.4
Non-operating (income) expenses:		
Interest income	(1.0)	(0.2)
Interest expense	0.1	0.1
Other (income) expense, net	—	(0.2)
Income before income taxes	19.6	26.6
Income tax provision	2.9	4.0
Net income	16.8 %	22.7 %

[Table of Contents](#)

	2024	2023
Percentage of revenues:		
Revenues:		
Products	81.4 %	78.3 %
Services	18.6	21.7
Total revenues	100.0	100.0
Cost of revenues:		
Cost of products	34.1	33.0
Cost of services	7.4	9.6
Total cost of revenues (exclusive of acquired intangible assets amortization shown separately below)	41.5	42.6
Gross profit	58.5	57.4
Operating expenses:		
Selling and administrative	21.9	21.6
Engineering and development	16.3	15.6
Acquired intangible assets amortization	0.7	0.7
Restructuring and other	0.6	0.8
Gain on sale of business	(2.0)	0.0
Total operating expenses	37.4	38.7
Income from operations	21.1	18.7
Non-operating (income) expenses:		
Interest income	(0.9)	(1.0)
Interest expense	0.1	0.1
Other (income) expense, net	0.2	(0.0)
Income before income taxes and equity in net earnings of affiliate	21.6	19.6
Income tax provision	2.1	2.9
Income before equity in net earnings of affiliate	19.5	16.8
Equity in net earnings of affiliate	(0.3)	0.0
Net income	19.2 %	16.8 %

Revenues

Revenues for our reportable segments were as follows:

	2022-2023		
	Dollar		
	2023	2022	Change
	(in millions)		
Semiconductor Test	\$ 1,818.6	\$ 2,080.6	\$ (262.0)
Robotics	375.2	403.1	(27.9)
System Test	338.2	469.3	(131.1)
Wireless Test	144.3	201.7	(57.4)
Corporate and Eliminations	—	0.3	(0.3)
	\$ 2,676.3	\$ 3,155.0	\$ (478.7)

	2023-2024		
	Dollar		
	2024	2023	Change
	(in millions)		
Semiconductor Test	\$ 2,123.9	\$ 1,957.2	\$ 166.7
Robotics	364.8	375.2	(10.4)
All Other	331.1	343.9	(12.8)
	\$ 2,819.9	\$ 2,676.3	\$ 143.5

The decrease in Semiconductor Test revenues of \$262.0 million \$166.7 million, or 12.6% 8.5%, was driven primarily by higher tester sales for computing, ADAS, and memory applications, partially offset by lower tester sales for compute and mobility legacy automotive applications. The decrease in Robotics revenues of \$27.9 million \$10.4 million, or 6.9% 2.8%, was driven primarily by softening demand due to slowing global industrial activity continued weakness in the Industrial Automation market and macro-economic headwinds and the impact of the transformation of Universal Robots' sales channel. The decrease in System Test revenues of \$131.1 million, or 27.9%, was primarily due to lower softer sales in Storage Test Universal Robots.

[Table of system level and hard disk drive testers. The decrease in Wireless Test revenues of \\$57.4 million, or 28.5%, was primarily due to a decrease in sales of connectivity test products.](#) [Contents](#)

Our reportable segments accounted for the following percentages of consolidated revenues:

	2023	2022	2024	2023
Semiconductor Test	68%	66%	75 %	73 %
Robotics	14	13	13	14
System Test	13	15		
Wireless Test	5	6		
All Other	12	13		
	100 %	100 %	100 %	100 %

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

	2023	2022	2024	2023
United States	16 %	15 %		
Korea	15	17	25 %	15 %
Taiwan	14	20	21	14
United States	13	16		
China	12	16	13	12
Europe	9	10		
Japan	11	5	6	11
Europe	10	9		
Singapore	3	4		
Philippines	7	4	2	7
Singapore	4	3		
Thailand	3	4	2	3
Malaysia	3	5	2	3
Rest of the World	5	2	4	5
	100 %	100 %	100 %	100 %

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

The breakout of product and service revenues was as follows:

	2022-2023		
	Dollar		
	2023	2022	Change
Product revenues	\$ 2,096.3	\$ 2,591.6	\$ (495.3)
Service revenues	580.0	563.5	16.5

\$ 2,676.3	\$ 3,155.0	\$ (478.8)
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29

[Table of Contents](#)

	2023-2024		
	Dollar Change		
	2024	2023	(in millions)
Product revenues	\$ 2,294.9	\$ 2,096.3	\$ 198.6
Service revenues	524.9	580.0	(55.1)
	\$ 2,819.9	\$ 2,676.3	\$ 143.5

Our product revenues decreased \$495.3 million increased \$198.6 million, or 19.1% 9.5%, primarily due to driven by higher tester sales for computing, ADAS, and memory applications, partially offset by lower tester sales in Semiconductor Test for compute and mobility applications, a decrease in sales in Storage Test of system level and hard disk drive testers, and a decrease in Wireless Test sales of connectivity test products. legacy automotive application. Our service revenues increased \$16.5 million decreased \$55.1 million, or 2.9% 9.5%, primarily in Semiconductor Test and Storage Test related to the sale of the DIS business on May 27, 2024.

In 2024, revenues from Samsung, a customer of our Semiconductor Test segment, accounted for 12.5% of our consolidated revenues. In 2023, revenues from Texas Instruments Inc., a customer of our Semiconductor Test segment, accounted for 10% of our consolidated revenues. In 2021, revenues from Taiwan Semiconductor Manufacturing Company Ltd., a customer of our Semiconductor Test segment, accounted for 12% of our consolidated revenues. In 2024 and 2023, and 2022, our five largest direct customers in aggregate accounted for 32% 36% and 26% 32% of our consolidated revenues, respectively. We estimate consolidated revenues driven by Qualcomm, a customer of our Semiconductor Test, System Test and Wireless Test segments, combining direct and indirect sales, accounted for approximately 11% of our consolidated revenues in 2022.

Gross Profit

	2022-2023			2023-2024		
	Dollar / Point			Dollar / Point		
	2023	2022	Change	2024	2023	Change
	\$ 1,536.7	\$ 1,867.2	\$ (330.5)	\$ 1,648.9	\$ 1,536.7	\$ 112.2
Gross profit	57.4 %	59.2 %	(1.8)	58.5 %	57.4 %	1.1
Percent of total revenues						

Gross profit as a percent of total revenues decreased increased by 1.8 1.1 points, primarily due to a lower higher volume higher spending to strengthen our supply chain, and product and service mix.

28

[Table of Contents](#)

The breakout of product and service gross profit was as follows:

	2022-2023			2023-2024		
	Dollar / Point			Dollar / Point		
	2023	2022	Change	2024	2023	Change
	\$ 1,213.4	\$ 1,549.0	\$ (335.6)	\$ 1,334.0	\$ 1,213.4	\$ 120.6
Product gross profit						

Percent of product revenues	57.9 %	59.8 %	(1.9)	58.1 %	57.9 %	0.2
Service gross profit	\$ 323.4	\$ 318.1	\$ 5.3	\$ 314.9	\$ 323.4	\$ (8.5)
Percent of service revenues	55.7 %	56.5 %	(0.8)	60.0 %	55.7 %	4.3

Product Service and product revenues gross profit percentage decreased increased by 1.9 4.3 points and 0.2 points, respectively, primarily due to lower higher volume higher spending to strengthen our supply chain, and product and service mix.

We assess the carrying value of our inventory on a quarterly basis by estimating future demand and comparing that demand against on-hand and on-order inventory positions. Forecasted revenues information is obtained from the sales and marketing groups and incorporates factors such as backlog and future revenues. This quarterly process identifies obsolete and excess inventory. Obsolete inventory, which represents items for which there is no demand, is fully reserved. Excess inventory, which represents inventory items that are not expected to be consumed within the forecasted demand window, is written down to estimated net realizable value.

During the year ended December 31, 2024, we recorded an inventory provision of \$18.9 million included in cost of revenues, primarily due to downward revisions to previously forecasted demand levels for certain products. Of the \$18.9 million of total excess and obsolete provisions, \$13.6 million was related to Semiconductor Test, \$2.3 million was related to Robotics, and \$3.1 million was related to All Other.

During the year ended December 31, 2023, we recorded an inventory provision of \$28.4 million included in cost of revenues, primarily due to downward revisions to previously forecasted demand levels for certain products. Of the \$28.4 million of total excess and obsolete provisions, \$22.5 million was related to Semiconductor Test, \$2.3 million was related to Robotics, \$1.9 million and \$3.6 million was related to System Test, and \$1.7 million was related to Wireless Test, All Other.

During the year ended December 31, 2022, we recorded an inventory provision of \$31.5 million included in cost of revenues, primarily due to downward revisions to previously forecasted demand levels for certain products. Of the \$31.5 million of total excess and obsolete provisions, \$21.5 million was related to Semiconductor Test, \$4.6 million was related to Wireless Test, \$3.7 million was related to Robotics, and \$1.7 million was related to System Test.

30

Table of Contents

During the years ended December 31, 2023 December 31, 2024 and 2022, 2023, we scrapped \$26.4 million \$10.6 million and \$8.8 million \$26.4 million of inventory, respectively, and sold \$5.2 million \$2.2 million and \$1.8 million \$5.2 million of previously written-down or written-off inventory, respectively. As of December 31, 2023 December 31, 2024, we had inventory related reserves for amounts which had been written-down or written-off totaling \$136.0 million \$141.4 million. We have no pre-determined timeline to scrap the remaining inventory.

Selling and Administrative

Selling and administrative expenses were as follows:

	2022-2023			2023-2024		
	2023	2022	Change	2024	2023	Change
	(in millions)			(in millions)		
Selling and administrative	\$ 577.3	\$ 558.1	\$ 19.2	\$ 617.0	\$ 577.3	\$ 39.7
Percent of total revenues	21.6 %	17.7 %		21.9 %	21.6 %	

The increase of \$19.2 million \$39.7 million in selling and administrative expenses was primarily due to the charge of \$5.9 million related to the modification of Teradyne's chief executive officer's outstanding equity awards in connection with his retirement and higher sales and marketing spending in Robotics and Semiconductor Test.

Engineering and Development

Engineering and development expenses were as follows:

	2022-2023			2023-2024		
	2023	2022	Change	2024	2023	Change
	(in millions)			(in millions)		
Engineering and development	\$ 418.1	\$ 440.6	\$ (22.5)	\$ 460.9	\$ 418.1	\$ 42.8
Percent of total revenues	15.6 %	14.0 %		16.3 %	15.6 %	

[Table of Contents](#)

The decrease increase of \$22.5 million \$42.8 million in engineering and development expenses was primarily due to lower variable compensation and higher spending in Semiconductor Test, partially offset by higher spending in Robotics Test.

Restructuring and Other

During the year ended December 31, 2024, we recorded \$5.2 million of severance charges related to headcount reductions of 98 people primarily in Robotics and Semiconductor Test, which included charges related to a voluntary early retirement program for employees meeting certain conditions, \$3.6 million of acquisition and divestiture expenses, and \$1.3 million of charges related to lease terminations.

During the year ended December 31, 2023, we recorded a charge of \$14.7 million of severance charges related to headcount reductions of 215 people primarily in Semiconductor Test and Robotics, which included charges related to a voluntary early retirement program for employees meeting certain conditions, \$3.1 million of acquisition and divestiture expenses related to the Technoprobe transaction, a \$1.5 million contract termination charge, and a charge of \$1.1 million for an increase in environmental liability.

During the year ended December 31, 2022, we recorded a charge of \$14.7 million related to the arbitration claim filed against Teradyne and AutoGuide related to an earn-out dispute which was settled on March 25, 2022 for \$26.7 million, \$2.9 million of severance charges primarily in Robotics, and a charge of \$2.7 million for an increase in environmental and legal liabilities, partially offset by a \$3.4 million gain on sale of an asset.

Interest and Other

	2022-2023			2023-2024		
	2023	2022	Change	2024	2023	Change
	(in millions)			(in millions)		
Interest income	\$ (27.3)	\$ (6.4)	\$ (20.9)	\$ (24.8)	\$ (27.3)	\$ 2.5
Interest expense	3.8	3.7	0.1	3.6	3.8	(0.2)
Other (income) expense, net	(1.0)	(5.8)	4.8	5.9	(1.0)	6.8

Interest income increased by \$20.9 million due to higher interest rates in 2023. Other (income) expense, net decreased by \$4.8 million \$6.8 million primarily due to the change in pension actuarial gains/losses, from a \$25.6 million gain in 2022 to a \$2.7 million \$9.8 million loss in 2023, partially offset by the change in unrealized gains/losses on equity securities, from a \$9.7 million loss in 2022 to a \$7.2 million gain in 2023, and a \$7.5 million unrealized gain on our call option purchased in connection with our agreement to acquire a 10% investment in Technoprobe S.p.A. S.p.A, partially offset by the change in pension actuarial gains/losses, from a \$2.7 million loss in 2023 to a \$4.4 million gain in 2024.

[Table of Contents](#)

Income (Loss) Before Income Taxes

	2022-2023			2023-2024		
	2023	2022	Change	2024	2023	Change
	(in millions)			(in millions)		
Semiconductor Test	\$ 453.3	\$ 634.5	\$ (181.2)	\$ 558.2	\$ 498.5	\$ 59.7
System Test	94.1	166.9	(72.8)			
Wireless Test	30.6	66.8	(36.2)			
Robotics	(54.3)	(16.2)	(38.1)	(77.6)	(54.3)	(23.3)
All Other	65.7	79.5	(13.8)			
Corporate and Eliminations (1)	1.9	(11.6)	13.5	62.7	1.9	60.8

\$ 525.6	\$ 840.4	\$ (314.8)	\$ 609.1	\$ 525.6	\$ 83.5
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(1) Included in Corporate and Eliminations are gain on sale of business, interest income, interest expense, net foreign exchange gains (losses), intercompany eliminations, employee severance charges, pension and postretirement plan actuarial gains (losses), legal and environmental fees, acquisition and divestiture related expenses, fees, legal and environmental fees, contract termination settlement charge, and an expense for the modification of Teradyne's former chief executive officer's outstanding equity awards.

The decrease increase in income before income taxes in Semiconductor Test was driven primarily by higher tester sales for computing, ADAS, and memory applications, partially offset by lower tester sales for compute and mobility applications. The decrease in income before income taxes in System Test was primarily due to lower sales in Storage Test of system level and hard disk drive testers. The decrease in income before income taxes in Wireless Test was driven primarily by a decrease in sales of connectivity test products, legacy automotive application. The decrease in income before income taxes in Robotics was primarily driven primarily by softening demand due to slowing global industrial activity continued weakness in the Industrial Automation market and macro-economic headwinds and the impact of the transformation of softer sales in Universal Robots sales channel, along with higher selling and administrative costs. The increase decrease in income before income taxes in Corporate and Eliminations All Other was driven primarily due to legal settlement charges by a decrease in 2022 related to litigation for the earn-out dispute in connection with the AutoGuide acquisition, changes in unrealized gains/losses on equity securities and higher interest income, sales of Wireless Test products.

Income Taxes

Income tax expense for 2024 and 2023 totaled \$59.5 million and 2022 totaled \$76.8 million and \$124.9 million, respectively. The effective tax rate for 2024 and 2023 was 9.8% and 2022 was 14.6% and 14.9%, respectively.

30

Table of Contents

The decrease in the effective tax rate from 2022 2023 to 2023 2024 is primarily attributable to increases a shift in the geographic distribution of income which resulted in a reduction in income in higher tax rate foreign jurisdictions, the benefit of the release of reserves for uncertain tax positions as a result of the expiration of statute and a decrease in non-deductible officer's compensation. These decreases in expense were partially offset by reductions in benefits from foreign tax credits, U.S research and development credits and the U.S. foreign derived intangible income deduction. These decreases in expense were partially offset by a shift in the geographic distribution of income, which increased the income subject to taxation in higher tax rate jurisdictions relative to lower tax rate jurisdictions and a reduction in benefit from equity compensation.

We qualify 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 attributable to the Singapore tax holiday for the years ended December 31, 2023 December 31, 2024 and 2022 2023 were \$1.4 million \$17.1 million or \$0.01 \$0.10 per diluted share and \$16.0 million \$1.4 million or \$0.09 \$0.01 per diluted share, respectively. In November 2020, we 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. The new tax holiday is scheduled to expire on December 31, 2025.

Capital Resources and Material Cash Requirements

Our cash, cash equivalents and marketable securities balance decreased by \$68.0 million \$213.4 million in 2023 2024 to \$937.2 million \$723.8 million. Cash decreased due to investments in businesses for \$532.1 million, stock repurchases in the amount of \$397.2 million \$198.6 million, and quarterly cash dividend payments in the amount of \$67.9 million, and payments of convertible debt principal in the amount of \$50.3 million \$76.4 million, partially offset by proceeds from the sale of business and cash generated by our global operations.

Operating activities during 2024 provided cash of \$672.2 million. Changes in operating assets and liabilities used cash of \$23.9 million. This was due to a \$75.5 million decrease in operating assets and a \$51.6 million decrease in operating liabilities.

The decrease in operating assets was primarily due to a decrease in other assets and inventory of \$119.5 million and \$8.7 million respectively, partially offset by a \$52.7 million increase in accounts receivable, driven by higher sales at year-end.

The decrease in operating liabilities was due to a \$48.2 million decrease in accounts payable, a \$6.2 million decrease in other accrued compensation, \$5.8 million of retirement plan contributions, and a \$3.6 million decrease in income taxes, partially offset by a \$12.2 million increase in deferred revenue and customer advance payments.

Investing activities during 2024 used cash of \$622.3 million, comprised of \$532.1 million used for investments in businesses, \$198.1 million used for purchases of property, plant and equipment, and \$45.8 million used for purchases of marketable securities, partially offset by \$90.3 million in proceeds from the sale of a business, \$38.4 million and \$24.0 million in proceeds from the maturities and sales of marketable securities, respectively, and \$0.9 million in proceeds from life insurance.

Financing activities during 2024 used cash of \$251.8 million, due to \$198.6 million used for the repurchase of 1.7 million shares of common stock at an average price of \$114.63 per share, \$76.4 million used for dividend payments, and \$14.1 million used for payments related to net settlement of employee stock compensation awards, partially offset by \$37.3 million from the issuance of common stock under employee stock purchase and stock option plans.

Operating activities during 2023 provided cash of \$585.2 million. Changes in operating assets and liabilities used cash of \$9.6 million. This was due to a \$33.2 million decrease in operating assets and a \$42.8 million decrease in operating liabilities.

The decrease in operating assets was due to a \$71.0 million decrease in accounts receivable due to lower sales and a \$5.3 million decrease in inventories, partially offset by a \$43.1 million increase in prepayments and other assets due to prepayments to our contract manufacturers.

32

[Table of Contents](#)

The decrease in operating liabilities was due to a \$57.2 million decrease in deferred revenue and customer advance payments, a \$26.9 million decrease in income taxes, a \$21.2 million decrease in accrued employee compensation, and \$5.5 million of retirement plan contributions, partially offset by a \$45.0 million increase in accounts payable, and a \$23.0 million increase in other accrued liabilities.

Investing activities during 2023 used cash of \$179.6 million, due to \$161.9 million used for purchases of marketable securities, \$159.6 million used for purchases of property, plant and equipment, and \$5.0 million used for issuance of convertible loan, loans, partially offset by \$85.0 million and \$61.4 million in proceeds from maturities and sales of marketable securities, respectively, and \$0.5 million in proceeds from the cancellation of Teradyne owned life insurance policies related to the cash surrender value.

Financing activities during 2023 used cash of \$501.9 million, due to \$397.2 million used for the repurchase of 3.9 million shares of common stock at an average price of \$102.47 per share, \$67.9 million used for dividend payments, \$50.3 million used for the

31

[Table of Contents](#)

payments of convertible debt principal, and \$20.8 million used for payments related to net settlement of employee stock compensation awards, partially offset by \$34.3 million from the issuance of common stock under employee stock purchase and stock option plans.

Operating activities during 2022 provided In January 2024, May 2024, August 2024 and November 2024, our Board of Directors declared a quarterly cash dividend of \$577.9 million. Changes in operating assets and liabilities used cash of \$272.6 million. This was due to a \$170.9 million increase in operating assets and a \$101.7 million decrease in operating liabilities.

The increase in operating assets was due to a \$140.7 million increase in prepayments and other assets due to prepayments to our contract manufacturers, and an \$80.8 million increase in inventories, partially offset by a \$50.6 million decrease in accounts receivable due to lower sales.

The decrease in operating liabilities was due to a \$40.3 million decrease in accrued employee compensation, a \$29.8 million decrease in income taxes, a \$10.8 million decrease in accounts payable, a \$9.3 million decrease in other accrued liabilities, a \$6.2 million decrease in deferred revenue and customer advance payments, and \$5.1 million of retirement plan contributions.

Investing activities during 2022 provided cash of \$43.8 million, due to \$268.1 million and \$222.9 million in proceeds from sales and maturities of marketable securities, respectively, \$3.4 million due to sale of an asset, partially offset by \$287.4 million used for purchases of marketable securities and \$163.2 million used for purchases of property, plant and equipment.

Financing activities during 2022 used cash of \$893.0 million, due to \$752.1 million used for the repurchase of 7.3 million shares of common stock at an average price of \$103.69 \$0.12 per share, \$69.7 million used for share. Total dividend payments \$66.8 million used for the payments of convertible debt principal, and \$33.2 million used for payments related to net settlement of employee stock compensation awards, partially offset by \$28.7 million from the issuance of common stock under employee stock purchase and stock option plans.

in 2024 were \$76.4 million. In January 2023, May 2023, August 2023 and November 2023, our Board of Directors declared a quarterly cash dividend of \$0.11 per share. Total dividend payments in 2023 were \$67.9 million. In January 2022, May 2022, August 2022 and November 2022, our Board of Directors declared a quarterly cash dividend of \$0.11 per share. Total dividend payments in 2022 were \$69.7 million.

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. In 2024, we repurchased 1.7 million shares of common stock for \$198.6 million, which excludes related excise tax, at an average price of \$114.63 per share. In 2023, we repurchased 3.9 million shares of common stock for \$397.2 million, which excludes related excise tax, at an average price of \$102.47 per share. In 2022, we repurchased 7.3 million shares of common stock for \$752.1 million at an average price of \$103.69 per share against the 2021 2023 repurchase program. The cumulative repurchases as of December 31, 2022 December 31, 2024, under the 2021 2023 repurchase program, were 12.0 million 5.6 million shares of common stock for \$1,352.1 million \$595.2 million, exclusive of tax, at an average price per share of \$112.44, \$106.21. In 2024 2025, we intend to repurchase up to \$90.0 million \$400.0 million.

While we 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. Future cash 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 November 7, 2023 May 27, 2024, Teradyne announced we paid 483.1 million Euros, equivalent to \$524.1 million, to purchase a strategic partnership with combination of previously issued and outstanding shares and shares newly issued by Technoprobe, S.p.A including Teradyne's agreement S.p.A. ("Technoprobe"). The shares purchased represent 10% of the issued and outstanding shares of Technoprobe. We also received a board seat as part of the purchase. Additionally, as part of the transaction, we completed the sale of the Device Interface Solutions ("DIS") business, a component of the Semiconductor Test segment, to acquire a 10% equity investment in Technoprobe for 481.0 million Euros. Teradyne will face \$85.0 million in cash, net of cash and cash equivalents sold, and a three year restriction customary working capital adjustment. The sale resulted in a pre-tax gain of \$57.1 million recorded as 'Gain on sale of business' in the transfer or disposition consolidated statement of the Technoprobe shares upon closing of the agreement, subject to certain early termination events, operations.

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. On November 7, 2023, the Credit Agreement was amended to allow for the purchase of the shares of Technoprobe. On May 16, 2024, we borrowed \$185.0 million under the credit agreement to partially fund the acquisition of 10% of the issued and outstanding shares of Technoprobe. We fully repaid our borrowings on the revolving credit facility prior to December 31, 2024. As of February 22, 2023 February 20, 2025, we have not borrowed any funds there are no outstanding borrowings under the credit facility.

33

[Table of Contents](#)

We expect operations to continue to be the primary source of cash to operate the business and meet material cash commitments, including any payments of convertible debt principal, our stock repurchase program, our quarterly dividends, our office lease obligations, contractual obligations related to inventory purchases and the construction of new facilities. We believe our cash, cash equivalents and marketable securities balance 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 earnings.

At December 31, 2023 December 31, 2024, our future contractual obligations were related to debt, leases, retirement plan liabilities, deferred tax benefits, and purchase obligations. See Note J, K, "Debt", Note I, J, "Leases", Note P, Q, "Retirement Plans", and Note S, T, "Income Taxes" of Notes to Consolidated Financial Statements in this Annual Report for information about those obligations, which Notes are incorporated by reference into this section. Our purchase obligations were approximately \$414.4 million \$419.8 million, with \$379.1 million \$409.6 million expected to be paid within twelve months.

Retirement Plans

ASC 715-20, "Compensation—Retirement Benefits—Defined Benefit Plans," requires an employer with defined benefit plans or 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 715-20. The pension asset or liability represents the difference between the fair value of the pension plans' assets and the projected benefit obligation as of December 31. For other postretirement benefit plans, the liability is the difference between the fair value of the plan's assets and the accumulated postretirement benefit obligation as of December 31.

For the year ended December 31, 2023 December 31, 2024, our pension expense, which includes the U.S. Qualified Pension Plan ("U.S. Plan"), certain qualified plans for non-U.S. subsidiaries, and a U.S. Supplemental Executive Defined Benefit Plan, was approximately \$6.8 million \$0.1 million. Pension expense is calculated based upon a number of actuarial assumptions. Discount rate and expected return on assets are two assumptions which are important elements of pension plan expense and asset/liability measurement. We evaluate our discount rate and expected rate of return on assets assumptions annually on a plan and country specific basis. We evaluate other assumptions related

32

[Table of Contents](#)

to demographic factors, such as retirement age, mortality and turnover periodically, and update them to reflect our experience and expectations for the future.

In developing the expected return on U.S. Plan assets assumption, we evaluated input from our investment manager and pension consultants, including their forecast of asset class return expectations. We believe that 4.75% 4.65% was an appropriate rate of return on assets to use for 2023, 2024. The December 31, 2023 December 31, 2024 asset allocation for our U.S. Plan was 94% 94.0% invested in fixed income securities, 5% invested in equity securities, and 1% invested in other securities. Our investment manager regularly reviews the actual asset allocation and periodically rebalances the portfolio to ensure alignment with our target allocations.

We recognize net actuarial gains and losses and the change in the fair value of plan assets in our operating results in the year in which they occur or upon any interim remeasurement of the plans. We calculate the expected return on plan assets using the fair value of the plan assets. Actuarial gains and losses are generally measured annually as of December 31 and, accordingly, recorded during the fourth quarter of each year or upon any interim remeasurement of the plans.

The discount rate that we utilized for determining future pension obligations for the U.S. Plan is based on the FTSE Pension Index adjusted for the U.S. Plan's expected cash flows and was 5.45% at December 31, 2024, up from 4.75% at December 31, 2023, down from 4.95% at December 31, 2022. We estimate that in 2024, 2025, we will recognize approximately \$0.2 million \$0.1 million of pension expense for the U.S. Plan. The U.S. Plan pension expense estimate for 2024, 2025 is based on a 4.75% 5.45% discount rate and a 4.65% 5.05% return on assets. Future pension expense or income will depend on future investment performance, changes in future discount rates and various other factors related to the employee population participating in our pension plans.

As of December 31, 2023 December 31, 2024, our pension plans had no unrecognized pension prior service cost.

The assets of the U.S. Plan consist substantially of fixed income securities. U.S. Plan assets have increased decreased from \$111.8 million at December 31, 2022 to \$112.6 million at December 31, 2023 to \$81.4 million at December 31, 2024, while the U.S. Plan's liability increased decreased from \$100.0 million at December 31, 2022 to \$101.1 million at December 31, 2023 to \$69.4 million at December 31, 2024.

Our funding policy is to make contributions to our pension plans in accordance with local laws and to the extent that such contributions are tax deductible. During 2023, 2024, we made contributions of \$3.1 million to the U.S. supplemental executive defined benefit pension plan, and \$1.0 million to certain qualified plans for non-U.S. subsidiaries. In 2024, 2025, we expect to contribute approximately \$3.1 million \$3.3 million to the U.S. supplemental executive defined benefit pension plan. Contributions to be made in 2024, 2025 to certain qualified plans for non-U.S. subsidiaries are based on local statutory requirements and are estimated at approximately \$1.4 million \$1.1 million.

34

Table of Contents

Equity Compensation Plans

In addition to our 1996 Employee Stock Purchase Plan discussed in Note Q, R, "Stock-Based Compensation" in Notes to Consolidated Financial Statements, we have a 2006 Equity and Cash Compensation Incentive Plan (the "2006 Equity Plan") under which equity securities are authorized for issuance. The 2006 Equity Plan was initially approved by stockholders on May 25, 2006.

At our annual meeting of stockholders held May 21, 2013, our stockholders approved an amendment to the 2006 Equity Plan to increase the number of shares issuable thereunder by 10.0 million, for an aggregate of 32.0 million shares issuable thereunder, and our stockholders also approved an amendment to our 1996 Employee Stock Purchase Plan to increase the number of shares issuable thereunder by 5.0 million, for an aggregate of 30.4 million shares issuable thereunder. At our annual meeting of stockholders held May 12, 2015, our stockholders approved an amendment to the 2006 Equity Plan to extend its term until May 12, 2025. At our annual meeting of stockholders held May 7, 2021, our stockholders approved an amendment to our 1996 Employee Stock Purchase Plan to increase the number of shares issuable thereunder by 3.0 million, for an aggregate of 33.4 million shares issuable thereunder.

The following table presents information about these plans as of December 31, 2023 December 31, 2024 (share numbers in thousands):

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights			Number of securities to be issued upon exercise of outstanding options, warrants and rights		
	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities available for future issuance under equity compensation plans (excluding securities reflected in column one)	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities available for future issuance under equity compensation plans (excluding securities reflected in column one)		

Equity plans approved by shareholders	1,548 (1)	\$ 94.85	7,863 (2)	1,668 (1)	\$ 99.51	6,862 (2)
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(1) Includes 1,377,662 1,527,351 shares of restricted stock units that are not included in the calculation of the weighted average exercise price.

33

[Table of Contents](#)

(2) Consists of 4,352,428 3,638,237 securities available for issuance under the 2006 Equity Plan and 3,510,784 3,224,044 of securities available for issuance under the Employee Purchase Plan.

The purpose of the 2006 Equity Plan is to motivate employees, officers and directors by providing equity ownership and compensation opportunities in Teradyne. The aggregate number of shares available under the 2006 Equity Plan as of December 31, 2023 December 31, 2024 was 4,352,428 3,638,237 shares of our common stock. The 2006 Equity Plan authorizes the grant of stock-based awards in the form of (1) non-qualified and incentive stock options, (2) stock appreciation rights, (3) restricted stock awards and restricted stock unit awards, (4) phantom stock, and (5) other stock-based awards. Awards may be tied to time-based vesting schedules and/or performance-based vesting measured by reference to performance criteria chosen by the Compensation Committee of the Board of Directors, which administers the 2006 Equity Plan. Awards may be made to any employee, officer, consultant and advisor of Teradyne and our subsidiaries, as well as to our directors. The maximum number of shares of stock-based awards that may be granted to one participant during any one fiscal year is 2,000,000 shares of common stock.

As of December 31, 2023 December 31, 2024, total unrecognized compensation expense related to non-vested restricted stock units and options was \$73.7 million \$82.6 million and is expected to be recognized over a weighted average period of 2.5 years.

35

[Table of Contents](#)

Performance Graph

The following graph compares the change in our cumulative total shareholder return in our common stock with (i) the Standard & Poor's 500 Index and (ii) the Morningstar Global Semiconductor Equipment & Materials GR USD Industry Group. The comparison assumes \$100.00 was invested on December 31, 2018 December 31, 2019 in our common stock and in each of the foregoing indices and assumes reinvestment of dividends, if any. Historic stock price performance is not necessarily indicative of future price performance.



Recently Issued Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") No. 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures", which will require requires 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 a 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. We retrospectively adopted and complied with this standard for the annual period ending December 31, 2024. See Note U: "Segment, Geographic and Significant Customer Information." The new adoption of this 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 had 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.

34

[Table of Contents](#)

In December 2023, the FASB issued ASU 2023-09 –“Income Taxes (Topic 740): Improvements to Income 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. We are currently evaluating the impact of this new standard.

In November 2024, the FASB issued ASU 2024-03 –“Income Statement - Reporting Comprehensive Income -Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses”, which requires disclosure of additional expense information on an annual and interim basis, including the amounts of inventory purchases, employee compensation, depreciation and intangible amortization included within each income statement expense caption. This standard is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. The amendments in this update should be applied on a prospective basis, but retrospective application is permitted. We are currently evaluating the impact of this new standard.

Item 7A: Quantitative and Qualitative Disclosures about Market Risks

Concentration of Credit Risk

Financial instruments which potentially subject us to concentrations of credit risk consist principally of cash equivalents, marketable securities, forward currency contracts and accounts receivable. Our cash equivalents consist primarily of money market funds invested in U.S. Treasuries and government agencies. Our fixed income available-for-sale marketable securities have a minimum rating of AA by one or more of the major credit rating agencies. We place forward currency contracts with high credit-quality financial institutions in order to minimize credit risk exposure. Concentrations of credit risk with respect to accounts receivable

36

Table of Contents

are limited due to the large number of geographically dispersed customers. We perform ongoing credit evaluations of our customers' financial condition and from time to time may require customers to provide a letter of credit from a bank to secure accounts receivable. As of December 31, 2024, two customers of our Semiconductor Test segment, Taiwan Semiconductor Manufacturing Co. and SK Hynix Inc, each accounted for 10% of our accounts receivable balance. As of December 31, 2023, a customer of our Semiconductor Test segment, Texas Instruments Inc., accounted for 18% of our accounts receivable balance. There were no customers who accounted for more than 10% of our accounts receivable balance as of December 31, 2022.

Exchange Rate Risk Management

We regularly enter into foreign currency forward contracts to hedge the value of our monetary assets and liabilities in Japanese Yen, British Pound, Korean Won, Taiwan Dollar, Singapore Dollar, Euro, Philippine Peso, Chinese Yuan, and Danish Krone. These foreign currency forward contracts have maturities of approximately one month. These contracts are used to minimize the effect of exchange rate fluctuations associated with the remeasurement of monetary assets and liabilities.

We also enter into foreign currency forward contracts to hedge the impact of exchange rates on our revenues in Japanese Yen and Taiwan Dollar. These contracts have maturities of less than one year. We do not engage in currency speculation.

On November 7, 2023, in connection with our agreement to acquire 10% investment in Technoprobe S.p.A, we purchased a call option to buy 481.0 million Euros. The expiration date of the option is April 26, 2024. Since the transaction price was agreed Euros, which expired in April 2024. On April 12, 2024, we entered into a forward to inbuy 481.0 million Euros, this option contract reduces the impact to the purchase price of changes in the Euro to U.S. Dollar exchange rate, which expired on May 23, 2024.

We performed a sensitivity analysis assuming a hypothetical 10% fluctuation in foreign exchange rates to the hedging contracts and the underlying exposures described above. As of December 31, 2023 December 31, 2024 and 2022, 2023, the analysis indicated that these hypothetical market movements would not have a material effect on our consolidated financial position, results of operations or cash flows.

Interest Rate Risk Management

We are exposed to potential losses due to changes in interest rates. Our interest rate exposure is primarily related to short-term and long-term marketable securities.

In order to estimate the potential loss due to interest rate risk, a fluctuation in interest rates of 25 basis points was assumed. Market risk for the short and long-term marketable securities was estimated as the potential change in the fair value resulting from a hypothetical change in interest rates for securities contained in the investment portfolio. The potential change in the fair value from changes in interest rates is immaterial as of December 31, 2023 December 31, 2024 and 2022, 2023.

37 35

[Table of Contents](#)

Item 8: Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Teradyne, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Teradyne, Inc. and its subsidiaries (the "Company" "Company") as of **December 31, 2023** December 31, 2024 and **2022**, 2023, and the related consolidated statements of operations, of comprehensive income, of convertible common shares and shareholders' equity and of cash flows for each of the three years in the period ended **December 31, 2023** December 31, 2024, including the related notes and schedule of valuation and qualifying accounts for each of the three years in the period ended **December 31, 2023** December 31, 2024 appearing under Item 15(c) (collectively referred to as the "consolidated" "consolidated financial statements" "statements"). We also have audited the Company's internal control over financial reporting as of **December 31, 2023** December 31, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of **December 31, 2023** December 31, 2024 and **2022**, 2023, and the results of its operations and its cash flows for each of the three years in the period ended **December 31, 2023** December 31, 2024, in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of **December 31, 2023** December 31, 2024, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Changes Change in Accounting Principles Principle

As discussed in Note B to the consolidated financial statements, the Company changed the manner in which it accounts for convertible debt in 2022.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in

[Table of Contents](#)

accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue Recognition - Certain Product Revenue

As described in Note B to the consolidated financial statements, the Company recognizes revenue for transactions that do not meet the criteria for over time recognition, at a point in time when shipped or delivered based on contractual terms. The transaction price is the amount of consideration the Company expects to be entitled to in exchange for such products, which is generally at contractually stated prices. The Company's total product revenue was ~~\$2.1 billion~~ \$2.3 billion for the year ended ~~December 31, 2023~~ December 31, 2024, of which a majority relates to certain product revenue.

The principal consideration for our determination that performing procedures relating to revenue recognition for certain product revenue is a critical audit matter is a high degree of auditor effort in performing procedures related to revenue recognition for certain of the Company's product revenue.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the recognition process for certain product revenue. These procedures also included, among others (i) testing the ~~completeness, accuracy, and occurrence of~~ revenue recognized for a sample of certain product revenue transactions by obtaining and inspecting source documents, such as purchase orders, invoices, and proof of shipment or delivery; (ii) testing the ~~cut off timing~~ of revenue recognized for a sample of certain product revenue transactions that occurred near period end by obtaining and inspecting source documents, such as purchase orders, invoices, and proof of shipment or delivery; and (iii) confirming testing a sample of outstanding customer invoice balances as of ~~December 31, 2023 and, for confirmations not returned, December 31, 2024~~ by obtaining and inspecting source documents, such as purchase orders, invoices, proof of shipment or delivery, and subsequent cash receipts.

/s/ PricewaterhouseCoopers LLP
Boston, Massachusetts
February 22, 2024

We have served as the Company's auditor since 1968.

3937

[Table of Contents](#)**TERADYNE, INC.****CONSOLIDATED BALANCE SHEETS**

December 31,		December 31,	
2023	2022	2024	2023

	(in thousands, except per share amount)		(in thousands, except per share amount)	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 757,571	\$ 854,773	\$ 553,354	\$ 757,571
Marketable securities	62,154	39,612	46,312	62,154
Accounts receivable, less allowance for credit losses of \$1,988 and \$1,955 in 2023 and 2022, respectively	422,124	491,145		
Accounts receivable, less allowance for credit losses of \$2,111 and \$1,988 in 2024 and 2023, respectively	471,426	422,124		
Inventories, net	309,974	325,019	298,492	309,974
Prepayments	548,970	532,962	429,086	548,970
Other current assets	37,992	14,404	17,727	37,992
Current assets held for sale	23,250	—	—	23,250
Total current assets	2,162,035	2,257,915	1,816,397	2,162,035
Property, plant and equipment, net	445,492	418,683	508,171	445,492
Operating lease right-of-use assets, net	73,417	73,734	70,185	73,417
Marketable securities	117,434	110,777	124,121	117,434
Deferred tax assets	175,775	142,784	222,438	175,775
Retirement plans assets	11,504	11,761	11,994	11,504
Equity Method Investment	494,494	—		
Other assets	38,580	28,925	49,620	38,580
Acquired intangible assets, net	35,404	53,478	15,927	35,404
Goodwill	415,652	403,195	395,367	415,652
Long-term assets held for sale	11,531	—	—	11,531
Total assets	\$ 3,486,824	\$ 3,501,252	\$ 3,708,714	\$ 3,486,824
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 180,131	\$ 139,722	\$ 134,792	\$ 180,131
Accrued employees' compensation and withholdings	191,750	212,266	204,991	191,750
Deferred revenue and customer advances	99,804	148,285	107,710	99,804
Other accrued liabilities	114,712	112,271	90,777	114,712
Operating lease liabilities	17,522	18,594	18,699	17,522
Income taxes payable	48,653	65,010	67,610	48,653
Current debt	—	50,115		
Current liabilities held for sale	7,379	—	—	7,379
Total current liabilities	659,951	746,263	624,579	659,951
Retirement plans liabilities	132,090	116,005	133,338	132,090
Long-term deferred revenue and customer advances	37,282	45,131	40,505	37,282
Deferred tax liabilities	183	3,267	1,038	183
Long-term other accrued liabilities	19,998	15,981	7,442	19,998
Long-term operating lease liabilities	65,092	64,176	57,922	65,092
Long-term income taxes payable	44,331	59,135	24,596	44,331
Long-term liabilities held for sale	2,000	—	—	2,000
Total liabilities	960,927	1,049,958	889,420	960,927
Commitments and contingencies (Note M)				
Commitments and contingencies (Note N)				
SHAREHOLDERS' EQUITY				
Common stock, \$0.125 par value, 1,000,000 shares authorized, 152,698 and 155,759 shares issued and outstanding at December 31, 2023 and 2022, respectively	19,087	19,470		

Common stock, \$0.125 par value, 1,000,000 shares authorized, 161,722 and 152,698 shares issued and outstanding at December 31, 2024 and 2023, respectively	20,215	19,087		
Additional paid-in capital	1,827,274	1,755,963	1,909,538	1,827,274
Accumulated other comprehensive loss	(26,978)	(49,868)	(81,220)	(26,978)
Retained earnings	706,514	725,729	970,761	706,514
Total shareholders' equity	2,525,897	2,451,294	2,819,294	2,525,897
Total liabilities, convertible common shares and shareholders' equity	\$ 3,486,824	\$ 3,501,252		
Total liabilities and shareholders' equity	\$ 3,708,714	\$ 3,486,824		

The accompanying notes are an integral part of the consolidated financial statements.

4038

Table of Contents

TERADYNE, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended December 31,			Years Ended December 31,		
	2023		2022	2021		2024
	(in thousands, except per share amount)			(in thousands, except per share amount)		
Revenues:						
Products	\$ 2,096,286	\$ 2,591,572	\$ 3,196,575	\$ 2,294,935	\$ 2,096,286	\$ 2,591,572
Services	580,012	563,473	506,306	524,945	580,012	563,473
Total revenues	2,676,298	3,155,045	3,702,881	2,819,880	2,676,298	3,155,045
Cost of revenues:						
Cost of products	882,892	1,042,555	1,300,106	960,888	882,892	1,042,555
Cost of services	256,658	245,339	196,119	210,065	256,658	245,339
Total cost of revenues (exclusive of acquired intangible assets amortization shown separately below)	1,139,550	1,287,894	1,496,225	1,170,953	1,139,550	1,287,894
Gross profit	1,536,748	1,867,151	2,206,656	1,648,927	1,536,748	1,867,151
Operating expenses:						
Selling and administrative	577,315	558,103	547,559	617,047	577,315	558,103
Engineering and development	418,089	440,591	427,609	460,876	418,089	440,591
Acquired intangible assets amortization	18,999	19,333	21,456	18,764	18,999	19,333
Restructuring and other	21,277	17,185	9,312	15,571	21,277	17,185
Gain on sale of business	(57,119)	—	—			
Total operating expenses	1,035,680	1,035,212	1,005,936	1,055,139	1,035,680	1,035,212
Income from operations	501,068	831,939	1,200,720	593,788	501,068	831,939
Non-operating (income) expenses:						
Interest income	(27,348)	(6,379)	(2,627)	(24,772)	(27,348)	(6,379)
Interest expense	3,806	3,719	17,820	3,587	3,806	3,719
Other (income) expense, net	(962)	(5,786)	24,572	5,887	(962)	(5,786)
Income before income taxes	525,572	840,385	1,160,955			
Income before income taxes and equity in net earnings of affiliate	609,086	525,572	840,385			
Income tax provision	76,820	124,884	146,366	59,503	76,820	124,884
Income before equity in net earnings of affiliate	549,583	448,752	715,501			

Equity in net earnings of affiliate	(7,211)	—	—	\$ 542,372	\$ 448,752	\$ 715,501
Net income	\$ 448,752	\$ 715,501	\$ 1,014,589	\$ 542,372	\$ 448,752	\$ 715,501
Net income per common share:						
Basic	\$ 2.91	\$ 4.52	\$ 6.15	\$ 3.41	\$ 2.91	\$ 4.52
Diluted	\$ 2.73	\$ 4.22	\$ 5.53	\$ 3.32	\$ 2.73	\$ 4.22
Weighted average common shares—basic	154,310	158,434	164,960	159,083	154,310	158,434
Weighted average common shares—diluted	164,304	169,734	183,625	163,314	164,304	169,734

The accompanying notes are an integral part of the consolidated financial statements.

4139

[Table of Contents](#)

	TERADYNE, INC.					
	CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME					
	Years Ended December 31,			Years Ended December 31,		
	2023	2022	2021	2024	2023	2022
	(in thousands)			(in thousands)		
Net income	\$ 448,752	\$ 715,501	\$ 1,014,589	\$ 542,372	\$ 448,752	\$ 715,501
Other comprehensive income (loss), net of tax:						
Foreign currency translation adjustment, net of tax of \$0, \$0, \$0, respectively	17,407	(29,031)	(36,207)	(52,847)	17,407	(29,031)
Available-for-sale marketable securities:						
Unrealized gains (losses) on marketable securities arising during period, net of tax of \$568, \$(3,388), \$(578), respectively	2,423	(12,666)	(2,255)			
Less: Reclassification adjustment for losses (gains) included in net income, net of tax of \$12, \$25, \$(277), respectively	44	301	(995)			
Unrealized (losses) gains on marketable securities arising during period, net of tax of \$(470), \$568, \$(3,388), respectively	(1,699)	2,423	(12,666)			
Less: Reclassification adjustment for (gains) losses included in net income, net of tax of \$24, \$12, \$25, respectively	86	44	301			
	2,467	(12,365)	(3,250)	(1,613)	2,467	(12,365)
Cash flow hedges:						
Unrealized gains (losses) arising during period, net of tax of \$1,537, \$(708), \$0, respectively	5,464	(2,517)	—			
Less: Reclassification adjustment for losses included in net income, net of tax of \$(686), \$0, \$0, respectively	(2,441)	—	—			
Unrealized (losses) gains arising during period, net of tax of \$593, \$1,537, \$(708), respectively	2,100	5,464	(2,517)			
Less: Reclassification adjustment for (gains) losses included in net income, net of tax of \$(527), \$(686), \$0, respectively	(1,875)	(2,441)	—			
	3,023	(2,517)	—	225	3,023	(2,517)
Defined benefit post-retirement plan:						
Amortization of prior service credit, net of tax \$(2), \$(2), \$(2), respectively	(7)	(7)	(7)	(7)	(7)	(7)

Other comprehensive income (loss)	22,890	(43,920)	(39,464)	(54,242)	22,890	(43,920)
Comprehensive income	\$ 471,642	\$ 671,581	\$ 975,125	\$ 488,130	\$ 471,642	\$ 671,581

The accompanying notes are an integral part of the consolidated financial statements.

4240

[Table of Contents](#)

TERADYNE, INC.

**CONSOLIDATED STATEMENTS OF CONVERTIBLE COMMON SHARES
AND SHAREHOLDERS' EQUITY**

Convertible	Shareholders' Equity							Shareholders' Equity						
	Common		Accumulated			Total		Common		Accumulated			Total	
	Common	Common	Stock	Additional	Other		Total	Shares	Common	Common	Stock	Additional	Other	
	Shares	Stock	Par	Paid-in	Comprehensive	Retained	Shareholders'	Shares	Stock	Par	Paid-in	Comprehensive	Retained	Shareholders'
	Value	Shares	Value	Capital	Income (loss)	Earnings	Equity	Value	Shares	Value	Capital	Income (loss)	Earnings	Equity
(in thousands)														
Year Ended December 31,														
2020	\$ 3,787	166,123	\$ 20,765	\$ 1,765,323	\$ 33,516	\$ 387,414	2,207,018							
Net issuance of common stock under stock-based plans		899	113	(225)			(112)							
Stock-based compensation expense				45,632			45,632							
Repurchase of common stock		(4,771)	(597)			(599,403)	(600,000)							
Cash dividends (\$0.40 per share)					(66,034)		(66,034)							
Settlements of convertible notes		8,148	1,018	984,622			985,640							
Exercise of convertible notes hedge call options		(8,148)	(1,018)	(986,082)			(987,100)							
Convertible common shares		(2,275)		2,275			2,275							
Net income					1,014,589		1,014,589							
Other comprehensive loss					(39,464)		(39,464)							
Year Ended December 31,														
2021	\$ 1,512	162,251	\$ 20,281	\$ 1,811,545	\$ (5,948)	\$ 736,566	\$ 2,562,444	\$ 1,512	162,251	\$ 20,281	\$ 1,811,545	\$ (5,948)	\$ 736,566	2,562,444
Net issuance of common stock under stock-based plans		761	96	(4,471)			(4,375)							(4,375)
Stock-based compensation expense				48,466			48,466							48,466
Repurchase of common stock		(7,253)	(907)		(751,175)	(752,082)		(7,253)	(907)		(751,175)		(752,082)	

Cash dividends (\$0.44 per share)				(69,763)	(69,763)				(69,763)	(69,763)				
Settlements of convertible notes	1,495	187	(442)		(255)	1,495	187	(442)		(255)				
Exercise of convertible notes hedge call options	(1,495)	(187)	187		—	(1,495)	(187)	187		—				
Convertible common shares	(1,512)		1,512		1,512	(1,512)		1,512		1,512				
Cumulative-effect of change in accounting principle related to convertible debt			(100,834)		94,600	(6,234)		(100,834)		94,600	(6,234)			
Net income				715,501	715,501				715,501	715,501				
Other comprehensive loss				(43,920)	(43,920)				(43,920)	(43,920)				
Year Ended December 31, 2022	\$ —	155,759	\$ 19,470	\$ 1,755,963	\$ (49,868)	\$ 725,729	\$ 2,451,294	\$ —	155,759	\$ 19,470	\$ 1,755,963	\$ (49,868)	\$ 725,729	\$ 2,451,294
Net issuance of common stock under stock-based plans	848	106	13,371		13,477	848	106	13,371		13,477				
Stock-based compensation expense			57,940		57,940			57,940		57,940				
Repurchase of common stock	(3,909)	(489)		(400,040)	(400,529)	(3,909)	(489)		(400,040)	(400,529)				
Cash dividends (\$0.44 per share)				(67,927)	(67,927)				(67,927)	(67,927)				
Settlements of convertible notes	1,072	133	(133)		—	1,072	133	(133)		—				
Exercise of convertible notes hedge call options	(1,072)	(133)	133		—	(1,072)	(133)	133		—				
Net income				448,752	448,752				448,752	448,752				
Other comprehensive income			22,890		22,890			22,890		22,890				
Year Ended December 31, 2023	\$ —	152,698	\$ 19,087	\$ 1,827,274	\$ (26,978)	\$ 706,514	\$ 2,525,897	\$ —	152,698	\$ 19,087	\$ 1,827,274	\$ (26,978)	\$ 706,514	\$ 2,525,897
Net issuance of common stock under stock-based plans	728	91	23,137		23,228									
Stock-based compensation expense			60,397		60,397									
Warrant exercises	10,036	1,254	(1,270)		(16)									
Repurchase of common stock	(1,740)	(217)		(201,666)	(201,883)									
Cash dividends (\$0.48 per share)				(76,459)	(76,459)									
Net income				542,372	542,372									
Other comprehensive income			(54,242)		(54,242)									
Year Ended December 31, 2024	\$ —	161,722	\$ 20,215	\$ 1,909,538	\$ (81,220)	\$ 970,761	\$ 2,819,294							

The accompanying notes are an integral part of the consolidated financial statements.

4341

Table of Contents

TERADYNE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,			Years Ended December 31,		
	2023	2022	2021	2024	2023	2022
	(in thousands)			(in thousands)		
Cash flows from operating activities:						
Net income	\$ 448,752	\$ 715,501	\$ 1,014,589	\$ 542,372	\$ 448,752	\$ 715,501
Adjustments to reconcile net income from operations to net cash provided by operating activities:						
Depreciation	92,118	90,763	91,073	100,977	92,118	90,763
Stock-based compensation	57,682	48,228	45,643	60,122	57,682	48,228
Provision for excess and obsolete inventory	28,358	31,452	15,475	18,922	28,358	31,452
Amortization	18,768	19,912	34,412	18,764	18,768	19,912
Retirement plans actuarial losses (gains)	2,703	(25,584)	(2,217)			
Losses (gains) on investments	10,056	(14,915)	9,985			
Equity in net earnings of affiliate	7,211	—	—			
Gain on sale of business	(57,119)	—	—			
Deferred taxes	(37,642)	(38,693)	(17,305)	(46,360)	(37,642)	(38,693)
(Gains) losses on investments	(14,915)	9,985	(6,410)			
Gains on sale of asset	—	(3,410)	—			
Loss on convertible debt conversion	—	—	28,828			
Contingent consideration fair value adjustment	—	—	(7,227)			
Retirement plans actuarial (gains) losses	(4,355)	2,703	(25,584)			
Loss (gain) on sale of asset	—	—	(3,410)			
Other	(955)	2,353	271	(2,290)	(955)	2,353
Changes in operating assets and liabilities, net of businesses acquired:						
Accounts receivable	70,977	50,628	(57,778)	(52,659)	70,977	50,628
Inventories	5,327	(80,809)	6,495	8,707	5,327	(80,809)
Prepayments and other assets	(43,101)	(140,713)	(175,846)	119,454	(43,101)	(140,713)
Accounts payable and other accrued expenses	46,782	(60,507)	129,499	(54,386)	46,782	(60,507)
Deferred revenue and customer advances	(57,210)	(6,233)	9,873	12,176	(57,210)	(6,233)
Retirement plan contributions	(5,492)	(5,116)	(5,405)	(5,814)	(5,492)	(5,116)
Income taxes	(26,921)	(29,834)	(5,604)	(3,602)	(26,921)	(29,834)
Net cash provided by operating activities	585,231	577,923	1,098,366	672,176	585,231	577,923
Cash flows from investing activities:						
Investments in businesses	(532,060)	—	—			
Purchases of property, plant and equipment	(159,642)	(163,249)	(132,472)	(198,095)	(159,642)	(163,249)
Purchases of marketable securities	(161,906)	(287,409)	(661,781)	(45,796)	(161,906)	(287,409)
Issuance of convertible loan	—	(5,000)	—			
Proceeds from the sale of a business, net of cash and cash equivalents sold	90,348	—	—			
Proceeds from maturities of marketable securities	85,042	222,941	660,148	38,353	85,042	222,941
Proceeds from sales of marketable securities	61,401	268,058	266,466	24,035	61,401	268,058
Proceeds from insurance	460	—	—			
Issuance of convertible loan	(5,000)	—	—			
Proceeds from life insurance	873	460	—			
Proceeds from sale of asset	—	3,410	—			3,410
Purchase of investment and acquisition of business	—	—	(12,000)			

Net cash (used for) provided by investing activities	(179,645)	43,751	120,361	(622,342)	(179,645)	43,751
Cash flows from financing activities:						
Repurchase of common stock	(397,241)	(752,082)	(600,000)	(198,574)	(397,241)	(752,082)
Payments of borrowings on revolving credit facility	(185,000)	—	—			
Dividend payments	(67,878)	(69,711)	(65,977)	(76,423)	(67,878)	(69,711)
Payments related to net settlement of employee stock compensation awards	(14,100)	(20,788)	(33,170)			
Payments of convertible debt principal	(50,264)	(66,759)	(342,990)	—	(50,264)	(66,759)
Payments related to net settlement of employee stock compensation awards	(20,788)	(33,170)	(32,303)			
Proceeds from borrowings on revolving credit facility	185,000	—	—			
Issuance of common stock under stock purchase and stock option plans	34,259	28,733	32,686	37,330	34,259	28,733
Net cash used for financing activities	(501,912)	(892,989)	(1,008,584)	(251,767)	(501,912)	(892,989)
Effects of exchange rate changes on cash and cash equivalents	(876)	3,889	(2,065)	(2,284)	(876)	3,889
(Decrease) increase in cash and cash equivalents	(97,202)	(267,426)	208,078	(204,217)	(97,202)	(267,426)
Cash and cash equivalents at beginning of year	854,773	1,122,199	914,121	757,571	854,773	1,122,199
Cash and cash equivalents at end of year	\$ 757,571	\$ 854,773	\$ 1,122,199	\$ 553,354	\$ 757,571	\$ 854,773
Supplementary disclosure of cash flow information:						
Cash paid for:						
Interest	\$ 296	\$ 1,498	\$ 4,236	\$ 767	\$ 296	\$ 1,498
Income taxes	\$ 140,239	\$ 193,246	\$ 172,134	\$ 121,428	\$ 140,239	\$ 193,246
Non-cash investing activities:						
Capital expenditures incurred but not yet paid:	\$ 2,735	\$ 1,826	\$ 1,973	\$ 3,893	\$ 2,735	\$ 1,826

42

[Table of Contents](#)

The accompanying notes are an integral part of the consolidated financial statements.

44 43

[Table of Contents](#)

TERADYNE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

A. THE COMPANY

Teradyne, Inc. ("Teradyne") is a leading global supplier of automated test equipment and robotics solutions. Teradyne designs, develops, manufactures, and sells automated test systems and robotics products. Teradyne's automated test systems are used to test semiconductors, wireless products, data storage and complex electronics systems in many industries including consumer electronics, wireless, automotive, industrial, computing, communications, and aerospace and defense industries. Teradyne's robotics products **include** consist primarily of collaborative robotic arms and 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** robotics ("Robotics") products; 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 the products represent "System Test");
- and wireless test ("Wireless Test" systems (referred collectively as "All Other") systems; and;
- robotics ("Robotics") products.

B. ACCOUNTING POLICIES

The consolidated financial statements include the accounts of Teradyne and its wholly owned subsidiaries. All significant intercompany balances and transactions are eliminated. Certain prior years' amounts were reclassified to conform to the current year presentation.

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 disclosure of contingent liabilities. On an on-going basis, management evaluates its estimates, including those related to revenue, inventories, investments, goodwill, intangible and other long-lived assets, accounts receivable, income taxes, deferred tax assets and liabilities, pensions, warranties, contingent consideration 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 values 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 of the carrying value of its assets or liabilities as of the date of issuance of this Annual Report on Form 10-K. 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.

Revenue Recognition

Revenue from Contracts with Customers

In accordance with ASC 606, Teradyne recognizes revenues, when or as control is transferred to a customer. Teradyne's determination of revenue is dependent upon a five-step process outlined below.

- Teradyne accounts for a contract with a customer when there is written approval, the contract is committed, the rights of the parties, including payment terms, are identified the contract has commercial substance and consideration is probable of collection.
- Teradyne periodically enters into contracts with customers in which a customer may purchase a combination of goods and services, such as products with extended warranty obligations. Teradyne determines performance obligations by assessing whether the products or services are distinct from the other elements of the contract. In order to be distinct, the product or service must perform either on its own or with readily available resources and must be separate within the context of the contract.

45

Table of Contents

- Teradyne determines the transaction price to be the amount of consideration to which Teradyne expects to be entitled to, which is generally at contractually stated prices.
- Transaction price is allocated to each individual performance obligation based on the standalone selling price of that performance obligation. Teradyne uses standalone transactions when available to value each performance obligation. If standalone transactions are not available, Teradyne will estimate the standalone selling price through market assessments or

44

Table of Contents

cost plus a reasonable margin analysis. Any discounts from standalone selling price are spread proportionally to each performance obligation.

- In order to determine the appropriate timing for revenue recognition, Teradyne first determines if the transaction meets any of three criteria for over time recognition. If the transaction meets the criteria for over time recognition, Teradyne recognizes revenue as the good or service is delivered. Teradyne uses input variables such as hours or months utilized or costs incurred to determine the amount of revenue to recognize in a given period. Input variables are used as they best align consumption with benefit the customer. For transactions that do not meet the criteria for over time recognition, Teradyne will recognize revenue at a point in time based on an assessment of the five criteria for transfer of control. Teradyne has concluded that revenue should be recognized when shipped or delivered based on contractual terms. Typically, acceptance of Teradyne's products and services is a formality as Teradyne delivers similar systems, instruments and robots to standard specifications. In cases where acceptance is not deemed a formality, Teradyne will defer revenue recognition until customer acceptance.

Performance Obligations

Products

Teradyne products consist primarily of semiconductor test systems and instruments, defense/aerospace test instrumentation and systems, storage test systems and instruments, circuit-board test and inspection systems and instruments, wireless test systems and robotics products. Teradyne's hardware is typically recognized at a point in time upon transfer of control to the customer.

Services

Teradyne services consist of extended warranties, training and application support, service agreements, post contract customer support ("PCS") and replacement parts. Each service is recognized based on relative standalone selling price. Extended warranty, training and support, service agreements and PCS are recognized over time based on the period of service. Replacement parts are recognized at a point in time upon transfer of control to the customer.

Teradyne does not allow customer returns or provide refunds to customers for any products or services. Teradyne products include a standard 12-month warranty. This warranty is not considered a distinct performance obligation because it does not obligate Teradyne to provide a separate service to the customer and it cannot be purchased separately. Cost related to warranties are included in cost of revenues when product revenues are recognized.

As of December 31, 2023 December 31, 2024 and 2022, 2023, deferred revenue and customer advances consisted of the following and are included in the short and long-term deferred revenue and customer advances:

	2023	2022	2024	2023
	(in thousands)		(in thousands)	
Maintenance, service and training	\$ 66,458	\$ 78,089	\$ 58,473	\$ 66,458
Customer advances, undelivered elements and other	35,731	59,147	48,118	35,731
Extended warranty	34,897	56,180	41,624	34,897
Total deferred revenue and customer advances	\$ 137,086	\$ 193,416	\$ 148,215	\$ 137,086

4645

Table of Contents

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:

	Amount (in thousands)	Amount (in thousands)
Balance at December 31, 2020	\$ 16,633	
Accruals for warranties issued during the period	35,727	
Accruals related to pre-existing warranties	(6,846)	
Settlements made during the period	(20,937)	
Balance at December 31, 2021	24,577	\$ 24,577
Accruals for warranties issued during the period	21,851	21,851
Accruals related to pre-existing warranties	(5,618)	(5,618)
Settlements made during the period	(26,629)	(26,629)
Balance at December 31, 2022	14,181	14,181
Accruals for warranties issued during the period	21,644	21,644
Accruals related to pre-existing warranties	(1,576)	(1,576)
Settlements made during the period	(18,551)	(18,551)

Balance at December 31, 2023	\$ 15,698	15,698
Accruals for warranties issued during the period	11,315	
Accruals related to pre-existing warranties	(1,078)	
Settlements made during the period	(12,973)	
Balance at December 31, 2024	\$ 12,962	

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:

	Amount (in thousands)	Amount (in thousands)
Balance at December 31, 2020	\$ 51,929	
Deferral of new extended warranty revenue	43,597	
Recognition of extended warranty deferred revenue	(31,358)	
Balance at December 31, 2021	64,168	\$ 64,168
Deferral of new extended warranty revenue	33,686	33,686
Recognition of extended warranty deferred revenue	(41,674)	(41,674)
Balance at December 31, 2022	56,180	56,180
Deferral of new extended warranty revenue	14,330	14,330
Recognition of extended warranty deferred revenue	(35,613)	(35,613)
Balance at December 31, 2023	\$ 34,897	34,897
Deferral of new extended warranty revenue	29,990	
Recognition of extended warranty deferred revenue	(23,263)	
Balance at December 31, 2024	\$ 41,624	

Accounts Receivable and Allowance for Credit Losses

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. Teradyne maintains allowances for estimated losses resulting from the inability of its customers to make required payments. Estimated allowances for credit losses are reviewed periodically taking into account the customer's recent payment history, the customer's current financial statements and other information regarding the customer's creditworthiness. Account balances are written off against the allowance when it is determined the receivable will not be recovered.

Teradyne sells certain trade accounts receivables on a non-recourse basis to third-party financial institutions pursuant to factoring agreements. Teradyne accounts for these transactions as sales of receivables and presents cash proceeds as a cash provided by operating activities in the consolidated statements of cash flows. Total trade accounts receivable sold under the factoring agreements were \$243.5 million and \$93.9 million during 2023 and 2022, respectively. Factoring fees for the sales of receivables are recorded in interest expense and are not material.

47 Equity Method Investments

Teradyne accounts for investments using the equity method of accounting when it has significant influence over the financial and operating policies, but not control, of the investee. The equity method investments are initially recorded at cost and included in 'Equity method investment' in the consolidated balance sheet. Teradyne records its share of investee's net income or loss and other

Table of Contents

comprehensive income, and the amortization of equity method basis difference, calculated as the difference between the investment and the amount of underlying equity in net assets acquired, on a 3-month lag, which is applied consistently from period to period. Teradyne's share of investee's net income and the amortization of equity method basis difference are reported in 'Equity in net earnings of affiliate' in the consolidated statement of operations. Teradyne includes its share of investee's other comprehensive income and

a cumulative translation adjustment in the consolidated statements of comprehensive income. Teradyne monitors on an ongoing basis its equity method investments for indicators of other-than-temporary declines in fair value below carrying value.

Inventories

Inventories are stated at the lower of cost (first-in, first-out basis) or net realizable value. On a quarterly basis, Teradyne uses consistent methodologies to evaluate all inventories for net realizable value. Teradyne records a provision for both excess and obsolete inventory when such write-downs or write-offs are identified through the quarterly review process. The inventory valuation is based upon assumptions about future demand, product mix and possible alternative uses.

Investments

Teradyne accounts for its investments in debt and equity securities in accordance with the provisions of ASC 320-10, "Investments—Debt and Equity Securities." ASC 320-10 requires that certain debt and equity securities be classified into one of three categories; trading, available-for-sale or held-to-maturity securities. On a quarterly basis, Teradyne reviews its investments to identify and evaluate those that have an indication of a potential other-than-temporary impairment. Factors considered in determining whether a loss is other-than-temporary include:

- The length of time and the extent to which the market value has been less than cost;
- The financial condition and near-term prospects of the issuer; and
- The intent and ability to retain the investment in the issuer for a period of time sufficient to allow for any anticipated recovery in market value.

Teradyne uses the market and income approach techniques to value its financial instruments and there were no changes in valuation techniques during the twelve months ended **December 31, 2023** December 31, 2024 and **2022**, 2023.

Teradyne measures its debt and equity investments at fair value, in accordance with ASC 820-10, "Fair Value Measurements and Disclosures." ASC 820-10 defines fair value as the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants and requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1: Quoted prices in active markets for identical assets as of the reporting date;

Level 2: Inputs other than Level 1, that are observable either directly or indirectly as of the reporting date. For example, a common approach for valuing fixed income securities is the use of matrix pricing. Matrix pricing is a mathematical technique used to value securities by relying on the securities' relationship to other benchmark quoted prices, and is considered a Level 2 input; or

Level 3: Unobservable inputs that are not supported by market data. Unobservable inputs are developed based on the best information available, which might include Teradyne's own data.

Teradyne's debt investments are classified as Level 2, and equity investments are classified as Level 1. **Acquisition-related contingent consideration is classified as Level 3.** Teradyne determines the fair value of acquisition-related contingent consideration using a Monte Carlo simulation model. Assumptions utilized in the model include forecasted revenues, revenue volatility, earnings before interest and taxes, and discount rate.

Financial Assets and Financial Liabilities

Teradyne records changes in fair value of equity securities directly in earnings and unrealized gains and losses in other (income) expense, net, in accordance with ASU 2016-01, "Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities."

4847

[Table of Contents](#)

Prepayments

Prepayments consist of the following:

2023 (1)	2022	2024	2023 (1)
(in thousands)			(in thousands)

Contract manufacturer and supplier prepayments	\$ 502,257	\$ 491,105	\$ 365,875	\$ 502,257
Prepaid maintenance and other services	17,592	14,545	22,176	17,592
Prepaid taxes	16,083	18,625	22,211	16,083
Other prepayments	13,038	8,687	18,824	13,038
Total prepayments	\$ 548,970	\$ 532,962	\$ 429,086	\$ 548,970

(1) Excludes \$5.3 million of contract manufacturer and supplier prepayments, classified as assets held for sale. See Note E: "Assets held for sale" "Dispositions" for additional information.

Retirement and Postretirement Plans

Teradyne recognizes net actuarial gains and losses and the change in the fair value of the plan assets in its operating results in the year in which they occur or upon any interim remeasurement of the plans. Teradyne calculates the expected return on plan assets using the fair value of the plan assets. Actuarial gains and losses are generally measured annually as of December 31 and, accordingly, recorded during the fourth quarter of each year or upon any interim remeasurement of the plans.

Teradyne reports net periodic pension cost and net periodic postretirement benefit costs in accordance with ASU 2017-07, "Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost." The service cost component of net benefit costs is reported in the same line item in the consolidated statement of operations as other employee compensation costs. The non-service components of net benefit costs such as interest cost, expected return on assets, amortization of prior service cost, and actuarial gains or losses, are reported within other (income) expense, net.

Goodwill, Intangible and Long-Lived Assets

Teradyne accounts for goodwill and intangible assets in accordance with ASC 350-10, "Intangibles-Goodwill and Other." Intangible assets are amortized over their estimated useful economic life and are carried at cost less accumulated amortization. Goodwill is assessed for impairment at least annually in the fourth quarter, as of December 31, on a reporting unit basis, or more frequently when events and circumstances occur indicating that the recorded goodwill may be impaired.

In accordance with ASC 350-10, Teradyne has the option to perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If Teradyne determines this is the case, Teradyne is required to perform a quantitative goodwill impairment test to identify potential goodwill impairment and measure the amount of goodwill impairment loss to be recognized. If Teradyne determines that it is more likely than not that the fair value of the reporting unit is greater than its carrying amounts, a quantitative goodwill impairment test is not required.

In accordance with ASC 360-10, "Impairment or Disposal of Long-Lived 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. Each impairment test is based on a comparison of the estimated undiscounted cash flows to the recorded value of the asset. If impairment is indicated, the asset is written down to its estimated fair value based on a discounted cash flows analysis. The cash flows estimates used to determine the impairment, if any, contain management's best estimates using appropriate assumptions and projections at that time.

Business Combination

Teradyne recognizes the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition. The fair value of identifiable intangible assets is based on detailed cash flows valuations that use information and assumptions provided by management. Teradyne ~~estimates~~ uses all pertinent information known at the time of acquisition to estimate the fair value of contingent consideration at the time of the acquisition using all pertinent information known to us at the time to assess the probability of payment of contingent amounts or through the use of a Monte Carlo simulation model. Teradyne allocates any excess purchase price over the fair value of the net tangible and intangible assets acquired and liabilities assumed to goodwill. The assumptions used in the valuations for our acquisitions may differ materially from actual results depending on performance of the acquired businesses and other factors. While Teradyne believes the assumptions used were appropriate, different assumptions in the valuation of assets acquired and liabilities assumed could have a material impact on the timing and extent of impact on our statements of operations. Goodwill is assigned to reporting units as of the date of the related acquisition.

4948

[Table of Contents](#)

Property, Plant and Equipment

Property, plant and equipment are stated at cost and depreciated over the estimated useful lives of the assets. Leasehold improvements and major renewals are capitalized and included in property, plant and equipment accounts, while expenditures for maintenance and repairs and minor renewals are charged to expense. When assets are retired, the assets and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the consolidated statements of operations.

Teradyne provides for depreciation of its assets principally on the straight-line method with the cost of the assets being charged to expense over their useful lives as follows:

Buildings	40 years
Building improvements	5 to 10 years
Leasehold improvements	Lesser of lease term or 10 years
Furniture and fixtures	10 years
Test systems manufactured internally	6 years
Machinery, equipment and software	3 to 5 years

Test systems manufactured internally are used by Teradyne for customer evaluations and manufacturing and support of its customers. Teradyne depreciates the test systems manufactured internally over a six-year life to cost of revenues, engineering and development, and selling and administrative expenses. Teradyne often sells internally manufactured test equipment to customers. Upon the sale of an internally manufactured test system, the net book value of the system is transferred to inventory and expensed as cost of revenues. The net book value of internally manufactured test systems sold in the years ended **December 31, 2023** **December 31, 2024, 2023, and 2022 and 2021** was **\$4.0 million**, \$2.8 million, **\$6.6 million**, and **\$16.6 million**, respectively.

Convertible Debt

Teradyne adopted Accounting Standards Update ("ASU") ASU 2020-06 – "Debt—Debt with Conversion and Other Options and Derivatives and Hedging—Contracts in Entity's Own Equity," on January 1, 2022 using the modified retrospective method of adoption. As a result of adoption, Teradyne recorded an increase of \$1.4 million to current debt for unsettled shares, an increase of \$1.8 million to deferred tax assets, an increase of \$6.6 million to long-term debt for unamortized debt discount, and an increase to retained earnings of \$94.6 million for the reclassification of the equity component. Mezzanine equity representing unsettled shares value was reduced to zero and additional paid-in capital was reduced by \$100.8 million. In accordance with ASU 2020-06, Teradyne accounts for a convertible debt instrument as a single liability measured at its amortized cost, as long as no other features require bifurcation and recognition as derivatives. Unsettled shares are recorded in current debt, and there is no recognition of a debt discount, which was previously amortized to interest expense. Settled shares reduce the outstanding debt balance in an amount equal to the cash paid, but do not result in any gain or loss on extinguishment. We use the if-converted method in the diluted EPS calculation for convertible instruments.

Leases

Under ASC 842, a contract is or contains a lease when Teradyne has the right to control the use of an identified asset. Teradyne determines if an arrangement is a lease at inception of the contract, which is the date on which the terms of the contract are agreed to and the agreement creates enforceable rights and obligations. The commencement date of the lease is the date that the lessor makes an underlying asset available for use by Teradyne. As of **December 31, 2023** **December 31, 2024**, Teradyne does not have material leases that have not yet commenced.

Teradyne determines if the lease is an operating or finance lease at the lease commencement date based upon the terms of the lease and the nature of the asset. The lease term used to calculate the lease liability includes options to extend or terminate the lease when it is reasonably certain that the option will be exercised.

The lease liability is measured at the present value of future lease payments, discounted using the discount rate for the lease at the commencement date. As Teradyne is typically unable to determine the implicit rate, Teradyne uses an incremental borrowing rate based on the lease term and economic environment at commencement date. Teradyne initially measures payments based on an index by using the applicable rate at lease commencement. Variable payments that do not depend on an index are not included in the lease liability and are recognized as they are incurred. The right-of-use ("ROU") asset is initially measured as the amount of lease liability, adjusted for any initial lease costs, prepaid lease payments, and reduced by any lease incentives.

5049

Table of Contents

Teradyne's contracts often include non-lease components such as common area maintenance. Teradyne elected the practical expedient to account for the lease and non-lease components as a single lease component. For leases with a term of one year or less, Teradyne has elected not to record the lease asset or liability. **The lease payments are Rent** is recognized in the consolidated statement of earnings on a straight-line basis over the lease term. Teradyne includes lease costs within cost of revenues and operating expenses. See Note [I, J](#): "Leases."

Engineering and Development Costs

Teradyne's products are highly technical in nature and require a large and continuing engineering and development effort. Software development costs incurred prior to the establishment of technological feasibility are charged to expense. Software development costs incurred subsequent to the establishment of technological feasibility are capitalized until the product is available for release to customers. To date, the period between achieving technological feasibility and general availability of the product has been short and software development costs eligible for capitalization have not been material. Engineering and development costs are expensed as incurred and consist primarily of salaries, contractor fees including non-recurring engineering charges related to product design, allocated facility costs, depreciation, and tooling costs.

Stock Compensation Plans and Employee Stock Purchase Plan

Stock-based compensation expense is based on the grant-date fair value estimated in accordance with the provisions of ASC 718-10, "Compensation-Stock Compensation." Teradyne elects to account for forfeitures by applying an estimated forfeiture rate and recognizes compensation costs only for those stock-based compensation awards expected to vest. Under its stock compensation plans, Teradyne has granted stock options, restricted stock units and performance-based restricted stock units, and employees are eligible to purchase Teradyne's common stock through its Employee Stock Purchase Plan ("ESPP").

Excess tax benefits or tax deficiencies are recognized as a discrete tax benefit or discrete tax expense to the current income tax provision in Teradyne's consolidated statements of operations, all excess tax benefits related to share-based payments are reported as cash flows from operating activities, and all cash payments made to taxing authorities on the employees' behalf for withheld shares are presented as financing activities on the statement of cash flows.

Income Taxes

Deferred tax assets and liabilities are determined based on differences between financial reporting and tax basis of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The measurement of deferred tax assets is reduced by a valuation allowance if it is more likely than not that some or all of the deferred tax assets will not be realized. Teradyne performed the required assessment of positive and negative evidence regarding the realization of the net deferred tax assets in accordance with ASC 740, "Accounting for Income Taxes." This assessment included the evaluation of scheduled reversals of deferred tax liabilities, estimates of projected future taxable income and tax-planning strategies. Although realization is not assured, based on its assessment, Teradyne concluded that it is more likely than not that such assets, net of the existing valuation allowance, will be realized.

Advertising Costs

Teradyne expenses all advertising costs as incurred. Advertising costs were \$16.1 million, \$15.5 million and \$17.3 million in 2024, 2023 and \$13.4 million in 2023, 2022, and 2021, respectively.

Translation of Non-U.S. Currencies

The functional currency for all non-U.S. subsidiaries is the U.S. dollar, except for **Universal Robots, MiR Robotics** and Lemsys for which the local currency is its functional currency. All foreign currency denominated monetary assets and liabilities are remeasured on a monthly basis into the functional currency using exchange rates in effect at the end of the period. All foreign currency denominated non-monetary assets and liabilities are remeasured into the functional currency using historical exchange rates. Net foreign exchange gains and losses resulting from remeasurement are included in other (income) expense, net. For **Universal Robots, MiR Robotics** and Lemsys, assets and liabilities are translated into U.S. dollars using exchange rates in effect at the end of the period. Revenues and expense amounts are translated using an average of exchange rates in effect during the period. Translation adjustments are recorded within accumulated other comprehensive income (loss) on the balance sheet.

Net foreign exchange gains and losses resulting from remeasurement are included in other (income) expense, net. For the years ended **December 31, 2023** **December 31, 2024**, **2022** **2023** and **2021**, losses (gains) from the remeasurement of the monetary assets and liabilities denominated in foreign currencies were \$2.8 million, \$10.9 million, and \$10.8 million, and \$(2.1) million, respectively.

These amounts do not reflect the corresponding (gains) losses from foreign exchange contracts. See Note H: "Financial Instruments" regarding foreign exchange contracts.

Net Income per Common Share

Basic net income per common share is calculated by dividing net income by the weighted average number of common shares outstanding during the period. Except where the result would be anti-dilutive, diluted net income per common share is calculated by dividing net income by the sum of the weighted average number of common shares plus common stock equivalents, if applicable.

With respect to its convertible debt issued in 2016, Teradyne was required to settle the principal of the convertible debt in cash; accordingly, the principal amount was excluded from the determination of diluted earnings per share. As a result, Teradyne is accounting for the conversion spread using the treasury stock method.

Comprehensive Income

Comprehensive income includes net income, unrealized pension and postretirement prior service costs and benefits, unrealized gains and losses on investments in debt marketable securities, unrealized gains and losses on cash flow hedge and foreign currency translation adjustment.

C. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standard 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 a 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. Teradyne retrospectively adopted and complied with this standard for the annual period ending December 31, 2024. Teradyne updated our segment disclosures to comply with the requirements. See Note U: "Segment, Geographic and Significant Customer Information." The new adoption of this 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 had no impact on Teradyne's 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, the FASB issued ASU 2023-09 – "Income Taxes (Topic 740): Improvements to Income 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. Teradyne is currently evaluating the impact of this new standard.

In November 2024, the FASB issued ASU 2024-03 - "Income Statement - Reporting Comprehensive Income -Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses", which requires disclosure of additional expense information on an annual and interim basis, including the amounts of inventory purchases, employee compensation, depreciation and intangible amortization included within each income statement expense caption. This standard is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. The amendments in this update should be applied on a prospective basis, but retrospective application is permitted. Teradyne is currently evaluating the impact of this new standard.

5251

[Table of Contents](#)

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									Reportable								
	Test			Robotics						Test			Robotics			Segments		
	System-on-a-chip		Memory	Test	Mobile		Corporate			System-on-a-chip		Memory	Test	Corporate			and	
	Robots	Robots	Test	Industrial	Wireless	and	Eliminations	Total		Robots	Test	IST		Eliminations				Eliminations
(in thousands)																		
For the Year Ended December 31, 2024 (1)																		
<i>Timing of Revenue Recognition</i>																		
Point in Time																		
Time	\$ 1,255,579	\$ 472,279	\$ 63,288	\$ 356,384	\$ 2,147,530	\$ 266,955	\$ —	\$ 2,414,485										
Over Time	281,545	29,509	21,720	8,464	341,238	64,157	\$ —	\$ 405,395										
Total	\$ 1,537,124	\$ 501,788	\$ 85,008	\$ 364,848	\$ 2,488,768	\$ 331,112	\$ —	\$ 2,819,880										
<i>Geographical Market</i>																		
Asia Pacific	\$ 1,400,149	\$ 466,214	\$ 78,719	\$ 69,353	\$ 2,014,435	\$ 113,263	\$ —	\$ 2,127,698										
Americas	92,386	15,017	6,289	\$ 147,607	261,299	174,084	\$ —	\$ 435,383										
Europe, Middle East and Africa	44,589	20,557	—	\$ 147,888	213,034	43,765	\$ —	\$ 256,799										
Total	\$ 1,537,124	\$ 501,788	\$ 85,008	\$ 364,848	\$ 2,488,768	\$ 331,112	\$ —	\$ 2,819,880										
For the Year Ended December 31, 2023 (1)																		
<i>Timing of Revenue Recognition</i>																		
Point in Time																		
Time	\$ 1,141,882	\$ 356,417	\$ 268,379	\$ 296,252	\$ 66,986	\$ 129,399	\$ —	\$ 2,259,315	\$ 1,141,882	\$ 356,417	\$ 115,220	\$ 363,238	\$ 1,976,757	\$ 282,558	\$ —			
Over Time	290,739	29,598	69,818	7,540	4,405	14,883	\$ —	416,983	290,739	29,598	23,332	\$ 11,945	355,614	61,369	\$ —			
Total	\$ 1,432,621	\$ 386,015	\$ 338,197	\$ 303,792	\$ 71,391	\$ 144,282	\$ —	\$ 2,676,298	\$ 1,432,621	\$ 386,015	\$ 138,552	\$ 375,183	\$ 2,332,371	\$ 343,927	\$ —			
<i>Geographical Market</i>																		
Asia Pacific	\$ 1,214,322	\$ 366,151	\$ 153,387	\$ 63,312	\$ 10,424	\$ 85,415	\$ —	\$ 1,893,011	\$ 1,214,322	\$ 366,151	\$ 135,502	\$ 73,736	\$ 1,789,711	\$ 103,300	\$ —			
Americas	117,728	11,367	151,579	111,761	36,191	50,770	\$ —	479,396	117,728	11,367	3,050	\$ 147,952	280,097	199,299	\$ —			
Europe, Middle East and Africa	100,571	8,497	33,231	128,719	24,776	8,097	\$ —	303,891	100,571	8,497	—	\$ 153,495	262,563	41,328	\$ —			
Total	\$ 1,432,621	\$ 386,015	\$ 338,197	\$ 303,792	\$ 71,391	\$ 144,282	\$ —	\$ 2,676,298	\$ 1,432,621	\$ 386,015	\$ 138,552	\$ 375,183	\$ 2,332,371	\$ 343,927	\$ —			
For the Year Ended December 31, 2022 (1)																		
<i>Timing of Revenue Recognition</i>																		
Point in Time																		
Time	\$ 1,141,882	\$ 356,417	\$ 268,379	\$ 296,252	\$ 66,986	\$ 129,399	\$ —	\$ 2,259,315	\$ 1,141,882	\$ 356,417	\$ 115,220	\$ 363,238	\$ 1,976,757	\$ 282,558	\$ —			
Over Time	290,739	29,598	69,818	7,540	4,405	14,883	\$ —	416,983	290,739	29,598	23,332	\$ 11,945	355,614	61,369	\$ —			
Total	\$ 1,432,621	\$ 386,015	\$ 338,197	\$ 303,792	\$ 71,391	\$ 144,282	\$ —	\$ 2,676,298	\$ 1,432,621	\$ 386,015	\$ 138,552	\$ 375,183	\$ 2,332,371	\$ 343,927	\$ —			

Point in Time	\$ 1,445,238	\$ 344,693	\$ 402,074	\$ 317,514	\$ 73,812	\$ 189,040	\$ 251	\$ 2,772,622	\$ 1,445,238	\$ 344,693	\$ 248,919	\$ 391,326	\$ 2,430,176	\$ 342,195	\$ 251
Over Time	261,646	29,013	67,272	8,218	3,594	12,680	—	382,423	261,646	29,013	21,094	\$ 11,812	323,565	58,858	—
Total	\$ 1,706,884	\$ 373,706	\$ 469,346	\$ 325,732	\$ 77,406	\$ 201,720	\$ 251	\$ 3,155,045	\$ 1,706,884	\$ 373,706	\$ 270,013	\$ 403,138	\$ 2,753,741	\$ 401,053	\$ 251
Geographical Market															
Asia Pacific															
Americas	122,575	11,987	146,040	112,203	35,213	47,350	251	475,619	122,575	11,987	3,284	\$ 147,416	285,262	190,106	251
Europe, Middle East and Africa	69,345	1,543	28,956	139,599	26,469	13,603	—	279,515	69,345	1,543	—	\$ 166,068	236,956	42,559	—
Total	\$ 1,706,884	\$ 373,706	\$ 469,346	\$ 325,732	\$ 77,406	\$ 201,720	\$ 251	\$ 3,155,045	\$ 1,706,884	\$ 373,706	\$ 270,013	\$ 403,138	\$ 2,753,741	\$ 401,053	\$ 251
For the Year Ended December 31, 2021 (1)															
Timing of Revenue Recognition															
Point in Time															
Over Time	256,751	30,171	58,356	5,670	3,839	12,648	—	367,435							
Total	\$ 2,246,730	\$ 395,612	\$ 467,739	\$ 311,182	\$ 64,723	\$ 216,895	\$ 251	\$ 3,702,881							
Geographical Market															
Asia Pacific															
Americas	102,702	10,665	135,230	94,897	26,069	36,173	—	405,736							
Europe, Middle East and Africa	67,381	3,503	25,697	134,829	25,735	8,619	—	265,764							
Total	\$ 2,246,730	\$ 395,612	\$ 467,739	\$ 311,182	\$ 64,723	\$ 216,895	\$ 251	\$ 3,702,881							

(1) Includes \$3.7 million, \$5.2 million and \$8.2 million in 2024, 2023 and \$13.2 million in 2023, 2022, and 2021, respectively, for leases of Teradyne's systems recognized outside of ASC 606: "Revenue from Contracts with Customers."

Contract Balances

For the years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021, 2022, Teradyne recognized \$72.7 million, \$108.1 million \$112.4 million and \$102.5 million, respectively, that was included within the deferred revenue and customer 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 these represents a distinct performance obligation. As of December 31, 2023 December 31, 2024, Teradyne had \$1,124.6 \$1,162.2 million of unsatisfied performance obligations. Teradyne expects to recognize 90.88% of the remaining performance obligation in the next 12 months, 9% and the remainder in 1-3 years, and s.

152

[% Table of Contents](#)

thereafter.

E. ASSETS HELD FOR SALE DISPOSITIONS

On November 7, 2023 May 27, 2024, Teradyne entered into a definitive agreement to sell Teradyne's completed the sale of the 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 cash, net of cash and cash equivalents sold, and a result, customary working capital adjustment. The sale resulted in a pre-tax gain of \$57.1 million recorded as 'Gain on sale of business' in the related assets consolidated statement of operations. The transaction did not meet the criteria to be classified as a discontinued operation, as it did not represent a strategic shift that will have a major effect on operations and financial results.

Assets and liabilities related to the DIS sale agreement met the criteria and were classified as held-for-sale 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 first half of 2024.

Table of Contents

Assets held-for-sale comprise of the following as of December 31, 2023, follows:

	December 31, 2023	
	(in thousands)	
Current assets:		
Inventories, net	\$	17,952
Prepayments		5,298
Total current assets held for sale		23,250
Property, plant and equipment, net		8,986
Operating lease right-of-use assets, net		2,545
Total assets held for sale	\$	34,781
Current liabilities:		
Accounts payable	\$	6,356
Other accrued liabilities		552
Operating lease liabilities		471
Total current liabilities held for sale		7,379
Long-term operating lease liabilities		2,000
Total liabilities held for sale	\$	9,379
Net assets held for sale	\$	25,402

F. EQUITY METHOD INVESTMENT

On May 27, 2024, Teradyne paid 483.1 million Euros, equivalent to \$524.1 million, to purchase a combination of previously issued and outstanding shares and shares newly issued by Technoprobe, S.p.A. ("Technoprobe"). The shares purchased represent 10% of the issued and outstanding shares of Technoprobe. Teradyne also received a board seat as part of the purchase. Teradyne accounts for this investment using the equity method as a result of being able to exercise significant influence over the operating and financial decisions of Technoprobe. As of December 31, 2024, \$494.5 million was recorded as 'Equity method investment' in the consolidated balance sheets.

	(in thousands)
Balance at May 27, 2024	\$ 524,060
Other comprehensive income related to investment	(22,355)
Equity in net earnings of affiliate	(7,211)
Balance at December 31, 2024	\$ 494,494

Based on the quoted closing price of Technoprobe stock as of December 31, 2024, the fair value of the publicly traded investment was \$389.5 million. Evaluation of Technoprobe's financial condition and Teradyne's ability to hold the investment indicate there was no other-than-temporary impairment as of December 31, 2024.

Teradyne's equity method basis difference was calculated as the difference between the investment and the amount of underlying equity in net assets acquired. The equity method basis difference calculated at acquisition attributable to developed technology, customer relationships, trade name, property, plant and equipment, inventory, and deferred tax liability was \$200.9 million. The basis differences, net of tax, will be amortized over their estimated useful lives.

Teradyne made an accounting policy election to report its share of Technoprobe's results on a 3-month lag, which is applied consistently from period to period. Teradyne records its share of Technoprobe's net income or loss and the amortization of equity method basis difference, as 'Equity in net earnings of affiliate' in the consolidated statements of operations. Teradyne includes its share

[Table of Contents](#)

of Technoprobe's other comprehensive income and a cumulative translation adjustment in the consolidated statements of comprehensive income.

G. INVENTORIES

Inventories, net consisted of the following at December 31, 2023 December 31, 2024 and 2022: 2023:

	2023 (1)		2022		2024		2023 (1)	
			(in thousands)				(in thousands)	
	\$	258,422	\$	256,065	\$	225,915	\$	258,422
Raw material		26,851		37,982		41,964		26,851
Work-in-process		24,701		30,972		30,613		24,701
Finished goods	\$	309,974	\$	325,019	\$	298,492	\$	309,974

(1) Excludes \$18.0 million of primarily work-in-process inventories, net classified as assets held for sale. See Note E: "Assets held for sale" "Dispositions" for additional information.

Inventory reserves at December 31, 2024, and December 31, 2023, were \$141.4 million and \$136.0 million, respectively.

G.H. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, net consisted of the following at December 31, 2023 December 31, 2024 and 2022: 2023:

	2023 (1)		2022		2024		2023 (1)	
			(in thousands)				(in thousands)	
	\$	19,487	\$	18,481	\$	19,409	\$	19,487
Land		127,705		128,991		183,371		127,705
Buildings		1,047,235		1,059,880		1,157,784		1,047,235
Machinery, equipment and software		28,093		29,929		28,432		28,093
Furniture and fixtures		66,777		64,631		67,387		66,777
Leasehold improvements		54,799		22,470		5,678		54,799
Construction in progress		1,344,096		1,324,382		1,462,061		1,344,096
Less: accumulated depreciation		898,604		905,699		953,890		898,604
	\$	445,492	\$	418,683	\$	508,171	\$	445,492

(1) Excludes \$9.0 million of property, plant and equipment, net classified as assets held for sale. See Note E: "Assets held for sale" "Dispositions" for additional information.

Depreciation of property, plant and equipment for the years ended December 31, 2023 December 31, 2024, 2023, and 2022 and 2021 was \$101.0 million, \$92.1 million, \$90.8 million, and \$91.1 million, respectively. As of December 31, 2023 December 31, 2024 and 2022, 2023, the gross book value included in machinery and equipment for internally manufactured test systems being leased by customers was \$5.1 million and \$5.8 million, respectively. As of December 31, 2023 December 31, 2024 and 2022, 2023, the accumulated depreciation on these test systems was \$4.9 million and \$5.6 million, respectively.

[Table of Contents](#)

H.1. 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. Contingent consideration is classified as Level 3. 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 inputs like market transactions involving identical or comparable securities.

During the years ended December 31, 2023 December 31, 2024 and 2022, 2023, there were no transfers in or out of Level 1, Level 2, or Level 3 financial instruments.

54

Table of Contents

Realized gains recorded in 2024, 2023, and 2022 and 2021 were \$2.2 million, \$0.6 million, \$0.8 million, and \$3.10.8 million, respectively. Realized losses recorded in 2024, 2023, and 2022 were \$0.3 million, \$0.3 million, and \$1.0.1 million, respectively. No realized losses were recorded in 2021. Realized gains and losses are included in other (income) expense, net.

Unrealized gains on equity securities recorded during the years ended December 31, 2023 December 31, 2024, 2023 and 2022 and 2021 were \$6.7 million, \$8.9 million \$1.9 million and \$5.11.9 million, respectively. Unrealized losses on equity securities recorded during the years ended December 31, 2023 December 31, 2024, 2023, and 2022 and 2021 were \$1.2 million, \$1.7 million \$11.6 million and \$1.811.6 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.

55

Table of Contents

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 December 31, 2023 December 31, 2024 and 2022: 2023:

	December 31, 2023						December 31, 2024					
	Quoted Prices			Quoted Prices			Quoted Prices			Quoted Prices		
	in Active	Significant		in Active	Significant		in Active	Significant		in Active	Significant	
	Markets for	Other	Significant	Markets for	Other	Significant	Markets for	Other	Significant	Markets for	Other	Significant
	Identical	Observable	Unobservable	Identical	Observable	Unobservable	Identical	Observable	Unobservable	Identical	Observable	Unobservable
	Instruments	Inputs	Inputs	Instruments	Inputs	Inputs	Instruments	Inputs	Inputs	Instruments	Inputs	Inputs
	(Level 1)	(Level 2)	(Level 3)	(Level 1)	(Level 2)	(Level 3)	(Level 1)	(Level 2)	(Level 3)	(Level 1)	(Level 2)	(Level 3)
	(in thousands)						(in thousands)					
Assets												
Cash	\$ 298,156	\$ —	\$ —	\$ 298,156	\$ 261,176	\$ —	\$ 261,176	\$ —	\$ —	\$ 261,176	\$ —	\$ 261,176
Cash equivalents	453,298	6,117	—	459,415	283,037	9,141	—	—	—	—	—	292,178
Available for sale securities:												
U.S. Treasury securities	—	44,942	—	44,942	—	—	—	—	—	—	—	—
Corporate debt securities	—	52,734	—	52,734	—	—	—	35,696	—	—	—	35,696
U.S. Treasury securities	—	41,808	—	41,808	—	—	—	—	—	—	—	—
Commercial paper	—	1,667	—	1,667	—	—	—	—	—	—	—	—
Certificates of deposit and time deposits	—	21,689	—	21,689	—	—	—	—	—	—	—	—

Debt mutual funds	8,773	—	—	8,773	8,951	—	—	8,951
U.S. government agency securities	—	4,892	—	4,892	—	3,970	—	3,970
Certificates of deposit and time deposits	—	21,772	—	21,772				
Non-U.S. government securities	—	810	—	810	—	773	—	773
Equity securities:								
Mutual funds	47,132	—	—	47,132	54,412	—	—	54,412
Total	\$ 807,359	\$ 129,800	\$ —	\$ 937,159	\$ 607,576	\$ 116,211	\$ —	\$ 723,787
Derivative assets	—	18,746	—	18,746	—	1,665	—	1,665
Total	\$ 807,359	\$ 148,546	\$ —	\$ 955,905	\$ 607,576	\$ 117,876	\$ —	\$ 725,452
Liabilities								
Derivative liabilities	—	2,545	—	2,545	—	1,324	—	1,324
Total	\$ —	\$ 2,545	\$ —	\$ 2,545	\$ —	\$ 1,324	\$ —	\$ 1,324
Reported as follows:								
	(Level 1)	(Level 2)	(Level 3)	Total	(Level 1)	(Level 2)	(Level 3)	Total
	(in thousands)				(in thousands)			
Assets								
Cash and cash equivalents	\$ 751,454	\$ 6,117	\$ —	\$ 757,571	\$ 544,213	\$ 9,141	\$ —	\$ 553,354
Marketable securities	—	62,154	—	62,154	—	46,312	—	46,312
Long-term marketable securities	55,905	61,529	—	117,434	63,363	60,758	—	124,121
Other current assets	—	18,746	—	18,746	—	1,665	—	1,665
Total	\$ 807,359	\$ 148,546	\$ —	\$ 955,905	\$ 607,576	\$ 117,876	\$ —	\$ 725,452
Liabilities								
Other current liabilities	\$ —	\$ 2,545	\$ —	\$ 2,545	\$ —	\$ 1,324	\$ —	\$ 1,324
Total	\$ —	\$ 2,545	\$ —	\$ 2,545	\$ —	\$ 1,324	\$ —	\$ 1,324

5655

Table of Contents

	December 31, 2022				December 31, 2023			
	Quoted Prices				Quoted Prices			
	in Active	Significant			in Active	Significant		
	Markets for	Other	Significant		Markets for	Other	Significant	
	Identical	Observable	Unobservable		Identical	Observable	Unobservable	
	Instruments	Inputs	Inputs		Instruments	Inputs	Inputs	
	(Level 1)	(Level 2)	(Level 3)	Total	(Level 1)	(Level 2)	(Level 3)	Total
	(in thousands)				(in thousands)			
Assets								
Cash	\$ 632,417	\$ —	\$ —	\$ 632,417	\$ 298,156	\$ —	\$ —	\$ 298,156
Cash equivalents	161,767	60,589	—	222,356	453,298	6,117	—	459,415
Available for sale securities:								
Corporate debt securities	—	50,856	—	50,856	—	52,734	—	52,734

U.S. Treasury securities	—	39,649	—	39,649	—	41,808	—	41,808
Commercial paper	—	7,159	—	7,159				
Certificates of deposit and time deposits	—	21,772	—	21,772				
Debt mutual funds	6,580	—	—	6,580	8,773	—	—	8,773
U.S. government agency securities	—	6,352	—	6,352	—	4,892	—	4,892
Certificates of deposit and time deposits	—	1,740	—	1,740				
Commercial paper	—	1,667	—	1,667				
Non-U.S. government securities	—	535	—	535	—	810	—	810
Equity securities:								
Mutual funds	37,518	—	—	37,518	47,132	—	—	47,132
Total	\$ 838,282	\$ 166,880	\$ —	\$ 1,005,162	\$ 807,359	\$ 129,800	\$ —	\$ 937,159
Derivative assets	—	86	—	86	—	18,746	—	18,746
Total	\$ 838,282	\$ 166,966	\$ —	\$ 1,005,248	\$ 807,359	\$ 148,546	\$ —	\$ 955,905
Liabilities								
Derivative liabilities	—	4,215	—	4,215	—	2,545	—	2,545
Total	\$ —	\$ 4,215	\$ —	\$ 4,215	\$ —	\$ 2,545	\$ —	\$ 2,545
Reported as follows:								
	(Level 1)	(Level 2)	(Level 3)	Total	(Level 1)	(Level 2)	(Level 3)	Total
			(in thousands)				(in thousands)	
Assets								
Cash and cash equivalents	\$ 794,184	\$ 60,589	\$ —	\$ 854,773	\$ 751,454	\$ 6,117	\$ —	\$ 757,571
Marketable securities	—	39,612	—	39,612	—	62,154	—	62,154
Long-term marketable securities	44,098	66,679	—	110,777	55,905	61,529	—	117,434
Other current assets	—	86	—	86	—	18,746	—	18,746
Total	\$ 838,282	\$ 166,966	\$ —	\$ 1,005,248	\$ 807,359	\$ 148,546	\$ —	\$ 955,905
Liabilities								
Other current liabilities	\$ —	\$ 4,215	\$ —	\$ 4,215	\$ —	\$ 2,545	\$ —	\$ 2,545
Total	\$ —	\$ 4,215	\$ —	\$ 4,215	\$ —	\$ 2,545	\$ —	\$ 2,545

The carrying amounts and fair values of Teradyne's financial instruments at December 31, 2023 December 31, 2024 and 2022 2023 were as follows:

	December 31, 2023		December 31, 2022		December 31, 2024		December 31, 2023	
	Carrying Value	Fair Value						
	(in thousands)							
Assets								
Cash and cash equivalents	\$ 757,571	\$ 757,571	\$ 854,773	\$ 854,773	\$ 553,354	\$ 553,354	\$ 757,571	\$ 757,571
Marketable securities	179,588	179,588	150,389	150,389	170,433	170,433	179,588	179,588
Derivative assets	18,746	18,746	86	86	1,665	1,665	18,746	18,746
Liabilities								
Derivative liabilities	2,545	2,545	4,215	4,215	1,324	1,324	2,545	2,545
Convertible debt (1)	—	—	50,115	139,007				

(1) The carrying value represents the bifurcated debt component only, while the fair value is based on quoted market prices for the convertible note which includes the equity conversion features.

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

5756

Table of Contents

The following tables summarize the composition of available-for-sale marketable securities at December 31, 2023 December 31, 2024 and 2022: 2023.

	December 31, 2024							
	Available-for-Sale							
					Fair Market Value of Investments with Unrealized Losses			
	Cost		Unrealized Gain		Unrealized (Loss)		Fair Market Value	
					(in thousands)			
U.S. Treasury securities	\$ 49,879	\$ 14	\$ (4,951)	\$ 44,942	\$ 30,530			
Corporate debt securities	40,395	79	(4,778)	35,696		27,824		
Certificates of deposit and time deposits	21,689	—	—	21,689		—		
Debt mutual funds	9,299	—	(348)	8,951		3,238		
U.S. government agency securities	3,966	5	(1)	3,970		1,946		
Non-U.S. government securities	773	—	—	773		—		
	\$ 126,001	\$ 98	\$ (10,078)	\$ 116,021		\$ 63,538		

Reported as follows:

	Fair Market Value of Investments with Unrealized Losses							
	Available-for-Sale							
					Fair Market Value of Investments with Unrealized Losses			
	Cost		Unrealized Gain		Unrealized (Loss)		Fair Market Value	
					(in thousands)			
Marketable securities	\$ 46,349	\$ 16	\$ (53)	\$ 46,312	\$ 10,454			
Long-term marketable securities	79,652	82	(10,025)	69,709		53,084		
	\$ 126,001	\$ 98	\$ (10,078)	\$ 116,021		\$ 63,538		

	December 31, 2023							
	Available-for-Sale							
					Fair Market Value of Investments with Unrealized Losses			
	Cost		Unrealized Gain		Unrealized (Loss)		Fair Market Value	
					(in thousands)			
Corporate debt securities	\$ 56,458	\$ 201	\$ (3,925)	\$ 52,734	\$ 44,263			
U.S. Treasury securities	45,725	14	(3,931)	41,808		35,080		
Certificates of deposit and time deposits	21,772	—	—	21,772		—		
Debt mutual funds	9,081	—	(308)	8,773		3,303		
U.S. government agency securities	4,898	—	(6)	4,892		4,892		
Commercial paper	1,633	34	—	1,667		—		
Non-U.S. government securities	810	—	—	810		—		
	\$ 140,377	\$ 249	\$ (8,170)	\$ 132,456		\$ 87,538		

Reported as follows:

	Fair Market Value of Investments with Unrealized Losses							
	Available-for-Sale							
					Fair Market Value of Investments with Unrealized Losses			
	Cost		Unrealized Gain		Unrealized (Loss)		Fair Market Value	
					(in thousands)			
Marketable securities	\$ 62,385	\$ 36	\$ (267)	\$ 62,154	\$ 34,844			
Long-term marketable securities	77,992	213	(7,903)	70,302		52,694		
	\$ 140,377	\$ 249	\$ (8,170)	\$ 132,456		\$ 87,538		
	December 31, 2022							
	Available-for-Sale							

	Cost		Unrealized		Unrealized		Fair Market		Fair Market	
			Gain		(Loss)		Value		Value of Investments with Unrealized Losses	
					(in thousands)					
Corporate debt securities	\$ 57,006	\$ 3	\$ (6,153)	\$ 50,856	\$ 50,667					
U.S. Treasury securities	44,030	—	(4,381)	39,649						39,649
Commercial paper	7,089	70	—	7,159						—
Debt mutual funds	6,997	—	(417)	6,580						3,095
U.S. government agency securities	6,442	—	(90)	6,352						6,352
Certificates of deposit and time deposits	1,740	—	—	1,740						—
Non-U.S. government securities	535	—	—	535						—
	\$ 123,839	\$ 73	\$ (11,041)	\$ 112,871						\$ 99,763

Reported as follows: As of December 31, 2024, the fair market value of investments with unrealized losses less than one year and greater than one year totaled \$ 22.6 million and \$

	Unrealized		Unrealized		Fair Market		Fair Market	
	Cost		Gain		(Loss)		Value	
					(in thousands)			
Marketable securities	\$ 39,950	\$ 70	\$ (408)	\$ 39,612	\$ 30,713			
Long-term marketable securities	83,889	3	(10,633)	73,259				69,050
	\$ 123,839	\$ 73	\$ (11,041)	\$ 112,871				\$ 99,763

40.9 million, respectively.

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

As of December 31, 2022, the fair market value of investments with unrealized losses less than one year and greater than one year totaled \$66.3 million and \$33.4 million, respectively.

5857

Table of Contents

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 December 31, 2023 December 31, 2024 and 2022 2023 were not other than temporary.

The contractual maturities of investments in available-for-sale marketable securities held at December 31, 2023 December 31, 2024 were as follows:

	Cost		Fair Value		Cost		Fair Value	
			(in thousands)				(in thousands)	
Due within one year	\$ 62,385	\$ 62,154	\$ 46,349	\$ 46,312				
Due after 1 year through 5 years	23,703	23,319	25,554	25,316				
Due after 5 years through 10 years	6,049	5,735	8,648	8,232				
Due after 10 years	39,159	32,475	36,151	27,210				
Total	\$ 131,296	\$ 123,683	\$ 116,702	\$ 107,070				

Contractual maturities of investments in available-for-sale marketable securities held at **December 31, 2023** **December 31, 2024** exclude debt mutual funds with the fair market value of **\$8.8** **9.0** 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 a 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.

5958

[Table of Contents](#)

At **December 31, 2023** **December 31, 2024** and **2022**, **2023**, to hedge certain of its local currency balance sheet assets and liabilities, Teradyne had the following contracts to buy and sell non-U.S. currencies for U.S. dollars and other non-U.S. currencies with the following notional amounts:

Currency Hedged (Buy/Sell)	Net Notional Value			
	December 31,		Net Notional Value	
	2023	December 31, 2022	December 31, 2024	December 31, 2023
		(in millions)		(in millions)
Currency Hedged (Buy/Sell)				
U.S. dollar/Taiwan dollar	\$ 42.7	\$ 29.2	\$ 14.5	\$ 42.7
U.S. dollar/Danish krone	36.0	—		
U.S. dollar/Japanese yen	11.0	37.1	12.6	11.0
Danish krone/Chinese yuan	10.5	—		
U.S. dollar/Korean won	7.2	6.4	4.2	7.2
U.S. dollar/British pound sterling	1.5	1.2	1.2	1.5
U.S. dollar/Danish krone	—	36.0		
Singapore dollar/U.S. dollar	28.9	16.6		
Euro/U.S. dollar	25.3	38.4	22.3	25.3
Singapore dollar/U.S. dollar	16.6	33.5		
Danish krone/U.S. dollar	16.9	0.7		
Philippine peso/U.S. dollar	10.1	2.7	9.4	10.1
Chinese yuan/U.S. dollar	1.0	2.2	1.6	1.0
Danish krone/U.S. dollar	0.7	—		
Total	152.1	150.7		

\$	122.1	\$	152.1
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The change in the fair value of the outstanding contracts was a loss of **\$1.8** **0.6** million and a loss of **\$0.9** **1.8** million, respectively, at **December 31, 2023** **December 31, 2024** and **2022** **2023**.

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 **December 31, 2023** **December 31, 2024** and **2022, 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:

Currency Hedged (Buy/Sell)	Net Notional Value			
	December 31,		Net Notional Value	
	2023	December 31, 2022	December 31, 2024	December 31, 2023
	(in millions)			
U.S. dollar/Japanese yen	\$ 35.5	\$ 61.2	\$ 15.6	\$ 35.5
U.S. dollar/Taiwan dollar	—	10.9		
Japanese yen/U.S. dollar	—	23.4		
Taiwan dollar/U.S. dollar	—	5.5		
Total	\$ 35.5	\$ 101.0	\$ 15.6	\$ 35.5

The change in the fair value of the outstanding cash flow hedge contracts was a gain of **\$0.9** million at December 31, 2024 and a gain of **\$0.6** million at December 31, 2023 and a loss of **\$3.2** million at December 31, 2022.

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** the agreement to acquire 10% investment in Technoprobe S.p.A, **we** **Teradyne** purchased a call option to buy 481.0 million Euros. The expiration date of the option **is** **was** April 26, 2024. At December 31, 2023, the fair value of the outstanding contract was \$17.4 million and an unrealized gain of \$7.5 million was recorded in other (income) expense, net. On April 12, 2024, Teradyne entered into a forward to buy 481.0 million Euros which expired on May 23, 2024. For the year ended December 31, 2024, a realized loss of \$9.8 million was recorded in 'Other (income) expense, net' in the consolidated statement of operations.

6059

Table of Contents

The following table summarizes the fair value of derivative instruments as of **December 31, 2023** **December 31, 2024** and **2022, 2023**:

	Balance Sheet Location	December 31,		December 31,		December 31,		December 31,	
		2023		2022		2024		2023	
		(in thousands)				(in thousands)			
Derivatives not designated as hedging instruments:									
Foreign exchange forward contracts	Other current assets	\$ 733	\$ 86	Other current assets	\$ 725	\$ 733			
Foreign exchange option contracts	Other current assets	17,364	—	Other current assets	—	17,364			
Foreign exchange forward contracts	Other current liabilities	(2,545)	(990)	Other current liabilities	(1,324)	(2,545)			
Derivatives designated as hedging instruments:									
Foreign exchange forward contracts	Other current assets	648	—	Other current assets	940	648			

Foreign exchange option contracts	Other current liabilities	—	(3,225)				
Total derivatives		\$ 16,200	\$ (4,129)		\$ 341	\$ 16,200	

The following table summarizes the effect of derivative instruments in the statements of operations recognized for the years ended December 31, 2023 December 31, 2024, 2022, 2023, and 2021 2022.

	Location of (Gains) Losses Recognized in Statement of Operations	December	December	December	Location of (Gains) Losses Recognized in Statement of Operations	December	December	December
		31, 2023	31, 2022	31, 2021	31, 2024	31, 2023	31, 2022	
		(in thousands)			(in thousands)			
Derivatives not designated as hedging instruments:								
Foreign exchange forward contracts (1)	Other (income) expense, net	\$ (1,843)	\$ (2,482)	\$ 6,488	Other (income) expense, net	\$ 3,226	\$ (1,843)	\$ (2,482)
Foreign exchange option contracts	Other (income) expense, net	(7,464)	—	—	Other (income) expense, net	9,764	(7,464)	—
Derivatives designated as hedging instruments:								
Foreign exchange forward and option contracts	Revenue	(3,127)	(251)	—	Revenue	(2,402)	(3,127)	(251)
Total derivatives		\$ (12,434)	\$ (2,733)	\$ 6,488		\$ 10,588	\$ (12,434)	\$ (2,733)

(1) 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 years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021, 2022, net losses (gains) from remeasurement of monetary assets and liabilities denominated in foreign currencies were \$10.9 2.8 million, \$10.8 10.9 million, and \$(2.1 10.8) million, respectively.

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

Concentration of Credit Risk

Financial instruments which potentially subject Teradyne us to concentrations of credit risk consist principally of cash equivalents, marketable securities, forward currency contracts and accounts receivable. Teradyne's Our cash equivalents consist primarily of money market funds invested in U.S. Treasuries and government agencies. Teradyne's Our fixed income available-for-sale marketable securities have a minimum rating of AA by one or more of the major credit rating agencies. Teradyne places foreign We place forward currency forward contracts with high credit-quality financial institutions in order to minimize credit risk exposure. Concentrations of credit risk with respect to accounts receivable are limited due to the large number of geographically dispersed customers. Teradyne performs We perform ongoing credit evaluations of its our customers' financial condition and from time to time may require customers to provide a letter of credit from a bank to secure accounts receivable. As of December 31, 2024, two customers of our Semiconductor Test segment, Taiwan Semiconductor Manufacturing Co. and SK Hynix Inc, each accounted for 10% of our accounts receivable balance. As of December 31, 2023, one a customer of our Semiconductor Test segment, Texas Instruments Inc., accounted for 18% of our accounts receivable balance. There were no customers who accounted for more than 10% of our accounts receivable balance as of December 31, 2022.

I. J. LEASES

Teradyne has facility and auto leases, which are accounted for as operating leases. Teradyne's facility leases are primarily used for administrative functions, research and development, manufacturing, and storage and distribution. Remaining lease terms range from less than one year to twelve years.

For the years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021, 2022, total lease expense was \$42.7 43.6 million, \$40.1 42.7 million, and \$39.2 40.1 million, respectively, and included \$15.5 15.9 million, \$14.1 15.5 million, and \$12.6 14.1 million, respectively, of variable lease costs and \$1.3 million, \$2.0 1.3 million, and \$1.8 2.0 million, respectively, of costs related to short-term leases, which are not recorded on the consolidated balance sheets.

6160

Table of Contents

At December 31, 2024, the weighted average remaining lease term and weighted average discount rate for operating leases was 5.8 years and 5.5%, respectively. At December 31, 2023, the weighted average remaining lease term and weighted average discount rate for operating leases was 6.3 years and 5.2%, respectively. At December 31, 2022, the weighted average remaining lease term and weighted average discount rate for operating leases was 5.9 years and 4.7%, respectively.

Supplemental cash flows information related to leases was as follows:

	For the Years Ended			For the Years Ended		
	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2024	December 31, 2023	December 31, 2022
	(in thousands)			(in thousands)		
Cash paid for amounts included in the measurement of lease liabilities included in operating cash flows:	\$ 26,059	\$ 20,775	\$ 24,593			
Cash paid for amounts included in the measurement of lease liabilities included in operating cash flows	\$ 23,990	\$ 26,059	\$ 20,775			
Right-of-use assets obtained in exchange for new lease obligations	17,987	26,149	34,246	18,358	17,987	26,149

Maturities of lease liabilities as of December 31, 2023 December 31, 2024 were as follows:

	Operating Lease (1)	
	(in thousands)	
2024		\$ 21,045
2025		18,755
2026		15,074
2027		11,733
2028		7,622
Thereafter		23,906
Total lease payments		98,135
Less imputed interest		(15,521)
Total lease liabilities	\$	82,614

(1) Excludes \$2.5 million of lease liabilities classified as liabilities held for sale. See Note E: "Assets held for sale" for additional information.

	Operating Lease	
	(in thousands)	
2025	\$	21,872
2026		17,729
2027		13,991
2028		9,608
2029		7,332
Thereafter		20,760
Total lease payments		91,292
Less imputed interest		(14,671)
Total lease liabilities	\$	76,621

J.K. 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, \$33.0 million of which was used to pay the net cost of the convertible note hedge transactions and \$50.1 million of which was used to repurchase 2.0 million shares of Teradyne's common stock under its existing stock repurchase program from 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 bore 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. Substantially all of the Notes were converted as of December 15, 2023.

During 2023, twenty three debt holders elected to convert \$50.2 million of debt principal. The conversion of the debt was settled in cash for principal amount and in shares for the excess of conversion value over principal amount. The 1.1 million shares issued to the debt holders were received from exercising the convertible notes hedge call options.

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, the number of shares of the common stock that underlie the Notes.

62

[Table of Contents](#)

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~~ Teradyne's shareholders' equity. The Warrant Transactions, which ~~expire between~~ began expiring on March 18, 2024, and ~~continued to expire~~ through July 10, 2024, ~~currently cover, covered~~, subject to customary anti-dilution adjustments, approximately ~~14.7~~ 1.3 million shares of common stock. During the year ended December 31, 2024, 14.7 million warrants expired, resulting in the issuance of 10.0 million shares of Teradyne common stock, respectively. As of December 31, 2023 the final date of expiration, July 10, 2024, the strike price of the warrants was approximately \$39.40 ~~39.35~~ per share. The ~~strike price is subject to adjustment under certain circumstances. The Warrant Transactions could result~~ resulted 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~~ exceeded the applicable strike price of the warrants.

The net cost of the Note Hedge Transactions, after being partially offset by the proceeds from the sale of the warrants, was approximately \$33.0 million.

In connection with establishing their initial hedge of these convertible note hedge and warrant transactions, the Option Counterparties have entered into various derivative transactions with respect to Teradyne's common stock and/or purchased shares of Teradyne's common stock or other securities, including the Notes, concurrent with, or shortly after, the pricing of the Notes. In addition, the Option Counterparties may modify their hedge positions by entering into or unwinding various derivative transactions with respect to Teradyne's common stock or by selling Teradyne's common stock or other securities, including the Notes, in secondary market transactions (and may do so during any observation period related to the conversion of the Notes). These activities could adversely affect the value of Teradyne's common stock and the Notes.

Originally, Teradyne allocated \$100.8 million of the \$460.0 million principal amount of the Notes to the equity component, which represented a discount to the debt and was amortized to interest expense using the effective interest method through December 2023. Effective January 1, 2022, Teradyne adopted ASC 2020-06 using the modified retrospective method of transition and accounts for the debt as a single liability measured at its amortized cost. As a result of the adoption, Teradyne recorded an increase of \$1.4 million to current debt for unsettled shares, an increase of \$1.8 million to deferred tax assets, an increase of \$6.6 million to long-term debt for unamortized debt discount, and an increase to retained earnings of \$94.6 million for the reclassification of the equity component. Mezzanine equity representing unsettled shares value was reduced to zero and additional paid-in capital was reduced by \$100.8 million.

The ~~below~~ tables represent interest expense on Teradyne's senior notes for the ~~key components~~ years ended December 31, 2024, and December 31, 2023, was as follows:

61

[Table of Teradyne's convertible senior notes: Contents](#)

	For the Years Ended	
	December 31, 2023	December 31, 2022
	(in thousands)	
Debt principal	\$ —	\$ 50,228
Unamortized debt issuance fees	—	113
Net carrying amount of convertible debt	\$ —	\$ 50,115

	For the Years Ended		For the Years Ended	
	December 31, 2023	December 31, 2022	December 31, 2024	December 31, 2023
	(in thousands)		(in thousands)	
Contractual interest expense on the coupon	\$ 312	\$ 732	\$ —	\$ 312
Amortization of the issuance fees recognized as interest expense	113	209	—	113
Total interest expense on the convertible debt	<u>\$ 425</u>	<u>\$ 941</u>	<u>\$ —</u>	<u>\$ 425</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 provides 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. On November 7, 2023, the Credit Agreement was amended to allow for the purchase of the shares of Technoprobe.

63

Table of Contents

The Credit Agreement provides that, subject to customary conditions, Teradyne may seek to obtain 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 costs.

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, grant 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 assets of Teradyne and such subsidiaries, including a pledge of 65% of the capital stock of certain foreign subsidiaries.

On May 16, 2024, Teradyne borrowed \$185.0 million under the Credit Agreement to support the acquisition of 10% of the issued and outstanding shares of Technoprobe. Teradyne fully repaid its borrowings on the revolving credit facility prior to December 31, 2024. There was no outstanding revolver balance as of December 31, 2024.

As of February 22, 2024 February 20, 2025, the Credit Agreement was undrawn and Teradyne was in compliance with all covenants under the Credit Agreement.

K.62

Table of Contents

L. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Changes in accumulated other comprehensive income (loss), which is presented net of tax, consist of the following:

Foreign Currency Translation	Unrealized Gains (Losses) on Marketable	Unrealized (Losses) Gains on Cash Flow	Retirement Plans Prior Service	Total

	Adjustment	Securities	Hedges	Credit	
			(in thousands)		
Balance at December 31, 2021, net of tax of \$0, \$1,055, \$0, \$(1,128), respectively	\$ (10,818)	\$ 3,704	\$ —	\$ 1,166	\$ (5,948)
Other comprehensive loss before reclassifications, net of tax of \$0, \$(3,388), \$(708), \$0, respectively	(29,031)	(12,666)	(2,517)	—	(44,214)
Amounts reclassified from accumulated other comprehensive income (loss), net of tax of \$0, \$25, \$0, \$(2), respectively	—	301	—	(7)	294
Net current period other comprehensive loss, net of tax of \$0, \$(3,363), \$(708), \$(2), respectively	(29,031)	(12,365)	(2,517)	(7)	(43,920)
Balance at December 31, 2022, net of tax of \$0, \$(2,308), \$(708), \$(1,130), respectively	\$ (39,849)	\$ (8,661)	\$ (2,517)	\$ 1,159	\$ (49,868)
Other comprehensive gain before reclassifications, net of tax of \$0, \$568, \$1,537, \$0, respectively	17,407	2,423	5,464	—	25,294
Amounts reclassified from accumulated other comprehensive income (loss), net of tax of \$0, \$12, \$(686), \$(2), respectively	—	44	(2,441)	(7)	(2,404)
Net current period other comprehensive gain (loss), net of tax of \$0 \$580, \$851, \$(2), respectively	17,407	2,467	3,023	(7)	22,890
Balance at December 31, 2023, net of tax of \$0, \$(1,728), \$143, \$(1,132), respectively	\$ (22,442)	\$ (6,194)	\$ 506	\$ 1,152	\$ (26,978)

64

[Table of Contents](#)

	Foreign Currency Translation Adjustment	Unrealized Gains (Losses) on Marketable Securities	Unrealized (Losses) Gains on Cash Flow Hedges	Retirement Plans Prior Service Credit	Total
			(in thousands)		
Balance at December 31, 2022, net of tax of \$0, \$(2,308), \$(708), \$(1,130), respectively	\$ (39,849)	\$ (8,661)	\$ (2,517)	\$ 1,159	\$ (49,868)
Other comprehensive gain before reclassifications, net of tax of \$0, \$568, \$1,537, \$0, respectively	17,407	2,423	5,464	—	25,294
Amounts reclassified from accumulated other comprehensive income (loss), net of tax of \$0, \$12, \$(686), \$(2), respectively	—	44	(2,441)	(7)	(2,404)
Net current period other comprehensive gain (loss), net of tax of \$0 \$580, \$851, \$(2), respectively	17,407	2,467	3,023	(7)	22,890
Balance at December 31, 2023, net of tax of \$0, \$(1,728), \$143, \$(1,132), respectively	\$ (22,442)	\$ (6,194)	\$ 506	\$ 1,152	\$ (26,978)
Other comprehensive gain before reclassifications, net of tax of \$0, \$(470), \$593, \$0, respectively	(52,847)	(1,699)	2,100	—	(52,446)
Amounts reclassified from accumulated other comprehensive income (loss), net of tax of \$0, \$24, \$(527), \$(2), respectively	—	86	(1,875)	(7)	(1,796)
Net current period other comprehensive gain (loss), net of tax of \$0 \$(446), \$66, \$(2), respectively	(52,847)	(1,613)	225	(7)	(54,242)
Balance at December 31, 2024, net of tax of \$0, \$(2,174), \$209, \$(1,134), respectively	\$ (75,289)	\$ (7,807)	\$ 731	\$ 1,145	\$ (81,220)

Reclassifications out of accumulated other comprehensive income (loss) to the statements of operations for the years ended December 31, 2023 December 31, 2024, 2022, 2023, and 2021, 2022, were as follows:

Components				Affected Line Item in the Statements of Operations				Affected Line Item in the Statements of Operations		
	For the years ended				For the years ended					
	December 31, 2023	December 31, 2022	December 31, 2021		December 31, 2024	December 31, 2023	December 31, 2022			
(in thousands)										
Available-for-sale marketable securities										
Unrealized (losses) gains, net of tax of \$(12), \$(25), \$277, respectively	\$ (44)	\$ (301)	\$ 995	Other (income) expense, net						
Unrealized (losses) gains, net of tax of \$(24), \$(12), \$(25), respectively	\$ (86)	\$ (44)	\$ (301)	Other (income) expense, net						
Cash flow hedges:										
Unrealized gains, net of tax of \$686, \$0, \$0, respectively	2,441	—	—	Revenue						
Unrealized gains, net of tax of \$527, \$686, \$0, respectively	1,875	2,441	—	Revenue						
Defined benefit pension and postretirement plans:										
Amortization of prior service benefit, net of tax of \$2, \$2, \$2, respectively	7	7	7	(a)		7	7	7 (a)		
Total reclassifications, net of tax of \$676, \$(23), \$279, respectively	\$ 2,404	\$ (294)	\$ 1,002	Net income						
Total reclassifications, net of tax of \$505, \$676, \$(23), respectively	\$ 1,796	\$ 2,404	\$ (294)	Net income						

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

L. M. GOODWILL AND 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. Goodwill is considered to be impaired when the net book value of a reporting unit exceeds its estimated fair value.

Teradyne has the option to perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If Teradyne determines this is the case, Teradyne is required to perform a quantitative

Table of Contents

goodwill impairment test to identify potential goodwill impairment and measure the amount of goodwill impairment loss to be recognized. If Teradyne determines that it is more likely than not that the fair value of the reporting unit is greater than its carrying amounts, the quantitative goodwill impairment test is not required. In performing the quantitative goodwill impairment test, Teradyne determines the fair value of a reporting unit using the results derived from an income approach and a market approach, weighting the fair value determined under each approach to determine an estimated fair value for a reporting unit. The income approach is estimated through the discounted cash flows ("DCF") analysis. Determining fair value requires the exercise of significant judgment, including judgments about appropriate discount rates, perpetual growth rates, and the amount and timing of expected future cash flows. Discount rates are based on a weighted average cost of capital ("WACC"), which represents the average rate a business must pay its providers of debt and equity, plus a risk premium. The WACC used to test goodwill is derived from a group of comparable companies. The cash flows employed in the DCF analysis are derived from internal forecasts and external market forecasts. The market approach estimates the fair value of the reporting unit by utilizing the market comparable method which is based on revenue and earnings multiples from comparable companies. If the estimated fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is not impaired.

If the carrying amount of a reporting unit exceeds its estimated fair value, then the goodwill is written down by the amount that carrying value exceeds the fair value of the reporting unit, but not below zero.

In the fourth quarter of 2024, Teradyne performed the annual goodwill impairment test, completing a quantitative assessment for the Robotics reporting unit and a qualitative assessment for the Wireless Test reporting unit and for a reporting unit within System Test. There was no impairment as a result of the annual test performed in the fourth quarter of 2024. Key assumptions in the goodwill valuation model are forecasted revenues, discount rate, earnings before interest and taxes, and revenue multiples from comparable companies. A change in any of these key assumptions could result in the reporting unit being impaired in a future period.

In the fourth quarter of 2023, Teradyne performed the annual goodwill impairment test, completing a quantitative assessment for the Robotics reporting unit and a qualitative assessment for the Wireless Test reporting unit and for a reporting unit within System Test reporting units. There was no impairment as a result of the annual test performed in the fourth quarter of 2023. Key assumptions in the goodwill valuation model are forecasted revenues, discount rate, earnings before interest and taxes, and revenue multiples from comparable companies. A change in any of these key assumptions could result in the reporting unit being impaired in a future period.

In the fourth quarter of 2022, Teradyne performed the annual goodwill impairment test, completing a quantitative assessment for the Robotics reporting unit and a qualitative assessment for the Wireless Test and System Test reporting units. There was no impairment as a result of the annual test performed in the fourth quarter of 2022. Key assumptions in the goodwill valuation model are forecasted revenues, discount rate, earnings before interest and taxes, and revenue multiples from comparable companies.

65

Table of Contents

The changes in the carrying amount of goodwill by reportable segments for the years ended December 31, 2023 December 31, 2024 and 2022 2023 are as follows:

	Wireless				Semiconductor				Total	System				Total
	Robotics	Test	Test	Test	Robotics	Test	All Other	Total		Robotics	Test	All Other	Total	
	(in thousands)				(in thousands)									
Balance at December 31, 2021:														
Balance at December 31, 2022														
Goodwill	\$ 405,971	\$ 361,819	\$ 262,101	\$ 158,699	\$ 1,188,590	\$ 383,166	\$ 262,077	\$ 520,518	\$ 1,165,761					
Accumulated impairment losses	—	(353,843)	(260,540)	(148,183)	(762,566)	—	(260,540)	(502,026)	(762,566)					
	405,971	7,976	1,561	10,516	426,024									
Total Goodwill	383,166	1,537	18,492	403,195										
Foreign currency translation adjustment	(22,805)	—	(24)	—	(22,829)	12,297	160	—	12,457					
Balance at December 31, 2022:														
Balance at December 31, 2023														
Goodwill	383,166	361,819	262,077	158,699	1,165,761	395,463	262,237	520,518	1,178,218					
Accumulated impairment losses	—	(353,843)	(260,540)	(148,183)	(762,566)	—	(260,540)	(502,026)	(762,566)					
	383,166	7,976	1,537	10,516	403,195									
Total Goodwill	395,463	1,697	18,492	415,652										
Foreign currency translation adjustment	12,297	—	160	—	12,457	(20,165)	(120)	—	(20,285)					
Balance at December 31, 2023:														
Balance at December 31, 2024														
Goodwill	395,463	361,819	262,237	158,699	1,178,218	375,298	262,117	520,518	1,157,933					
Accumulated impairment losses	—	(353,843)	(260,540)	(148,183)	(762,566)	—	(260,540)	(502,026)	(762,566)					
	395,463	7,976	1,697	10,516	415,652									
Total Goodwill	375,298	\$ 1,577	\$ 18,492	\$ 395,367										

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.

There were no events or circumstances indicating that the carrying value of intangible and long-lived assets may not be recoverable in 2024, 2023 2022 and 2021, 2022.

[Table of Contents](#)

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

	December 31, 2023				December 31, 2024			
	Gross	Accumulated	Net		Gross	Accumulated	Net	
	Carrying	Amortization	Foreign Currency Translation	Carrying	Carrying	Amortization	Foreign Currency Translation	Carrying
	Amount (1)	(1)	Adjustment	Amount	Amount (1)	(1)	Adjustment	Amount
(in thousands)								
Developed technology	\$ 267,706	\$ (243,191)	\$ (5,343)	\$ 19,172	\$ 267,706	\$ (255,448)	\$ (5,820)	\$ 6,438
Customer relationships	52,109	(47,850)	232	4,491	52,109	(49,562)	204	2,751
Tradenames and trademarks	59,007	(46,021)	(1,245)	11,741	59,007	(50,805)	(1,464)	6,738
Total intangible assets	\$ 378,822	\$ (337,062)	\$ (6,356)	\$ 35,404	\$ 378,822	\$ (355,815)	\$ (7,080)	\$ 15,927

	December 31, 2022				December 31, 2023			
	Gross	Accumulated	Net		Gross	Accumulated	Net	
	Carrying	Amortization	Foreign Currency Translation	Carrying	Carrying	Amortization	Foreign Currency Translation	Carrying
	Amount (1)	(1)	Adjustment	Amount	Amount (1)	(1)	Adjustment	Amount
(in thousands)								
Developed technology	\$ 270,967	\$ (234,208)	\$ (5,935)	\$ 30,824	\$ 267,706	\$ (243,191)	\$ (5,343)	\$ 19,172
Customer relationships	57,739	(51,186)	172	6,725	52,109	(47,850)	232	4,491
Tradenames and trademarks	59,387	(41,930)	(1,528)	15,929	59,007	(46,021)	(1,245)	11,741
Total intangible assets	\$ 388,093	\$ (327,324)	\$ (7,291)	\$ 53,478	\$ 378,822	\$ (337,062)	\$ (6,356)	\$ 35,404

(1) In 2023 and 2022, \$9.3 million and \$1.6 million, respectively, of amortizable intangible assets became fully amortized and have been eliminated from the gross carrying amount and accumulated amortization.

[Table of Contents](#)

Aggregate intangible assets amortization expense for the years ended December 31, 2023 December 31, 2024, 2023, and 2022, and 2021, was \$18.8 million, \$19.0 million, \$19.3 million, and \$21.5 19.3 million, respectively. Estimated intangible assets amortization expense for each of the five succeeding fiscal years is as follows:

Year	Amortization Expense		(in thousands)	Amortization Expense		(in thousands)
2024	\$		18,983			
2025			11,402	\$		11,125
2026			2,390			2,325
2027			1,173			1,108
2028			1,092			1,027
2029			342			
Thereafter			364			—

M.N. COMMITMENTS AND CONTINGENCIES

Purchase Commitments

As of **December 31, 2023** **December 31, 2024**, Teradyne had entered into non-cancelable purchase commitments for certain components and materials. The purchase commitments covered by the agreements aggregate to approximately **\$14.4** **419.8** million, of which **\$379.1** **409.6** 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 or to 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.

On March 8, 2021, Industrial Automation LLC, sellers of AutoGuide, submitted a demand for arbitration against Teradyne and AutoGuide in Wilmington, Delaware alleging that Teradyne and AutoGuide breached certain provisions of the Membership Interests Purchase Agreement (the "Purchase Agreement"), dated as of October 18, 2019, among Industrial Automation LLC, Teradyne and AutoGuide. The arbitration demand sought full acceleration of the maximum earn-out amount payable under the Purchase Agreement,

65

[Table of Contents](#)

or \$106.9 million, for the alleged breach of the earn-out provisions of the Purchase Agreement. On March 25, 2022, the arbitration claim was settled for \$26.7 million. As a result, Teradyne has no remaining earn-out obligations.

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 directors, officers and employees of the acquired companies in accordance with the acquired companies' 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/or indemnify the other party against intellectual property infringement claims brought by a third party with 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, personal 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

67

[Table of Contents](#)

and recognized on a straight-line basis over the contract period. Related costs are expensed as incurred. As of **December 31, 2023** **December 31, 2024** and **2022, 2023**, Teradyne had a product warranty accrual of **\$15.7** **13.0** million and **\$14.2** **15.7** million, respectively, included in other accrued liabilities, and revenue deferrals related to extended warranties of **\$34.9** **41.6** million and **\$56.2** **34.9** 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 as the 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 in force 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 December 31, 2023 December 31, 2024, and 2022, 2023, except for product warranty, Teradyne has not recorded any liabilities for these guarantees and obligations because the amount would be immaterial.

N. 66

[Table of Contents](#)

O. NET INCOME PER COMMON SHARE

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

	2023	2022	2021	2024	2023	2022
	(in thousands, except per share amounts)			(in thousands, except per share amounts)		
Net income for basic and diluted net income per share	\$ 448,752	\$ 715,501	\$ 1,014,589	\$ 542,372	\$ 448,752	\$ 715,501
Weighted average common shares-basic	154,310	158,434	164,960	159,083	154,310	158,434
Effect of dilutive potential common shares:						
Convertible note hedge warrant shares (1)	8,897	8,806	9,956	3,563	8,897	8,806
Incremental shares from assumed conversion of convertible notes (2)	633	1,763	7,435			
Restricted stock units	423	657	1,180	651	423	657
Stock options	34	52	86	11	34	52
Employee stock purchase rights	7	22	8	6	7	22
Incremental shares from assumed conversion of convertible notes (2)	—	633	1,763			
Dilutive potential common shares	9,994	11,300	18,665	4,231	9,994	11,300
Weighted average common shares-diluted	164,304	169,734	183,625	163,314	164,304	169,734
Net income per common share-basic	\$ 2.91	\$ 4.52	\$ 6.15	\$ 3.41	\$ 2.91	\$ 4.52
Net income per common share-diluted	\$ 2.73	\$ 4.22	\$ 5.53	\$ 3.32	\$ 2.73	\$ 4.22

(1) 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.

(2) Incremental shares from the assumed conversion of the convertible notes was 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 debt, was divided by the average Teradyne stock price for the period.

The computation of diluted net income per common share for 2024 and 2023 excludes the effect of the potential exercise of stock options to purchase approximately 0.1 million shares and restricted stock units to purchase approximately 0.1 million shares because the effect would have been anti-dilutive. The computation of diluted net income per common share for 2022 excludes the effect of the potential exercise of stock options to purchase approximately 0.1 million shares and restricted stock units to purchase approximately 0.4 million shares because the effect would have been anti-dilutive.

68

[Table of Contents](#)

O.P. RESTRUCTURING AND OTHER

During the year ended December 31, 2024, Teradyne recorded \$5.2 million of severance charges related to headcount reductions of 98 people primarily in Robotics and Semiconductor Test, which included charges related to a voluntary early retirement program for employees meeting certain conditions, \$3.6 million of acquisition and divestiture expenses, and \$1.3 million of charges related to lease terminations.

During the year ended December 31, 2023, Teradyne recorded \$14.7 million of severance charges related to headcount reductions of 215 people primarily in Semiconductor Test and Robotics, which included charges related to a voluntary early retirement program for employees meeting certain conditions, a \$3.1 million of acquisition and divestiture expenses related to Technoprobe transaction, a \$1.5 million contract termination charge, and a charge of \$1.1 million for an increase in environmental liability.

During the year ended December 31, 2022, Teradyne recorded a charge of \$14.7 million related to the arbitration claim filed against Teradyne and AutoGuide related to an earn-out dispute, which was settled on March 25, 2022 for \$26.7 million, \$2.9 million of severance charges primarily in Robotics, and a charge of \$2.7 million for an increase in environmental and legal liabilities, partially offset by a \$3.4 million gain on sale of asset.

During the year ended December 31, 2021, Teradyne recorded a charge of \$12.0 million related to the arbitration claim filed against Teradyne and AutoGuide related to an earn-out dispute, \$1.5 million of severance charges primarily in Robotics, \$0.5 million of acquisition related compensation and expenses, and \$2.5 million for other expenses, offset by a \$7.2 million gain for the decrease in the fair value of the AutoGuide contingent consideration liability.

P.Q. RETIREMENT PLANS

ASC 715, "Compensation—Retirement Benefits," requires an employer with defined benefit plans or 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 of its plans.

67

[Table of Contents](#)

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 the plans in accordance with local laws and to the extent that such contributions are tax deductible. The assets of these 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 2024, Teradyne purchased a group annuity contract for its retiree participants in the U.S. qualified pension plan. Under the group annuity, the accrued pension obligation for 132 retiree participants were transferred to an insurance company. The reduction in the pension benefit obligation and pension assets was \$23.4 million. During the year ended December 31, 2024, Teradyne recorded settlement expense of \$0.4 million related to the retiree group annuity transaction.

In 2024, Teradyne's projected benefit obligations decreased primarily due to the \$23.4 million purchase of a group annuity contract for its retiree participants in the U.S. qualified pension plan, actuarial gains of \$8.0 million across all pension plans from increases in discount rates, and \$2.0 million of gains from foreign exchange effects for foreign plans. In 2023, Teradyne's projected benefit obligations increased primarily due to actuarial losses of approximately \$6.0 million across all pension plans from increases in discount rates, and approximately \$1.0 million of losses from foreign exchange effects for foreign plans. In 2022, Teradyne's projected benefit obligations decreased primarily due to actuarial gains of approximately \$59.1 million across all pension plans from increases in discount rates, and approximately \$3.1 million gain from foreign exchange effects for foreign plans.

69

[Table of Contents](#)

The December 31 balances of these defined benefit pension plans assets and obligations are shown below:

2023		2022		2024		2023	
United States	Foreign	United States	Foreign	United States	Foreign	United States	Foreign
(in thousands)				(in thousands)			

Assets and Obligations									
Change in benefit obligation:									
Projected benefit obligation:									
Beginning of year	\$ 143,814	\$ 29,935	\$ 192,472	\$ 45,774	\$ 144,187	\$ 33,984	\$ 143,814	\$ 29,935	
Service cost	1,063	446	1,588	784	881	446	1,063	446	
Interest cost	6,888	1,057	4,886	482	6,292	953	6,888	1,057	
Actuarial loss (gain)	3,229	2,738	(45,932)	(13,181)					
Actuarial (gain) loss	(6,014)	(1,972)	3,229	2,738					
Benefits paid	(10,807)	(947)	(9,200)	(863)	(11,658)	(955)	(10,807)	(947)	
Retiree annuity purchase	(23,386)	—	—	—					
Liability (gain) loss due to settlement	—	(254)	—	—	394	(195)	—	(254)	
Non-U.S. currency movement	—	1,009	—	(3,061)	—	(1,988)	—	1,009	
End of year	<u>144,187</u>	<u>33,984</u>	<u>143,814</u>	<u>29,935</u>	<u>110,696</u>	<u>30,273</u>	<u>144,187</u>	<u>33,984</u>	
Change in plan assets:									
Fair value of plan assets:									
Beginning of year	111,760	2,087	149,578	2,017	112,617	1,929	111,760	2,087	
Actual return on plan assets	8,613	43	(31,835)	153	779	77	8,613	43	
Company contributions	3,051	1,028	3,217	949	3,065	1,024	3,051	1,028	
Benefits paid	(10,807)	(947)	(9,200)	(863)	(11,658)	(955)	(10,807)	(947)	
Retiree annuity purchase	(23,386)	—	—	—					
Settlements gain	—	(254)	—	—	—	(195)	—	(254)	
Non-U.S. currency movement	—	(28)	—	(169)	—	108	—	(28)	
End of year	<u>112,617</u>	<u>1,929</u>	<u>111,760</u>	<u>2,087</u>	<u>81,417</u>	<u>1,988</u>	<u>112,617</u>	<u>1,929</u>	
Funded status	<u>\$ (31,570)</u>	<u>\$ (32,055)</u>	<u>\$ (32,054)</u>	<u>\$ (27,848)</u>	<u>\$ (29,279)</u>	<u>\$ (28,285)</u>	<u>\$ (31,570)</u>	<u>\$ (32,055)</u>	

The following table provides amounts recorded within the account line items of the statements of financial position as of December 31:

68

[Table of Contents](#)

	2023				2022			
	United States		Foreign		United States		Foreign	
	(in thousands)							
Retirement plans assets	\$ 11,504	\$ —	\$ 11,761	\$ —				
Accrued employees' compensation and withholdings	(3,110)	(1,255)	(3,055)	(1,191)				
Retirement plans liabilities	(39,964)	(30,800)	(40,760)	(26,657)				
Funded status	<u>\$ (31,570)</u>	<u>\$ (32,055)</u>	<u>\$ (32,054)</u>	<u>\$ (27,848)</u>				
	2024				2023			
	United States		Foreign		United States		Foreign	
	(in thousands)							
Retirement plans assets	\$ 11,994	\$ —	\$ 11,504	\$ —				
Accrued employees' compensation and withholdings	(3,263)	(969)	(3,110)	(1,255)				
Retirement plans liabilities	(38,010)	(27,316)	(39,964)	(30,800)				
Funded status	<u>\$ (29,279)</u>	<u>\$ (28,285)</u>	<u>\$ (31,570)</u>	<u>\$ (32,055)</u>				

The accumulated benefit obligation for the United States defined benefit pension plans was \$142.2 109.0 million and \$140.6 142.2 million at December 31, 2024 and 2022, 2023, respectively. The accumulated benefit obligation for foreign defined benefit pension plans was \$32.6 29.1 million and \$28.6 32.6 million at December 31, 2023 December 31, 2024 and 2022, 2023, respectively.

Information for pension plans with an accumulated benefit obligation in excess of plan assets as of December 31:

	2023				2022			
	United States		Foreign		United States		Foreign	
	(in millions)							
Projected benefit obligation	\$ 43.1		\$ 34.0		\$ 43.8		\$ 29.9	
Accumulated benefit obligation	42.6		32.5		42.3		28.6	
Fair value of plan assets	—		1.9		—		2.1	

70

[Table of Contents](#)

	2024				2023			
	United States		Foreign		United States		Foreign	
	(in millions)							
Projected benefit obligation	\$ 41.3		\$ 30.3		\$ 43.1		\$ 34.0	
Accumulated benefit obligation	41.1		29.1		42.6		32.5	
Fair value of plan assets	—		2.0		—		1.9	

Expense

For the years ended December 31, 2023 December 31, 2024, 2022, 2023, and 2021, Teradyne's net periodic pension cost (income) was comprised of the following:

	2023		2022		2021		2024		2023		2022	
	United States		United States		United States		United States		United States		United States	
	States	Foreign	States	Foreign	States	Foreign	States	Foreign	States	Foreign	States	Foreign
(in thousands)												
Components of Net Periodic Pension Cost (Income):												
Components of Net Periodic Pension Cost (Income):												
Service cost	\$ 1,063	\$ 446	\$ 1,588	\$ 784	\$ 1,784	\$ 941	\$ 881	\$ 446	\$ 1,063	\$ 446	\$ 1,588	\$ 784
Interest cost	6,888	1,057	4,886	482	4,427	337	6,292	953	6,888	1,057	4,886	482
Expected return on plan assets	(5,194)	(45)	(2,927)	(75)	(3,858)	(67)	(4,865)	(77)	(5,194)	(45)	(2,927)	(75)
Net actuarial loss (gain)	18	2,735	(11,170)	(13,259)	643	(2,223)						
Net actuarial (gain) loss	(1,929)	(1,948)	18	2,735	(11,170)	(13,259)						
Settlement (gain) loss	(209)	5	—	—	(204)	—	394	(24)	(209)	5	—	—
Total net periodic pension cost (income)	\$ 2,566	\$ 4,198	\$ (7,623)	\$ (12,068)	\$ 2,792	\$ (1,012)	\$ 773	\$ (650)	\$ 2,566	\$ 4,198	\$ (7,623)	\$ (12,068)

Weighted Average Assumptions to Determine Net Periodic Pension Cost at January 1:

	2023		2022		2021		2024		2023		2022	
	United		United		United		United		United		United	
	States	Foreign										
Discount rate	3.5 %	3.5 %	2.5 %	1.1 %	2.2 %	0.7 %	4.7 %	3.0 %	3.5 %	3.5 %	2.5 %	1.1 %
Expected return on plan assets	4.8	1.8	2.0	4.0	2.4	3.5	4.7	2.5	4.8	1.8	2.0	4.0
Salary progression rate	2.4	2.1	2.4	2.2	2.4	2.3	2.5	2.4	2.4	2.1	2.4	2.2

Weighted Average Assumptions to Determine Pension Obligations at December 31:

	2023		2022		2024		2023	
	United States	Foreign						
Discount rate	4.7%	3.0%	4.9%	3.5%	5.4 %	3.3 %	4.7 %	3.0 %
Salary progression rate	2.5	2.4	2.5	2.1	2.5	2.4	2.5	2.4

In developing the expected return on plan assets assumption, Teradyne evaluates input from its investment manager and pension consultants, including their forecast of asset class return expectations. Teradyne believes that **4.75** **4.8%** was an appropriate rate to use for fiscal year **2023** **2024** for the U.S. Qualified Pension Plan ("U.S. Plan").

69

[Table of Contents](#)

Teradyne recognizes net actuarial gains and losses and the change in the fair value of the plan assets in its operating results in the year in which they occur or upon any interim remeasurement of the plans. Teradyne calculates the expected return on plan assets using the fair value of the plan assets. Actuarial gains and losses are generally measured annually as of December 31 and, accordingly, recorded during the fourth quarter of each year or upon any interim remeasurement of the plans.

The discount rate utilized to determine future pension obligations for the U.S. Plan is based on FTSE Pension Index adjusted for the plan's expected cash flows and was **5.4%** at December 31, 2024, up from **4.7%** at December 31, 2023, down from **4.9%** at December 31, 2022.

Plan Assets

As of **December 31, 2023** **December 31, 2024**, the fair value of Teradyne's pension plans' assets totaled **\$114.5** **\$83.4** million, of which **\$112.6** **\$81.4** million was related to the U.S. Plan and **\$1.9** **\$2.0** million was related to the Taiwan defined benefit pension plan. Substantially all of Teradyne's pension plans' assets are held in individual trusts, which were established for the investment of assets of Teradyne's sponsored retirement plans.

71

[Table of Contents](#)

The following table provides weighted average pension asset allocation by asset category at **December 31, 2023** **December 31, 2024** and **2022** **2023**:

	2023		2022		2024		2023	
	United States	Foreign						
Fixed income securities	94.0%	—%	94.0%	—%	94.0%	—%	94.0%	—%
Equity securities	5.0	—	5.0	—	5.0	—	5.0	—
Other	1.0	100.0	1.0	100.0	1.0	100.0	1.0	100.0
	100.0%							

The assets of the U.S. Plan are overseen by the Teradyne Fiduciary Committee which is comprised of members of senior management drawn from appropriate diversified levels of the management team. The Fiduciary Committee is responsible for setting the policy that provides the framework for management of the U.S. Plan assets. In accordance with its responsibilities, the Fiduciary Committee meets on a regular basis to review the performance of the U.S. Plan assets and compliance with the investment policy. The policy sets forth an investment structure for managing U.S. Plan assets, including setting the asset allocation ranges, which are expected to provide an appropriate level of overall diversification required to maximize the long-term return on plan assets for a prudent and reasonable level of risk given prevailing market conditions, total investment return over the long term, and preservation of capital, while maintaining sufficient liquidity to pay the benefits of the U.S. Plan. The investment portfolio will not, at any time, have a direct investment in Teradyne stock. It may have indirect investment in Teradyne stock, if one of the funds selected by the investment manager invests in Teradyne stock. In developing the asset allocation ranges, third party asset allocation studies are periodically performed that consider the current and expected positions of the plan assets and funded status. Based on this study and other appropriate information, the Fiduciary Committee establishes asset allocation ranges taking into account acceptable risk targets and associated returns. The investment return objectives are to avoid excessive volatility and produce a rate of return that at least matches the Policy Index identified below. The manager's investment performance is reviewed at least annually. Results for the total portfolio and for each major category of assets are evaluated in comparison with appropriate market indices and the Policy Index.

The target asset allocation and the index for each asset category for the U.S. Plan, per the investment policy, are as follows:

Asset Category:	Policy Index:	Target Allocation
U.S. corporate fixed income	Bloomberg U.S. Corporate A or Better Index, 20+ Year Index	43.66 %
U.S. corporate fixed income	Bloomberg U.S. Intermediate Corporate A or Better Index, 5- 20 Year ex Baa Index	32.9
U.S. government fixed income	Bloomberg U.S. 3 - 10 year Treasury Bond Index	14.12
U.S. government fixed income	Bloomberg U.S. Government Bond Index	2
Global equity	MSCI World Index	5
High yield fixed income	ICE BofA BB-B U.S. High Yield Constrained Index	5
Cash	ICE BofA 3-Month Treasury Bill Index	1

Teradyne's U.S. Plan invests primarily in common trust funds. Units held in the common trust funds are valued at the unit price as reported by the investment manager based on the asset value of the underlying investments; underlying investments in equity securities are valued at the last reported sales price, and underlying investments in fixed-income securities are generally valued using methods based upon market transactions for comparable securities.

70

Table of Contents

During the years ended December 31, 2023 December 31, 2024 and December 31, 2022 December 31, 2023, there were no transfers of pension assets in or out of Level 1, Level 2, and Level 3.

72

Table of Contents

The fair value of pension plan assets by asset category and by level at December 31, 2023 December 31, 2024 and December 31, 2022 December 31, 2023 were as follows:

	December 31, 2023								December 31, 2024																		
	United States				Foreign				United States				Foreign														
	Level 1		Level 2		Level 3		Total		Level 1		Level 2		Level 3		Total												
	(in thousands)								(in thousands)																		
Fixed income securities:																											
Corporate debt securities	\$ —	\$ 89,971	\$ —	\$ 89,971	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 65,160	\$ —	\$ 65,160	\$ —	\$ —	\$ —	\$ —											
U.S. government securities	—	15,817	—	15,817	—	—	—	—	—	11,414	—	11,414	—	—	—	—											
Global equity	—	5,691	—	5,691	—	—	—	—	—	4,025	—	4,025	—	—	—	—											
Other	—	—	—	—	—	1,929	—	1,929	—	—	—	—	—	1,988	—	1,988											
Cash and cash equivalents	1,138	—	—	1,138	—	—	—	—	818	—	—	818	—	—	—	—											
Total	\$ 1,138	\$ 111,479	\$ —	\$ 112,617	\$ —	\$ 1,929	\$ —	\$ 1,929	\$ 818	\$ 80,599	\$ —	\$ 81,417	\$ —	\$ 1,988	\$ —	\$ 1,988											
December 31, 2022								December 31, 2023																			
United States				Foreign				United States				Foreign															

	Level								Level								
	Level 1			Level 2		3			Level 1			Level 2		3			Total
	(in thousands)								(in thousands)								
Fixed income securities:																	
Corporate debt securities	\$	—	\$ 89,403	\$	—	\$ 89,403	\$	—	\$	—	\$	—	\$	—	\$	—	
U.S. government securities	—	15,631	—	15,631	—	—	—	—	—	15,817	—	15,817	—	—	—	—	
Global equity	—	5,579	—	5,579	—	—	—	—	—	5,691	—	5,691	—	—	—	—	
Other	—	—	—	—	—	2,087	—	2,087	—	—	—	—	—	1,929	—	1,929	
Cash and cash equivalents	1,147	—	—	1,147	—	—	—	—	1,138	—	—	1,138	—	—	—	—	
Total	\$ 1,147	\$ 110,613	\$ —	\$ 111,760	\$ —	\$ 2,087	\$ —	\$ 2,087	\$ 1,138	\$ 111,479	\$ —	\$ 112,617	\$ —	\$ 1,929	\$ —	\$ 1,929	

Contributions

Teradyne's funding policy is to make contributions to the plans in accordance with local laws and to the extent that such contributions are tax deductible. During 2024, Teradyne contributed \$3.1 million to the U.S. supplemental executive defined benefit pension plan and \$1.0 million to certain qualified plans for non-U.S. subsidiaries. During 2023, Teradyne contributed \$3.1 million to the U.S. supplemental executive defined benefit pension plan and \$1.0 million to certain qualified plans for non-U.S. subsidiaries. During 2022, Teradyne contributed \$3.2 million to the U.S. supplemental executive defined benefit pension plan and \$0.9 million to certain qualified plans for non-U.S. subsidiaries. In 2024, 2025, contributions to the U.S. supplemental executive defined benefit pension plan and certain qualified plans from non-U.S. subsidiaries will be approximately \$3.1 3.3 million and \$1.4 1.1 million, respectively.

Contributions to the U.S. supplemental executive defined benefit pension plan and certain non-U.S. subsidiaries qualified plans will be approximately \$6.6 7.4 million and \$2.3 2.4 million, respectively, in 1 to 3 years, \$7.1 7.4 million and \$2.5 million, respectively, in 3 to 5 years and \$16.9 16.8 million and \$7.9 7.8 million, respectively, thereafter.

Expected Future Pension Benefit Payments

Future benefit payments are expected to be paid as follows:

	United States		Foreign		United States		Foreign	
	(in thousands)				(in thousands)			
2024	\$	10,210	\$	1,312				
2025		9,720		1,068			\$	9,202
2026		9,863		1,191				8,152
2027		10,792		1,301				9,043
2028		10,795		1,238				9,135
2029-2032		51,857		8,832				1,245
2029		9,040		1,422				1,253
2030-2034		42,009		8,561				

73 71

Table of Contents

Postretirement Benefit Plans

In addition to receiving pension benefits, U.S. Teradyne employees who meet early 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 twelve months ended December 31, 2023 December 31, 2024, Teradyne recorded special termination benefit charges associated with a voluntary early retirement program.

The December 31 balances of the postretirement assets and obligations are shown below:

	2023		2022		2024		2023									
	(in thousands)						(in thousands)									
Assets and Obligations																
Change in benefit obligation:																
Projected benefit obligation:																
Beginning of year	\$	5,345	\$	7,210	\$	6,933	\$	5,345								
Service cost		34		64		37		34								
Interest cost		299		177		289		299								
Actuarial loss (gain)		155		(1,155)												
Actuarial (gain) loss		(445)		155												
Benefits paid		(1,413)		(950)		(1,685)		(1,413)								
Special termination benefits		2,513		—		462		2,513								
End of year		6,933		5,345		5,591		6,933								
Change in plan assets:																
Fair value of plan assets:																
Beginning of year		—		—		—		—								
Company contributions		1,413		950		1,685		1,413								
Benefits paid		(1,413)		(950)		(1,685)		(1,413)								
End of year		—		—		—		—								
Funded status	\$	(6,933)	\$	(5,345)	\$	(5,591)	\$	(6,933)								

The following table provides amounts recorded within the account line items of financial position as of December 31:

	2023		2022		2024		2023	
	(in thousands)						(in thousands)	
Accrued employees' compensation and withholdings								
Retirement plans liabilities	\$	(1,508)	\$	(853)	\$	(938)	\$	(1,508)
Funded status		(5,425)		(4,492)		(4,653)		(5,425)
	\$	(6,933)	\$	(5,345)	\$	(5,591)	\$	(6,933)

The following table provides amounts recognized in accumulated other comprehensive income (loss) as of December 31:

	2023		2022		2024		2023	
	(in thousands)						(in thousands)	
Prior service credit, before tax								
Deferred taxes	\$	(23)	\$	(31)	\$	(14)	\$	(23)
Total recognized in other comprehensive income (loss), net of tax		(1,691)		(1,689)		(1,693)		(1,691)
	\$	(1,714)	\$	(1,720)	\$	(1,707)	\$	(1,714)

74 72

Table of Contents

Expense

For the years ended December 31, 2023 December 31, 2024, 2022, 2023, and 2021, 2022, Teradyne's net periodic postretirement benefit cost (income) was comprised of the following:

	2023	2022	2021	2024	2023	2022
	(in thousands)			(in thousands)		
Components of Net Periodic Postretirement Benefit Cost (income):						
Service cost	\$ 34	\$ 64	\$ 64	\$ 37	\$ 34	\$ 64
Interest cost	299	177	170	289	299	177
Amortization of prior service credit	(9)	(9)	(9)	(9)	(9)	(9)
Net actuarial loss (gain)	155	(1,155)	(433)			
Net actuarial (gain) loss	(445)	155	(1,155)			
Special termination benefits	2,513	—	—	462	2,513	—
Total net periodic postretirement benefit cost (income)	2,992	(923)	(208)	334	2,992	(923)
Changes in Plan Assets and Benefit Obligations Recognized in Other Comprehensive Income:						
Reversal of amortization items:						
Prior service credit	9	9	9	9	9	9
Total recognized in other comprehensive income	9	9	9	9	9	9
Total recognized in net periodic postretirement cost (income) and other comprehensive income	\$ 3,001	\$ (914)	\$ (199)	\$ 343	\$ 3,001	\$ (914)

Weighted Average Assumptions to Determine Net Periodic Postretirement Benefit Income as of January 1:

	2023	2022	2021	2024	2023	2022
Discount rate	5.0 %	2.6 %	2.2 %	4.7 %	5.0 %	2.6 %
Initial health care cost trend rate	7.2	7.3	7.3	7.7	7.2	7.3
Ultimate health care cost trend rate	4.5	4.5	4.5	4.5	4.5	4.5
Year in which ultimate health care cost trend rate is reached	2032	2029	2029	2033	2032	2029

Weighted Average Assumptions to Determine Postretirement Benefit Obligation as of December 31:

	2023	2022	2021	2024	2023	2022
Discount rate	4.7 %	5.0 %	2.6 %	5.4 %	4.7 %	5.0 %
Initial health care trend	7.7	7.2	7.3	8.6	7.7	7.2
Ultimate health care trend	4.5	4.5	4.5	4.5	4.5	4.5
Medical cost trend rate decrease to ultimate rate in year	2033	2032	2029	2035	2033	2032

Contributions

Contributions to the U.S. postretirement benefit plan will be approximately \$1.50.9 million in 2024, 2025, \$1.61.3 million in 1 to 3 years, \$1.20.9 million in 3 to 5 years and \$2.01.7 million, thereafter.

Expected Future Benefit Payments

Future benefit payments are expected to be paid as follows:

	Benefit Payments		Benefit Payments	
	(in thousands)		(in thousands)	
2024	\$	1,508		
2025		924	\$	938
2026		701		671
2027		637		585
2028		568		510
2029-2032		2,004		
2029		414		
2030-2034		1,719		

75 73

[Table of Contents](#)

Q.R. STOCK-BASED COMPENSATION

Stock Compensation Plans

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 (the "Retirement Agreement") with Mr. Jagiela. Under the Retirement Agreement, Mr. Jagiela's unvested time-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 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 (b) 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 may have 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 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 prior to the grant date is recognized during the year following the grant. Compensation expense is recognized regardless of the eventual 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.

PRSU granted to Teradyne's executive officers may also have a performance metric based on three-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 and other, net; amortization of acquired intangible assets; acquisition and divestiture related charges or credits; pension actuarial gains and losses; non-cash convertible debt interest expense; and other non-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, retirement or termination other than for cause, 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 vest 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 Unit and Option Vesting (the "Retirement Policy"). Under the Retirement Policy, an executive officer that 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.

74

Table of Contents

During 2024, 2023 2022 and 2021, 2022, Teradyne granted 0.6 million, 0.5 million 0.4 million and 0.3 0.4 million of service-based restricted stock unit awards to employees at a weighted average grant date fair value of \$96.72, \$102.45, and \$109.42, and \$114.16, respectively.

76

Table of Contents

During 2024, 2023 2022 and 2021, 2022, Teradyne granted 0.1 million of service-based restricted stock unit awards to non-employee directors at a weighted average grant date fair value of \$90.50 121.29, \$105.93 90.50, and \$128.70 105.93, respectively.

During 2024, 2023 2022 and 2021, 2022, Teradyne granted 0.1 million of PBIT PRSUs with a grant date fair value of \$102.91 94.51, \$110.84 102.91 and \$113.65 110.84, respectively.

During 2024, 2023 2022 and 2021, 2022, Teradyne granted 0.1 million TSR PRSUs, with a grant date fair value of \$139.04 102.51, \$101.06 139.04, and \$125.02 101.06, respectively. The fair value was estimated using the Monte Carlo simulation model with the following assumptions:

	2023	2022	2021	2024	2023	2022
Risk-free interest rate	4.0%	1.4%	0.2%	3.9%	4.0%	1.4%
Teradyne volatility-historical	49.7%	47.1%	43.9%	42.4%	49.7%	47.1%
NYSE Composite Index volatility-historical	24.1%	22.7%	22.9%	15.6%	24.1%	22.7%
Dividend yield	0.4%	0.4%	0.4%	0.5%	0.4%	0.4%

Expected volatility was based on the historical volatility of Teradyne's stock and the NYSE Composite Index for each of the 2024, 2023 2022 and 2021 2022 grants over the most recent three-year period. The risk-free interest rate was determined using the U.S. Treasury yield curve in effect at the time of each of the grants. Dividend yield was based upon an estimated annual dividend amount of \$0.44 0.48 per share for 2023, 2024, \$0.44 per share for 2022, 2023, and \$0.40 0.44 per share for 2021, 2022, divided by Teradyne's stock price on the grant date of \$95.83 for the 2024 grants, \$104.12 for the 2023 grants, and \$112.12 for the 2022 grants, and \$113.48 for the 2021 grants.

During 2024, 2023 2022 and 2021, 2022, Teradyne granted 0.1 million of service-based stock options to executive officers at a weighted average grant date fair value of \$41.23 37.50, \$39.01 41.23, and \$36.60 39.01, respectively.

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

	2023	2022	2021	2024	2023	2022
Expected life (years)	4.0	4.0	5.0	4.0	4.0	4.0

Risk-free interest rate	3.8 %	1.6 %	0.4 %	4.0 %	3.8 %	1.6 %
Volatility-historical	46.6 %	43.7 %	37.8 %	46.3 %	46.6 %	43.7 %
Dividend yield	0.4 %	0.4 %	0.4 %	0.5 %	0.4 %	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 \$0.44 per share divided by Teradyne's stock on the grant date of \$95.14 for the 2024 grant, and \$0.44 per share divided by Teradyne's stock price on the grant date of \$104.15 for the 2023 grant, and \$112.12 for the 2022 grant, and \$0.40 per share divided by Teradyne's stock price on the grant date of \$113.48 \$112.12 for the 2021 2022 grants.

75

[Table of Contents](#)

Stock compensation plan activity for the years 2024, 2023 2022 and 2021, 2022, is as follows:

	2023	2022	2021
	(in thousands)		
Restricted Stock Units:			
Non-vested at January 1	1,317	1,417	1,789
Awarded	728	660	447
Vested	(609)	(709)	(749)
Forfeited	(58)	(51)	(70)
Non-vested at December 31	<u>1,378</u>	<u>1,317</u>	<u>1,417</u>
Stock Options:			
Outstanding at January 1	188	171	216
Granted	41	42	34
Exercised	(56)	(25)	(78)
Forfeited	(2)	—	(1)
Expired	—	—	—
Outstanding at December 31	<u>171</u>	<u>188</u>	<u>171</u>
Vested and expected to vest at December 31	<u>171</u>	<u>188</u>	<u>171</u>
Exercisable at December 31	<u>68</u>	<u>69</u>	<u>30</u>

77

[Table of Contents](#)

	2024	2023	2022
	(in thousands)		
Restricted Stock Units:			
Non-vested at January 1	1,378	1,317	1,417
Awarded	703	728	660
Vested	(492)	(609)	(709)
Forfeited	(62)	(58)	(51)
Non-vested at December 31	<u>1,527</u>	<u>1,378</u>	<u>1,317</u>
Stock Options:			
Outstanding at January 1	171	188	171

Granted	49	41	42
Exercised	(77)	(56)	(25)
Forfeited	(2)	(2)	—
Expired	—	—	—
Outstanding at December 31	<u>141</u>	<u>171</u>	<u>188</u>
Vested and expected to vest at December 31	<u>141</u>	<u>171</u>	<u>188</u>
Exercisable at December 31	<u>34</u>	<u>68</u>	<u>69</u>

Total shares available for the years 2024, 2023 2022 and 2021: 2022:

	2023	2022	2021	2024	2023	2022
	(in thousands)			(in thousands)		
Shares available:						
Available for grant at January 1	5,062	5,713	6,123	4,353	5,062	5,713
Options granted	(41)	(42)	(34)	(49)	(41)	(42)
Options forfeited	2	—	1	2	2	—
Restricted stock units awarded	(728)	(660)	(447)	(703)	(728)	(660)
Restricted stock units forfeited	58	51	70	62	58	51
Available for grant at December 31	<u>4,353</u>	<u>5,062</u>	<u>5,713</u>	<u>3,665</u>	<u>4,353</u>	<u>5,062</u>

Weighted average restricted stock unit award date fair value information for the years 2024, 2023 2022 and 2021 2022, is as follows:

	2023	2022	2021	2024	2023	2022
	(in thousands)			(in thousands)		
Non-vested at January 1						
Awarded	\$ 88.71	\$ 67.97	\$ 47.84	\$ 101.00	\$ 88.71	\$ 67.97
Vested	105.05	108.74	115.51	97.06	105.05	108.74
Forfeited	75.55	54.27	43.99	93.12	75.55	54.27
Non-vested at December 31	<u>\$ 101.00</u>	<u>\$ 88.71</u>	<u>\$ 67.97</u>	<u>\$ 101.17</u>	<u>\$ 101.00</u>	<u>\$ 88.71</u>

Restricted stock unit awards aggregate intrinsic value information at December 31 for the years 2024, 2023 2022 and 2021 2022 is as follows:

	2023	2022	2021	2024	2023	2022
	(in thousands)			(in thousands)		
Vested						
Vested	\$ 62,001	\$ 95,408	\$ 101,679	\$ 54,235	\$ 62,001	\$ 95,408
Outstanding	149,504	115,087	231,763	192,324	149,504	115,087
Expected to vest	<u>135,238</u>	<u>108,666</u>	<u>231,246</u>	<u>177,878</u>	<u>135,238</u>	<u>108,666</u>

Restricted stock units weighted average remaining contractual terms (in years) information at December 31 for the years 2024, 2023 2022 and 2021 2022 is as follows:

	2023	2022	2021	2024	2023	2022
	(in thousands)			(in thousands)		
Outstanding						
Outstanding	1.13	0.99	0.89	1.19	1.13	0.99
Expected to vest	<u>1.13</u>	<u>0.99</u>	<u>0.89</u>	<u>1.19</u>	<u>1.13</u>	<u>0.99</u>

Table of Contents

Weighted average stock options exercise price information for the year ended December 31, 2023 December 31, 2024 is as follows:

	2023	2024
Outstanding at January 1	\$ 76.52	\$ 94.85
Options granted	104.15	95.14
Options exercised	39.71	86.02
Options forfeited	112.57	112.58
Options cancelled	113.03	112.80
Outstanding at December 31	94.85	99.51
Exercisable at December 31	81.53	91.27

The total cash received from employees as a result of employee stock options exercised during the years ended December 31, 2023 December 31, 2024, 2023 and 2022, and 2021, was \$6.6 million, \$2.2 million, \$0.9 million, and \$3.1 0.9 million, respectively. In connection with these exercises, the tax benefit realized by Teradyne for the years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021, 2022, was \$0.2 million, \$0.1 0.2 million, and \$0.4 0.1 million, respectively.

[Table of Contents](#)

Stock option aggregate intrinsic value information for the years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021 2022 is as follows:

	2023	2022	2021	2024	2023	2022
	(in thousands)		(in thousands)		(in thousands)	
Exercised	\$ 3,901	\$ 2,030	\$ 6,345	\$ 2,783	\$ 3,901	\$ 2,030
Outstanding	2,647	3,963	17,356	3,709	2,647	3,963
Expected to vest	696	1,583	13,500	2,531	696	1,583
Vested and exercisable	1,950	2,380	3,856	1,178	1,950	2,380

Stock options weighted average remaining contractual terms (in years) information at December 31, for the years 2024, 2023 2022 and 2021 2022 is as follows:

	2023	2022	2021	2024	2023	2022
	(in years)		(in years)		(in years)	
Outstanding	4.4	4.2	4.4	4.8	4.4	4.2
Expected to vest	5.1	4.8	4.8	5.2	5.1	4.8
Vested and exercisable	3.4	3.1	2.5	3.3	3.4	3.1

As of December 31, 2023 December 31, 2024, total unrecognized expense related to non-vested restricted stock unit awards and stock options was \$73.7 82.6 million and is expected to be recognized over a weighted average period of 2.5 years.

Employee Stock Purchase Plan

Under the ESPP, eligible employees may purchase shares of common stock through regular payroll deductions of up to 10% of their compensation, to a maximum of shares with a fair market value of \$25,000 per calendar year, not to exceed 6,000 shares. Under the plan, the price paid for the common stock is equal to 85% of the stock price on the last business day of the six-month purchase period.

In July 2024, 0.1 million shares of common stock were issued to employees who participated in the plan during the first half of 2024 at the price of \$126.05 per share. In January 2025, Teradyne issued 0.1 million shares of common stock to employees who participated in the plan during the second half of 2024 at the price of \$107.04 per share.

In July 2023, 0.2 million shares of common stock were issued to employees who participated in the plan during the first half of 2023 at the price of \$94.64 per share. In January 2024, Teradyne issued 0.2 million shares of common stock to employees who participated in the plan during the second half of 2023 at the price of \$92.25 per share.

In July 2022, 0.2 million shares of common stock were issued to employees who participated in the plan during the first half of 2022 at the price of \$76.12 per share. In January 2023, Teradyne issued 0.2 million shares of common stock to employees who participated in the plan during the second half of 2022 at the price of \$74.25 per share.

In July 2021, 0.1 million shares of common stock were issued to employees who participated in the plan during the first half of 2021 at the price of \$113.87 per share. In January 2022, Teradyne issued 0.1 million shares of common stock to employees who participated in the plan during the second half of 2021 at the price of \$139.00 per share.

As of December 31, 2023 December 31, 2024, there were 3.5 3.2 million shares available for grant under the ESPP.

[Table of Contents](#)

The following table provides the effect to income from operations for recording stock-based compensation for the years ended **December 31, 2023** **December 31, 2024**, **2022**, **2023**, and **2021**.

	2023	2022	2021	2024	2023	2022
	(in thousands)			(in thousands)		
Cost of revenues	\$ 4,208	\$ 4,050	\$ 4,196	\$ 4,922	\$ 4,208	\$ 4,050
Engineering and development	10,659	9,992	9,783	12,531	10,659	9,992
Selling and administrative	42,815	34,186	31,664	42,669	42,815	34,186
Stock-based compensation	57,682	48,228	45,643	60,122	57,682	48,228
Income tax benefit	(10,397)	(11,493)	(14,389)	(10,472)	(10,397)	(11,493)
Total stock-based compensation expense after income taxes	<u>\$ 47,285</u>	<u>\$ 36,735</u>	<u>\$ 31,254</u>	<u>\$ 49,650</u>	<u>\$ 47,285</u>	<u>\$ 36,735</u>

R.S. SAVINGS PLAN

Teradyne sponsors a defined contribution employee retirement savings plan ("Savings Plan") covering substantially all U.S. employees. Under the Savings Plan, employees may contribute up to 20% of their compensation (subject to Internal Revenue Service limitations). The Savings Plan provides for a discretionary employer match that is determined each year. In **2024**, **2023** and **2022**, and **2021**,

[Table of Contents](#)

Teradyne matched 100% of eligible employee contributions up to 4% of their compensation for employees not accruing benefits in the U.S. Qualified Pension Plan. There was no match for employees still actively accruing benefits in the U.S. Qualified Pension Plan. Teradyne's contributions vest 25% per year for the first four years of employment, and contributions for those employees with four years of service vest immediately.

In addition, Teradyne sponsors an unfunded U.S. Supplemental Savings Plan to provide savings benefits in excess of those allowed by the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code. The provisions of this plan are the same as the Savings Plan. The liability for the U.S. Supplemental Savings Plan at **December 31, 2023** **December 31, 2024** and **2022**, **2023**, was **\$55.9** **63.4** million and **\$44.1** **55.9** million, respectively, and is included in retirement plan liabilities. Teradyne contributes to defined contributions savings plans for its foreign employees. Under Teradyne's savings plans, amounts charged to the statements of operations for the years ended **December 31, 2023** **December 31, 2024**, **2023**, and **2022** and **2021** were **\$29.7** million, **\$30.5** million, **\$30.1** million, and **\$26.9** **30.1** million, respectively.

S.T. INCOME TAXES

The components of income before income taxes and the provision (benefit) for income taxes as shown in the consolidated statements of operations were as follows:

	2023	2022	2021	2024	2023	2022
	(in thousands)			(in thousands)		
Income before income taxes:						
U.S.	\$ 307,997	\$ 385,968	\$ 403,451	\$ 231,346	\$ 307,997	\$ 385,968
Non-U.S.	217,575	454,417	757,504	377,740	217,575	454,417
	<u>\$ 525,572</u>	<u>\$ 840,385</u>	<u>\$ 1,160,955</u>	<u>\$ 609,086</u>	<u>\$ 525,572</u>	<u>\$ 840,385</u>
Provision (benefit) for income taxes:						
Current:						
U.S. Federal	\$ 58,063	\$ 86,692	\$ 58,218	\$ 40,296	\$ 58,063	\$ 86,692
Non-U.S.	54,037	74,204	105,153	62,851	54,037	74,204

State	2,362	2,681	300	2,716	2,362	2,681
	114,462	163,577	163,671	105,863	114,462	163,577
Deferred:						
U.S. Federal	(27,459)	(36,739)	(15,106)	(33,195)	(27,459)	(36,739)
Non-U.S.	(8,584)	1,232	(4,300)	(9,003)	(8,584)	1,232
State	(1,599)	(3,186)	2,101	(4,162)	(1,599)	(3,186)
	(37,642)	(38,693)	(17,305)	(46,360)	(37,642)	(38,693)
Total provision for income taxes:	\$ 76,820	\$ 124,884	\$ 146,366	\$ 59,503	\$ 76,820	\$ 124,884

Income tax expense for 2024, 2023 and 2022 and 2021 totaled \$59.5 million, \$76.8 million, \$124.9 million, and \$146.4 million, respectively. The effective tax rate for 2024, 2023 2022 and 2021 2022 was 14.6% 14.9% 14.6% and 12.6% 14.9%, respectively.

78

Table of Contents

At December 31, 2023 December 31, 2024, Teradyne's remaining tax liability resulting from the U.S. one-time transition tax on the mandatory deemed repatriation of foreign earnings amounts to \$59.1 million. Teradyne will pay approximately \$14.8 million related to the transition tax in 2024, 2025, and \$44.3 million in 2026 to 2028 three years.

Teradyne has made an accounting policy election to account for global intangible low-taxed income ("GILTI") as a component of tax expense in the period in which Teradyne is subject to the rules and therefore did not provide any deferred tax impacts of GILTI in its consolidated financial statements.

On July 27, 2015, The decrease in Altera Corp. ("Altera") v. Commissioner, the effective tax rate from 2023 to 2024 is primarily attributable to a shift in the geographic distribution of income which resulted in a reduction in income in higher tax rate foreign jurisdictions, the benefit of the release of reserves for uncertain tax positions as a result of the expiration of statute and a decrease in non-deductible officer's compensation. These rate benefits were partially offset by reductions in benefits from foreign tax credits, U.S. research and development credits and the U.S. Tax Court issued an opinion invalidating the regulations relating to the treatment of stock-based compensation expense in an intercompany cost-sharing arrangement. A final decision was issued by the Tax Court in December 2015. The IRS appealed the decision in June 2016. On July 24, 2018, the U.S. Court of Appeals for the Ninth Circuit ("Ninth Circuit") issued a decision that was subsequently withdrawn and a reconstituted panel conferred on the appeal. On June 7, 2019, the Ninth Circuit upheld the cost-sharing regulations. On November 12, 2019, the Ninth Circuit denied Altera's petition for rehearing of its case. Altera's application for certiorari to the Supreme Court was declined on June 22, 2020. In the fourth quarter of 2021, Teradyne recognized approximately \$2.5 million of tax benefit related to the inclusion of stock-based compensation in its intercompany cost-sharing arrangement. foreign derived intangible income deduction.

80

Table of Contents

The decrease in the effective tax rate from 2022 to 2023 is primarily attributable to increases in benefit from tax credits and the U.S. foreign derived intangible income deduction. These decreases in expense were partially offset by a shift in the geographic distribution of income, which increased the income subject to taxation in higher tax rate jurisdictions relative to lower tax rate jurisdictions and a reduction in benefit from equity compensation.

The increase in the effective tax rate from 2021 to 2022 is primarily attributable to a shift in the geographic distribution of income, which increased the income subject to taxation in higher tax rate jurisdictions relative to lower tax rate jurisdictions, increases in expense from U.S. global low-taxed income and increases in expense from non-deductible officer compensation. These increases in expense were partially offset by increases in benefits from the U.S. foreign derived intangible income deduction and tax credits.

A reconciliation of the effective tax rate for the years 2024, 2023 2022 and 2021 2022 is as follows:

	2023	2022	2021	2024	2023	2022
U.S. statutory federal tax rate	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%
U.S. global intangible low-taxed income	1.2	0.8	1.2			
Non-deductible officers' compensation	0.3	1.1	1.3			
Equity compensation	—	(0.4)	(1.1)			

U.S. foreign derived intangible income	(3.1)	(3.9)	(3.1)			
U.S. research and development credit	(3.0)	(4.2)	(1.8)			
Foreign taxes	2.5	(1.9)	(4.5)	(2.7)	2.5	(1.9)
Non-deductible officers' compensation	1.1	1.3	0.8			
U.S. global intangible low-taxed income	0.8	1.2	0.6			
Uncertain tax positions	(1.9)	0.7	0.1			
Foreign tax credits	(1.3)	(3.3)	(1.0)			
State income taxes, net of federal tax benefit	0.1	(0.1)	0.2	(0.1)	0.1	(0.1)
U.S. research and development credit	(4.2)	(1.8)	(1.4)			
U.S. foreign derived intangible income	(3.9)	(3.1)	(2.3)			
Foreign tax credits	(3.3)	(1.0)	(0.5)			
Equity compensation	(0.4)	(1.1)	(1.0)			
Other, net	0.9	0.4	(0.3)	(0.6)	0.2	0.3
	14.6%	14.9%	12.6%	9.8%	14.6%	14.9%

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 attributable to the Singapore tax holiday for the years ended December 31, 2023 December 31, 2024, 2023 and 2022 and 2021 were \$17.1 million or \$0.10 per diluted share, \$1.4 million or \$0.01 per diluted share, and \$16.0 million or \$0.09 per diluted share, and \$33.3 million or \$0.18 per diluted share, respectively. 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. The new tax holiday is scheduled to expire on December 31, 2025. Teradyne does not anticipate entering into a similar tax holiday agreement with the Singapore Economic Development Board when the current agreement expires.

8179

Table of Contents

Significant components of Teradyne's deferred tax assets (liabilities) as of December 31, 2023 December 31, 2024 and 2022 2023 were as follows:

	2023		2022		2024		2023	
	(in thousands)				(in thousands)			
Deferred tax assets:								
Tax credits	\$	112,571	\$	105,503	\$	121,635	\$	112,571
Research and development		82,571		47,760		116,746		82,571
Pension liabilities		25,202		24,997				
Accruals		25,644		30,747		23,946		25,644
Pension liabilities		24,997		21,335				
Lease liabilities		21,167		18,679				
Inventory valuations		19,289		22,554		18,688		19,289
Lease liability		17,828		21,167				
Net operating loss carryforwards		16,894		5,737				
Deferred revenue		13,807		14,909		14,562		13,807
Equity compensation		7,179		6,578		8,901		7,179
Vacation accrual		6,096		5,856		6,847		6,096
Net operating loss carryforwards		5,737		1,857				
Intangible assets		4,720		2,323				
Investment impairment		3,292		3,292		3,328		3,292
Intangible assets		2,323		350				

Marketable securities	128	2,283	—	128
Other	953	2,520	322	953
Gross deferred tax assets	325,754	284,223	379,619	325,754
Less: valuation allowance	(109,251)	(103,807)	(117,254)	(109,251)
Total deferred tax assets	\$ 216,503	\$ 180,416	\$ 262,365	\$ 216,503
Deferred tax liabilities:				
Depreciation	\$ (18,788)	\$ (16,681)		
Right of use assets	\$ (19,016)	\$ (16,607)	(16,257)	(19,016)
Depreciation		(16,681)	(19,078)	
Contingent consideration	(5,214)	(5,214)	(5,270)	(5,214)
Marketable securities	(650)	—		
Total deferred tax liabilities	\$ (40,911)	\$ (40,899)	\$ (40,965)	\$ (40,911)
Net deferred assets	\$ 175,592	\$ 139,517	\$ 221,400	\$ 175,592

As of December 31, 2023 December 31, 2024 and 2022, 2023, Teradyne evaluated the likelihood that it would realize deferred income taxes to offset future taxable income and concluded that it is more likely than not that the majority of its deferred tax assets will be realized through consideration of both the positive and negative evidence. At December 31, 2023 December 31, 2024 and 2022, 2023, Teradyne maintained a valuation allowance for certain deferred tax assets of \$109.3 \$117.3 million and \$103.8 \$109.3 million, respectively, primarily related to state net operating losses and state tax credit carryforwards, due to the uncertainty regarding their realization. Adjustments could be required in the future if Teradyne estimates that the amount of deferred tax assets to be realized is more or less than the net amount recorded.

At December 31, 2023 December 31, 2024, Teradyne had tax effected operating loss carryforwards that expire in the following years:

	State		Foreign		State		Foreign	
	Operating Loss		Operating Loss		Operating Loss		Operating Loss	
	Carryforwards	(in thousands)						
2024	\$ 6	\$ —						
2025	4	—			\$ 4	\$ —		
2026	—	—			—	—		
2027	—	—			—	—		
2028	23	83			10	80		
2029-2033	121	500						
2034-2038	31	—						
Beyond 2038	—	—						
2029	49	465						
2030-2034	62	34						
2035-2039	37	—						
Beyond 2039	19	—						
Non-expiring	30	4,939			54	16,079		
Total	\$ 215	\$ 5,522			\$ 235	\$ 16,658		

Teradyne has approximately \$147.1 \$158.2 million of tax credit carryforwards including federal business tax credits of approximately \$3.4 \$4.3 million which expire in 2028 through 2033 2034, and state tax credits of \$143.8 \$153.9 million, of which \$76.5 \$81.5 million do not expire and the remainder expires expire in the years 2023 2025 through 2043.

8280

Table of Contents

Teradyne's gross unrecognized tax benefits for the years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021 2022 were as follows:

	2023	2022	2021	2024	2023	2022
	(in thousands)			(in thousands)		
Beginning balance as of January 1	\$ 15,608	\$ 14,465	\$ 17,903	\$ 18,606	\$ 15,608	\$ 14,465
Additions:						
Tax positions for current year	—	1,398	1,417	—	—	1,398
Tax positions for prior years	3,024	13	30		3,024	13
Reductions:						
Tax positions for prior years	(26)	(56)	(1,639)	(2,696)	(26)	(56)
Expiration of statutes	—	(212)	(3,246)	(8,247)	—	(212)
Ending balance as of December 31	<u>\$ 18,606</u>	<u>\$ 15,608</u>	<u>\$ 14,465</u>	<u>\$ 7,663</u>	<u>\$ 18,606</u>	<u>\$ 15,608</u>

Current year additions reductions primarily relate to foreign transfer pricing and prior year reductions relate to state research credits.

Of the \$18.6 7.7 million of unrecognized tax benefits as of December 31, 2023 December 31, 2024, \$12.9 2.3 million would impact the consolidated income tax rate if ultimately recognized. The remaining \$5.7 5.4 million would impact deferred taxes if recognized.

As of December 31, 2023 December 31, 2024, Teradyne estimates that it is reasonably possible that the balance of unrecognized tax benefits may decrease approximately \$2.8 0.7 million in the next twelve months as a result of the resolution of an audit and a lapse of statutes of limitation. The estimated decrease relates to transfer pricing and state federal research credits.

Teradyne records all interest and penalties related to income taxes as a component of income tax expense. Accrued interest and penalties related to income tax items at December 31, 2023 December 31, 2024 and 2022 2023 amounted to \$1.3 0.3 million and \$0.4 1.3 million, respectively. For the years ended December 31, 2023 December 31, 2024, 2023 and 2022, and 2021, benefit of \$1.0 million, expense of \$0.9 million, and expense of \$0.1 million, and benefit of \$0.9 million, respectively, was recorded for interest and penalties related to income tax items.

Teradyne is subject to U.S. federal income tax, as well as income tax in multiple state, local and foreign jurisdictions. As of December 31, 2023 December 31, 2024, all material state and local income tax matters have been concluded through 2018 2019, all material federal income tax matters have been concluded through 2017 2020 and all material foreign income tax matters have been concluded through 2015 2017. However, in some jurisdictions, including the United States, operating losses and tax credits may be subject to adjustment until such time as they are utilized and the year of utilization is closed to adjustment.

As of December 31, 2023 December 31, 2024, Teradyne is not permanently reinvested with respect to the unremitted earnings of non-U.S. subsidiaries to the extent that those earnings exceed local statutory and operational requirements. Remittance of those earnings is not expected to result in material income tax.

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") The Organization for Economic Cooperation and Development (the "OECD") Member States formally adopted the EU's Pillar Two Directive, which generally provides for has introduced a framework to implement a global minimum effective tax rate of 15%, for certain multinational companies, referred to as established by Pillar Two. While it is uncertain whether the Organization for Economic Co-operation and Development ("OECD") United States will enact legislation to adopt Pillar Two, Framework. The EU's certain countries in which Teradyne operates have enacted Pillar Two Directive effective dates legislation, and other countries are January 1, 2024, and January 1, 2025, for different aspects in the process 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 Members States in their local tax introducing draft Pillar Two legislation. Teradyne is closely monitoring these developments and evaluating the potential financial future impact on future periods. Based upon preliminary calculations for calendar year 2024, Teradyne anticipates it will meet our effective tax rate. As of December 31, 2024, the safe harbors in most jurisdictions, and any remaining effective tax under the rules should be immaterial, rate impact from Pillar Two was not material to our consolidated financial statements.

T.U. OPERATING SEGMENT, GEOGRAPHIC AND SIGNIFICANT CUSTOMER INFORMATION

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

In the fourth quarter of 2024, Teradyne observed a shift in forecasted revenue generating activities within Integrated System Test, a historical component of System Test, to activities that more closely align with the Semiconductor Test segment. In response, beginning in the fourth quarter of 2024, Teradyne made changes to the operational structure of the business to better align the components within the operating segments based on the chief operating decision maker's ("CODM") conclusion that it would be more appropriate to include Integrated System Test results within Semiconductor Test results. This was a primary consideration for including Integrated System Test within Semiconductor Test and will allow for better informed decisions related to evaluating segment performance. This change does not result in a change in the identified operating segments. However, the System Test segment no longer meets the requirements for individual disclosure. Wireless Test also does not meet the requirements for individual disclosure. As such, System Test and Wireless Test will be included within the "All other" segments category.

As of December 31, 2024, Teradyne has two reportable segments (Semiconductor Test and Robotics). Each of the reportable segments continues to represent 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 services inclusive of products and services for storage and system level 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 and autonomous mobile robots and advanced robotic control software. Each operating reportable segment has a segment manager who is accountable to and maintains regular contract contact with Teradyne's chief operating decision maker CODM (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 the CODM uses business segment income (loss) before income taxes. taxes predominantly in the annual budgeting and forecasting process. The CODM also uses this measure when making decisions about the allocation of operating and capital resources to each segment. The accounting policies of the business segments are the same as those described in Note B: "Accounting Policies."

Table of Contents

Segment information for the years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021 2022 is as follows:

	Semiconductor	System	Wireless	Segment	Corporate		Semiconductor	Reportable	Corporate					
	Test	Test	Robotics	Test	Total	Eliminations	Consolidated	Test	Robotics	Segments	All Other	Eliminations	Consolidated	
	(in thousands)							(in thousands)						
2024														
Revenues	\$ 2,123,920	\$ 364,848	\$ 2,488,768	\$ 331,112	\$ —	\$ —	\$ 2,819,880							
Less:														
Cost of revenues	866,353	155,080	1,021,433	120,400	—	—	1,141,833							
Engineering and development	295,614	67,306	362,920	46,556	—	—	409,476							
Selling and marketing	187,384	113,327	300,711	50,317	—	—	351,028							
General and administrative	89,952	54,328	144,280	21,282	—	—	165,562							
Other segment items (1)(2)	126,449	52,359	178,808	26,833	(62,746)	—	142,895							
Income (loss) before taxes	(2)	558,168	(77,552)	480,616	65,724	62,746	609,086							
Total assets (3)	1,287,219	742,017	2,029,236	213,749	1,465,730	3,708,714								

Property additions	168,130	22,275	190,405	7,690	—	198,095								
Depreciation and amortization expense	85,737	27,668	113,405	6,336	—	119,741								
2023														
Revenues	\$ 1,818,636	\$ 338,197	\$ 375,183	\$ 144,282	\$ 2,676,298	\$ —	\$ 2,676,298	\$ 1,957,188	\$ 375,183	\$ 2,332,371	\$ 343,927	\$ —	\$ 2,676,298	
Income (loss) before taxes														
(1)(2)	453,320	94,073	(54,251)	30,568	523,710	1,862	525,572							
Less:														
Cost of revenues	846,570	151,833	998,403	118,040	—	1,116,443								
Engineering and development	257,387	68,668	326,055	44,538	—	370,593								
Selling and marketing	162,068	107,157	269,225	50,131	—	319,356								
General and administrative	77,786	56,483	134,269	25,104	—	159,373								
Other segment items (1)(2)	114,873	45,294	160,167	26,657	(1,863)	184,961								
Income (loss) before taxes														
(2)	498,504	(54,252)	444,252	79,457	1,863	525,572								
Total assets (3)	1,329,522	182,084	737,323	68,291	2,317,220	1,169,604	3,486,824	1,388,842	737,323	2,126,165	191,055	1,169,605	3,486,824	
Property additions	113,415	3,643	40,739	1,845	159,642	—	159,642	113,664	40,739	154,403	5,239	—	159,642	
Depreciation and amortization expense	77,745	3,801	25,527	4,043	111,116	(230)	110,886	78,568	25,527	104,095	7,021	(230)	110,886	
2022														
Revenues	\$ 2,080,590	\$ 469,346	\$ 403,138	\$ 201,720	\$ 3,154,794	\$ 251	\$ 3,155,045	\$ 2,350,603	\$ 403,138	\$ 2,753,741	\$ 401,053	\$ 251	\$ 3,155,045	
Income (loss) before taxes														
(1)(2)	634,488	166,879	(16,244)	66,820	851,943	(11,558)	840,385							
Less:														
Cost of revenues	970,972	161,383	1,132,355	125,522	—	1,257,877								
Engineering and development	272,296	64,670	336,966	44,111	—	381,077								
Selling and marketing	156,520	101,584	258,104	51,888	—	309,992								
General and administrative	75,544	57,845	133,389	20,785	—	154,174								
Other segment items (1)(2)	131,464	33,785	165,249	34,587	11,704	211,540								
Income (loss) before taxes														
(2)	743,807	(16,129)	727,678	124,160	(11,453)	840,385								
Total assets (3)	1,382,623	165,925	665,638	94,298	2,308,484	1,192,768	3,501,252	1,435,766	665,638	2,101,403	207,079	1,192,769	3,501,252	
Property additions	126,898	7,275	25,712	3,364	163,249	—	163,249	126,899	25,711	152,610	10,639	—	163,249	
Depreciation and amortization expense	76,532	3,235	25,339	4,991	110,097	578	110,675	76,922	25,339	102,261	7,836	578	110,675	
2021														
Revenues	\$ 2,642,342	\$ 467,739	\$ 375,905	\$ 216,895	\$ 3,702,881	\$ —	\$ 3,702,881							
Income (loss) before taxes														
(1)(2)	976,988	163,064	(8,167)	83,543	1,215,428	(54,473)	1,160,955							
Total assets (3)	1,245,596	170,954	701,196	107,513	2,225,259	1,584,166	3,809,425							
Property additions	115,618	3,905	9,821	3,128	132,472	—	132,472							
Depreciation and amortization expense	75,982	3,156	27,336	6,055	112,529	12,956	125,485							

(1) For each reportable segment, the other segment items category includes equity and variable compensation, acquired intangible assets amortization, and restructuring and other charges.

(2) Included in Corporate and Eliminations are interest income, interest expense, net foreign exchange gains (losses), intercompany eliminations, acquired intangible amortization on the sale of a business, pension and postretirement plan actuarial gains (losses), legal and environmental fees, contingent consideration adjustments, acquisition and divest related expenses, contract termination settlement charge, and an expense for the modification of Teradyne's former chief executive officer's outstanding equity awards, and loss on convertible debt conversions in 2021.

(2) Included in income (loss) before taxes are charges and credits related to restructuring and other, inventory charges and loss on convertible debt conversions in 2021.

(3) Total assets are attributable to each segment. In 2023, Semiconductor Test includes \$34.8 million of total assets classified as assets held for sale. See Note E: "Assets held for sale."

for sale" "Dispositions" for additional information. Corporate assets consist of cash and cash equivalents, marketable securities and certain other assets.

[Table of Contents](#)

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

	For the Years Ended December 31,		
	2023	2022	2021
	(in thousands)		
Semiconductor Test:			
Cost of revenues—inventory charge	\$ 22,482	\$ 21,456	\$ 6,661
Restructuring and other—employee severance	5,666	—	—
System Test:			
Cost of revenues—inventory charge	\$ 1,855	\$ 1,730	\$ 641
Restructuring and other—employee severance	1,541	—	—
Robotics:			
Cost of revenues—inventory charge	\$ 2,275	\$ 3,668	\$ 6,403
Restructuring and other—employee severance	3,707	2,115	1,210
Restructuring and other—acquisition & divestiture related expenses	—	—	1,000
Wireless:			
Cost of revenues—inventory charge	\$ 1,746	\$ 4,598	\$ 1,770
Corporate and Eliminations:			
Selling and administrative—equity modification charge	\$ 5,889	\$ —	\$ —
Restructuring and other—employee severance	3,599	—	—
Restructuring and other—acquisition & divestiture related expenses	3,562	—	(513)
Restructuring and other—contract termination	1,511	—	—
Restructuring and other—environmental and legal liabilities	1,100	2,700	1,971
Other (income) expense, net—gain on foreign exchange option	(7,464)	—	—
Restructuring and other—legal settlement charge	—	14,700	12,000
Restructuring and other—gain on sale of asset	—	(3,410)	—
Other (income) expense, net—loss on convertible debt conversion	—	—	28,828
Restructuring and other—AutoGuide contingent consideration adjustment	—	—	(7,227)

Information as to Teradyne's revenues by country is as follows:

	2023	2022	2021	2024	2023	2022
	(in thousands)				(in thousands)	
Revenues from customers (1):						
United States	\$ 433,661	\$ 469,948	\$ 392,626			
Korea	394,690	544,816	502,167	\$ 695,669	\$ 394,690	\$ 544,816
Taiwan	384,842	626,424	1,117,874	601,997	384,842	626,424
China	314,899	491,798	631,963	375,186	314,899	491,798
United States	374,333	433,661	469,948			
Europe	251,285	273,784	268,384			
Japan	281,742	162,920	166,231	159,827	281,742	162,920
Europe	273,784	268,384	259,954			
Singapore	90,113	116,969	99,503			

Malaysia	62,376	89,197	142,203			
Philippines	189,419	124,107	166,838	53,636	189,419	124,107
Singapore	116,969	99,503	121,582			
Thailand	91,818	137,356	138,812	49,268	91,818	137,356
Malaysia	89,197	142,203	136,774			
Rest of the World	105,277	87,586	68,060	106,190	105,277	87,586
	\$ 2,676,298	\$ 3,155,045	\$ 3,702,881	\$ 2,819,880	\$ 2,676,298	\$ 3,155,045

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

In 2024, revenues from Samsung, a customer of our Semiconductor Test segment, accounted for 12.5% of our consolidated revenues. In 2023, revenues from Texas Instruments Inc., a customer of our Semiconductor Test segment, accounted for 10% of our consolidated revenues. In 2021, revenues from Taiwan Semiconductor Manufacturing Company Ltd., a customer of Teradyne's Semiconductor Test segment, accounted for 12% of Teradyne's consolidated revenues. Teradyne estimates consolidated revenues driven by Qualcomm, a customer of our Semiconductor Test, System Test, and Wireless Test segments, combining direct and indirect sales, accounted for approximately 11% of its consolidated revenues in 2022. Teradyne estimates consolidated revenues driven by one OEM customer, of our Semiconductor Test and Wireless Test segments, combining direct sales to that customer with sales to the customer's OSATs (which include Taiwan Semiconductor Manufacturing Company Ltd.), accounted for 19% in 2021.

Table of Contents

Long-lived assets by geographic area:

	United			United		
	States	Foreign (1)	Total	States	Foreign (1)	Total
	(in thousands)			(in thousands)		
December 31, 2024	\$ 328,733	\$ 249,623	\$ 578,356			
December 31, 2023 (2)	\$ 322,445	\$ 207,995	\$ 530,440	\$ 322,445	\$ 207,995	\$ 530,440
December 31, 2022	\$ 328,341	\$ 164,076	\$ 492,417			

(1) As of December 31, 2023 December 31, 2024 and December 31, 2022 December 31, 2023, long-lived assets attributable to Denmark were \$78.1 85.1 million and \$42.5 78.1 million, respectively. Long-lived assets attributable to Singapore were \$74.8 million as of December 31, 2024.

(2) Includes \$11.5 million of long-lived assets classified as assets held for sale. See Note E: "Assets held for sale" "Dispositions" for additional information.

U.V. STOCK REPURCHASE PROGRAM

In January 2023, Teradyne's Board of Directors cancelled the January 2021 repurchase program and approved a new repurchase program for up to \$2.0 billion of common stock. In 2024, Teradyne repurchased 1.7 million shares of common stock for a total cost of \$199.4 million, exclusive of tax, at an average price of \$114.63 per share. In 2023, Teradyne repurchased 3.9 million shares of common stock for a total cost of \$400.5 million at an average price of \$102.47 per share. In 2022, Teradyne repurchased The cumulative repurchases under the January 2023 repurchase program as of December 31, 2024 were 7.3 5.6 million shares of common stock for \$752.1 million at an average price of \$103.69 per share. The cumulative repurchases under the January 2021 repurchase program as of December 31, 2022 were 12.0 million shares of common stock for \$1,352.1 599.9 million at an average price per share of \$112.44 106.21.

The total cost of shares acquired includes commissions and starting in 2023, related excise tax and is recorded as a reduction to retained earnings.

V.W. SUBSEQUENT EVENTS

In January 2024, 2025, Teradyne's Board of Directors declared a 9% increase in the quarterly cash dividend to of \$0.12 per share to be paid on March 15, 2024 14, 2025 to shareholders of record as of February 16, 2024 14, 2025.

While Teradyne declared a quarterly cash dividend and authorized a share repurchase program, it may reduce or eliminate the cash dividend or share repurchase program in the future. Future cash dividends and stock repurchases are subject to the discretion of Teradyne's Board of Directors which will consider, among other things, Teradyne's earnings, capital requirements and financial condition.

[Table of Contents](#)

SUPPLEMENTARY INFORMATION (Unaudited)

Item 9: Changes in and disagreements with accountants on accounting and financial disclosure

None.

Item 9A: Controls and procedures

Disclosure Controls and Procedures

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

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting during the fourth fiscal quarter ended **December 31, 2023** **December 31, 2024** that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including our CEO and CFO, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control—Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the framework in *Internal Control—Integrated Framework* (2013), our management concluded that our internal control over financial reporting was effective as of **December 31, 2023** **December 31, 2024**.

The effectiveness of our internal control over financial reporting as of **December 31, 2023** **December 31, 2024** has been audited by PricewaterhouseCoopers LLP, our independent registered public accounting firm, as stated in their report which is included under Item 8 of this Annual Report.

Inherent Limitations on Effectiveness of Controls

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Item 9B: Other Information

Our officers (as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended (the "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, and written plans as "Rule 10b5-1 trading plans" and each one as a "Rule 10b5-1 trading plan." During our fiscal quarter ended **December 31, 2023** **December 31, 2024**, no Section 16 Officer or director adopted, modified or terminated a Rule 10b5-1 trading plan.

Item 9C: Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

[Table of Contents](#)

PART III

Item 10: Directors, Executive Officers and Corporate Governance

The information required by this Item 10 will be included in our definitive Proxy Statement in connection with our 2024 2025 Annual Meeting of Shareholders to be held on May 9, 2024. The Proxy Statement will be filed with the SEC not later than 120 days after the close of the fiscal year covered by this Annual Report and is incorporated herein by reference.

We have adopted a written code of business conduct that applies to all of our employees, officers and directors, including our principal executive officer, principal financial officer and principal accounting officer. Our Code of Conduct is available on our investor relations website at investors.teradyne.com under the section entitled "Governance Policies" in the "Governance" menu. If we make any substantive amendments to our Code of Conduct or grant any of our directors or executive officers any waiver, including any implicit waiver, from a provision of our Code of Conduct, we will disclose the nature of the amendment or waiver on our website or in a Current Report on Form 8-K.

Item 11: Executive Compensation

The information required by this Item 11 will be included in our definitive Proxy Statement in connection with our 2024 2025 Annual Meeting of Shareholders to be held on May 9, 2024. The Proxy Statement will be filed with the SEC not later than 120 days after the close of the fiscal year covered by this Annual Report and is incorporated herein by reference. For this purpose, the Compensation Committee Report included in such proxy statement is specifically not incorporated herein.

Item 12: Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this Item 12 will be included in our definitive Proxy Statement in connection with our 2024 2025 Annual Meeting of Shareholders to be held on May 9, 2024. The Proxy Statement will be filed with the SEC not later than 120 days after the close of the fiscal year covered by this Annual Report and is incorporated herein by reference. Also see "Item 7: Management's Discussion and Analysis of Financial Condition and Results of Operations—Equity Compensation Plans."

Item 13: Certain Relationships and Related Transactions, and Director Independence

The information required by this Item 13 will be included in our definitive Proxy Statement in connection with our 2024 2025 Annual Meeting of Shareholders to be held on May 9, 2024. The Proxy Statement will be filed with the SEC not later than 120 days after the close of the fiscal year covered by this Annual Report and is incorporated herein by reference.

Item 14: Principal Accountant Fees and Services

The information required by this Item 14 will be included in our definitive Proxy Statement in connection with our 2024 2025 Annual Meeting of Shareholders to be held on May 9, 2024. The Proxy Statement will be filed with the SEC not later than 120 days after the close of the fiscal year covered by this Annual Report and is incorporated herein by reference.

8886

[Table of Contents](#)

PART IV

Item 15: Exhibits and Financial Statement Schedule.

15(a)(1) Financial Statements

The following consolidated financial statements are included in Item 8:

[Report of Independent Registered Public Accounting Firm](#) (PricewaterhouseCoopers LLP, PCAOB ID No 238)

Page
3836

Consolidated Balance Sheets as of December 31, 2023 December 31, 2024, and 2022	2023	40 38
Consolidated Statements of Operations for the years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021 2022		41 39
Consolidated Statements of Comprehensive Income for the years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021 2022		42 40
Consolidated Statements of Convertible Common Shares and Shareholders' Equity for the years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021 2022		43 41
Consolidated Statements of Cash Flows for the years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021 2022		44 42

15(a)(2) Financial Statement Schedule

The following consolidated financial statement schedule is included in Item 15(c):

Schedule II—Valuation and Qualifying Accounts

Schedules other than those listed above have been omitted since they are either not required or information is otherwise included.

15(a)(3) Listing of Exhibits

The Exhibits which are filed with this report or which are incorporated by reference herein are set forth in the Exhibit Index.

[89 87](#)

[Table of Contents](#)

15(c) Financial Statement Schedules

TERADYNE, INC.

SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS

Description	Column A					Column B					Column C					Column D					Column E					Column F				
	Balance at Beginning of Period		Charged to Cost and Expenses			Additions		Other		Deductions		Balance at End of Period		Balance at Beginning of Period		Charged to Cost and Expenses			Additions		Other		Deductions		Balance at End of Period					
(in thousands)																														
Valuation reserve deducted in the balance sheet from the asset to which it applies:																														
Accounts receivable:																														
2024 Allowance for credit losses	\$ 1,988	\$ 149	\$ (36)	\$ (10)	\$ 2,111	\$ 1,955	\$ 301	\$ 23	\$ 291	\$ 1,988	\$ 1,955	\$ 301	\$ 23	\$ 291	\$ 1,988	\$ 1,955	\$ 301	\$ 23	\$ 291	\$ 1,988	\$ 1,955	\$ 301	\$ 23	\$ 291	\$ 1,988	\$ 1,955	\$ 301	\$ 23	\$ 291	\$ 1,988
2023 Allowance for credit losses	\$ 1,955	\$ 301	\$ 23	\$ 291	\$ 1,988	\$ 2,012	\$ 500	\$ (6)	\$ 551	\$ 1,955	\$ 2,012	\$ 500	\$ (6)	\$ 551	\$ 1,955	\$ 2,012	\$ 500	\$ (6)	\$ 551	\$ 1,955	\$ 2,012	\$ 500	\$ (6)	\$ 551	\$ 1,955	\$ 2,012	\$ 500	\$ (6)	\$ 551	\$ 1,955
2022 Allowance for credit losses	\$ 2,012	\$ 500	\$ (6)	\$ 551	\$ 1,955	\$ 2,034	\$ 500	\$ (27)	\$ 495	\$ 2,012	\$ 2,034	\$ 500	\$ (27)	\$ 495	\$ 2,012	\$ 2,034	\$ 500	\$ (27)	\$ 495	\$ 2,012	\$ 2,034	\$ 500	\$ (27)	\$ 495	\$ 2,012	\$ 2,034	\$ 500	\$ (27)	\$ 495	\$ 2,012
2021 Allowance for credit losses	\$ 2,034	\$ 500	\$ (27)	\$ 495	\$ 2,012																									

Description	Column A					Column B					Column C					Column D					Column E					Column F				
	Balance at Beginning of Period		Charged to Cost and Expenses			Additions		Other		Deductions		Balance at End of Period		Balance at Beginning of Period		Charged to Cost and Expenses			Additions		Other		Deductions		Balance at End of Period					
(in thousands)																														

Valuation reserve deducted in the balance sheet from the asset to which it applies:										
Deferred taxes:										
2024 Valuation allowance	\$ 109,251	\$ 8,809	\$ (41)	\$ 765	\$ 117,254					
2023 Valuation allowance	\$ 103,807	\$ 5,759	\$ 59	\$ 374	\$ 109,251	\$ 103,807	\$ 5,759	\$ 59	\$ 374	\$ 109,251
2022 Valuation allowance	\$ 97,170	\$ 7,652	\$ 21	\$ 1,036	\$ 103,807	\$ 97,170	\$ 7,652	\$ 21	\$ 1,036	\$ 103,807
2021 Valuation allowance	\$ 84,962	\$ 13,502	\$ —	\$ 1,294	\$ 97,170					

Item 16: Form 10-K Summary

Not applicable.

9088

[Table of Contents](#)

EXHIBIT INDEX

The following designated exhibits are, as indicated below, either filed herewith or have heretofore been filed with the Securities and Exchange Commission and are referred to and incorporated by reference to such filings.

Exhibit No.	Description	SEC Document Reference
3.1	Restated Articles of Organization.	Exhibit 3.1 Appendix B to Teradyne's Current Report on Form 8-K Definitive Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934 filed on May 13, 2021 March 29, 2024.
3.2	Amended and Restated By-laws, as amended.	Exhibit 3.1 to Teradyne's Current Report on Form 8-K filed on January 29, 2024.
4.1	Indenture dated as of December 12, 2016, between Teradyne, Inc. and Wilmington Trust, National Association, as trustee.	Exhibit 4.1 to Teradyne's Current Report on Form 8-K filed on December 12, 2016.
4.2	First Supplemental Indenture dated as of November 4, 2021 between Teradyne, Inc. and Wilmington Trust, National Association, as trustee.	Exhibit 4.1 to Teradyne's Quarterly Report on Form 10-Q for the quarter ended October 3, 2021.
4.3	Description of Teradyne, Inc. Securities Registered under Section 12 of the Exchange Act.	Filed herewith.
10.1†	Standard Manufacturing Agreement entered into as of November 24, 2003 by and between Teradyne and Solelectron.	Exhibit 10.1 to Teradyne's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007.
10.2†	Second Amendment to Standard Manufacturing Agreement, dated as of August 27, 2007, by and between Teradyne and Solelectron.	Exhibit 10.3 to Teradyne's Quarterly Report on Form 10-Q for the quarter ended September 30, 2007.
10.3†	Sixth Amendment to Standard Manufacturing Agreement, dated as of July 27, 2009, by and between Teradyne and Flextronics Corporation.	Exhibit 10.5 to Teradyne's Annual Report on Form 10-K for the fiscal year ended December 31, 2009.
10.4	Addendum to Standard Manufacturing Agreement (Authorized Purchase Agreement)—Revised July 1, 2010.	Exhibit 10.6 to Teradyne's Annual Report on Form 10-K for the fiscal year ended December 31, 2010.

10.5	Eighth Amendment to Standard Manufacturing Agreement, dated as of April 13, 2012, by and between Teradyne and Flextronics Sales & Marketing North Asia (L) LTD.	Exhibit 10.7 to Teradyne's Annual Report on Form 10-K for the fiscal year ended December 31, 2012.
10.6†	Ninth Amendment to Standard Manufacturing Agreement, dated as of September 17, 2012, by and between Teradyne and Flextronics Sales & Marketing North Asia (L) LTD.	Exhibit 10.8 to Teradyne's Annual Report on Form 10-K for the fiscal year ended December 31, 2012.
10.7	2006 Equity and Cash Compensation Incentive Plan, as amended.*	Exhibit 10.2 to Teradyne's Current Report on Form 8-K filed on May 13, 2021.
10.8	Danish Sub-Plan to the 2006 Equity and Cash Compensation Incentive Plan.	Exhibit 10.10 to Teradyne's Annual Report on Form 10-K for the fiscal year ended December 31, 2018.
10.9	Form of Performance-Based Restricted Stock Unit Agreement for Executive Officers under 2006 Equity and Cash Compensation Incentive Plan.*	Exhibit 10.9 to Teradyne's Annual Report on Form 10-K for the fiscal year ended December 31, 2020.
10.10	Form of Time-Based Restricted Stock Unit Agreement for Executive Officers under 2006 Equity and Cash Compensation Incentive Plan.*	Exhibit 10.10 10.1 to Teradyne's Annual Quarterly Report on Form 10-K 10-Q for the fiscal year quarter ended December 31, 2020 March 31, 2024.
10.11	Form of Executive Officer Stock Option Agreement under 2006 Equity and Cash Compensation Incentive Plan, as amended.*	Exhibit 10.11 10.2 to Teradyne's Annual Quarterly Report on Form 10-K 10-Q for the fiscal year quarter ended December 31, 2020 March 31, 2024.
10.12	Form of Restricted Stock Unit Agreement for Directors under 2006 Equity and Cash Compensation Incentive Plan.*	Exhibit 10.12 to Teradyne's Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

9189

Table of Contents

10.13	1996 Employee Stock Purchase Plan, as amended.*	Exhibit 10.13 to Teradyne's Annual Report on Form 10-K for the fiscal year ended December 31, 2022.
10.14	Danish Sub-Plan to the 1996 Employee Stock Purchase Plan.	Exhibit 10.15 to Teradyne's Annual Report on Form 10-K for the fiscal year ended December 31, 2019
10.15	Deferral Plan for Non-Employee Directors, as amended.*	Exhibit 10.1 to Teradyne's Quarterly Report on form 10-Q for the quarter ended October 3, 2021.
10.16	Supplemental Savings Plan, as amended and restated.*	Exhibit 10.18 to Teradyne's Annual Report on Form 10-K for the fiscal year ended December 31, 2008.
10.17	Supplemental Executive Retirement Plan, as restated.*	Exhibit 10.19 to Teradyne's Annual Report on Form 10-K for the fiscal year ended December 31, 2008.
10.18	Agreement Regarding Termination Benefits dated January 31, 2023 between Teradyne and Gregory S. Smith.*	Exhibit 10.18 to Teradyne's Annual Report on Form 10-K for the fiscal year ended December 31, 2022.
10.19	Employment Agreement dated May 7, 2004 between Teradyne and Mark Jagiela.*	Exhibit 10.37 to Teradyne's Quarterly Report on Form 10-Q for the quarter ended July 4, 2004.

10.20	Executive Officer Retirement Agreement dated July 17, 2019 between Teradyne and Gregory R. Beecher.*	Exhibit 10.1 to Teradyne's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019.
10.21	Executive Officer Agreement dated January 31, 2023 between Teradyne and Mark Jagiela.*	Exhibit 10.21 to Teradyne's Annual Report on Form 10-K for the fiscal year ended December 31, 2022.
10.22	Amended and Restated Executive Officer Change in Control Agreement dated May 26, 2009 between Teradyne and Charles J. Gray, as amended.*	Exhibit 10.30 to Teradyne's Annual Report on Form 10-K for the fiscal year ended December 31, 2012.
10.23	Employment Agreement dated July 24, 2009 between Teradyne and Charles J. Gray.*	Exhibit 10.1 to Teradyne's Quarterly Report on Form 10-Q for the quarter ended April 4, 2010.
10.24	Executive Officer Agreement dated January 25, 2024 between Teradyne and Charles J. Gray.*	Exhibit 10.1 to Teradyne's Current Report on Form 8-K/A filed January 29, 2024.
10.25	Amended and Restated Executive Officer Change in Control Agreement dated June 30, 2012 between Teradyne and Walter G. Vahey, as amended.*	Exhibit 10.32 to Teradyne's Annual Report on Form 10-K for the fiscal year ended December 31, 2012.
10.26	Employment Agreement dated February 6, 2013 between Teradyne and Walter G. Vahey.*	Exhibit 10.33 to Teradyne's Annual Report on Form 10-K for the fiscal year ended December 31, 2012.
10.27	Executive Officer Change in Control Agreement dated September 1, 2014 between Teradyne, Inc. and Bradford Robbins.*	Exhibit 10.1 to Teradyne's Quarterly Report on Form 10-Q for the quarter ended September 28, 2014.
10.28	Employment Agreement dated September 1, 2014 between Teradyne, Inc. and Bradford Robbins.*	Exhibit 10.2 to Teradyne's Quarterly Report on Form 10-Q for the quarter ended September 28, 2014.
10.29	Executive Change in Control Agreement dated February 8, 2016 between Teradyne, Inc. and Gregory S. Smith.*	Exhibit 10.1 to Teradyne's Quarterly Report on Form 10-Q for the quarter ended April 3, 2016.
10.30	Employment Agreement dated February 8, 2016 between Teradyne, Inc. and Gregory S. Smith.*	Exhibit 10.2 to Teradyne's Quarterly Report on Form 10-Q for the quarter ended April 3, 2016.
10.31	Teradyne Offer of Employment dated February 8, 2019 for Sanjay Mehta.*	Exhibit 10.1 to Teradyne's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019.
10.32	Executive Officer Change in Control Agreement dated April 25, 2019 between Teradyne, Inc. and Sanjay Mehta.*	Exhibit 10.2 to Teradyne's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019.
10.33	Employment Agreement dated April 25, 2019 between Teradyne, Inc. and Sanjay Mehta.*	Exhibit 10.3 to Teradyne's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019.
10.34	Agreement Regarding Termination Benefits dated April 25, 2019 between Teradyne, Inc. and Sanjay Mehta.*	Exhibit 10.4 to Teradyne's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019.

9290

[Table of Contents](#)

10.35	Executive Officer Change in Control Agreement dated October 1, 2020 between Teradyne, Inc. and Richard Burns.*	Exhibit 10.1 to Teradyne's Quarterly Report on Form 10-Q for the quarter ended September 27, 2020.
10.36	Executive Officer Change in Control Agreement dated August 21, 2023 between Teradyne, Inc. and Ujjwal Kumar.*	Exhibit 10.1 to Teradyne's Quarterly Report on Form 10-Q for the quarter ended October 1, 2023.
10.37	Employment Agreement dated June 27, 2023 between Teradyne, Inc. and Ujjwal Kumar.*	Exhibit 10.2 to Teradyne's Quarterly Report on Form 10-Q for the quarter ended October 1, 2023
10.38	Executive Officer Change in Control Agreement dated February 2, 2024 between Teradyne, Inc. and Ryan Driscoll.*	Filed herewith. Exhibit 10.38 to Teradyne's Annual Report on Form 10-K for the fiscal year ended December 31, 2023.
10.39	Employment Agreement dated October 1, 2020 between Teradyne, Inc. and Richard Burns.*	Exhibit 10.2 to Teradyne's Quarterly Report on Form 10-Q for the quarter ended September 27, 2020.
10.40	Executive Officer Change in Control Agreement dated November 14, 2023 between Teradyne, Inc. and John Wood.*	Exhibit 10.1 to Teradyne's Quarterly Report on Form 10-Q for the quarter ended September 29, 2024.
10.41	Executive Officer Change in Control Agreement dated August 23, 2024 between Teradyne, Inc. and John Lukez.*	Exhibit 10.2 to Teradyne's Quarterly Report on Form 10-Q for the quarter ended September 29, 2024.
10.40 10.42	Time-Based Restricted Stock Unit Agreement dated May 1, 2019 for Sanjay Mehta under 2006 Equity and Cash Compensation Plan.*	Exhibit 10.5 to Teradyne's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019.
10.41 10.43	Form of Indemnification Agreement.*	Exhibit 10.24 to Teradyne's Annual Report on Form 10-K for the fiscal year ended December 31, 2006.
10.42 10.44	LitePoint Corporation 2002 Stock Plan.	Exhibit 10.43 to Teradyne's Annual Report on Form 10-K for the fiscal year ended December 31, 2011.
10.43	Letter Agreement, dated December 6, 2016, between Barclays Bank PLC and Teradyne, Inc., regarding the Base Warrants.	Exhibit 10.1 to Teradyne's Current Report on Form 8-K filed December 12, 2016.
10.44	Letter Agreement, dated December 6, 2016, between Bank of America, N.A., and Teradyne, Inc. regarding the Base Warrants.	Exhibit 10.2 to Teradyne's Current Report on Form 8-K filed December 12, 2016.
10.45	Letter Agreement, dated December 6, 2016, between Wells Fargo Bank, National Association and Teradyne, Inc. regarding the Base Warrants.	Exhibit 10.3 to Teradyne's Current Report on Form 8-K filed December 12, 2016.
10.46	Letter Agreement, dated December 6, 2016, between Barclays Bank PLC and Teradyne, Inc. regarding the Base Call Option Transaction.	Exhibit 10.4 to Teradyne's Current Report on Form 8-K filed December 12, 2016.
10.47	Letter Agreement, dated December 6, 2016, between Bank of America, N.A. and Teradyne, Inc. regarding the Base Call Option Transaction.	Exhibit 10.5 to Teradyne's Current Report on Form 8-K filed December 12, 2016.
10.48	Letter Agreement, dated December 6, 2016, between Wells Fargo Bank, National Association and Teradyne, Inc. regarding the Base Call Option Transaction.	Exhibit 10.6 to Teradyne's Current Report on Form 8-K filed December 12, 2016.
10.49	Letter Agreement, dated December 9, 2016, between Barclays Bank PLC and Teradyne, Inc., regarding the Additional Warrants	Exhibit 10.7 to Teradyne's Current Report on Form 8-K filed December 12, 2016.
10.50	Letter Agreement, dated December 9, 2016, between Bank of America, N.A., and Teradyne, Inc. regarding the Additional Warrants.	Exhibit 10.8 to Teradyne's Current Report on Form 8-K filed December 12, 2016.
10.51	Letter Agreement, dated December 9, 2016, between Wells Fargo Bank, National Association and Teradyne, Inc. regarding the Additional Warrants.	Exhibit 10.9 to Teradyne's Current Report on Form 8-K filed December 12, 2016.
10.52	Letter Agreement, dated December 9, 2016, between Barclays Bank PLC and Teradyne, Inc. regarding the Additional Call Option Transaction.	Exhibit 10.10 to Teradyne's Current Report on Form 8-K filed December 12, 2016.
10.53	Letter Agreement, dated December 9, 2016, between Bank of America, N.A. and Teradyne, Inc. regarding the Additional Call Option Transaction	Exhibit 10.11 to Teradyne's Current Report on Form 8-K filed December 12, 2016.

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[Table of Contents](#)

10.54	Letter Agreement, dated December 9, 2016, between Wells Fargo Bank, National Association and Teradyne, Inc. regarding the Additional Call Option Transaction.	Exhibit 10.12 to Teradyne's Current Report on Form 8-K filed December 12, 2016.
10.55	Credit Agreement dated May 1, 2020 among Teradyne, Inc., Truist Bank, as the administrative agent, issuing bank and swingline lender, and other lenders party thereto.	Exhibit 10.1 to Teradyne's Current Report on Form 8-K filed May 5, 2020.
10.56 10.46	First Amendment to Credit Agreement dated December 10, 2021 among Teradyne, Inc., Truist Bank, as the administrative agent, issuing bank and swingline lender, and other lenders party thereto.	Exhibit 10.52 to Teradyne's Annual Report on Form 10-K for the fiscal year ended December 31, 2021.
10.57 10.47	Second Amendment to Credit Agreement dated October 5, 2022 among Teradyne, Inc., Truist Bank, as the administrative agent, issuing bank and swingline lender, and other lenders party thereto.	Exhibit 10.1 to Teradyne's Quarterly Report on Form 10-Q for the quarter ended October 2, 2022.
10.48	Third Amendment to Credit Agreement dated November 7, 2023 among Teradyne, Inc., Truist Bank, as the administrative agent, issuing bank and swingline lender, and other lenders party thereto	Exhibit 10.1 to Teradyne's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024.
21.1	Subsidiaries of Teradyne.	Filed herewith.
23.1	Consent of PricewaterhouseCoopers LLP.	Filed herewith.
31.1	Rule 13a-14(a) Certification of Principal Executive Officer.	Filed herewith.
31.2	Rule 13a-14(a) Certification of Principal Financial Officer.	Filed herewith.
32.1	Section 1350 Certification of Principal Executive Officer.	Furnished herewith.
32.2	Section 1350 Certification of Principal Financial Officer.	Furnished herewith.
97.1	Policy for Recoupment of Incentive Compensation.	Filed herewith.
101	The following financial information from Teradyne, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2023, formatted in Inline XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets as of December 31, 2023 and December 31, 2022, (ii)	

[Table of Contents](#)

Consolidated Statements of Operations for the years ended December 31, 2023, 2022 and 2021, (iii) Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2023, 2022 and 2021 (iv) Consolidated Statements of Shareholders' Equity for the years ended December 31, 2023, 2022 and 2021, (v) Consolidated Statements of Cash Flows for the years ended December 31, 2023, 2022 and 2021, and (vi) the Notes to Consolidated Financial Statements.

104 The cover page of the Annual Report on Form 10-K formatted in Inline XBRL
(included in Exhibit 101).

† -Confidential treatment granted.

* -Management contract or compensatory plan.

94.92

[Table of Contents](#)

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized this 22nd 20th day of February 2024, 2025.

TERADYNE, INC.

By: /s/ SANJAY MEHTA
Sanjay Mehta,
Vice President, Chief Financial Officer and
Treasurer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/S/ PAUL J. TUFANO Paul J. Tufano	Chair of the Board	February 22, 2024 20, 2025
/S/ GREGORY SMITH Gregory Smith	Chief Executive Officer (Principal Executive Officer) and Director	February 22, 2024 20, 2025
/S/ SANJAY MEHTA Sanjay Mehta	Vice President, Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)	February 22, 2024 20, 2025
/S/ TIMOTHY E. GUERTIN Timothy E. Guertin	Director	February 22, 2024
/S/ PETER HERWECK Peter Herweck	Director	February 22, 2024 20, 2025
/S/ MERCEDES JOHNSON Mercedes Johnson	Director	February 22, 2024 20, 2025
/S/ ERNEST E. MADDOCK Ernest E. Maddock	Director	February 22, 2024 20, 2025
/S/ MARILYN MATZ Marilyn Matz	Director	February 22, 2024 20, 2025
/S/ FOUAD TAMER Fouad Tamer	Director	February 22, 2024 20, 2025

Bridget van Kralingen**95 93****Exhibit 4.3****DESCRIPTION OF COMMON STOCK**

As of **December 31, 2023** **December 31, 2024**, Teradyne, Inc. ("Teradyne" or the "Company") has its common stock as the only class of securities under Section 12 of the Securities Exchange Act of 1934, as amended.

The following is a description of the material terms and provisions of the Company's common stock and may not contain all the information that is important to you. Please refer to the Company's Restated Articles of Organization (the "Articles of Organization") and Amended and Restated Bylaws (the "Bylaws") for complete information.

Under the Company's Articles of Organization, it has authority to issue 1,000,000,000 shares of common stock, par value \$0.125 per share. As of **December 31, 2023** **December 31, 2024**, there were **152,889,750** **161,931,047** shares of common stock outstanding.

Common Stock

Holders of Teradyne common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders. Since holders of Teradyne common stock do not have cumulative voting rights, the holders of more than 50% of Teradyne common stock can elect all the directors if they so choose. Holders of Teradyne common stock are entitled to receive ratably dividends, if any, as may be declared by the Teradyne board of directors out of funds legally available for payment of dividends. Upon the liquidation, dissolution or winding up of Teradyne, holders of Teradyne common stock are entitled to receive ratably the net assets of Teradyne available after the payment of all debts and other liabilities of Teradyne. Holders of Teradyne common stock have no preemptive, subscription, redemption or conversion rights, nor are they entitled to the benefit of any sinking fund. The outstanding shares of common stock are fully paid and non-assessable.

The transfer agent and registrar for the common stock is Broadridge Corporate Issuer Solutions, Inc., P.O. Box 1342, Brentwood, NY 11717. The common stock is listed on the Nasdaq Global Select Market under the trading symbol "TER."

Anti-Takeover Effects of Massachusetts Law and Provisions of our Charter Documents

Certain provisions in the Massachusetts General Laws, the Articles of Organization and the Bylaws may have the effect of delaying, deferring or preventing a change in control of Teradyne, including:

Special Meetings of Stockholders. Special meetings of our stockholders may be called only by the Chief Executive Officer, the President, by the directors or by the Secretary, or in case of the death, absence, incapacity or refusal of the Secretary, by any other officer, upon written application of one or more stockholders who hold at least a majority of the shares of our capital stock entitled to vote at such a meeting (or such lesser percentage in interest as shall be the maximum percentage permitted under Massachusetts law).

Advance Notice Procedures. The Bylaws establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of the Company's stockholders, including proposed nominations of persons for election to the board of directors. Stockholders at an annual meeting may only consider proposals or nominations specified in the written notice of meeting or brought before the meeting by or at the direction of the board of directors, the Chief Executive Officer or the President or by a stockholder who was a stockholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has given our Secretary timely written notice, in proper form, of the stockholder's intention to bring that business before the meeting, or pursuant to the proxy access nomination procedures in the Bylaws.

Proxy Access Nominations. Under the Bylaws, the Company will include in its proxy statement for an annual meeting the name, together with certain other required information, of any person nominated for the election of to the board of directors in compliance with specified provisions in the Bylaws by a single stockholder that satisfies (or by a group of no more than 20 stockholders that satisfy) various notice and other requirements specified in the Bylaws. Among other requirements in the Bylaws, such stockholder or group of stockholders would need to provide evidence verifying that the stockholder or group owns, and has owned continuously for the preceding three years, at

least 3% of the issued and outstanding voting shares of the Company. The Bylaws contain limitations on the maximum number of nominees submitted by stockholders that the Company would be required to include in its proxy statement for an annual meeting.

Removal of Directors and Vacancies. The Bylaws provide that any director may be removed from office only (a) for cause as defined in the Massachusetts General Laws and by the affirmative vote of a majority of our outstanding shares and entitled to vote in the election of directors or (b) for cause by vote of a majority of the directors then in office. Vacancies and newly created directorships, whether resulting from an increase in the size of the board of directors, from the death, resignation, disqualification or removal of a director or otherwise, shall be filled solely by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the board of directors.

Indemnification of Directors, Officers and Employees. Pursuant to the Articles of Organization and Bylaws, Teradyne shall indemnify, to the full extent authorized by law, any person made or threatened to be made a party to an action, suit or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that he or she is or was a director, officer, employee or agent of Teradyne or is or was serving, at the request of the Teradyne, as a director, officer, employee or agent of another organization. The board of directors may, without stockholder approval, authorize Teradyne to enter into agreements, including any amendments or modifications thereto, with any of its directors, officers, employees or other agents providing for indemnification of such persons to the maximum extent permitted under applicable law and Teradyne's Articles of Organization and Bylaws.

Business Combinations with Interested Stockholders. The Massachusetts General Laws contain anti-takeover provisions regarding, among other things, business combinations with an affiliated stockholder. In general, the Massachusetts General Laws prevent a publicly held Massachusetts corporation from engaging in a business combination, as defined in the Massachusetts General Laws, with an interested stockholder for a period of three years after the date of the transaction in which the person became an interested stockholder, unless:

- before the date on which the person became an interested stockholder, the board of directors of the corporation approved either the business combination or the transaction which the person became an interested stockholder;
- the interested stockholder acquires at least 90% of the outstanding voting stock of the corporation at the time it becomes an interested stockholder; or
- the business combination is approved by the board of directors and the holders of at least two-thirds of the outstanding voting stock of the corporation voting at a meeting, excluding the voting stock owned by the interested stockholder.

An interested stockholder is generally a person owning 5% or more of the outstanding voting stock of the corporation. A business combination includes mergers, consolidations, stock and asset sales and other transactions with the interested stockholder that result in a financial benefit to the interested stockholder.

Control Share Acquisitions. Teradyne has elected to opt out of the control share acquisitions provisions of the Massachusetts General Laws. Teradyne could, however, opt into these control share acquisitions provisions at any time by amending our Bylaws.

In general, the control share acquisitions provisions of the Massachusetts General Laws provide that any person, including his, her or its affiliates, who acquires shares of a corporation that are subject to the control share acquisitions statute and whose shares represent one-fifth or more, one-third or more, or a majority or more of the voting power of the corporation in the election of directors cannot exercise any voting power with respect to those shares, or any shares acquired by the person within 90 days before or after an acquisition of this nature, unless these voting rights are authorized by the stockholders of the corporation.

The authorization of voting rights requires the affirmative vote of the holders of a majority of the outstanding voting shares, excluding shares owned by:

- the person making an acquisition of this nature;

- any officer of the corporate; and
- any employee who is also a director of the corporation.

There are several other types of share acquisitions that are not subject to these provisions of the Massachusetts General Laws, including acquisitions of shares under a tender offer, merger or consolidation which is made in connection with an agreement to which the corporation is a party and acquisitions of shares directly from the corporation or a wholly owned subsidiary of the corporation.

Exhibit 10.38

EXECUTIVE OFFICER CHANGE IN CONTROL AGREEMENT

EXECUTIVE OFFICER CHANGE IN CONTROL AGREEMENT entered into this 2nd day of February, 2024, by and between Teradyne, Inc. (including its subsidiaries, "Teradyne"), and the undersigned executive officer ("Employee").

WITNESSETH:

WHEREAS, Teradyne and Employee desire to set forth certain terms and conditions relating to the termination of Employee's employment upon the occurrence of a Change in Control (as hereinafter defined) of Teradyne.

NOW THEREFORE, in consideration of the premises and of the mutual covenants and agreements hereinafter set forth, the parties hereto hereby agree as follows:

1. Entitlements Upon a Termination Event. If, within twenty-four (24) months following a Change in Control or in contemplation of a Change in Control, there is a Termination Event, and subject to the conditions set forth herein and the performance by Employee of the undertakings and duties set forth herein, Employee shall be entitled to the rights, payments and other benefits set forth below:

(a) **Treatment of Awards.** Equity Awards that are not subject to Performance Criteria shall be governed by Section 1(b) below, and Cash Awards and Equity Awards that are subject to Performance Criteria shall be governed by Section 1(c) below. The parties hereto acknowledge that, except as otherwise provided herein, the terms of this Agreement are intended to modify the terms of Employee's existing Cash Award and Equity Award agreements and to be a supplement to Cash Award and Equity Award agreements granted on or subsequent to the date hereof.

(b) **Acceleration of Equity Awards.** All of Employee's unvested or unexercisable Equity Awards or Equity Awards subject to restrictions on transfer imposed by Teradyne or repurchase rights in favor of Teradyne, as applicable, granted prior to, on, or after the date hereof (but only (I) such Equity Awards as have been granted to Employee by Teradyne as of the date of the Change in Control or (II) such Equity Awards as have been assumed by an acquiring company at the time of a Change in Control or such new cash and equity awards that have been substituted by an acquiring company for Equity Awards existing at the time of a Change in Control, each pursuant to the terms of any Teradyne incentive plan) shall automatically become fully vested, exercisable or free of restrictions on transfer imposed by Teradyne or repurchase rights in favor of Teradyne, as applicable, as of the date of such Termination Event, and all Equity Awards granted on or after the date hereof shall, to the extent applicable, remain exercisable for the remainder of the generally applicable term of such Equity Award.

(c) **Satisfaction of Performance Criteria.** All of Employee's Cash Awards and Equity Awards that are subject to Performance Criteria shall be settled and paid in the following manner: Employee shall be deemed to have satisfied the necessary percentage of the Performance Criteria to which such Cash Awards and Equity Awards are subject as of the date of the Termination Event, that will provide Employee with the target level of such Cash Awards and Equity Awards; and Employee shall be entitled to receive that portion of each Cash Award and Equity Award payable, at the target level. For purposes of the Cash Awards, the payment shall be multiplied by a fraction, the numerator of which shall be the number of calendar months that have passed during the period in which the Performance Criteria are to be measured (treating the month in which the Termination Event occurs as a full calendar month) and the denominator of which shall be the total number of calendar months in such period. For purposes of this Agreement, "target level" is that percentage of the Performance Criteria established at the beginning of each calendar year in order for the Employee to achieve Model Compensation. Unless otherwise required under Section 1(e) below, such Cash Awards and Equity Awards shall be paid to Employee or the restrictions on transfer removed not later than 10 days following the Termination Event.

(d) **Salary Continuation.** Unless otherwise required under Section 1 (e) below, Teradyne shall pay Employee monthly an amount equal to 1/12th of Employee's current annual Model Compensation as of the Termination Event for a period of 24 months following the date of the Termination Event (the "Salary Continuation

Period"). In the event a Termination Event constitutes termination for Good Reason on account of a material reduction in Model Compensation, the payment obligation pursuant to this Section 1(d) shall be calculated without giving effect to any such reductions in Model Compensation. All such continued payments shall be made in accordance with Teradyne's customary pay practices. Subject to Section 1(e)(i) of this Agreement but notwithstanding any other provision of this Agreement to the contrary, the continued payments to Employee contemplated by this Section 1(d) and any benefits provided to Employee that are subject to Section 409A of the Code shall commence on the 60th day following the Termination Event provided Employee has complied with the requirements of Section 1(g) of this Agreement and the release of claims has become irrevocable under applicable law no later than on the 60th day following his Termination Event.

(e) Deferred Compensation/Section 409A.

(i) Notwithstanding any other provision of this Agreement, if the Employee is a "specified employee" at the time of the Employee's "separation from service" as defined in Section 409A of the Code, all payments, benefits, or removal of restrictions on the transfer of equity under this Agreement with respect to the Employee's "separation from service" that constitute compensation deferred under a nonqualified deferred compensation plan as defined in Section 409A of the Code to which such specified employee would otherwise be entitled during the first six months following the date of separation from service shall be made on the first day of the seventh month after the date of separation from service (or, if earlier, the date of death of the Employee).

(ii) For purposes of this Agreement, each amount to be paid or benefit to be provided shall be construed as a separate identified payment for purposes of Section 409A, and any payments that are due within the "short term deferral period" as defined in Section 409A or payments that are made under separation pay plans as described in Treasury Regulation Section 1.409A-1(b)(9)(ii), (iii) or (iv), shall not be treated as deferred compensation unless applicable law requires otherwise. Neither Teradyne nor the Employee shall have the right to accelerate or defer the delivery of any payments or benefits under this Agreement except to the extent specifically permitted or required by Section 409A.

(iii) This Agreement is intended to comply with the provisions of Section 409A and the Agreement shall, to the extent practicable, be construed in accordance therewith. Terms defined in the Agreement shall have the meanings given such terms under Section 409A if and to the extent required to comply with Section 409A. In any event, Teradyne makes no representations or warranty and shall have no liability to Employee or any other person if any provisions of or payments under this Agreement are determined to constitute deferred compensation subject to Code Section 409A but not to satisfy the conditions of that section.

(iv) If any amount is payable under the provisions of paragraph (f), below, as a reimbursement of Employee's expenses, under the provisions of Section 2 and 13, or any other provision of this Agreement that constitutes a reimbursement of expenses under Section 409A then, notwithstanding the other provisions of this Agreement with respect to the payment of such reimbursement, the following limitations shall apply: (A) the expenses eligible for reimbursement may not affect the expenses eligible for reimbursement in any other taxable year; (B) such reimbursement must be made on or before the last day of the year following the year in which the expenses are incurred; (C) the right to reimbursement is not subject to liquidation or exchange for another benefit; and (D) in connection with reimbursements under Section 13 the period during which such expenses can be incurred extends to the end of the period permitted for such claims under the applicable statute of limitations.

(f) **Benefit Continuation.** During the Salary Continuation Period, Teradyne shall arrange or provide for continued health, dental and vision insurance plan coverage for the Employee at the same levels of coverage in existence prior to the Termination Event subject to Teradyne and Employee each contributing to the applicable insurance premium payments on the same basis and in the same proportions as in existence at the date of the Termination Event. If the Employee is not eligible for continued health, dental and vision insurance plan coverage for any portion of the twenty-four (24) month period defined herein, Teradyne shall provide or reimburse Employee for comparable individual insurance and, if such provision or reimbursement constitutes taxable income to the Employee, such additional amount as is necessary to place the Employee in substantially the same after tax position as he was while an employee of Teradyne with respect to such insurance plan coverages. All other benefits, including but not limited to flex/vacation time accrual, short and long term disability insurance, life insurance, contributions (including company matches) into savings plan and "savings plan plus", profit sharing payments and participation in the Employee stock purchase plan shall cease as of the date of the Termination Event.

To the extent that amounts paid by Teradyne to provide the benefits under this paragraph (f) are deemed to be deferred compensation subject to Section 409A, then such payments shall be made monthly and any payment to preserve the Employee's after tax position shall be made within 60 days after the end of each calendar year in which the taxable provision or reimbursement occurs.

(g) Release. Notwithstanding any other provision of this Agreement to the contrary, no payment, benefit or removal of restriction on the transfer of equity provided for under or by virtue of the provisions of this Agreement shall be paid or otherwise made available unless Teradyne shall have first received from Employee a valid, binding and irrevocable general release, in the form of Attachment A to this Agreement within twenty-one (21) days of the date of the Termination Event. Employee shall sign such release within twenty-one (21) days of a Termination Event subsequent to a Change in Control. Teradyne agrees to provide Employee an estimate relating to payments to be made under this Agreement upon Employee's written request. All rights, benefits, payments and other entitlements contemplated to be provided or paid to Employee under this Agreement shall be forfeited as of the 60th day following Employee's Termination Event if Employee has not provided Teradyne with a valid, irrevocable release of claims as of such 60th day.

(h) Certain Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

"Cash Awards" shall mean any cash-based bonus, cash incentive or other cash awards provided by Teradyne to Employee pursuant to incentive plans that Teradyne maintains, including but not limited to its 2006 Equity and Cash Compensation Incentive Plan.

"Cause" shall mean conduct involving one or more of the following: (i) the substantial and continuing failure of Employee, after notice thereof, to render services to Teradyne in accordance with the terms or requirements of his or her employment as established by the Teradyne Board of Directors from time to time and communicated to the Employee; (ii) Employee's disloyalty, gross negligence, willful misconduct, dishonesty, fraud or breach of fiduciary duty to Teradyne, each in connection with Employee's employment by Teradyne; (iii) Employee's deliberate disregard of the rules or policies of, or breach of an agreement with, Teradyne which results in direct or indirect material loss, damage or injury to Teradyne; (iv) the intentional unauthorized disclosure by Employee of any trade secret or confidential information of Teradyne; (v) the commission by Employee of an act which constitutes unfair competition with Teradyne; or (vi) the conviction of, or the entry of a plea of guilty or nolo contendere by the Employee, to any crime involving moral turpitude or any felony. In the event that Teradyne determines that Cause may exist pursuant to clauses (i), (iii) and (v) above, Teradyne shall give Employee written notice of the facts constituting such Cause and Employee shall have 30 days following receipt of such notice to remedy such Cause.

A **"Change in Control"** shall be deemed to have occurred upon the occurrence of any of the following events: (i) any consolidation, cash tender offer, reorganization, recapitalization, merger or plan of share exchange following which the capital stock of Teradyne outstanding immediately prior to such transaction constitutes less than a majority of the combined voting power of the then-outstanding securities of the combined corporation or person immediately after such transaction; (ii) any sale, lease, exchange or other transfer of all or substantially all of Teradyne's assets; (iii) the adoption by the Board of Directors of Teradyne of any plan or proposal for the liquidation or dissolution of Teradyne; (iv) a change in the majority of the Board of Directors of Teradyne through one or more contested elections occurring within a three-year period; or (v) any person (as that term is used in Section 13(d) (3) or Section 14(d)(2) of the Securities Exchange Act of 1934, as amended) becomes beneficial owner of 30% or more of the combined voting power of Teradyne's outstanding voting securities, other than (A) as a result of a consolidation, reorganization, recapitalization, merger or plan of share exchange following which the capital stock of Teradyne outstanding immediately prior to such transaction constitutes at least a majority of combined voting power of the then-outstanding securities of the combined corporation or person immediately after such transaction, (B) by any trustee or other fiduciary holding securities under an employee benefit plan of Teradyne, or (C) by a person temporarily acquiring beneficial ownership in its capacity as an underwriter (as defined pursuant to Section 2(a)(11) of the Securities Act of 1933, as amended) in connection with a public offering of Teradyne securities.

"Equity Awards" shall mean the equity ownership, participation or appreciation opportunities provided by Teradyne to Employee pursuant to incentive plans that Teradyne maintains, including but not limited to its 2006 Equity and Cash Compensation Incentive Plan, the Teradyne, Inc. 1991 Employee Stock Option Plan and the Teradyne, Inc. 1997 Employee Stock Option Plan, and any stock options, restricted stock units, restricted stock, stock appreciation rights, phantom stock and other stock-based awards granted thereunder.

"Good Reason" shall mean any one or more of the following: (i) any material reduction of Employee's responsibilities (other than for Cause or as a result of death or disability) as they shall exist on the date of the consummation of the Change in Control; (ii) any material reduction in Employee's Model Compensation as in effect on the date of the consummation of the Change in Control, or as the same may be increased from time to time, or any failure by Teradyne to pay to Employee any bonus accrued, but not yet paid, upon written notice by Employee to Teradyne, within 45 days; (iii) a material reduction in the value of Employee's benefit package from the value of Employee's benefit package on the date of the consummation of the Change in Control; or (iv) a requirement that Employee be based at an office that is greater than 50 miles from the location of Employee's office immediately prior to the Change in Control except for required travel on Teradyne's business to an extent substantially consistent with the business travel obligations which Employee undertook on behalf of Teradyne prior to the date of the consummation of the Change in Control. In the event of a Termination Event in contemplation of a Change in Control, the applicable baseline measurement date shall be six months prior to such Termination Event and not the date of the consummation of the Change in Control.

"Model Compensation" shall mean Employee's annual "Model Compensation" as determined by Teradyne's Compensation Committee or Board of Directors, which consists of (i) a fixed annual salary and (ii) a target annual variable amount.

"Performance Criteria" shall have the meaning ascribed to that term in the Teradyne, Inc. 2006 Equity and Cash Compensation Incentive Plan.

"Termination Event" shall mean (i) any termination of Employee by Teradyne without Cause or (ii) any voluntary termination by Employee for Good Reason; provided, that it shall not be a Termination Event merely because Employee ceases to be employed by Teradyne and becomes employed by a successor to Teradyne involved in the Change in Control that assumes or is otherwise bound by this Agreement as provided in Section 7(a). It is expressly understood that no Termination Event shall be deemed to have

occurred merely because, upon the occurrence of a Change in Control, Employee ceases to be employed by Teradyne and does not become employed by a successor to Teradyne after the Change in Control if the successor makes an offer to employ Employee on terms and conditions which, if imposed by Teradyne, would not give Employee a basis on which to terminate employment for Good Reason.

(i) **Termination in Contemplation of a Change in Control.** For purposes of this Agreement, including without limitation, this Section 1, a Termination Event occurring "in contemplation of a Change in Control" means a Termination Event occurring within 3 months prior to an actual Change in Control at the request or direction of a person who enters or has entered into an agreement the consummation of which would cause a Change in Control or who conditions the entry into such an agreement on the Employee's termination whether or not such person actually enters into such an agreement. A termination by the Employee for Good Reason shall constitute a Termination Event in contemplation of a Change in Control if the actions constituting Good Reason were taken at the request or direction of a person who has entered into an agreement the consummation of which would cause a Change in Control.

2. **Reduction of Payments**

(a) Notwithstanding any other provision of this Agreement, in the event that the Company undergoes a Change in Ownership or Control (as defined below), the Company shall not be obligated to provide to the Executive a portion of any "Contingent Compensation Payments" (as defined below) that the Executive would otherwise be entitled to receive to the extent necessary to eliminate any "excess parachute payments" (as defined in Section 280G(b)(1) of the Internal Revenue Code of 1986, as amended (the "Code")) for the Executive. For purposes of this Section 2, the Contingent Compensation Payments so eliminated shall be referred to as the "Eliminated Payments" and the aggregate amount (determined in accordance with Treasury Regulation Section

1.280G-1, Q/A-30 or any successor provision) of the Contingent Compensation Payments so eliminated shall be referred to as the "Eliminated Amount."

(b) For purposes of this Section 2, the following terms shall have the following respective meanings:

- (i) "Change in Ownership or Control" shall mean a change in the ownership or effective control of the Company or in the ownership of a substantial portion of the assets of the Company determined in accordance with Section 280G(b)(2) of the Code.
- (ii) "Contingent Compensation Payment" shall mean any payment (or benefit) in the nature of compensation that is made or made available (under this Agreement or otherwise) to a "disqualified individual" (as defined in Section 280G(c) of the Code) and that is contingent (within the meaning of Section 280G (b)(2)(A)(i) of the Code) on a Change in Ownership or Control of the Company.

(c) If and to the extent that any Contingent Compensation Payments are required to be treated as Eliminated Payments pursuant to this Section 2, then the Payments shall be reduced or eliminated, as determined by the Company, in the following order (i) any cash payments, (ii) any taxable benefits, (iii) any nontaxable benefits and (iv) any vesting of equity awards, in each case in reverse order beginning with the payments or benefits that are to be paid the farthest in time from the date that triggers the applicability of the excise tax, to the extent necessary to maximize the Eliminated Payments.

3. (a) **Non-Competition and Non-Solicitation.** From the Termination Event through the end of the Salary Continuation Period, Employee shall not directly or indirectly:

- (i) Engage in any business or enterprise (whether as an owner, partner, officer, employee, director, investor, lender, consultant, independent contractor or otherwise, except as the holder of not more than 1% of the combined voting power of the outstanding stock of a publicly traded company) that is competitive with Teradyne (including but not limited to, any business or enterprise that develops, designs, produces, sells or renders any product or service competitive with any product or service developed, produced, marketed, sold or rendered by Teradyne while Employee was employed by Teradyne);
- (ii) Either alone or in association with others, recruit, solicit, hire or engage as an independent contractor, any person who was employed by Teradyne at any time during the period of Employee's employment with Teradyne, except for an individual whose employment with Teradyne has been terminated for a period of six months or longer; and
- (iii) Either alone or in association with others, solicit, divert or take away, or attempt to divert or to take away, the business or patronage of any customer or entity that was a prospective client or customer of Teradyne during the Employee's employment.

(b) If any restriction set forth in this Section 3 is found by any court of competent jurisdiction to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it shall be interpreted to extend only over the maximum period of time, range of activities or geographic area as to which it may be enforceable.

(c) Employee acknowledges that the restrictions contained in this Section 3 are necessary for the protection of the business and goodwill of Teradyne and are considered by Employee to be reasonable for such purpose. Employee agrees that any breach of this Section 3 will cause Teradyne irreparable harm and therefore, in the event of any such breach, in addition to such other remedies that may be available, Teradyne shall have the right to seek equitable and/or injunctive relief.

(d) The geographic scope of this Section 3 shall extend to anywhere Teradyne or any of its subsidiaries is doing business, has done business or has plans to do business.

(e) Employee agrees that during the Salary Continuation Period, he will make reasonable good faith efforts to give verbal notice to Teradyne of each new business activity he plans to undertake, at least (5) business days prior to beginning any such activity.

(f) If Employee violates the provisions of this Section 3, Teradyne shall be entitled to suspend and recoup any salary continuation payment made per Section 1 (d) above and Employee shall continue to be bound by the restrictions set forth in this Section 3 for an additional period of time equal to the duration of the violation, such additional period not to exceed 24 months.

3A. No Obligation of Employment. Employee understands that the employment relationship between Employee and Teradyne will be "at will" and Employee understands that, prior to any Change in Control, Teradyne may terminate Employee with or without "Cause" at any time, including in contemplation of a Change in Control. Following any Change in Control, Teradyne may also terminate Employee with or without "Cause" at any time subject to Employee's rights and Teradyne's obligations specified in this Agreement.

4. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts and this Agreement shall be deemed to be performable in Massachusetts.

5. Severability. In case any one or more of the provisions contained in this Agreement for any reason shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement and this Agreement shall be construed to the maximum extent permitted by law.

6. Waivers and Modifications. This Agreement may be modified, and the rights, remedies and obligations contained in any provision hereof may be waived, only in accordance with this Section 6. No waiver by either party of any breach by the other or any provision hereof shall be deemed to be a waiver of any later or other breach thereof or as a waiver of any other provision of this Agreement. This Agreement may not be waived, changed, discharged or terminated orally or by any course of dealing between the parties, but only by an instrument in writing signed by the party against whom any waiver, change, discharge or termination is sought.

7. Assignment. (a) Teradyne shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of Teradyne expressly to assume and agree to perform under the terms of this Agreement in the same manner and to the same extent that Teradyne and its subsidiaries would be required to perform it if no such succession had taken place (provided that such a requirement to perform which arises by operation of law shall be deemed to satisfy the requirements for such an express assumption and agreement), and in such event Teradyne (as constituted prior to such succession) shall have no further obligation under or with respect to this Agreement. Failure of Teradyne to obtain such assumption and agreement with respect to Employee prior to the effectiveness of any such succession shall be a breach of the terms of this Agreement with respect to Employee and shall entitle Employee to compensation from Teradyne (as constituted prior to such succession) in the same amount and on the same terms as Employee would be entitled to hereunder were Employee's employment terminated for Good Reason following a Change in Control, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the date of the Termination Event. As used in this Agreement, "Teradyne" shall mean Teradyne as hereinbefore defined and any successor to its business or assets as aforesaid which assumes and agrees (or is otherwise required) to perform this Agreement. Nothing in this Section 7(a) shall be deemed to cause any event or condition which would otherwise constitute a Change in Control not to constitute a Change in Control.

(b) Notwithstanding Section 7(a), Teradyne shall remain liable to Employee upon a Termination Event after a Change in Control if Employee is not offered continuing employment by a successor to Teradyne or is offered continuing employment by a successor to Teradyne only on a basis which would constitute Good Reason for termination of employment hereunder.

(c) This Agreement, and Employee's and Teradyne's rights and obligations hereunder, may not be assigned by Employee or, except as provided in Section 7(a), Teradyne, respectively; any purported assignment by Employee or Teradyne in violation hereof shall be null and void.

(d) The terms of this Agreement shall inure to the benefit of and be enforceable by the personal or legal representatives, executors, administrators, permitted successors, heirs, distributees, devisees and legatees of Employee. If Employee shall die while an amount would still be payable to Employee hereunder if they had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to Employee's devisee, legatee or other designee or, if there is no such designee, Employee's estate.

8. Entire Agreement. This Agreement constitutes the entire understanding of the parties relating to the subject matter hereof and supersedes and cancels all agreements, written or oral, made prior to the date hereof between Employee and Teradyne relating to the subject matter hereof; provided, however, that Employee's existing Cash Award and Equity Award agreements, as modified hereby, shall remain in effect. This Agreement shall not limit any right of Employee to receive any payments or benefits under an employee benefit or Employee compensation plan of Teradyne, initially adopted as of or after the date hereof, which are expressly contingent thereunder upon the occurrence of a Change in Control

(including, but not limited to, the acceleration of any rights or benefits thereunder); provided that in no event shall Employee be entitled to any payment or benefit under this Agreement which duplicates a payment or benefit received or receivable by Employee under any severance or similar plan or policy of Teradyne, and in any such case Employee shall only be entitled to receive the greater of the two payments.

9. **Notices.** All notices hereunder shall be in writing and shall be delivered in person or mailed by certified or registered mail, return receipt requested, addressed as follows:
If to Teradyne, to: Teradyne, Inc.

600 Riverpark Drive
MS NR600-2-2 (Legal Department)
North Reading, MA 01864
Attention: General Counsel

If to Employee, at Employee's address in his employment file on record with the Human Resources Department.

10. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

11. **Section Headings.** The descriptive section headings herein have been inserted for convenience only and shall not be deemed to define, limit, or otherwise affect the construction of any provision hereof.

12. **Term.** The term of this Agreement (the "Term") shall commence upon the Effective Date hereof and terminate upon the earlier of (i) twenty-four (24) months following any Change in Control of Teradyne, (ii) the date prior to any Change in Control of Teradyne that Employee for any reason ceases to be an employee of Teradyne (other than a Termination Event in contemplation of a Change in Control) and (iii) the date following any Change in Control of Teradyne that Employee is terminated for Cause or voluntary terminates his employment (other than for Good Reason).

13. **Expenses.** All reasonable legal fees and expenses incurred in a legal proceeding by Employee in seeking to obtain or enforce any right or benefit provided by this Agreement against a successor to Teradyne shall be the responsibility of and paid for by the successor to Teradyne (but not Teradyne as constituted prior to such succession). Such payments are to be made within twenty (20) days after Employee's request for payment accompanied with such evidence of fees and expenses incurred as Teradyne's successor reasonably may require; provided that if Employee institutes a proceeding and the judge or other decision-maker presiding over the proceeding affirmatively finds that Employee has failed to prevail substantially, Employee shall pay Employee's own costs and expenses (and, if applicable, return any amounts theretofore paid on Employee's behalf under this Section 13).

7

14. **Payments.** Any payments hereunder shall be made out of the general assets of Teradyne. The Employee shall have the status of general unsecured creditor of Teradyne, and this Agreement constitutes a mere promise by Teradyne to make payments under this Agreement in the future as and to the extent provided herein. Unless otherwise determined by Teradyne in an applicable plan or arrangement, no amounts payable hereunder upon a Termination Event shall be deemed salary or compensation for the purpose of computing benefits under any employee benefit plan or other arrangement of Teradyne for the benefit of its employees. Teradyne shall be entitled to withhold from any payments or deemed payments any amount of tax withholding required by law.

8

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

TERADYNE, INC.

By: /s/ Sanjay Mehta

Name: Sanjay Mehta

Title: Vice President and Chief Financial Officer

EMPLOYEE

/s/ Ryan E. Driscoll

Name: Ryan E. Driscoll

9

ATTACHMENT A

Release Agreement

In consideration of the payments and benefits described in the Executive Officer Change in Control Agreement dated February 2, 2024, between me and Teradyne, Inc. (including its subsidiaries, the "Company"), all of which I acknowledge I would not otherwise be entitled to receive, I hereby fully, forever, irrevocably and unconditionally release, remise and discharge the Company, its successors and assigns and their respective officers, directors, stockholders, corporate affiliates, subsidiaries, parent companies, agents and employees (each in their individual and corporate capacities) (hereinafter, the "Released Parties") from any and all claims, charges, complaints, demands, actions, causes of action, suits, rights, debts, sums of money, costs, accounts, reckonings, covenants, contracts, agreements, promises, doings, omissions, damages, executions, obligations, liabilities, and expenses (including attorneys' fees and costs), of every kind and nature which I ever had or now have against the Released Parties arising out of my employment with and/or termination or separation from the Company or relating to my relationship as an officer or in any other capacity for the Company, including, but not limited to, all employment discrimination claims under Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e *et seq.*, the Age Discrimination in Employment Act, 29 U.S.C. § 621 *et seq.*, the Americans With Disabilities Act of 1990, 42 U.S.C. § 12101 *et seq.*, the Family and Medical Leave Act, 29 U.S.C. § 2601 *et seq.*, and the Worker Adjustment and Retraining Notification Act ("WARN"), 29 U.S.C. § 2101 *et seq.*, all as amended, the Employee Retirement Income Security Act of 1974 ("ERISA"), 29 U.S.C. § 1001 *et seq.*, the Massachusetts Wage Payment Statute, G.L. c. 149, § 148 *et seq.*, the Massachusetts Sexual Harassment Statute, G.L. c. 214 § 1C, the Massachusetts Consumer Protection Act, G.L. c. 93A, the Massachusetts Equal Rights Act, G.L. c. 93, the Massachusetts Fair Employment Practices Act, M.G.L. c. 151B, § 1 *et seq.*, the Massachusetts Civil Rights Act, M.G.L. c. 12, §§ 11H and 11I, the Massachusetts Equal Rights Act, M.G.L. c. 93, § 102 and M.G.L. c. 214, § 1C, the Massachusetts Labor and Industries Act, M.G.L. c. 149, § 1 *et seq.*, the Massachusetts Privacy Act, M.G.L. c. 214, § 1B, and the Massachusetts Maternity Leave Act, M.G.L. c. 149, § 105D, all as amended; all common law claims including, but not limited to, actions in tort, defamation and breach of contract; all claims to any non-vested ownership interest in the Company, contractual or otherwise, including but not limited to claims to stock or stock options; and any claim or damage arising out of my employment with, termination or separation from the Company (including a claim for retaliation) under any common law theory or any federal, state or local statute or ordinance not expressly referenced above; provided, however, that notwithstanding the foregoing, the Company agrees and hereby acknowledges that this Release Agreement is not intended to and does not (i) apply to any claims Executive may bring to enforce the terms of the Executive Officer Change in Control Agreement, (ii) release the Company of any obligation it may have pursuant to a written agreement, the Company's articles of organization or bylaws, or as mandated by statute to indemnify me as an officer of the Company; and (iii) release the Company of any obligation to provide and/or pay benefits to me or my estate, conservator or designated beneficiary(ies) under and in accordance with the terms of any applicable Company benefit plan and/or program; provided further, that nothing in this Release Agreement prevents me from filing, cooperating with, or participating in any proceeding before the EEOC or a state Fair Employment Practices Agency (except that I acknowledge that I may not be able to recover any monetary benefits in connection with any such claim, charge or proceeding).

Waiver of Rights and Claims Under the Age Discrimination in Employment Act of 1967: Since I am 40 years of age or older, I have been informed that I have or may have specific rights and/or claims under the Age Discrimination in Employment Act of 1967 (ADEA) and I agree that:

In consideration for the payments and benefits described in the Executive Officer Change in Control Agreement, which I am not otherwise entitled to receive, I specifically and voluntarily waive such rights and/or claims under the ADEA I might have against the Released Parties to the extent such rights and/or claims arose prior to the date this Release Agreement was executed;

I understand that rights or claims under the ADEA which may arise after the date this Release Agreement is executed are not waived by me;

I was advised that I have at least 21 days within which to consider the terms of this Release Agreement and to consult with or seek advice from an attorney of my choice or any other person of your choosing prior to executing this Release Agreement;

I have carefully read and fully understand all of the provisions of this Release Agreement, and I knowingly and voluntarily agree to all of the terms set forth in this Release Agreement; and in entering into this Release Agreement I am not relying on any representation, promise or inducement made by the Company or its attorneys with the exception of those promises described in this document.

Period for Review and Consideration of Agreement:

I acknowledge that I was informed and understand that I have twenty-one (21) days to review this Release Agreement and consider its terms before signing it.

The 21-day review period will not be affected or extended by any revisions, whether material or immaterial, that might be made to this Agreement.

Accord and Satisfaction: The amounts set forth in the Executive Officer Change in Control Agreement shall be complete and unconditional payment, settlement, accord and/or satisfaction with respect to all obligations and liabilities of the Released Parties to me, including, without limitation, all claims for back wages, salary, vacation pay, draws, incentive pay, bonuses, cash awards, equity awards, commissions, severance pay, reimbursement of expenses, any and all other forms of compensation or benefits, attorney's fees, or other costs or sums.

Revocation Period: I may revoke this Release Agreement at any time during the seven-day period immediately following my execution hereof. As a result, this Release Agreement shall not become effective or enforceable and the Company shall have no obligation to make any payments or provide any benefits described in the Executive Officer Change in Control Agreement until the seven-day revocation period has expired.

Name: Ryan E. Driscoll

Date

Witness

Date

2

**IF YOU DO NOT WISH TO USE THE 21-DAY PERIOD,
PLEASE CAREFULLY REVIEW AND SIGN THIS DOCUMENT**

I, Ryan E. Driscoll, acknowledge that I was informed and understand that I have 21 days within which to consider the attached Release Agreement, have been advised of my right to consult with an attorney regarding such Agreement and have considered carefully every provision of the Agreement, and that after having engaged in those actions, I prefer to and have requested that I enter into the Agreement prior to the expiration of the 21 day period.

Name: Ryan E. Driscoll

Date

Witness

Date

3

Exhibit 21.1

Present Subsidiaries

Entity Name:	State or Jurisdiction Of Incorporation	Per
Teradyne (Asia) Pte., Ltd.		ce nta ge of Vot ing Se cu riti es O wn ed
		%
		1*
		0%
	Singapore	0*
Teradyne Canada Limited		1
		0
	Canada	0 %
Teradyne de Costa Rica S.R.L.		1
		0
	Costa Rica	0 %
Teradyne GmbH		%
		1*
		0%
	Germany	0*
Teradyne Holdings Denmark ApS		%
		1
		0
		10
		0 %
	Denmark	0*
Teradyne International Holdings B.V.		1
		0
	The Netherlands	0 %



Teradyne Malaysia Sdn. Bhd.	Malaysia	1 %
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Teradyne Philippines Limited	1	0
	Delaware	0 %
Teradyne Robotics Holdings Denmark ApS	1	0 %
	Denmark	0 *
Teradyne SAS	1	0
	France	0 %
Teradyne (Shanghai) Co., Ltd	1 *	0 %
	Peoples Republic of China	0 *
Teradyne Taiwan LLC	1 *	0 %
	Delaware	0 *
Teradyne Thailand Limited	1	0
	Delaware	0 %
Device Interface Solutions Technology (Shanghai) Co., Ltd	1	0 %
	Peoples Republic of China	0 *
DIS Tech America, LLC	1	0
	Delaware	0 %
DIS Tech Italia S.r.l.	1	0
	Italy	0 %
DIS Tech Japan, G.K.	1	0 %
	Japan	0 *
DIS Tech Philippines, LLC	1	0
	Delaware	0 %
DIS Tech Singapore Pte. Ltd.	1	0 %
	Singapore	0 *

DIS Tech Taiwan LLC	Delaware	1 %
		0
		0
GenRad, LLC		1
		0
Herco Technology Corp.	Delaware	0 %
		1
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P.L.S.T., Inc. (f/k/a Perception Laminates, Inc.)	California	0 %
		1
		0
Eagle Test Systems, Inc.	California	0 %
		1
		0
Nexttest Systems Corporation	Delaware	0 %
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Lemsys SA	Delaware	0 %
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	Switzerland	0 *
LitePoint Corporation		1
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LitePoint Europe A/S	Delaware	0 %
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LitePoint Technology Limited	Denmark	0 *
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LitePoint Technology (Shanghai) Company Ltd.	Hong Kong	0 *
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Peoples Republic of China	Peoples Republic of China	0 *
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MiR Robots (Shanghai) Co. Ltd.

Peoples Republic of China

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Teradyne Robotics A/S (successor to merger between Universal Robots A/S

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Universal Robots (India) Pte. Ltd.

and Mobile Industrial Robots A/S)

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India

Universal Robots (Shanghai) Co. Ltd.	Peoples Republic of China	1 %
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Universal Robots (USA), Inc.		%
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		0
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	Delaware	0 *
Teradyne Robot Robotics (Germany) GmbH		%
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	Germany	0 *

Teradyne Robots Robotics (Spain) S.L.

Spain

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Universal Robots Mexico S.A. de C.V.

Mexico

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Universal Robots (UK) Ltd.

United Kingdom

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10
0%
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* * Indirect subsidiaries whose voting securities are 100% controlled by Teradyne, Inc.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-256136; 333-188824; 333-159723; 333-143231; 333-134519; 333-116632; 333-101983; 333-68074; 333-56373; and 333-07177) of Teradyne, Inc. of our report dated **February 22, 2024** **February 20, 2025** relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Boston, Massachusetts
February 22, 2024 20, 2025

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132/139

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REFINITIV

CERTIFICATIONS

I, Gregory Smith, certify that:

1. I have reviewed this annual report on Form 10-K of Teradyne, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **February 22, 2024** February 20, 2025

By: _____ /s/ GREGORY SMITH

Gregory Smith
Chief Executive Officer

CERTIFICATIONS

I, Sanjay Mehta, certify that:

1. I have reviewed this annual report on Form 10-K of Teradyne, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **February 22, 2024** February 20, 2025

By:

/s/ SANJAY MEHTA

Sanjay Mehta
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Teradyne, Inc. (the "Company") on Form 10-K for the period ending **December 31, 2023** December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gregory Smith, Chief Executive Officer of the Company, certify pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ GREGORY SMITH

Gregory Smith

Chief Executive Officer

February 22, 2024 20, 2025

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EXHIBIT 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Teradyne, Inc. (the "Company") on Form 10-K for the period ending **December 31, 2023** December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Sanjay Mehta, Chief Financial Officer of the Company, certify pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ SANJAY MEHTA

Sanjay Mehta

Chief Financial Officer

February 22, 2024 20, 2025

Exhibit 97.1

**TERADYNE, INC.
POLICY FOR RECOUPMENT OF INCENTIVE COMPENSATION**

1. Introduction

In accordance with Section 10D of the Securities Exchange Act of 1934, as amended, and the regulations thereunder, the Board of Directors (the "Board") of Teradyne, Inc. (the "Company") has adopted a policy (the "Policy") providing for the Company's recoupment of certain incentive-based compensation received by Covered Executives (as defined below) in the event that the Company is required to prepare an accounting restatement due to its material noncompliance with any financial reporting requirement under the

securities laws. This Policy is designed to comply with, and shall be construed and interpreted to be consistent with, Section 10D of the Exchange Act, Rule 10D-1 promulgated under the Exchange Act and Listing Rule 5608 of the corporate governance rules of The Nasdaq Stock Market.

2. Administration

Administration and enforcement of this Policy is delegated to the Compensation Committee of the Board (as constituted from time to time, and including any successor committee, the "Committee"). The Committee shall make all determinations under this Policy in its sole discretion. Determinations of the Committee under this Policy need not be uniform with respect to any or all Covered Executives and will be final and binding.

3. Effective Date

This Policy shall be effective as of October 2, 2023 (the "Effective Date") and shall apply only to Covered Compensation (as defined below) that is received by Covered Executives on or after the Effective Date.

4. Covered Executives

This Policy covers each current or former officer of the Company subject to Section 16 of the Securities Exchange Act of 1934, as amended (each, a "Covered Executive").

5. Covered Compensation

This Policy applies to any compensation, including cash-based and equity-based incentive compensation, that are received by a Covered Executive and that were based, wholly or in part, upon the attainment of any financial reporting measure ("Covered Compensation"). For the avoidance of doubt, none of the following shall be deemed to be Covered Compensation: base salary, a bonus that is paid solely at the discretion of the Committee or Board and not paid from a bonus pool determined by satisfying a financial reporting measure performance goal, cash or equity-based awards that are earned solely upon satisfaction of one or more subjective, operational or strategic standards, and equity awards for which the grant is not contingent upon achieving any financial reporting measure performance goal and vesting is contingent solely upon completion of a specified employment period and/or attaining one or more nonfinancial reporting measures. This Policy shall apply to any Covered Compensation received by an employee who served as a Covered Executive at any time during the performance period for that Covered Compensation, even if the payment or vesting occurs after the end of that period. For purposes of this Policy, financial reporting measures are measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures that are derived wholly or in part from such measures. Stock price and total shareholder return (TSR) are also financial reporting measures.

6. Financial Restatements; Recoupment

In the event that the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (such an accounting restatement, a "Restatement"), the Committee shall review

Exhibit 97.1

the Covered Compensation received by a Covered Executive during the three completed fiscal years preceding the fiscal year that includes the Required Financial Restatement Date as well as any transition period that results from a change in the Company's fiscal year within or immediately following those three completed fiscal years. Regardless of whether the Company filed the restated financial statements, the Committee shall, to the full extent permitted by governing law, seek recoupment, reasonably promptly, of any such Covered Compensation (computed without regard to any taxes paid), if and to the extent

- a. the amount of the Covered Compensation was calculated based upon the achievement of certain financial results that were subsequently the subject of a Restatement and
- b. the amount of the Covered Compensation that would have been received by the Covered Executive had the financial results been properly reported would have been lower than the amount actually awarded (any such amount, "Erroneously-Awarded Compensation").

To the extent Covered Compensation was based on the achievement of a financial reporting measure, but the amount of such Covered Compensation was not awarded or paid on a formulaic basis, the Committee shall determine the amount, if any, of such Covered Compensation that is deemed to be Erroneously-Awarded Compensation. For incentive-based compensation based on stock price or TSR, where the amount of Erroneously-Awarded Compensation is not subject to mathematical recalculation directly from the information in an accounting restatement, the Committee shall determine the amount based on a reasonable estimate of the effect of the accounting restatement on the stock price or TSR upon which the incentive-based compensation was received.

For purposes of this Policy, the "Required Financial Restatement Date" is the earlier to occur of:

- a. the date the Board, a committee of the Board, or any officer or officers authorized to take such action if Board action is not required, concludes, or reasonably shall have concluded, that the Company is required to prepare a Restatement; or
- b. the date a court, regulator, or other legally authorized body directs the Company to prepare a Restatement.

For the avoidance of doubt, a Covered Executive will be deemed to have received Covered Compensation in the Company's fiscal period during which the financial reporting measure specified in the award is attained, even if the Covered Executive remains subject to additional payment conditions with respect to such award.

7. Method of Recoupment

The Committee will determine, in its sole discretion, the method for recouping Erroneously-Awarded Compensation, which may include, without limitation:

- a. requiring reimbursement of cash incentive compensation previously paid;
- b. cancelling or rescinding some or all outstanding vested or unvested equity (and/or equity-based) awards;
- c. adjusting or withholding from unpaid compensation or other set-off to the extent permitted by applicable law;
- d. reducing or eliminating future salary increases, cash-based or equity-based incentive compensation, bonuses, awards or severance; and/or
- e. taking any other remedial and recovery action permitted by law, as determined by the Committee.

8. Impracticability Exceptions

Exhibit 97.1

The Committee may determine not to seek recoupment of any Erroneously-Awarded Compensation to the extent it determines it would be impracticable because:

- a. after a reasonable attempt to recover any Erroneously-Awarded Compensation is made, the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount of Erroneously-Awarded Compensation to be recovered;
- b. recovery would violate home country law where that law was adopted prior to November 28, 2022 based on an opinion of home country counsel; and/or
- c. recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to Company employees, to fail to meet requirements of Sections 401(a)(13) and 411(a) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder.

9. No Indemnification

For the avoidance of doubt, the Company shall not indemnify any Covered Executive against the loss of any Erroneously-Awarded Compensation or any Covered Compensation that is recouped pursuant to the terms of this Policy, or any claims relating to the Company's enforcement of its rights under this Policy.

10. Severability

If any provision of this Policy or the application of any such provision to any Covered Executive shall be adjudicated to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Policy, and the invalid, illegal or unenforceable provisions shall be deemed amended to the minimum extent necessary to render any such provision or application enforceable.

11. Amendments

The Committee may amend, modify or terminate this Policy in whole or in part at any time and may adopt such rules and procedures that it deems necessary or appropriate to implement this Policy or to comply with applicable laws and regulations.

12. No Impairment of Other Remedies

The remedies under this Policy are in addition to, and not in lieu of, any legal and equitable claims the Company may have, the Company's ability to enforce, without duplication, the recoupment provisions set forth in any separate Company policy or in any Company plan, program or agreement (each, a "Separate Recoupment Policy" and collectively, the "Separate Recoupment Policies"), or any actions that may be imposed by law enforcement agencies, regulators or other authorities. Notwithstanding the foregoing, in the event that there is a conflict between the application of this Policy to a Covered Executive in the event of a Restatement and any additional recoupment provisions set forth in a Separate Recoupment Policy to which a Covered Executive is subject, the provisions of this Policy shall control. The Company may also adopt additional Separate Recoupment Policies in the future or amend existing requirements as required by law or regulation.

Exhibit 97.1

TERADYNE, INC.

CLAWBACK POLICY ACKNOWLEDGMENT

Reference is made to the Teradyne, Inc. Policy for Recoupment of Incentive Compensation, effective as of October 2, 2023 (the "Clawback Policy"). By signing in the space indicated below, you acknowledge and agree that you have received and understand the Clawback Policy and that effective as of October 2, 2023, the Clawback Policy applies and will continue to apply to you during and after your employment in accordance with its terms.

EXECUTIVE:

Name:

DATE:

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