REFINITIV

DELTA REPORT

10-Q

TDY - TELEDYNE TECHNOLOGIES INC

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	595
CHANGES	161
DELETIONS	175
ADDITIONS	259

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

FORM 10-Q

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

For the quarterly period ended March 31, 2024 June 30, 2024

OR

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

For the transition period from to
Commission File Number: 1-15295

TELEDYNE TECHNOLOGIES INCORPORATED

(Exact name of registrant as specified in its charter)

Delaware		**25-1843385**
(State or other jurisdiction of incorporation or organization)		**(I.R.S. Employer Identification No.)**
1049 Camino Dos Rios		
Thousand Oaks	**California**	**91360-2362**
(Address of principal executive offices)		**(Zip Code)**

805 373-4545
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value	TDY	New York Stock Exchange

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 required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act):

Yes ☐ No ☒

There were 47,422,490 46,784,213 shares of common stock, $.01 par value per share, outstanding as of April 19, 2024 July 19, 2024.

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements

TELEDYNE TECHNOLOGIES INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS)
FOR THE FIRST SECOND QUARTER AND SIX MONTHS ENDED MARCH 31, JUNE 30, 2024 AND APRIL JULY 2, 2023
(Unaudited - Amounts in millions, except per-share amounts)

	First Quarter			
	First Quarter			
	First Quarter			
	Second Quarter		Six Months	
	2024	2023	2024	2023
Net sales				
Net sales				
Net sales				
Costs and expenses				
Costs and expenses				
Costs and expenses				
Cost of sales				
Cost of sales				
Cost of sales				

Selling, general and administrative
Selling, general and administrative
Selling, general and administrative
Acquired intangible asset amortization
Acquired intangible asset amortization
Acquired intangible asset amortization
Total costs and expenses
Total costs and expenses
Total costs and expenses
Operating income (loss)
Operating income (loss)
Operating income (loss)
Interest and debt income (expense), net
Interest and debt income (expense), net
Interest and debt income (expense), net
Non-service retirement benefit income (expense), net
Non-service retirement benefit income (expense), net
Gain (loss) on debt extinguishment
Non-service retirement benefit income (expense), net
Other income (expense), net
Other income (expense), net
Other income (expense), net
Income (loss) before income taxes
Income (loss) before income taxes
Income (loss) before income taxes
Provision (benefit) for income taxes
Provision (benefit) for income taxes
Provision (benefit) for income taxes
Net income (loss) including noncontrolling interest
Net income (loss) including noncontrolling interest
Net income (loss) including noncontrolling interest
Less: Net income (loss) attributable to noncontrolling interest
Less: Net income (loss) attributable to noncontrolling interest
Less: Net income (loss) attributable to noncontrolling interest
Net income (loss) attributable to Teledyne
Net income (loss) attributable to Teledyne
Net income (loss) attributable to Teledyne
Basic earnings per common share
Basic earnings per common share
Basic earnings per common share
Weighted average common shares outstanding
Weighted average common shares outstanding
Weighted average common shares outstanding
Diluted earnings per common share
Diluted earnings per common share
Diluted earnings per common share
Weighted average diluted common shares outstanding
Weighted average diluted common shares outstanding
Weighted average diluted common shares outstanding

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

TELEDYNE TECHNOLOGIES INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
FOR THE FIRST SECOND QUARTER AND SIX MONTHS ENDED MARCH 31, JUNE 30, 2024 AND APRIL JULY 2, 2023
(Unaudited - Amounts in millions)

	Second Quarter		Six Months	
	2024	2023	2024	2023
Net income (loss) including noncontrolling interest				
Net income (loss) including noncontrolling interest				
Net income (loss) including noncontrolling interest				
Other comprehensive income (loss):				
Other comprehensive income (loss):				
Other comprehensive income (loss):				
Foreign exchange translation adjustment				
Foreign exchange translation adjustment				
Foreign exchange translation adjustment				
Hedge activity, net of tax				
Hedge activity, net of tax				
Hedge activity, net of tax				
Pension and postretirement benefit adjustments, net of tax				
Pension and postretirement benefit adjustments, net of tax				
Pension and postretirement benefit adjustments, net of tax				
Other comprehensive income (loss)				
Other comprehensive income (loss)				
Other comprehensive income (loss)				
Comprehensive income (loss) including noncontrolling interest				
Comprehensive income (loss) including noncontrolling interest				
Comprehensive income (loss) including noncontrolling interest				
Less: Comprehensive income (loss) attributable to noncontrolling interest				
Less: Comprehensive income (loss) attributable to noncontrolling interest				
Less: Comprehensive income (loss) attributable to noncontrolling interest				
Comprehensive income (loss) attributable to Teledyne				
Comprehensive income (loss) attributable to Teledyne				
Comprehensive income (loss) attributable to Teledyne				
Comprehensive income (loss) attributable to Teledyne				

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

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TELEDYNE TECHNOLOGIES INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited - Amounts in millions, except share amounts)

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
Assets		
Current Assets		
Current Assets		
Current Assets		
Cash and cash equivalents		
Cash and cash equivalents		
Cash and cash equivalents		
Accounts receivable, net		
Accounts receivable, net		
Accounts receivable, net		
Unbilled receivables, net		
Inventories, net		
Prepaid expenses and other current assets		
Prepaid expenses and other current assets		
Prepaid expenses and other current assets		
Total current assets		
Total current assets		
Total current assets		
Property, plant and equipment, net of accumulated depreciation and amortization of $961.3 at March 31, 2024 and $947.1 at December 31, 2023		
Property, plant and equipment, net of accumulated depreciation and amortization of $984.8 at June 30, 2024 and $947.1 at December 31, 2023		
Goodwill		
Acquired intangibles, net		
Prepaid pension assets		
Other assets, net		
Other assets, net		
Other assets, net		
Total Assets		
Liabilities, Redeemable Noncontrolling Interest and Stockholders' Equity		
Current Liabilities		
Current Liabilities		
Current Liabilities		
Accounts payable		
Accounts payable		
Accounts payable		
Accrued liabilities		
Current portion of long-term debt		
Total current liabilities		
Total current liabilities		
Total current liabilities		
Long-term debt, net of current portion		
Long-term deferred tax liabilities		
Long-term deferred tax liabilities		
Long-term deferred tax liabilities		
Other long-term liabilities		
Total Liabilities		

Commitments and contingencies	Commitments and contingencies	Commitments and contingencies
Redeemable Noncontrolling Interest		
Stockholders’ Equity		
Preferred stock, $0.01 par value; outstanding shares - none		
Preferred stock, $0.01 par value; outstanding shares - none		
Preferred stock, $0.01 par value; outstanding shares - none		
Common stock, $0.01 par value; authorized 125,000,000 shares; issued shares: 47,420,690 at March 31, 2024 and 47,331,845 at December 31, 2023; outstanding shares: 47,420,690 at March 31, 2024 and 47,331,845 at December 31, 2023		
Common stock, $0.01 par value; issued shares: 47,432,939 at June 30, 2024 and 47,331,845 at December 31, 2023; outstanding shares: 46,943,484 at June 30, 2024 and 47,331,845 at December 31, 2023		
Additional paid-in capital		
Retained earnings		
Treasury stock - none		
Treasury stock, 489,455 shares at June 30, 2024 and — at December 31, 2023		
Accumulated other comprehensive income (loss)		
Total Stockholders’ Equity		
Total Liabilities, Redeemable Noncontrolling Interest and Stockholders' Equity		
Total Liabilities, Redeemable Noncontrolling Interest and Stockholders' Equity		
Total Liabilities, Redeemable Noncontrolling Interest and Stockholders' Equity		

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

TELEDYNE TECHNOLOGIES INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In millions)

	Common Stock	Common Stock	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total	Common Stock	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance, December 31, 2023													
Net income (loss)													
Other comprehensive income (loss), net of tax													
Stock-based compensation													
Stock-based compensation													
Stock-based compensation													
Exercise of stock options and other													
Balance, March 31, 2024													
Net income (loss)													
Other comprehensive income (loss), net of tax													
Treasury stock issued													
Treasury stock repurchased													
Stock-based compensation													

Exercise of stock options and other														
Balance, June 30, 2024														
	Common Stock	**Common Stock**	**Additional Paid-in Capital**	**Treasury Stock**	**Retained Earnings**	**Accumulated Other Comprehensive Income (Loss)**	**Total**	**Common Stock**	**Additional Paid-in Capital**	**Treasury Stock**	**Retained Earnings**	**Accumulated Other Comprehensive Income (Loss)**	**Total**
Balance, January 1, 2023													
Net income (loss)													
Other comprehensive income (loss), net of tax													
Treasury stock issued													
Stock-based compensation													
Exercise of stock options and other													
Balance, April 2, 2023													
Net income (loss)													
Net income (loss)													
Net income (loss)													
Other comprehensive income (loss), net of tax													
Treasury stock issued													
Treasury stock issued													
Treasury stock issued													
Stock based compensation													
Exercise of stock options													
Balance, July 2, 2023													

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

TELEDYNE TECHNOLOGIES INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE SIX MONTHS ENDED MARCH 31, JUNE 30, 2024 AND APRIL JULY 2, 2023
(Unaudited - Amounts in millions)

	Three Months		**Six Months**	
	2024	**2023**	**2024**	**2023**
Operating Activities				
Net income (loss) including noncontrolling interest				
Net income (loss) including noncontrolling interest				
Net income (loss) including noncontrolling interest				
Adjustments to reconcile net income (loss) including noncontrolling interest to net cash provided by (used in) operating activities:				
Adjustments to reconcile net income (loss) including noncontrolling interest to net cash provided by (used in) operating activities:				
Adjustments to reconcile net income (loss) including noncontrolling interest to net cash provided by (used in) operating activities:				
Depreciation and amortization				
Depreciation and amortization				
Depreciation and amortization				

Stock-based compensation
Stock-based compensation
Stock-based compensation
Debt extinguishment (income) expense
Changes in operating assets and liabilities excluding the effect of business acquired:
Changes in operating assets and liabilities excluding the effect of business acquired:
Changes in operating assets and liabilities excluding the effect of business acquired:
Accounts receivable and unbilled receivables
Accounts receivable and unbilled receivables
Accounts receivable and unbilled receivables
Inventories
Accounts payable
Accounts payable
Accounts payable
Deferred taxes and income taxes receivable (payable), net
Deferred taxes and income taxes receivable (payable), net
Deferred taxes and income taxes receivable (payable), net
Prepaid expenses and other assets
Accrued expenses and other liabilities
Other operating, net
Other operating, net
Other operating, net
Net cash provided by (used in) operating activities
Net cash provided by (used in) operating activities
Net cash provided by (used in) operating activities

Investing Activities

Purchases of property, plant and equipment
Purchases of property, plant and equipment
Purchases of property, plant and equipment
Purchase of businesses, net of cash acquired
Purchases of businesses, net of cash acquired
Net cash provided by (used in) investing activities
Net cash provided by (used in) investing activities
Other investing, net
Other investing, net
Other investing, net
Net cash provided by (used in) investing activities

Financing Activities

Net borrowings from (repayments made to) credit facility
Proceeds from (payments on) fixed rate senior notes
Net borrowings from (repayments made to) credit facility
Proceeds from (payments on) fixed rate senior notes
Proceeds from (payments on) fixed rate senior notes
Net borrowings from (repayments made to) credit facility
Proceeds from (payments on) other debt
Proceeds from (payments on) other debt
Proceeds from (payments on) other debt
Proceeds from exercise of stock options
Liquidation (maturity) of cross currency swap
Liquidation (maturity) of cross currency swap
Purchases of treasury stock

Liquidation (maturity) of cross currency swap	
Other financing, net	
Net cash provided by (used in) financing activities	
Effect of exchange rate changes on cash	
Effects of exchange rate changes on cash	
Change in cash and cash equivalents	
Cash and cash equivalents—beginning of period	
Cash and cash equivalents—end of period	

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

TELEDYNE TECHNOLOGIES INCORPORATED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

March 31, June 30, 2024

Note 1. General

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared by Teledyne Technologies Incorporated ("Teledyne" or the "Company") pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and disclosures normally included in notes to consolidated financial statements have been condensed or omitted pursuant to such rules and regulations, but resultant disclosures are in accordance with generally accepted accounting principles in the United States ("GAAP") as they apply to interim reporting. The condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and the related notes in Teledyne's Annual Report on Form 10-K for the fiscal year ended December 31, 2023 ("2023 Form 10-K").

In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting of normal recurring adjustments) necessary to present fairly, in all material respects, Teledyne's consolidated financial position as of March 31, 2024 June 30, 2024 and the consolidated results of operations, consolidated comprehensive income (loss) and consolidated cash flows for the first second quarter and six months ended March 31, 2024 June 30, 2024. The results of operations and cash flows for the periods ended March 31, 2024 June 30, 2024 and cash flows for the three six months ended March 31, 2024 June 30, 2024 are not necessarily indicative of the results of operations or cash flows to be expected for any subsequent quarter or the full fiscal year.

Recent Accounting Standards

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. This standard requires a public entity to disclose significant segment expenses and other segment items on an interim and annual basis. Additionally, it requires a public entity to disclose the title and position of the Chief Operating Decision Maker ("CODM"). The new standard is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. A public entity should apply the amendments in this ASU retrospectively to all prior periods presented in the financial statements. The Company is evaluating the impact of adopting this guidance on its consolidated financial statements.

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires public entities, on an annual basis, to provide disclosure of specific categories in the rate reconciliation, as well as disclosure of income taxes paid disaggregated by jurisdiction focuses on the rate reconciliation and income taxes paid. ASU 2023-09 is effective for annual periods beginning after December 15, 2024, with early adoption permitted. The Company is evaluating the impact of adopting this guidance on its consolidated financial statements.

Note 2. Business Acquisitions

2024 Acquisitions

Refer During the second quarter of 2024, the Company acquired Adimec Holding B.V. and its subsidiaries ("Adimec") for $88.1 million in cash, net of cash acquired, and subject to Note 15 for discussion of announced acquisitions or acquisitions completed after the end certain adjustments. Adimec, founded in 1992 and headquartered in Eindhoven, Netherlands, develops customized high-performance industrial and scientific cameras. Adimec is part of the first Digital Imaging segment. Goodwill resulting from the Adimec acquisition will not be deductible for tax purposes.

During the second quarter of 2024. 2024, the Company acquired Valeport Holdings 2019 Limited and its affiliates ("Valeport") for $35.5 million in cash, net of cash acquired, subject to certain adjustments. Approximately 10% of the purchase price is payable in fiscal year 2025. Valeport, founded in 1969 and headquartered in Totnes, United Kingdom, designs and manufactures underwater sensors for environmental, energy, construction and defense applications. Valeport is part of the Marine Instrumentation product line within the Instrumentation segment. Goodwill resulting from the Valeport acquisition will not be deductible for tax purposes.

2023 Acquisitions

Xena Networks

During the fourth quarter of 2023, the Company acquired Xena Networks ApS and affiliates ("Xena Networks") for $24.2 million in cash, net of cash acquired, and subject to certain adjustments. Xena Networks, headquartered in Denmark, is a leading provider of high-speed terabit ethernet validation, quality assurance, and production test solutions. Xena Networks is part of the test Test and measurement instrumentation Measurement Instrumentation product line within the Instrumentation segment. Goodwill resulting from the Xena Networks acquisition will not be deductible for tax purposes.

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ChartWorld

During the first quarter of 2023, the Company acquired ChartWorld International Limited and affiliates ("ChartWorld") for $53.5 million in cash, net of cash acquired, and subject to certain adjustments. ChartWorld, headquartered in Cyprus, with additional locations in Germany, Singapore, Canada and Japan, is a provider of digital marine navigation hardware and software provided through an affordable subscription-based model. ChartWorld is part of the Digital Imaging segment. Goodwill resulting from the ChartWorld acquisition will not be deductible for tax purposes.

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The following tables show the purchase price (net of cash acquired), goodwill acquired, and acquired intangible assets for these acquisitions (in millions):

2023

2023

	2024			
Acquisitions	**Acquisition Date**	**Consideration Transferred (a)**	**Goodwill Acquired**	**Acquired Intangible Assets**
Adimec				
Valeport				
	$			

(a) Net of cash acquired; approximately 10% of the Valeport purchase price is payable in 2025 and included in the amount above

						2023				
Acquisitions	**Acquisitions**	**Acquisition Date**	**Cash Paid (a)**	**Goodwill Acquired**	**Acquired Intangible Assets**	**Acquisitions**	**Acquisition Date**	**Consideration Transferred (a)**	**Goodwill Acquired**	**Acquired Intangible Assets**
Xena Networks										
ChartWorld										
Total										
Total										
Total										

(a) Net of cash acquired

The Company's cost to acquire these acquisitions was allocated to the assets acquired and liabilities assumed based upon their respective fair values as of the date of the completion of the acquisition. The differences between the fair value of the consideration paid and the estimated fair value of the assets and liabilities acquired was recorded as goodwill. The fair value of the acquired identifiable assets and liabilities for the Adimec, Valeport and Xena Networks acquisition is provisional pending finalization of the Company's acquisition accounting, including the measurement of tax basis in certain jurisdictions and the resulting deferred taxes that might arise from book and tax basis differences, if any. Pro forma results of operations, the revenue and net income subsequent to the acquisition date, and a more detailed breakout of the major classes of assets and liabilities acquired for these acquisitions have not been presented because the effects of these acquisitions, individually and in the aggregate, were not material to the Company's financial results. The significant factors that resulted in recognition of goodwill for the 2023 and 2024 acquisitions included the acquired businesses' market positions, growth opportunities in the markets in which they operate, their experienced work force and established operating infrastructures. The results of these acquisitions have been included in Teledyne's results since the dates of their respective acquisition.

Note 3. Business Segments

Teledyne is a leading provider of sophisticated digital imaging products and software, instrumentation, aerospace and defense electronics, and engineered systems. Our customers include government agencies, aerospace prime contractors, energy exploration and production companies, major industrial companies and airlines. The Company has four reportable segments: Digital Imaging; Instrumentation; Aerospace and Defense Electronics; and Engineered Systems.

Segment results include net sales and operating income by segment but excludes corporate expenses. Corporate expense primarily includes administrative expenses relating to the corporate office not allocated to our segments.

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The following table presents net sales and operating income by segment (dollars in millions):

	First Quarter		%
	2024	**2023**	**Change**
Net sales (a):			
Digital Imaging	**$ 740.8**	$ 772.5	(4.1)%
Instrumentation	**330.4**	333.5	(0.9)%
Aerospace and Defense Electronics	**185.7**	173.2	7.2 %
Engineered Systems	**93.2**	104.1	(10.5)%
Total net sales	**$ 1,350.1**	$ 1,383.3	(2.4)%
Operating income:			
Digital Imaging	**$ 113.8**	$ 122.2	(6.9)%
Instrumentation	**86.0**	80.7	6.6 %
Aerospace and Defense Electronics	**51.9**	47.0	10.4 %
Engineered Systems	**2.7**	10.0	(73.0)%
Corporate expense	**(20.1)**	(17.4)	15.5 %
Operating income	**$ 234.3**	$ 242.5	(3.4)%

(a) Net sales exclude inter-segment sales of $4.8 million and $6.2 million for the first quarter of 2024 and 2023, respectively.

	Second Quarter		%	Six Months		%
	2024	**2023**	**Change**	**2024**	**2023**	**Change**
Net sales (a):						
Digital Imaging	**$ 739.4**	$ 793.3	(6.8)%	**$ 1,480.2**	$ 1,565.8	(5.5)%
Instrumentation	**333.5**	328.4	1.6 %	**663.9**	661.9	0.3 %
Aerospace and Defense Electronics	**194.4**	186.0	4.5 %	**380.1**	359.2	5.8 %
Engineered Systems	**106.8**	117.0	(8.7)%	**200.0**	221.1	(9.5)%
Total net sales	**$ 1,374.1**	$ 1,424.7	(3.6)%	**$ 2,724.2**	$ 2,808.0	(3.0)%
Operating income:						
Digital Imaging	**$ 113.5**	$ 124.6	(8.9)%	**$ 227.3**	$ 246.8	(7.9)%
Instrumentation	**87.2**	81.4	7.1 %	**173.2**	162.1	6.8 %
Aerospace and Defense Electronics	**57.1**	53.2	7.3 %	**109.0**	100.2	8.8 %
Engineered Systems	**7.5**	11.5	(34.8)%	**10.2**	21.5	(52.6)%
Corporate expense	**(18.3)**	(14.6)	25.3 %	**(38.4)**	(32.0)	20.0 %
Operating income	**$ 247.0**	$ 256.1	(3.6)%	**$ 481.3**	$ 498.6	(3.5)%

(a) Net sales exclude inter-segment sales of $8.5 million and $13.3 million for the second quarter and first six months of 2024, respectively, and $8.1 million and $14.3 million for the second quarter and first six months of 2023, respectively.

Identifiable assets are those assets used in the operations of the segments. Corporate assets primarily consist of cash and cash equivalents, deferred taxes, net pension assets/liabilities and other assets (in millions):

Identifiable assets:	Identifiable assets:	March 31, 2024	December 31, 2023	Identifiable assets:	June 30, 2024	December 31, 2023
Digital Imaging						
Instrumentation						
Aerospace and Defense Electronics						
Aerospace and Defense Electronics						
Aerospace and Defense Electronics						
Engineered Systems						
Corporate						
Total identifiable assets						

<u>Product Lines</u>

The Instrumentation segment includes three product lines: Marine Instrumentation, Environmental Instrumentation and Test and Measurement Instrumentation. The Company's other three segments each contain one product line.

The following table provides a summary of the net sales by product line for the Instrumentation segment (in millions):

	First Quarter				
	First Quarter				
	First Quarter				
Instrumentation					
Instrumentation					
		Second Quarter		Six Months	
Instrumentation	**Instrumentation**	2024	2023	2024	2023
Marine Instrumentation					
Marine Instrumentation					
Marine Instrumentation					
Environmental Instrumentation					
Environmental Instrumentation					
Environmental Instrumentation					
Test and Measurement Instrumentation					
Test and Measurement Instrumentation					
Test and Measurement Instrumentation					
Total					
Total					
Total					

Note 4. Revenue Recognition and Contract Balances

Approximately 70% of the Company's net sales are recognized at a point in time, with the remaining 30% of net sales recognized over time. The Company disaggregates its revenue from contracts with customers by customer type and geographic region for each segment, as management believes it best depicts how the nature, amount, timing and uncertainty of its revenue and cash flows are affected by economic factors.

	First Quarter Ended March 31, 2024			First Quarter Ended March 31, 2024				
	Customer Type			Geographic Region (c)				
(in millions)	**U.S. Govt. (a)**	**Other (b)**	**Total**	**United States**	**Europe**	**Asia**	**All other**	**Total**
Net sales:								
Digital Imaging	**$ 130.7**	**$ 610.1**	**$ 740.8**	**$ 333.7**	**$ 200.3**	**$ 134.2**	**$ 72.6**	**$ 740.8**
Instrumentation	**33.3**	**297.1**	**330.4**	**144.6**	**96.9**	**60.1**	**28.8**	**330.4**
Aerospace and Defense Electronics	**58.8**	**126.9**	**185.7**	**123.7**	**34.2**	**18.6**	**9.2**	**185.7**
Engineered Systems	**79.8**	**13.4**	**93.2**	**92.8**	**—**	**0.1**	**0.3**	**93.2**
Total	**$ 302.6**	**$ 1,047.5**	**$ 1,350.1**	**$ 694.8**	**$ 331.4**	**$ 213.0**	**$ 110.9**	**$ 1,350.1**

(a) U.S. Government sales include sales as a prime contractor or subcontractor.
(b) Primarily commercial sales
(c) Geographic region by destination

	First Quarter Ended April 2, 2023			First Quarter Ended April 2, 2023				
	Customer Type			Geographic Region (c)				
(in millions)	**U.S. Govt. (a)**	**Other (b)**	**Total**	**United States**	**Europe**	**Asia**	**All other**	**Total**
Net sales:								
Digital Imaging	$ 130.4	$ 642.1	$ 772.5	$ 334.4	$ 197.3	$ 158.4	$ 82.4	$ 772.5
Instrumentation	23.0	310.5	333.5	138.0	97.2	67.5	30.8	333.5
Aerospace and Defense Electronics	64.7	108.5	173.2	120.1	29.5	17.0	6.6	173.2
Engineered Systems	93.4	10.7	104.1	103.3	—	0.2	0.6	104.1
Total	$ 311.5	$ 1,071.8	$ 1,383.3	$ 695.8	$ 324.0	$ 243.1	$ 120.4	$ 1,383.3

(a) U.S. Government sale include sales as a prime contractor or subcontractor.
(b) Primarily commercial sales

(c) Geographic region by destination

(in millions)	Second Quarter Ended June 30, 2024 — Customer Type: U.S. Govt. (a)	Other (b)	Total	Second Quarter Ended June 30, 2024 — Geographic Region (c): United States	Europe	Asia	All other	Total
Net sales:								
Digital Imaging	**$ 122.3**	**$ 617.1**	**$ 739.4**	**$ 325.3**	**$ 201.7**	**$ 136.5**	**$ 75.9**	**$ 739.4**
Instrumentation	**29.3**	**304.2**	**333.5**	**153.4**	**82.6**	**61.9**	**35.6**	**333.5**
Aerospace and Defense Electronics	**60.8**	**133.6**	**194.4**	**132.9**	**33.4**	**20.1**	**8.0**	**194.4**
Engineered Systems	**95.7**	**11.1**	**106.8**	**106.0**	**—**	**0.3**	**0.5**	**106.8**
Total	**$ 308.1**	**$ 1,066.0**	**$ 1,374.1**	**$ 717.6**	**$ 317.7**	**$ 218.8**	**$ 120.0**	**$ 1,374.1**

(a) U.S. Government sales include sales as a prime contractor or subcontractor.
(b) Primarily commercial sales
(c) Geographic region by destination

(in millions)	Six Months Ended June 30, 2024 — Customer Type: U.S. Govt. (a)	Other (b)	Total	Six Months Ended June 30, 2024 — Geographic Region (c): United States	Europe	Asia	All other	Total
Net sales:								
Digital Imaging	**$ 253.0**	**$ 1,227.2**	**$ 1,480.2**	**$ 659.0**	**$ 402.0**	**$ 270.7**	**$ 148.5**	**$ 1,480.2**
Instrumentation	**62.7**	**601.2**	**663.9**	**298.0**	**179.5**	**122.0**	**64.4**	**663.9**
Aerospace and Defense Electronics	**119.6**	**260.5**	**380.1**	**256.6**	**67.6**	**38.7**	**17.2**	**380.1**
Engineered Systems	**175.5**	**24.5**	**200.0**	**198.8**	**—**	**0.4**	**0.8**	**200.0**
Total	**$ 610.8**	**$ 2,113.4**	**$ 2,724.2**	**$ 1,412.4**	**$ 649.1**	**$ 431.8**	**$ 230.9**	**$ 2,724.2**

(a) U.S. Government sales include sales as a prime contractor or subcontractor.
(b) Primarily commercial sales
(c) Geographic region by destination

(in millions)	Second Quarter Ended July 2, 2023 — Customer Type: U.S. Govt. (a)	Other (b)	Total	Second Quarter Ended July 2, 2023 — Geographic Region (c): United States	Europe	Asia	All other	Total
Net sales:								
Digital Imaging	$ 131.3	$ 662.0	$ 793.3	$ 356.4	$ 207.3	$ 152.4	$ 77.2	$ 793.3
Instrumentation	21.3	307.1	328.4	139.4	95.2	64.6	29.2	328.4
Aerospace and Defense Electronics	61.0	125.0	186.0	126.0	36.2	15.5	8.3	186.0
Engineered Systems	103.2	13.8	117.0	114.4	—	0.4	2.2	117.0
Total	$ 316.8	$ 1,107.9	$ 1,424.7	$ 736.2	$ 338.7	$ 232.9	$ 116.9	$ 1,424.7

(a) U.S. Government sales include sales as a prime contractor or subcontractor.
(b) Primarily commercial sales
(c) Geographic region by destination

	Six Months Ended July 2, 2023			Six Months Ended July 2, 2023				
	Customer Type			Geographic Region (c)				
(in millions)	**U.S. Govt. (a)**	**Other (b)**	**Total**	**United States**	**Europe**	**Asia**	**All other**	**Total**
Net sales:								
Digital Imaging	$ 261.6	$ 1,304.2	$ 1,565.8	$ 690.8	$ 404.6	$ 310.8	$ 159.6	$ 1,565.8
Instrumentation	44.3	617.6	$ 661.9	277.4	192.4	132.1	60.0	661.9
Aerospace and Defense Electronics	125.7	233.5	$ 359.2	246.1	65.7	32.5	14.9	359.2
Engineered Systems	196.5	24.6	$ 221.1	217.7	—	0.6	2.8	221.1
Total	$ 628.1	$ 2,179.9	$ 2,808.0	$ 1,432.0	$ 662.7	$ 476.0	$ 237.3	$ 2,808.0

(a) U.S. Government sales include sales as a prime contractor or subcontractor.
(b) Primarily commercial sales
(c) Geographic region by destination

With the exception of the Engineered Systems segment, net sales in each segment are primarily derived from fixed price contracts. Net sales in the Engineered Systems segment are typically between 45% and 55% fixed price contracts in a given reporting period, with the balance of net sales derived from cost-reimbursable type contracts. For the three six months ended March 31, 2024 June 30, 2024, approximately 47% 49% of net sales in the Engineered Systems segment were derived from fixed price contracts.

Contract Liabilities

Balance at

Balance at

Balance at

Contract Liabilities by Balance Sheet Location (in millions)

Contract Liabilities by Balance Sheet Location (in millions)

Contract Liabilities by Balance Sheet Location (in millions)

Accrued liabilities

Accrued liabilities

Accrued liabilities

Other long-term liabilities

Other long-term liabilities

Other long-term liabilities

Total contract liabilities

Total contract liabilities

Total contract liabilities

The Company recognized revenue of $66.3 million $101.3 million during the three six months ended March 31, 2024 June 30, 2024 from contract liabilities that existed at the beginning of year.

Remaining Performance Obligations

Remaining performance obligations represent the transaction price of firm orders for which work has not been performed as of the period end date and exclude unexercised contract options and potential orders under ordering-type contracts (e.g., indefinite-delivery, indefinite-quantity). As of March 31, 2024 June 30, 2024, the aggregate amount of the transaction price allocated to remaining performance obligations was $3,290.2 million $3,419.3 million. The Company expects approximately 78% 77% of remaining performance obligations to be recognized into revenue within the next twelve months, with the remaining 22% 23% recognized thereafter.

Changes in Contract Estimates at Completion

For over time contracts using the cost-to-cost method, the Company has an Estimate at Completion (“EAC”) process in which management reviews the progress and execution of our performance obligations. This EAC process requires management judgment relative to assessing risks, estimating contract revenue, determining reasonably dependable cost estimates, and making assumptions for schedule and technical issues. The majority of revenue recognized over time uses an EAC process. Since certain contracts extend over a long period of time, the impact of revisions in cost and revenue estimates during the progress of work may adjust the current period earnings through a cumulative catch-up basis. This method recognizes, in the current period, the cumulative effect of the changes on current and prior quarters. Additionally, if the current contract estimate indicates a loss, a provision is made for the total anticipated loss in the period that it becomes evident. Contract cost and revenue estimates for significant contracts are generally reviewed and reassessed quarterly.

The net aggregate effects of these changes in estimates on contracts accounted for under the cost-to-cost method in the first three six months of 2024 was $0.3 million $2.1 million of unfavorable favorable operating income compared with $2.9 million $0.5 million of favorable unfavorable operating income in the first three six months of 2023. None of the effects of changes in estimates on any individual contract were material to the consolidated statements of income (loss) for any period presented.

Note 5. Goodwill and Acquired Intangible Assets

Goodwill

The carrying value of goodwill by segment was as follows (in millions):

	Digital Imaging	Instrumentation	Aerospace and Defense Electronics	Engineered Systems	Total	Digital Imaging	Instrumentation	Aerospace and Defense Electronics	Engineered Systems	Total
Balance at December 31, 2023										
Balance at December 31, 2023										
Balance at December 31, 2023										
Current year acquisitions										
Foreign currency changes and other										
Foreign currency changes and other										
Foreign currency changes and other										
Balance at March 31, 2024										
Balance at June 30, 2024										

Acquired intangible assets (in millions):	Acquired intangible assets (in millions):	March 31, 2024		December 31, 2023	Acquired intangible assets (in millions):		June 30, 2024			December 31, 2023				
	Gross carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount		Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Ne carry amou
Proprietary technology														
Customer list/relationships														
Patents														
Non-compete agreements														
Trademarks														
Backlog														
Total intangibles subject to amortization														
Intangibles not subject to amortization:														
Trademarks														
Trademarks														
Trademarks														

Total acquired intangible assets

An evaluation of the carrying value of goodwill and indefinite-lived intangibles is required to be performed on an annual basis and on an interim basis if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. There

Based on the results of the Company's annual assessment in the fourth quarter of 2023, all reporting units with the exception of the FLIR reporting unit had estimated fair values that exceeded their respective carrying value by more than 100%. At the assessment date in the fourth quarter of 2023, the estimated fair value of the FLIR reporting unit exceeded its carrying value by approximately $460 million or 6%, and the FLIR reporting unit had $5,832.4 million of goodwill at the prior year assessment date. As of June 30, 2024, the FLIR reporting unit had $5,850.8 million of goodwill, with the change in value from the prior year assessment date related to the impact of foreign currency translation.

Although the assumptions used in the Company's prior year discounted cash flow model and market approach are based on assumptions that are considered reasonable by management and consistent with the plans and estimates management uses to operate the underlying businesses, there is significant judgment in determining the expected results of the FLIR reporting unit. Changes in forecast estimates or the application of alternative assumptions could produce significantly different results. The discount rate, which is consistent with a weighted average cost of capital that is likely to be expected by a market participant, is based upon industry required rates of return, including consideration of both debt and equity components of the capital structure.

Although no impairment existed for the FLIR reporting unit as of the prior year assessment date, a non-cash impairment of goodwill could result from a number of circumstances, including different assumptions used in determining the fair value of the reporting unit, changes to customer spending priorities, or a sharp increase in interest rates without a corresponding increase in future net sales.

For all reporting units, including the FLIR reporting unit, there have been no events or changes in circumstances which indicate an interim impairment review is required in 2024. The Company will perform its annual analysis during the fourth quarter of 2024.

Based on the results of the Company's annual assessment in the fourth quarter of 2023, the estimated fair value of all material indefinite-lived trademarks, with the exception of the FLIR indefinite-lived trademark, significantly exceeded their respective carrying value. Trademarks of recently acquired businesses generally represent a higher inherent risk of impairment, which

typically decreases as the businesses are integrated into the Company. At the prior year annual assessment date, the FLIR indefinite-lived trademark had a carrying value of $685.3 million and a fair value of $694.9 million. The most significant assumptions utilized in the determination of the fair value of the FLIR trademark are the net sales growth rates (including residual growth rates), discount rate and royalty rate. Although the FLIR sales forecasts are based on assumptions that are considered reasonable by management and consistent with the plans and estimates management uses to operate the underlying businesses, there is significant judgment in determining the expected results of the FLIR business. Changes in sales forecast estimates or the application of alternative assumptions could produce significantly different results. The discount rate, which is consistent with a weighted average cost of capital that is likely to be expected by a market participant, is based upon industry required rates of return, including consideration of both debt and equity components of the capital structure. The royalty rate was driven by historical and estimated future profitability of the underlying FLIR business, and the royalty rate assumption was consistent with assumptions used by the Company as part of the purchase price allocation of FLIR in 2021. The royalty rate may be impacted by significant adverse changes in long-term operating margins. Although no impairment exists for the FLIR trademark, a non-cash impairment of the trademark could result from a number of circumstances, including different assumptions used in determining the fair value of the trademark, changes to customer spending priorities, or a sharp increase in interest rates without a corresponding increase in future net sales.

For all indefinite-lived trademarks, including the FLIR trademark, there have been no events or changes in circumstances which indicate an interim impairment review is required in 2024. The Company will perform its annual analysis during the fourth quarter of 2024.

Note 6. Supplemental Balance Sheet Information

Cash Equivalents

The Company had $527.1 million $48.8 million and $265.1 million of cash equivalents at March 31, 2024 June 30, 2024 and December 31, 2023, respectively. The Company has categorized its cash equivalents as a Level 1 financial asset, measured at fair value based on quoted prices in active markets of identical assets.

Accounts Receivable, net

Accounts receivable is presented net of an allowance for doubtful accounts of $11.4 million $12.4 million at March 31, 2024 June 30, 2024 and $11.5 million at December 31, 2023.

Inventories, net

Inventories are stated at current cost, net of reserves for excess, slow moving and obsolete inventory. Inventories are primarily valued under the FIFO method or average cost method. Inventory balances are summarized as follows (in millions):

		Balance at
	March 31, 2024	**December 31, 2023**
	June 30, 2024	**December 31, 2023**
Raw materials and supplies		
Work in process		
Finished goods		
Total inventories, net		

Product Warranty Costs

Some of the Company's products are subject to specified warranties, and the Company provides for the estimated cost of product warranties. The adequacy of the warranty reserve is assessed regularly, and the reserve is adjusted as necessary based on a review of historic warranty experience with respect to the applicable business or products, as well as the length and actual terms of the warranties. The warranty reserve is included in current accrued liabilities and other long-term liabilities on the condensed consolidated balance sheet.

		Three Months			Six Months	
Warranty Reserve (in millions):	**Warranty Reserve (in millions):**	**2024**	**2023**	**Warranty Reserve (in millions):**	**2024**	**2023**
Balance at beginning of year						
Product warranty expense						
Deductions						
Acquisition						
Balance at end of period						
Balance at end of period						
Balance at end of period						

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Note 7. Long-Term Debt

					Balance at	
Long-Term Debt (in millions):	**Long-Term Debt (in millions):**	**March 31, 2024**	**December 31, 2023**	**Long-Term Debt (in millions):**	**June 30, 2024**	**December 31, 2023**
$1.15 billion credit facility due March 2026						
$1.20 billion credit facility due June 2029						
0.95% Fixed Rate Senior Notes due April 2024						
Term loan due October 2024, variable rate of 6.69% at June 30, 2024 and 6.71% at December 31, 2023, swapped to a Euro fixed rate of 0.61%						
0.95% Fixed Rate Senior Notes due April 2024						
Term loan due October 2024, variable rate of 6.69% at June 30, 2024 and 6.71% at December 31, 2023, swapped to a Euro fixed rate of 0.61%						
0.95% Fixed Rate Senior Notes due April 2024						
Term loan due October 2024, variable rate of 6.68% at March 31, 2024 and 6.71% at December 31, 2023, swapped to a Euro fixed rate of 0.61%						
Term loan due October 2024, variable rate of 6.69% at June 30, 2024 and 6.71% at December 31, 2023, swapped to a Euro fixed rate of 0.61%						
1.60% Fixed Rate Senior Notes due April 2026						
2.25% Fixed Rate Senior Notes due April 2028						
2.25% Fixed Rate Senior Notes due April 2028						
2.25% Fixed Rate Senior Notes due April 2028						
2.50% Fixed Rate Senior Notes due August 2030						
2.75% Fixed Rate Senior Notes due April 2031						
0.95% Fixed Rate Senior Notes due and repaid April 2024						
Other debt						
Other debt						
Other debt						
Debt discount and debt issuance costs						
Total debt, net						
Less: Current portion of long-term debt						
Total long-term debt, net of current portion						

At March 31, 2024 June 30, 2024, $1,128.2 million $1,177.7 million was available under the $1.15 billion $1.20 billion credit facility, after a reduction of $21.8 million $22.3 million in outstanding letters of credit. The Company's bank credit agreements requires it to comply with various financial and operating covenants and at March 31, 2024 June 30, 2024, the Company was in compliance with these covenants. Subsequent to During the end of the first second quarter of 2024, the Company made a $450 million debt maturity payment on the Senior Notes due April 2024.

Teledyne estimates the fair value of its long-term debt based on debt of similar type, rating and maturity and at comparable interest rates. The Company's Company estimates the fair value of long-term debt is considered a level by using Level 2 input inputs in the fair value hierarchy and which is valued based on observable market data. As of March 31, 2024 June 30, 2024 and December 31, 2023, the aggregate fair values of our borrowings were $2,945.5 million $2,493.2 million and $2,965.3 million, respectively, and the carrying values were $3,266.3 million $2,816.4 million and $3,266.0 million, respectively.

Note 8. Income Taxes

The income tax provision is calculated using an estimated annual effective tax rate, based upon estimates of annual income, permanent items, statutory tax rates and planned tax strategies in the various jurisdictions in which we operate except that certain loss jurisdictions and discrete items, such as the resolution of uncertain tax positions and stock-based accounting income tax benefits, are treated separately.

(Dollars in millions)	First Quarter 2024		First Quarter 2023	
Provision (benefit) for income taxes	**$**	**46.4**	$	44.9
Discrete event expense (benefit):				
Stock-based accounting	**$**	**(5.3)**	$	(5.9)
Uncertain tax position reserves (primarily acquisition related)		**0.3**		0.3
Other discrete event expense (benefit)		**0.6**		(0.9)
Discrete event expense (benefit):	**$**	**(4.4)**	$	(6.5)
Provision (benefit) for income taxes without discrete event expense (benefit)	**$**	**50.8**	$	51.4
Income (loss) before income taxes	**$**	**225.5**	$	223.7
Effective tax rate		**20.6%**		20.1%
Effective tax rate without discrete events		**22.5%**		23.0%

(Dollars in millions)	Second Quarter 2024		Second Quarter 2023		Six Months 2024		Six Months 2023	
Provision (benefit) for income taxes (a)	**$**	**51.4**	$	49.4	**$**	**97.8**	$	94.3
Income (loss) before income taxes	**$**	**231.7**	$	234.9	**$**	**457.2**	$	458.6
Effective tax rate		**22.2%**		21.0%		**21.4%**		20.6%

(a) The second quarter of 2024 includes net discrete income tax benefits of $0.7 million and the first six months of 2024 includes net discrete income tax benefits of $5.1 million, respectively. The second quarter of 2023 includes net discrete income tax benefits of $1.4 million and the first six months of 2023 includes net discrete income tax benefits of $8.0 million, respectively.

Numerous foreign jurisdictions have enacted or are in the process of enacting legislation to adopt a minimum effective tax rate described in the Global Anti-Base Erosion, or Pillar Two, model rules issued by the Organization for Economic Co-operation and Development ("OECD"). A minimum effective tax rate of 15% would apply to multinational companies with consolidated revenue above €750 million.

Under the Pillar Two rules, a company would be is required to determine a combined effective tax rate for all entities located in a jurisdiction. If the jurisdictional effective tax rate determined under the Pillar Two is less than 15%, a top-up tax will be due to bring the jurisdictional effective tax rate up to 15%. The Company is continuing to monitor the pending implementation of

Pillar Two by individual countries and the potential effects of Pillar Two on our business. The Company does not expect the provisions effective in 2024 will have a materially adverse impact on its results of operations, financial position or cash flows.

The Inflation Reduction Act of 2022 ("IRA") levies a 1% excise tax on net stock repurchases after December 31, 2022. If the Company were to repurchase shares, the excise tax would be recorded as a cost of acquiring treasury stock and is not material. Additionally, the IRA imposes a 15% corporate alternative minimum tax ("CAMT") for tax years beginning after December 31, 2022. The Company does not expect the CAMT to have a material impact on its results of operations or financial position.

Note 9. Pension Plans

	Second Quarter		Six Months		
	2024	2024	2023	2024	2023
	2024				
	2024				
Service cost — benefits earned during the period (in millions)					

Service cost — benefits earned during the period (in millions)
Service cost — benefits earned during the period (in millions)
Pension non-service cost (income) (in millions):
Pension non-service cost (income) (in millions):
Pension non-service cost (income) (in millions):
Interest cost on benefit obligation
Interest cost on benefit obligation
Interest cost on benefit obligation
Expected return on plan assets
Expected return on plan assets
Expected return on plan assets
Amortization of net prior service cost (income)
Amortization of net prior service cost (income)
Amortization of net prior service cost (income)
Amortization of net actuarial loss (gain)
Amortization of net actuarial loss (gain)
Amortization of net actuarial loss (gain)
Pension non-service cost (income)
Pension non-service cost (income)
Pension non-service cost (income)
Pension non-service cost (income)

Note 10. Stock-based Compensation

Teledyne has long-term incentive plans pursuant to which it has granted non-qualified stock options, restricted stock awards and restricted stock units. The Company also has non-employee director stock compensation plans, pursuant to which common stock, stock options and restricted stock units have been issued to its directors. The Company issues shares of common stock upon the exercise of stock options. In 2024, the Company began using the Black-Scholes option pricing model to determine the fair value of stock options. The adoption of the Black-Scholes option pricing model was driven by a review of option exercise history, which more closely aligned with the methodology of the Black-Scholes option pricing model, and the adoption of the Black-Scholes option pricing model did not materially change the grant-date fair value calculation.

Stock-based compensation expense was $12.0 million $9.3 million and $21.3 million for the second quarter and first quarter six months of 2024, respectively, and $7.9 million $8.4 million and $16.3 million for the second quarter and first quarter six months of 2023. 2023, respectively. Stock option activity for the second quarter and first quarter six months of 2024 is as follows:

	Second Quarter		Six Months	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Beginning balance				
Beginning balance				
Beginning balance				
Granted				
Granted				
Granted				
Exercised				
Exercised				
Exercised				
Canceled				
Canceled				
Canceled				
Ending balance				
Ending balance				
Ending balance				
Exercisable at end of period				
Exercisable at end of period				
Exercisable at end of period				

Restricted stock activity for the second quarter and first three six months of 2024 is as follows:

	Shares		Weighted average fair value per share
Balance at December 31, 2023	**123,089**	**$**	**364.86**
Granted	**89,267**	**$**	**432.52**
Vested	**(20,863)**	**$**	**382.20**
Forfeited/Canceled	**(3,256)**	**$**	**373.66**
Balance at March 31, 2024	**188,237**	**$**	**394.81**

	Second Quarter			Six Months		
	Shares		Weighted average fair value per share	Shares		Weighted average fair value per share
Beginning balance	**188,237**	**$**	**394.81**	**123,089**	**$**	**364.86**
Granted	**4,783**	**$**	**364.21**	**94,050**	**$**	**428.99**
Vested	**(2,170)**	**$**	**405.09**	**(23,033)**	**$**	**384.35**
Forfeited/canceled	**(1,882)**	**$**	**391.94**	**(5,138)**	**$**	**381.97**
Ending balance	**188,968**	**$**	**383.89**	**188,968**	**$**	**383.89**

Note 11. Earnings Per Share

The weighted average number of common shares used in the calculation of basic and diluted earnings per share consisted of the following (in millions):

	First Quarter	
	2024	2023
Weighted average basic common shares outstanding	**47.3**	46.9
Effect of dilutive securities (primarily stock options)	**0.7**	1.0
Weighted average diluted common shares outstanding	**48.0**	47.9

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	Second Quarter		Six Months	
	2024	2023	2024	2023
Weighted average basic common shares outstanding	**47.2**	47.0	**47.3**	47.0
Effect of dilutive securities (primarily stock options)	**0.6**	0.9	**0.6**	0.9
Weighted average diluted common shares outstanding	**47.8**	47.9	**47.9**	47.9

For the second quarter and first quarter six months of 2024 and 2023, the Company excluded approximately 0.2 million of stock options in the computation of diluted earnings per share because the effect of their inclusion would have been anti-dilutive.

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Stock Repurchases

In April 2024, our Board of Directors approved a stock repurchase program authorizing the Company to repurchase up to $1.25 billion of Teledyne's common stock. This authorization superseded prior open stock repurchase programs authorized by the Board of Directors. The newly authorized stock repurchase program does not have a stated expiration date. Shares may be repurchased from time to time in open market transactions at prevailing market prices, in privately negotiated transactions or via an accelerated stock repurchase program. Shares could be repurchased in a plan pursuant to Rule 10b5-1 of the Securities Exchange Act of 1934. The repurchase program is expected to remain open continuously, and the number of shares purchased will depend on a variety of factors, such as share price, levels of cash available, acquisitions and alternative investment opportunities available immediately or longer-term, and other regulatory, market or economic conditions. The Company currently intends to fund future share repurchases with cash on hand and available borrowings under the Company's credit facility.

During the second quarter of 2024, the Company repurchased approximately 0.5 million shares for $193.8 million with a weighted-average price of $391.92 per share. Subsequent to the end of the second quarter of 2024, the Company repurchased approximately 0.2 million shares for $84.5 million with a weighted-average price of $394.43 per share.

Note 12. Accumulated Other Comprehensive Income (Loss)

The changes in accumulated other comprehensive income (loss) ("AOCI") by component, net of tax, for the first second quarter and six months ended March 31, 2024 June 30, 2024 and April 2, 2023 July 2, 2023 are as follows (in millions):

	Foreign Currency Translation	Cash Flow Hedges and Other	Pension and Postretirement Benefits	Total
Balance at March 31, 2024				
Other comprehensive income (loss) before reclassifications				
Amounts reclassified from AOCI				
Net other comprehensive income (loss)				
Balance at June 30, 2024				
Balance at June 30, 2024				
Balance at June 30, 2024				
	Foreign Currency Translation			
	Foreign Currency Translation			

	Foreign Currency Translation	Cash Flow Hedges and Other	Pension and Postretirement Benefits	Total
Balance at April 2, 2023				
Other comprehensive income (loss) before reclassifications				
Amounts reclassified from AOCI				
Net other comprehensive income (loss)				
Balance at July 2, 2023				
Balance at July 2, 2023				
Balance at July 2, 2023				
	Foreign Currency Translation			

	Foreign Currency Translation						
	Foreign Currency Translation	Foreign Currency Translation	Cash Flow Hedges and Other	Pension and Postretirement Benefits	Total	Cash Flow Hedges and Other	Pension and Postretirement Benefits
Balance at December 31, 2023							
Other comprehensive income (loss) before reclassifications							
Amounts reclassified from AOCI							
Net other comprehensive income (loss)							
Balance at March 31, 2024							
Balance at March 31, 2024							
Balance at March 31, 2024							
Balance at June 30, 2024							
Balance at June 30, 2024							
Balance at June 30, 2024							

	Foreign Currency Translation					
	Foreign Currency Translation					
	Foreign Currency Translation	Cash Flow Hedges and Other	Pension and Postretirement Benefits	Total	Cash Flow Hedges and Other	Pension and Postretirement Benefits
Balance at January 1, 2023						
Other comprehensive income (loss) before reclassifications						
Amounts reclassified from AOCI						
Net other comprehensive income (loss)						

Balance at April 2, 2023
Balance at April 2, 2023
Balance at April 2, 2023
Balance at July 2, 2023
Balance at July 2, 2023
Balance at July 2, 2023

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The reclassifications out of AOCI to net income for the first second quarter ended March 31, 2024 June 30, 2024 and April 2, 2023 July 2, 2023 are as follows (in millions):

	Amount Reclassified from AOCI for the Quarter Ended March 31, 2024		Amount Reclassified from AOCI for the Quarter Ended April 2, 2023		Statement of Income (Loss) Presentation
(Gain) loss on cash flow hedges:					
Gain recognized in income on derivatives	**$**	**(9.3)**	$	(9.8)	See Note 13
Income tax impact		**2.4**		2.5	Provision for income taxes
Total	**$**	**(6.9)**	$	(7.3)	
Amortization of defined benefit pension and postretirement plan items:					
Amortization of prior service cost	**$**	**(0.1)**	$	(0.4)	Costs and expenses
Amortization of net actuarial loss		**2.9**		2.4	Costs and expenses
Total before tax		**2.8**		2.0	
Income tax impact		**(0.7)**		(0.5)	Provision for income taxes
Total	**$**	**2.1**	$	1.5	

	Amount Reclassified from AOCI for the Quarter Ended June 30, 2024		Amount Reclassified from AOCI for the Quarter Ended July 2, 2023		Statement of Income (Loss) Presentation
(Gain) loss on cash flow hedges:					
Gain recognized in income on derivatives	**$**	**(0.4)**	$	(1.8)	See Note 13
Income tax impact		**0.1**		0.4	Provision for income taxes
Total	**$**	**(0.3)**	$	(1.4)	
Amortization of defined benefit pension and postretirement plan items:					
Amortization of prior service cost	**$**	**(0.1)**	$	(0.4)	Costs and expenses
Amortization of net actuarial loss		**2.9**		1.8	Costs and expenses
Total before tax		**2.8**		1.4	
Income tax impact		**(0.7)**		(0.5)	Provision for income taxes
Total	**$**	**2.1**	$	0.9	

	Amount Reclassified from AOCI for the Six Months Ended June 30, 2024	Amount Reclassified from AOCI for the Six Months Ended July 2, 2023	Statement of Income (Loss) Presentation

(Gain) loss on cash flow hedges:			
Gain recognized in income on derivatives	**$ (9.7)**	$ (11.6)	See Note 13
Income tax impact	**2.5**	2.9	Provision for income taxes
Total	**$ (7.2)**	$ (8.7)	
Amortization of defined benefit pension and postretirement plan items:			
Amortization of prior service cost	**$ (0.2)**	$ (0.9)	Costs and expenses
Amortization of net actuarial loss	**5.8**	4.3	Costs and expenses
Total before tax	**5.6**	3.4	
Income tax impact	**(1.4)**	(1.0)	Provision for income taxes
Total	**$ 4.2**	$ 2.4	

Note 13. Derivative Instruments and Hedging Activities

The Company's primary exposure to market risk relates to changes in foreign currency exchange rates and interest rates. The Company's primary foreign currency risk management objective is to protect the U.S. dollar value of future cash flows and minimize the volatility of reported earnings. The Company does not use foreign currency forward contracts for speculative or trading purposes.

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The Company mitigates exposure to foreign currency exchange rates and interest rates primarily through the following:

Mitigation Approach	Quantitative Information on Approach
The Company utilizes foreign currency forward contracts to reduce the volatility of cash flows primarily related to forecasted revenue and expenses denominated in Canadian dollars for our Canadian companies, and in British pounds for our U.K. companies. These contracts are designated and qualify as cash flow hedges.	As of March 31, 2024 June 30, 2024, the Company had foreign currency forward contracts to buy Canadian dollars and to sell U.S. dollars totaling $131.3 million $98.5 million. These foreign currency forward contracts have maturities ranging from June September 2024 to February 2026. As of March 31, 2024 June 30, 2024, the Company had foreign currency forward contracts to buy British pounds and to sell U.S. dollars totaling $12.7 million $8.3 million. These foreign currency forward contracts have maturities ranging from June September 2024 to February 2025.
The Company utilizes foreign currency forward contracts to mitigate foreign exchange rate risk associated with foreign currency denominated monetary assets and liabilities, including intercompany receivables and payables. These foreign currency forward contracts are not designated as accounting hedges.	See Non-Designated Hedging Activities section below.
The Company has converted a U.S. dollar denominated, variable rate debt obligation of a European subsidiary into euro fixed rate obligation using a receive float, pay fixed cross currency swap to reduce the variability of interest rates. This cross currency swap is designated as cash flow hedge.	As of March 31, 2024 June 30, 2024, the Company has a cross currency swap outstanding with a notional amount of €156.0 million and $150.0 million that matures in October 2024.

All derivative instruments are recorded on the condensed consolidated balance sheets at fair value. The accounting for gains and losses resulting from changes in fair value depends on the use of the derivative instrument and whether it is designated and qualifies for hedge accounting.

Designated Hedging Activities

For a derivative instrument designated as an accounting hedge of an anticipated transaction (a cash flow hedge), the change in the fair value is recorded on the condensed consolidated balance sheets in AOCI to the extent the derivative instrument is effective in mitigating the exposure related to the anticipated transaction. The amount recorded within AOCI is reclassified into earnings in the same period during which the underlying hedged transaction affects earnings. The effect of derivative instruments designated as cash flow hedges in the condensed consolidated financial statements for the first second quarter and six months ended March 31, 2024 June 30, 2024 and April 2, 2023 July 2, 2023 was as follows (in millions):

	Second Quarter		Six Months	
	2024	**2023**	**2024**	**2023**
Net gain (loss) recognized in AOCI - Foreign Exchange Contracts (a)				
Net gain (loss) recognized in AOCI - Foreign Exchange Contracts (a)				
Net gain (loss) recognized in AOCI - Foreign Exchange Contracts (a)				
Net gain (loss) reclassified from AOCI into revenue - Foreign Exchange Contracts (a)				
Net gain (loss) reclassified from AOCI into revenue - Foreign Exchange Contracts (a)				

Net gain (loss) reclassified from AOCI into revenue - Foreign Exchange Contracts (a)
Net gain (loss) reclassified from AOCI into other income and expense, net - Foreign Exchange Contracts (b)
Net gain (loss) reclassified from AOCI into other income and expense, net - Foreign Exchange Contracts (b)
Net gain (loss) reclassified from AOCI into other income and expense, net - Foreign Exchange Contracts (b)
Net gain (loss) reclassified from AOCI into interest expense - Foreign Exchange Contracts
Net gain (loss) reclassified from AOCI into interest expense - Foreign Exchange Contracts
Net gain (loss) reclassified from AOCI into interest expense - Foreign Exchange Contracts
Net gain (loss) reclassified from AOCI into interest expense - Interest Rate Contracts
Net gain (loss) reclassified from AOCI into interest expense - Interest Rate Contracts
Net gain (loss) reclassified from AOCI into interest expense - Interest Rate Contracts

(a) Effective portion, pre-tax

(b) Amount reclassified to offset earnings impact of liability hedged by cross currency swap

Net deferred gains recorded in AOCI for the forward contracts that will mature in the next twelve months total $1.0 million $0.1 million, net of taxes. These gains are expected to be offset by anticipated losses in the value of the forecasted underlying hedged item. Amounts related to the cross currency swap expected to be reclassified from AOCI into income in the next twelve months total $3.5 million $1.9 million.

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Non-Designated Hedging Activities

For a derivative instrument that has not been designated as an accounting hedge, the change in the fair value is recognized immediately in earnings. As of March 31, 2024 June 30, 2024, the Company had foreign currency forward contracts not designated as accounting hedges primarily in the following types and pairs (in millions):

Contracts to Buy Contracts to Buy Contracts to Buy			Contracts to Sell				Contracts to Sell	
Currency	Currency	Amount	Currency	Amount	Currency	Amount	Currency	Amount
Canadian Dollars								
Canadian Dollars								
Danish Krone								
Danish Krone								
Danish Krone								
Great Britain Pounds								
Great Britain Pounds								
Great Britain Pounds								
Great Britain Pounds								
Great Britain Pounds								
Great Britain Pounds								
U.S. Dollars								
U.S. Dollars								
U.S. Dollars								
Norwegian Krone								
Swedish Krona								
Swedish Krona								
Swedish Krona								
Swedish Krona								

The preceding table includes non-designated hedges derived from terms contained in previously designated cash flow hedges. The gains and losses on these derivatives instruments which are not designated as accounting hedges are intended to, at a minimum, partially offset the transaction gains and losses recognized in earnings.

The effect of derivative instruments not designated as accounting hedges recognized in other income and expense for the first second quarter and six months ended March 31, 2024 June 30, 2024 was expense of $9.3 million. $2.8 million and $12.1 million, respectively. The effect of derivative instruments not designated as accounting hedges in other income and expense for the first second quarter and six months ended April 2, 2023 July 2, 2023 was income of $7.8 million. $2.0 million and $9.7 million, respectively. The income or expense was largely offset by losses or gains in the value of the underlying hedged item excluding the impact of forward points.

Fair Value of Derivative Financial Instruments

The fair values of the Company's derivative instruments are presented below. All fair values for these derivative instruments were measured using Level 2 inputs in the fair value hierarchy (in millions):

Asset/(Liability) Derivative Instruments	Asset/(Liability) Derivative Instruments	Balance sheet location	March 31, 2024	December 31, 2023	Asset/(Liability) Derivative Instruments	Balance sheet location	June 30, 2024	December 31, 2023
Derivatives designated as hedging instruments:								
Cash flow forward contracts								
Cash flow forward contracts								
Cash flow forward contracts								
Cash flow forward contracts								
Interest rate contracts								
Cash flow forward contracts								
Currency / interest rate contracts								
Cash flow cross currency swap								
Currency / interest rate contracts								
Cash flow cross currency swap								
Currency / interest rate contracts								
Cash flow cross currency swap								
Currency / interest rate contracts								
Total derivatives designated as hedging instruments								
Total derivatives designated as hedging instruments								
Total derivatives designated as hedging instruments								
Derivatives not designated as hedging instruments:								
Non-designated forward contracts								
Non-designated forward contracts								
Non-designated forward contracts								
Non-designated forward contracts								
Total derivatives not designated as hedging instruments								
Total derivative instruments, net								

Note 14. Commitments and Contingencies

Trade Compliance Matters

The Company has made voluntary disclosures to the U.S. Department of State and the U.S. Department of Commerce, including to the Bureau of Industry and Security ("BIS") with respect to Teledyne FLIR shipments of products from non-U.S. jurisdictions which were not licensed due to an incorrect de minimis calculation methodology under the Export Administration Regulations. The Company has also made voluntary disclosures to export authorities in jurisdictions outside the U.S. for certain potential violations of local export laws. At this time, based on available information, we are unable to reasonably estimate the time it may take to resolve these matters or the amount or range of potential loss, penalty or other government action, if any, that may be incurred in connection with these matters. However, an unfavorable outcome could result in substantial fines and penalties or loss or suspension of export privileges or of particular authorizations that could be material to

the Company's financial position, results of operations or cash flows in and following the period in which such outcome becomes estimable or known.

Environmental Remediation Obligations

At March 31, 2024 June 30, 2024, the Company's reserves for environmental remediation obligations totaled $5.5 million $6.8 million, of which $1.7 million $3.1 million is included in current accrued liabilities. At December 31, 2023, the Company's reserves for environmental remediation obligations totaled $5.4 million. The Company evaluates whether it may be able to recover a portion of future costs for environmental liabilities from its insurance carriers and from third parties. The timing of expenditures depends on a number of factors that vary by site, including the nature and extent of contamination, the number of potentially responsible parties, the timing of regulatory approvals, the complexity of the investigation and remediation, and the standards for remediation. The Company expects that it will pay the amounts recorded over many years and will complete remediation of all sites with which it has been identified in up to 30 years.

Legal Matters

A number of other lawsuits, claims and proceedings have been or may be asserted against the Company, including those pertaining to product liability, acquisitions, patent infringement, contracts, environmental, employment and employee benefits matters. While the outcome of such matters cannot be predicted with certainty, and some of these lawsuits, claims or proceedings may be determined adversely to the Company, management does not believe that the disposition of any such pending matters is likely to have a material adverse effect on the Company's financial statements.

Note 15. Subsequent Events

On February 13, 2024, the Company announced that it entered into an agreement to acquire Adimec Holding B.V. and its subsidiaries ("Adimec"). Adimec, founded in 1992 and headquartered in Eindhoven, Netherlands, develops customized high-performance industrial and scientific cameras. The closing of the transaction, which is subject to customary conditions and approvals, is anticipated to occur in the first half of 2024. Adimec will be part of the Digital Imaging segment.

On April 10, 2024, the Company acquired Valeport Holdings 2019 Limited and its affiliates ("Valeport"). Valeport, founded in 1969 and headquartered in Totnes, United Kingdom, designs and manufactures underwater sensors for environmental, energy, construction and defense applications. Valeport is part of the marine instrumentation product line within the Instrumentation segment.

Subsequent to the end of the first quarter of 2024, the Company made a $450 million debt maturity payment on the Senior Notes due April 2024.

On April 23, 2024, the Board of Directors of the Company authorized a stock repurchase program to repurchase up to $1.25 billion of Teledyne's common stock. This authorization superseded prior open stock repurchase programs authorized by the Board of Directors.

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

Overview

Teledyne provides enabling technologies for industrial growth markets that require advanced technology and high reliability. These markets include aerospace and defense, factory automation, air and water quality environmental monitoring, electronics design and development, oceanographic research, deepwater oil and gas exploration and production, medical imaging and pharmaceutical research. Our products include digital imaging sensors, cameras and systems within the visible, infrared and X-ray spectra, monitoring and control instrumentation for marine and environmental applications, harsh environment interconnects, electronic test and measurement equipment, aircraft information management systems, and defense electronics and satellite communication subsystems. We also supply engineered systems for defense, space, environmental and energy applications. We differentiate ourselves from many of our direct competitors by having a customer- and Company-sponsored applied research center that augments our product development expertise. We believe our technological capabilities, innovation and the ability to invest in the development of new and enhanced products are critical to obtaining and maintaining leadership in our markets and the industries in which we compete.

Strategy

Our strategy continues to emphasize growth in our four business segments: Digital Imaging, Instrumentation, Aerospace and Defense Electronics and Engineered Systems. The markets in which we sell our enabling technologies are characterized by high barriers to entry and include specialized products and services not likely to be commoditized. We intend to strengthen and expand our business with targeted acquisitions and through product development. We continue to focus on balanced and disciplined capital deployment among capital expenditures, acquisitions, product development and once again stock repurchases. We aggressively pursue operational excellence to continually improve our margins and earnings by emphasizing cost containment and evaluating cost reductions in all aspects of our business. At Teledyne, operational excellence includes the rapid integration of the businesses we acquire. Using complementary technology across our businesses and through targeted research and development, we seek to create new products to grow our company and expand our addressable markets. We continually evaluate our businesses to ensure that they are aligned with our strategy.

Consistent with our strategy, we completed two acquisitions each in 2024 and in 2023. The financial results of the completed acquisitions have been included since the respective date of each acquisition. Subsequent to the end of the first quarter of 2024, we completed one acquisition, which is part of the Instrumentation segment. See Note 2 and Note 15 for additional information about our recent acquisitions.

Trends Affecting Our Business and Other Matters

We had previously assumed no full year sales growth in industrial automation markets as well as electronic test and measurement markets. However, those markets weakened more than planned in the first quarter, and we now forecast full year sales for products in these markets to decline meaningfully in 2024. half of the year.

We have experienced supply chain challenges, including long lead times, as well as cost inflation for parts and components, logistics and labor due to availability constraints and high demand. These supply chain challenges have also delayed our ability to timely convert backlog to revenue. Although perhaps to a lesser extent compared to recent years, we expect cost inflation impacts and supply chain constraints to continue into during the remainder of 2024.

Sales recorded and costs incurred recorded by subsidiaries operating outside of the United States are translated into U.S. dollars using exchange rates effective during the respective period. As a result, we are exposed to movements in the exchange rates of various currencies against the U.S. dollar. See Note 13 for additional discussion around our derivative instruments and hedging activities used to mitigate these impacts.

To date, we have not been materially impacted by the conflict in Israel and its effect on neighboring regions. We do not have material assets in Israel. Our total net sales from to Israel in the first three six months of 2024 and the full year 2023 was approximately 1% of total net sales, respectively. It is too early to determine the full extent of the impact this conflict could have on our business and our operations, including the impact to our suppliers from these regions, and our assessment of the potential impacts is ongoing.

As part of a continuing effort to reduce costs and improve operating performance, we may take and have taken actions to consolidate and relocate certain facilities and reduce headcount across various businesses, reducing our exposure to weaker end markets. We continue to seek cost reductions in our businesses.

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Results of Operations

(in millions)	Second Quarter 2024	2023	2023	% Change	% Change	Six Months 2024	2023	2023	% Change
Net sales	**$1,374.1**	$	$ 1,424.7	(3.6)	(3.6) %	**$ 2,724.2**	$	$2,808.0	(3.0)
Costs and expenses									
Cost of sales	**781.5**	806.3	806.3	(3.1)	(3.1) %	**1,551.7**	1,597.0	1,597.0	(2.8)
Selling, general and administrative ("SG&A")	**296.5**	313.0	313.0	(5.3)	(5.3)%	**592.7**	613.4	613.4	(3
Acquired intangible asset amortization	**49.1**	49.3	49.3	(0.4)	(0.4)%	**98.5**	99.0	99.0	(0
Total costs and expenses	**1,127.1**	1,168.6	1,168.6	(3.6)	(3.6)%	**2,242.9**	2,309.4	2,309.4	(2

(in millions)
(in millions)
(in millions)
Net sales
Net sales
Net sales
Costs and expenses
Costs and expenses
Cost of sales
Cost of sales
Selling, general and administrative ("SG&A")
Selling, general and administrative ("SG&A")
Selling, general and administrative ("SG&A")
Acquired intangible asset amortization
Acquired intangible asset amortization
Acquired intangible asset amortization
Total costs and expenses
Total costs and expenses
Total costs and expenses

Operating income (loss)										
Operating income (loss)										
Operating income (loss)	**Operating income (loss)**	**247.0**	256.1	256.1	(3.6)	(3.6)%	**481.3**	498.6	498.6	(3
Interest and debt income (expense), net	Interest and debt income (expense), net	**(15.8)**	(22.3)	(22.3)	(29.1)	(29.1)%	**(28.5)**	(43.3)	(43.3)	(34
Interest and debt income (expense), net										
Interest and debt income (expense), net										
Non-service retirement benefit income (expense)										
Non-service retirement benefit income (expense)										
Gain (loss) on debt extinguishment		—	1.6		*		—	1.6		
Non-service retirement benefit income (expense)	Non-service retirement benefit income (expense)	**2.7**	2.9	2.9	(6.9)	(6.9)%	**5.4**	6.2	6.2	(12
Other income (expense), net	Other income (expense), net	**(2.2)**	(3.4)	(3.4)	(35.3)	(35.3)%	**(1.0)**	(4.5)	(4.5)	(77
Other income (expense), net										
Other income (expense), net										
Income before income taxes	**Income before income taxes**	**231.7**	234.9	234.9	(1.4)	(1.4)%	**457.2**	458.6	458.6	(0
Income before income taxes										
Income before income taxes										
Provision (benefit) for income taxes										
Provision (benefit) for income taxes										
Provision (benefit) for income taxes	Provision (benefit) for income taxes	**51.4**	49.4	49.4	4.0	4.0 %	**97.8**	94.3	94.3	3

Net income (loss) including noncontrolling interest
Net income (loss) including noncontrolling interest

Net income (loss) including noncontrolling interest	**180.3**	185.5	185.5	(2.8)	(2.8) %	**359.4**	364.3	364.3	(1.3)
Less: Net income (loss) attributable to noncontrolling interest	**0.1**	0.2	0.2	(50.0)	(50.0) %	**0.7**	0.3	0.3	133.3
Net income (loss) attributable to Teledyne	**$ 180.2**	$	$ 185.3	(2.8)	(2.8) %	**$ 358.7**	$	$ 364.0	(1.5)

Less: Net income (loss) attributable to noncontrolling interest
Less: Net income (loss) attributable to noncontrolling interest
Net income (loss) attributable to Teledyne
Net income (loss) attributable to Teledyne
Net income (loss) attributable to Teledyne

* not meaningful

First Quarter

First Quarter
First Quarter

	Second Quarter			**%**	**Six Months**			**%**
(dollars in millions)	**2024**	**2023**		**Change**	**2024**	**2023**		
Net sales (a):								
Digital Imaging	**$ 739.4**	$	$793.3	(6.8)	(6.8) %	**$1,480.2**	$	$1,565.8	(5.5)
Instrumentation	**333.5**	328.4	328.4	1.6	1.6 %	**663.9**	661.9	661.9	0
Aerospace and Defense Electronics								

(dollars in millions)
(dollars in millions)
(dollars in millions)
Net sales (a):
Net sales (a):
Digital Imaging
Digital Imaging
Instrumentation
Instrumentation
Instrumentation

Aerospace and Defense Electronics

Aerospace and Defense Electronics	Aerospace and Defense Electronics	**194.4**	186.0	186.0	4.5	4.5 %	**380.1**	359.2	359.2	5
Engineered Systems	Engineered Systems	**106.8**	117.0	117.0	(8.7)	(8.7)%	**200.0**	221.1	221.1	(9

Engineered Systems
Engineered Systems

Total net sales	**Total net sales**	**$1,374.1**	$	$1,424.7	(3.6)	(3.6) %	**$2,724.2**	$	$2,808.0	(3.0)

Total net sales
Total net sales

Operating income (loss):

Operating income (loss):
Operating income (loss):

Digital Imaging
Digital Imaging

Digital Imaging		**$ 113.5**	$	$124.6	(8.9)	(8.9) %	**$ 227.3**	$	$ 246.8	(7.9)
Instrumentation	Instrumentation	**87.2**	81.4	81.4	7.1	7.1 %	**173.2**	162.1	162.1	6

Instrumentation
Instrumentation
Aerospace and Defense Electronics
Aerospace and Defense Electronics

Aerospace and Defense Electronics	Aerospace and Defense Electronics	**57.1**	53.2	53.2	7.3	7.3 %	**109.0**	100.2	100.2	8
Engineered Systems	Engineered Systems	**7.5**	11.5	11.5	(34.8)	(34.8)%	**10.2**	21.5	21.5	(52

Engineered Systems
Engineered Systems
Corporate expense
Corporate expense

Corporate expense	Corporate expense	**(18.3)**	(14.6)	(14.6)	25.3	25.3 %	**(38.4)**	(32.0)	(32.0)	20
Total operating income (loss)	**Total operating income (loss)**	**$ 247.0**	$	$ 256.1	(3.6)	(3.6) %	**$ 481.3**	$	$ 498.6	(3.5)

Total operating income (loss)
Total operating income (loss)

(a) Net sales exclude inter-segment sales of $4.8 million and $6.2 million for the first quarter and first three months of 2024 and 2023, respectively,

(a) Net sales exclude inter-segment sales of $4.8 million and $6.2 million for the first quarter and first three months of 2024 and 2023, respectively,

(a) Net sales exclude inter-segment sales of $4.8 million and $6.2 million for the first quarter and first three months of 2024 and 2023, respectively,

(a) Net sales exclude inter-segment sales of $8.5 million and $13.3 million for the second quarter and six months of 2024, respectively, and $8.1 million and $14.3 million for the second quarter and six months of 2023, respectively,

First Second Quarter Results

The following is a discussion of our 2024 first second quarter results compared with the first second quarter results of 2023. Comparisons are with the corresponding reporting period of 2023, unless noted otherwise.

First Second quarter of 2024 compared with the first second quarter of 2023

Our first second quarter of 2024 net sales decreased 2.4% 3.6%. Net income attributable to Teledyne for the first second quarter of 2024 decreased 0.1% 2.8%. Net income per diluted share was $3.72 $3.77 for the first second quarter of 2024, compared with net income per diluted share of $3.73. $3.87.

Net Sales

The first second quarter of 2024 net sales, compared with the first second quarter of 2023, reflected lower net sales in each segment other than the Digital Imaging and Engineered Systems segments, partially offset by higher net sales in the Aerospace and Defense Electronics segment. and Instrumentation segments. The second quarter of 2024 also included $11.7 million in incremental sales from recent acquisitions.

Cost of Sales

Cost of sales decreased $20.5 million $24.8 million in the first second quarter of 2024 primarily driven by lower net sales. Cost of sales as a percentage of net sales decreased slightly increased for the first second quarter of 2024 to 57.0% 56.9% from 57.2% 56.6%.

Selling, General and Administrative Expense

SG&A expense, including research and development expense, decreased $4.2 million $16.5 million in the first second quarter of 2024. 2024 due to lower sales as well as lower research and development expense, with the lower research and development expense primarily related to continued FLIR integration-related cost-reduction efforts implemented in the second half of 2023. SG&A expense as a percentage of net sales was 21.9% decreased to 21.5% for the first second quarter of 2024, compared with 21.8%. 22.0%, primarily due to lower research and development expense. Corporate expense, which is included in SG&A expense, was $20.1 million $18.3 million for the first second quarter of 2024, compared with $17.4 million $14.6 million, with the increase primarily related to higher compensation expense including higher stock-based compensation expense. and increased legal contingencies for a legacy environmental reserve. Stock-based compensation expense was $12.0 million $9.3 million for the first second quarter of 2024 compared with $7.9 million $8.4 million. The first quarter of 2024 also included $2.2 million of FLIR-related integration costs, including employee separation costs, facility consolidation costs and facility lease impairments with no comparable amount in the previous year.

Acquired Intangible Asset Amortization

Acquired intangible asset amortization for the first second quarter of 2024 was $49.4 million $49.1 million compared with $49.7 million $49.3 million.

Pension Service Expense

Pension service expense is included in both cost of sales and SG&A expense. For the first second quarter of 2024 and 2023, pension service expense was $1.5 million. For 2024, the weighted-average discount rate used to determine the benefit obligation for the domestic qualified pension plans is 6.86% compared with 5.71% in 2023.

Operating Income

Operating income for the first second quarter of 2024 decreased 3.4% 3.6%. The first second quarter of 2024, compared with the first second quarter of 2023, reflected lower operating income in the Digital Imaging and Engineered Systems segment, segments, partially offset by higher operating income in the Aerospace and Defense Electronics and Instrumentation segments.

Non-operating Income and Expense

Interest and debt expense, net of interest income, was $12.7 million $15.8 million for the first second quarter of 2024, compared with $21.0 million $22.3 million, with the decrease related to reduced outstanding borrowings with lower weighted average interest rates compared to the second quarter of 2023. Non-service retirement benefit income was $2.7 million for the second quarter of 2024 compared with $2.9 million. Other income and expense, net was expense of $2.2 million for the second quarter of 2024 compared with expense of $3.4 million for the second quarter of 2023.

Income Tax

The second quarter income tax provision considers income, permanent items, tax credits, and various statutory tax rates.

	Second Quarter	
(Dollars in millions)	2024	2023
Provision (benefit) for income taxes (a)	$ **51.4**	$ 49.4

Income (loss) before income taxes	**$**	**231.7**	$	234.9
Effective tax rate		**22.2%**		21.0%

(a) The second quarter of 2024 includes net discrete income tax benefits of $0.7 million and the second quarter of 2023 includes net discrete income tax benefits of $1.4 million.

First six months of 2024 compared with the first six months of 2023

The first six months of 2024 net sales decreased 3.0%. Net income for the first six months of 2024 decreased 1.5%. Net income per diluted share was $7.49 for the first six months of 2024, compared with net income per diluted share of $7.60.

Net Sales

The first six months of 2024 net sales, compared with the first six months of 2023 net sales, reflected lower net sales in the Digital Imaging and Engineered Systems segments, partially offset by higher net sales in the Aerospace and Defense Electronics and Instrumentation segments. The first six months of 2024 also included $14.2 million in incremental sales from recent acquisitions.

Cost of Sales

Cost of sales decreased $45.3 million in the first six months of 2024 and reflected the impact of lower sales. Cost of sales as a percentage of net sales increased slightly for the first six months of 2024 to 57.0% from 56.9%.

Selling, General and Administrative Expense

SG&A expense, including research and development expense, decreased $20.7 million in the first six months of 2024 due to lower sales as well as lower research and development expense, with the lower research and development expense primarily related to FLIR integration-related cost-reduction efforts implemented in the second half of 2023. SG&A expense as a percentage of net sales for the first six months of 2024 and 2023 was 21.8%. Corporate expense, which is included in SG&A expense, was $38.4 million for the first six months of 2024, compared with $32.0 million, with the increase primarily related to higher compensation expense, including higher stock-based compensation expense. Stock-based compensation expense was $21.3 million for the first six months of 2024 compared with $16.3 million. The first six months of 2024 also included $3.2 million of FLIR-related integration costs, including employee separation costs, facility consolidation costs and facility lease impairments.

Acquired Intangible Asset Amortization

Acquired intangible asset amortization for the first six months of 2024 was $98.5 million compared with $99.0 million.

Pension Service Expense

Pension service expense is included in both cost of sales and SG&A expense. For the first six months of 2024, pension service expense was $3.0 million compared with $3.0 million. For 2024, the weighted-average discount rate used to determine the benefit obligation for the domestic qualified pension plans is 6.86% compared with 5.71% in 2023.

Operating Income

Operating income for the first six months of 2024 decreased 3.5%. The first six months of 2024, compared with the first six months of 2023, reflected lower operating income in the Digital Imaging and Engineered Systems segments, partially offset by higher operating income in the Aerospace and Defense Electronics and Instrumentation segments.

Non-operating Income and Expense

Interest and debt expense, net of interest income, was $28.5 million for the first six months of 2024, compared with $43.3 million, with the decrease related to reduced outstanding borrowings with lower weighted average interest rates compared to the first six months quarter of 2023. Non-service retirement benefit income was $2.7 million $5.4 million for the first quarter six months of 2024 compared with $3.3 million. $6.2 million for the first six months of 2023. Other income and expense, net was income expense of $1.2 million $1.0 million for the first quarter six months of 2024 compared with expense $4.5 million of $1.1 million other expense for the first quarter six months of 2023, with the difference primarily related foreign exchange gains in the first quarter of 2024 compared with to lower foreign exchange losses in the first quarter six months of 2024 compared with the first six months of 2023.

Income Tax

The first quarter six months income tax provision considers income, permanent items, tax credits, and various statutory tax rates. In both years, the first quarter six months discrete impact is primarily tax on stock-based compensation.

First Quarter

Six Months

Six Months

Six Months

(Dollars in millions)	(Dollars in millions)		**2024**		2023	(Dollars in millions)		**2024**		2023
Provision (benefit) for income taxes (a)	Provision (benefit) for income taxes (a)	**$**	**46.4**	$	44.9	Provision (benefit) for income taxes (a)	**$**	**97.8**	$	94.3
Discrete event expense (benefit):										
Discrete event expense (benefit):										
Income (loss) before income taxes										
Discrete event expense (benefit):		**$**	**(4.4)**	$	(6.5)					

Provision (benefit) for income taxes without discrete event expense (benefit)				
Provision (benefit) for income taxes without discrete event expense (benefit)				
Provision (benefit) for income taxes without discrete event expense (benefit)	**$ 50.8**	$ 51.4		
Income (loss) before income taxes				
Income (loss) before income taxes				
Income (loss) before income taxes	**$ 225.5**	$223.7	**$457.2**	$458.6
Effective tax rate				
Effective tax rate				
Effective tax rate	**20.6%**	20.1%	**21.4%**	20.6%
Effective tax rate without discrete events	**22.5%**	23.0%		

(a) The first six months of 2024 includes net discrete income tax benefits of $5.1 million and the first six months of 2023 includes net discrete income tax benefits of $8.0 million, respectively.

(a) The first six months of 2024 includes net discrete income tax benefits of $5.1 million and the first six months of 2023 includes net discrete income tax benefits of $8.0 million, respectively.

(a) The first six months of 2024 includes net discrete income tax benefits of $5.1 million and the first six months of 2023 includes net discrete income tax benefits of $8.0 million, respectively.

Segment Results

Segment results include net sales and operating income by segment but exclude corporate office expenses. Corporate expense primarily includes various administrative expenses relating to our corporate office not allocated to our segments. See Note 3 to these condensed consolidated financial statements for additional segment information.

2024

Digital Imaging

	First Quarter
	First Quarter
	First Quarter
	Second Quarter
	Second Quarter
	Second Quarter
(dollars in millions)	
(dollars in millions)	
(dollars in millions)	
Net sales	
Net sales	
Net sales	
Cost of sales	
Cost of sales	
Cost of sales	
SG&A expense	
SG&A expense	
SG&A expense	
Acquired intangible asset amortization	
Acquired intangible asset amortization	
Acquired intangible asset amortization	
Operating income	
Operating income	
Operating income	
As a percentage of net sales:	
As a percentage of net sales:	
As a percentage of net sales:	

Cost of sales
Cost of sales
Cost of sales
SG&A expense
SG&A expense
SG&A expense
Acquired intangible asset amortization
Acquired intangible asset amortization
Acquired intangible asset amortization
Operating income
Operating income
Operating income

First Second quarter of 2024 compared with the first second quarter of 2023

Net sales decreased primarily due to lower sales of industrial automation imaging cameras due to end market weakness as well as lower sales of micro-electro-mechanical systems, (“MEMS”), X-ray products and commercial infrared imaging systems, partially offset by higher sales of infrared detectors and subsystems as well as unmanned surveillance systems. Sales of industrial automation imaging systems decreased $46.9 million, sales of X-ray products decreased $13.7 million, sales of commercial infrared imaging systems decreased $13.5 million, sales of surveillance systems increased $10.9 million and sales of infrared detectors increased $9.0 million.

Cost of sales decreased primarily due to decreased net sales partially offset by product mix. As a result of less favorable unfavorable product mix, including lower industrial automation imaging systems net sales, the cost of sales percentage increased during the period. SG&A expense decreased due to lower net sales as well $22.3 million in lower research and development costs. SG&A expense as a percentage of net sales decreased primarily due to lower research and development cost. Research and development costs partially offset by higher severance and facility consolidation cost. decreased primarily due to FLIR integration-related cost-reduction efforts implemented in the second half of 2023.

Operating income decreased primarily due to lower net sales and unfavorable product mix during the period partially offset by lower research and development costs, and operating income as a percentage of net sales decreased slightly during the period primarily due to unfavorable product mix partially offset by lower research and development costs.

First six months of 2024 compared with the first six months of 2023

Net sales decreased primarily due to lower sales of industrial automation imaging systems, commercial infrared imaging systems and X-ray products, partially offset by higher sales of infrared detectors and surveillance systems. Sales of industrial automation imaging systems decreased $91.4 million, sales of commercial infrared imaging systems decreased $15.8 million, sales of X-ray products decreased $13.4 million, sales of infrared detectors increased $13.8 million and sales of surveillance systems increased $11.5 million.

Cost of sales decreased primarily due to decreased net sales partially offset by product mix. As a result of unfavorable product mix, including lower industrial automation imaging systems net sales, the cost of sales percentage increased during the period. SG&A expense decreased primarily due to lower net sales and $41.3 million in lower research and development costs. SG&A expense as a percentage of net sales decreased primarily due primarily due to lower research and development costs. Research and development costs decreased primarily due to FLIR integration-related cost-reduction efforts implemented in the second half of 2023.

Operating income decreased primarily due to lower net sales and unfavorable product mix during the period partially offset by lower research and development costs. Operating income as a percentage of net sales decreased during the period primarily due to unfavorable product mix partially offset by lower research and development costs.

Instrumentation

	First Quarter
	First Quarter
	First Quarter
	Second Quarter
	Second Quarter
	Second Quarter
(dollars in millions)	
(dollars in millions)	
(dollars in millions)	
Net sales	
Net sales	
Net sales	
Cost of sales	
Cost of sales	

Cost of sales
SG&A expense
SG&A expense
SG&A expense
Acquired intangible asset amortization
Acquired intangible asset amortization
Acquired intangible asset amortization
Operating income
Operating income
Operating income
As a percentage of net sales:
As a percentage of net sales:
As a percentage of net sales:
Cost of sales
Cost of sales
Cost of sales
SG&A expense
SG&A expense
SG&A expense
Acquired intangible asset amortization
Acquired intangible asset amortization
Acquired intangible asset amortization
Operating income
Operating income
Operating income

First Second quarter of 2024 compared with the first second quarter of 2023

Net sales decreased increased due to higher sales in our Marine Instrumentation product line, partially offset by lower sales at our test Test and measurement instrumentation Measurement Instrumentation and environmental instrumentation Environmental Instrumentation product lines, partially offset by increased sales in our marine instrumentation product line. lines. Sales of marine instrumentation Marine Instrumentation increased $19.6 million $20.4 million due to the ongoing recovery in offshore energy markets. markets as well as stronger defense market sales. Sales of test Test and measurement instrumentation Measurement Instrumentation and environmental instrumentation Environmental Instrumentation decreased $15.9 million $13.5 million and $6.8 million $1.8 million, respectively, with the decrease in Test and Measurement Instrumentation primarily due to end market weakness.

Cost of sales decreased primarily due to lower net sales. favorable product mix. The cost of sales percentage decreased due to favorable product mix, including increased improved margins in our marine instrumentation Marine Instrumentation product line. SG&A expense increased slightly due to higher research and development expense in the period, and SG&A expense as a percentage of net sales also increased slightly.

Operating income increased primarily due to stronger marine instrumentation higher Marine Instrumentation sales and improved margins, and operating income as a percentage of net sales increased due to improved product margins at marine instrumentation. Marine Instrumentation.

Aerospace and Defense Electronics

	First Quarter				Change	
(dollars in millions)	2024		2023		$	%
Net sales	$	**185.7**	$	173.2	$ 12.5	7.2 %
Cost of sales	$	**107.9**	$	103.7	$ 4.2	4.1 %
SG&A expense	$	**25.7**	$	22.3	$ 3.4	15.2 %
Acquired intangible asset amortization	$	**0.2**	$	0.2	$ —	— %
Operating income	$	**51.9**	$	47.0	$ 4.9	10.4 %
As a percentage of net sales:						
Cost of sales		**58.1 %**		59.9 %		
SG&A expense		**13.8 %**		12.9 %		

Acquired intangible asset amortization	**0.1 %**	0.1 %
Operating income	**28.0 %**	27.1 %

First quarter For six months of 2024 compared with the first quarter six months of 2023

Net sales increased due to a $10.1 million increase higher sales in aerospace electronics our Marine Instrumentation product line, partially offset by lower sales at our Test and a $2.4 million increase Measurement Instrumentation and Environmental Instrumentation product lines. Sales of Marine Instrumentation increased $40.0 million due to the ongoing recovery in offshore energy markets as well as stronger defense electronics. market sales. Sales of Test and Measurement Instrumentation decreased $29.4 million, and sales of Environmental Instrumentation decreased $8.6 million, respectively, primarily due to end market weakness.

Cost of sales increased decreased primarily due to higher net sales, favorable product mix, and the cost of sales percentage decreased due to favorable product mix, including higher sales at aerospace electronics. increased margins in our Marine Instrumentation product line. SG&A expense increased primarily due to higher net sales.

Operating income increased primarily due to higher net sales and favorable product mix, including improved margins in our Marine Instrumentation product line. Operating income as a percentage of net sales increased primarily due to increased net sales and favorable product mix.

Aerospace and Defense Electronics

(dollars in millions)	Second Quarter 2024	Second Quarter 2023	Change $	Change %	Six Months 2024	Six Months 2023	Change $	Change %
Net sales	**$ 194.4**	$ 186.0	$ 8.4	4.5 %	**$ 380.1**	$ 359.2	$ 20.9	5.8 %
Cost of sales	**$ 107.5**	$ 107.3	$ 0.2	0.2 %	**$ 215.4**	$ 211.0	$ 4.4	2.1 %
SG&A expense	**$ 29.6**	$ 25.3	$ 4.3	17.0 %	**$ 55.3**	$ 47.6	$ 7.7	16.2 %
Acquired intangible asset amortization	**$ 0.2**	$ 0.2	$ —	— %	**$ 0.4**	$ 0.4	$ —	— %
Operating income	**$ 57.1**	$ 53.2	$ 3.9	7.3 %	**$ 109.0**	$ 100.2	$ 8.8	8.8 %
As a percentage of net sales:								
Cost of sales	**55.3 %**	57.7 %			**56.7 %**	58.7 %		
SG&A expense	**15.2 %**	13.6 %			**14.5 %**	13.3 %		
Acquired intangible asset amortization	**0.1 %**	0.1 %			**0.1 %**	0.1 %		
Operating income	**29.4 %**	28.6 %			**28.7 %**	27.9 %		

Second quarter of 2024 compared with the second quarter of 2023

Net sales increased due to a $4.4 million increase in defense electronics and a $4.0 million increase in aerospace electronics.

Cost of sales increased slightly due to higher net sales partially offset by favorable product mix, and the cost of sales percentage decreased due to favorable product mix. SG&A expense increased primarily due to higher net sales as well as a $2.4 million increase in research and development costs.

Operating income and operating income as a percent of net sales increased primarily due to increased net sales and favorable product mix during the period.

First six months of 2024 compared with the first six months of 2023

Net sales increased due to a $14.1 million increase for aerospace electronics and a $6.8 million increase for defense electronics.

Cost of sales increased primarily due to higher net sales partially offset by favorable product mix and improved margins, and the cost of sales percentage decreased as a result. SG&A expense as well as the SG&A expense percentage increased primarily due to a $3.2 million increase in research and development costs.

Operating income and operating income as a percent of net sales increased primarily due to increased net sales during the period, favorable product mix and improved product margins.

Engineered Systems

	First Quarter
	First Quarter
	First Quarter
	Second Quarter
	Second Quarter
	Second Quarter
(dollars in millions)	
(dollars in millions)	
(dollars in millions)	

Net sales
Net sales
Net sales
Cost of sales
Cost of sales
Cost of sales
SG&A expense
SG&A expense
SG&A expense
Operating income
Operating income
Operating income
As percentage of net sales:
As percentage of net sales:
As percentage of net sales:
Cost of sales
Cost of sales
Cost of sales
SG&A expense
SG&A expense
SG&A expense
Operating income
Operating income
Operating income

First Second quarter of 2024 compared with the first second quarter of 2023

Net sales decreased due to lower sales of $10.1 million $8.9 million for engineered products and lower sales of $0.8 million $1.3 million for energy systems.

Cost of sales decreased primarily due to lower net sales as well as certain unfavorable changes in contract estimates. program mix. The cost of sales percentage increased during the period due primarily to product mix and unfavorable changes in contract estimates. program mix. SG&A expense increased slightly, due to higher selling expense, and SG&A expense as a percentage of net sales increased.

Operating income and operating income as a percentage of net sales decreased primarily due to unfavorable program mix mix.

First six months of 2024 compared with the first six months of 2023

Net sales decreased primarily due to lower sales of $19.0 million for engineered products and unfavorable estimate changes related lower sales of $2.1 million for energy systems.

Cost of sales decreased primarily due to electronic manufacturing services contracts. lower net sales. The cost of sales percentage increased slightly. SG&A expense increased primarily due to higher net sales. SG&A expense as a percentage of net sales increased.

Operating income decreased primarily due to lower net sales. Operating income as a percentage of net sales decreased slightly.

Financial Condition, Liquidity and Capital Resources

Our principal cash and capital requirements are to fund working capital needs, capital expenditures, income tax payments, and debt service requirements, as well as acquisitions. We may deploy cash for the stock repurchase program. It is anticipated that cash on hand, operating cash flow, together with available borrowings under our $1.15 billion $1.20 billion credit facility, will be sufficient to meet these requirements. To support acquisitions, we may need to raise additional capital. No cash pension contributions

have been made since 2013 or are planned for the remainder of 2024 for the domestic qualified pension plans.

Cash and Cash Equivalents

Cash and cash equivalents totaled $912.4 million $443.2 million at March 31, 2024 June 30, 2024 compared with $648.3 million at December 31, 2023. Cash equivalents consist of highly liquid money-market mutual funds with maturities of three months or less when purchased.

Long-term Debt

Total debt at March 31, 2024 June 30, 2024 was $3,246.3 million $2,797.4 million compared with $3,244.9 million at December 31, 2023. Subsequent to the end of In the first quarter half of 2024, the Company we made a $450 million debt maturity payment on the Senior notes due April 2024.

At March 31, 2024 June 30, 2024, $1,128.2 million $1,177.7 million was available under the $1.15 billion $1.20 billion credit facility, after reductions of $21.8 million $22.3 million in outstanding letters of credit.

Our bank credit agreements, which includes our $1.15 billion $1.20 billion credit facility expiring March 2026 June 2029 and our $150.0 million term loan due October 2024, require us to comply with various financial and operating covenants. At March 31, 2024 June 30, 2024, we were in compliance with these covenants.

Our liquidity is not dependent upon the use of off-balance sheet financial arrangements. We have no off-balance sheet financing arrangements that incorporate the use of special purpose entities or unconsolidated entities.

We may, at any time and from time to time, seek to retire or purchase our outstanding debt through cash purchases, in open-market purchases, privately negotiated transactions or otherwise. Such repurchases, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

Stock Repurchases

In April 2024, our Board of Directors approved a stock repurchase program authorizing the Company to repurchase up to $1.25 billion of Teledyne's our common stock. This authorization superseded prior open stock repurchase programs authorized by the Board of Directors. The newly authorized stock repurchase program does not have a stated expiration date. Shares may be repurchased from time to time in open market transactions at prevailing market prices, in privately negotiated transactions or via an accelerated stock repurchase program. Shares could be repurchased in a plan pursuant to Rule 10b5-1 of the Securities Exchange Act of 1934. The repurchase program is expected to remain open continuously, and the number of shares purchased will depend on a variety of factors, such as share price, levels of cash available, acquisitions and alternative investment opportunities available immediately or longer-term, and other regulatory, market or economic conditions. The Company We currently intends intend to fund future share repurchases with cash on hand and available borrowings under the Company's our credit facility. No repurchases under any authorizations were made in

During the first second quarter of 2024. 2024, we repurchased approximately 0.5 million shares for $193.8 million with a weighted-average price of $391.92 per share. Subsequent to the end of the second quarter of 2024, we repurchased approximately 0.2 million shares for $84.5 million with a weighted-average price of $394.43 per share.

Cash Flows:

Net cash provided by operating activities was $291.0 million $609.7 million for the first three six months of 2024 compared with $203.0 million $393.5 million, driven primarily by stronger working capital conversion in the first three six months of 2024. 2024, including stronger account receivable collection and higher contract liabilities from customer advances.

Net cash used in investing activities was $15.9 million $157.1 million for the first three six months of 2024 compared with $76.9 million $104.5 million. During the first three six months of 2024, we spent $0.0 million $123.6 million on acquisitions as compared with $52.5 million $53.5 million. Capital expenditures for the first three six months of 2024 and 2023 were $15.9 million $33.6 million and $24.4 million $51.7 million, respectively. We currently plan to invest approximately $100 million for capital expenditures in 2024.

Net cash provided by used in financing activities was $6.1 million $637.9 million for the first three six months of 2024 compared with net cash used in financing activities of $103.4 million $567.8 million, with the first three six months of 2024 including a $450 million debt maturity payment on the Senior Notes due April 2024, and share repurchases of $193.8 million. During the first six months of 2023, we repaid $570.0 million of debt, including paying $300.0 million of debt that matured in April 2023 and making $260.0 million of floating rate debt payments which reduced our term loan due June 2029 by $135.0 million and reduced our outstanding credit facility

balance by $125.0 million. In addition, during the second quarter of 2023, we repurchased and retired $10.0 million of our Fixed Rate Senior Notes due April 2031, and we recorded a $100.0 million payment $1.6 million non-cash gain on our credit facility. the extinguishment of this debt.

Critical Accounting Policies and Estimates

Our critical accounting policies and estimates are those that are reflective of significant judgments and uncertainties and may potentially result in materially different results under different assumptions and conditions. Our critical accounting policies are the following: accounting for revenue recognition; accounting for business combinations, goodwill, and acquired intangible assets; and accounting for income taxes.

For additional discussion of the application of the critical accounting policies and other accounting policies, see Note 1 to these the condensed consolidated Financial Statements and also Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies and Note 2 of the Notes to Consolidated Financial Statements included in Teledyne's 2023 Form 10-K.

Safe Harbor Cautionary Statement Regarding Forward-Looking Information

From time to time we make, and this report contains, forward looking statements, as defined in the Private Securities Litigation Reform Act of 1995, directly or indirectly relating to sales, sales growth, earnings, operating margin, growth opportunities, acquisitions, product sales, capital expenditures, stock repurchases, pension matters, stock-based compensation expense, the credit facility, interest expense, severance, relocation and facility consolidation costs, environmental remediation costs, taxes, exchange rate fluctuations and strategic plans. Forward-looking statements are generally accompanied by words such as “estimate”, “project”, “predict”, “believe” or “expect”, that convey the uncertainty of future events or outcomes. All statements made in this Management's Discussion and Analysis of Financial Condition and Results of Operations and in other sections of this Form 10-Q that are not historical in nature should be considered forward-looking.

Actual results could differ materially from these forward-looking statements. Many factors could change anticipated results, including: changes in relevant tax and other laws; foreign currency exchange risks; rising interest rates; risks associated with indebtedness, as well as our ability to reduce indebtedness and the timing thereof; the impact of semiconductor and other supply chain shortages; higher inflation, including wage competition and higher shipping costs; labor shortages and competition for skilled personnel; the inability to develop and market new competitive products; inherent uncertainties involved in the estimates and judgments used in the preparation of financial statements and the providing of estimates of financial measures, in accordance with U.S. GAAP and related standards; disruptions in the global economy; the ongoing conflict in Israel and neighboring regions, including related protests and the disruption to global shipping routes; the ongoing conflict between Russia and Ukraine, including the impact to energy prices and availability, especially in Europe; customer and supplier bankruptcies; changes in demand for products sold to the defense electronics, instrumentation, digital imaging, energy exploration and production, commercial aviation, semiconductor and communications markets; funding, continuation and award of government programs; cuts to defense spending resulting from existing and future deficit reduction measures or changes to U.S. and foreign government spending and budget priorities triggered by inflation, rising interest costs, and economic conditions; impacts from the United Kingdom's exit from the European Union; uncertainties related to the 2024 U.S. Presidential election; the imposition and expansion of, and responses to, trade sanctions and tariffs; the continuing review and resolution of FLIR's trade compliance and tax matters; escalating economic and diplomatic tension between China and the United States; threats to the security of our confidential and proprietary information, including cybersecurity threats; risks related to artificial intelligence; natural and man-made disasters, including those related to or intensified by climate change; and our ability to achieve emission reduction targets and decrease our carbon footprint. Lower oil and natural gas prices, as well as instability in the Middle East or other oil producing regions, and new regulations or restrictions relating to energy production, including those implemented in response to climate change, could further negatively affect our businesses that supply the oil and gas industry. Weakness in the commercial aerospace industry negatively affects the markets of our commercial aviation businesses. Ongoing issues with Boeing's 737 MAX product line could result in manufacturing delays and lower sales of our products to Boeing. In addition, financial market fluctuations affect the value of the company's pension assets. Changes in the policies of U.S. and foreign governments, including economic sanctions, could result, over time, in reductions or realignment in defense or other government spending and further changes in programs in which the company participates.

While our growth strategy includes possible acquisitions, we cannot provide any assurance as to when, if or on what terms any acquisitions will be made. Acquisitions involve various inherent risks, such as, among others, our ability to integrate acquired businesses, retain key management and customers and achieve identified financial and operating synergies. There are additional risks associated with acquiring, owning and operating businesses internationally, including those arising from U.S. and foreign government policy changes or actions and exchange rate fluctuations.

We continue to take action to assure compliance with the internal controls, disclosure controls and other requirements of the Sarbanes-Oxley Act of 2002. While we believe our control systems are effective, there are inherent limitations in all control systems, and misstatements due to error or fraud may occur and may not be detected.

Readers are urged to read our periodic reports filed with the Securities and Exchange Commission for a more complete description of our company, its businesses, its strategies and the various risks that we face. Various risks are identified in our 2023 Form 10-K and subsequent Quarterly Reports on Form 10-Q.

All forward-looking statements speak only as of the date they are made and are based on information available at that time. We assume no obligation to update forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements were made or to reflect the occurrence of unanticipated events except as required by federal securities laws. As forward-looking statements involve significant risks and uncertainties, caution should be exercised against placing undue reliance on such statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There were no material changes to the information provided under "Item 7A, Quantitative and Qualitative Disclosure About Market Risk" included in our 2023 Form 10-K.

Item 4. Controls and Procedures

Our disclosure controls and procedures are designed to ensure that information required to be disclosed in reports that we file or submit under the Securities Exchange Act of 1934, are recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission and to provide reasonable assurance that information required to be disclosed by us in such reports is accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. Our Chief Executive Officer and our Senior Vice President and Chief Financial Officer, with the participation and assistance of other members of management, have reviewed the effectiveness of our disclosure controls and

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procedures and have concluded that the disclosure controls and procedures, as of March 31, 2024 June 30, 2024, are effective at the reasonable assurance level.

In connection with our evaluation during the quarterly period ended March 31, 2024 June 30, 2024, we have made no changes in our internal controls over financial reporting that have materially affected or are reasonably likely to materially affect our internal controls over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

See Item 1 of Part 1, “Financial Statements -- Note 14 -- Commitments and Contingencies.”

Item 1A. Risk Factors

There are no material changes to the risk factors previously disclosed in our 2023 Form 10-K in response to Item 1A to Part 1 of Form 10-K. See also Part I Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations for additional information regarding supply chain and foreign currency exchange rate risks.

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

On April 23, 2024, the Company’s Board of Directors authorized a new stock repurchase program to repurchase up to $1.25 billion of the Company’s common stock. The authorized stock repurchase program does not have a stated expiration date. The following table sets forth the shares repurchased during each fiscal month during the second quarter of 2024.

Fiscal Month 2024	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Maximum dollar value of shares that may yet be purchased under the plans or programs (in Millions)
April 1 - May 5	63,707	$ 382.39	63,707	$ 1,225.6
May 6 - June 2	219,019	$ 396.53	219,019	$ 1,138.8
June 3 - June 30	211,687	$ 390.02	211,687	$ 1,056.2
Total	494,413	$ 391.92	494,413	

Item 5. Other Information

Director and Officer Trading Arrangements

None of the Company’s directors or officers adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the Company’s fiscal quarter ended March 31, 2024 June 30, 2024.

Item 6. Exhibits

(a) Exhibits

Exhibit 3.1	Restated Certificate of Incorporation of Teledyne Technologies Incorporated (including Certificate of Designation of Series A Junior Participating Preferred Stock) (incorporated by reference to Exhibit 3.1 to the Company's Annual Report on Form 10-K for the year ended January 2, 2000 (File No. 1-15295))
Exhibit 3.2	Certificate of Amendment to Teledyne's Restated Certificate of Incorporation (incorporated by reference to the Company's Current Report on Form 8-K dated April 24, 2024 (File No. 1-15295))
Exhibit 3.3	Fifth Amended and Restated Bylaws of Teledyne (incorporated by reference to the Company's Current Report on Form 8-K dated April 24, 2024 (File No. 1-15295))
Exhibit 10.1	Second Amended and Restated Credit Agreement, dated as of June 10, 2024, by and among Teledyne Technologies Incorporated, as borrower and guarantor, the designated borrowers party thereto, the guarantor party thereto, the lenders party thereto and Bank of America, N.A., as administrative agent, swing line lender and L/C issuer. (incorporated by reference to the Company's Current Report on Form 8-K dated June 10, 2024 (File No. 1-15295))
Exhibit 31.1	302 Certification – Edwin Roks Roks
Exhibit 31.2	302 Certification – Stephen F. Blackwood
Exhibit 32.1	906 Certification – Edwin Roks Roks
Exhibit 32.2	906 Certification – Stephen F. Blackwood
Exhibit 101 (INS)	XBRL Instance Document
Exhibit 101 (SCH)	XBRL Schema Document
Exhibit 101 (CAL)	XBRL Calculation Linkbase Document
Exhibit 101 (LAB)	XBRL Label Linkbase Document XBRL Schema Document
Exhibit 101 (PRE)	XBRL Presentation Linkbase Document XBRL Schema Document
Exhibit 101 (DEF)	XBRL Definition Linkbase Document XBRL Schema Document
Exhibit 104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURES

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

TELEDYNE TECHNOLOGIES INCORPORATED

DATE: April 26, 2024 July 26, 2024

By: /s/ Stephen F. Blackwood

Stephen F. Blackwood, Senior Vice President and
Chief Financial Officer
(Principal Financial Officer and Authorized Officer)

Index to Exhibits

Exhibit Number	Description
Exhibit 3.1	Restated Certificate of Incorporation of Teledyne Technologies Incorporated (including Certificate of Designation of Series A Junior Participating Preferred Stock) (incorporated by reference to Exhibit 3.1 to the Company's Annual Report on Form 10-K for the year ended January 2, 2000 (File No. 1-15295))
Exhibit 3.2	Certificate of Amendment to Teledyne's Restated Certificate of Incorporation (incorporated by reference to the Company's Current Report on Form 8-K dated April 24, 2024 (File No. 1-15295))
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Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Edwin Roks, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Teledyne Technologies Incorporated (the "registrant");
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 officer 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 registrants' 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 officer 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.

By: /s/ Edwin Roks

Edwin Roks

Chief Executive Officer

Date: April 26, 2024 July 26, 2024

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Stephen F. Blackwood, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Teledyne Technologies Incorporated (the "registrant");

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 officer 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 registrants' 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 officer 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.

By: /s/ Stephen F. Blackwood

Stephen F. Blackwood

Senior Vice President and Chief Financial Officer

Date: April 26, 2024 July 26, 2024

Exhibit 32.1

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002,
18 U.S.C. Section 1350

I, Edwin Roks, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, to my knowledge that:

1. the Quarterly Report on Form 10-Q of Teledyne Technologies Incorporated (the "Corporation") for the quarter ended March 31, 2024 June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

By: /s/Edwin Roks

Edwin Roks

Chief Executive Officer

April July 26, 2024

Exhibit 32.2

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002,
18 U.S.C. Section 1350

I, Stephen F. Blackwood, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, to my knowledge that:

1. the Quarterly Report on Form 10-Q of Teledyne Technologies Incorporated (the "Corporation") for the quarter ended March 31, 2024 June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

By: /s/ Stephen F. Blackwood

Stephen F. Blackwood

Senior Vice President and Chief Financial Officer

April July 26, 2024

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DISCLAIMER