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# NEWSRELEASE

## TELEDYNE TECHNOLOGIES REPORTS FIRST QUARTER RESULTS

THOUSAND OAKS, Calif. – April 23, 2025 – Teledyne Technologies Incorporated (NYSE:TDY)

- **Record first quarter net sales of \$1,449.9 million, an increase of 7.4% compared with last year**
- **First quarter GAAP diluted earnings per share of \$3.99 and record first quarter non-GAAP diluted earnings per share of \$4.95**
- **Record first quarter GAAP operating margin of 17.9% and record first quarter non-GAAP operating margin of 22.0%**
- **First quarter cash from operations of \$242.6 million and free cash flow of \$224.6 million**
- **Full year 2025 GAAP diluted earnings per share outlook of \$17.35 to \$17.83, and maintaining full year 2025 non-GAAP earnings per share outlook of \$21.10 to \$21.50**
- **First quarter capital deployment of \$757.6 million for the acquisitions of Micropac and Qioptiq**
- **Quarter-end consolidated leverage ratio of 1.8x**

Teledyne today reported first quarter 2025 net sales of \$1,449.9 million compared with net sales of \$1,350.1 million for the first quarter of 2024, an increase of 7.4%. The first quarter of 2025 net sales included \$55.6 million in incremental sales from current and prior year acquisitions. Net income attributable to Teledyne was \$188.6 million (\$3.99 diluted earnings per share) for the first quarter of 2025 compared with \$178.5 million (\$3.72 diluted earnings per share) for the first quarter of 2024, an increase of 5.7%. The first quarter of 2025 included \$52.0 million of pretax acquired intangible asset amortization expense, \$6.8 million of pretax transaction and integration costs, and \$0.6 million of pretax inventory step-up expense. Excluding those items, non-GAAP net income attributable to Teledyne for the first quarter of 2025 was \$234.0 million (\$4.95 diluted earnings per share). The first quarter of 2024 included \$49.4 million of pretax acquired intangible asset amortization expense, \$2.2 million of pretax transaction and integration costs, and \$0.3 million of FLIR acquisition-related discrete income tax expense. Excluding those items, non-GAAP net income attributable to Teledyne for the first quarter of 2024 was \$218.3 million (\$4.55 diluted earnings per share). Operating margin was 17.9% for the first quarter of 2025 compared with 17.4% for the first quarter of 2024. Excluding the items discussed above, non-GAAP operating margin for the first quarter of 2025 was 22.0%, compared with 21.2% for the first quarter of 2024.

“We achieved record first quarter sales, non-GAAP operating margin, and adjusted earnings per share,” said Robert Mehrabian, Executive Chairman. “First quarter sales reflected organic growth in every segment, coupled with the contribution from recent acquisitions. In addition, quarter-end backlog was an all-time record, as orders exceeded sales for the sixth consecutive quarter. We continue to execute our strategy, which has delivered long-term results regardless of economic and political uncertainty. That is, maintain a balanced and resilient mix of commercial and government businesses across a broad range of geographies and markets, continue to improve margins in existing businesses, and acquire and integrate complementary companies. For example, Qioptiq, acquired on January 31, is off to a great start, and we expect Qioptiq to contribute to our 2025 non-GAAP earnings. Nevertheless, we are choosing to maintain our prior earnings outlook given the current very unpredictable environment.”

## **Review of Operations**

Comparisons are with the first quarter of 2024, unless noted otherwise.

### **Digital Imaging**

The Digital Imaging segment's first quarter 2025 net sales were \$757.0 million compared with \$740.8 million, an increase of 2.2%. Operating income was \$122.3 million for the first quarter of 2025 compared with \$113.8 million, an increase of 7.5%. The first quarter of 2024 included \$2.2 million of pretax transaction and integration costs, and there were no comparable amounts in the first quarter of 2025. Acquired intangible amortization expense for the first quarter of 2025 was \$45.4 million compared with \$45.8 million. Excluding those items, non-GAAP operating income for the first quarter of 2025 was \$167.7 million compared with \$161.8 million, an increase of 3.6%.

First quarter of 2025 net sales increased primarily due to higher sales of commercial infrared imaging components as well as surveillance systems, partially offset by lower sales of X-ray products. The first quarter of 2025 included \$8.9 million of incremental sales from a recent acquisition. The increase in operating income was primarily due to the increase in net sales as well as lower transaction and integration costs.

### **Instrumentation**

The Instrumentation segment's first quarter 2025 net sales were \$343.3 million, compared with \$330.4 million, an increase of 3.9%. Operating income was \$92.7 million for the first quarter of 2025, compared with \$86.0 million, an increase of 7.8%. Acquired intangible amortization expense for the first quarter of 2025 was \$3.2 million compared with \$3.4 million. Excluding that item, non-GAAP operating income for the first quarter of 2025 was \$95.9 million compared with \$89.4 million, an increase of 7.3%.

First quarter of 2025 net sales increase resulted from a \$14.0 million increase in sales of marine instrumentation primarily due to stronger offshore energy and defense markets, a \$1.1 million increase in sales of electronic test and measurement instrumentation, partially offset by a \$2.2 million decrease in sales of environmental instrumentation. The first quarter of 2025 included \$4.4 million of incremental marine instrumentation sales from recent acquisitions. The increase in operating income primarily reflected the impact of higher marine instrumentation sales as well as favorable marine instrumentation product mix and improved marine instrumentation margins.

### **Aerospace and Defense Electronics**

The Aerospace and Defense Electronics segment's first quarter 2025 net sales were \$242.5 million, compared with \$185.7 million, an increase of 30.6%. Operating income was \$55.7 million for the first quarter of 2025, compared with \$51.9 million, an increase of 7.3%. The first quarter of 2025 included \$3.2 million of pretax transaction and integration costs, with no comparable amounts in the first quarter of 2024. Acquired intangible amortization expense for the first quarter of 2025 was \$3.4 million compared with \$0.2 million. Inventory step-up expense for the first quarter of 2025 was \$0.6 million, with no comparable amounts in the first quarter of 2024. Excluding those items, non-GAAP operating income for the first quarter of 2025 was \$62.9 million compared with \$52.1 million, an increase of 20.7%.

First quarter of 2025 net sales reflected higher sales of \$57.1 million for defense electronics, partially offset by lower sales of \$0.3 million for aerospace electronics. The first quarter of 2025 included \$42.3 million of incremental defense electronics sales from recent acquisitions. The increase in operating income primarily reflected the impact of higher sales and favorable product mix, partially offset by higher transaction and integration costs as well as higher acquired intangible amortization expense.

### **Engineered Systems**

The Engineered Systems segment's first quarter 2025 net sales were \$107.1 million compared with \$93.2 million, an increase of 14.9%. Operating income was \$10.8 million for the first quarter of 2025, compared with \$2.7 million, an increase of 300.0%.

First quarter of 2025 net sales reflected higher sales of \$14.2 million for engineered products, partially offset by lower sales of \$0.3 million for energy systems. The higher sales of engineered products primarily reflected increased sales of electronic manufacturing services products. The increase in operating income was primarily driven by unfavorable estimate changes in the first quarter of 2024 related to electronic manufacturing services

contracts which did not recur in 2025, lower selling expense as well as favorable program mix in the first quarter of 2025.

## Additional Financial Information

### Cash Flow

Cash provided by operating activities was \$242.6 million for the first quarter of 2025 compared with \$291.0 million, with the decrease driven primarily by cash outflows on foreign exchange contracts in the first quarter of 2025 as compared to cash inflows on foreign exchange contracts in the first quarter of 2024 as well as lower customer advances received in the first quarter of 2025. Depreciation and amortization expense for the first quarter of 2025 was \$80.7 million compared with \$78.0 million. Stock-based compensation expense for the first quarter of 2025 was \$8.9 million compared with \$12.0 million.

Capital expenditures for the first quarter of 2025 were \$18.0 million compared with \$15.9 million. Teledyne received \$29.5 million from the exercise of stock options in the first quarter of 2025 compared with \$9.1 million.

In the first quarter of 2025, Teledyne completed two acquisitions for aggregate consideration of \$757.6 million. The acquisitions were financed from cash on hand as well as borrowings from Teledyne's credit facility.

As of March 30, 2025, net debt was \$2,503.3 million, which is calculated as total debt of \$2,964.8 million, net of cash and cash equivalents of \$461.5 million. As of December 29, 2024, net debt was \$1,999.2 million, representing total debt of \$2,649.0 million, net of cash and cash equivalents of \$649.8 million.

As of March 30, 2025, \$855.5 million was available under the \$1.20 billion credit facility after reductions of \$315.0 million in outstanding borrowings and \$29.5 million in outstanding letters of credit.

Free Cash Flow	First Quarter	
	2025	2024
Cash provided by operating activities	\$ 242.6	\$ 291.0
Capital expenditures for property, plant and equipment	(18.0)	(15.9)
Free cash flow	\$ 224.6	\$ 275.1

### Income Taxes

The effective tax rate for the first quarter of 2025 was 21.0% compared with 20.6%. The first quarter of 2025 included net discrete income tax benefits of \$3.7 million compared with \$4.4 million. Excluding net discrete income tax items in both periods, the effective tax rate would have been 22.5% for both the first quarter of 2025 and 2024.

### Other

Corporate expense was \$22.2 million for the first quarter of 2025 compared with \$20.1 million, and the first quarter of 2025 included \$3.6 million of pretax transaction and integration costs. Non-service retirement benefit income was \$2.8 million for the first quarter of 2025 compared with \$2.7 million. Interest expense, net of interest income, was \$17.3 million for the first quarter of 2025 compared with \$12.7 million, with the increase due to increased outstanding borrowings compared to the first quarter of 2024. Other income (expense), net, primarily consisted of foreign currency exchange losses in the first quarter of 2025 compared with foreign currency exchange gains in the first quarter of 2024.

### Outlook

Based on its current outlook, the company's management believes that second quarter 2025 GAAP diluted earnings per share will be in the range of \$4.00 to \$4.15, and full year 2025 GAAP diluted earnings per share will be in the range of \$17.35 to \$17.83. The company's management further believes that second quarter 2025 non-GAAP diluted earnings per share will be in the range of \$4.95 to \$5.05, and full year 2025 non-GAAP diluted earnings per share will be in the range of \$21.10 to \$21.50. The non-GAAP outlook excludes acquired intangible asset amortization as well as acquisition and integration costs.

### **Use of Non-GAAP Financial Measures**

We report our financial results in accordance with generally accepted accounting principles in the United States (“GAAP”). We supplement the reporting of our financial results determined under GAAP with certain non-GAAP financial measures. The non-GAAP financial measures provide management, financial analysts, and investors with additional useful information for evaluating the company's performance. The non-GAAP financial measures should be considered in addition to and not as substitutes for financial measures prepared in accordance with GAAP. Further details on reasons we use non-GAAP financial measures, a reconciliation of those measures to the most directly comparable GAAP measures, and other information related to those measures are included after our GAAP financial statements.

### **Forward-Looking Statements Cautionary Notice**

This earnings release contains forward-looking statements, as defined in the Private Securities Litigation Reform Act of 1995, with respect to management’s beliefs about the financial condition, results of operations, acquisitions and product synergies, integration costs, tax matters and businesses of Teledyne in the future. Forward-looking statements involve risks and uncertainties, are based on the current expectations of the management of Teledyne and are subject to uncertainty and changes in circumstances.

The forward-looking statements contained herein may include statements relating to sales, sales growth, stock-based compensation expense, tax rates, tariffs, governmental and economic policies, anticipated capital expenditures, product developments, and other strategic options. Forward-looking statements generally are accompanied by words such as “projects”, “intends”, “expects”, “anticipates”, “targets”, “estimates”, “will” and words of similar import that convey the uncertainty of future events or outcomes. All statements made in this communication that are not historical in nature should be considered forward-looking. By its nature, forward-looking information is not a guarantee of future performance or results and involves risks and uncertainties because it relates to events and depends on circumstances that will occur in the future.

Actual results could differ materially from these forward-looking statements. Many factors could change anticipated results, including: the impact of policies of the U.S. Presidential Administration, especially with respect to new and higher tariffs, cutbacks in the funding of government agencies and programs, and the scaling back of environmental and green energy policies; escalating economic and diplomatic tension between China and the United States, including a potential “trade war” that results in higher tariffs and restrictions on sales of goods and services; reciprocal tariffs from other countries; changes in relevant tax and other laws; foreign currency exchange risks; rising interest rates and inflation; 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 GAAP and related standards; disruptions in the global economy; the ongoing conflict in Israel and neighboring regions, including related protests, attacks on defense contractors and suppliers 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; 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; threats to the security of our confidential and proprietary information, including cybersecurity threats; risks related to artificial intelligence; natural and man-made disasters; 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 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. Lower aircraft production rates at Boeing or Airbus could result in reduced sales of our commercial aerospace products. 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 or in regard to support for Ukraine, 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 the company's 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.

Additional factors that could cause results to differ materially from those described above can be found in Teledyne's Annual Report on Form 10-K for the year ended December 29, 2024, as well as subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, all of which are on file with the U.S. Securities and Exchange Commission ("SEC") and available in the "Investors" section of Teledyne's website, [teledyne.com](http://teledyne.com), under the heading "Investor Information" and in other documents Teledyne files with the SEC.

All forward-looking statements speak only as of the date they are made and are based on information available at that time. Teledyne assumes 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.

A live webcast of Teledyne's first quarter earnings conference call will be held at 11:00 a.m. (Eastern) on Wednesday, April 23, 2025. To access the call, go to [www.teledyne.com/investors/events-and-presentations](http://www.teledyne.com/investors/events-and-presentations) approximately 10 minutes before the scheduled start time. A replay will also be available for one month starting at 12:00 p.m. (Eastern) on Wednesday, April 23, 2025.

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**TELEDYNE TECHNOLOGIES INCORPORATED**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS)**  
**FOR THE FIRST QUARTER ENDED**  
**MARCH 30, 2025 AND MARCH 31, 2024**  
(Unaudited — in millions, except per share amounts)

	<b>First Quarter</b>	<b>First Quarter</b>
	<b>2025</b>	<b>2024</b>
Net sales	<b>\$ 1,449.9</b>	\$ 1,350.1
Costs and expenses:		
Costs of sales	<b>830.4</b>	770.2
Selling, general and administrative	<b>233.9</b>	219.7
Research and development	<b>74.3</b>	76.5
Acquired intangible asset amortization	<b>52.0</b>	49.4
Total costs and expenses	<b>1,190.6</b>	1,115.8
Operating income (loss)	<b>259.3</b>	234.3
Interest and debt income (expense), net	<b>(17.3)</b>	(12.7)
Non-service retirement benefit income (expense), net	<b>2.8</b>	2.7
Other income (expense), net	<b>(5.9)</b>	1.2
Income (loss) before income taxes	<b>238.9</b>	225.5
Provision (benefit) for income taxes	<b>50.1</b>	46.4
Net income (loss) including noncontrolling interest	<b>188.8</b>	179.1
Less: Net income (loss) attributable to noncontrolling interest	<b>0.2</b>	0.6
Net income (loss) attributable to Teledyne	<b>\$ 188.6</b>	\$ 178.5
Diluted earnings per common share	<b>\$ 3.99</b>	\$ 3.72
Weighted average diluted common shares outstanding	<b>47.3</b>	48.0

These condensed consolidated financial statements were prepared in accordance with U.S. GAAP.

**TELEDYNE TECHNOLOGIES INCORPORATED**  
**SUMMARY OF SEGMENT NET SALES AND OPERATING INCOME (LOSS)**  
**FOR THE FIRST QUARTER ENDED**  
**MARCH 30, 2025 AND MARCH 31, 2024**  
(Unaudited — \$ in millions)

	<u>First Quarter</u>	<u>First Quarter</u>	
	<u>2025</u>	<u>2024</u>	<u>% Change</u>
Net sales:			
Digital Imaging	\$ 757.0	\$ 740.8	2.2 %
Instrumentation	343.3	330.4	3.9 %
Aerospace and Defense Electronics	242.5	185.7	30.6 %
Engineered Systems	107.1	93.2	14.9 %
Total net sales	<u>\$ 1,449.9</u>	<u>\$ 1,350.1</u>	7.4 %
Operating income (loss):			
Digital Imaging	\$ 122.3	\$ 113.8	7.5 %
Instrumentation	92.7	86.0	7.8 %
Aerospace and Defense Electronics	55.7	51.9	7.3 %
Engineered Systems	10.8	2.7	300.0 %
Corporate expense	<u>(22.2)</u>	<u>(20.1)</u>	10.4 %
Operating income (loss)	<u>259.3</u>	<u>234.3</u>	10.7 %
Interest and debt income (expense), net	(17.3)	(12.7)	36.2 %
Non-service retirement benefit income (expense), net	2.8	2.7	3.7 %
Other income (expense), net	(5.9)	1.2	*
Income (loss) before income taxes	<u>238.9</u>	<u>225.5</u>	5.9 %
Provision (benefit) for income taxes	<u>50.1</u>	<u>46.4</u>	8.0 %
Net income (loss) including noncontrolling interest	<u>188.8</u>	<u>179.1</u>	5.4 %
Less: Net income (loss) attributable to noncontrolling interest	<u>0.2</u>	<u>0.6</u>	(66.7)%
Net income (loss) attributable to Teledyne	<u>\$ 188.6</u>	<u>\$ 178.5</u>	5.7 %

\* Not meaningful

These condensed consolidated financial statements were prepared in accordance with U.S. GAAP.

**TELEDYNE TECHNOLOGIES INCORPORATED**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in millions)

	<u>March 30, 2025</u>	<u>December 29, 2024</u>
	<u>(Unaudited)</u>	
<b>ASSETS</b>		
Cash and cash equivalents	\$ 461.5	\$ 649.8
Accounts receivable and unbilled receivables, net	1,303.8	1,213.2
Inventories, net	1,011.8	914.4
Prepaid expenses and other current assets	204.6	167.2
Total current assets	2,981.7	2,944.6
Property, plant and equipment, net	815.3	745.2
Goodwill and acquired intangible assets, net	10,721.8	10,003.4
Prepaid pension assets	231.8	227.6
Other assets, net	297.9	279.7
Total assets	<u>\$ 15,048.5</u>	<u>\$ 14,200.5</u>
<b>LIABILITIES AND EQUITY</b>		
Accounts payable	\$ 489.9	\$ 416.4
Accrued liabilities	874.3	844.9
Current portion of long-term debt	0.2	0.3
Total current liabilities	1,364.4	1,261.6
Long-term debt, net of current portion	2,964.6	2,648.7
Other long-term liabilities	788.1	734.8
Total liabilities	5,117.1	4,645.1
Redeemable noncontrolling interest	6.2	6.0
Total stockholders' equity	9,925.2	9,549.4
Total liabilities and equity	<u>\$ 15,048.5</u>	<u>\$ 14,200.5</u>

These condensed consolidated financial statements were prepared in accordance with U.S. GAAP.



**TELEDYNE TECHNOLOGIES INCORPORATED**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE FIRST QUARTER ENDED MARCH 30, 2025 AND MARCH 31, 2024**  
(Unaudited — in millions)

	First Quarter	
	2025	2024
<b>Operating Activities</b>		
Net income (loss) including noncontrolling interest	\$ 188.8	\$ 179.1
Depreciation and amortization	80.7	78.0
Stock-based compensation	8.9	12.0
Changes in operating assets and liabilities and other operating activity	(35.8)	21.9
<b>Net cash provided by operating activities</b>	<b>242.6</b>	<b>291.0</b>
<b>Investing Activities</b>		
Purchases of property, plant and equipment	(18.0)	(15.9)
Purchases of businesses, net of cash acquired	(757.6)	—
Other investing, net	0.6	—
<b>Net cash used in investing activities</b>	<b>(775.0)</b>	<b>(15.9)</b>
<b>Financing activities</b>		
Net proceeds (payments) on credit facility	315.0	—
Proceeds from exercise of stock options	29.5	9.1
Other financing, net	(4.9)	(3.0)
<b>Net cash provided by financing activities</b>	<b>339.6</b>	<b>6.1</b>
Effect of exchange rate changes on cash	4.5	(17.1)
Changes in cash and cash equivalents	(188.3)	264.1
Cash and cash equivalents—beginning of period	649.8	648.3
Cash and cash equivalents—end of period	<b>\$ 461.5</b>	<b>\$ 912.4</b>

These condensed consolidated financial statements were prepared in accordance with U.S. GAAP.

**TELEDYNE TECHNOLOGIES INCORPORATED**  
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES**  
**FOR THE FIRST QUARTER ENDED**  
**MARCH 30, 2025 AND MARCH 31, 2024**  
(Unaudited — \$ in millions, except per share amounts)

	First Quarter 2025			First Quarter 2024		
	Income (Loss) Before Income Taxes	Net (Loss) Income Attributable to Teledyne	Diluted Earnings per Common Share	Income (Loss) Before Income Taxes	Net (Loss) Income Attributable to Teledyne	Diluted Earnings per Common Share
<b>GAAP</b>	<b>\$ 238.9</b>	<b>\$ 188.6</b>	<b>\$ 3.99</b>	<b>\$ 225.5</b>	<b>\$ 178.5</b>	<b>\$ 3.72</b>
Adjusted for specified items:						
Transaction and integration costs	6.8	5.1	0.11	2.2	1.7	0.03
Inventory step-up expense	0.6	0.5	0.01	—	—	—
Acquired intangible asset amortization	52.0	39.8	0.84	49.4	37.8	0.79
FLIR acquisition-related tax matters	—	—	—	—	0.3	0.01
<b>Non-GAAP</b>	<b>\$ 298.3</b>	<b>\$ 234.0</b>	<b>\$ 4.95</b>	<b>\$ 277.1</b>	<b>\$ 218.3</b>	<b>\$ 4.55</b>

	First Quarter 2025		First Quarter 2024	
	Operating Income (Loss)	Operating Margin	Operating Income (Loss)	Operating Margin
<b>GAAP</b>	<b>\$ 259.3</b>	<b>17.9 %</b>	<b>\$ 234.3</b>	<b>17.4 %</b>
Adjusted for specified items:				
Transaction and integration costs	6.8		2.2	
Inventory step-up expense	0.6		—	
Acquired intangible asset amortization	52.0		49.4	
<b>Non-GAAP</b>	<b>\$ 318.7</b>	<b>22.0 %</b>	<b>\$ 285.9</b>	<b>21.2 %</b>

**TELEDYNE TECHNOLOGIES INCORPORATED**  
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES**  
(Unaudited — in millions)

**First Quarter 2025**

	<b>GAAP Operating Income (Loss)</b>	<b>Acquired Intangible Asset Amortization</b>	<b>Inventory Step- up Expense</b>	<b>Transaction and Integration Costs</b>	<b>Non-GAAP Operating Income (Loss)</b>
Digital Imaging	\$ 122.3	\$ 45.4	\$ —	\$ —	\$ 167.7
Instrumentation	92.7	3.2	—	—	95.9
Aerospace and Defense Electronics	55.7	3.4	0.6	3.2	62.9
Engineered Systems	10.8	—	—	—	10.8
Corporate expense	(22.2)	—	—	3.6	(18.6)
<b>Total</b>	<b>\$ 259.3</b>	<b>\$ 52.0</b>	<b>\$ 0.6</b>	<b>\$ 6.8</b>	<b>\$ 318.7</b>

**First Quarter 2024**

	<b>GAAP Operating Income (Loss)</b>	<b>Acquired Intangible Asset Amortization</b>	<b>Inventory Step- up Expense</b>	<b>Transaction and Integration Costs</b>	<b>Non-GAAP Operating Income (Loss)</b>
Digital Imaging	\$ 113.8	\$ 45.8	\$ —	\$ 2.2	\$ 161.8
Instrumentation	86.0	3.4	—	—	89.4
Aerospace and Defense Electronics	51.9	0.2	—	—	52.1
Engineered Systems	2.7	—	—	—	2.7
Corporate expense	(20.1)	—	—	—	(20.1)
<b>Total</b>	<b>\$ 234.3</b>	<b>\$ 49.4</b>	<b>\$ —</b>	<b>\$ 2.2</b>	<b>\$ 285.9</b>

**TELEDYNE TECHNOLOGIES INCORPORATED**  
**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES**

(Unaudited — in millions, except per share amounts)

	<u>March 30, 2025</u>	<u>December 29, 2024</u>
Current portion of long-term debt	\$ 0.2	\$ 0.3
Long-term debt	2,964.6	2,648.7
<b>Total debt — non-GAAP</b>	<b>2,964.8</b>	<b>2,649.0</b>
Less cash and cash equivalents	(461.5)	(649.8)
<b>Net debt — non-GAAP</b>	<b>\$ 2,503.3</b>	<b>\$ 1,999.2</b>

	<u>Second Quarter 2025</u>		<u>Full Year 2025</u>	
	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>
<b>GAAP Diluted Earnings per Common Share Outlook</b>	\$ 4.00	\$ 4.15	\$ 17.35	\$ 17.83
Adjusted for specified items:				
Transaction and integration costs	\$ 0.05	\$ 0.03	\$ 0.20	\$ 0.18
Inventory step-up expense	\$ 0.02	\$ 0.01	\$ 0.05	\$ 0.04
Acquired intangible asset amortization	\$ 0.88	\$ 0.86	\$ 3.50	\$ 3.45
<b>Non-GAAP Diluted Earnings per Common Share Outlook</b>	<b>\$ 4.95</b>	<b>\$ 5.05</b>	<b>\$ 21.10</b>	<b>\$ 21.50</b>

## **Explanation of Non-GAAP Financial Measures**

We report our financial results in accordance with GAAP. However, management believes that, in order to more fully understand our short-term and long-term financial and operational trends, and to aid in comparability with our competitors, investors and financial analysts may wish to consider the impact of certain items resulting from our acquisitions which have an infrequent or non-recurring impact on operations or assist in understanding our operations pre-acquisition. Accordingly, we present non-GAAP financial measures as a supplement to the financial measures we present in accordance with GAAP. These non-GAAP financial measures provide management, investors, and financial analysts with additional means to understand and evaluate the operating results and trends in our ongoing business by adjusting for certain expenses and benefits. Management believes these non-GAAP financial measures also provide additional means of evaluating period-over-period operating performance. In addition, management understands that some investors and financial analysts find this information helpful in analyzing our financial and operational performance and comparing this performance to our peers and competitors. The company's diluted earnings per common share outlook guidance is also presented on a non-GAAP basis.

The non-GAAP financial measures are not meant to be considered superior to, or a substitute for, our financial statements prepared in accordance with GAAP. There are material limitations associated with non-GAAP financial measures because they exclude charges that have an effect on our reported results and, therefore, should not be relied upon as the sole financial measures by which to evaluate our financial results. Management compensates and believes that investors also should compensate for those limitations by viewing the non-GAAP financial measures in conjunction with the GAAP financial measures. In addition, the non-GAAP financial measures included in this earnings announcement may be different from, and therefore may not be comparable to, similar measures used by other companies. The non-GAAP financial measures are also used by our management to evaluate our operating performance and benchmark our results against our historical performance and the performance of our peers.

### **Our non-GAAP measures are as follows:**

#### **Non-GAAP income before income taxes, net income and diluted earnings per common share**

These non-GAAP measures provided a supplemental view of income before taxes, net income, and diluted earnings per common share. These non-GAAP measures exclude certain acquisition and integration-related costs, inventory step-up expense, acquired intangible asset amortization, remeasurement of deferred taxes related to acquired intangible assets due to changes in tax laws, and tax benefits or costs related to the settlement or other resolution of the FLIR tax reserves. We also adjust for any post-acquisition interest on certain income tax reserves related to FLIR. We adjust for any income tax impact related to these items to take into account the tax treatment and related tax rate and changes in tax rates that apply to each adjustment in the applicable tax jurisdiction. Generally, this results in the tax impact at the U.S. marginal tax rate for certain adjustments, including the majority of amortization of intangible assets, whereas the tax impact of other adjustments, including transaction expenses, depend on whether the amounts are deductible in the respective tax jurisdictions and the applicable tax rates in those jurisdictions. We believe these measures provide investors and management with additional means to understand and evaluate the operating results of our business by adjusting for certain expenses and benefits and present an alternative view of our performance compared to prior periods.

#### **Non-GAAP operating income and operating margin**

We define non-GAAP operating margin as non-GAAP operating income divided by net sales. These non-GAAP measures exclude certain acquisition and integration-related costs, inventory step-up expense and acquired intangible asset amortization. We believe these measures provide investors and management with additional means to understand and evaluate the operating results of our business by adjusting for certain expenses and other items and present an alternative view of our performance compared to prior periods.

### **Non-GAAP total debt and net debt**

We define non-GAAP total debt as the sum of the current portion of long-term debt and other debt and long-term debt. We define net debt as the difference between non-GAAP total debt less cash and cash equivalents. The company believes that this non-GAAP information is useful to assist investors and management in analyzing the company's liquidity.

### **Non-GAAP diluted earnings per common share outlook**

This non-GAAP measure represents our earnings per common share outlook for the first quarter of 2025 and total year 2025 on a fully diluted basis, excluding certain acquisition and integration costs, acquired intangible asset amortization for all acquisitions, and FLIR acquisition-related tax matters.

### **Non-GAAP cash provided by operations and free cash flow**

We define free cash flow as cash provided by operating activities (a measure prescribed by GAAP) less capital expenditures for property, plant and equipment. We believe that this non-GAAP information is useful to assist management and the investment community in analyzing the company's ability to generate cash flow.

### **Non-GAAP line items used in tables**

Management excludes the effect of each of the acquisition-related items identified below to arrive at the applicable non-GAAP financial measure referenced in the tables for the reasons set forth below with respect to that item:

- Acquired intangible asset amortization – We believe that excluding the amortization of acquired intangible assets, which primarily represents purchased technology and customer relationships, as well as purchase order and contract backlog, provides an alternative way for investors to compare our operations pre-acquisition to those post-acquisition and to those of our competitors that have pursued internal growth strategies. However, we note that companies that grow internally will incur costs to develop intangible assets that will be expensed in the period incurred, which may make a direct comparison more difficult.
- Transaction and integration costs – Included in our GAAP presentation of cost of sales and selling, general and administrative expenses are substantial expenses (or benefits) incurred with acquisitions and primarily include legal, accounting, and other professional fees as well as integration-related costs such as employee separation costs, facility consolidation costs, and facility lease impairments. Employee separation costs include required change-in-control payments, cash settlement of employee and director stock awards, as well as other employee severance amounts. We exclude those costs from our non-GAAP measures because we believe they do not reflect our ongoing financial performance.
- Inventory step-up expense – The purchase accounting entries associated with our acquisitions require us to record inventory at its fair value, which is sometimes substantial and greater than the previous book value of inventory. Included in our GAAP presentation, the increase in inventory value is amortized to cost of sales over the period that the related inventory is sold. We exclude inventory step-up amortization related to the Micropac and Qioptiq acquisitions from our non-GAAP measures because it is a non-cash expense that we do not believe is indicative of our ongoing operating results.
- FLIR acquisition-related tax matters – Included in our tax provision is post-acquisition interest on certain income tax reserves related to FLIR, as well as the tax benefits or costs related to the settlement or other resolution of the FLIR tax reserves. We exclude those impacts from our non-GAAP measures because we believe it does not reflect our ongoing financial performance.