

Teledyne Technologies (TDY)

\$506.54 (Stock Price as of 12/16/2025)

Price Target (6-12 Months): **\$529.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 09/02/21)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM: F

Value: C

Growth: D

Momentum: D

Summary

Teledyne growth prospects remain solid, backed by enhanced U.S. defense funding and solid projections for commercial air travel. The company raised its 2025 earnings guidance following strong third-quarter performance. Apart from generating organic growth through product sales, strategic acquisitions like Maretron have been benefiting Teledyne's growth. Teledyne is experiencing strong defense sector demand, particularly from Europe, amid rising regional defense spending. However, its shares have underperformed the industry in the past six months. Labor shortage in the aerospace-defense industry might adversely impact the company. Persistent supply-chain constraints, exacerbated by the newly imposed U.S. import tariffs, might affect Teledyne. It holds a weak solvency position.

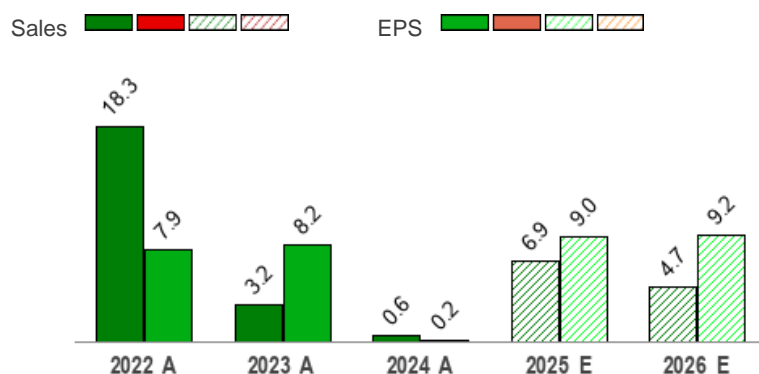
Price, Consensus & Surprise⁽¹⁾



Data Overview

52 Week High-Low	\$595.99 - \$419.00
20 Day Average Volume (sh)	356,414
Market Cap	\$24.1 B
YTD Price Change	10.8%
Beta	1.03
Dividend / Div Yld	\$0.00 / 0.0%
Industry	Aerospace - Defense Equipment
Zacks Industry Rank	Top 35% (85 out of 243)

Sales and EPS Growth Rates (Y/Y %)⁽¹⁾



Last EPS Surprise	1.3%
Last Sales Surprise	1.0%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	01/28/2026
Earnings ESP	0.0%

Sales Estimates (millions of \$)⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026	1,517 E	1,563 E	1,595 E	1,672 E	6,347 E
2025	1,450 A	1,514 A	1,540 A	1,558 E	6,061 E
2024	1,350 A	1,374 A	1,444 A	1,502 A	5,670 A

EPS Estimates⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026	5.48 E	5.80 E	5.90 E	6.30 E	23.48 E
2025	4.95 A	5.20 A	5.57 A	5.79 E	21.51 E
2024	4.55 A	4.58 A	5.10 A	5.52 A	19.73 A

*Quarterly figures may not add up to annual.

P/E TTM	24.2
P/E F1	23.6
PEG F1	2.6
P/S TTM	4.0

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 12/16/2025.

(2) The report's text and the price target are as of 11/19/2025.

Overview

Thousand Oaks, California-based Teledyne Technologies Incorporated is an industrial conglomerate that has been operating as an independent company since 1999. It serves the markets of 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. Teledyne Technologies operates through the following business segments:

Instrumentation: This business segment offers monitoring and control instruments for marine, environmental, industrial along with electronic test and measurement equipment. Within marine instrumentation, it manufactures geophysical streamer cables, hydrophones, seismic energy sources and specialty products. In 2024, this division contributed 24.3% to total sales.

Digital Imaging: This unit produces high-performance image sensors and digital cameras to be used in industrial, scientific, medical and photogrammetry applications. Also, it builds image processing products for automatic data collection in industrial and medical applications. The segment develops high-resolution, low-dose X-ray sensors as well. In 2024, this division contributed 54.2% to the company's total sales.

Aerospace and Defense Electronics: This division offers sophisticated electronic components, and subsystems and communications products, including defense electronics, harsh environment interconnects, data acquisition and communications equipment for aircraft, and components and subsystems for wireless as well as satellite communications, and general aviation batteries. In 2024, this division contributed 13.7% to the company's total sales.

Engineered Systems: This unit offers innovative systems engineering and integration, advanced technology development and complex manufacturing solutions for defense, space, environmental and energy applications. It manufactures electrochemical energy systems and small turbine engines as well. In 2024, this division contributed 7.8% to the company's total sales.



As of 12/16/2025



As of 12/16/2025

Reasons To Buy:

▲ The increasing geopolitical instability across the globe in recent times, particularly with intensifying hostilities in the Middle East and long-running unrest in relation to the Russian invasion of Ukraine, has been ushering in solid order flows for defense industry players like Teledyne. A favorable macroeconomic environment and the current U.S. administration's inclination toward increased defense spending, with the nation being the largest weapons exporter, have also been aiding the growth. Notably, in May 2025, a White House report published that U.S. President Trump has proposed an increase of 13% in the nation's defense spending to \$1.01 trillion for fiscal 2026.

Solid budgetary provisions, strategic buyouts and increasing commercial air travel should boost Teledyne Technologies' growth

In particular, this budget proposal includes funding provision worth nearly \$40 billion toward the U.S. Space Force, \$2.54 billion for nuclear shipyard productivity enhancements as well as significant funding for 19 new Navy battle force ships. To this end, it is imperative to mention that Teledyne produces engineered systems for space applications, along with a broad range of end-to-end undersea interconnect solutions for naval defense. Therefore, the encouraging spending provisions by the U.S. administration are expected to significantly bolster Teledyne's revenue generation prospects.

▲ Teledyne is witnessing strong demand from the defense sector, particularly in Europe, driven by rising regional defense spending. The company generates nearly \$500 million in revenues from European defense operations. New orders also reached a quarterly record, supported by continued backlog growth at Teledyne FLIR. Given its solid third-quarter performance, a recovery in commercial short-cycle businesses and robust backlog growth, Teledyne raised its 2025 earnings guidance. The company now projects adjusted earnings of \$21.45-\$21.60 per share, up from the prior range of \$21.20-\$21.50. It also expects 2025 sales of \$6.06 billion, slightly higher than the previous forecast of \$6.03 billion.

▲ A steady rebound in commercial air travel continues to serve as a key growth driver for Teledyne, which supplies onboard avionics systems and ground-based applications for commercial aircraft. According to the International Air Transport Association's (IATA) June 2025 outlook, the demand for air travel is expected to rise 5.8% in 2025, measured in Revenue Passenger Kilometers, supporting further momentum in the aerospace sector.

During the third quarter, Teledyne recorded higher commercial aerospace aftermarket sales, while Original Equipment Manufacturer orders for 2026 deliveries also remained strong. Sales from the Aerospace and Defense Electronics segment rose 37.6% year over year, fueled by acquisitions and organic growth in defense electronics products. These positive trends are expected to further strengthen Teledyne's Aerospace and Defense Electronics segment revenues in the coming quarters.

▲ Apart from generating organic growth through product sales, Teledyne continues to strengthen its portfolio with strategic acquisitions. During the third quarter of 2025, the company acquired the assets of Maretron, including the brand's Octoplex, MPower and MConnect product lines from Littelfuse, Inc. The buyout will enable Teledyne's Raymarine business to deliver deeper integration and automation for boat builders, expanding product functionality for consumers and creating new growth opportunities.

In October 2025, Teledyne acquired the TransponderTech business from Saab AB, adding a range of connected commercial maritime products, such as Automatic Identification System, VHF Data Exchange System and Global Navigation Satellite System technologies. The company generated \$69 million in incremental net sales from these acquisitions during the quarter. Such takeovers are expected to strengthen Teledyne's market reach and technical capabilities.

Reasons To Sell:

▼ Teledyne Technologies experienced supply-chain challenges, including increased lead times, as well as cost inflation for parts and components, logistics, and labor due to availability constraints and high demand in the recent past. This has also delayed the company's ability to convert backlog to revenues and negatively impacted its profit margin in the past few quarters. To this end, it is imperative to mention that per the International Air Transport Association's (IATA) latest outlook report, published in June 2025, significant supply-chain issues will continue to impact the global aviation industry in 2025.

Supply chain constraints and tariff impact may hurt Teledyne Technologies' growth. Shortage of labor also poses a risk for the stock

▼ Meanwhile, the newly implemented tariffs by the U.S. administration on imports from multiple countries, in early 2025, and the resultant retaliatory tariffs imposed by other nations might further exacerbate the global supply-chain turmoil. In particular, these recent tariffs have sparked fresh trade tension between America and China, which, in turn, might adversely impact Teledyne Technologies, with its sales to China-based customers representing approximately 4% of total revenues.

The overall dismal supply-chain situation, further impacted by tariffs, may lead to a slower pace of aircraft deliveries in the aerospace sector and such sluggish deliveries might result in slow cash flow for aircraft component manufacturers like Teledyne. This might have caused the company to underperform its industry in the past year. Shares of Teledyne have gained 1.8% in the past six months compared with the industry's 6.3% growth.

▼ A persistent labor shortage continues to pose a challenge for aerospace-defense companies like Teledyne. According to the 2025 Workforce Study by the Aerospace Industries Association (AIA) in collaboration with McKinsey, nearly a quarter of the industry's workforce is more than 55 years old, creating a risk of a retirement wave and a potential loss of critical institutional knowledge. This could trigger a surge in retirements, leading to a shortage of skilled labor that is difficult to replace quickly. Such constraints may impact companies like Teledyne, which manufactures aerospace electronics, by delaying product deliveries and potentially affecting future operating results.

▼ Teledyne's cash and cash equivalents as of Sept. 28, 2025 amounted to \$0.53 billion. Long-term debt, as of the same date, was \$2.08 billion, which came in much higher than the company's cash reserve. Teledyne's current debt of \$1.80 billion as of Sept. 28, 2025, also came in higher than its cash balance. Hence, we may safely conclude that the company holds a weak solvency position.

Last Earnings Report

Teledyne's Q3 Earnings & Revenues Beat Estimates, Increase Y/Y

Teledyne Technologies reported third-quarter 2025 adjusted earnings of \$5.57 per share, which surpassed the Zacks Consensus Estimate of \$5.50 by 1.3%. The bottom line also improved 7.8% from \$5.10 recorded in the year-ago quarter.

Including one-time items, the company recorded GAAP earnings of \$4.65 per share, up 16.1% from the prior-year period's earnings of \$5.54 per share.

The year-over-year decline in the bottom line can be attributed to higher cost of sales, selling, general and administrative expenses, as well as, research and development expenses in the third quarter than the year-ago quarter's reported actuals.

Operational Highlights of TDY

Total sales were \$1.54 billion, which beat the Zacks Consensus Estimate of \$1.52 billion by 1%. The top line also surged 6.7% from \$1.44 billion reported in the year-ago quarter. This improvement can be attributed to higher year-over-year sales recorded in the majority of its business segments.

TDY's Segmental Performance

Instrumentation: Sales in this segment increased 3.9% year over year to \$363.6 million, driven by higher sales of environmental instrumentation, marine instrumentation and electronic test and measurement instrumentation.

The adjusted operating income rose 2.3% year over year to \$102.1 million.

Digital Imaging: Quarterly sales in this division increased 2.2% year over year to \$785.4 million. The jump was due to higher sales of commercial infrared imaging components and subsystems, unmanned air systems and industrial automation imaging systems.

The adjusted operating income declined 2% year over year to \$170.2 million.

Aerospace and Defense Electronics: Sales in this segment totaled \$275.5 million, up 37.6% from the prior-year quarter. The improvement was driven by higher sales of defense electronics.

The adjusted operating income increased 36.8% year over year to \$77.3 million.

Engineered Systems: Revenues in this division fell 8.1% year over year to \$115 million due to lower sales of engineered products and energy systems.

This segment's operating income decreased 5.4% to \$12.2 million.

Financial Condition of TDY

Teledyne's cash and cash equivalents totaled \$528.6 million as of Sept. 28, 2025, compared with \$649.8 million as of Dec. 29, 2024.

Its long-term debt was \$2.08 billion at the end of the third quarter of 2025 compared with \$2.65 billion as of Dec. 29, 2024.

Cash flow from operating activities totaled \$343.1 million for the third quarter compared with \$249.8 million in the prior-year period.

TDY generated free cash flow of \$313.9 million, up from \$228.7 million in the prior-year quarter.

TDY's Guidance

Teledyne expects to generate adjusted earnings in the band of \$5.73-\$5.88 per share for the fourth quarter of 2025. The Zacks Consensus Estimate for TDY's fourth-quarter earnings is pegged at \$5.90 per share, higher than the company's guided range.

For 2025, Teledyne expects its adjusted earnings to be in the range of \$21.45-\$21.60 per share. The Zacks Consensus Estimate for earnings is pegged at \$21.48 per share, which lies below the midpoint of the company's guided range.

FY Quarter Ending 12/31/2024

Earnings Reporting Date	Oct 22, 2025
Sales Surprise	1.02%
EPS Surprise	1.27%
Quarterly EPS	5.57
Annual EPS (TTM)	21.24

Valuation

Teledyne Technologies' shares are up 8.6% in the year-to-date period and 7.2% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 20.2% while stocks in the Zacks Aerospace sector are up 25.9% in the year-to-date period. Over the past year, the Zacks sub-industry is up 13.6% while the sector is up 20%.

The S&P 500 index is up 14.5% in the year-to-date period and 14.2% in the past year.

The stock is currently trading at 21.41X forward 12-months earnings, which compares with 43.09X for the Zacks sub-industry, 31.19X for the Zacks sector and 22.98X for the S&P 500 index.

Over the past five years, the stock has traded as high as 38.4X and as low as 17.26X, with a 5-year median of 21.92X.

Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$529 price target reflects 22.46X forward 12-months earnings.

The table below shows summary valuation data for TDY.

Valuation Multiples - TDY					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	21.41	43.09	31.19	22.98
	5-Year High	38.4	51.15	33.41	23.81
	5-Year Low	17.26	24.78	18.1	15.73
	5-Year Median	21.92	35.31	24.14	21.2
P/S F12M	Current	3.75	8.86	2.47	5.22
	5-Year High	5.06	10.04	2.58	5.52
	5-Year Low	2.74	3.81	1.31	3.84
	5-Year Median	3.51	6.02	1.68	5.06
EV/EBITDA TTM	Current	15.8	64.74	26.97	18.06
	5-Year High	30.82	72.59	31.23	22.58
	5-Year Low	13.51	25.98	12.71	13.97
	5-Year Median	16.73	42.93	20.78	18.09

As of 11/18/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 35% (85 out of 243)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
Curtiss-Wright Corpo...(CW)	Neutral	2
Hexcel Corporation (HXL)	Neutral	3
Leidos Holdings, Inc...(LDOS)	Neutral	2
L3Harris Technologie...(LHX)	Neutral	3
Lockheed Martin Corp...(LMT)	Neutral	3
Moog Inc. (MOG.A)	Neutral	3
Transdigm Group Inco...(TDG)	Neutral	3
CAE Inc (CAE)	Underperform	4

Industry Comparison⁽¹⁾ Industry: Aerospace - Defense Equipment

	TDY	X Industry	S&P 500	LMT	MOG.A	TDG
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	3	3	3
VGM Score	F	-	-	B	A	F
Market Cap	24.15 B	7.86 B	39.20 B	112.09 B	7.80 B	72.77 B
# of Analysts	5	3	22	8	2	9
Dividend Yield	0.00%	0.00%	1.4%	2.85%	0.47%	0.00%
Value Score	C	-	-	B	B	D
Cash/Price	0.02	0.03	0.04	0.03	0.01	0.04
EV/EBITDA	18.92	24.04	14.73	14.65	17.78	21.71
PEG Ratio	2.60	2.43	2.24	1.84	NA	2.64
Price/Book (P/B)	2.29	4.12	3.35	18.14	3.91	NA
Price/Cash Flow (P/CF)	18.41	29.33	15.24	13.63	20.40	29.83
P/E (F1)	23.59	35.86	19.90	21.98	25.25	33.40
Price/Sales (P/S)	4.02	3.18	3.09	1.53	2.02	8.24
Earnings Yield	4.18%	2.57%	5.01%	4.55%	3.96%	2.99%
Debt/Equity	0.20	0.27	0.57	3.32	0.47	-3.01
Cash Flow (\$/share)	27.93	1.87	8.99	35.55	12.08	43.31
Growth Score	D	-	-	B	A	D
Hist. EPS Growth (3-5 yrs)	12.15%	18.88%	8.16%	2.54%	17.15%	39.38%
Proj. EPS Growth (F1/F0)	9.02%	20.97%	8.57%	-22.59%	12.31%	3.64%
Curr. Cash Flow Growth	3.33%	17.55%	6.75%	-0.55%	9.79%	12.33%
Hist. Cash Flow Growth (3-5 yrs)	20.80%	8.00%	7.43%	2.44%	9.44%	13.96%
Current Ratio	1.79	2.86	1.18	1.13	2.12	3.21
Debt/Capital	16.48%	22.70%	38.01%	76.85%	32.15%	NA
Net Margin	13.62%	6.97%	12.78%	5.73%	6.03%	21.69%
Return on Equity	9.95%	11.11%	17.00%	111.84%	14.59%	-31.91%
Sales/Assets	0.40	0.66	0.53	1.27	0.89	0.40
Proj. Sales Growth (F1/F0)	6.90%	10.09%	5.77%	4.70%	NA	12.40%
Momentum Score	D	-	-	F	B	F
Daily Price Chg	-0.76%	-0.47%	-0.16%	0.87%	0.92%	-0.20%
1 Week Price Chg	-0.78%	2.44%	-0.44%	6.20%	2.80%	-3.88%
4 Week Price Chg	2.95%	4.36%	2.16%	2.90%	25.71%	-3.27%
12 Week Price Chg	-9.44%	-2.51%	1.83%	0.84%	23.11%	-0.25%
52 Week Price Chg	8.05%	36.15%	12.22%	-1.47%	21.20%	0.94%
20 Day Average Volume	356,414	261,495	2,744,252	1,290,414	210,152	277,530
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	-0.84%	0.00%	0.02%
(F1) EPS Est 4 week change	0.00%	0.00%	0.00%	-0.77%	3.23%	-0.19%
(F1) EPS Est 12 week change	0.38%	0.38%	0.69%	0.30%	3.23%	-11.46%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	-3.64%	0.00%	-1.50%

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	C
Growth Score	D
Momentum Score	D
VGM Score	F

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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