

REFINITIV

DELTA REPORT

10-Q

TXN - TEXAS INSTRUMENTS INC

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 333

█ CHANGES 129

█ DELETIONS 114

█ ADDITIONS 90

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 **September 30, 2023** **March 31, 2024**

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 001-03761

TEXAS INSTRUMENTS INCORPORATED

(Exact Name of Registrant as Specified in Its Charter)

Delaware

75-0289970

(State of Incorporation)

(I.R.S. Employer Identification No.)

12500 TI Boulevard, Dallas, Texas

75243

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code 214-479-3773

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$1.00	TXN	The Nasdaq Global Select Market

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

908,204,093 910,482,146

Number of shares of Registrant's common stock outstanding as of

October 17, 2023 **April 16, 2024**

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES

PART I - FINANCIAL INFORMATION

ITEM 1. Financial statements

		For Three Months Ended		For Nine Months Ended					
Consolidated Statements of Income		September 30,		September 30,					
Consolidated Statements of Income									
Consolidated Statements of Income									
(In millions, except per-share amounts)									
(In millions, except per-share amounts)									
(In millions, except per-share amounts)	(In millions, except per-share amounts)	2023	2022	2023	2022				
Revenue	Revenue	\$4,532	\$5,241	\$13,442	\$15,358				
Revenue	Revenue								
Cost of revenue (COR)	Cost of revenue (COR)								
Cost of revenue (COR)	Cost of revenue (COR)	1,717	1,624	4,854	4,674				
Gross profit	Gross profit	2,815	3,617	8,588	10,684				
Gross profit	Gross profit								
Research and development (R&D)	Research and development (R&D)	471	431	1,403	1,236				
Research and development (R&D)	Research and development (R&D)								
Selling, general and administrative (SG&A)	Selling, general and administrative (SG&A)								
Selling, general and administrative (SG&A)	Selling, general and administrative (SG&A)								
Selling, general and administrative (SG&A)	Selling, general and administrative (SG&A)	452	431	1,387	1,275				
Restructuring charges/other	Restructuring charges/other	—	77	—	209				
Restructuring charges/other	Restructuring charges/other								
Operating profit	Operating profit								
Operating profit	Operating profit	1,892	2,678	5,798	7,964				
Other income (expense), net (OI&E)	Other income (expense), net (OI&E)	128	33	327	55				
Other income (expense), net (OI&E)	Other income (expense), net (OI&E)								

Other income (expense), net (OI&E)						
Interest and debt expense						
Interest and debt expense						
Interest and debt expense	Interest and debt expense	98	53	255	154	
Income before income taxes	Income before income taxes	1,922	2,658	5,870	7,865	
Income before income taxes						
Income before income taxes						
Provision for income taxes	Provision for income taxes	213	363	731	1,078	
Provision for income taxes						
Net income						
Net income	Net income	\$ 1,709	\$ 2,295	\$ 5,139	\$ 6,787	
Earnings per common share (EPS):	Earnings per common share (EPS):					
Earnings per common share (EPS):						
Basic	Basic	\$ 1.87	\$ 2.50	\$ 5.63	\$ 7.35	
Basic						
Basic						
Diluted						
Diluted	Diluted	\$ 1.85	\$ 2.47	\$ 5.58	\$ 7.27	
Average shares outstanding:	Average shares outstanding:					
Average shares outstanding:						
Basic	Basic	908	913	908	919	
Basic						
Basic						
Diluted						
Diluted	Diluted	916	923	916	929	
A portion of net income is allocated to unvested restricted stock units (RSUs) on which we pay dividend equivalents. Diluted EPS is calculated using the following:						
A portion of net income is allocated to unvested restricted stock units (RSUs) on which we pay dividend equivalents. Diluted EPS is calculated using the following:						
A portion of net income is allocated to unvested restricted stock units (RSUs) on which we pay dividend equivalents. Diluted EPS is calculated using the following:						
Net income						
Net income						
Net income	Net income	\$ 1,709	\$ 2,295	\$ 5,139	\$ 6,787	

Income allocated to RSUs	Income allocated to RSUs	(10)	(11)	(26)	(30)
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Income allocated to RSUs

Income allocated to RSUs

Income allocated to common stock for diluted EPS

Income allocated to common stock for diluted EPS

Income allocated to common stock for diluted EPS	Income allocated to common stock for diluted EPS	\$1,699	\$2,284	\$ 5,113	\$ 6,757
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See accompanying notes.

See accompanying notes.

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income	Consolidated Statements of Comprehensive Income	For Three Months Ended		For Nine Months Ended		
		September 30,		September 30,		
Consolidated Statements of Comprehensive Income						
Consolidated Statements of Comprehensive Income						
<u>(In millions)</u>						
<u>(In millions)</u>						
(In millions)	(In millions)	2023	2022	2023	2022	
Net income	Net income	\$ 1,709	\$ 2,295	\$ 5,139	\$ 6,787	
Net income						
Net income						
Other comprehensive income (loss)						
Other comprehensive income (loss)						
Other comprehensive income (loss)	Other comprehensive income (loss)					
Net actuarial losses of defined benefit plans:	Net actuarial losses of defined benefit plans:					
Adjustments, net of tax effect of (\$3) and (\$4); (\$4) and \$2		6	11	6	(23)	
Recognized within net income, net of tax effect of (\$1) and (\$4); (\$3) and (\$9)		3	15	9	33	
Prior service cost (credit) of defined benefit plans:						
Adjustments, net of tax effect of \$0 and \$0; \$0 and \$0		—	1	—	1	
Recognized within net income, net of tax effect of \$0 and \$0; \$0 and \$0		1	(1)	1	(1)	
Net actuarial losses of defined benefit plans:						
Net actuarial losses of defined benefit plans:						

Adjustments, net of tax effect of (\$2) and \$1				
Adjustments, net of tax effect of (\$2) and \$1				
Adjustments, net of tax effect of (\$2) and \$1				
Recognized within net income, net of tax effect of (\$1) and (\$1)				
Recognized within net income, net of tax effect of (\$1) and (\$1)				
Recognized within net income, net of tax effect of (\$1) and (\$1)				
Derivative instruments: Derivative instruments:				
Change in fair value, net of tax effect of \$0 and \$0; \$0 and \$0	—	1	1	1
Derivative instruments:				
Derivative instruments:				
Change in fair value, net of tax effect of \$0 and \$1				
Change in fair value, net of tax effect of \$0 and \$1				
Change in fair value, net of tax effect of \$0 and \$1				
Available-for-sale investments: Available-for-sale investments:				
Unrealized gains (losses), net of tax effect of \$0 and \$0; \$0 and \$2	1	(1)	2	(8)
Available-for-sale investments:				
Available-for-sale investments:				
Unrealized gains (losses), net of tax effect of \$2 and \$0				
Unrealized gains (losses), net of tax effect of \$2 and \$0				
Unrealized gains (losses), net of tax effect of \$2 and \$0				
Other comprehensive income (loss), net of taxes Other comprehensive income (loss), net of taxes	11	26	19	3
Other comprehensive income (loss), net of taxes				
Other comprehensive income (loss), net of taxes				
Total comprehensive income				
Total comprehensive income				
Total comprehensive income	Total comprehensive income	\$ 1,720	\$ 2,321	\$ 5,158
See accompanying notes.	See accompanying notes.			
See accompanying notes.				
See accompanying notes.				

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES

Consolidated Balance Sheets	December		Consolidated Balance Sheets	2024	2023			
	September 30, 31,							
	March 31,							
Balance Sheets	2023	2022						

(In millions, except par value)		(In millions, except par value)	
Assets	Assets	Assets	
Current assets:	Current assets:	Current assets:	
Cash and cash equivalents	Cash and cash equivalents	\$ 2,566	\$ 3,050
Short-term investments	Short-term investments	6,382	6,017
Accounts receivable, net of allowances of (\$15) and (\$13)		1,976	1,895
Accounts receivable, net of allowances of (\$20) and (\$16)			
Raw materials	Raw materials	401	353
Work in process	Work in process	2,147	1,546
Finished goods	Finished goods	1,360	858
Inventories	Inventories	3,908	2,757
Prepaid expenses and other current assets	Prepaid expenses and other current assets	265	302
Total current assets	Total current assets	15,097	14,021
Property, plant and equipment at cost	Property, plant and equipment at cost	12,528	9,950
Accumulated depreciation	Accumulated depreciation	(3,208)	(3,074)
Property, plant and equipment	Property, plant and equipment	9,320	6,876
Goodwill	Goodwill	4,362	4,362
Deferred tax assets	Deferred tax assets	632	473
Capitalized software licenses	Capitalized software licenses	138	152
Overfunded retirement plans	Overfunded retirement plans	166	188
Other long-term assets	Other long-term assets	1,923	1,135
Total assets	Total assets	\$ 31,638	\$27,207

Liabilities and stockholders' equity

Liabilities and stockholders' equity

Liabilities and stockholders' equity	Liabilities and stockholders' equity
Current liabilities:	Current liabilities:
Current portion of long-term debt	Current portion of long-term debt

(In millions, except par value)		(In millions, except par value)	
Assets	Assets	Assets	
Current assets:	Current assets:	Current assets:	
Cash and cash equivalents	Cash and cash equivalents	\$ 2,566	\$ 3,050
Short-term investments	Short-term investments	6,382	6,017
Accounts receivable, net of allowances of (\$15) and (\$13)		1,976	1,895
Accounts receivable, net of allowances of (\$20) and (\$16)			
Raw materials	Raw materials	401	353
Work in process	Work in process	2,147	1,546
Finished goods	Finished goods	1,360	858
Inventories	Inventories	3,908	2,757
Prepaid expenses and other current assets	Prepaid expenses and other current assets	265	302
Total current assets	Total current assets	15,097	14,021
Property, plant and equipment at cost	Property, plant and equipment at cost	12,528	9,950
Accumulated depreciation	Accumulated depreciation	(3,208)	(3,074)
Property, plant and equipment	Property, plant and equipment	9,320	6,876
Goodwill	Goodwill	4,362	4,362
Deferred tax assets	Deferred tax assets	632	473
Capitalized software licenses	Capitalized software licenses	138	152
Overfunded retirement plans	Overfunded retirement plans	166	188
Other long-term assets	Other long-term assets	1,923	1,135
Total assets	Total assets	\$ 31,638	\$27,207
Liabilities and stockholders' equity		Liabilities and stockholders' equity	
Liabilities and stockholders' equity	Liabilities and stockholders' equity	Liabilities and stockholders' equity	
Current liabilities:	Current liabilities:	Current liabilities:	
Current portion of long-term debt	Current portion of long-term debt	\$ 300	\$ 500

Accounts payable	Accounts payable	713	851
Accrued compensation	Accrued compensation	707	799
Income taxes payable	Income taxes payable	108	189
Accrued expenses and other liabilities	Accrued expenses and other liabilities	824	646
Total current liabilities	Total current liabilities	2,652	2,985
Long-term debt	Long-term debt	10,922	8,235
Underfunded retirement plans	Underfunded retirement plans	141	118
Deferred tax liabilities	Deferred tax liabilities	66	66
Other long-term liabilities	Other long-term liabilities	1,226	1,226
Total liabilities	Total liabilities	15,007	12,630
Stockholders' equity:			
Preferred stock, \$25 par value. Shares authorized – 10; none issued	Preferred stock, \$25 par value. Shares authorized – 10; none issued	—	—
Common stock, \$1 par value. Shares authorized – 2,400; shares issued – 1,741	Common stock, \$1 par value. Shares authorized – 2,400; shares issued – 1,741	1,741	1,741
Paid-in capital	Paid-in capital	3,280	2,951
Retained earnings	Retained earnings	52,098	50,353
Treasury common stock at cost	Treasury common stock at cost		
Shares: September 30, 2023 – 833; December 31, 2022 – 835		(40,253)	(40,214)
Shares: March 31, 2024 – 831; December 31, 2023 – 832			
Accumulated other comprehensive income (loss), net of taxes (AOCI)	Accumulated other comprehensive income (loss), net of taxes (AOCI)	(235)	(254)
Total stockholders' equity	Total stockholders' equity	16,631	14,577
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity	\$ 31,638	\$ 27,207

See accompanying notes. See accompanying notes. See accompanying notes.

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES

Consolidated Statements of Cash Flows	For Nine Months Ended		Consolidated Statements of Cash Flows	For Three Months Ended	
	September 30,	2023		March 31,	2023
(In millions)	(In millions)	2023	2022	(In millions)	
Cash flows from operating activities	Cash flows from operating activities			Cash flows from operating activities	
Net income	Net income	\$ 5,139	\$ 6,787		
Adjustments to net income:	Adjustments to net income:				
Depreciation	Depreciation	853	676		
Depreciation					
Depreciation					
Amortization of capitalized software					
Amortization of capitalized software					
Amortization of capitalized software					
Amortization of capitalized software					
Amortization of capitalized software	Amortization of capitalized software	48	40		
Stock compensation	Stock compensation	294	227		
Gains on sales of assets	Gains on sales of assets	(1)	(3)		
Deferred taxes	Deferred taxes	(159)	(18)		
Increase (decrease) from changes in:	Increase (decrease) from changes in:				
Accounts receivable					
Accounts receivable					
Accounts receivable	Accounts receivable	(81)	(339)		
Inventories	Inventories	(1,151)	(494)		
Prepaid expenses and other current assets	Prepaid expenses and other current assets	38	45		
Accounts payable and accrued expenses	Accounts payable and accrued expenses	(23)	72		
Accrued compensation	Accrued compensation	(97)	(114)		

Income taxes payable	Income taxes payable	(65)	26
Changes in funded status of retirement plans	Changes in funded status of retirement plans	49	126
Other	Other	(348)	(353)
Cash flows from operating activities	Cash flows from operating activities	4,496	6,678
Cash flows from investing activities	Cash flows from investing activities		
Cash flows from investing activities			
Capital expenditures	Capital expenditures	(3,923)	(1,830)
Proceeds from asset sales	Proceeds from asset sales	3	3
Purchases of short-term investments	Purchases of short-term investments	(10,140)	(10,795)
Proceeds from short-term investments	Proceeds from short-term investments	9,976	10,007
Other	Other	33	59
Cash flows from investing activities	Cash flows from investing activities	(4,051)	(2,556)
Cash flows from financing activities	Cash flows from financing activities		
Cash flows from financing activities			
Proceeds from issuance of long-term debt	Proceeds from issuance of long-term debt	3,000	695
Repayment of debt		(500)	(500)
Dividends paid			
Dividends paid			
Dividends paid	Dividends paid	(3,376)	(3,174)
Stock repurchases	Stock repurchases	(228)	(2,767)
Proceeds from common stock transactions	Proceeds from common stock transactions	218	191
Other	Other	(43)	(29)
Cash flows from financing activities	Cash flows from financing activities	(929)	(5,584)

Net change in cash and cash equivalents	Net change in cash and cash equivalents	(484)	(1,462)
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Net change in cash and cash equivalents

Net change in cash and cash equivalents

Cash and cash equivalents at beginning of period

Cash and cash equivalents at beginning of period

3,050

4,631

Cash and cash equivalents at end of period

Cash and cash equivalents at end of period

\$ 2,566

\$ 3,169

See accompanying notes.

See accompanying notes.

See accompanying notes.

See accompanying notes.

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES

Notes to financial statements

1. Description of business, including segment and geographic area information

We design and manufacture semiconductors that we sell to electronics designers and manufacturers all over the world. We have two reportable segments, Analog and Embedded Processing, each of which represents groups of similar products that are combined on the basis of similar design and development requirements, product characteristics, manufacturing processes and distribution channels. Our segments also reflect how management allocates resources and measures results.

- Analog semiconductors change real-world signals, such as sound, temperature, pressure or images, by conditioning them, amplifying them and often converting them to a stream of digital data that can be processed by other semiconductors, such as embedded processors. Analog semiconductors are also used to manage power in all electronic equipment by converting, distributing, storing, discharging, isolating and measuring electrical energy, whether the equipment is plugged into a wall or using a battery. Our Analog segment consists of two major product lines: Power and Signal Chain.
- Embedded Processing products are the digital “brains” of many types of electronic equipment. They are designed to handle specific tasks and can be optimized for various combinations of performance, power and cost, depending on the application.

We report the results of our remaining business activities in Other. Other includes operating segments that do not meet the quantitative thresholds for individually reportable segments and cannot be aggregated with other operating segments. Other includes DLP® products, calculators and custom ASIC products.

Our centralized manufacturing and support organizations, such as facilities, procurement and logistics, provide support to our operating segments, including those in Other. Costs incurred by these organizations, including depreciation, are charged to the segments on a per-unit basis. Consequently, depreciation expense is not an independently identifiable component within the segments' results and, therefore, is not provided.

Segment information

	For Three Months Ended			For Nine Months Ended		
	For Three Months Ended			For Nine Months Ended		
	For Three Months Ended			For Nine Months Ended		
	March 31,	March 31,	March 31,	September 30,	September 30,	September 30,
Revenue:	Revenue:	2023	2022	2023	2022	
Revenue:						
Revenue:						
Analog						

Analog									
Analog	Analog	\$	3,353	\$	3,993	\$	9,920	\$	11,801
Embedded Processing	Embedded Processing		890		821		2,616		2,424
Embedded Processing									
Embedded Processing									
Other	Other		289		427		906		1,133
Other									
Other									
Total revenue									
Total revenue									
Total revenue	Total revenue	\$	4,532	\$	5,241	\$	13,442	\$	15,358
Operating profit:	Operating profit:								
Operating profit:									
Analog									
Analog	Analog	\$	1,504	\$	2,185	\$	4,541	\$	6,561
Embedded Processing	Embedded Processing		258		321		813		960
Embedded Processing									
Embedded Processing									
Other (a)									
Other (a)	Other (a)		130		172		444		443
Total operating profit	Total operating profit	\$	1,892	\$	2,678	\$	5,798	\$	7,964
Total operating profit									
Total operating profit									

(a) Includes restructuring charges/other

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES

Geographic area information

The following geographic area information is based on product shipment destination, which does not reflect end demand by geography.

Revenue:	For Three Months Ended					For Nine Months Ended				
	September 30,					September 30,				
	2023	2022	2023	2022		2023	2022	2023	2022	
United States	\$ 630	14 %	\$ 694	13 %	\$ 1,900	14 %	\$ 1,765	11 %		
China (a)	1,880	41	2,441	47	5,531	41	7,740	50		
Rest of Asia	571	13	694	13	1,654	12	1,993	13		
Europe, Middle East and Africa	952	21	942	18	2,894	22	2,578	17		
Japan	338	7	310	6	976	7	849	6		
Rest of world	161	4	160	3	487	4	433	3		
Total revenue	\$ 4,532	100 %	\$ 5,241	100 %	\$ 13,442	100 %	\$ 15,358	100 %		

(a) Revenue from products shipped into China includes shipments to customers that manufacture in China and then export end products to their customers around the world, as well as distributors that transship inventory through China to service other countries.

The following additional geographic information includes our estimate for revenue based on the geographic location of our end customers' headquarters, providing a better representation of the geographic profile for which represents where critical decisions are made, made, is as follows:

		For Three Months Ended				For Nine Months Ended									
		September 30,				September 30,									
		2023	2022			2023	2022								
For Three Months Ended															
For Three Months Ended															
For Three Months Ended															
March 31,															
March 31,															
March 31,															
		2024													
		2024													
		2024													
Revenue:															
Revenue:															
Revenue:	Revenue:														
United States	United States	\$ 1,541	34 %	\$ 1,782	34 %	\$ 4,391	33 %	\$ 5,058	33 %						
United States															
China															
China	China	813	18	1,143	22	2,561	19	3,758	24						
Rest of Asia	Rest of Asia	434	10	534	10	1,263	10	1,643	11						
Rest of Asia															
Rest of Asia															
Europe, Middle East and Africa (a)															
Europe, Middle East and Africa (a)															
Europe, Middle East and Africa (a)	Europe, Middle East and Africa (a)	1,193	26	1,281	24	3,657	27	3,480	23						
Japan	Japan	455	10	446	9	1,373	10	1,252	8						
Japan															
Japan															
Rest of world															
Rest of world															
Rest of world	Rest of world	96	2	55	1	197	1	167	1						
Total revenue	Total revenue	\$ 4,532	100 %	\$ 5,241	100 %	\$ 13,442	100 %	\$ 15,358	100 %						
Total revenue															
Total revenue															

(a) Revenue from end customers headquartered in Germany was 13% and 11% in the third quarters of 2023 and 2022, respectively, and 13% and 10% in the first nine months quarters of 2023 both 2024 and 2022, respectively, 2023.

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES

2. Basis of presentation and significant accounting policies and practices

Basis of presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (GAAP) and on the same basis as the audited financial statements included in our annual report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023**. The Consolidated Statements of Income, Comprehensive Income and Cash Flows for the periods ended **September 30, 2023** **March 31, 2024** and **2022, 2023**, and the Consolidated Balance Sheet as of **September 30, 2023** **March 31, 2024**, are not audited but reflect all adjustments that are of a normal recurring nature and are necessary for a fair statement of the results of the periods shown. Certain information and note disclosures normally included in annual consolidated financial statements have been omitted pursuant to the rules and regulations of the U.S. Securities and Exchange Commission. Because the consolidated interim financial statements do not include all of the information and notes required by GAAP for a complete set of financial statements, they should be read in conjunction with the audited consolidated financial statements and notes included in our annual report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023**. The results for the **three- and nine-month** **three-month** periods are not necessarily indicative of a full year's results.

Significant accounting policies and practices

Earnings per share (EPS)

We use the two-class method for calculating EPS because the restricted stock units (RSUs) we grant are participating securities containing **non-forfeitable** **nonforfeitable** rights to receive dividend equivalents. Under the two-class method, a portion of net income is allocated to RSUs and excluded from the calculation of income allocated to common stock.

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES

Computation and reconciliation of earnings per common share are as follows:

	For Three Months Ended September 30,						For Three Months Ended March 31,					
	2023			2022			2024			2023		
	Net Income	Shares	EPS	Net Income	Shares	EPS	Net Income	Shares	EPS	Net Income	Shares	EPS
Basic EPS:												
Net income	Net income	\$1,709				\$2,295			Net income	\$ 1,105		
Income allocated to RSUs	Income allocated to RSUs	(9)				(11)			Income allocated to RSUs	(5)		
Income allocated to common stock	Income allocated to common stock	\$1,700	908			\$2,284	913					
Dilutive effect of stock compensation plans	Dilutive effect of stock compensation plans			\$1.87				10				
Diluted EPS:	Diluted EPS:											
Diluted EPS:												
Net income	Net income	\$1,709				\$2,295						
Income allocated to RSUs	Income allocated to RSUs	(10)				(11)						
Income allocated to common stock	Income allocated to common stock											

Income allocated to common stock	Income allocated to common stock	\$1,699	916	\$2,284	923		
		\$1.85		\$2.47			
	For Nine Months Ended September 30,						
	2023		2022				
	Net		Net				
	Income	Shares	EPS	Income	Shares		
					EPS		
	Basic EPS:						
	Net income	\$5,139		\$6,787			
	Income allocated to RSUs	(27)		(30)			
	Income allocated to common stock	\$5,112	908	\$5.63	\$6,757 919 \$7.35		
	Dilutive effect of stock compensation plans	8		10			
	Diluted EPS:						
	Net income	\$5,139		\$6,787			
	Income allocated to RSUs	(26)		(30)			
	Income allocated to common stock	\$5,113	916	\$5.58	\$6,757 929 \$7.27		

Potentially dilutive securities representing 9.14 million and 6 million shares of common stock that were outstanding during the first quarters of 2023 and 2022, respectively, and 9 million and 5 million shares outstanding during the first nine months of 2023 and 2022, respectively, were excluded from the computation of diluted earnings per common share during these periods because their effect would have been anti-dilutive.

Derivatives and hedging

We use derivative financial instruments to manage exposure to foreign exchange risk. These instruments are primarily forward foreign currency exchange contracts, which are used as economic hedges to reduce the earnings impact that exchange rate fluctuations may have on our non-U.S. dollar net balance sheet exposures. Gains and losses from changes in the fair value of these forward foreign currency exchange contracts are credited or charged to OI&E. We do not apply hedge accounting to our foreign currency derivative instruments.

We are exposed to variability in compensation charges related to certain deferred compensation obligations to employees. We use total return swaps to economically hedge this exposure and offset the related compensation expense, recognizing changes in the value of the swaps and the related deferred compensation liabilities in SG&A.

In connection with the issuance of long-term debt, we may use financial derivatives such as treasury-rate lock agreements that are recognized in AOCI and amortized over the life of the related debt.

The results of these derivative transactions have not been material. We do not use derivatives for speculative or trading purposes.

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES

Fair values of financial instruments

The fair values of our derivative financial instruments were not material as of September 30, 2023 March 31, 2024. Our investments in cash equivalents, short-term investments and certain long-term investments, as well as our deferred compensation liabilities, are carried at fair value. The carrying values for other current financial assets and liabilities, such as accounts receivable and accounts payable, approximate fair value due to the short maturity of such instruments. As of September 30, 2023 March 31, 2024, the carrying value of long-term debt, including the current portion, was \$11.22 \$14.19 billion, and the estimated fair value was \$9.82 \$13.33 billion. The estimated fair value is measured using broker-dealer quotes, which are Level 2 inputs. See Note 4 for a description of fair value and the definition of Level 2 inputs.

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES

3. Income taxes

Provision for income taxes is based on the following:

For Three Months Ended
For Three Months Ended
For Three Months Ended
March 31,
March 31,

		March 31,					
		For Three Months Ended			For Nine Months Ended		
		September 30,				September 30,	
		2023		2022		2023	
Taxes calculated using the estimated annual effective tax rate	Taxes calculated using the estimated annual effective tax rate	\$ 229		\$ 391		\$ 794	\$ 1,147
Taxes calculated using the estimated annual effective tax rate							
Discrete tax items	Discrete tax items	(16)		(28)		(63)	(69)
Discrete tax items							
Provision for income taxes							
Provision for income taxes							
Provision for income taxes	Provision for income taxes	\$ 213		\$ 363		\$ 731	\$ 1,078
Effective tax rate	Effective tax rate	11 %		14 %		12 %	14 %
Effective tax rate							
Effective tax rate							

The effective tax rate differs from the 21% U.S. statutory corporate tax rate due to the effect of U.S. tax benefits.

4. Valuation of debt and equity investments and certain liabilities

Investments measured at fair value

Money market funds, debt investments and mutual funds are stated at fair value, which is generally based on market prices or broker quotes. We classify all debt investments as available-for-sale. See *Fair-value considerations*. Unrealized gains and losses are recorded as an increase or decrease, net of taxes, in AOCI on our Consolidated Balance Sheets, and any credit losses are recorded as an allowance for credit losses with an offset recognized in OI&E in our Consolidated Statements of Income.

Our mutual funds hold a variety of debt and equity investments intended to generate returns that offset changes in certain deferred compensation liabilities. We record changes in the fair value of these mutual funds and the related deferred compensation liabilities in SG&A.

Other investments

Our other investments include equity-method investments and **non-marketable nonmarketable** investments, which are not measured at fair value. These investments consist of interests in venture capital funds and other **non-marketable nonmarketable** securities. Gains and losses from equity-method investments are recognized in OI&E based on our ownership share of the investee's financial results.

Non-marketable Nonmarketable securities are measured at cost with adjustments for observable changes in price or impairments. Gains and losses on **non-marketable nonmarketable** investments are recognized in OI&E.

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES

Details of our investments are as follows:

	September 30, 2023			December 31, 2022			March 31, 2024			December 31, 2023		
	Cash and		Cash and		Cash and		Cash and		Cash and		Cash and	
	Cash	Short-Term	Long-Term	Cash	Short-Term	Long-Term	Cash	Short-Term	Long-Term	Cash	Short-Term	Long-Term
	Equivalents	Investments	Investments	Equivalents	Investments	Investments	Equivalents	Investments	Investments	Equivalents	Investments	Investment
Cash and Cash Equivalents												

Measured at fair value:	Measured at fair value:						Measured at fair value:
Money market funds	Money market funds	\$ 1,141	\$ —	\$ —	\$ 1,238	\$ —	\$ —
Corporate obligations	Corporate obligations	280	1,519	—	276	1,535	—
U.S. government and agency securities	U.S. government and agency securities	398	4,467	—	680	4,234	—
Non-U.S. government and agency securities	Non-U.S. government and agency securities	100	396	—	149	248	—
Mutual funds	Mutual funds	—	—	11	—	—	11
Total	Total	1,919	6,382	11	2,343	6,017	11
Other measurement basis:	Other measurement basis:						
Other measurement basis:							
Equity-method investments	Equity-method investments	—	—	16	—	—	18
Non-marketable investments	Non-marketable investments	—	—	5	—	—	5
Equity-method investments							
Equity-method investments							
Nonmarketable investments							
Total	Cash on hand						
Cash on hand	Cash on hand						
Cash on hand	Cash on hand	647	—	—	707	—	—
Total	Total	\$ 2,566	\$ 6,382	\$ 32	\$ 3,050	\$ 6,017	\$ 34

As of September 30, 2023 March 31, 2024, and December 31, 2022 December 31, 2023, unrealized gains and losses associated with our debt investments were not material. We did not recognize any credit losses related to debt investments for the first nine three months of 2023 2024 and 2022 2023.

The following table presents the aggregate maturities of our available-for-sale debt investments as of September 30, 2023 March 31, 2024:

	Fair Value
One year or less	\$ 6,775
One to two years	7,585

Proceeds from sales, redemptions and maturities of short-term available-for-sale investments were \$2.89 \$2.63 billion and \$3.03 \$4.03 billion for the third first quarters of 2023 2024 and 2022, respectively, and \$9.98 billion and \$10.01 billion for the first nine months of 2023, and 2022, respectively. Gross realized gains and losses from these sales were not material.

Fair-value considerations

We measure and report certain financial assets and liabilities at fair value on a recurring basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The three-level hierarchy described below indicates the extent and level of judgment used to estimate fair-value measurements.

- *Level 1* – Uses unadjusted quoted prices that are available in active markets for identical assets or liabilities as of the reporting date.

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES

- *Level 2* – Uses inputs other than Level 1 that are either directly or indirectly observable as of the reporting date through correlation with market data, including quoted prices for similar assets and liabilities in active markets and quoted prices in markets that are not active. Level 2 also includes assets and liabilities that are valued using models or other pricing methodologies that do not require significant judgment since the input assumptions used in the models, such as interest rates and volatility factors, are corroborated by readily observable data. We utilize a third-party data service to provide Level 2 valuations. We verify these valuations for reasonableness relative to unadjusted quotes obtained from brokers or dealers based on observable prices for similar assets in active markets.
- *Level 3* – Uses inputs that are unobservable, supported by little or no market activity and reflect the use of significant management judgment. These values are generally determined using pricing models that utilize management estimates of market participant assumptions. As of **September 30, 2023** **March 31, 2024**, and **December 31, 2022** **December 31, 2023**, we had no Level 3 assets or liabilities.

The following are our assets and liabilities that were accounted for at fair value on a recurring basis. These tables do not include cash on hand, assets held by our postretirement plans, or assets and liabilities that are measured at historical cost or any basis other than fair value.

Assets:	Assets:	September 30, 2023			December 31, 2022			March 31, 2024			December 31, 2023		
		Level 1		Total	Level 1		Level 2	Level 1		Level 2	Total	Level 1	Level 2
		Level 1	Level 2	Total	Level 1	Level 2	Total	Level 1	Level 2	Total	Level 1	Level 2	Total
Money market funds	Money market funds	\$1,141	\$ —	\$1,141	\$1,238	\$ —	\$1,238						
Corporate obligations	Corporate obligations	—	1,799	1,799	—	1,811	1,811						
U.S. government and agency securities	U.S. government and agency securities	4,161	704	4,865	4,914	—	4,914						
Non-U.S. government and agency securities	Non-U.S. government and agency securities	—	496	496	—	397	397						
Mutual funds	Mutual funds	11	—	11	11	—	11						
Total assets	Total assets	\$5,313	\$2,999	\$8,312	\$6,163	\$2,208	\$8,371						
Liabilities:	Liabilities:												
Liabilities:	Liabilities:												
Deferred compensation	Deferred compensation												
Deferred compensation	Deferred compensation	\$ 352	\$ —	\$ 352	\$ 326	\$ —	\$ 326						
Total liabilities	Total liabilities	\$ 352	\$ —	\$ 352	\$ 326	\$ —	\$ 326						

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES

5. Postretirement benefit plans

Expenses related to defined benefit and retiree health care benefit plans are as follows:

For Three Months Ended	U.S.						U.S. Defined Benefit	U.S. Retiree Health Care	Non-U.S. Defined Benefit
	U.S.	Retiree	Non-U.S.	Defined	Health	Defined			
	Benefit	Care	Benefit	Benefit	Care	Benefit			
September 30,	2023	2022	2023	2022	2023	2022			

For Three Months Ended March 31,		For Three Months Ended March 31,		2024	2023	2024	2023	2024	2023
Service cost	Service cost	\$ 2	\$ 4	\$—	\$ 1	\$ 4	\$ 6		
Interest cost	Interest cost	7	8	4	3	14	7		
Expected return on plan assets	Expected return on plan assets	(6)	(6)	(4)	(3)	(16)	(15)		
Recognized net actuarial losses (gains)	Recognized net actuarial losses (gains)	2	1	(1)	—	3	1		
Amortization of prior service cost (credit)	Amortization of prior service cost (credit)	—	—	—	(1)	1	—		
Net periodic benefit costs (credits)	Net periodic benefit costs (credits)	5	7	(1)	—	6	(1)		
Settlement losses	Settlement losses	—	16	—	—	—	1		
Total, including other postretirement losses (gains)	Total, including other postretirement losses (gains)	\$ 5	\$ 23	\$ (1)	\$—	\$ 6	\$—		
Net periodic benefit costs (credits)	Net periodic benefit costs (credits)								
		U.S.		U.S.		Retiree		Non-U.S.	
		Defined Benefit		Health Care		Defined Benefit			
For Nine Months Ended September 30,		2023	2022	2023	2022	2023	2022	2023	2022
Service cost	Service cost	\$ 6	\$ 12	\$ 1	\$ 2	\$12	\$19		
Interest cost	Interest cost	21	20	11	8	43	26		
Expected return on plan assets	Expected return on plan assets	(17)	(22)	(13)	(9)	(48)	(50)		
Recognized net actuarial losses (gains)	Recognized net actuarial losses (gains)	5	2	(4)	—	9	1		
Amortization of prior service cost (credit)	Amortization of prior service cost (credit)	—	—	—	(1)	1	—		
Net periodic benefit costs (credits)	Net periodic benefit costs (credits)	15	12	(5)	—	17	(4)		
Settlement losses	Settlement losses	1	29	—	—	1	10		
Total, including other postretirement losses (gains)	Total, including other postretirement losses (gains)	\$16	\$41	\$ (5)	\$—	\$18	\$ 6		

6. Debt and lines of credit

Short-term borrowings

We maintain a line of credit to provide additional liquidity through bank loans and, if necessary, to support commercial paper borrowings. As of September 30, 2023 March 31, 2024, the aforementioned line of credit was a variable-rate, revolving credit facility from a consortium of investment-grade banks that allows us to borrow up to \$1 billion until March

2024, 2025. The interest rate on borrowings under this credit facility, if drawn, is indexed to the applicable Term Secured Overnight Financing Rate (Term SOFR). As of **September 30, 2023** **March 31, 2024**, our credit facility was undrawn, and we had no commercial paper outstanding.

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES

Long-term debt

In May 2023, **February 2024**, we issued **three** **five** series of senior unsecured notes for an aggregate principal amount of **\$1.60** **\$3.00** billion, consisting of:

- \$200 million of 4.60% notes due in 2027;
- \$650 million of 4.60% notes due in 2029;
- \$600 million of 4.85% notes due in 2034;
- \$750 million of 5.15% notes due in 2054; and
- \$350 million further issuance of existing 4.60% notes due in 2028;
- \$200 million further issuance of existing 4.90% notes due in 2033; and
- \$1.20 billion of 5.05% notes due in 2063.

We incurred \$7 million of issuance cost and other related costs. The proceeds of the offering were \$1.60 billion, net of the original issuance discounts and premiums, which will be used for general corporate purposes.

In May 2023, we retired \$500 million of maturing debt.

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES

In March 2023, we issued two series of senior unsecured notes for an aggregate principal amount of \$1.40 billion, consisting of \$750 million of 4.90% notes due in 2033 and \$650 million of 5.00% notes due in 2053. We incurred \$11 \$16 million of issuance and other related costs. The proceeds of the offering were **\$1.40** **\$2.98** billion, net of the original issuance discounts, which will be used for general corporate purposes.

Long-term debt outstanding is as follows:

	September 30, 2023	December 31, 2022	
	March 31, 2024	March 31, 2024	December 31, 2023
Notes due 2023 at 2.25%	\$ —	\$ 500	
Notes due 2024 at 2.625%	300	300	
Notes due 2024 at 4.70%	300	300	
Notes due 2025 at 1.375%	750	750	
Notes due 2026 at 1.125%	500	500	
Notes due 2027 at 4.60%			
Notes due 2027 at 2.90%	500	500	
Notes due 2028 at 4.60%	700	500	
Notes due 2029 at 4.60%			

Notes due 2029 at 2.25%	Notes due 2029 at 2.25%	750	750
Notes due 2030 at 1.75%	Notes due 2030 at 1.75%	750	750
Notes due 2031 at 1.90%	Notes due 2031 at 1.90%	500	500
Notes due 2032 at 3.65%	Notes due 2032 at 3.65%	400	400
Notes due 2033 at 4.90%	Notes due 2033 at 4.90%	950	—
Notes due 2034 at 4.85%			
Notes due 2039 at 3.875%	Notes due 2039 at 3.875%	750	750
Notes due 2048 at 4.15%	Notes due 2048 at 4.15%	1,500	1,500
Notes due 2051 at 2.70%	Notes due 2051 at 2.70%	500	500
Notes due 2052 at 4.10%	Notes due 2052 at 4.10%	300	300
Notes due 2053 at 5.00%	Notes due 2053 at 5.00%	650	—
Notes due 2054 at 5.15%			
Notes due 2063 at 5.05%	Notes due 2063 at 5.05%	1,200	—
Total debt	Total debt	11,300	8,800
Net unamortized discounts, premiums and issuance costs	Net unamortized discounts, premiums and issuance costs	(78)	(65)
Total debt, including net unamortized discounts, premiums and issuance costs	Total debt, including net unamortized discounts, premiums and issuance costs	11,222	8,735
Current portion of long-term debt	Current portion of long-term debt	(300)	(500)

Long-term debt	Long-term debt	<u>\$10,922</u>	<u>\$ 8,235</u>
----------------	----------------	-----------------	-----------------

Interest and debt expense was \$98 million and \$53 million for the **third** first quarters of **2023** **2024** and **2022**, respectively, and \$255 million and \$154 million for the first nine months of **2023**, and **2022**, respectively. This was net of the amortized discounts, premiums, issuance and other related costs. Capitalized interest was **not material**. \$6 million and \$2 million for the first quarters of **2024** and **2023**, respectively.

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES

7. Stockholders' equity

Changes in equity are as follows:

	Common Stock			Common Stock	Paid-in Capital	Retained Earnings	Treasury Common Stock	AOCI
	Treasury							
	Common Stock	Paid-in Capital	Retained Earnings	Common Stock				AOCI
Balance, December 31, 2023								
Balance, December 31, 2022	\$1,741	\$2,951	\$50,353	\$(40,214)	\$(254)			
2023								
2024								
2024								
2024								
Net income	Net income	—	—	1,708	—	—		
Dividends declared and paid (\$1.24 per share)		—	—	(1,125)	—	—		
Net income								
Net income								
Dividends declared and paid (\$1.30 per share)								
Common stock issued for stock-based awards	Common stock issued for stock-based awards	—	(37)	—	118	—		
Stock repurchases	Stock repurchases	—	—	—	(96)	—		
Stock compensation	Stock compensation	—	104	—	—	—		
Other comprehensive income (loss), net of taxes	Other comprehensive income (loss), net of taxes	—	—	—	—	2		
Dividend equivalents on RSUs	Dividend equivalents on RSUs	—	—	(6)	—	—		
Other	Other	—	(2)	—	—	—		
Balance, March 31, 2023	1,741	3,016	50,930	(40,192)	(252)			
Balance, March 31, 2024								
Net income	—	—	1,722	—	—			
Dividends declared and paid (\$1.24 per share)	—	—	(1,125)	—	—			

Common stock issued for stock-based awards	—	36	—	29	—
Stock repurchases	—	—	—	(77)	—
Stock compensation	—	111	—	—	—
Other comprehensive income (loss), net of taxes	—	—	—	—	6
Dividend equivalents on RSUs	—	—	(5)	—	—
Balance, June 30, 2023	1,741	3,163	51,522	(40,240)	(246)
Net income	—	—	1,709	—	—
Dividends declared and paid (\$1.24 per share)	—	—	(1,126)	—	—
Common stock issued for stock-based awards	—	38	—	35	—
Stock repurchases	—	—	—	(48)	—
Stock compensation	—	79	—	—	—
Other comprehensive income (loss), net of taxes	—	—	—	—	11
Dividend equivalents on RSUs	—	—	(6)	—	—
Other	—	—	(1)	—	—
Balance, September 30, 2023	\$1,741	\$3,280	\$52,098	\$(40,253)	\$(235)

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES

	Common Stock					Common Stock	Paid-in Capital	Retained Earnings	Treasury Common Stock	AOCI
Balance, December 31, 2022										
						Treasury				
	Common	Paid-in	Retained	Common						
	Stock	Capital	Earnings	Stock	AOCI					
Balance, December 31, 2021	\$1,741	\$2,630	\$45,919	\$(36,800)	\$(157)					
2022										
2023										
2023										
Net income	Net income	—	—	2,201	—	—				
Dividends declared and paid (\$1.15 per share)		—	—	(1,063)	—	—				
Net income										
Net income										
Dividends declared and paid (\$1.24 per share)										
Common stock issued for stock-based awards	Common stock issued for stock-based awards	—	(36)	—	93	—				
Stock repurchases	Stock repurchases	—	—	—	(584)	—				
Stock compensation	Stock compensation	—	74	—	—	—				

Other	Other				
comprehensive	comprehensive				
income (loss),	income (loss),				
net of taxes	net of taxes	—	—	—	4
Dividend	Dividend				
equivalents on	equivalents on				
RSUs	RSUs	—	—	(5)	—
Other	Other	—	(1)	1	—
Balance, March 31, 2022		1,741	2,667	47,053	(37,291) (153)
Balance, March 31, 2023					
Net income		—	—	2,291	—
Dividends declared and paid (\$1.15 per share)		—	—	(1,060)	—
Common stock issued for stock-based awards		—	31	—	25
Stock repurchases		—	—	—	(1,266)
Stock compensation		—	85	—	—
Other comprehensive income (loss), net of taxes		—	—	—	(27)
Dividend equivalents on RSUs		—	—	(4)	—
Balance, June 30, 2022		1,741	2,783	48,280	(38,532) (180)
Net income		—	—	2,295	—
Dividends declared and paid (\$1.15 per share)		—	—	(1,051)	—
Common stock issued for stock-based awards		—	26	—	52
Stock repurchases		—	—	—	(996)
Stock compensation		—	68	—	—
Other comprehensive income (loss), net of taxes		—	—	—	26
Dividend equivalents on RSUs		—	—	(5)	—
Balance, September 30, 2022		<u>\$1,741</u>	<u>\$2,877</u>	<u>\$49,519</u>	<u>\$(39,476)</u> <u>\$(154)</u>

8. Contingencies

Indemnification guarantees

We routinely sell products with an intellectual property indemnification included in the terms of sale. Historically, we have had only minimal, infrequent losses associated with these indemnities. Consequently, we cannot reasonably estimate any future liabilities that may result.

Warranty costs/product liabilities

Our stated warranties for semiconductor products obligate us to repair, replace or credit the purchase price of a covered product back to the buyer. Product claim consideration may exceed the price of our products. Historically, we have experienced a low rate of payments on product claims. Although we cannot predict the likelihood or amount of any future claims, we do not believe they will have a material adverse effect on our consolidated financial statements. We accrue for known product-related claims if a loss is probable and can be reasonably estimated. During the periods presented, there have been no material accruals or payments regarding product warranty or product liability.

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES

General

We are subject to various legal and administrative proceedings. Although it is not possible to predict the outcome of these matters, we believe that the results of these proceedings will not have a material adverse effect on our consolidated financial statements.

9. Supplemental financial information

Restructuring charges/other

During the **third** **first** quarter and first nine months of **2022**, **2024**, restructuring charges/other **included** \$77 million and \$209 million, respectively, **was a credit of preproduction costs at our Lehi, Utah, manufacturing facility, which were included in Other for segment reporting purposes. These costs transitioned \$124 million primarily due to cost a gain on the sale of revenue after production began in December 2022, a property.**

<i>Prepaid expenses and other current assets</i>		<i>March 31,</i>	<i>December 31,</i>
		<i>2024</i>	<i>2023</i>
U.S. CHIPS and Science Act investment tax credit		\$ 999	\$ 497
Other		302	264
Total		\$ 1,301	\$ 761

Other long-term assets

		<i>September 30, 2023</i>	<i>December 31, 2022</i>	<i>March 31, 2024</i>	<i>March 31, 2024</i>	<i>December 31, 2023</i>
U.S. CHIPS and Science Act investment tax credit	U.S. CHIPS and Science Act					
investment	investment					
tax credit	tax credit	\$ 1,153	\$ 395			
Other	Other	770	740			
Total	Total	\$ 1,923	\$ 1,135			

Details on amounts reclassified out of accumulated other comprehensive income (loss), net of taxes, to net income

Our Consolidated Statements of Comprehensive Income include items that have been recognized within net income during the **third** **first** quarters of **2024** and **first nine months of 2023 and 2022**. The table below details where these transactions are recorded in our Consolidated Statements of Income.

For Three	For Three	Impact to Related Statement of Income Lines
Months	Months	
Ended	Ended	
For Three	For Three	
Months	Months	
Ended	Ended	
For Three	For Three	
Months	Months	
Ended	Ended	
March		
31,		
Net actuarial losses of defined benefit plans:		
Net actuarial losses of defined benefit plans:		
Net actuarial losses of defined benefit plans:		

Recognized net actuarial losses (a)	Recognized net actuarial losses (a)	\$3	\$4	Decrease to OI&E
Tax effect	Tax effect	(1)	(1)	Decrease to provision for income taxes
Recognized within net income, net of taxes	Recognized within net income, net of taxes	\$2	\$3	Decrease to net income
For Three Months Ended September 30, 2023	For Nine Months Ended September 30, 2023			
		Impact to Related Statement of Income Lines		
Net actuarial losses of defined benefit plans:				
Recognized net actuarial loss and settlement losses (a)	\$ 4 \$19 \$12 \$42	Decrease to OI&E		
		Decrease to provision for income		
Tax effect	(1) (4) (3) (9)	taxes		
Recognized within net income, net of taxes	\$ 3 \$15 \$ 9 \$33	Decrease to net income		
Prior service cost (credit) of defined benefit plans:				
Amortization of prior service cost (credit) (a)	\$ 1 \$(1) \$ 1 \$(1)	Decrease (increase) to OI&E		
		(Decrease) increase to provision for income		
Tax effect	— — — —	taxes		
Recognized within net income, net of taxes	\$ 1 \$(1) \$ 1 \$(1)	Decrease (increase) to net income		

(a) Detailed in Note 5

Stock compensation Effect on shares outstanding and treasury shares

During the following table reflects the first nine months of 2023, 3 million shares were issued from changes in treasury related to stock compensation. Shares issued from treasury during the third quarter of 2023 were less than 1 million shares:

	2024
Balance, January 1	832
Repurchases	—
Shares issued for stock compensation	(1)
Balance, March 31	831

ITEM 2. Management's discussion and analysis of financial condition and results of operations

Overview

We design and manufacture semiconductors that we sell to electronics designers and manufacturers all over the world. Technology is the foundation of our company, but ultimately, our objective and the best metric for owners to measure our progress is through the growth of free cash flow per share over the long term.

Our strategy to maximize long-term free cash flow per share growth has three elements:

1. A great business model that is focused on analog and embedded processing products and built around four sustainable competitive advantages. The four sustainable competitive advantages are powerful in combination and provide tangible benefits:
 - i. A strong foundation of manufacturing and technology that provides lower costs and greater control of our supply chain.
 - ii. A broad portfolio of analog and embedded processing products that offers more opportunity per customer and more value for our investments.
 - iii. The reach of our market channels that gives access to more customers and more of their design projects, leading to the opportunity to sell more of our products into each design and gives us better insight and knowledge of customer needs.
 - iv. Diversity and longevity of our products, markets and customer positions that provide less single point dependency and longer returns on our investments.
2. Discipline in allocating capital to the best opportunities. This spans how we select R&D projects, develop new capabilities like TI.com, invest in new manufacturing capacity or how we think about acquisitions and returning cash to our owners.
3. Efficiency, which means constantly striving for more output for every dollar spent.

We believe that our business model with the combined effect of our four competitive advantages sets TI apart from our peers and will for a long time to come. We will invest to strengthen our competitive advantages, be disciplined in capital allocation and stay diligent in our pursuit of efficiencies. Finally, we will remain focused on the belief that long-term growth of free cash flow per share is the ultimate measure to generate value.

Management's discussion and analysis of financial condition and results of operations (MD&A) should be read in conjunction with the financial statements and the related notes that appear elsewhere in this document. In the following discussion of our results of operations:

- Our segments represent groups of similar products that are combined on the basis of similar design and development requirements, product characteristics, manufacturing processes and distribution channels, and how management allocates resources and measures results. See Note 1 to the financial statements for more information regarding our segments.
- When we discuss our results:
 - Unless otherwise noted, changes in our revenue are attributable to changes in customer demand, which are evidenced by fluctuations in shipment volumes.
 - New products do not tend to have a significant impact on our revenue in any given period because we sell such a large number of products.
 - From time to time, our revenue and gross profit are affected by changes in demand for higher-priced or lower-priced products, which we refer to as changes in the "mix" of products shipped.
 - Because we own much of our manufacturing capacity, a significant portion of our operating cost is fixed. When factory loadings decrease, our fixed costs are spread over reduced output and, absent other circumstances, our profit margins decrease. Conversely, as factory loadings increase, our fixed costs are spread over increased output and, absent other circumstances, our profit margins increase.
- For an explanation of free cash flow, see the Non-GAAP financial information section.
- All dollar amounts in the tables are stated in millions of U.S. dollars.

Performance summary

Our **third** **first** quarter revenue was **\$4.53** **\$3.66** billion, net income was **\$1.71** **\$1.11** billion and earnings per share (EPS) were **\$1.85** **\$1.20**.

Revenue was flat sequentially and decreased **14%** **16%** from the same quarter a year ago. During the quarter, automotive growth continued ago and industrial weakness broadened. **10%** sequentially, as revenue declined across all end markets.

Our cash flow from operations of **\$6.5** **\$6.3** billion for the trailing 12 months again underscored the strength of our business model, the quality of our product portfolio and the benefit of **300-mm** **300mm** production. Free cash flow for the same period was **\$1.6** billion and **9%** of revenue, **\$940** million.

Over the past 12 months we invested \$3.7 billion in R&D and SG&A, invested **\$4.9 billion** **\$5.3** billion in capital expenditures and returned **\$5.6 billion** **\$4.8 billion** to shareholders.

Results of operations – **third first quarter 2023 2024** compared with **third first quarter 2022 2023**

Revenue of **\$4.53** **\$3.66** billion decreased **\$709** **\$718** million, or **14%** **16%**, primarily due to lower revenue from Analog **partially offset by higher revenue from** and, to a lesser extent, Embedded Processing.

Gross profit of **\$2.82** **\$2.10** billion was down **\$802 million** **\$768 million**, or **22%** **27%**, primarily due to lower revenue and, to a lesser extent, higher manufacturing costs associated with reduced factory loadings and our planned capacity expansion and reduced factory loadings, **expansions**. As a percentage of revenue, gross profit decreased to **62.1%** **57.2%** from **69.0%** **65.4%**.

Operating expenses (R&D and SG&A) were **\$923** **\$933** million compared with **\$862** **\$929** million. This increase was due to higher employee-related costs as we invest to strengthen our competitive advantages.

Restructuring charges/other in the year-ago period was **\$77** million a credit of **\$124** million primarily due to preproduction costs at our Lehi, Utah, manufacturing facility. These costs transitioned primarily to cost a gain on the sale of revenue after production began in December 2022, a property during 2024.

Operating profit was **\$1.89** **\$1.29** billion, or **41.7%** **35.1%** of revenue, compared with **\$2.68 billion** **\$1.93 billion**, or **51.1%** **44.2%** of revenue.

OI&E was **\$128** **\$123** million of income compared with **\$33** **\$80** million of income, primarily due to higher interest income.

Interest and debt expense of **\$98 million** **\$116 million** increased **\$45 million** **\$48 million** due to the issuance of additional long-term debt. See Note 6 to the financial statements.

Our provision for income taxes was **\$213** **\$188** million compared with **\$363** **\$238** million. This decrease was primarily due to lower income before income taxes, taxes, partially offset by discrete tax items.

Net income was **\$1.71** **\$1.11** billion compared with **\$2.30** **\$1.71** billion. EPS was **\$1.85** **\$1.20** compared with **\$2.47** **\$1.85**.

Third First quarter 2023 2024 segment results

Our segment results compared with the year-ago quarter are as follows:

Analog (includes Power and Signal Chain product lines)

	Q3 2023	Q3 2022	Change		Q1 2024		Q1 2024		Q1 2023	Change
Revenue	Revenue	\$3,353	\$3,993	(16)%	Revenue	\$	2,836	\$	3,289	(14)%
Operating profit	Operating profit	1,504	2,185	(31)%	Operating profit	1,008	1,574	1,574	(36)	(36)%
Operating profit % of revenue	Operating profit % of revenue	44.9%	54.7%							

Analog revenue decreased in both product lines, at about the same rate, led by Signal Chain. Operating profit decreased primarily due to lower revenue and higher manufacturing costs.

Embedded Processing (includes microcontrollers and processors)

	Q3 2023	Q3 2022	Change		Q1 2024		Q1 2024		Q1 2023	Change
Revenue	Revenue	\$890	\$821	8%	Revenue	\$	652	\$	832	(22)%
Operating profit	Operating profit	258	321	(20)%	Operating profit	105	237	237	(56)	(56)%
Operating profit % of revenue	Operating profit % of revenue	29.0%	39.1%							

Embedded Processing revenue increased due to the mix of products shipped, decreased. Operating profit decreased primarily due to higher manufacturing costs, partially offset by higher revenue, lower revenue and associated gross profit.

Other (includes DLP® products, calculators and custom ASIC products)

Q3 2023			Q3 2022			Change		
Q1 2024								
Revenue	Revenue	\$289	\$427	(32)%	Revenue	\$ 173	\$ 258	(33)%
Operating profit*	Operating profit*	130	172	(24)%	Operating profit*	173	123	41
Operating profit % of revenue	Operating profit % of revenue	45.0 %	40.3 %					

* Includes restructuring charges/other

* Includes restructuring charges/other

* Includes restructuring charges/other

Other revenue decreased \$138 million, and operating profit decreased \$42 million.

Results of operations – first nine months of 2023 compared with first nine months of 2022

Revenue of \$13.44 billion decreased \$1.92 billion, or 12%, primarily due to lower revenue from Analog, partially offset by higher revenue from Embedded Processing.

Gross profit of \$8.59 billion was down \$2.10 billion, or 20%, due to lower revenue and, to a lesser extent, higher manufacturing costs associated with planned capacity expansion and reduced factory loadings. As a percentage of revenue, gross profit decreased to 63.9% from 69.6%.

Operating expenses were \$2.79 billion compared with \$2.51 billion. This increase was due to higher employee-related costs as we invest to strengthen our competitive advantages.

Restructuring charges/other in the year-ago period was \$209 million due to preproduction costs at our Lehi, Utah, manufacturing facility. These costs transitioned primarily to cost of revenue after production began in December 2022.

Operating profit was \$5.80 billion, or 43.1% of revenue, compared with \$7.96 billion, or 51.9% of revenue.

OI&E was \$327 million of income compared with \$55 million of income, due to higher interest income.

Interest and debt expense of \$255 million increased \$101 million due to the issuance of additional long-term debt.

Our provision for income taxes was \$731 million compared with \$1.08 billion. This decrease was due to lower income before income taxes.

Net income was \$5.14 billion compared with \$6.79 billion. EPS was \$5.58 compared with \$7.27.

Year-to-date segment results

Our segment results compared with the year-ago period are as follows:

Analog

	YTD 2023	YTD 2022	Change
Revenue	\$ 9,920	\$ 11,801	(16)%
Operating profit	4,541	6,561	(31)%
Operating profit % of revenue	45.8 %	55.6 %	

Analog revenue decreased in both product lines, led by Power. Operating profit decreased primarily due to lower revenue and higher manufacturing costs.

Embedded Processing

	YTD 2023	YTD 2022	Change
Revenue	\$ 2,616	\$ 2,424	8 %
Operating profit	813	960	(15)%
Operating profit % of revenue	31.1 %	39.6 %	

Embedded Processing revenue increased due to the mix of products shipped. Operating profit decreased primarily due to higher manufacturing costs, partially offset by higher revenue.

Other

	YTD 2023	YTD 2022	Change
Revenue	\$ 906	\$ 1,133	(20)%
Operating profit*	444	443	— %

Operating profit % of revenue	49.0 %	39.1 %
* Includes restructuring charges/other		

Other revenue decreased \$227 million, and operating profit increased \$1 million.

Financial condition

At the end of the **third** first quarter of **2023** **2024**, total cash (cash and cash equivalents plus short-term investments) was **\$8.95** **\$10.39** billion, an increase of \$1.82 billion from the end of **2023**.

Accounts receivable were **\$1.67** billion, a decrease of **\$119** million from the end of **2022**.

Accounts receivable were **\$1.98** billion, an increase of **\$81** **\$116** million compared with the end of **2022** **2023**. Days sales outstanding for the **third** first quarter of **2023** **2024** were **39.41** compared with **37.39** at the end of **2022** **2023**.

Inventory was **\$3.91** **\$4.08** billion, an increase of **\$1.15** **\$84** million from the end of **2022** **2023**. Days of inventory for the **third** first quarter of **2023** **2024** were **205** **235** compared with **157** **219** at the end of **2022** **2023**.

Liquidity and capital resources

Our primary source of liquidity is cash flow from operations. Additional sources of liquidity are cash and cash equivalents, short-term investments and access to debt markets. We also have a variable-rate, revolving credit facility. As of **September 30, 2023** **March 31, 2024**, our credit facility was undrawn, and we had no commercial paper outstanding. Cash flows from operating activities for the first **nine** **three** months of **2023** **2024** were **\$4.50** **\$1.02** billion, a decrease of **\$2.18** billion **\$143** million from the year-ago period primarily due to lower net income, and higher partially offset by lower cash used for working capital, as we continued to strategically build inventory, capital.

Investing activities for the first **nine** **three** months of **2023** **2024** used **\$4.05** **\$3.33** billion compared with **\$2.56** billion **\$28** million of cash provided in the year-ago period. Capital expenditures were **\$3.92** **\$1.25** billion compared with **\$1.83** billion **\$982** million in the year-ago period and were primarily for semiconductor manufacturing equipment and facilities in both periods. Short-term investments used cash of **\$164** million **\$2.23** billion compared with **\$788** million **\$1.01** billion of cash provided in the year-ago period.

As we continue to invest to strengthen our competitive advantage in manufacturing and technology as part of our long-term capacity planning, our capital expenditures are expected to be higher than historical remain at elevated levels. In August 2022, the U.S. government enacted the U.S. CHIPS and Science Act, which provides funding for manufacturing grants and research investments and establishes a 25% investment tax credit for certain investments in U.S. semiconductor manufacturing. We expect to receive will begin receiving the cash benefit associated with the investment tax credit for qualifying capital expenditures in future periods, the second quarter of **2024**. See Note 9 to the financial statements. We have also submitted applications for the manufacturing grants provided by the legislation.

Financing activities for the first **nine** **three** months of **2023** used **\$929** million **2024** provided **\$1.83** billion compared with **\$5.58** billion **\$239** million in the year-ago period. In **2023**, **2024**, we received net proceeds of **\$3.00** billion **\$2.98** billion from the issuance of fixed-rate, long-term debt, and we retired maturing debt of **\$500** million. debt. In the year-ago period, we received net proceeds of **\$695** million **\$1.40** billion from the issuance of fixed-rate, long-term debt, and we retired maturing debt of **\$500** million. debt. Dividends paid were **\$3.38** **\$1.18** billion compared with **\$3.17** **\$1.13** billion in the year-ago period, reflecting an increased dividend rate, partially offset by fewer shares outstanding. rate. We used **\$228** **\$3** million to repurchase 1.3 million shares of our common stock compared with **\$2.77** billion used **\$103** million in the year-ago period to repurchase 16.8 million shares. period. Employee exercises of stock options provided cash proceeds of **\$218** **\$65** million compared with **\$191** **\$85** million in the year-ago period.

In September 2023, we announced we would increase our dividend by 5%, marking 20 consecutive years of dividend increases.

We had **\$2.57** **\$2.48** billion of cash and cash equivalents and **\$6.38** **\$7.91** billion of short-term investments as of **September 30, 2023** **March 31, 2024**. We believe we have the necessary financial resources and operating plans to fund our working capital needs, capital expenditures, dividend and debt-related payments, and other business requirements for at least the next 12 months.

Non-GAAP financial information

This MD&A includes references to free cash flow and ratios based on that measure. These are financial measures that were not prepared in accordance with generally accepted accounting principles in the United States (GAAP). Free cash flow was calculated by subtracting capital expenditures from the most directly comparable GAAP measure, cash flows from operating activities (also referred to as cash flow from operations).

We believe that free cash flow and the associated ratios provide insight into our liquidity, our cash-generating capability and the amount of cash potentially available to return to shareholders, as well as insight into our financial performance. These non-GAAP measures are supplemental to the comparable GAAP measures.

Reconciliation to the most directly comparable GAAP measures is provided in the table below.

For 12 Months Ended		
September 30,		
2023	2022	Change
For 12 Months Ended		
March 31,		
March 31,		

		March 31,					
		2024					
		2024					
		2024					
Cash flow from operations (GAAP)	Cash flow from operations (GAAP)	\$ 6,538	\$ 9,035	(28)%	Cash flow from operations (GAAP)	\$ 6,277	\$ \$ 7,736 (19) (19) %
Capital expenditures	Capital expenditures	(4,890)	(3,112)				
Free cash flow (non-GAAP)	Free cash flow (non-GAAP)	\$ 1,648	\$ 5,923	(72)%			
Free cash flow (non-GAAP)							
Free cash flow (non-GAAP)						\$ 940	\$ 4,400 (79) %
Revenue	Revenue						
Revenue	Revenue	\$18,112	\$20,190				
Cash flow from operations as a percentage of revenue (GAAP)	Cash flow from operations as a percentage of revenue (GAAP)	36.1 %	44.7 %				
Cash flow from operations as a percentage of revenue (GAAP)							
Free cash flow as a percentage of revenue (non-GAAP)	Free cash flow as a percentage of revenue (non-GAAP)	9.1 %	29.3 %				
Free cash flow as a percentage of revenue (non-GAAP)							
Free cash flow as a percentage of revenue (non-GAAP)							

ITEM 4. Controls and procedures

An evaluation as of the end of the period covered by this report was carried out under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that those disclosure controls and procedures were effective. In addition, there has been no change in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934) that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1A. Risk factors

Information concerning our risk factors is contained in Item 1A of our Form 10-K for the year ended **December 31, 2022** **December 31, 2023**, and is incorporated by reference herein.

ITEM 2. Unregistered sales of equity securities and use of proceeds

The following table contains information regarding our purchases of our common stock during the quarter.

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (a)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (a)
July 1, 2023 through July 31, 2023	61,656	\$ 177.82	50,020	\$ 21.30 billion
August 1, 2023 through August 31, 2023	109,035	168.59	109,035	21.28 billion
September 1, 2023 through September 30, 2023	126,201	162.42	126,201	21.26 billion
Total	296,892 (b)	\$ 167.89 (b)	285,256	\$ 21.26 billion (c)

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (a)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (a)
January 1, 2024 through January 31, 2024	206,420	\$ 162.04	1,323	\$ 21.20 billion
February 1, 2024 through February 29, 2024	17,106	158.65	17,106	21.19 billion
March 1, 2024 through March 31, 2024	—	—	—	21.19 billion
Total	223,526 (b)	\$ 161.78 (b)	18,429	\$ 21.19 billion (c)

- (a) All open-market purchases during the quarter were made under the authorizations from our board of directors to purchase up to \$12.0 billion and \$15.0 billion of additional shares of TI common stock announced September 20, 2018, and September 15, 2022, respectively.
- (b) In addition to open-market purchases, **11,636** 205,097 shares of common stock were surrendered by employees to satisfy tax withholding obligations in connection with the vesting of restricted stock units.
- (c) As of **September 30, 2023** **March 31, 2024**, this amount consisted of the remaining portion of the \$12.0 billion authorized in September 2018 and the \$15.0 billion authorized in September 2022. No expiration date has been specified for these authorizations.

ITEM 6. Exhibits

Designation of Exhibits in This

Report	Description of Exhibit
3(a)	Restated Certificate of Incorporation of the Registrant, dated April 18, 1985, as amended (incorporated by reference to Exhibit 3(a) of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2014).
3(b)	By-Laws of the Registrant (incorporated by reference to Exhibit 3 of the Registrant's Current Report on Form 8-K filed January 26, 2022).
4(a)	Officers' Certificate, dated February 8, 2024 (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K filed February 8, 2024).
31(a)	Certification of Chief Executive Officer of Periodic Report Pursuant to Rule 13a-14(a) or Rule 15d-14(a).†
31(b)	Certification of Chief Financial Officer of Periodic Report Pursuant to Rule 13a-14(a) or Rule 15d-14(a).†
32(a)	Certification by Chief Executive Officer of Periodic Report Pursuant to 18 U.S.C. Section 1350.†
32(b)	Certification by Chief Financial Officer of Periodic Report Pursuant to 18 U.S.C. Section 1350.†
101.ins	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.†
101.def	XBRL Taxonomy Extension Definition Linkbase Document.†
101.sch	XBRL Taxonomy Extension Schema Document.†
101.cal	XBRL Taxonomy Extension Calculation Linkbase Document.†
101.lab	XBRL Taxonomy Extension Label Linkbase Document.†
101.pre	XBRL Taxonomy Extension Presentation Linkbase Document.†
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).†

† Filed or furnished herewith.

Notice regarding forward-looking statements

This report includes forward-looking statements intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally can be identified by phrases such as TI or its management "believes," "expects," "anticipates," "foresees," "forecasts," "estimates" or other words or phrases of similar import. Similarly, statements herein that describe TI's business strategy, outlook, objectives, plans, intentions or goals also are forward-looking statements. All such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those in forward-looking statements.

We urge you to carefully consider the following important factors that could cause actual results to differ materially from the expectations of TI or our management:

- Economic, social and political conditions, and natural events in the countries in which we, our customers or our suppliers operate, including global trade policies;
- Market demand for semiconductors, particularly in the industrial and automotive markets, and customer demand that differs from forecasts;
- Our ability to compete in products and prices in an intensely competitive industry;
- Evolving cybersecurity and other threats relating to our information technology systems or those of our customers, suppliers and other third parties;
- Our ability to successfully implement and realize opportunities from strategic, business and organizational changes, or our ability to realize our expectations regarding the amount and timing of associated restructuring charges and cost savings;
- Our ability to develop, manufacture and market innovative products in a rapidly changing technological environment, our timely implementation of new manufacturing technologies and installation of manufacturing equipment, and our ability to realize expected returns on significant investments in manufacturing capacity;
- **The duration and scope of the COVID-19 pandemic, government and other third-party responses to it and the consequences for the global economy, including to our business and the businesses of our suppliers, customers and distributors;**
- Availability and cost of key materials, utilities, manufacturing equipment, third-party manufacturing services and manufacturing technology;
- Our ability to recruit and retain skilled personnel, and effectively manage key employee succession;
- Product liability, warranty or other claims relating to our products, software, manufacturing, delivery, services, design or communications, or recalls by our customers for a product containing one of our parts;
- Compliance with or changes in the complex laws, rules and regulations to which we are or may become subject, or actions of enforcement authorities, that restrict our ability to operate our business or subject us to fines, penalties or other legal liability;
- Changes in tax law and accounting standards that impact the tax rate applicable to us, the jurisdictions in which profits are determined to be earned and taxed, adverse resolution of tax audits, increases in tariff rates, and the ability to realize deferred tax assets;
- Financial difficulties of our distributors or semiconductor distributors' promotion of competing product lines to our detriment; or disputes with current or former distributors;
- Losses or curtailments of purchases from key customers or the timing and amount of customer inventory adjustments;
- Our ability to maintain or improve profit margins, including our ability to utilize our manufacturing facilities at sufficient levels to cover our fixed operating costs, in an intensely competitive and cyclical industry and changing regulatory environment;
- Our ability to maintain and enforce a strong intellectual property portfolio and maintain freedom of operation in all jurisdictions where we conduct business; or our exposure to infringement claims;
- Instability in the global credit and financial markets; and
- Impairments of our non-financial assets.

For a more detailed discussion of these factors, see the Risk factors discussion in Item 1A of our most recent Form 10-K. The forward-looking statements included in this report are made only as of the date of this report, and we undertake no obligation to update the forward-looking statements to reflect subsequent events or circumstances. If we do update any forward-looking statement, you should not infer that we will make additional updates with respect to that statement or any other forward-looking statement.

SIGNATURE

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.

TEXAS INSTRUMENTS INCORPORATED

By: _____ /s/ Rafael R. Lizardi
Rafael R. Lizardi, Senior Vice President and Chief Financial Officer

Date: **October 25, 2023** April 24, 2024

CERTIFICATIONS

I, Haviv Ilan, certify that:

1. I have reviewed this report on Form 10-Q of Texas Instruments Incorporated;
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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **October 25, 2023** April 24, 2024

/s/ Haviv Ilan

Haviv Ilan
President and
Chief Executive Officer

CERTIFICATIONS

I, Rafael R. Lizardi, certify that:

1. I have reviewed this report on Form 10-Q of Texas Instruments Incorporated;

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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) 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.

Dated: **October 25, 2023** April 24, 2024

/s/ Rafael R. Lizardi

Rafael R. Lizardi
Senior Vice President and
Chief Financial Officer

Exhibit 32(a)

Certification of Periodic Report
Pursuant to 18 U.S.C. Section 1350

For purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, Haviv Ilan, President and Chief Executive Officer of Texas Instruments Incorporated (the "Company"), hereby certifies that, to his knowledge:

- (i) the Quarterly Report on Form 10-Q of the Company for the quarter ended **September 30, 2023** March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: **October 25, 2023** April 24, 2024

/s/ Haviv Ilan

Haviv Ilan
President and
Chief Executive Officer

Certification of Periodic Report
Pursuant to 18 U.S.C. Section 1350

For purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, Rafael R. Lizardi, Senior Vice President and Chief Financial Officer of Texas Instruments Incorporated (the "Company"), hereby certifies that, to his knowledge:

(i) the Quarterly Report on Form 10-Q of the Company for the quarter ended **September 30, 2023** **March 31, 2024**, as filed with the Securities and Exchange Commission on the date hereof (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: **October 25, 2023** **April 24, 2024**

/s/ Rafael R. Lizardi

Rafael R. Lizardi
Senior Vice President and
Chief Financial Officer

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