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

FORM 10-Q

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

For the quarterly period ended March 31, 2025

☐ **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 ☒

908,472,079

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

April 15, 2025

PART I - FINANCIAL INFORMATION

ITEM 1. Financial statements

Consolidated Statements of Income

(In millions, except per-share amounts)	For Three Months Ended March 31, 2025	For Three Months Ended March 31, 2024
Revenue	**$ 4,069**	$ 3,661
Cost of revenue (COR)	**1,756**	1,566
Gross profit	**2,313**	2,095
Research and development (R&D)	**517**	478
Selling, general and administrative (SG&A)	**472**	455
Restructuring charges/other	**—**	(124)
Operating profit	**1,324**	1,286
Other income (expense), net (OI&E)	**80**	123
Interest and debt expense	**128**	116
Income before income taxes	**1,276**	1,293
Provision for income taxes	**97**	188
Net income	**$ 1,179**	$ 1,105
Earnings per common share (EPS):		
Basic	**$ 1.29**	$ 1.21
Diluted	**$ 1.28**	$ 1.20
Average shares outstanding:		
Basic	**910**	910
Diluted	**916**	917

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	**$ 1,179**	$ 1,105
Income allocated to RSUs	**(6)**	(5)
Income allocated to common stock for diluted EPS	**$ 1,173**	$ 1,100

See accompanying notes.

Consolidated Statements of Comprehensive Income

(In millions)	For Three Months Ended March 31, 2025	2024
Net income	**$ 1,179**	$ 1,105
Other comprehensive income (loss)		
Net actuarial losses of defined benefit plans:		
Adjustments, net of tax effect of $3 and ($2)	**(7)**	5
Recognized within net income, net of tax effect of ($1) and ($1)	**2**	2
Derivative instruments:		
Change in fair value, net of tax effect of $0 and $0	**—**	1
Available-for-sale investments:		
Unrealized gains (losses), net of tax effect of $0 and $2	**(2)**	(6)
Other comprehensive income (loss), net of taxes	**(7)**	2
Total comprehensive income	**$ 1,172**	$ 1,107

See accompanying notes.

Consolidated Balance Sheets	March 31, 2025	December 31, 2024
(In millions, except par value)		
Assets		
Current assets:		
Cash and cash equivalents	**$ 2,763**	$ 3,200
Short-term investments	**2,242**	4,380
Accounts receivable, net of allowances of ($16) and ($21)	**1,860**	1,719
Raw materials	**393**	395
Work in process	**2,370**	2,214
Finished goods	**1,924**	1,918
Inventories	**4,687**	4,527
Prepaid expenses and other current assets	**1,534**	1,200
Total current assets	**13,086**	15,026
Property, plant and equipment at cost	**16,036**	15,254
Accumulated depreciation	**(4,225)**	(3,907)
Property, plant and equipment	**11,811**	11,347
Goodwill	**4,362**	4,362
Deferred tax assets	**1,030**	936
Capitalized software licenses	**263**	257
Overfunded retirement plans	**240**	233
Other long-term assets	**2,965**	3,348
Total assets	**$ 33,757**	$ 35,509
Liabilities and stockholders' equity		
Current liabilities:		
Current portion of long-term debt	**$ —**	$ 750
Accounts payable	**866**	820
Accrued compensation	**418**	839
Income taxes payable	**284**	159
Accrued expenses and other liabilities	**921**	1,075
Total current liabilities	**2,489**	3,643
Long-term debt	**12,848**	12,846
Underfunded retirement plans	**115**	110
Deferred tax liabilities	**56**	53
Other long-term liabilities	**1,843**	1,954
Total liabilities	**17,351**	18,606
Stockholders' equity:		
Preferred stock, $25 par value. Shares authorized – 10; none issued	**—**	—
Common stock, $1 par value. Shares authorized – 2,400; shares issued – 1,741	**1,741**	1,741
Paid-in capital	**4,058**	3,935
Retained earnings	**52,196**	52,262
Treasury common stock at cost		
Shares: March 31, 2025 – 832; December 31, 2024 – 830	**(41,442)**	(40,895)
Accumulated other comprehensive income (loss), net of taxes (AOCI)	**(147)**	(140)
Total stockholders' equity	**16,406**	16,903
Total liabilities and stockholders' equity	**$ 33,757**	$ 35,509

See accompanying notes.

Consolidated Statements of Cash Flows

(In millions)	For Three Months Ended March 31, 2025	2024
Cash flows from operating activities		
Net income	**$ 1,179**	$ 1,105
Adjustments to net income:		
Depreciation	**424**	346
Amortization of capitalized software	**20**	16
Stock compensation	**116**	106
Gains on sales of assets	**—**	(129)
Deferred taxes	**(87)**	(71)
Increase (decrease) from changes in:		
Accounts receivable	**(141)**	116
Inventories	**(160)**	(84)
Prepaid expenses and other current assets	**(7)**	(24)
Accounts payable and accrued expenses	**(121)**	(77)
Accrued compensation	**(427)**	(444)
Income taxes payable	**132**	212
Changes in funded status of retirement plans	**(9)**	17
Other	**(70)**	(72)
Cash flows from operating activities	**849**	1,017
Cash flows from investing activities		
Capital expenditures	**(1,123)**	(1,248)
Proceeds from U.S. CHIPS and Science Act (CHIPS Act) incentives	**260**	—
Proceeds from asset sales	**—**	192
Purchases of short-term investments	**(647)**	(4,864)
Proceeds from short-term investments	**2,807**	2,631
Other	**(44)**	(40)
Cash flows from investing activities	**1,253**	(3,329)
Cash flows from financing activities		
Proceeds from issuance of long-term debt	**—**	2,980
Repayment of debt	**(750)**	—
Dividends paid	**(1,238)**	(1,183)
Stock repurchases	**(653)**	(3)
Proceeds from common stock transactions	**118**	65
Other	**(16)**	(28)
Cash flows from financing activities	**(2,539)**	1,831
Net change in cash and cash equivalents	**(437)**	(481)
Cash and cash equivalents at beginning of period	**3,200**	2,964
Cash and cash equivalents at end of period	**$ 2,763**	$ 2,483
Supplemental cash flow information		
Investment tax credit (ITC) used to reduce income taxes payable	**$ —**	$ —
Proceeds from CHIPS Act incentives	**260**	—
Total cash benefit related to the CHIPS Act	**$ 260**	$ —

See accompanying notes.

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 products that have similar design and development requirements, product characteristics and manufacturing processes. Our segments reflect how our chief operating decision maker (CODM), which is our chief executive officer, 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.

In Other, we also include items that are not used in evaluating the results of or in allocating resources to our segments. Examples of these items include acquisition, integration and restructuring charges, and certain corporate-level items, such as litigation expenses, environmental costs, insurance settlements, and gains and losses from other activities, including asset dispositions. We allocate the remainder of our expenses associated with corporate activities to our operating segments based on specific methodologies, such as percentage of operating expenses or headcount.

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

With the exception of goodwill, we do not identify or allocate assets by operating segment, nor does the CODM evaluate operating segments using discrete asset information. We have no material intersegment revenue. The accounting policies of the segments are consistent with those described in the significant accounting policies and practices.

Segment information

	For Three Months Ended March 31, 2025			
	Analog	Embedded Processing	Other	Total
Revenue	$ 3,210	$ 647	$ 212	$ 4,069
Cost of revenue	1,296	375	85	1,756
Gross profit	1,914	272	127	2,313
Research and development	369	128	20	517
Selling, general and administrative	339	104	29	472
Operating profit	$ 1,206	$ 40	$ 78	$ 1,324

	For Three Months Ended March 31, 2024			
	Analog	Embedded Processing	Other	Total
Revenue	$ 2,836	$ 652	$ 173	$ 3,661
Cost of revenue	1,154	335	77	1,566
Gross profit	1,682	317	96	2,095
Research and development	349	114	15	478
Selling, general and administrative	325	98	32	455
Restructuring charges/other	—	—	(124)	(124)
Operating profit	$ 1,008	$ 105	$ 173	$ 1,286

Geographic area information

Our estimate for revenue based on the geographic location of our end customers' headquarters, which represents where critical decisions are made, is as follows:

	For Three Months Ended March 31,			
	2025		2024	
Revenue:				
United States	**$ 1,518**	**37 %**	$ 1,288	35 %
China	**826**	**20**	623	17
Rest of Asia	**438**	**11**	401	11
Europe, Middle East and Africa (a)	**936**	**23**	955	26
Japan	**275**	**7**	330	9
Rest of world	**76**	**2**	64	2
Total revenue	**$ 4,069**	**100 %**	$ 3,661	100 %

(a) Revenue from end customers headquartered in Germany was 11% and 13% in the first quarters of 2025 and 2024, respectively.

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, 2024. The Consolidated Statements of Income, Comprehensive Income and Cash Flows for the periods ended March 31, 2025 and 2024, and the Consolidated Balance Sheet as of March 31, 2025, 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, 2024. The results for the 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 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.

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

	For Three Months Ended March 31,					
	2025			2024		
	Net Income	Shares	EPS	Net Income	Shares	EPS
Basic EPS:						
Net income	**$ 1,179**			$ 1,105		
Income allocated to RSUs	**(6)**			(5)		
Income allocated to common stock	**$ 1,173**	**910**	**$ 1.29**	$ 1,100	910	$ 1.21
Dilutive effect of stock compensation plans		**6**			7	
Diluted EPS:						
Net income	**$ 1,179**			$ 1,105		
Income allocated to RSUs	**(6)**			(5)		
Income allocated to common stock	**$ 1,173**	**916**	**$ 1.28**	$ 1,100	917	$ 1.20

Potentially dilutive securities representing 10 million and 14 million shares of common stock that were outstanding during the first quarters of 2025 and 2024, 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 fair 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 were not material. We do not use derivatives for speculative or trading purposes.

Fair values of financial instruments
The fair values of our derivative financial instruments were not material as of March 31, 2025. 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 March 31, 2025, the carrying value of long-term debt was $12.85 billion, and the estimated fair value was $11.89 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.

3. Income taxes

Provision for income taxes is based on the following:

	For Three Months Ended March 31, 2025	For Three Months Ended March 31, 2024
Taxes calculated using the estimated annual effective tax rate	**$ 166**	$ 176
Discrete tax items	**(69)**	12
Provision for income taxes	**$ 97**	$ 188
Effective tax rate	**8 %**	15 %

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 nonmarketable investments, which are not measured at fair value. These investments consist of interests in venture capital funds and other 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. Nonmarketable securities are measured at cost with adjustments for observable changes in price or impairments. Gains and losses on nonmarketable investments are recognized in OI&E.

Details of our investments are as follows:

	March 31, 2025			December 31, 2024		
	Cash and Cash Equivalents	Short-Term Investments	Long-Term Investments	Cash and Cash Equivalents	Short-Term Investments	Long-Term Investments
Measured at fair value:						
Money market funds	**$ 557**	**$ —**	**$ —**	$ 762	$ —	$ —
Corporate obligations	**633**	**494**	**—**	694	796	—
U.S. government and agency securities	**1,095**	**1,649**	**—**	752	3,485	—
Non-U.S. government and agency securities	**99**	**99**	**—**	249	99	—
Mutual funds	**—**	**—**	**10**	—	—	11
Total	**2,384**	**2,242**	**10**	2,457	4,380	11
Other measurement basis:						
Equity-method investments	**—**	**—**	**6**	—	—	8
Nonmarketable investments	**—**	**—**	**4**	—	—	4
Total	**—**	**—**	**10**	—	—	12
Cash on hand	**379**	**—**	**—**	743	—	—
Total	**$ 2,763**	**$ 2,242**	**$ 20**	$ 3,200	$ 4,380	$ 23

As of March 31, 2025, and December 31, 2024, 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 three months of 2025 and 2024.

The following table presents the aggregate maturities of our debt investments as of March 31, 2025:

	Fair Value
One year or less	$ 3,520
One to two years	549

Proceeds from sales, redemptions and maturities of short-term debt investments were $2.81 billion and $2.63 billion for the first quarters of 2025 and 2024, 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 in an orderly transaction between market participants on the measurement date.

The three-level hierarchy described below indicates the inputs 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 measurement date.
- *Level 2* – Uses inputs other than Level 1 that are either directly or indirectly observable as of the measurement date through correlation with market data. Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices in markets that are not active and models or other pricing methodologies that do not require significant judgment. We utilize a third-party data service to provide Level 2 valuations, and we verify these valuations for reasonableness.

- *Level 3* – Uses inputs that are unobservable, supported by little or no market activity and reflect the use of significant management judgment. As of March 31, 2025, and December 31, 2024, 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.

	March 31, 2025			December 31, 2024		
	Level 1	**Level 2**	**Total**	**Level 1**	**Level 2**	**Total**
Assets:						
Money market funds	**$ 557**	**$ —**	**$ 557**	$ 762	$ —	$ 762
Corporate obligations	**—**	**1,127**	**1,127**	—	1,490	1,490
U.S. government and agency securities	**1,697**	**1,047**	**2,744**	2,591	1,646	4,237
Non-U.S. government and agency securities	**—**	**198**	**198**	—	348	348
Mutual funds	**10**	**—**	**10**	11	—	11
Total assets	**$ 2,264**	**$ 2,372**	**$ 4,636**	$ 3,364	$ 3,484	$ 6,848
Liabilities:						
Deferred compensation	**$ 402**	**$ —**	**$ 402**	$ 443	$ —	$ 443
Total liabilities	**$ 402**	**$ —**	**$ 402**	$ 443	$ —	$ 443

5. Postretirement benefit plans

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

	U.S. Defined Benefit		U.S. Retiree Health Care		Non-U.S. Defined Benefit	
For Three Months Ended March 31,	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Service cost	**$ 2**	$ 2	**$ —**	$ —	**$ 4**	$ 4
Interest cost	**6**	6	**3**	3	**14**	14
Expected return on plan assets	**(4)**	(6)	**(3)**	(3)	**(18)**	(19)
Recognized net actuarial losses (gains)	**2**	1	**—**	(1)	**1**	3
Net periodic benefit costs (credits)	**$ 6**	$ 3	**$ —**	$ (1)	**$ 1**	$ 2

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 March 31, 2025, 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 2026. 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 March 31, 2025, our credit facility was undrawn, and we had no commercial paper outstanding.

Long-term debt

In March 2025, we retired $750 million of maturing debt.

Long-term debt outstanding is as follows:

	March 31, 2025	December 31, 2024
Notes due 2025 at 1.375%	$ —	$ 750
Notes due 2026 at 1.125%	500	500
Notes due 2027 at 4.60%	650	650
Notes due 2027 at 2.90%	500	500
Notes due 2028 at 4.60%	700	700
Notes due 2029 at 4.60%	650	650
Notes due 2029 at 2.25%	750	750
Notes due 2030 at 1.75%	750	750
Notes due 2031 at 1.90%	500	500
Notes due 2032 at 3.65%	400	400
Notes due 2033 at 4.90%	950	950
Notes due 2034 at 4.85%	600	600
Notes due 2039 at 3.875%	750	750
Notes due 2048 at 4.15%	1,500	1,500
Notes due 2051 at 2.70%	500	500
Notes due 2052 at 4.10%	300	300
Notes due 2053 at 5.00%	650	650
Notes due 2054 at 5.15%	750	750
Notes due 2063 at 5.05%	1,550	1,550
Total debt	12,950	13,700
Net unamortized discounts, premiums and issuance costs	(102)	(104)
Total debt, including net unamortized discounts, premiums and issuance costs	12,848	13,596
Current portion of long-term debt	—	(750)
Long-term debt	$ 12,848	$ 12,846

Interest and debt expense was $128 million and $116 million for the first quarters of 2025 and 2024, respectively. This was net of the amortized discounts, premiums and issuance and other related costs. Capitalized interest was $4 million and $6 million for the first quarters of 2025 and 2024, respectively.

7. Stockholders' equity

Changes in equity are as follows:

	Common Stock	Paid-in Capital	Retained Earnings	Treasury Common Stock	AOCI
Balance, December 31, 2024	$ 1,741	$ 3,935	$ 52,262	$ (40,895)	$ (140)
2025					
Net income	**—**	**—**	**1,179**	**—**	**—**
Dividends declared and paid ($1.36 per share)	**—**	**—**	**(1,238)**	**—**	**—**
Common stock issued for stock-based awards	**—**	**8**	**—**	**110**	**—**
Stock repurchases	**—**	**—**	**—**	**(657)**	**—**
Stock compensation	**—**	**116**	**—**	**—**	**—**
Other comprehensive income (loss), net of taxes	**—**	**—**	**—**	**—**	**(7)**
Dividend equivalents on RSUs	**—**	**—**	**(7)**	**—**	**—**
Other	**—**	**(1)**	**—**	**—**	**—**
Balance, March 31, 2025	**$ 1,741**	**$ 4,058**	**$ 52,196**	**$ (41,442)**	**$ (147)**

	Common Stock	Paid-in Capital	Retained Earnings	Treasury Common Stock	AOCI
Balance, December 31, 2023	$ 1,741	$ 3,362	$ 52,283	$ (40,284)	$ (205)
2024					
Net income	—	—	1,105	—	—
Dividends declared and paid ($1.30 per share)	—	—	(1,183)	—	—
Common stock issued for stock-based awards	—	(29)	—	94	—
Stock repurchases	—	—	—	(3)	—
Stock compensation	—	106	—	—	—
Other comprehensive income (loss), net of taxes	—	—	—	—	2
Dividend equivalents on RSUs	—	—	(7)	—	—
Other	—	—	1	—	—
Balance, March 31, 2024	$ 1,741	$ 3,439	$ 52,199	$ (40,193)	$ (203)

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.

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

Prepaid expenses and other current assets

	March 31, 2025	December 31, 2024
CHIPS Act incentives	**$ 1,195**	$ 904
Other	**339**	296
Total	**$ 1,534**	$ 1,200

Other long-term assets

	March 31, 2025	December 31, 2024
CHIPS Act incentives	**$ 1,869**	$ 2,246
Other	**1,096**	1,102
Total	**$ 2,965**	$ 3,348

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 first quarters of 2025 and 2024. The table below details where these transactions are recorded in our Consolidated Statements of Income.

	For Three Months Ended March 31, 2025	For Three Months Ended March 31, 2024	Impact to Related Statement of Income Lines
Net actuarial losses of defined benefit plans:			
Recognized net actuarial losses and settlement losses (a)	**$ 3**	$ 3	Decrease to OI&E
Tax effect	**(1)**	(1)	Decrease to provision for income taxes
Recognized within net income, net of taxes	**$ 2**	$ 2	Decrease to net income

(a) Detailed in Note 5

Effect on shares outstanding and treasury shares

The following table reflects the changes in treasury shares:

	2025
Balance, January 1	830
Repurchases	**4**
Shares issued for stock compensation	**(2)**
Balance, March 31	**832**

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:
   (a) A strong foundation of manufacturing and technology that provides lower costs and greater control of our supply chain.
   (b) A broad portfolio of analog and embedded processing products that offers more opportunity per customer and more value for our investments.
   (c) 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.
   (d) Diversity and longevity of our products, markets and customer positions that provide less single point dependency and longer returns on our investments.

   Together, these competitive advantages help position TI in a unique class of companies capable of generating and returning significant amounts of cash for our owners. We make our investments with an eye towards long-term strengthening and leveraging of these advantages.
2. Discipline in allocating capital to the best opportunities. This spans how we select R&D projects, develop new capabilities, invest in 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.

We are monitoring the geopolitical environment. Any implication to our customers, suppliers or TI's business, including customer demand and our supply chain, is uncertain and will likely evolve. We currently do not see impact to second-quarter results.

Performance summary

Our first quarter revenue was $4.07 billion, net income was $1.18 billion and earnings per share (EPS) were $1.28.

Revenue increased 11% from the same quarter a year ago and increased 2% sequentially. All of our markets grew sequentially with the exception of a seasonal decline in personal electronics.

Our cash flow from operations of $6.2 billion for the trailing 12 months again underscored the strength of our business model, the quality of our product portfolio and the benefit of 300mm production. Free cash flow for the same period was $1.7 billion.

Over the past 12 months we invested $3.8 billion in R&D and SG&A, invested $4.7 billion in capital expenditures and returned $6.4 billion to shareholders.

Results of operations – first quarter 2025 compared with first quarter 2024

Revenue of $4.07 billion increased $408 million, or 11%, primarily due to higher revenue from Analog.

Gross profit of $2.31 billion was up $218 million, or 10%, primarily due to higher revenue, partially offset by higher manufacturing costs associated with our planned capacity expansions. As a percentage of revenue, gross profit decreased to 56.8% from 57.2%.

Operating expenses (R&D and SG&A) were $989 million compared with $933 million.

Restructuring charges/other in the year-ago period was a credit of $124 million primarily due to a gain on the sale of a property during 2024.

Operating profit was $1.32 billion, or 32.5% of revenue, compared with $1.29 billion, or 35.1% of revenue.

OI&E was $80 million of income compared with $123 million of income.

Interest and debt expense of $128 million increased $12 million. See Note 6 to the financial statements.

Our provision for income taxes was $97 million compared with $188 million. This decrease was primarily due to discrete tax benefits.

Net income was $1.18 billion compared with $1.11 billion. EPS was $1.28 compared with $1.20.

First quarter 2025 segment results

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

Analog (includes Power and Signal Chain product lines)

	Q1 2025	Q1 2024	Change
Revenue	**$ 3,210**	$ 2,836	13 %
Operating profit	**1,206**	1,008	20 %
Operating profit % of revenue	**37.6 %**	35.5 %	

Analog revenue increased in both product lines, led by Power. Operating profit increased primarily due to higher revenue and associated gross profit.

Embedded Processing (includes microcontrollers and processors)

	Q1 2025	Q1 2024	Change
Revenue	**$ 647**	$ 652	(1) %
Operating profit	**40**	105	(62) %
Operating profit % of revenue	**6.2 %**	16.1 %	

Embedded Processing revenue was about even due to the mix of products shipped. Operating profit decreased due to higher manufacturing costs and R&D expenses.

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

	Q1 2025	Q1 2024	Change
Revenue	**$ 212**	$ 173	23 %
Operating profit *	**78**	173	(55) %
Operating profit % of revenue	**36.8 %**	100.0 %	

* Includes restructuring charges/other

Other revenue increased $39 million, and operating profit decreased $95 million.

Financial condition

At the end of the first quarter of 2025, total cash (cash and cash equivalents plus short-term investments) was $5.01 billion, a decrease of $2.58 billion from the end of 2024.

Accounts receivable were $1.86 billion, an increase of $141 million compared with the end of 2024. Days sales outstanding for the first quarter of 2025 were 41 compared with 39 at the end of 2024.

Inventory was $4.69 billion, an increase of $160 million from the end of 2024. Days of inventory for the first quarter of 2025 were 240 compared with 241 at the end of 2024.

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 March 31, 2025, our credit facility was undrawn, and we had no commercial paper outstanding. Cash flows from operating activities for the first three months of 2025 were $849 million, a decrease of $168 million from the year-ago period primarily due to higher cash used for working capital, partially offset by higher net income.

Investing activities for the first three months of 2025 provided $1.25 billion compared with $3.33 billion of cash used in the year-ago period. Capital expenditures were $1.12 billion compared with $1.25 billion in the year-ago period and were primarily for semiconductor manufacturing equipment and facilities in both periods. In 2025, we received proceeds of $260 million from U.S. CHIPS and Science Act (CHIPS Act) incentives. Short-term investments provided cash of $2.16 billion compared with $2.23 billion of cash used in the year-ago period.

As we continue to invest to strengthen our competitive advantages in manufacturing and technology, as part of our long-term capacity planning, our capital expenditures are expected to remain at elevated levels. For qualifying manufacturing investments, we expect to benefit from the 25% investment tax credit (ITC) established by the CHIPS Act, as well as direct funding of up to $1.6 billion for our three large-scale 300mm wafer fabs currently under construction in Sherman, Texas, and Lehi, Utah.

Financing activities for the first three months of 2025 used $2.54 billion compared with $1.83 billion of cash provided in the year-ago period. In 2025, we retired maturing debt of $750 million. In the year-ago period, we received net proceeds of $2.98 billion from the issuance of fixed-rate, long-term debt. Dividends paid were $1.24 billion compared with $1.18 billion in the year-ago period, reflecting an increased dividend rate. We used $653 million to repurchase 3.5 million shares of our common stock compared with $3 million in the year-ago period. Employee exercises of stock options provided cash proceeds of $118 million compared with $65 million in the year-ago period.

We had $2.76 billion of cash and cash equivalents and $2.24 billion of short-term investments as of March 31, 2025. 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 is calculated as cash flows from operating activities (also referred to as cash flow from operations) less capital expenditures, plus proceeds from CHIPS Act incentives.

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 March 31, 2025	For 12 Months Ended March 31, 2024	Change
Cash flow from operations (GAAP) *	**$ 6,150**	$ 6,277	(2) %
Capital expenditures	**(4,695)**	(5,337)	
Proceeds from CHIPS Act incentives	**260**	—	
Free cash flow (non-GAAP)	**$ 1,715**	$ 940	82 %
Revenue	**$ 16,049**	$ 16,801	
Cash flow from operations as a percentage of revenue (GAAP)	**38.3 %**	37.4 %	
Free cash flow as a percentage of revenue (non-GAAP)	**10.7 %**	5.6 %	

* Includes a cash benefit of $588 million from the CHIPS Act ITC used to reduce income taxes payable for the twelve months ended March 31, 2025

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 1. Legal proceedings

Information with respect to legal proceedings can be found in Note 8 to the financial statements.

Pursuant to SEC regulation, we have elected to use a disclosure threshold of $1 million in monetary sanctions for environmental proceedings involving a governmental authority.

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, 2024, 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)
January 1 - 31, 2025	1,090,049	$ 189.71	1,090,049	$ 20.05 billion
February 1 - 28, 2025	1,079,885	186.87	1,079,885	19.85 billion
March 1 - 31, 2025	1,345,223	182.61	1,345,223	19.60 billion (b)
Total	3,515,157		3,515,157	

(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) As of March 31, 2025, 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).
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;
- 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 Lizardi

Rafael Lizardi, Senior Vice President and Chief Financial Officer

Date: April 24, 2025