

Equity Research Report: Texas Instruments Incorporated

Business Overview

Texas Instruments (TI) is a global semiconductor leader specializing in analog and embedded processing chips, serving over 100,000 customers worldwide. TI operates in more than 30 countries and leverages a broad portfolio of products and advanced manufacturing, notably 300mm wafer technology, to deliver cost efficiency and reliability. Its direct sales channels and diversified customer base, spanning industrial, automotive, and electronics sectors, underpin its market resilience and long-term growth potential. TI's strategic focus on manufacturing excellence and customer engagement positions it for continued industry leadership.

Market Position

TI's end markets are diversified: industrial (40% of revenue), automotive (34%), personal electronics (15%), communications equipment (5%), and enterprise systems (4%). Over 40% of revenue comes from customers outside its largest 100, reflecting a broad, blue-chip and mid-tier client base. TI holds a leading share in the analog and embedded processing markets, with a strong presence in industrial and automotive applications.

Operating Results

In 2024, TI reported \$17.5B in revenue, down 7% year-over-year, mainly due to weaker industrial and personal electronics demand. Gross margin was 65%, with operating margin at 41% and net income at \$6.1B. Analog contributed 77% of revenue, embedded processing 17%. Automotive was resilient, growing 5%, while industrial and consumer segments softened. Free cash flow was \$5.2B, or 30% of revenue, highlighting capital discipline and operational efficiency.

Financial Metrics

FY (USD mn)	2021	2022	2023	2024	2025
Revenue	18344	20028	17519	15641	17682
Revenue Growth	-8.4%	14.3%	12.0%	-11.5%	-3.6%
Gross Revenue	12376	13771	11019	9094	10083
Gross Margin	0.67	0.69	0.63	0.58	0.57
EBITDA	10057	11225	9009	7541	8252
EBITDA Margin	0.55	0.56	0.51	0.48	0.47
FCF	8756	8720	6420	6318	7153
FCF Conversion	1.13	1.0	0.99	1.32	1.43
ROIC	34.4%	35.7%	21.7%	14.7%	16.5%
EV/EBITDA	17.65	14.06	18.21	24.25	20.59
PE Ratio	22.39	17.3	23.78	35.63	31.53
PB Ratio	13.05	10.38	9.16	10.12	9.69

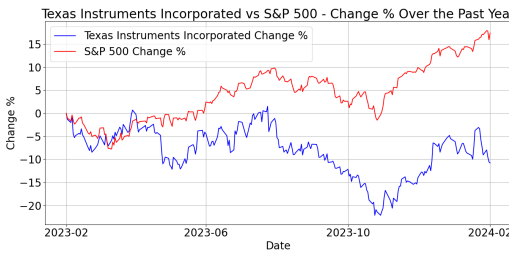
FinRobot

<https://ai4finance.org/>
<https://github.com/AI4Finance-Foundation/FinRobot>
Report date: 2024-02-02

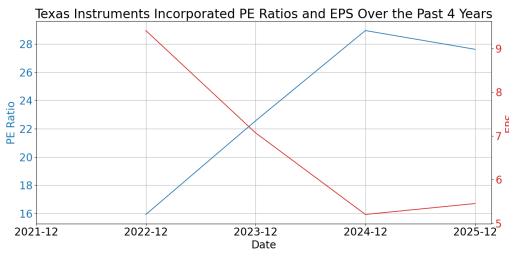
Key data

Rating	hold
Target Price	125 - 298 (md. 190.0)
6m avg daily vol (USDmn)	5.37
Closing Price (USD)	150.59
Market Cap (USDmn)	144872.00
52 Week Price Range (USD)	132.31 - 170.14
BVPS (USD)	18.61

Share Performance



PE & EPS



Risk Assessment

TI faces cyclical swings in semiconductor demand, geopolitical and supply chain risks, and rapid tech changes. Customer concentration in some segments and capital intensity for new fabs also pose challenges. TI mitigates these through diversification, long-term relationships, prudent capital spending, and a robust balance sheet with \$7.8B in cash and manageable debt.

Competitors Analysis

Compared to NVIDIA, AMD, Broadcom, and Qualcomm, TI stands out for its focus on analog and embedded processing, offering more stable, long-lived growth. While peers benefit from AI and data center trends, their revenues are more cyclical. TI's margins and free cash flow conversion exceed industry averages, though revenue growth lagged AI-centric peers in 2024. TI's capital returns and business stability remain key differentiators.