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 June 30, 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 ☒

913,045,963

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

July 16, 2024

PART I - FINANCIAL INFORMATION

ITEM 1. Financial statements

Consolidated Statements of Income	For Three Months Ended June 30,		For Six Months Ended June 30,	
(In millions, except per-share amounts)	2024	2023	2024	2023
Revenue	**$ 3,822**	$ 4,531	**$ 7,483**	$ 8,910
Cost of revenue (COR)	**1,611**	1,621	**3,177**	3,137
Gross profit	**2,211**	2,910	**4,306**	5,773
Research and development (R&D)	**498**	477	**976**	932
Selling, general and administrative (SG&A)	**465**	461	**920**	935
Restructuring charges/other	**—**	—	**(124)**	—
Operating profit	**1,248**	1,972	**2,534**	3,906
Other income (expense), net (OI&E)	**130**	119	**253**	199
Interest and debt expense	**131**	89	**247**	157
Income before income taxes	**1,247**	2,002	**2,540**	3,948
Provision for income taxes	**120**	280	**308**	518
Net income	**$ 1,127**	$ 1,722	**$ 2,232**	$ 3,430
Earnings per common share (EPS):				
Basic	**$ 1.23**	$ 1.89	**$ 2.44**	$ 3.76
Diluted	**$ 1.22**	$ 1.87	**$ 2.42**	$ 3.72
Average shares outstanding:				
Basic	**912**	908	**911**	907
Diluted	**919**	916	**918**	916

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	**$ 1,127**	$ 1,722	**$ 2,232**	$ 3,430
Income allocated to RSUs	**(6)**	(8)	**(11)**	(18)
Income allocated to common stock for diluted EPS	**$ 1,121**	$ 1,714	**$ 2,221**	$ 3,412

See accompanying notes.

Consolidated Statements of Comprehensive Income	**For Three Months Ended June 30,**		**For Six Months Ended June 30,**	
(In millions)	**2024**	**2023**	**2024**	**2023**
Net income	**$ 1,127**	$ 1,722	**$ 2,232**	$ 3,430
Other comprehensive income (loss)				
Net actuarial losses of defined benefit plans:				
Adjustments, net of tax effect of ($1) and ($2); ($3) and ($1)	**1**	2	**6**	—
Recognized within net income, net of tax effect of ($1) and ($1); ($2) and ($2)	**3**	3	**5**	6
Derivative instruments:				
Change in fair value, net of tax effect of $0 and ($1); $0 and $0	**—**	3	**1**	1
Available-for-sale investments:				
Unrealized gains (losses), net of tax effect of $0 and $0; $2 and $0	**(1)**	(2)	**(7)**	1
Other comprehensive income (loss), net of taxes	**3**	6	**5**	8
Total comprehensive income	**$ 1,130**	$ 1,728	**$ 2,237**	$ 3,438

See accompanying notes.

Consolidated Balance Sheets		June 30, 2024		December 31, 2023
(In millions, except par value)				
Assets				
Current assets:				
Cash and cash equivalents	**$**	**2,740**	$	2,964
Short-term investments		**6,948**		5,611
Accounts receivable, net of allowances of ($28) and ($16)		**1,711**		1,787
Raw materials		**405**		420
Work in process		**2,072**		2,109
Finished goods		**1,629**		1,470
Inventories		**4,106**		3,999
Prepaid expenses and other current assets		**1,284**		761
Total current assets		**16,789**		15,122
Property, plant and equipment at cost		**14,622**		13,268
Accumulated depreciation		**(3,448)**		(3,269)
Property, plant and equipment		**11,174**		9,999
Goodwill		**4,362**		4,362
Deferred tax assets		**905**		757
Capitalized software licenses		**230**		223
Overfunded retirement plans		**167**		173
Other long-term assets		**1,421**		1,712
Total assets	**$**	**35,048**	$	32,348
Liabilities and stockholders' equity				
Current liabilities:				
Current portion of long-term debt	**$**	**1,049**	$	599
Accounts payable		**858**		802
Accrued compensation		**569**		836
Income taxes payable		**178**		172
Accrued expenses and other liabilities		**983**		911
Total current liabilities		**3,637**		3,320
Long-term debt		**12,842**		10,624
Underfunded retirement plans		**113**		108
Deferred tax liabilities		**55**		63
Other long-term liabilities		**1,187**		1,336
Total liabilities		**17,834**		15,451
Stockholders' equity:				
Preferred stock, $25 par value. Shares authorized – 10; none issued		**—**		—
Common stock, $1 par value. Shares authorized – 2,400; shares issued – 1,741		**1,741**		1,741
Paid-in capital		**3,666**		3,362
Retained earnings		**52,135**		52,283
Treasury common stock at cost				
Shares: June 30, 2024 – 828; December 31, 2023 – 832		**(40,128)**		(40,284)
Accumulated other comprehensive income (loss), net of taxes (AOCI)		**(200)**		(205)
Total stockholders' equity		**17,214**		16,897
Total liabilities and stockholders' equity	**$**	**35,048**	$	32,348

See accompanying notes.

Consolidated Statements of Cash Flows	**For Six Months Ended June 30,**	
(In millions)	**2024**	**2023**
Cash flows from operating activities		
Net income	**$ 2,232**	$ 3,430
Adjustments to net income:		
Depreciation	**709**	550
Amortization of capitalized software	**34**	31
Stock compensation	**222**	215
Gains on sales of assets	**(126)**	(1)
Deferred taxes	**(156)**	(60)
Increase (decrease) from changes in:		
Accounts receivable	**76**	(61)
Inventories	**(107)**	(972)
Prepaid expenses and other current assets	**(46)**	10
Accounts payable and accrued expenses	**25**	(50)
Accrued compensation	**(276)**	(242)
Income taxes payable	**332**	(58)
Changes in funded status of retirement plans	**26**	23
Other	**(357)**	(256)
Cash flows from operating activities	**2,588**	2,559
Cash flows from investing activities		
Capital expenditures	**(2,312)**	(2,428)
Proceeds from asset sales	**194**	2
Purchases of short-term investments	**(6,962)**	(7,060)
Proceeds from short-term investments	**5,761**	7,091
Other	**(10)**	38
Cash flows from investing activities	**(3,329)**	(2,357)
Cash flows from financing activities		
Proceeds from issuance of long-term debt	**2,980**	3,000
Repayment of debt	**(300)**	(500)
Dividends paid	**(2,368)**	(2,250)
Stock repurchases	**(74)**	(182)
Proceeds from common stock transactions	**313**	150
Other	**(34)**	(31)
Cash flows from financing activities	**517**	187
Net change in cash and cash equivalents	**(224)**	389
Cash and cash equivalents at beginning of period	**2,964**	3,050
Cash and cash equivalents at end of period	**$ 2,740**	$ 3,439
Supplemental cash flow information		
Investment tax credit (ITC) used to reduce income taxes payable	**$ 312**	$ —
Total cash benefit related to the U.S. CHIPS and Science Act	**$ 312**	$ —

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 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 June 30,		For Six Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
Revenue:				
Analog	**$ 2,928**	$ 3,278	**$ 5,764**	$ 6,567
Embedded Processing	**615**	894	**1,267**	1,726
Other	**279**	359	**452**	617
Total revenue	**$ 3,822**	$ 4,531	**$ 7,483**	$ 8,910
Operating profit:				
Analog	**$ 1,047**	$ 1,463	**$ 2,055**	$ 3,037
Embedded Processing	**80**	318	**185**	555
Other (a)	**121**	191	**294**	314
Total operating profit	**$ 1,248**	$ 1,972	**$ 2,534**	$ 3,906

(a) Includes restructuring charges/other

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 June 30,				For Six Months Ended June 30,			
	2024		2023		**2024**		2023	
Revenue:								
United States	**$ 1,408**	**37 %**	$ 1,493	33 %	**$ 2,696**	**36 %**	$ 2,850	32 %
China	**745**	**19**	872	19	**1,368**	**18**	1,748	20
Rest of Asia	**417**	**11**	435	10	**818**	**11**	829	9
Europe, Middle East and Africa (a)	**898**	**23**	1,194	26	**1,853**	**25**	2,464	28
Japan	**292**	**8**	480	11	**622**	**8**	918	10
Rest of world	**62**	**2**	57	1	**126**	**2**	101	1
Total revenue	**$ 3,822**	**100 %**	$ 4,531	100 %	**$ 7,483**	**100 %**	$ 8,910	100 %

(a) Revenue from end customers headquartered in Germany was 11% and 13% in the second quarters of 2024 and 2023, respectively, and 12% and 13% in the first six months of 2024 and 2023, 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, 2023. The Consolidated Statements of Income, Comprehensive Income and Cash Flows for the periods ended June 30, 2024 and 2023, and the Consolidated Balance Sheet as of June 30, 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, 2023. The results for the three- and six-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 June 30,					
	2024			2023		
	Net Income	Shares	EPS	Net Income	Shares	EPS
Basic EPS:						
Net income	**$ 1,127**			$ 1,722		
Income allocated to RSUs	**(6)**			(9)		
Income allocated to common stock	**$ 1,121**	**912**	**$ 1.23**	$ 1,713	908	$ 1.89
Dilutive effect of stock compensation plans		**7**			8	
Diluted EPS:						
Net income	**$ 1,127**			$ 1,722		
Income allocated to RSUs	**(6)**			(8)		
Income allocated to common stock	**$ 1,121**	**919**	**$ 1.22**	$ 1,714	916	$ 1.87

	For Six Months Ended June 30,					
	2024			2023		
	Net Income	Shares	EPS	Net Income	Shares	EPS
Basic EPS:						
Net income	**$ 2,232**			$ 3,430		
Income allocated to RSUs	**(11)**			(17)		
Income allocated to common stock	**$ 2,221**	**911**	**$ 2.44**	$ 3,413	907	$ 3.76
Dilutive effect of stock compensation plans		**7**			9	
Diluted EPS:						
Net income	**$ 2,232**			$ 3,430		
Income allocated to RSUs	**(11)**			(18)		
Income allocated to common stock	**$ 2,221**	**918**	**$ 2.42**	$ 3,412	916	$ 3.72

Potentially dilutive securities representing 8 million and 9 million shares of common stock that were outstanding during the second quarters of 2024 and 2023, respectively, and 11 million and 9 million shares outstanding during the first six months of 2024 and 2023, 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 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 June 30, 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 June 30, 2024, the carrying value of long-term debt, including the current portion, was $13.89 billion, and the estimated fair value was $12.78 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 June 30,		For Six Months Ended June 30,	
	2024	2023	**2024**	2023
Taxes calculated using the estimated annual effective tax rate	**$ 170**	$ 289	**$ 346**	$ 565
Discrete tax items	**(50)**	(9)	**(38)**	(47)
Provision for income taxes	**$ 120**	$ 280	**$ 308**	$ 518
Effective tax rate	**10 %**	14 %	**12 %**	13 %

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:

	June 30, 2024			December 31, 2023		
	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	**$ 1,105**	**$ —**	**$ —**	$ 1,068	$ —	$ —
Corporate obligations	**372**	**1,740**	**—**	349	1,605	—
U.S. government and agency securities	**548**	**4,962**	**—**	696	3,808	—
Non-U.S. government and agency securities	**—**	**246**	**—**	50	198	—
Mutual funds	**—**	**—**	**11**	—	—	12
Total	**2,025**	**6,948**	**11**	2,163	5,611	12
Other measurement basis:						
Equity-method investments	**—**	**—**	**12**	—	—	17
Nonmarketable investments	**—**	**—**	**4**	—	—	5
Total	**—**	**—**	**16**	—	—	22
Cash on hand	**715**	**—**	**—**	801	—	—
Total	**$ 2,740**	**$ 6,948**	**$ 27**	$ 2,964	$ 5,611	$ 34

As of June 30, 2024, and 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 six months of 2024 and 2023.

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

	Fair Value
One year or less	$ 6,839
One to two years	1,029

Proceeds from sales, redemptions and maturities of short-term available-for-sale investments were $3.13 billion and $3.07 billion for the second quarters of 2024 and 2023, respectively, and $5.76 billion and $7.09 billion for the first six months of 2024 and 2023, 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.

- *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 June 30, 2024, and 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.

	June 30, 2024			December 31, 2023		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Assets:						
Money market funds	**$ 1,105**	**$ —**	**$ 1,105**	$ 1,068	$ —	$ 1,068
Corporate obligations	**—**	**2,112**	**2,112**	—	1,954	1,954
U.S. government and agency securities	**2,930**	**2,580**	**5,510**	3,618	886	4,504
Non-U.S. government and agency securities	**—**	**246**	**246**	—	248	248
Mutual funds	**11**	**—**	**11**	12	—	12
Total assets	**$ 4,046**	**$ 4,938**	**$ 8,984**	$ 4,698	$ 3,088	$ 7,786
Liabilities:						
Deferred compensation	**$ 411**	**$ —**	**$ 411**	$ 393	$ —	$ 393
Total liabilities	**$ 411**	**$ —**	**$ 411**	$ 393	$ —	$ 393

5. Postretirement benefit plans

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

For Three Months Ended June 30,	U.S. Defined Benefit		U.S. Retiree Health Care		Non-U.S. Defined Benefit	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Service cost	**$ 2**	$ 2	**$ 1**	$ 1	**$ 4**	$ 4
Interest cost	**6**	7	**3**	3	**13**	15
Expected return on plan assets	**(5)**	(5)	**(6)**	(4)	**(19)**	(17)
Recognized net actuarial losses (gains)	**1**	1	**—**	(2)	**3**	3
Net periodic benefit costs (credits)	**4**	5	**(2)**	(2)	**1**	5
Settlement losses	**—**	1	**—**	—	**—**	1
Total, including other postretirement losses (gains)	**$ 4**	$ 6	**$ (2)**	$ (2)	**$ 1**	$ 6

For Six Months Ended June 30,	U.S. Defined Benefit		U.S. Retiree Health Care		Non-U.S. Defined Benefit	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Service cost	**$ 4**	$ 4	**$ 1**	$ 1	**$ 8**	$ 8
Interest cost	**12**	14	**6**	7	**27**	29
Expected return on plan assets	**(11)**	(11)	**(9)**	(9)	**(38)**	(32)
Recognized net actuarial losses (gains)	**2**	3	**(1)**	(3)	**6**	6
Net periodic benefit costs (credits)	**7**	10	**(3)**	(4)	**3**	11
Settlement losses	**—**	1	**—**	—	**—**	1
Total, including other postretirement losses (gains)	**$ 7**	$ 11	**$ (3)**	$ (4)	**$ 3**	$ 12

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 June 30, 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 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 June 30, 2024, our credit facility was undrawn, and we had no commercial paper outstanding.

Long-term debt

In May 2024, we retired $300 million of maturing debt.

In February 2024, we issued five series of senior unsecured notes for an aggregate principal amount of $3.00 billion, consisting of:

- $650 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 5.05% notes due in 2063.

We incurred $16 million of issuance and other related costs. The proceeds of the offering were $2.98 billion, net of the original issuance discounts, which will be used for general corporate purposes.

Long-term debt outstanding is as follows:

	June 30, 2024	December 31, 2023
Notes due 2024 at 2.625%	**$ —**	$ 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%	**650**	—
Notes due 2027 at 2.90%	**500**	500
Notes due 2028 at 4.60%	**700**	700
Notes due 2029 at 4.60%	**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**	—
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**	—
Notes due 2063 at 5.05%	**1,550**	1,200
Total debt	**14,000**	11,300
Net unamortized discounts, premiums and issuance costs	**(109)**	(77)
Total debt, including net unamortized discounts, premiums and issuance costs	**13,891**	11,223
Current portion of long-term debt	**(1,049)**	(599)
Long-term debt	**$ 12,842**	$ 10,624

Interest and debt expense was $131 million and $89 million for the second quarters of 2024 and 2023, respectively, and $247 million and $157 million for the first six months of 2024 and 2023, respectively. This was net of the amortized discounts, premiums, issuance and other related costs. Capitalized interest was $5 million and $3 million for the second quarters of 2024 and 2023, respectively, and $11 million and $5 million for the first six months of 2024 and 2023, respectively.

7. Stockholders' equity

Changes in equity are as follows:

	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)
Net income	**—**	**—**	**1,127**	**—**	**—**
Dividends declared and paid ($1.30 per share)	**—**	**—**	**(1,185)**	**—**	**—**
Common stock issued for stock-based awards	**—**	**111**	**—**	**137**	**—**
Stock repurchases	**—**	**—**	**—**	**(72)**	**—**
Stock compensation	**—**	**116**	**—**	**—**	**—**
Other comprehensive income (loss), net of taxes	**—**	**—**	**—**	**—**	**3**
Dividend equivalents on RSUs	**—**	**—**	**(6)**	**—**	**—**
Balance, June 30, 2024	**$ 1,741**	**$ 3,666**	**$ 52,135**	**$ (40,128)**	**$ (200)**

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

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

Restructuring charges/other

During the first six months of 2024, restructuring charges/other was a credit of $124 million primarily due to a gain on the sale of a property.

Prepaid expenses and other current assets

	June 30, 2024	December 31, 2023
U.S. CHIPS and Science Act investment tax credit	**$ 981**	$ 497
Other	**303**	264
Total	**$ 1,284**	$ 761

Other long-term assets

	June 30, 2024	December 31, 2023
U.S. CHIPS and Science Act investment tax credit	**$ 464**	$ 859
Other	**957**	853
Total	**$ 1,421**	$ 1,712

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 second quarters and first six months of 2024 and 2023. The table below details where these transactions are recorded in our Consolidated Statements of Income.

	For Three Months Ended June 30,		For Six Months Ended June 30,		
	2024	2023	2024	2023	Impact to Related Statement of Income Lines
Net actuarial losses of defined benefit plans:					
Recognized net actuarial losses and settlement losses (a)	**$ 4**	$ 4	**$ 7**	$ 8	Decrease to OI&E
Tax effect	**(1)**	(1)	**(2)**	(2)	Decrease to provision for income taxes
Recognized within net income, net of taxes	**$ 3**	$ 3	**$ 5**	$ 6	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:

	2024
Balance, January 1	832
Repurchases	—
Shares issued for stock compensation	(1)
Balance, March 31	831
Repurchases	**—**
Shares issued for stock compensation	**(3)**
Balance, June 30	**828**

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.

    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 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 second quarter revenue was $3.82 billion, net income was $1.13 billion and earnings per share (EPS) were $1.22.

Revenue decreased 16% from the same quarter a year ago and increased 4% sequentially. Industrial and automotive continued to decline sequentially, while all other end markets grew.

Our cash flow from operations of $6.4 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 $1.5 billion.

Over the past 12 months we invested $3.7 billion in R&D and SG&A, invested $5.0 billion in capital expenditures and returned $4.9 billion to shareholders.

Results of operations – second quarter 2024 compared with second quarter 2023

Revenue of $3.82 billion decreased $709 million, or 16%, primarily due to lower revenue from Analog and Embedded Processing.

Gross profit of $2.21 billion was down $699 million, or 24%, primarily due to lower revenue and, to a lesser extent, higher manufacturing unit costs associated with our planned capacity expansions and reduced factory loadings. As a percentage of revenue, gross profit decreased to 57.8% from 64.2%. Sequentially, gross profit margin increased 60 basis points, primarily due to higher revenue as well as lower manufacturing unit costs due to increased factory loadings and more manufacturing internally, with more wafers on 300mm.

Operating expenses (R&D and SG&A) were $963 million compared with $938 million.

Operating profit was $1.25 billion, or 32.7% of revenue, compared with $1.97 billion, or 43.5% of revenue.

OI&E was $130 million of income compared with $119 million of income, primarily due to higher interest income.

Interest and debt expense of $131 million increased $42 million due to the issuance of additional long-term debt. See Note 6 to the financial statements.

Our provision for income taxes was $120 million compared with $280 million. This decrease was due to lower income before income taxes and higher discrete tax benefits.

Net income was $1.13 billion compared with $1.72 billion. EPS was $1.22 compared with $1.87.

Second quarter 2024 segment results

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

Analog (includes Power and Signal Chain product lines)

	Q2 2024	Q2 2023	Change
Revenue	**$ 2,928**	$ 3,278	(11)%
Operating profit	**1,047**	1,463	(28)%
Operating profit % of revenue	**35.8 %**	44.6 %	

Analog revenue decreased due to the mix of products shipped in both product lines, led by Signal Chain. Operating profit decreased primarily due to lower revenue and higher manufacturing costs.

Embedded Processing (includes microcontrollers and processors)

	Q2 2024	Q2 2023	Change
Revenue	**$ 615**	$ 894	(31)%
Operating profit	**80**	318	(75)%
Operating profit % of revenue	**13.0 %**	35.6 %	

Embedded Processing revenue decreased. Operating profit decreased primarily due to lower revenue and associated gross profit.

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

	Q2 2024	Q2 2023	Change
Revenue	**$ 279**	$ 359	(22)%
Operating profit *	**121**	191	(37)%
Operating profit % of revenue	**43.4 %**	53.2 %	

* Includes restructuring charges/other

Other revenue decreased $80 million, and operating profit decreased $70 million.

Results of operations – first six months of 2024 compared with first six months of 2023

Revenue of $7.48 billion decreased $1.43 billion, or 16%, primarily due to lower revenue from Analog and, to a lesser extent, Embedded Processing.

Gross profit of $4.31 billion was down $1.47 billion, or 25%, primarily due to lower revenue and, to a lesser extent, higher manufacturing unit costs associated with reduced factory loadings and our planned capacity expansions. As a percentage of revenue, gross profit decreased to 57.5% from 64.8%.

Operating expenses were $1.90 billion compared with $1.87 billion.

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

Operating profit was $2.53 billion, or 33.9% of revenue, compared with $3.91 billion, or 43.8% of revenue.

OI&E was $253 million of income compared with $199 million of income, primarily due to higher interest income.

Interest and debt expense of $247 million increased $90 million due to the issuance of additional long-term debt.

Our provision for income taxes was $308 million compared with $518 million. This decrease was due to lower income before income taxes.

Net income was $2.23 billion compared with $3.43 billion. EPS was $2.42 compared with $3.72.

Year-to-date segment results

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

Analog

	YTD 2024	YTD 2023	Change
Revenue	**$ 5,764**	$ 6,567	(12)%
Operating profit	**2,055**	3,037	(32)%
Operating profit % of revenue	**35.7 %**	46.2 %	

Analog revenue decreased due to the mix of products shipped in both product lines, led by Signal Chain. Operating profit decreased primarily due to lower revenue and higher manufacturing costs.

Embedded Processing

	YTD 2024	YTD 2023	Change
Revenue	**$ 1,267**	$ 1,726	(27)%
Operating profit	**185**	555	(67)%
Operating profit % of revenue	**14.6 %**	32.2 %	

Embedded Processing revenue decreased. Operating profit decreased primarily due to lower revenue and associated gross profit.

Other

	YTD 2024	YTD 2023	Change
Revenue	**$ 452**	$ 617	(27)%
Operating profit *	**294**	314	(6)%
Operating profit % of revenue	**65.0 %**	50.9 %	

* Includes restructuring charges/other

Other revenue decreased $165 million, and operating profit decreased $20 million.

Financial condition

At the end of the second quarter of 2024, total cash (cash and cash equivalents plus short-term investments) was $9.69 billion, an increase of $1.11 billion from the end of 2023.

Accounts receivable were $1.71 billion, a decrease of $76 million compared with the end of 2023. Days sales outstanding for the second quarter of 2024 were 40 compared with 39 at the end of 2023.

Inventory was $4.11 billion, an increase of $107 million from the end of 2023. Days of inventory for the second quarter of 2024 were 229 compared with 219 at the end of 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 June 30, 2024, our credit facility was undrawn, and we had no commercial paper outstanding. Cash flows from operating activities for the first six months of 2024 were $2.59 billion, an increase of $29 million from the year-ago period primarily due to lower cash used for working capital, partially offset by lower net income. Cash flows from operating activities for the first six months of 2024 include a cash benefit of $312 million from the U.S. CHIPS and Science Act investment tax credit used to reduce income taxes payable.

Investing activities for the first six months of 2024 used $3.33 billion compared with $2.36 billion in the year-ago period. Capital expenditures were $2.31 billion compared with $2.43 billion in the year-ago period and were primarily for semiconductor manufacturing equipment and facilities in both periods. Short-term investments used cash of $1.20 billion compared with $31 million 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 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 began receiving the cash benefit associated with the investment tax credit for qualifying capital expenditures in 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 six months of 2024 provided $517 million compared with $187 million in the year-ago period. In 2024, we received net proceeds of $2.98 billion from the issuance of fixed-rate, long-term debt and retired maturing debt of $300 million. In the year-ago period, we received net proceeds of $3.00 billion from the issuance of fixed-rate, long-term debt and retired maturing debt of $500 million. Dividends paid were $2.37 billion compared with $2.25 billion in the year-ago period, reflecting an increased dividend rate. We used $74 million to repurchase 0.4 million shares of our common stock compared with $182 million in the year-ago period to repurchase 1.1 million shares. Employee exercises of stock options provided cash proceeds of $313 million compared with $150 million in the year-ago period.

We had $2.74 billion of cash and cash equivalents and $6.95 billion of short-term investments as of June 30, 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 June 30,		
	2024	**2023**	**Change**
Cash flow from operations (GAAP) *	**$ 6,449**	$ 7,367	(12)%
Capital expenditures	**(4,955)**	(4,185)	
Free cash flow (non-GAAP)	**$ 1,494**	$ 3,182	(53)%
Revenue	**$ 16,092**	$ 18,821	
Cash flow from operations as a percentage of revenue (GAAP)	**40.1 %**	39.1 %	
Free cash flow as a percentage of revenue (non-GAAP)	**9.3 %**	16.9 %	

* Includes a cash benefit of $312 million from the U.S. CHIPS and Science Act ITC used to reduce income taxes payable for the twelve months ended June 30, 2024

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, 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)
April 1, 2024 through April 30, 2024	20,776	$ 176.46	20,776	$ 21.19 billion
May 1, 2024 through May 31, 2024	215,795	187.21	213,922	21.15 billion
June 1, 2024 through June 30, 2024	146,158	194.98	146,158	21.12 billion
Total	382,729 (b)	$ 189.60 (b)	380,856	$ 21.12 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, 1,873 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 June 30, 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).
10(a)	Texas Instruments 2018 Director Compensation Plan as amended April 25, 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;
- 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: July 24, 2024

TEXAS INSTRUMENTS 2018 DIRECTOR COMPENSATION PLAN
As amended April 25, 2024

SECTION 1. PURPOSE.

The Texas Instruments 2018 Director Compensation Plan ("the Plan") is intended as a successor plan to the Company's 2009 Director Compensation Plan. This Plan is designed to attract and retain qualified individuals to serve as directors of the Company and to increase the proprietary and vested interest of such directors in the growth and performance of the Company. This Plan is effective for Awards granted on or after the Effective Date.

SECTION 2. DEFINITIONS.

As used in the Plan, the following terms shall have the meanings set forth below:

(a) *"Account"* means a Cash Account or Stock Unit Account established under Section 11 of the Plan.

(b) *"Administrator"* means the Board or a committee of directors designated by the Board to administer the Plan.

(c) *"Award"* means any Option, Restricted Stock Unit, Stock Appreciation Right or other stock-based award under the Plan.

(d) *"Award Agreement"* means any written agreement, contract or other instrument or document evidencing any Award granted under the Plan, which may, but need not, be executed or acknowledged by a Director. An Award Agreement may be in electronic form.

(e) *"Board"* means the Board of Directors of the Company, as constituted from time to time.

(f) *"Cash Account"* means the bookkeeping accounts established or maintained pursuant to Section 11(b)(i) on behalf of each Director who elects pursuant to Section 11(b) to have any of his or her Deferred Compensation credited to a cash account.

(g) "*Change in Control*" shall mean an event that will be deemed to have occurred:

(i) On the date any Person, other than (i) the Company or any of its Subsidiaries, (ii) a trustee or other fiduciary holding stock under an employee benefit plan of the Company or any of its Affiliates, (iii) an underwriter temporarily holding stock pursuant to an offering of such stock, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company, acquires ownership of stock of the Company that, together with stock held by such Person, constitutes more than 50 percent of the total fair market value or total voting power of the stock of the Company. However, if any Person is considered to own more than 50 percent of the total fair market value or total voting power of the stock of the Company, the acquisition of additional stock by the same Person is not considered to be a Change in Control;

(ii) On the date a majority of members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the Board before the date of the appointment or election; or

(iii) On the date any Person acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person) assets from the Company that have a total gross fair market value equal to or more than 80 percent of the total gross fair market value of all of the assets of the Company immediately before such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of the Company or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. However, there is no Change in Control when there is such a sale or transfer to (i) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's then outstanding stock; (ii) an entity, at least 50 percent of the total value or voting power of the stock of which is owned, directly or indirectly, by the Company; (iii) a Person that owns, directly or indirectly, at least 50 percent of the total value or voting power of the outstanding stock of the Company; or (iv) an entity, at least 50 percent of the total value or voting power of the stock of which is owned, directly or indirectly, by a Person that owns, directly or indirectly, at least 50 percent of the total value or voting power of the outstanding stock of the Company.

(iv) For purposes of (i), (ii) and (iii) of this Section 2(g):

(A) "Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Securities Exchange Act of 1934, as amended;

(B) "Person" shall have the meaning given in Section 7701(a)(1) of the Code. Person shall include more than one Person acting as a group as defined by the Final Treasury Regulations issued under Section 409A of the Code; and

(C) "Subsidiary" means any entity whose assets and net income are included in the consolidated financial statements of the Company audited by the Company's independent auditors and reported to stockholders in the annual report to stockholders.

(v) Notwithstanding the foregoing, in no case will an event in (i), (ii) or (iii) of this Section 2(g) be treated as a Change in Control unless such event also constitutes a "change in control event" with respect to the Company within the meaning of Treas. Reg. § 1.409A-3(i)(5) or any successor provision.

(h) *"Code"* means the Internal Revenue Code of 1986, as amended.

(i) *"Company"* means Texas Instruments Incorporated, together with any successor thereto.

(j) *"Deferred Cash Compensation"* means that portion of any Director's Eligible Compensation that is payable in cash and that he or she elects pursuant to Section 11(a) to be deferred in accordance with this Plan.

(k) *"Deferred Compensation"* means that portion of any Director's Eligible Compensation that he or she elects pursuant to Section 11(a) to be deferred in accordance with this Plan.

(l) *"Deferred Compensation Account"* means a Cash Account or Stock Unit Account containing amounts earned and deferred under this Plan and Restricted Stock Units, the receipt of which a Director has elected to defer.

(m) *"Director"* means a member of the Board who is not an employee of the Company or any subsidiary thereof.

(n) "*Effective Date*" means the date this Plan is approved by stockholders of the Company.

(o) "*Eligible Compensation*" means (i) the cash portion of any compensation payable by the Company to a Director for his or her services as a Director but shall not include any reimbursement by the Company of expenses incurred by a Director incidental to attendance at a meeting of the Company's stockholders, the Board, or any committee of the Board, or of any other expense incurred on behalf of the Company, (ii) any Restricted Stock Units granted by the Company to a Director for his or her services as a Director, and (iii) any dividend equivalents paid on Restricted Stock Units pursuant to Section 9(d).

(p) *"Fair Market Value"* means the closing price of the Shares on the date specified (or, if there is no trading on The NASDAQ Stock Market on such date, then on the first previous date on which there is such trading) as reported by WSJ.com or Bloomberg L.P., or if unavailable, then by reference to any other source as may be deemed appropriate by the GSR Committee.

(q) *"GSR Committee"* means the Governance and Stockholder Relations Committee of the Board or any successor committee.

(r) *"Option"* means an option granted under this Plan to purchase Shares on the terms and conditions set forth in the Plan and the applicable Award Agreement.

(s) *"Participant"* means an individual who has received an Award or established an Account under the Plan.

(t) *"Plan"* means this Texas Instruments 2018 Director Compensation Plan.

(u) *"Restricted Stock Unit"* means a contractual right granted under this Plan that is denominated in Shares, each of which represents a right to receive a Share on the terms and conditions set forth in the Plan and the applicable Award Agreement.

(v) *"Secretary"* means the Secretary of the Company.

(w) "*Separation from Service"* means a termination of services provided by a Participant as a member of the Board or of the board of directors of any other member of the controlled group of corporations (as defined in Section 414(b) of the Code) which includes the Company (for purposes of this Section 2(x), the controlled group members other than the Company are referred to collectively as "ERISA Affiliates"), whether such termination is voluntary or involuntary, as determined by the Administrator in accordance with Treas. Reg. §1.409A-1(h). In determining whether a Participant has experienced a Separation from Service as a member of the Board or of a board of directors of an ERISA Affiliate, the following provisions shall apply:

(i) If a Director also provides services to the Company or any ERISA Affiliate as an employee at the time of his Separation from Service as a member of the Board, the services such Participant provides as an employee shall not be taken into account in determining whether the Participant has a Separation from Service as a Director for purposes of this Plan (provided that this Plan is not, at the time of such determination, aggregated under Treas. Reg. §1.409A-1(c)(2)(ii) with any plan in which the Participant participates as an employee).

(ii) A Participant shall be considered to have experienced a termination of services when the facts and circumstances indicate that the Participant, the Company and each ERISA Affiliate reasonably anticipate that the Participant will perform no further services for the Company or any ERISA Affiliate as a member of the Board (or the board of directors of any ERISA Affiliate), and the Participant's term as a member of the Board has expired.

(iii) If a Director is also providing additional services to the Company as an independent contractor, he or she cannot have a Separation from Service for purposes of Section 409A of the Code until he or she has separated from service both as a Director and as an independent contractor.

(x) *"Shares"* shall mean shares of the common stock of the Company, $1.00 par value.

(y) *"Specified Employee"* means any Participant who is determined to be a "key employee" (as defined under Section 416(i) of the Code without regard to paragraph (5) thereof) for the applicable period, as determined annually by the Administrator in accordance with Treas. Reg. §1.409A-1(i). In determining whether a Participant is a Specified Employee, the following provisions shall apply:

(i) Identification of the individuals who fall within the above-referenced definition of "key employee" shall be based upon the 12-month period ending on each December 31st (referred to below as the "identification date"). In applying the applicable provisions of Code Section 416(i) to identify such individuals, "compensation" shall be determined in accordance with Treas. Reg. §1.415(c)2(a) without regard to (i) any safe harbor provided in Treas. Reg. §1.415(c)-2(d), (ii) any of the special timing rules provided in Treas. Reg. §1.415(c)-2(e), and (iii) any of the special rules provided in Treas. Reg. §1.415(c)-2(g); and

(ii) Each Participant who is among the individuals identified as a "key employee" in accordance with part (i) of this Section 2(y) shall be treated as a Specified Employee for purposes of this Plan if such Participant experiences a Separation from Service during the 12-month period that begins on the April 1st following the applicable identification date.

(z) *"Stock Appreciation Right"* or *"SAR"* means a right granted pursuant to Section 10 to receive, upon exercise by the Participant, the excess of (i) the Fair Market Value of one Share on the date of exercise or any date or dates during a specified period before the date of exercise over (ii) the grant price of the right, which grant price shall not be less than the Fair Market Value of one Share on the date of grant of the right.

(aa) *"Stock Unit Account"* means the bookkeeping accounts established, pursuant to Section 11(b)(ii), on behalf of each Director who elects, pursuant to Section 11(b), to have any of his or her Deferred Cash Compensation credited to a stock unit account.

(ab) *"Unforeseeable Emergency"* means a severe financial hardship to the Participant resulting from (i) an illness or accident of the Participant or the Participant's spouse, beneficiary, or dependent (as defined in Section 152 of the Code, without regard to Sections 152(b)(1), (b)(2), and (d)(1)(B) of the Code), (ii) loss of the Participant's property due to casualty, or (iii) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the Participant's control, all as determined by the Administrator based on the relevant facts and circumstances and as provided for in Treas. Reg. §1.409A-3(i)(3) or any successor provision.

(ac) *"Year"* means a calendar year.

SECTION 3. ELIGIBILITY.

Each Director shall be eligible to defer Eligible Compensation and to receive Awards under the Plan.

SECTION 4. ADMINISTRATION.

This Plan shall be administered by the Administrator. Subject to the terms of the Plan and applicable law, the Administrator shall have full power and authority to: (i) interpret, construe and administer the Plan and any instrument or agreement relating to, or Award granted or Accounts established under, the Plan; (ii) establish, amend, suspend or waive such rules and regulations and appoint such agents as it deems appropriate for the proper administration of the Plan; and (iii) make any other determination and take any other action that it deems necessary or desirable for the administration of this Plan. All decisions of the Administrator shall be final, conclusive and binding upon all parties, including the Company, the stockholders and the Directors.

SECTION 5. SHARES AVAILABLE FOR AWARDS.

(a) Subject to adjustment as provided in this Section 5, the number of Shares available for issuance under the Plan shall be 2,000,000 Shares. Notwithstanding anything to the contrary set forth herein, in any given Year, the total value of Awards granted to any Director shall not exceed $500,000 in grant-date value.

(b) If, after the effective date of the Plan, (i) any Shares covered by an Award or Stock Unit Account, or to which such an Award relates, are forfeited, or (ii) if an Award or Account expires or is cancelled or is otherwise terminated without the delivery of Shares, then such Shares, to the extent of any such forfeiture, expiration, cancellation, or termination, shall again be, or shall become, available for issuance under the Plan. For purposes of this Section, awards and options granted under any previous director compensation plan of the Company shall be treated as Awards, and accounts established under any such plan shall be treated as Accounts. For the avoidance of doubt, the number of Shares available for issuance under the Plan shall not be increased by: (1) the withholding of Shares as a result of the net settlement of an outstanding Option; (2) the delivery of Shares to pay the exercise price or withholding taxes relating to an Award; or (3) the repurchase of Shares on the open market using the proceeds of an Option's exercise.

(c) Any Shares delivered pursuant to an Award or Stock Unit Account may consist, in whole or in part, of authorized and unissued Shares, of treasury Shares or of both.

(d) In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of Shares or other securities of the Company, issuance of warrants or other rights to purchase Shares or other securities of the Company, or other similar corporate transaction or event affects the Shares such that an adjustment is appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Administrator shall equitably adjust any or all of (i) the number of outstanding Restricted Stock Units, (ii) the number and type of Shares credited to Stock Unit Accounts, (iii) the number and type of Shares subject to Options and SARs, (iv) the exercise price with respect to any Option or SAR or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Option or SAR, and (v) the limits specified in Section 5(a); provided, however, that no fractional Restricted Stock Units or Shares shall be issued or outstanding hereunder. Any such adjustment with respect to a "Stock Right" outstanding under the Plan as defined in Section 409A of the Code, shall be made in a manner that is intended to avoid imposition of any additional tax or penalty under Section 409A.

SECTION 6. EQUITY GRANT UPON INITIAL ELECTION.

(a) *Initial Grant*. Following the effective date of this Plan, each Director shall, effective as of the date of such individual’s initial election or appointment to the Board, be granted a Restricted Stock Unit Award with a grant-date value of approximately $200,000, rounded down to the nearest whole share.

(b) *Reductions in Awards*. Prior to the effective date of any initial grant as described in this Section 6, the Board shall have the right to make reductions in the Awards to be granted under this Section 6. In determining whether to reduce any Award and the amount of any reduction, the Board shall take into consideration such factors as the Board shall determine.

(c) *Terms and Conditions*. The terms and conditions of each Restricted Stock Unit granted under this Section 6 shall be as described in Section 9.

SECTION 7. ANNUAL EQUITY GRANTS.

(a) *Annual Grant*. Each Director will be granted annually an Option with a grant-date value of approximately $115,000 determined using a Black-Scholes option-pricing model and a Restricted Stock Unit Award with a grant-date value of approximately $115,000, in each case rounded down to the nearest whole share. The Restricted Stock Units granted under this Section 7(a) shall be in addition to any RSUs granted to any Director pursuant to Section 6.

(b) *Effective Date of Annual Grant*. In each year the effective date for the annual grant of equity to the Company's executive officers by the Compensation Committee of the Board (or any successor committee) shall be the date the Options and Restricted Stock Units are granted; provided that in any year in which the Compensation Committee does not grant equity to any of the Company's executive officers in connection with the annual compensation review process, then the third trading day after the release of the Company's financial results for the first quarter of such year shall be the date the Options and Restricted Stock Units are granted.

(c) *Terms and Conditions*. The terms and conditions of each Option and Restricted Stock Unit granted under this Section 6 shall be as described in Sections 8 and 9, respectively.

(d) *Reductions in Awards*. Prior to the effective date of any annual grant as described in this Section 7, the Board shall have the right to make reductions in the Awards to be granted under this Section 7. In determining whether to reduce any Award and the amount of any reduction, the Board shall take into consideration such factors as the Board shall determine.

SECTION 8. OPTIONS.

The Options granted under this Plan will be nonstatutory stock options not intended to qualify under Section 422 of the Code and shall have the terms and conditions described in this Section 8:

(a) *Price and Term of Options*. The purchase price per share of Shares deliverable upon the exercise of each Option shall be 100% of the Fair Market Value per share of the Shares on the effective date of the grant as determined in Section 7(b).

(b) *Payment*. The Secretary shall determine the method or methods by which, and the form or forms, including, without limitation, cash, Shares, or other property, or any combination thereof, having a Fair Market Value on the exercise date equal to the relevant exercise price, in which payment of the exercise price with respect to an Option may be made or deemed to have been made.

(c) *Exercisability.* Subject to Section 8(d), Options shall become exercisable in four equal annual installments commencing on the first anniversary date of the grant.

(d) *Termination of Service as a Director.* The effect of a Participant's termination of service as a member of the Board shall be as follows:

(i) Termination for cause: All outstanding Options held by the Participant shall be canceled immediately upon termination.

(ii) Death: All outstanding Options held by the Participant shall continue to full term, becoming exercisable in accordance with Section 8(c), and shall be exercisable by such Participant's heirs or legal representatives.

(iii) Permanent disability, termination after 8 years of service, or termination for reason of ineligibility to stand for reelection under the Company's By-Laws: All outstanding Options held by the Participant shall continue to full term, becoming exercisable in accordance with Section 8(c).

(iv) Change in Control: If a Participant experiences a Separation From Service (other than for cause) within 24 months after a Change in Control, the provisions of Section 8(c) shall not apply and Options held by the Participant shall be immediately exercisable and shall continue to full term.

(v) Other: For any termination other than those specified above, all outstanding Options held by the Participant shall be exercisable for 30 days after the date of termination, only to the extent that such Options were exercisable on the date of termination, except that if the Participant dies within 30 days after his or her termination, then such Participant’s heirs may exercise the Options for a period of up to one year after the Participant’s death, but only to the extent any unexercised portion was exercisable on the date of termination.

(e) *Option Agreement*. Each Option granted under this Plan shall be evidenced by an Award Agreement with the Company, which shall contain the terms and provisions set forth herein and shall otherwise be consistent with the provisions of the Plan.

SECTION 9. RESTRICTED STOCK UNITS.

Each Restricted Stock Unit granted under this Plan shall be paid or settled by the issuance of one Share and shall have the terms and conditions described in this Section 9:

(a) *Vesting and Settlement*. Subject to Section 9(b) and subject to a Director’s election to defer the settlement of Restricted Stock Units pursuant to Section 11, the shares covered by the Restricted Stock Units shall be paid or settled as soon as practicable after the fourth anniversary of the date of grant.

(b) *Termination of Service as a Director*. The effect of a Participant's termination of service as a member of the Board shall be as follows:

(i) Death: All outstanding Restricted Stock Units held by the Participant shall continue to full term subject to the other terms and conditions of this Plan, and shares shall be issued to such Participant's heirs at such times and in such manner as if the Participant were still a member of the Board.

(ii) Permanent disability, termination after 8 years of service, or termination for reason of ineligibility to stand for reelection under the Company's By-Laws: All outstanding Restricted Stock Units held by the Participant shall continue to full term subject to the other terms and conditions of this Plan, and shares shall be issued to such Participant at such times and in such manner as if the Participant were still a member of the Board.

(iii) Separation From Service after a Change in Control: If a Participant experiences a Separation From Service (other than for cause) within 24 months after a Change in Control, the provisions of Section 9(a) shall not apply and:

(A) To the extent permitted without additional tax or penalty by Section 409A of the Code, all shares underlying such Restricted Stock Units held by the Participant (including any such Restricted Stock Units subject to an election to defer settlement under Section 11) will be issued on, or as soon as practicable (but no later than 60 days) after, the Participant's Separation From Service; provided, however, that if the participant is a Specified Employee upon such Separation From Service, the shares will be issued on, or as soon as practicable (but no more than 10 days) after, the first day of the seventh month following the Separation From Service and any such Restricted Stock Units outstanding under this Plan shall vest and be paid immediately.

(B) To the extent that the issuance of shares is not permitted without additional tax or penalty by Section 409A, the Award will continue to full term and the shares will be issued at the issuance date specified in the Award Agreement as if the Participant were still a Director on such date or (for any such Restricted Stock Units subject to an election to defer settlement pursuant to Section 11) in accordance with Section 11(h)(i).

(iv) Other: For any termination other than those specified above, all outstanding Restricted Stock Units held by the Participant shall terminate and become void without any shares being issued.

(c) *Restricted Stock Unit Agreement*. Each Restricted Stock Unit Award granted under this Plan shall be evidenced by an Award Agreement with the Company, which shall contain the terms and conditions set forth herein and shall otherwise be consistent with the provisions of this Plan.

(d) *Right to Dividend Equivalents.* Each recipient of Restricted Stock Units under this Plan shall have the right, during the period when such Restricted Stock Units are outstanding and prior to the termination, forfeiture or payment or settlement thereof, to receive dividend equivalents equal to the amount or value of any cash or other distributions or dividends payable on the same number of Shares. The Company shall accumulate dividend equivalents on each dividend payment date and, unless a Director has elected to defer receipt of such dividend equivalents pursuant to Section 11, pay such accumulated amounts without interest in December of each fiscal year, but no later than March 15 of the calendar year following the calendar year in which the related dividend is declared.

(e) *Issuance of Shares*. A stock certificate or certificates shall be registered and issued or other indicia of ownership of shares shall be issued, in the name or for the benefit of the holder of Restricted Stock Units and delivered to such holder as soon as practicable after such Restricted Stock Units have become payable or settleable in accordance with the terms of the Plan.

SECTION 10. STOCK APPRECIATION RIGHTS (SARs).

(a) SARs may be granted to Directors with such terms and conditions as the Administrator shall determine not inconsistent with the provisions of the Plan.

(b) The term of each SAR shall be fixed by the Administrator but shall not exceed 10 years.

SECTION 11. DEFERRED COMPENSATION.

(a) *Deferral Election*. Each Director may elect, with respect to any Year, that all or any percentage of his or her Eligible Compensation be deferred in accordance with the terms of this Plan.

(b) *Cash Compensation Investment Alternatives*. Each Director may elect that his or her Deferred Cash Compensation for any Year be credited to a Cash Account or a Stock Unit Account or to any combination thereof.

(i) *Cash Accounts*.

(A) The Company shall establish and maintain, as appropriate, separate unfunded Cash Accounts for each Director who has elected that any portion of his or her Deferred Cash Compensation be credited to a Cash Account.

(B) As of the date on which any amount of a Director’s Deferred Cash Compensation becomes payable, his or her Cash Account shall be credited with an amount equal to that portion of such Deferred Cash Compensation as such Director has elected be credited to his or her Cash Account.

(C) As of the last day of each month, interest on each Cash Account shall be credited on the average of the balances on the first and last day of such month. Interest shall be credited at a rate equivalent to the average yield on corporate bonds rated Aaa by Moody’s Investors Service on September 30 of the preceding Year (or if there is no such yield reported for such date, then on the next preceding date for which such a yield is reported) as published in Federal Reserve Statistical Release H.15, or at such other rate that would qualify as a "reasonable rate of interest" as defined by Section 409A of the Code, as may be determined by the GSR Committee for each Year.

(ii) *Stock Unit Accounts*.

(A) The Company shall establish and maintain, as appropriate, separate unfunded Stock Unit Accounts for each Director who has elected that any portion of his or her Deferred Cash Compensation be credited to a Stock Unit Account.

(B) As of each date on which any amount of a Director’s Deferred Cash Compensation becomes payable, his or her Stock Unit Account shall be credited with that number of units as are equal to the number of full or fractional Shares as could be purchased at the Fair Market Value on the first trading day preceding such date with the portion of such Deferred Cash Compensation as such Director has elected be credited to his or her Stock Unit Account.

(C) As of the payment date for each dividend on Shares declared by the Board, there shall be credited to each Stock Unit Account that number of units as are equal to the number of full or fractional Shares as could be purchased at the Fair Market Value on the first trading day preceding the payment date for such dividend with an amount equal to the product of: (i) the dividend per share, and (ii) the number of units in such Stock Unit Account immediately prior to the record date for such dividend.

(c) *Restricted Stock Units*. Each Director may elect to defer all or a portion of any Restricted Stock Unit Award.

(d) *Dividend Equivalents.* Each Director may elect to defer all or a portion of any dividend equivalents paid on Restricted Stock Units.

(e) *Time of Election.* An election to defer all or any portion of Eligible Compensation for any Year shall be made in writing in the form ("Election Form") prescribed by the Secretary.

(i) Except as hereinafter provided, to be effective, an Election Form relating to payments for a Year, or to Restricted Stock Units that may be granted in such Year, must be received by the Secretary on or before December 31 of the preceding Year. In the case of a Director's initial election to the Board, the initial Election Form must be received not more than 30 days following his or her election to the Board and, if received within such 30-day period, the Election Form shall be effective only for Eligible Compensation earned after the election becomes irrevocable pursuant to Section 11(f). The time of election and the time of distribution shall comply in all respects with the applicable requirements of Section 409A of the Code.

(f) *Irrevocability of Election.* A Director's election to defer all or any portion of his or her Eligible Compensation for any Year shall be irrevocable upon receipt by the Secretary of a completed Election Form from the Director.

(g) *Form of Distributions*.

(i) Distributions of amounts credited to each Participant's Cash Account shall be made in cash.

(ii) Distributions of units credited to each Participant's Stock Unit Account shall be made by issuing to such Participant an equivalent number of Shares.

(iii) Distribution of Shares relating to vested Restricted Stock Units the Participant has elected to defer shall be made by issuing to such Participant the whole number of Shares attributable to such vested Restricted Stock Units. Notwithstanding the foregoing, no fractional shares will be issued and any fractional unit will be distributed by payment of cash in the amount represented by such fractional unit based on the Fair Market Value on the date preceding the date of payment.

(h) *Time of Distributions.*

(i) Normal Distributions. Except as otherwise hereinafter provided, distributions from a Participant's Deferred Compensation Account shall be made on the first day of the month following such Participant's Separation from Service on the Board for any reason other than death.

Notwithstanding the foregoing, no distribution may be made to a Specified Employee before the date that is six months after the date of Separation from Service or, if earlier, the date of death.

(ii) Change in Control. In the event a Participant experiences a Separation From Service (other than for cause) within 24 months after a Change in Control, then, to the extent permitted without additional tax or penalty by Section 409A of the Code, such Participant shall receive a distribution of the balances credited to the Participant's Account which are attributable to amounts credited to the account. See Section 9(b)(iii) for the effect of such Separation From Service on deferred Restricted Stock Units.

The amounts to be distributed pursuant to this Section 11(h)(ii) shall be paid on, or as soon as practicable (but no later than 60 days) after, the Participant's Separation from Service, provided, however, that if the Participant is a Specified Employee upon such Separation From Service, the balances credited to the Participant's Account will be distributed on, or as soon as practicable (but no more than 10 days) after, the first day of the seventh month following such Separation From Service.

To the extent that distributions of amounts pursuant to this Section 11(h)(ii) are not permitted without additional tax or penalty by Section 409A of the Code, the affected Participant shall receive distribution of the amounts referred to in this Section 11(h)(ii) in accordance with Section 11(h)(i).

(iii) Unforeseeable Emergency. An earlier distribution may be made upon a finding that the Participant is suffering from an Unforeseeable Emergency. A withdrawal on account of Unforeseeable Emergency may not be made to the extent that such emergency is or may be relieved (A) through reimbursement or compensation from insurance or otherwise, (B) by liquidation of the Participant's assets, to the extent the liquidation of such assets would not cause severe financial hardship, or (C) by cessation of deferrals under the Plan.

Withdrawal because of an Unforeseeable Emergency must be limited to the amount reasonably necessary to satisfy the emergency need (which may include amounts necessary to pay any federal, state, local, or foreign income taxes or penalties reasonably anticipated to result from the distribution), as determined by the Administrator, in its sole discretion. The Participant must apply in writing for a payment upon an "Unforeseeable Emergency," using the form prescribed by the Administrator. The Administrator retains the sole and absolute discretion to grant or deny a payment upon an Unforeseeable Emergency. In the event of approval of a payment upon an Unforeseeable Emergency, the Participant's outstanding deferral elections under the Plan shall be cancelled.

(i) *Death of Participant*. Notwithstanding the foregoing, in the event of the death of a Participant prior to receipt by such Participant of the full amount of cash and number of shares to be distributed from his or her Deferred Compensation Account, all such cash and/or shares will be distributed to the beneficiary or beneficiaries designated by the Participant, or if no beneficiary has been designated, to the Participant's estate as soon as practicable following the month in which the death occurred. Shares to be distributed to the Participant in connection with deferred Restricted Stock Units shall also be distributed as described in the preceding sentence but in no event earlier than the fourth anniversary of the date of grant.

(j) *Certain Rights Reserved by the Company*. In the event that, pursuant to Section 13, the Company suspends, modifies or terminates this Plan, the Company shall have the right to distribute to each Participant all amounts in such Participant's Cash Account or Shares equivalent to units in such Participant's Stock Unit Account, including, in the case of Stock Unit Accounts, the right to distribute cash equivalent to the units in such Accounts and all Shares attributable to vested Restricted Stock Units that a Participant has elected to defer, provided that any such suspension, modification or termination may be effected without penalty under Section 409A of the Code.

(k) *Certain Affiliations*. In the event that a Participant terminates his or her membership on the Board and becomes affiliated with a government agency, all amounts in such Participant's Cash Account, shares equivalent to units in such Participant's Stock Unit Account and Shares attributable to Restricted Stock Units that such Participant has elected to defer will be distributed to the Participant if such payment is necessary to avoid violation of any applicable federal, state, local or foreign ethics or conflict of interest law or if necessary to comply with an ethics agreement with the federal government.

SECTION 12. OTHER STOCK-BASED AWARDS.

The Administrator is hereby authorized to grant to Directors such other Awards that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Shares (including, without limitation, securities convertible into Shares) as are deemed by the Administrator to be consistent with the purposes of the Plan. Subject to the terms of the Plan, the Administrator shall determine the terms and conditions of such Awards. Shares or other securities delivered pursuant to a purchase right granted under this Section 12 shall be purchased for such consideration, which may be paid by such method or methods and in such form or forms, including, without limitation, cash, Shares, other securities, other Awards, or other property, or any combination thereof, as the Administrator shall determine, the value of which consideration, as established by the Administrator, shall not be less than the Fair Market Value of such Shares or other securities as of the date such purchase right is granted. The Company intends that such other Awards granted pursuant to this Section shall comply with Section 409A of the Code if applicable.

SECTION 13. AMENDMENT AND TERMINATION.

Except to the extent prohibited by or inconsistent with applicable law:

(a) *Amendments*. The Board may amend, alter, suspend, discontinue or terminate the Plan, including, without limitation, the number of shares subject to Awards granted pursuant to Sections 6, 7 and 10, without the consent of any stockholder, Participant, other holder or beneficiary of any Award, or other person; *provided, however*, that no such amendment, alteration, suspension, discontinuation or termination shall be made without (i) stockholder approval if such approval is necessary to comply with the listing requirements of The NASDAQ Stock Market or (ii) the consent of the affected Participants, if such action would adversely affect the rights of such Participants under any outstanding Award; and *provided further*, that no such amendment or alteration shall increase the aggregate number of shares that may be issued under the Plan or increase the total value of Awards that may be granted in any given Year, in each case except as provided in Section 5(d). In addition, any such amendment shall be in compliance with Section 409A of the Code. The Administrator may modify any outstanding Awards to comply with Section 409A without consent from Participants. Notwithstanding any other provision of the Plan or any Award Agreement, no amendment, alteration, suspension, discontinuation or termination of the Plan or any Award Agreement shall be made that would (1) permit Options or SARs to be granted with a per Share exercise price of less than the Fair Market Value of a Share on the date of grant thereof or (2) except as provided in Section 5(d), (w) reduce the exercise price of any Option or SAR established at the time of grant thereof, (x) be treated as a repricing under U.S. generally accepted accounting principles ("GAAP"), (y) cancel an Option or SAR in exchange for another Option, SAR, restricted stock unit or any other Award, or (z) terminate an Option or SAR in exchange for a cash amount equal to or greater than the excess, if any, of the Fair Market Value of the underlying Shares on the date of cancellation over the exercise price times the number of Shares outstanding under the Award. A cancellation and exchange described in clause (y) of the immediately preceding sentence is prohibited regardless of whether the option, SAR, restricted stock unit or other equity is delivered simultaneously with the cancellation and regardless of whether the cancellation and exchange are treated as a repricing under GAAP or are voluntary on the part of the Participant.

(b) *Correction of Defects, Omissions and Inconsistencies*. The Administrator may correct any defect, supply any omission, or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem desirable to carry the Plan into effect.

SECTION 14. GENERAL PROVISIONS.

(a) *No Rights of Stockholders*. Neither a Participant nor a Participant’s legal representative shall be, or have any of the rights and privileges of, a stockholder of the Company in respect of any Shares issuable under the Plan in connection with any Award or Account, in whole or in part, unless and until certificates or other indicia of ownership of such shares shall have been issued.

(b) *Limits of Transfer of Awards.* No Award and no right under any such Award, shall be assignable, alienable, saleable or transferable by a Participant otherwise than by will or by the laws of descent and distribution. During the Participant’s lifetime, rights under an Award shall be exercisable only by the Participant, or if permissible under applicable law, by the Participant’s guardian or legal representative.

(c) *No Limit on Other Compensation Arrangements*. Nothing contained in the Plan shall prevent the Company from adopting or continuing in effect other or additional compensation arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.

(d) *Governing Law*. The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the State of Delaware without giving effect to the principles of conflict of laws thereof.

(e) *Severability*. If any provision of the Plan or any Award Agreement is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction, or as to any person, Award or Account, or would disqualify the Plan or any Award under any law deemed applicable by the Administrator, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Administrator, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, person or Award, and the remainder of the Plan and any such Award shall remain in full force and effect.

(f) *No Trust or Fund Created*. Neither the Plan nor any Award or Account shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other person. To the extent that any person acquires a right to receive an Award or Account, or Shares pursuant to an Award or Account, from the Company pursuant to this Plan, such right shall be no greater than the right of any unsecured general creditor of the Company.

(g) *Accounts Unsecured*. Until distributed, all amounts credited to any Cash Accounts or represented by units credited to any Stock Unit Account shall be property of the Company, available for the Company's use, and subject to the claims of general creditors of the Company. The rights of any Participant or beneficiary to distributions under this Plan are not subject to anticipation, alienation, sale, transfer, assignment, or encumbrance, and shall not be subject to the debts or liabilities of any Participant or beneficiary.

(h) *Withholding*. The Company shall be authorized to withhold from any Awards granted or any transfer made under any Award or under the Plan or from any dividend equivalents to be paid on Restricted Stock Units the amount (in cash, Shares, other securities, or other property) of any taxes required to be withheld in respect of a grant, exercise, payment or settlement of an Award or any payment of dividend equivalents under Restricted Stock Units or under the Plan and to take such other action as may be necessary in the opinion of the Company to satisfy all obligations of the Company for the payment of any such taxes.

(i) *No Right to Continued Board Membership*. The grant of an Award or establishment of an Account shall not be construed as giving a Participant the right to be retained as a director of the Company. The Board may at any time fail or refuse to nominate a Participant for election to the Board, and the stockholders of the Company may at any election fail or refuse to elect any Participant to the Board free from any liability or claim under this Plan or any Award or Account.

(j) *409A Compliance*. The Company makes no representations or covenants that any Award granted or Deferred Compensation arrangement maintained under the Plan will comply with Section 409A of the Code.

SECTION 15. EFFECTIVE DATE OF THE PLAN.

The Plan shall be effective as of the date of its approval by the stockholders of the Company.

SECTION 16. TERM OF THE PLAN.

No Award shall be granted or compensation deferred under the Plan after the tenth anniversary of the Effective Date of the Plan. However, unless otherwise expressly provided in the Plan or in an applicable Award Agreement, any Award granted or Account established prior to the termination of the Plan may extend beyond such date, and the authority of the Committee and the Board under Section 13 to amend, alter, adjust, suspend, discontinue, or terminate any such Award or Account, or to waive any conditions or rights thereunder, shall extend beyond such date.

Exhibit 31(a)

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: July 24, 2024

/s/ Haviv Ilan

Haviv Ilan
President and
Chief Executive Officer

Exhibit 31(b)

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.

Date: July 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 June 30, 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: July 24, 2024

/s/ Haviv Ilan

Haviv Ilan
President and
Chief Executive Officer

Exhibit 32(b)

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 June 30, 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: July 24, 2024

/s/ Rafael R. Lizardi

Rafael R. Lizardi
Senior Vice President and
Chief Financial Officer