

Texas Instruments Incorporated
Free Cash Flow (Non-GAAP Reconciliation)
(Millions of dollars, except share amounts)
Calculated as of December 31, 2019

Free cash flow and associated ratios

Free cash flow was calculated by subtracting capital expenditures from cash flows from operating activities (also referred to as cash flow from operations). The table below provides a reconciliation of free cash flow to the most directly comparable GAAP measure.

	For Three Months Ended December 31, 2019	For Years Ended December 31,		Change
		2019	2018	
Cash flow from operations (GAAP)	\$ 1,754	\$ 6,649	\$ 7,189	(8)%
Capital expenditures	(163)	(847)	(1,131)	
Free cash flow (non-GAAP)	<u>\$ 1,591</u>	<u>\$ 5,802</u>	<u>\$ 6,058</u>	(4)%
Revenue	<u>\$ 3,350</u>	<u>\$ 14,383</u>	<u>\$ 15,784</u>	
Cash flow from operations as a percentage of revenue (GAAP)		46.2 %	45.5 %	
Free cash flow as a percentage of revenue (non-GAAP)		40.3 %	38.4 %	

	For Years Ended December 31,			
	2004	2005	2006	2007
Cash flow from operations (GAAP)	2,974	3,680	2,560	4,529
Capital expenditures	(1,260)	(1,288)	(1,272)	(686)
Free cash flow (non-GAAP)	<u>1,714</u>	<u>2,392</u>	<u>1,288</u>	<u>3,843</u>
Average basic shares outstanding, in millions	1,730	1,640	1,528	1,417

	For Years Ended December 31,			
	2008	2009	2010	2011
Cash flow from operations (GAAP)	3,352	2,647	3,839	3,334
Capital expenditures	(763)	(753)	(1,199)	(816)
Free cash flow (non-GAAP)	<u>2,589</u>	<u>1,894</u>	<u>2,640</u>	<u>2,518</u>
Average basic shares outstanding, in millions	1,308	1,260	1,199	1,151

	For Years Ended December 31,			
	2012	2013	2014	2015
Cash flow from operations (GAAP)	3,483	3,514	4,054	4,397
Capital expenditures	(495)	(412)	(385)	(551)
Free cash flow (non-GAAP)	<u>2,988</u>	<u>3,102</u>	<u>3,669</u>	<u>3,846</u>
Average basic shares outstanding, in millions	1,132	1,098	1,065	1,030

	For Years Ended December 31,			
	2016	2017	2018	2019
Cash flow from operations (GAAP)	4,614	5,363	7,189	6,649
Capital expenditures	(531)	(695)	(1,131)	(847)
Free cash flow (non-GAAP)	<u>4,083</u>	<u>4,668</u>	<u>6,058</u>	<u>5,802</u>
Average basic shares outstanding, in millions	1,003	991	970	936