

Texas Instruments Incorporated
Non-GAAP Reconciliation
(In millions)
Calculated as of June 30, 2024

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 | For 12 Months Ended | | Change |
|---|------------------------------|---------------------|------------------|--------|
| | June 30, | June 30, | | |
| | 2024 | 2024 | 2023 | |
| Cash flow from operations (GAAP)* | \$ 1,571 | \$ 6,449 | \$ 7,367 | (12)% |
| Capital expenditures | (1,064) | (4,955) | (4,185) | |
| Free cash flow (non-GAAP) | <u>\$ 507</u> | <u>\$ 1,494</u> | <u>\$ 3,182</u> | (53)% |
| Revenue | | <u>\$ 16,092</u> | <u>\$ 18,821</u> | |
| 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.

| | For Years Ended December 31, | | | | |
|---|------------------------------|-----------------|-----------------|-----------------|-----------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 |
| Cash flow from operations (GAAP) | \$ 2,974 | \$ 3,680 | \$ 2,560 | \$ 4,529 | \$ 3,352 |
| Capital expenditures | (1,260) | (1,288) | (1,272) | (686) | (763) |
| Free cash flow (non-GAAP) | <u>\$ 1,714</u> | <u>\$ 2,392</u> | <u>\$ 1,288</u> | <u>\$ 3,843</u> | <u>\$ 2,589</u> |
| Average basic shares outstanding, in millions | 1,730 | 1,640 | 1,528 | 1,417 | 1,308 |

| | For Years Ended December 31, | | | | |
|---|------------------------------|-----------------|-----------------|-----------------|-----------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| Cash flow from operations (GAAP) | \$ 2,647 | \$ 3,839 | \$ 3,334 | \$ 3,483 | \$ 3,514 |
| Capital expenditures | (753) | (1,199) | (816) | (495) | (412) |
| Free cash flow (non-GAAP) | <u>\$ 1,894</u> | <u>\$ 2,640</u> | <u>\$ 2,518</u> | <u>\$ 2,988</u> | <u>\$ 3,102</u> |
| Average basic shares outstanding, in millions | 1,260 | 1,199 | 1,151 | 1,132 | 1,098 |

For Years Ended December 31,

| | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Cash flow from operations (GAAP) | \$ 4,054 | \$ 4,397 | \$ 4,614 | \$ 5,363 | \$ 7,189 |
| Capital expenditures | (385) | (551) | (531) | (695) | (1,131) |
| Free cash flow (non-GAAP) | <u>\$ 3,669</u> | <u>\$ 3,846</u> | <u>\$ 4,083</u> | <u>\$ 4,668</u> | <u>\$ 6,058</u> |

| | | | | | |
|---|-------|-------|-------|-----|-----|
| Average basic shares outstanding, in millions | 1,065 | 1,030 | 1,003 | 991 | 970 |
|---|-------|-------|-------|-----|-----|

For Years Ended December 31,

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Cash flow from operations (GAAP) | \$ 6,649 | \$ 6,139 | \$ 8,756 | \$ 8,720 | \$ 6,420 |
| Capital expenditures | (847) | (649) | (2,462) | (2,797) | (5,071) |
| Free cash flow (non-GAAP) | <u>\$ 5,802</u> | <u>\$ 5,490</u> | <u>\$ 6,294</u> | <u>\$ 5,923</u> | <u>\$ 1,349</u> |

| | | | | | |
|---|-----|-----|-----|-----|-----|
| Average basic shares outstanding, in millions | 936 | 921 | 923 | 916 | 908 |
|---|-----|-----|-----|-----|-----|