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

FORM 8-K

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

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED): April 24, 2018

TEXAS INSTRUMENTS INCORPORATED
(Exact name of registrant as specified in charter)

DELAWARE	001-03761	75-0289970
(State or other jurisdiction of incorporation)	(Commission file number)	(I.R.S. employer identification no.)

12500 TI BOULEVARD
DALLAS, TEXAS 75243
(Address of principal executive offices)

Registrant's telephone number, including area code: (214) 479-3773

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

ITEM 2.02. Results of Operations and Financial Condition

The Registrant's news release dated April 24, 2018, regarding its first-quarter results of operations and financial condition is attached hereto as Exhibit 99.

The attached news release includes references to the following financial measures that were not prepared in accordance with generally accepted accounting principles in the United States (non-GAAP measures): free cash flow and ratios based on free cash flow. The company believes these non-GAAP measures provide insight into its liquidity, cash generating capability and the amount of cash potentially available to return to shareholders, as well as insight into its financial performance. These non-GAAP measures are supplemental to the comparable GAAP measures. Reconciliation to the most directly comparable GAAP measures is included in the "Non-GAAP financial information" section of the news release.

ITEM 9.01. Exhibits

Designation of Exhibit in this Report	Description of Exhibit
99	Registrant's News Release Dated April 24, 2018 (furnished pursuant to Item 2.02)

SIGNATURES

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 hereunto duly authorized.

TEXAS INSTRUMENTS INCORPORATED

Date: April 24, 2018

By: /s/ Rafael R. Lizardi
Rafael R. Lizardi
Senior Vice President and
Chief Financial Officer

Exhibit 99

TI reports 1Q18 financial results and shareholder returns

Conference call on TI website at 3:30 p.m. Central time today

www.ti.com/ir

DALLAS (April 24, 2018) – Texas Instruments Incorporated (TI) (NASDAQ: TXN) today reported first-quarter revenue of $3.79 billion, net income of $1.37 billion and earnings per share of $1.35. Earnings per share include 14 cents in tax-related benefits not in the company's original guidance.

Regarding the company’s performance and returns to shareholders, Rich Templeton, TI’s chairman, president and CEO, made the following comments:

- “Revenue increased 11 percent from the same quarter a year ago. Demand for our Analog and Embedded Processing products continued to be strong in the industrial and automotive markets.
- “Our cash flow from operations of $5.7 billion for the trailing 12 months again underscored the strength of our business model. Free cash flow for the trailing 12 months was up 17 percent from a year ago to $4.9 billion, or 32.1 percent of revenue. This reflects the quality of our product portfolio, as well as the efficiency of our manufacturing strategy, including the benefit of 300-millimeter Analog production.
- “We have returned $5.1 billion to owners in the past 12 months through stock repurchases and dividends, consistent with our strategy to return to owners all of our free cash flow. Over the last 12 months, our dividends represented 45 percent of free cash flow, emphasizing their sustainability.
- “TI’s second-quarter outlook is for revenue in the range of $3.78 billion to $4.10 billion, and earnings per share between $1.19 and $1.39, which includes an estimated $10 million discrete tax benefit.
- “We now expect our ongoing annual operating tax rate to be about 16 percent starting in 2019 and 20 percent in 2018, lower than our previous expectations of 18 percent and 23 percent, respectively.”

Free cash flow, a non-GAAP financial measure, is cash flow from operations less capital expenditures.

Earnings summary

Amounts are in millions of dollars, except per-share amounts.

	1Q18	1Q17	Change
Revenue	$ 3,789	$ 3,402	11%
Operating profit	$ 1,548	$ 1,252	24%
Net income	$ 1,366	$ 997	37%
Earnings per share	$ 1.35	$ 0.97	39%

Cash generation

Amounts are in millions of dollars.

	1Q18	Trailing 12 Months 1Q18	Trailing 12 Months 1Q17	Change
Cash flow from operations	$ 1,112	$ 5,680	$ 4,756	19 %
Capital expenditures	$ 189	$ 757	$ 534	42 %
Free cash flow	$ 923	$ 4,923	$ 4,222	17 %
Free cash flow % of revenue		32.1 %	30.7 %	

Cash return

Amounts are in millions of dollars.

	1Q18	Trailing 12 Months 1Q18	Trailing 12 Months 1Q17	Change
Dividends paid	$ 611	$ 2,215	$ 1,763	26 %
Stock repurchases	$ 873	$ 2,879	$ 2,052	40 %
Total cash returned	$ 1,484	$ 5,094	$ 3,815	34 %

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES
Consolidated Statements of Income
(Millions of dollars, except share and per-share amounts)

	For Three Months Ended March 31, 2018	2017
Revenue	**$ 3,789**	$ 3,402
Cost of revenue (COR)	**1,342**	1,258
Gross profit	**2,447**	2,144
Research and development (R&D)	**385**	369
Selling, general and administrative (SG&A)	**433**	439
Acquisition charges	**80**	80
Restructuring charges/other	**1**	4
Operating profit	**1,548**	1,252
Other income (expense), net (OI&E)	**28**	21
Interest and debt expense	**23**	18
Income before income taxes	**1,553**	1,255
Provision for income taxes	**187**	258
Net income	**$ 1,366**	$ 997
Diluted earnings per common share	**$ 1.35**	$ .97
Average shares outstanding (millions):		
Basic	**983**	998
Diluted	**1,005**	1,019
Cash dividends declared per common share	**$ .62**	$ .50

Supplemental Information
(Quarterly, except as noted)

Provision for income taxes is based on the following:	2018	2017
Operating taxes (calculated using the estimated annual effective tax rate)	**$ 316**	$ 382
Discrete tax items	**(129)**	(124)
Provision for income taxes (effective taxes)	**$ 187**	$ 258
Annual operating tax rate	**20%**	30%
Effective tax rate	**12%**	21%

As a result of accounting rule ASC 260, which requires a portion of Net income to be allocated to unvested restricted stock units (RSUs) on which we pay dividend equivalents, diluted EPS is calculated using the following:

	2018	2017
Net income	**$ 1,366**	$ 997
Income allocated to RSUs	**(11)**	(10)
Income allocated to common stock for diluted EPS	**$ 1,355**	$ 987

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES
Consolidated Balance Sheets
(Millions of dollars, except share amounts)

	March 31, 2018	March 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	**$ 1,717**	$ 1,073
Short-term investments	**2,362**	1,976
Accounts receivable, net of allowances of ($8) and ($11)	**1,454**	1,337
Raw materials	**144**	102
Work in process	**1,076**	1,017
Finished goods	**812**	724
Inventories	**2,032**	1,843
Prepaid expenses and other current assets	**1,025**	811
Total current assets	**8,590**	7,040
Property, plant and equipment at cost	**4,907**	4,833
Accumulated depreciation	**(2,171)**	(2,332)
Property, plant and equipment	**2,736**	2,501
Long-term investments	**271**	241
Goodwill	**4,362**	4,362
Acquisition-related intangibles	**866**	1,184
Deferred tax assets	**218**	361
Capitalized software licenses	**102**	116
Overfunded retirement plans	**215**	102
Other long-term assets	**147**	71
Total assets	**$ 17,507**	$ 15,978
Liabilities and stockholders' equity		
Current liabilities:		
Current portion of long-term debt	**$ 500**	$ 378
Accounts payable	**488**	429
Accrued compensation	**344**	352
Income taxes payable	**133**	77
Accrued expenses and other liabilities	**395**	366
Total current liabilities	**1,860**	1,602
Long-term debt	**3,578**	2,980
Underfunded retirement plans	**92**	97
Deferred tax liabilities	**53**	36
Other long-term liabilities	**1,282**	624
Total liabilities	**6,865**	5,339
Stockholders' equity:		
Preferred stock, $25 par value. Authorized – 10,000,000 shares		
Participating cumulative preferred – None issued	**—**	—
Common stock, $1 par value. Authorized – 2,400,000,000 shares		
Shares issued – 1,740,815,939	**1,741**	1,741
Paid-in capital	**1,770**	1,597
Retained earnings	**35,619**	33,595
Treasury common stock at cost		
Shares: March 31, 2018 – 759,098,020; March 31, 2017 – 743,085,976	**(28,096)**	(25,767)
Accumulated other comprehensive income (loss), net of taxes (AOCI)	**(392)**	(527)
Total stockholders' equity	**10,642**	10,639
Total liabilities and stockholders' equity	**$ 17,507**	$ 15,978

TEXAS INSTRUMENTS INCORPORATED AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(Millions of dollars)

	For Three Months Ended March 31, 2018	For Three Months Ended March 31, 2017
Cash flows from operating activities		
Net income	**$ 1,366**	$ 997
Adjustments to Net income:		
Depreciation	**137**	139
Amortization of acquisition-related intangibles	**80**	80
Amortization of capitalized software	**12**	11
Stock compensation	**70**	68
Deferred taxes	**(31)**	9
Increase (decrease) from changes in:		
Accounts receivable	**(176)**	(68)
Inventories	**(97)**	(53)
Prepaid expenses and other current assets	**356**	(71)
Accounts payable and accrued expenses	**(51)**	(78)
Accrued compensation	**(372)**	(356)
Income taxes payable	**(131)**	149
Changes in funded status of retirement plans	**(15)**	(14)
Other	**(36)**	(18)
Cash flows from operating activities	**1,112**	795
Cash flows from investing activities		
Capital expenditures	**(189)**	(127)
Proceeds from asset sales	**—**	40
Purchases of short-term investments	**(996)**	(757)
Proceeds from short-term investments	**1,455**	1,120
Other	**(4)**	(9)
Cash flows from investing activities	**266**	267
Cash flows from financing activities		
Repayment of debt	**—**	(250)
Dividends paid	**(611)**	(500)
Stock repurchases	**(873)**	(550)
Proceeds from common stock transactions	**178**	161
Other	**(11)**	(4)
Cash flows from financing activities	**(1,317)**	(1,143)
Net change in Cash and cash equivalents	**61**	(81)
Cash and cash equivalents at beginning of period	**1,656**	1,154
Cash and cash equivalents at end of period	**$ 1,717**	$ 1,073

Segment results

Amounts are in millions of dollars.

	1Q18	1Q17	Change
Analog:			
Revenue	$ 2,566	$ 2,256	14%
Operating profit	$ 1,166	$ 935	25%
Embedded Processing:			
Revenue	$ 926	$ 803	15%
Operating profit	$ 328	$ 240	37%
Other:			
Revenue	$ 297	$ 343	(13)%
Operating profit*	$ 54	$ 77	(30)%

** Includes Acquisition charges and Restructuring charges/other.*

Compared with the year-ago quarter:

Analog: *(includes Power, Signal Chain and High Volume)*

- Revenue increased due to Power and Signal Chain. High Volume was about even.
- Operating profit increased due to higher revenue and associated gross profit.

Embedded Processing: *(includes Connected Microcontrollers and Processors)*

- Revenue increased in both product lines, led by Processors.
- Operating profit increased primarily due to higher revenue and associated gross profit.

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

- Revenue decreased by $46 million, and operating profit declined by $23 million.

Non-GAAP financial information

This release includes references to free cash flow and ratios based on that measure. These are financial measures that were not prepared in accordance with 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.

Amounts are in millions of dollars.

	For 12 Months Ended March 31, 2018	For 12 Months Ended March 31, 2017	Change
Cash flow from operations (GAAP)	**$ 5,680**	$ 4,756	19%
Capital expenditures	**(757)**	(534)	
Free cash flow (non-GAAP)	**$ 4,923**	$ 4,222	17%
Revenue	**$ 15,348**	$ 13,764	
Cash flow from operations as a percent of revenue (GAAP)	**37.0%**	34.6%	
Free cash flow as a percent of revenue (non-GAAP)	**32.1%**	30.7%	

This release also includes references to an annual operating tax rate, a non-GAAP term we use to describe the estimated annual effective tax rate, a GAAP measure that by definition does not include discrete tax items. We believe the term annual operating tax rate more clearly communicates that discrete tax items are excluded from such rate. The term also helps differentiate from the effective tax rate, which includes discrete tax items. No adjustments are made to the estimated annual effective tax rate when using the term annual operating tax rate.

# # #

Notice regarding forward-looking statements

This release 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:

- Market demand for semiconductors, particularly in our end markets;
- Our ability to compete in products and prices in an intensely competitive industry;
- Customer demand that differs from forecasts and the financial impact of inadequate or excess company inventory that results from demand that differs from projections;
- Economic, social and political conditions in the countries in which we, our customers or our suppliers operate, including security risks; global trade policies; political and social instability; health conditions; possible disruptions in transportation, communications and information technology networks; and fluctuations in foreign currency exchange rates;
- Evolving cybersecurity threats to our information technology systems or those of our customers or suppliers;
- Natural events such as severe weather, geological events or health epidemics in the locations in which we, our customers or our suppliers operate;
- Our ability to develop, manufacture and market innovative products in a rapidly changing technological environment;
- Timely implementation of new manufacturing technologies and installation of manufacturing equipment, and the ability to obtain needed third-party foundry and assembly/test subcontract services;
- Availability and cost of raw materials, utilities, manufacturing equipment, third-party manufacturing services and manufacturing technology;
- 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 manufacture or ship our products or operate our business, or subject us to fines, penalties or other legal liability;
- Product liability or warranty claims, claims based on epidemic or delivery failure, or other claims relating to our products, manufacturing, services, design or communications, or recalls by our customers for a product containing one of our parts;
- Changes in tax law and accounting standards that can 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;
- A loss suffered by one of our customers or distributors with respect to TI-consigned inventory;
- Financial difficulties of our distributors or their promotion of competing product lines to our detriment, or the loss of a significant number of distributors;
- Losses or curtailments of purchases from key customers or the timing and amount of distributor and other 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 despite changes in the 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 that affects our ability to fund our daily operations, invest in the business, make strategic acquisitions, or make principal and interest payments on our debt;
- Increases in health care and pension benefit costs;
- Our ability to recruit and retain skilled engineering, management and technical personnel;
- Our ability to successfully integrate and realize opportunities for growth from acquisitions, or our ability to realize our expectations regarding the amount and timing of restructuring charges and associated cost savings; and
- Impairments of our non-financial assets.

For a more detailed discussion of these factors, see the Risk Factors discussion in Item 1A of TI's most recent Form 10-K. The forward-looking statements included in this release are made only as of the date of this release, and we undertake no obligation to update the forward-looking statements to reflect subsequent events or circumstances.

About Texas Instruments

Texas Instruments Incorporated (TI) is a global semiconductor design and manufacturing company that develops analog ICs and embedded processors. By employing the world's brightest minds, TI creates innovations that shape the future of technology. TI is helping approximately 100,000 customers transform the future, today. Learn more at www.ti.com.

TI trademarks:

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