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): October 24, 2017

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 October 24, 2017, regarding its third-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 October 24, 2017 (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: October 24, 2017

By: /s/ Rafael R. Lizardi

Rafael R. Lizardi
Senior Vice President and
Chief Financial Officer

Exhibit 99

TI reports 3Q17 financial results and shareholder returns

Conference call on TI website at 4 p.m. Central time today

www.ti.com/ir

DALLAS (Oct. 24, 2017) – Texas Instruments Incorporated (TI) (NASDAQ: TXN) today reported third-quarter revenue of $4.12 billion, net income of $1.29 billion and earnings per share of $1.26. Earnings per share include a 2-cent discrete tax benefit 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 12 percent from the same quarter a year ago. Demand for our products continued to be strong in the industrial and automotive markets.
- “In our core businesses, Analog revenue grew 16 percent and Embedded Processing revenue grew 17 percent from the same quarter a year ago. Operating margin increased in both businesses.
- “Gross margin of 64.5 percent reflected the quality of our product portfolio, as well as the efficiency of our manufacturing strategy, including the benefit of 300-millimeter Analog production.
- “Our cash flow from operations of $4.8 billion for the trailing 12 months again underscored the strength of our business model. Free cash flow for the trailing 12 months was $4.2 billion and represents 29.0 percent of revenue.
- “We have returned $4.3 billion to owners in the past 12 months through dividends and stock repurchases. In September, we announced we would increase our dividend by 24 percent and also increased our share repurchase authorizations by $6 billion, which together reflect our commitment to return all free cash flow to our owners.
- “TI’s fourth-quarter outlook is for revenue in the range of $3.57 billion to $3.87 billion, and earnings per share between $1.01 and $1.15, which includes an estimated $20 million discrete tax benefit.”

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

Certain amounts in the prior period have been recast to conform to the current presentation.

Earnings summary

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

	3Q17	3Q16	Change
Revenue	$ 4,116	$ 3,675	12%
Operating profit	$ 1,788	$ 1,408	27%
Net income	$ 1,285	$ 1,018	26%
Earnings per share	$ 1.26	$ 0.98	29%

Cash generation

Amounts are in millions of dollars.

		Trailing 12 Months		
	3Q17	3Q17	3Q16	Change
Cash flow from operations	$ 1,722	$ 4,821	$ 4,673	3%
Capital expenditures	$ 186	$ 574	$ 585	-2%
Free cash flow	$ 1,536	$ 4,247	$ 4,088	4%
Free cash flow % of revenue		29.0%	31.1%	

Cash return

Amounts are in millions of dollars.

		Trailing 12 Months		
	3Q17	3Q17	3Q16	Change
Dividends paid	$ 495	$ 1,992	$ 1,533	30%
Stock repurchases	$ 650	$ 2,325	$ 2,284	2%
Total cash returned	$ 1,145	$ 4,317	$ 3,817	13%

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

	For Three Months Ended September 30, 2017	For Three Months Ended September 30, 2016
Revenue	**$ 4,116**	$ 3,675
Cost of revenue (COR)	**1,460**	1,391
Gross profit	**2,656**	2,284
Research and development (R&D)	**375**	353
Selling, general and administrative (SG&A)	**412**	442
Acquisition charges	**80**	80
Restructuring charges/other	**1**	1
Operating profit	**1,788**	1,408
Other income (expense), net (OI&E)	**20**	(9)
Interest and debt expense	**19**	18
Income before income taxes	**1,789**	1,381
Provision for income taxes	**504**	363
Net income	**$ 1,285**	$ 1,018
Diluted earnings per common share	**$ 1.26**	$ .98
Average shares outstanding (millions):		
Basic	**988**	1,003
Diluted	**1,008**	1,023
Cash dividends declared per common share	**$ .50**	$ .38

Certain amounts in the prior period have been adjusted to reflect the following: (1) the fourth-quarter 2016 early adoption of ASU 2016-09 related to stock-based compensation, and (2) the first-quarter 2017 early adoption of ASU 2017-07 related to the reclassification of certain pension and other retiree benefit costs to OI&E.

Supplemental Information
(Quarterly, except as noted)

	2017	2016
Provision for income taxes is based on the following:		
Operating taxes (calculated using the estimated annual effective tax rate)	**$ 542**	$ 418
Discrete tax items	**(38)**	(55)
Provision for income taxes (effective taxes)	**$ 504**	$ 363
Annual operating tax rate	**31%**	30%
Effective tax rate	**28%**	26%

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:

	2017	2016
Net income	**$ 1,285**	$ 1,018
Income allocated to RSUs	**(11)**	(11)
Income allocated to common stock for diluted EPS	**$ 1,274**	$ 1,007

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

	September 30, 2017	September 30, 2016
Assets		
Current assets:		
Cash and cash equivalents	**$ 1,296**	$ 1,369
Short-term investments	**2,148**	1,768
Accounts receivable, net of allowances of ($14) and ($14)	**1,576**	1,447
Raw materials	**120**	104
Work in process	**1,103**	949
Finished goods	**685**	755
Inventories	**1,908**	1,808
Prepaid expenses and other current assets	**1,063**	789
Total current assets	**7,991**	7,181
Property, plant and equipment at cost	**4,668**	4,982
Accumulated depreciation	**(2,101)**	(2,437)
Property, plant and equipment, net	**2,567**	2,545
Long-term investments	**258**	233
Goodwill, net	**4,362**	4,362
Acquisition-related intangibles, net	**1,025**	1,344
Deferred income taxes	**414**	355
Capitalized software licenses, net	**111**	50
Overfunded retirement plans	**112**	64
Other assets	**89**	82
Total assets	**$ 16,929**	$ 16,216
Liabilities and stockholders' equity		
Current liabilities:		
Current portion of long-term debt	**$ 499**	$ 634
Accounts payable	**430**	428
Accrued compensation	**635**	647
Income taxes payable	**74**	68
Accrued expenses and other liabilities	**417**	393
Total current liabilities	**2,055**	2,170
Long-term debt	**3,084**	2,977
Underfunded retirement plans	**108**	201
Deferred income taxes	**38**	35
Deferred credits and other liabilities	**656**	547
Total liabilities	**5,941**	5,930
Stockholders' equity:		
Preferred stock, $25 par value. Authorized – 10,000,000 shares		
Participating cumulative preferred – None issued	**—**	—
Common stock, $1 par value. Authorized – 2,400,000,000 shares		
Shares issued – 1,740,815,939	**1,741**	1,741
Paid-in capital	**1,718**	1,624
Retained earnings	**34,935**	32,565
Treasury common stock at cost		
Shares: September 30, 2017 – 754,459,144; September 30, 2016 – 739,693,480	**(26,901)**	(25,102)
Accumulated other comprehensive income (loss), net of taxes (AOCI)	**(505)**	(542)
Total stockholders' equity	**10,988**	10,286
Total liabilities and stockholders' equity	**$ 16,929**	$ 16,216

Certain amounts in the prior period have been recast to conform to the current presentation.

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

	For Three Months Ended September 30, 2017	2016
Cash flows from operating activities		
Net income	**$ 1,285**	$ 1,018
Adjustments to Net income:		
Depreciation	**133**	150
Amortization of acquisition-related intangibles	**80**	80
Amortization of capitalized software	**12**	7
Stock compensation	**54**	56
Deferred income taxes	**(2)**	(125)
Increase (decrease) from changes in:		
Accounts receivable	**(106)**	(98)
Inventories	**39**	68
Prepaid expenses and other current assets	**31**	95
Accounts payable and accrued expenses	**47**	14
Accrued compensation	**140**	149
Income taxes payable	**10**	47
Changes in funded status of retirement plans	**31**	24
Other	**(32)**	(20)
Cash flows from operating activities	**1,722**	1,465
Cash flows from investing activities		
Capital expenditures	**(186)**	(139)
Purchases of short-term investments	**(1,218)**	(978)
Proceeds from short-term investments	**920**	515
Other	**(4)**	(1)
Cash flows from investing activities	**(488)**	(603)
Cash flows from financing activities		
Dividends paid	**(495)**	(382)
Stock repurchases	**(650)**	(500)
Proceeds from common stock transactions	**76**	154
Other	**(9)**	—
Cash flows from financing activities	**(1,078)**	(728)
Net change in Cash and cash equivalents	**156**	134
Cash and cash equivalents at beginning of period	**1,140**	1,235
Cash and cash equivalents at end of period	**$ 1,296**	$ 1,369

Certain amounts in the prior period have been recast to conform to the current presentation.

<u>Segment results</u>

Amounts are in millions of dollars.

	3Q17	3Q16	Change
Analog:			
Revenue	$ 2,698	$ 2,323	16%
Operating profit	$ 1,268	$ 957	32%
Embedded Processing:			
Revenue	$ 931	$ 795	17%
Operating profit	$ 325	$ 224	45%
Other:			
Revenue	$ 487	$ 557	-13%
Operating profit*	$ 195	$ 227	-14%

** 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 primarily due to higher revenue and associated gross profit.

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

- Revenue increased in Processors and Connected Microcontrollers.
- Operating profit increased primarily due to higher revenue and associated gross profit.

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

- Revenue decreased by $70 million, and operating profit declined by $32 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).

The company believes that free cash flow and the associated ratios provide insight into its liquidity, its 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 provided in the table below.

Amounts are in millions of dollars.

	For 12 Months Ended September 30,		
	2017	**2016**	**Change**
Cash flow from operations (GAAP)	**$ 4,821**	$ 4,673	3%
Capital expenditures	**(574)**	(585)	
Free cash flow (non-GAAP)	**$ 4,247**	$ 4,088	4%
Revenue	**$ 14,625**	$ 13,145	
Cash flow from operations as a percent of revenue (GAAP)	**33.0%**	35.5%	
Free cash flow as a percent of revenue (non-GAAP)	**29.0%**	31.1%	

This release also includes references to an annual operating tax rate, a non-GAAP term the company uses to describe the estimated annual effective tax rate, a GAAP measure that by definition does not include discrete tax items. The company believes the term annual operating tax rate is useful because it 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 TI’s end markets;
- TI’s 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 TI inventory that results from demand that differs from projections;
- TI’s ability to develop, manufacture and market innovative products in a rapidly changing technological environment;
- Economic, social and political conditions in the countries in which TI, 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;
- Natural events such as severe weather, geological events or health epidemics in the locations in which TI, our customers or our suppliers operate;
- Breaches or disruptions of TI’s information technology systems or those of our customers or suppliers;
- Timely implementation of new manufacturing technologies and installation of manufacturing equipment, or 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 TI is or may become subject, or actions of enforcement authorities, that restrict TI’s ability to manufacture or ship our products or operate our business, or subject TI to fines, penalties, or other legal liability;
- Product liability or warranty claims, claims based on epidemic or delivery failure, or other claims relating to TI products, manufacturing, services, design or communications, or recalls by TI customers for a product containing a TI part;
- Changes in the tax rate applicable to TI as the result of changes in tax law, 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 a customer or distributor of TI with respect to TI-consigned inventory;
- Financial difficulties of distributors or their promotion of competing product lines to TI’s 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;
- TI’s 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;
- TI’s ability to maintain and enforce a strong intellectual property portfolio and maintain freedom of operation; or TI’s exposure to infringement claims;
- Instability in the global credit and financial markets that affects TI’s 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;
- TI’s ability to recruit and retain skilled engineering, management and technical personnel;
- TI’s 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 TI’s 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:

DLP

Other trademarks are the property of their respective owners.