

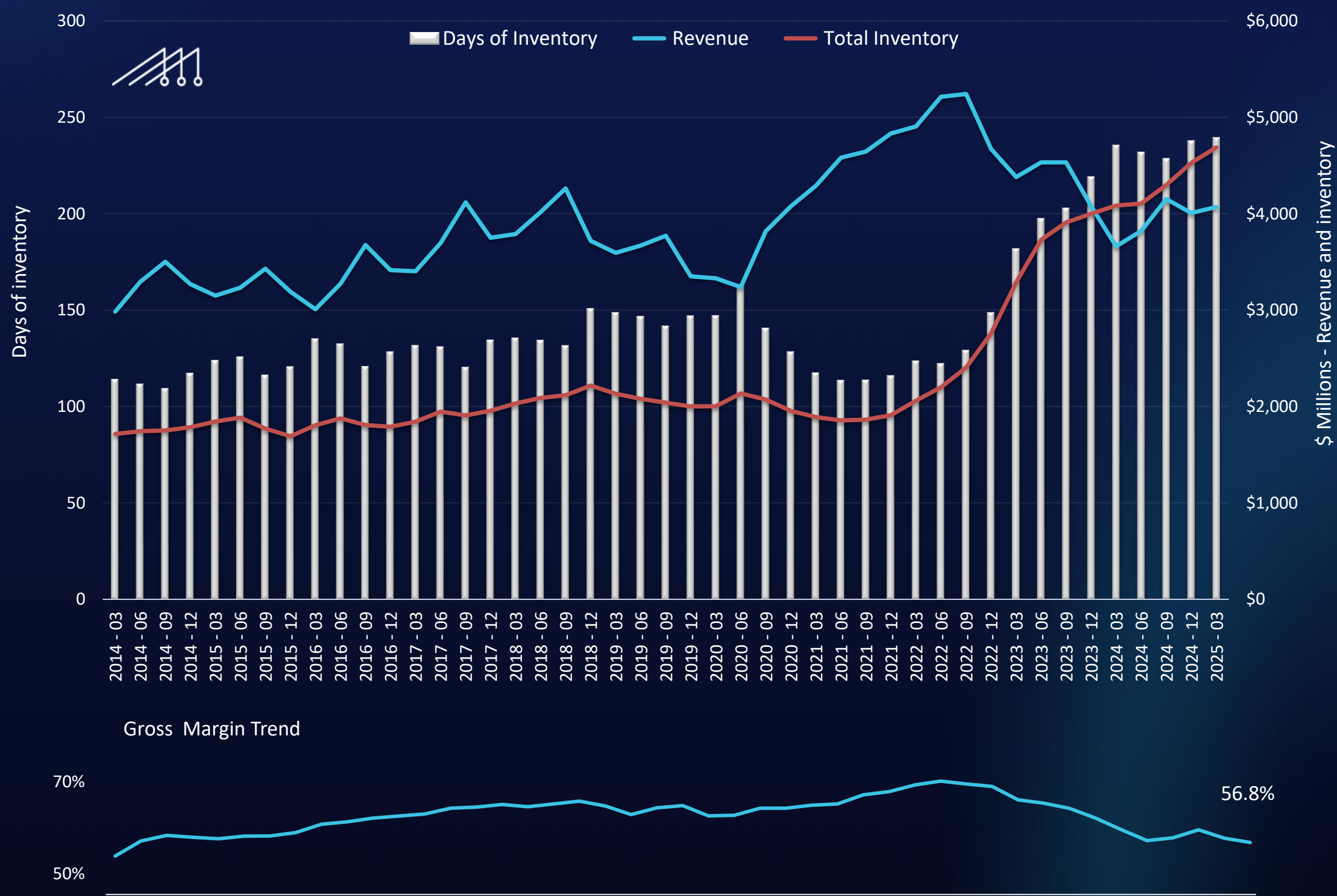
The 1-Minute Brief

Texas Instruments Q1'25 Earnings

Announced on 23, Apr'25

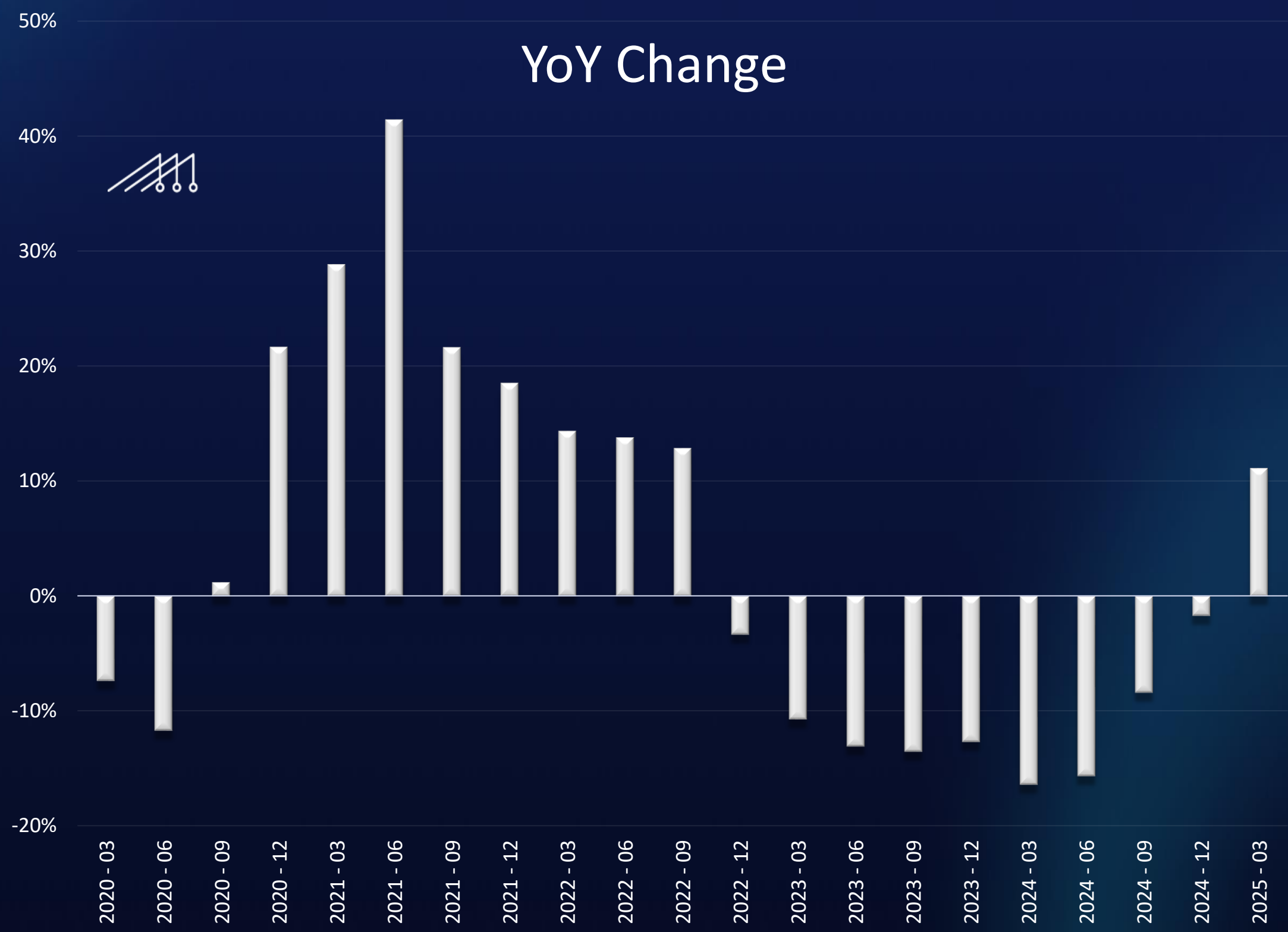
Key Takeaways

1. Earnings reflect a positive turnaround, with overall sales rising, for the first time since 2022, driven by industrial and automotive segments.
2. Inventory still remains at historically high levels, with days of inventory increasing by 2 days.
3. Gross margin slightly down from the previous quarter, indicating some pressure on profitability.



Growth After Nine Quarters of Decline

Recovery in the industrial and automotive markets, not just a tariff-driven rush.



Source: Bloomberg

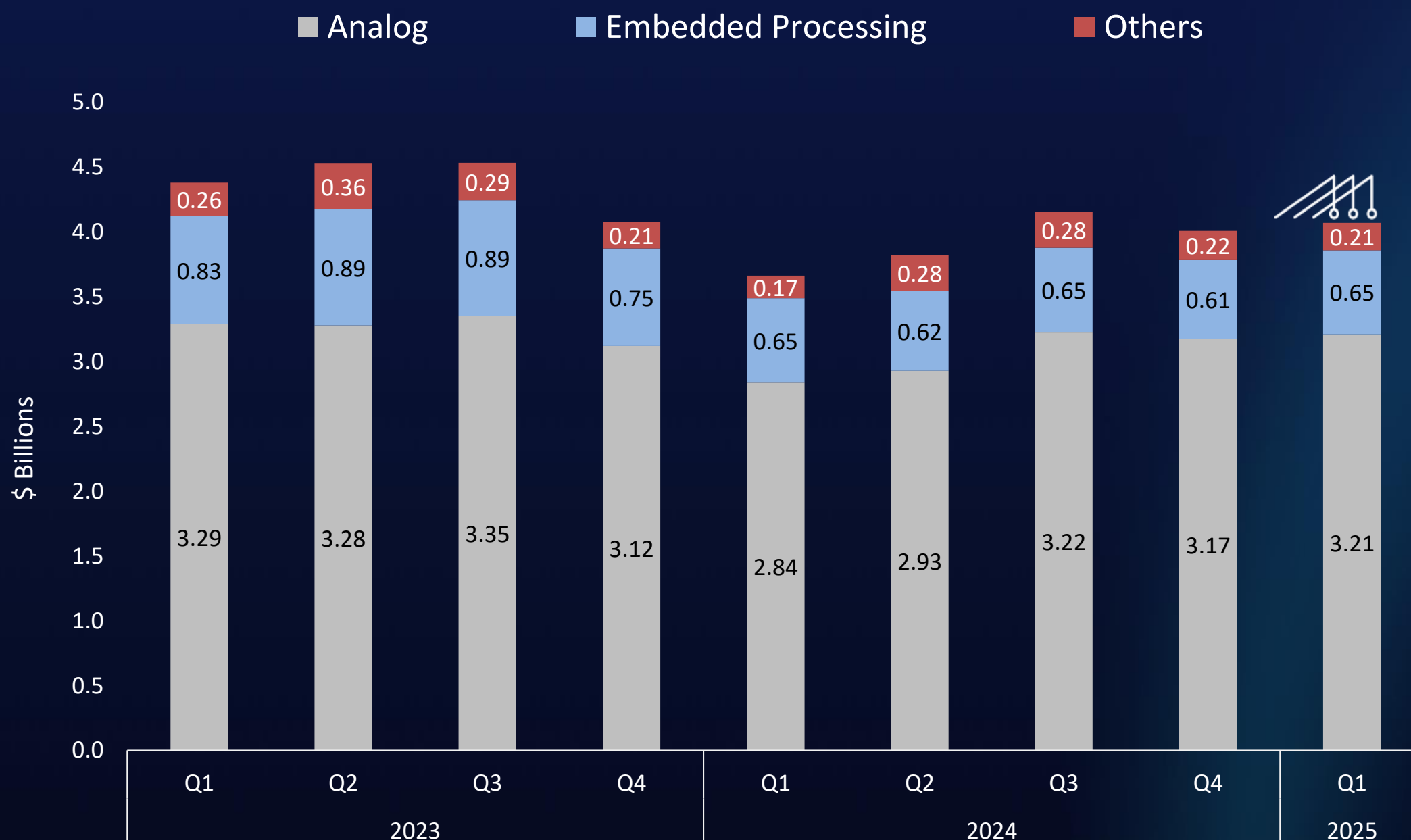
Performance by Segment

YoY

- Analog: Grew YoY, driven by demand across most sectors
- Embedded processing was flat

QoQ

- Analog and Embedded both grew
- Industrial: Up low single digits after seven quarters of decline, driven by recovery.
- Automotive: Up low single digits, supported by stable demand.
- Personal Electronics: Down mid-teens, due to seasonal weakness.
- Enterprise Systems: Up mid-single digits, with infrastructure recovery.
- Communications Equipment: Up ~10%, boosted by network investments.



Outlook

- Short-Term Outlook (Q2 2025):
 - Q2'25 quarter midpoint guidance:
13.8% YoY (vs. Q2'24) and 6.9% QoQ (vs. Q1'25)
 - Positive momentum with no significant tariff impacts so far.
 - Optimistic about immediate recovery, particularly in industrial markets.
- Long-Term Outlook (2025-2026):
 - Cautious outlook for the latter half of 2025 and into 2026, preparing for various scenarios.
- Customer inventories are low, creating both an opportunity and a risk based on demand recovery.



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