

ModernGraham Valuation

Company Name:

Company Ticker TXN
Date of Analysis

Texas Instruments
Incorporated

2/9/2016



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$52,461,694,942	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.77	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	82.62%	Pass
6. Moderate PEmg Ratio	PEmg < 20	20.10	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	5.31	Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	2.77	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.69	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.52
MG Growth Estimate	6.27%
MG Value	\$53.05
MG Value based on 3% Growth	\$36.56
MG Value based on 0% Growth	\$21.43
Market Implied Growth Rate	5.80%

MG Opinion

Current Price	\$50.68
% of Intrinsic Value	95.52%
Opinion	Fairly Valued

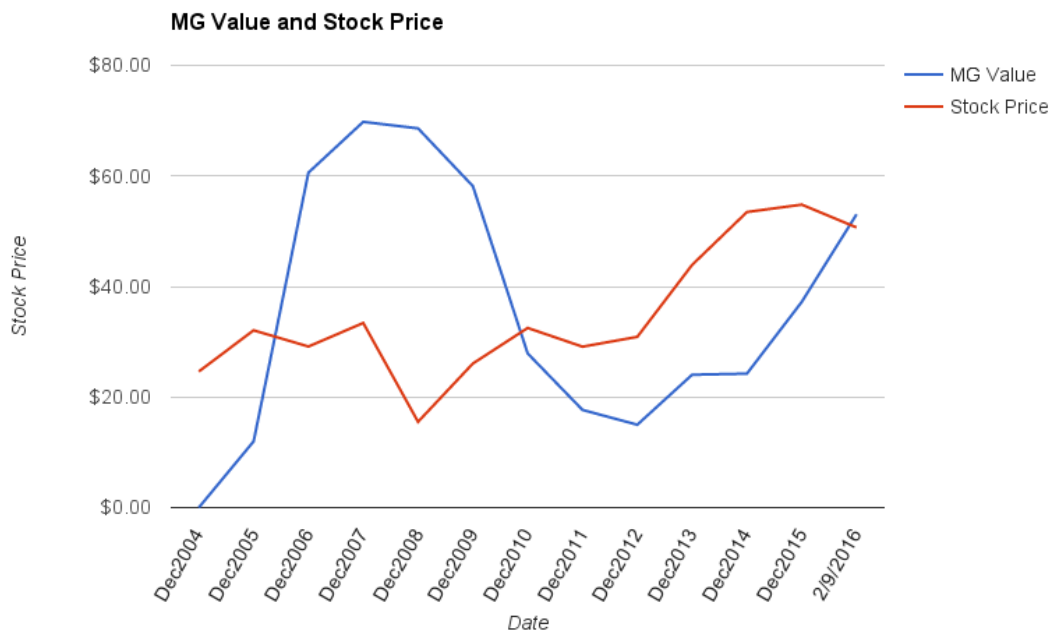
Stage 3: Information for Further Research

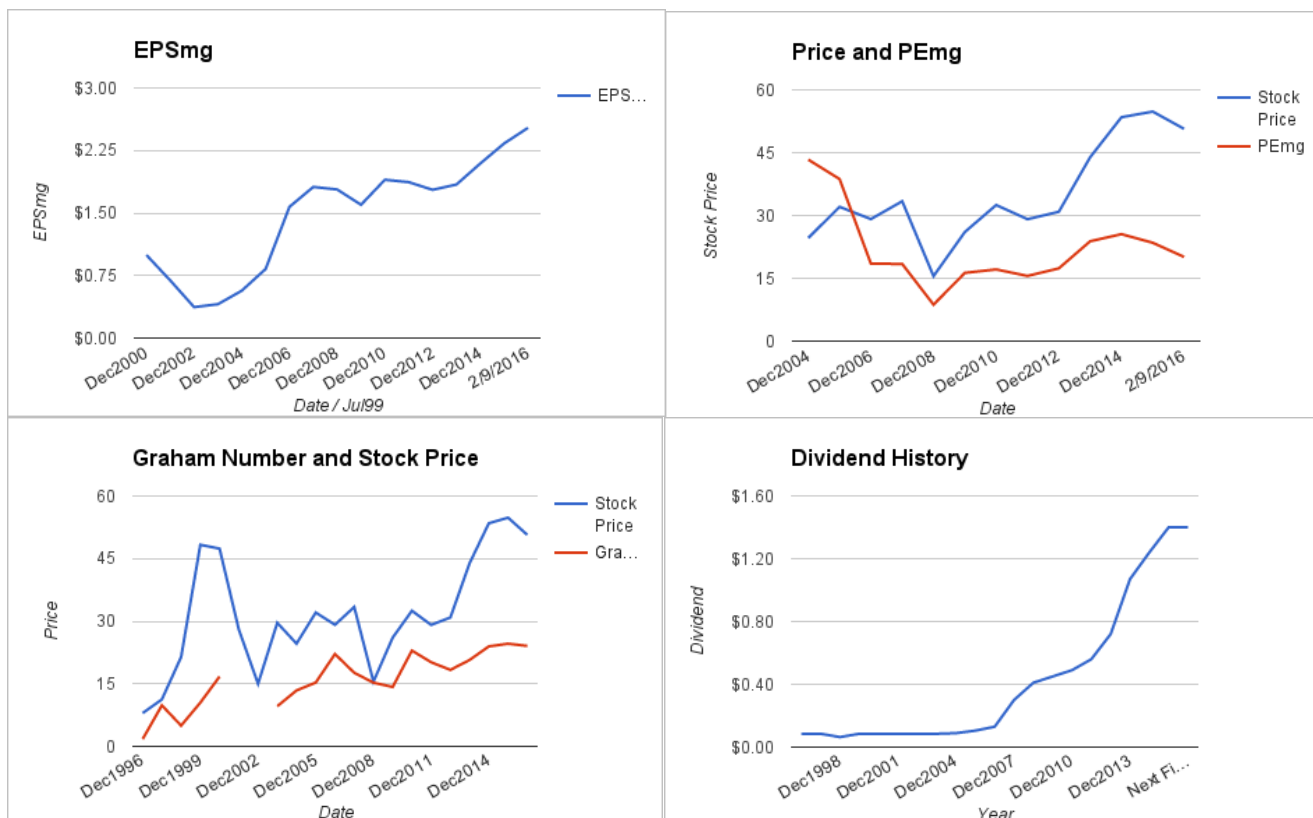
Net Current Asset Value (NCAV)	\$0.76
Graham Number	\$24.07
PEmg	20.10
Current Ratio	2.77
PB Ratio	5.31
Dividend Yield	2.76%
Number of Consecutive Years of Dividend Growth	13

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.70	Next Fiscal Year Estimate	\$2.52
Dec2015	\$2.82	Dec2015	\$2.33
Dec2014	\$2.57	Dec2014	\$2.09
Dec2013	\$1.91	Dec2013	\$1.84
Dec2012	\$1.51	Dec2012	\$1.78
Dec2011	\$1.88	Dec2011	\$1.87
Dec2010	\$2.62	Dec2010	\$1.90
Dec2009	\$1.15	Dec2009	\$1.60
Dec2008	\$1.44	Dec2008	\$1.78
Dec2007	\$1.84	Dec2007	\$1.81
Dec2006	\$2.78	Dec2006	\$1.57
Dec2005	\$1.39	Dec2005	\$0.83
Dec2004	\$1.05	Dec2004	\$0.57
Dec2003	\$0.60	Dec2003	\$0.41
Dec2002	-\$0.20	Dec2002	\$0.37
Dec2001	-\$0.12	Dec2001	\$0.69
Dec2000	\$1.71	Dec2000	\$1.00
Dec1999	\$0.83	Balance Sheet Information Dec2015	
Dec1998	\$0.26	Total Current Assets	\$7,074,000,000
Dec1997	\$1.13	Total Current Liabilities	\$2,555,000,000
Dec1996	\$0.05	Long-Term Debt	\$3,120,000,000
		Total Assets	\$16,230,000,000
		Intangible Assets	\$5,991,000,000
		Total Liabilities	\$6,284,000,000
		Shares Outstanding (Diluted Average)	1,043,000,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

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ModernGraham
posts about the
company

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[Texas Instruments Analysis – June 2015 Update \\$TXN](#)
[18 Companies in the Spotlight This Week – 3/15/15](#)
[Texas Instruments Inc. Quarterly Valuation – March 2015 \\$TXN](#)
[27 Companies in the Spotlight This Week – 12/20/14](#)

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[Ametek Inc Valuation – February 2016 Update \\$AME](#)
[MTS Systems Corp Valuation – February 2016 Update \\$MTSC](#)
[Linear Technology Corp Valuation – January 2016 Update \\$LLTC](#)
[Seagate Technology PLC Valuation – January 2016 Update \\$STX](#)
[Microchip Technology Inc Valuation – January 2016 Update \\$MCHP](#)
[Avago Technologies Ltd Valuation – January 2016 Update \\$AVGO](#)
[KLA-Tencor Corp Valuation – January 2016 Update \\$KLAC](#)
[Lam Research Corp Valuation – January 2016 Update \\$LRCX](#)
[Amphenol Corporation Valuation – January 2016 Update \\$APH](#)