

TXN 1Q Preview—In Line

Texas Instruments (TXN, \$34.25 +0.33, Hold, Target \$35, CY13: \$1.79 on \$12.2B, CFY14: \$2.22 on \$12.9B)
1Q Expected In-Line: TXN is scheduled to announce 1Q earnings after the close today and I expected the company to meet or slightly exceed expectations. Recall that the company narrowed the range to the high-end of original guidance during its previously scheduled mid-quarter update on March 7 due to strength from industrial and wireless markets including smartphones and tablets. Updated guidance called for revenue of \$2.80-2.91B and EPS of \$0.28-\$0.32, and I am pretty happy with my estimate just above the mid-point while consensus is just below. I also think there could be a bit more upside to 2Q guidance compared to current expectations given seasonal strength and outperformance to such as indicated by other companies so far this earnings season. While there could be a slight upward bias to my revised estimates after the announcement, I am expecting it to remain largely unchanged along with my 12-month target price of \$35. I do not consider the shares compelling as either a Buy or a Sell at current price levels, but would be a seller on significant strength or a buyer on significant weakness.

<i>EPS (30+ estimates)</i>	1Q13	2013	2014
Tokeneke	\$0.31	\$1.79	\$2.22
Consensus	\$0.30	\$1.62	\$2.05
Highest Estimate	\$0.34	\$1.85	\$2.45
Lowest Estimate	\$0.27	\$1.42	\$1.65

<i>Revenue</i>	1Q13	2013	2014
Tokeneke	\$2,860	\$12,176	\$12,868
Consensus	\$2,850	\$12,180	\$12,950
Highest Estimate	\$2,890	\$12,740	\$14,370
Lowest Estimate	\$2,800	\$11,660	\$12,220

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