Texas Instruments Incorporated (TXN) — Research Summary

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Price: $276.59	**Signal:** BUY (7.55/10)	**Market:** bull_tech

Equity Research Summary: Texas Instruments (TXN)

Rating: BUY (7.55/10) | Price: $276.59 | Market Cap: $256.8B

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1. COMPANY OVERVIEW & INVESTMENT THESIS

Texas Instruments is a global leader in analog and embedded processing chips — the essential, unglamorous semiconductors that power everything from cars and industrial equipment to home appliances. TXN is interesting now because it is riding a fresh wave of demand tied to AI infrastructure buildouts and manufacturing reshoring, while its recent earnings reaccelerate after a cyclical soft patch. A high-profile supply deal with GE Appliances underscores growing traction in domestic chip sourcing.

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2. FUNDAMENTAL SNAPSHOT

Valuation: TXN trades at a premium — a trailing P/E of 42.7 (forward 35.1), EV/EBITDA of roughly 27.7x, and a price-to-free-cash-flow multiple that reflects rich expectations. These are well above typical semiconductor peers, signaling investors are paying up for TXN's quality, margins, and dividend reliability.

Earnings Trend: Momentum is strong. TXN has beaten estimates in three of the last four quarters, including a +22.6% beat in March 2026 and +12.0% in June 2026. The single miss (December 2025) was modest at -3.1%. The trajectory points to improving business conditions.

Growth & Margins: The most recent quarter showed revenue of $5.5B, up a robust +23.5% year-over-year, a sharp acceleration from just +1.8% the prior quarter. Profitability remains excellent: gross margin of 61.4%, operating margin of 42.3%, and an overall profit margin above 31%.

Balance Sheet: TXN carries a net debt position (~$14.1B total debt vs. $7.0B cash), with a manageable debt-to-equity ratio of 0.78. Free cash flow of $3.2B comfortably supports the dividend.

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3. TECHNICAL OUTLOOK

TXN trades at $276.59, sitting in the upper portion of its 52-week range of $150.20–$332.33 — roughly 80% of the way up. The stock has delivered a strong ~79% return over three years, and recent price action reflects a firm uptrend consistent with a bullish tech backdrop.

Levels to watch: Resistance sits near the 52-week high around $332. On the downside, near-term support would be watched in the $250 area, with stronger support well below. Momentum appears to be building rather than fading, though the stock is no longer cheap after its run.

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4. NEWS & SENTIMENT

Overall Sentiment: Slightly Bullish

Key themes from recent coverage:

- **AI infrastructure tailwind:** TXN is repeatedly named among semiconductor stocks positioned to benefit from the $745B combined AI capital-spending plans of major hyperscalers.
- **Reshoring win:** The GE Appliances deal — sourcing a third of the chips for a new Kentucky line from TXN — highlights growing demand for U.S.-based chip supply.
- **Valuation debate:** Some commentary flags that the stock looks "stretched" against fair-value estimates, a healthy caution after its strong rally.

The prevailing market narrative is that TXN is a high-quality compounder benefiting from AI and reshoring, but one where valuation is a live question. Broader market headlines (Middle East tensions, oil prices) are macro noise rather than company-specific drivers.

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5. BOTTOM LINE

Aerondight Systems Signal: BUY (7.55/10)

Thesis: Texas Instruments is a best-in-class analog chipmaker with reaccelerating growth, elite margins, and durable demand from AI and reshoring — worth owning despite a premium price tag.

Upcoming Catalyst: Next quarterly earnings report, where investors will look for confirmation that the recent revenue reacceleration (+23.5% YoY) is sustainable.

Risk Level: Medium — The business is high-quality and cash-generative, but the elevated valuation (P/E over 40) leaves little room for disappointment, and a beta of 1.33 means the stock will move more than the broader market.

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