

Texas Instruments

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Texas Instruments' CEO Brian Crutcher resigns for violating the company's code of conduct

CEO Brian Crutcher has resigned from the chip maker Texas Instruments Inc (NASDAQ:TXN) for violating the company's code of conduct.

Rich Templeton, Texas Instrument's chairman, will reassume the roles of president and chief executive in the wake of Crutcher's departure. The company said his appointment is "not temporary and the board is not searching for a replacement."

The only detailed comments made about Crutcher's departure was that his alleged violations of the company's code of conduct related to "personal behavior that is not consistent with our ethics and core values".

Crutcher had only been in the job for less than two months as he had been named president and CEO of Texas Instruments at the start of June, when he replaced Templeton.

Separately, TI also posted second-quarter revenue of US\$4.02bn, which was over a 9% jump from the same-period last year. Its earnings per share swung to US\$1.40, which included a tax benefit of US\$0.3 per share.

Wall Street analysts remain optimistic about Texas Instruments Despite the management shake-up, Tristan Gerra, a senior research analyst with Baird Equity Research, remains somewhat bullish on the company.

He argues that 2018 is "shaping up as another year of semiconductor revenue growing double digits, leading us to remain positive on the group for this year."

The risks for the company which Gerra outlines include the possibility of market share loss in key markets due to competition as well as pricing pressures.

"Lower-end analog integrated circuits and discrete products are commodity semiconductors and can be subject to intense pricing pressures," he wrote in a note to investors.

"Pricing pressures represent a risk to revenue and gross margin," he added.

Gerra is keeping a Neutral rating and a US\$115 price target on the stock.

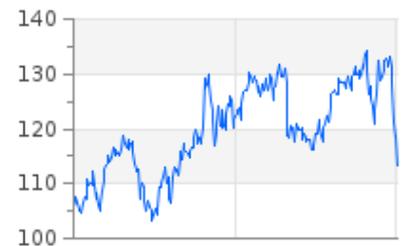
Read: Chipmaker Texas Instruments hits bum note as revenue growth slows in fourth quarter
Oppenheimer's Rick Schafer also sees no "fundamental impact" from the management transition and is keeping his Outperform rating and a US\$130 price target on the stock.

"Our thesis is unchanged," he wrote in a note to investors. "We view Texas Instruments as the top diversified steward of capital ... with an established record of consistent execution."

Price: 114.17

Market Cap: \$106.63 billion

1 Year Share Price Graph



February 2019 August 2019 February 2020

Share Information

Code: TXN

Listing: NYSE

52 week	High	Low
	135.69	101.77

Sector: Hardware & electrical equipment

Website: www.ti.com

Company Synopsis:

Texas Instruments Incorporated is engaged in the designing and making of semiconductors that it sells to electronics designers and manufacturers worldwide. In addition, it sells calculators and related products. The Company has design, manufacturing or sales operations in more than 30 countries.

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Dallas-based Texas Instruments is one of the biggest chipmakers, with a market cap of over US\$113bn.

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