

Texas Instruments raises sales, earnings outlook

By [Benjamin Pimentel](#)

Published: Mar 9, 2010 4:40 p.m. ET

SAN FRANCISCO (MarketWatch) -- Shares of Texas Instruments slipped Tuesday, a day after the chip company tightened and raised its sales and earnings outlook for the first quarter.

TI [TXN](#), [+0.25%](#) shares fell 2% to \$24.19, as one analyst cited "elevated expectations" for the decline following the chip giant's rosier forecast.

Late Monday, the Dallas-based TI said it now expects revenue in the range of \$3.07 billion to \$3.19 billion, compared with a previous range of \$2.95 billion to \$3.19 billion.

The company also said it now expects earnings per share in the range of 48 cents a share to 52 cents a share, compared with a previous range of 44 cents a share to 52 cents a share.

Analysts expect the company to post earnings of 49 cents a share, on revenue of \$3.1 billion, according to a consensus survey by Thomson Reuters.

The revision, which effectively raises the midpoint of the company's revenue and earnings outlook, was largely expected by analysts.

"Management appears to be executing well, citing lean inventories, stabilizing lead times, and marginal cancellations in the face of a strong demand environment," Wedbush analyst Patrick Wang said in a Tuesday note.

But Wang also noted in an e-mail late Monday following the stock's after-hours decline, "It's another case of elevated expectations and even higher whispers."

"Essentially everyone expected them to raise expectations into the upper half of revenue and EPS guidance," he added. "Then you had whisper, which actually took it just ahead of those numbers. With lifted expectations, the stock was trading poorly into the close."

Overall, the company's update earned TI positive reviews from analysts.

FBR Capital's Craig Berger pointed to "revenue upside ... being driven by strong demand across end markets and geographies, including robust industrial and automotive shipments and incremental upside post-Chinese New Year."

Charter Equity's Edward Snyder said TI's update "reinforced our positive outlook."

"Demand remains strong across multiple end markets, double ordering is not happening, and upside to margins

remains highly likely," he said in a note.

Snyder noted the company's "extended lead times which have caused many to fear double ordering," adding, "Management noted that three quarters of heavy capital expenditures were starting to ease backend pressure slightly, and most importantly that cancellations were not increasing as lead times fell, indicating that customer demand was genuine and not defensive."



Copyright ©2014 MarketWatch, Inc. All rights reserved.

By using this site you agree to the [Terms of Service](#), [Privacy Policy](#), and [Cookie Policy](#).

Intraday Data provided by SIX Financial Information and subject to [terms of use](#). Historical and current end-of-day data provided by SIX Financial Information. Intraday data delayed per exchange requirements. S&P/Dow Jones Indices (SM) from Dow Jones & Company, Inc. All quotes are in local exchange time. Real time last sale data provided by NASDAQ. More information on [NASDAQ traded symbols](#) and their current financial status. Intraday data delayed 15 minutes for Nasdaq, and 20 minutes for other exchanges. S&P/Dow Jones Indices (SM) from Dow Jones & Company, Inc. SEHK intraday data is provided by SIX Financial Information and is at least 60-minutes delayed. All quotes are in local exchange time.