

## **TXN Ups Dividend; AMD, ACTS, 'QRVO' Briefs**

**Texas Instruments** (TXN, \$48.98 +0.61, Target Price \$45, Rated Hold/Not Compelling)

**Raises Dividend:** TXN raised its quarterly dividend to \$0.34 per share from \$0.30 late-yesterday, payable November 17 to shareholders of record on October 31. This is the 11<sup>th</sup> year in a row it has raised its payout and the shares now yield 2.8% annually at yesterday's closing price.

Good news from this leading analog and embedded products company that expects to generate 20-30% of free cash flow on every dollar in sales and return all of it to shareholders via dividends and share repurchases after covering debt. I continue to love this company: management, strategy, execution, track record, products, markets and financial structure and operation. While I am not convinced its shares will reflect the lofty valuations of its LLTC, MXIM and ADI peers, I also have to admit that its relatively inferior gross and operating margins continue to move in the right direction.

**Advanced Micro Devices** (AMD, \$3.88 +0.06, Rated Long—But Distressed in my latest Chip Investment Ideas)

**Synopsys Deal:** Late-yesterday AMD and design automation supplier Synopsys announced a multi-year deal where AMD gets 16nm and 14nm (presumably planar), as well as 10nm FinFET IP and design tools, while Synopsys gets certain interface circuit designs from AMD. The two companies have a long history, but the real advantage for AMD in this deal is that it will be transferring 150 engineers to Synopsys.

I view this as good news for AMD as it continues to pursue creative ways to trim operating expenses and focus on product differentiation.

**Actions Semiconductor** (ACTS, \$2.49 +0.01, Rated Hold/Not Compelling in my latest Chip Investment Ideas)

**Dutch Auction Closed:** ACTS closed its over-subscribed Dutch Auction tender offer of \$25M for 14.5% of its outstanding shares at the low-end of \$2.50 this morning. While this scheme effectively established a near-term floor price for the shares, I hesitate to become bullish on this Chinese MP3-player chip supplier: I don't fully understand its proposed restructuring to split the company (and I've tried—EETimes seems to describe it better than the company's press release, in my opinion); and it is late—and may have missed the market—with respect to its move into controllers for tablets. Which is also highly competitive, by the way.

**RF Micro Devices** (RFMD, \$12.17 +0.46, Rated Hold/Not Compelling in my latest Chip Investment Ideas)

**TriQuint Semiconductor** (TQNT, \$20.20 +0.74, Rated Hold/Not Compelling in my latest Chip Investment Ideas)

**TriQuint + RF Micro = Qorvo:** Qorvo will be the name of the merger between TriQuint and RF Micro Devices when their deal is finalized sometime before the end of the year. Pronounced 'kor-vo' and the NASDAQ ticker will be QRVO. Hmm . . . I guess we are running out of words in the English language (and domain names on the web).

**—Dan K. Scovel**  
*Semiconductor Analyst*

**Tokeneke Research LLC**

**Rowayton, CT 06853**

[dscovel@tokenekeresearch.com](mailto:dscovel@tokenekeresearch.com)

[www.tokenekeresearch.com](http://www.tokenekeresearch.com)

203-554-4621

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