



ELLIOTT INVESTMENT MANAGEMENT L.P.
360 S ROSEMARY AVE, 18TH FLOOR, WEST PALM BEACH, FL 33401

May 28, 2024

Texas Instruments Incorporated
12500 TI Boulevard
Dallas, Texas 75243

Dear Members of the Board:

We are writing to you on behalf of Elliott Associates, L.P. and Elliott International, L.P. (together, “Elliott” or “we”), which have an investment of more than \$2.5 billion in Texas Instruments (the “Company” or “TI”). This investment is among our largest public-equity positions and reflects our deep conviction in the value-creation opportunity at TI.

Texas Instruments is one of the most important semiconductor companies in the world, with a rich history as a great American technology success story. Since its founding nearly 100 years ago, TI has invented many of the foundational building blocks of modern technology, starting most notably with the invention of the integrated circuit in 1958. While GPUs and AI dominate public conversation around semiconductors today, TI’s leadership in the analog semiconductor market serves as the backbone of the global industrial and automotive markets. We have tremendous respect for TI as a model of American semiconductor design prowess and manufacturing expertise.

In 2022, TI announced a significant expansion of its manufacturing capacity with a plan that ultimately called for six new 300-millimeter fabrication facilities in the U.S. By spending \$5 billion per year through 2026 and several billion dollars annually thereafter, TI would nearly triple its internal manufacturing capacity by 2030. At the time, the benefits of this plan seemed clear and compelling: TI would extend its scale advantage by transitioning to 90% internal wafer capacity, of which 80% would be cost-advantaged 300-mm capacity. Strategically, TI would own more geopolitically dependable analog capacity than any other company in the world *by far*.

While many investors, including Elliott, agree with the Company’s long-term strategic vision, TI’s stock has underperformed for its investors. TI’s shareholder returns have lagged peers consistently over a multi-year period, despite TI’s reputation as one of the best-managed semiconductor companies with strong growth prospects and competitive advantages. In fact, TI’s shareholder returns rank in the bottom forty percent of the semiconductor index over every time period in the last decade.¹ Our diagnosis is simple: Investors are concerned that TI appears to have deviated from its longstanding commitment to drive growth of free cash flow per share.

As best described by TI’s respected Chairman and former CEO, Rich Templeton, “The best measure to judge a company’s performance over time is growth of free cash flow per share, and we believe that’s what drives long-term value for our owners.” TI’s own history supports this core principle: TI grew free cash flow per share² at an annual rate of 17% from 2006 to 2019 while its

¹ Represents total shareholder return vs. the VanEck Semiconductor Index (SMH) constituents per Bloomberg on a 2-year, 4-year, 6-year, and 10-year basis

² All references to TI FCF per share refer to free cash flow per dilutive share

stock generated a ~440% total return, outperforming the S&P 500 by ~200% and analog semiconductor peers by ~135% during the period.

However, since announcing the substantial ramp in capacity in 2022, TI's free cash flow per share, "the best measure to judge a company's performance," has declined by more than 75%. More importantly, shareholders have been left with limited visibility or guidance from TI about when free cash flow per share will return to its historical trend line (which is regularly shared by TI in a key chart during the Company's annual capital management presentation). Critically, TI appears to be building capacity far in excess of expected demand, with targeted revenue capacity of \$30 billion in 2026. This level represents *50% excess capacity* above consensus revenue expectations (TI is building to similar levels of excess capacity by 2030 as well).

Fortunately, we believe there is a path forward consistent with TI's strategic objectives to (1) ensure continued manufacturing and technology leadership and (2) deliver on its "best measure" of performance to reaffirm its commitment to long-term value for its owners. **Today, we are proposing that TI adopt a dynamic capacity-management strategy and introduce a free cash flow per share target of \$9.00+ in 2026, representing a level that is ~40% above current investor expectations.**

We believe this commitment to capital discipline will restore investors' confidence, while providing TI with significant flexibility to achieve this target through a combination of strong organic growth, market share gains and prudent capacity management (consistent with industry-standard practice). Given the clear disparity between TI's competitive advantages as a company and its prolonged underperformance as a stock, it is incumbent on the Board and management to reconsider its status quo capacity plan. We look forward to working together to align on a path that we believe would be widely supported by the investment community. The balance of this letter lays out our thinking in greater detail and outlines a framework for collaboration toward this end.

Our Investment in Texas Instruments

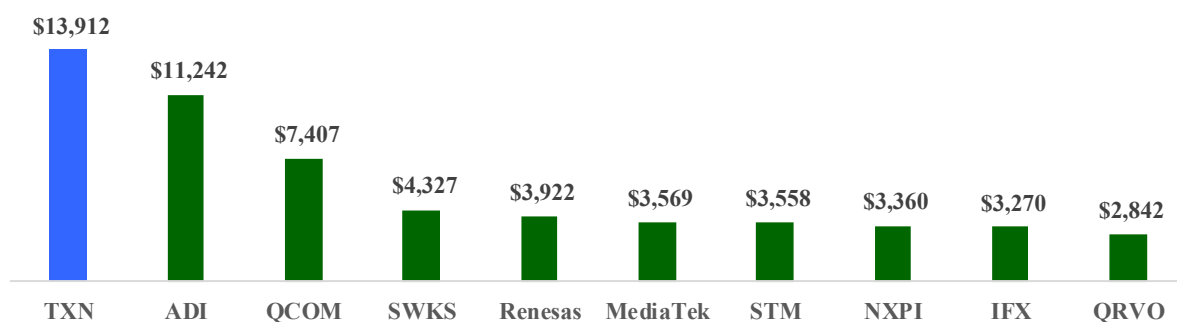
Founded in 1977, Elliott is an investment firm that today manages approximately \$65.5 billion of capital for both institutional and individual investors. We are a multi-strategy firm, and investing in the technology sector is one of our most active and successful efforts. Our team has extensive experience investing in the technology supply chain, including memory, storage (HDDs and systems), networking and computing. We also possess significant experience investing in the end markets that TI serves, most notably industrials and automotive.

Elliott's approach to its investments is distinguished by intensive due diligence, and our efforts on TI have followed this same approach. We enlisted former senior executives, industry experts, lawyers, accountants and a leading consulting firm in an exhaustive research process on the Company's strategic position, capacity expansion plan and value creation potential. We believe that this time- and resource-intensive diligence effort has given us a thorough understanding of TI's history and opportunity.

Texas Instruments Is a Special Company

Since its founding in 1930, TI has distinguished itself through a combination of technical innovation, strategic vision and operational excellence. It is not hyperbole to state that TI invented many of the building blocks of modern technology, including the integrated circuit in 1958, the handheld electronic calculator in 1967 and the digital signal processor in 1978. Today, TI offers approximately 80,000 unique products in support of more than 100,000 customers with an unparalleled portfolio of analog and embedded semiconductor offerings. TI's history of both strategic and operational leadership has led to its #1 market position in analog semiconductors.

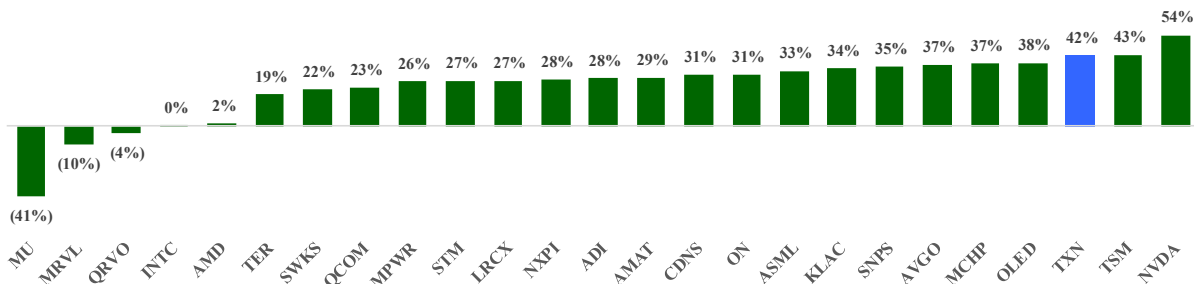
Analog / Mixed Signal Semiconductor Revenue by Company (\$ in millions)



Source: Gartner, 2022 (latest available)

This leadership position was the result of decades of thoughtful strategic decisions to focus on high-performance analog, one of the stickiest and highest-margin markets in semiconductors. TI's decisions to exit the memory market in 1998 and the smartphone processor business in 2012 are notable strategic highlights. This focus led to TI's analog market share expanding from 13% to 19% from 2006 to 2019, partially driven by the value-accretive acquisition of National Semiconductor in 2011. The combination of TI's scale leadership and the attractiveness of high-performance analog has helped TI rank near the top of the global semiconductor peer group in its gross margin and operating margin profile.

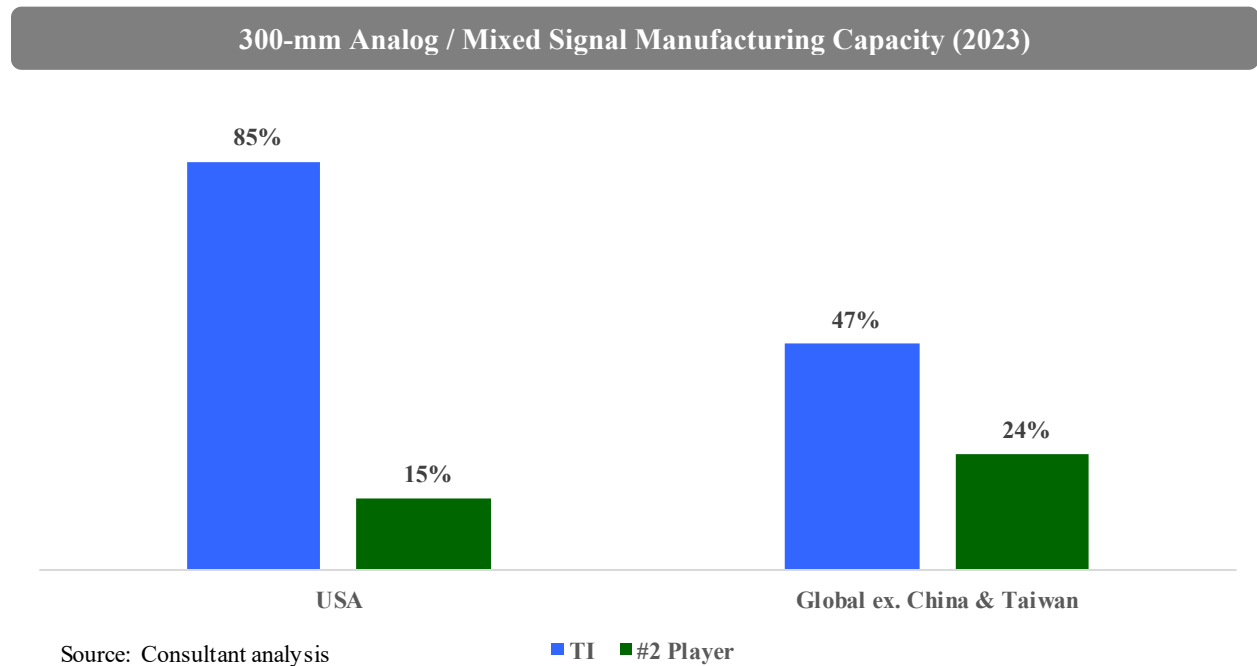
2023 GAAP EBIT Margins for Global Semis Universe



Source: Bloomberg

One of the most distinguishing attributes of TI’s strategy is its commitment to manufacturing as a core competitive advantage. TI was the first analog semiconductor company to invest in 300-mm production technology more than 15 years ago, providing a 40% cost-per-chip advantage relative to legacy 200-mm production. Today, TI already sources 80% of its wafers internally, of which 40% are cost-advantaged 300-mm wafers. This investment in 300-mm technology resulted in gross margin expansion from 54% in 2010 to 63% in 2023.

Of particular relevance and importance in today’s geopolitical environment, TI has the world’s largest footprint of geopolitically dependable 300-mm analog manufacturing capacity, with 47% of global capacity outside of China and Taiwan and 85% of capacity in the U.S. We believe this U.S. capacity will be a competitive differentiator with customers for many years to come. While the “leading edge” semiconductor companies are *attempting* to “bring semiconductor manufacturing back to the U.S.,” TI is already doing it with proven technology and manufacturing leadership.



Texas Instruments Has Underperformed for its Investors

TI has positioned itself as one of the best semiconductor companies in the world, with the #1 position in analog semiconductors, 74% exposure to the most attractive end markets (automotive and industrial), software-like margins and geopolitically secure, company-owned manufacturing capacity. Yet these benefits have not accrued to TI’s shareholders. Over all relevant timeframes in the last decade, TI’s shareholder returns have underperformed relevant benchmarks, including the S&P 500, the VanEck Semiconductor Index (SMH), TI’s proxy peers and Elliott’s composition of the most relevant analog peers. The underperformance is consistent, significant and, most of all, surprising for a business of TI’s quality.

TSR Over / (Under) Performance vs Peers through Today

TSR Over / (Under) Performance vs Peers

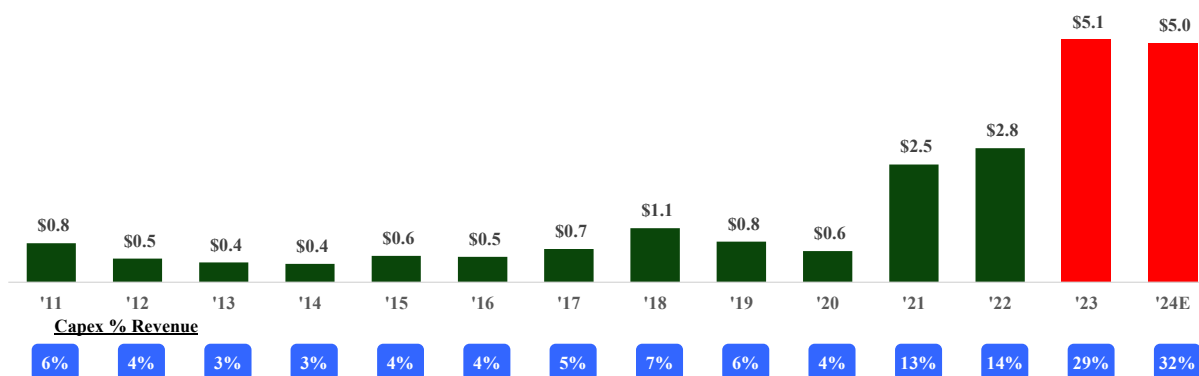
	Period Ending May 24, 2024			
	2- Year	4- Year	6- Year	10- Year
Versus VanEck Semiconductor Index (SMH)	(96%)	(169%)	(273%)	(644%)
Versus SPX	(13%)	5%	(3%)	228%
Versus Proxy Peers	(44%)	(78%)	(110%)	(1263%)
Versus Key Peers (1)	(15%)	(72%)	(26%)	(33%)
TXN TSR Percentile Ranking within SMH	16%	20%	20%	38%

Source: Bloomberg

(1) Key peers include ADI, MCHP, NXPI, ON, STMPA, and IFX

While there are multiple contributing factors to TI's underperformance, we believe the most significant has been the dramatic increase in capital investment announced in 2022, which has led to a fundamental deviation from TI's long-held commitment to driving growth in free cash flow per share. Prior to 2021, TI spent an average of ~\$650 million per year in capex over the preceding decade, representing 5% of revenue. Subsequently, TI spent \$2.5+ billion per year in 2021 and 2022 and has committed to \$5 billion per year from 2023 through 2026, which equates to ~23% of revenue during this period.

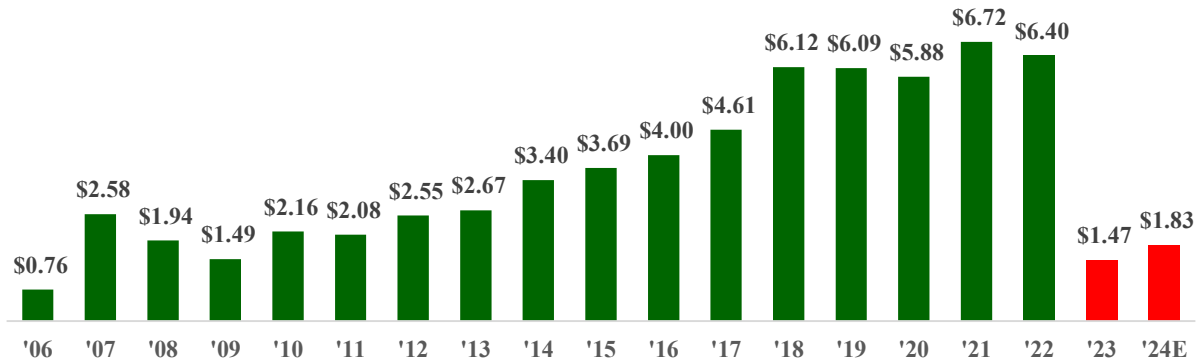
Capex Spend & Capex % of Revenue (\$ in billions)



Source: S&P Capital IQ; Visible Alpha

The impact on free cash flow has been stunning, especially for a company that has conditioned its shareholders to focus on free cash flow per share as its “best metric” for judging performance. Last year, TI generated only \$1.47 per share in free cash flow – 77% lower than the prior year; 76% lower than five years ago; and below the free cash flow per share generated at the depths of the 2008/2009 financial crisis, when TI's revenue was 40% below what it is today.

Annual Free Cash Flow per Share Since 2006



Source: S&P Capital IQ, Visible Alpha

Elevated capex is not inherently negative and, in some cases, it presents a great opportunity when customer demand is high and return-on-investment is compelling. But here, TI is building to capacity levels that are *50% above consensus revenue expectations* in 2026 and 2030 (and without providing guidance on how this capacity will ultimately contribute to free cash flow per share). To put the scale of excess capacity into perspective, TI management has stated that a new \$5 billion fab can support ~\$5 billion in revenue. Therefore, current expectations imply that TI is building to capacity levels that will result in the equivalent of two dormant \$5 billion fabs, fully equipped but unneeded in 2026 (and potentially the equivalent of three dormant fabs in 2030). **The key question is not whether TI has a thoughtful long-term strategy but rather: Is the fixed magnitude and pace of its capacity buildout appropriate given the expected level of excess capacity?**

2026E Revenue vs Planned Revenue Capacity

Capacity expected to be 50% higher than Consensus estimate



2030E Revenue vs Planned Revenue Capacity

Capacity expected to be 54% higher than Consensus estimate



■ Consensus Revenue ■ Planned Revenue Capacity

■ Consensus Revenue ■ Planned Revenue Capacity




Source: Visible Alpha, Texas Instruments investor materials

Note: estimates represent Visible Alpha Consensus for 2026E; assumes 10% annual growth rate from 2026E estimates to 2030E; 10% growth is in line with the Company's market growth guidance

TI has remained committed to this level of spend even as the analog market has suffered from one of the largest down cycles in the last decade. When TI first announced its capital-investment plan in 2022, consensus expectations for 2026 revenue were \$26 billion. Today, expectations have declined by 24% to \$20 billion. Yet despite lower expected demand from customers, TI’s targeted revenue capacity has remained unchanged at \$30 billion. As large investors in TI, we are hopeful and expect that TI will benefit from a strong cyclical recovery in the analog market, including regaining lost market share from its COVID-era supply constraints, but we and other investors are concerned that TI will continue on its capital spending plan *regardless* of what customer demand requires.

While TI may argue that this impairment of free cash flow performance is merely temporary, TI has made no commitments to the investment community (other than its commitment to spend). No multi-year growth plan has been provided to investors. No multi-year targets have been outlined to assess whether TI is executing against its strategic plan. No articulation has been made regarding how or why TI’s revenue-capacity targets are still necessary on the same timetable. TI is asking its investors to support a ~\$30 billion investment program but has not provided a long-term revenue growth framework, including anticipated market share gains, which could form the basis for the Company’s plan. Most other public companies would have provided a far more robust justification, including having the CEO publicly convey the strategy (which TI’s CEO does not do during TI’s annual capital-management event or quarterly earnings calls).

In the absence of information, investors have voted with their capital, as demonstrated by TI’s TSR performance. Equity research analysts have repeatedly highlighted the same concerns and have steadily reduced their investment recommendations to their clients. Today, TI has the second-lowest percentage of “buy” ratings among global semiconductor peers, with just 27% of analysts rating TI as a “buy” versus Microchip and ADI at 72% and 64%, respectively. The only semiconductor company with worse equity research ratings is Intel, which faces profound competitive challenges and technological execution risks. Below is a representation of the sentiment expressed by TI’s equity research analysts:

 <p>"We are skeptical that TXN can achieve their revenue targets given its growth rate of mid-single digits. Given elevated capex and depreciation, we believe TI's margins will remain under pressure through 2026 unless capex is cut."</p>	 <p>"Texas Instruments (TXN): We wish we could all have a 15-year investment horizon...downgrading to Underperform"</p>
 <p>"We are initiating coverage of TXN with an Underweight (UW) rating and \$150 price tgt. Our rating reflects a concern TXN can't achieve rev tgts & related utilization; i.e., 300mm capacity expansion plans intended to reach \$30B FY26 rev, 19% CAGR."</p>	<p>COWEN</p> <p>"We still believe investing in mature node capacity is the right strategic decision long-term. That said, with a 20% CAGR off 2024 Street estimates needed to reach 2030's \$45B capacity target, we think the magnitude of the capacity investment is difficult for investors to underwrite, even with subsidies."</p>

Note: emphasis added by Elliott

TI’s History Provides the Blueprint for Shareholder Returns

TI’s reputation as one of the best-managed semiconductor companies in the world was *earned* over many years of thoughtful industry leadership, prescient strategic decisions, operational

excellence and a steadfast commitment to *disciplined* capital allocation. Despite the shareholder-return data illustrated in the previous section of this letter, few investors and industry participants would pair “TI” and “underperformer” as words that fit together. TI has been a leader – both as a company in the industry and as a stock for investors – for decades. As of the end of 2019, TI had *outperformed* relevant benchmarks consistently during the preceding 2, 4, 6 and 10 years, including the S&P 500, SMH index, its proxy peers and key analog peers throughout these periods.

TSR Over / (Under) Performance vs Peers Through 2019

	TSR Over / (Under) Performance vs Peers			
	Period Ending December 31, 2019			
	2- Year	4- Year	6- Year	10- Year
Versus VanEck Semiconductor Index (SMH)	(20%)	(21%)	(22%)	14%
Versus SPX	4%	88%	144%	273%
Versus Proxy Peers	1%	18%	16%	69%
Versus Key Peers (1)	10%	17%	26%	151%

Source: Bloomberg

Note: SMH was initiated on 12/21/11. 10-year TSR vs. SMH represents TXN vs SMH since inception

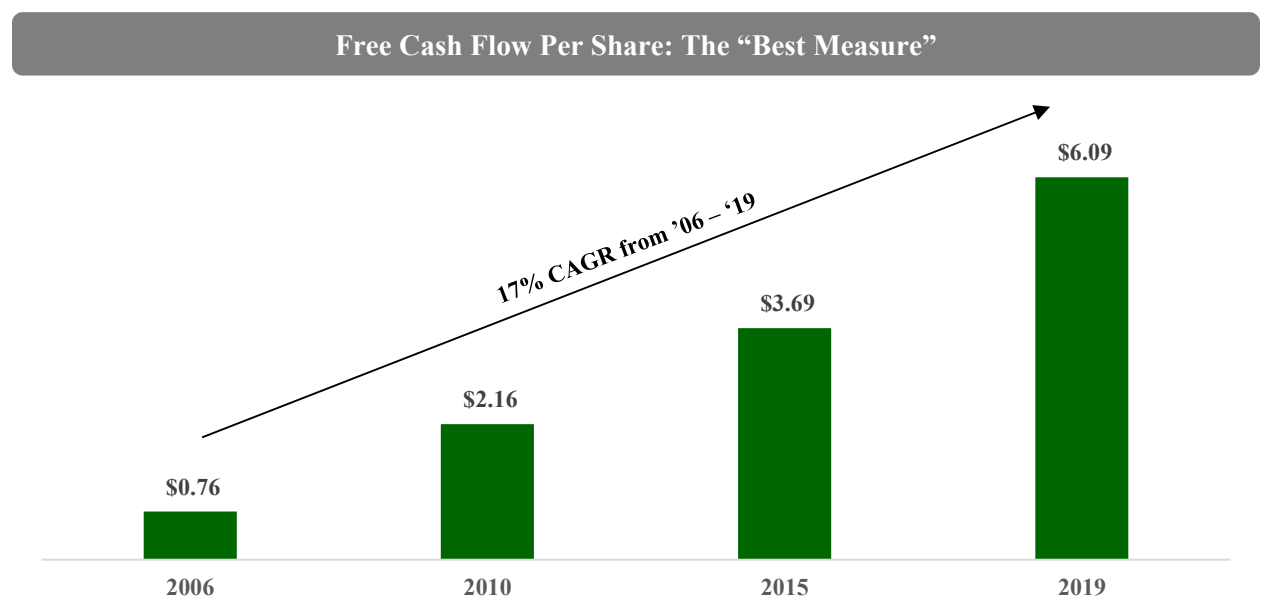
(1) Key peers include ADI, MCHP, NXPI, ON, STMPA, and IFX

As we consider the best path forward for TI today, it is instructive to review the actions that delivered this level of success. This begins with TI’s “mantra” to investors that free cash flow per share is the “best measure” of business performance and returns to shareholders:

- “We remain intent on excellence in execution, being disciplined in allocating our capital, and our firm belief that free cash flow per share is the best long-term indicator of shareholder value.” – *January 2015*
- “If your competitive advantages are truly working, your free cash flow per share should outgrow your best competitors over the long term.” – *November 2016*
- “As we have said, our capital management objective is to maximize long-term growth of free cash flow per share, which I believe is the best metrics to judge our financial performance and to drive higher intrinsic value for the owners of the company.” – *February 2017*
- “As we have said, our objective is to maximize long-term growth of free cash flow per share, which we believe is the best metric to judge our financial performance and to drive higher intrinsic value for the owners of the company.” – *February 2018*
- “It’s been a key mantra for us for many, many years. Our focus is on free cash flow, and we think that is the way that we increase the value to the owners of the company. In fact, free cash flow per share is the key component on that.” – *February 2019*

In the 13 years preceding the end of 2019 (starting from 2006, the first year in which TI reported Analog as a standalone segment), TI achieved many significant successes, including having: 1) gained 600 basis points of analog market share; 2) exited its low-margin smartphone processor business; 3) acquired National Semiconductor; 4) pioneered the world’s first 300-mm analog wafer

fab; and 5) increased auto/industrial exposure from less than 15% of revenue to 57% of revenue. During this period, TI’s capex averaged approximately 6% of revenue. The byproduct of its strategic choices and operational execution was increasing free cash flow per share from \$0.76 in 2006 to \$6.09 in 2019, representing an impressive CAGR of 17% (and TI’s stock returns were equally impressive).



Source: S&P Capital IQ

Building for the Future While “Modulating” Investment

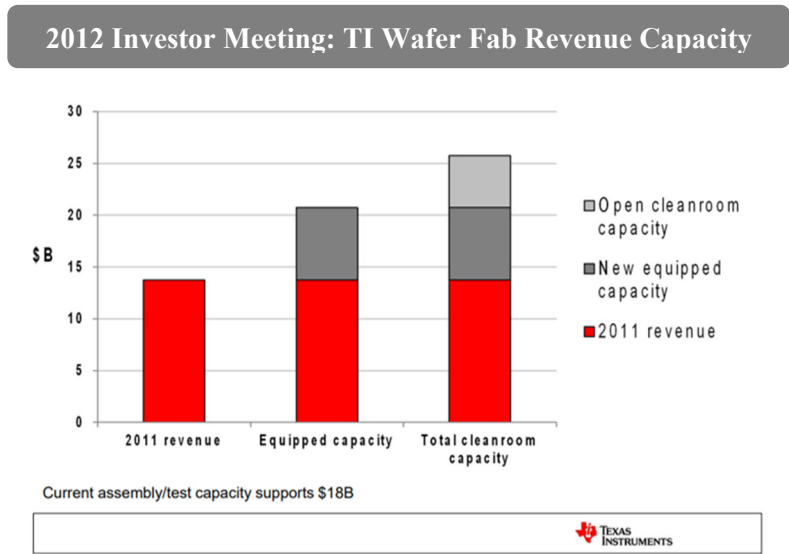
A key episode that laid the foundation for the Company’s success was TI’s construction of the world’s first 300-mm analog fab in Richardson, Texas, known as “RFAB 1.” TI announced this facility in June 2003 in the midst of a semiconductor industry downturn and broke ground in 2004. At the time of announcement, TI noted in its company press release that it would initially build the facility’s shell and then *gradually* outfit the facility with equipment in accordance with customer demand: “TI plans to construct the building and infrastructure ahead of market demand, followed by stages of equipment installation as *demand increases*. This construction method spreads capital investment over a period of years and allows the company to increase production quickly as *customers demand* more products.”³

After the start of construction in 2004, RFAB 1 largely sat dormant for the next five years, until 2009 when TI purchased equipment for “pennies on the dollar” from bankrupt memory-chip vendor Qimonda. At the time, TI’s management team continued to emphasize that capacity investment was driven by *customer demand*. In 2009, TI’s VP of IR stated, “we’ll *modulate* the pace at which we ramp RFAB based upon what we see for *demand*.” A year later, when TI prepared to ship its first products for revenue from RFAB in 2010, TI’s CFO noted that RFAB “will ramp up consistent with *demand*.”⁴

³ Emphasis added to management quotes

⁴ Emphasis added to management quotes

In TI's 2012 Investor Meeting presentation, the Company shared the slide below to explain how investors should understand its revenue capacity, highlighting the distinction between cleanroom capacity and equipped capacity. As shown in the chart, TI was operating at ~30% excess revenue capacity relative to the Company's fully equipped capacity of \$18 billion (including assembly and test capacity) and had additional cleanroom space for up to \$26 billion of revenue capacity when demand required. Because customer demand did not necessitate fully equipping its available cleanrooms, TI held off on the extra investment rather than needlessly filling its open cleanroom capacity with equipment years ahead of expected demand. This prudent capacity management enabled TI to grow free cash flow significantly while also extending its manufacturing leadership and taking share during this period.



Source: Texas Instruments 2012 Investor Meeting

The key takeaway from this period of TI's history is that long-term strategic investments and the commitment to free cash flow per share are not mutually exclusive priorities. During this period, TI managed its capacity utilization by building the world's first 300-mm wafer fab and then *waiting* several years to equip the facility until demand required it. TI's management team used the phrase "modulate the pace at which we ramp" as a disciplined approach to capital allocation that did not sacrifice its long-term perspective or ability to respond quickly to unpredictably strong demand.

Path Forward

We believe TI is well positioned with formidable competitive advantages as the analog semiconductor market returns to growth. It has made a sound long-term strategic decision to focus on the most attractive end markets within analog and to invest in the most efficient, geopolitically secure manufacturing capacity. However, we and other investors question the rigid nature of its capacity-expansion plan, the magnitude of targeted revenue capacity and the implications for

anticipated capacity utilization, which is currently tracking to 50% excess revenue capacity in 2026 and 2030.

While the Company often references former CEO Rich Templeton’s quip, “I’d rather be 2 years early and not 2 months late,” TI’s capacity buildout plan appears to be far in excess of that standard. A capacity plan developed in 2022 may have been sensible, but if customer demand has since changed, adherence to the same capacity plan through 2026 may not be the correct answer. Instead, a company must react *dynamically* as facts and market conditions change. This is, of course, especially important in the cyclical analog market where TI has been so successful for decades.

The Dynamic Capacity-Management Approach

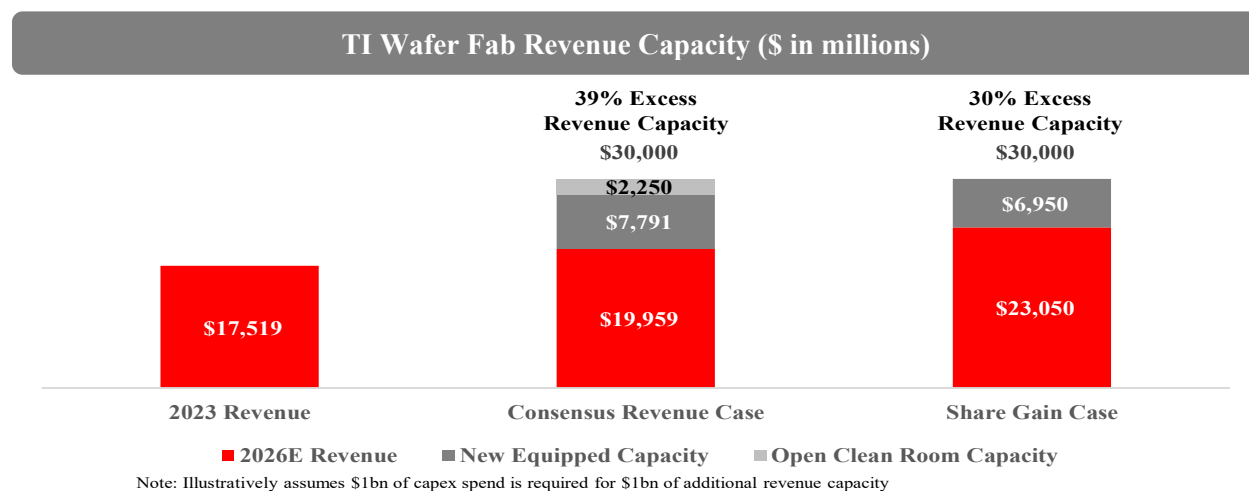
We believe the Company should pursue an alternative path, one that it has followed before, which draws upon TI’s own history of capacity investments during a period of significant shareholder returns and outperformance (and is an industry-standard practice). Importantly, TI’s capital spending plan is not a binary decision but rather a highly complex series of decisions and trade-offs involving multiple facilities. One of the most important decisions is the timing for when to equip new facilities after the shells of the facilities have been completed. This is critical, because the equipment is the most expensive component (~80% of the capex) and can be purchased or pushed out with roughly six months’ notice. In contrast, the facility shell is relatively inexpensive (~20% of the capex) but requires two or more years of planning and permitting. Taken together, TI has significant flexibility regarding when to outfit its facility shells with operational equipment and can “modulate” capacity based on customer demand.

Accordingly, we believe TI should adopt a dynamic capacity-management approach and flex its capacity buildout in a manner consistent with its historical practices. By executing on this approach, we believe TI can generate \$9.00+ per share in free cash flow in 2026 across a range of upside and downside revenue scenarios. If TI can outperform on revenue growth and take additional market share (which we hope it does), TI *should* spend more capital to press its competitive advantage and ramp capacity as customer demand would warrant the incremental spend. Additionally, we believe this approach would align with the production commitments associated with a potential CHIPS Act grant.

We believe this target is wholly consistent with the Company’s longtime commitment to free cash flow per share, and we believe the Board should have held the Company accountable to its core values, of which prudent capital discipline has historically been paramount. This dynamic approach to capacity expansion would enable the Board to recapture its oversight responsibility and ensure that TI is investing in its manufacturing and technology leadership with the discipline that formed the foundation of TI today.

In the chart below, we outline two illustrative scenarios for TI’s capacity buildout over the next three years – (1) Consensus Revenue Scenario and (2) Share Gain Scenario – which are guided by our detailed construction schedule by fab developed with the assistance of our industry consultants and former industry executives. In both cases, we assume that TI continues with its \$5 billion per year capital plan in both 2024 and 2025. However, based on the Company’s revenue trajectory

over the course of 2025, TI would develop a capacity plan based on customer pipeline and market conditions to determine its capacity investments in 2026 (with the same approach thereafter). At that time, LFAB 1 and RFAB 2 should be fully equipped and operational while the facility shells of SM 1, SM 2 and LFAB 2 will have been largely completed with flexibility on the timing of equipment installation.



The result of this illustrative analysis is that TI can target capex of \$2.75 billion in 2026 to support consensus revenue of \$20 billion and still have ~40% excess revenue capacity. In the Share Gain Scenario, in which we assume TI gains ~250 basis points of market share relative to the ~500 basis points of share TI lost during COVID, TI can *and should* continue with its current plan to spend \$5 billion of capex in 2026 to accelerate the buildout of its capacity. In either case, TI can generate \$9.00+ of free cash flow per share in 2026 and will have demonstrated a path for continued strong growth in free cash flow in the many years ahead (with a path to \$11.00+ in 2027 FCF per share). In fact, both of these scenarios are conservative based on our expectations for the recovery in analog and TI's market position, as well as TI's ability to flex capex even further given the excess revenue capacity assumed in each scenario (~40% in Consensus Revenue and 30% in Share Gain).

Capex Scenarios: Path to \$9.00+ of Free Cash Flow per Share

(\$ in millions, except per share values)

	FY26E		
	Consensus	Elliott Scenarios	
		Consensus Revenue	Share Gain (1)
Est. Excess Revenue Capacity (2)	50%	39%	30%
Revenue	\$19,959	\$19,959	\$23,050
Gross Margin %	61%	61%	62%
EBIT Margin %	40%	40%	42%
Cash Flow From Operations	\$10,993	\$10,993	\$13,244
Capex	(\$5,000)	(\$2,750)	(\$5,000)
FCF	\$5,993	\$8,243	\$8,244
FCF per Share (3)	\$6.55	\$9.01	\$9.01
% Δ to Consensus		38%	38%

Source: Visible Alpha

1) Assumes 72.5% incremental gross margin and 15% opex on revenue above Consensus case

2) Assumes revenue capacity is reduced by \$1 per \$1 of capex reduced

3) Consensus FCF calculated as Consensus FCF / Share * Consensus diluted share count

In these two illustrative scenarios – Consensus Revenue Scenario and Share Gain Scenario – TI can generate free cash flow per share that is ~40% above current market expectations. And equally important, TI will have reaffirmed its commitment to its owners that free cash flow per share is its “north star” and that this approach does not sacrifice its long-term strategic orientation. Returns to investors can be compelling in either of these two scenarios. By executing on this plan, TI will return to its historical trend line of free cash flow per share, with growth of more than 6x in its “best measure” from 2023 to 2026 and a highly achievable path to \$11.00+ in free cash flow per share in 2027.

Working Together

We have tremendous respect for TI and its long history as an industry leader and innovator, and we greatly appreciate the Board’s consideration of our thoughts. We believe our recommended path forward embraces TI’s long-term recipe for success and re-establishes its long-held commitment to its shareholders. We have conviction that TI has the right strategic vision to succeed, and we believe in the strategic merit of American semiconductor manufacturing leadership. TI is positioned as the *only* analog company with proven industry leadership and proven technology to achieve this goal at scale. We look forward to discussing our proposed approach with the Board and management team and hope to meet in the next several weeks.

Best regards,



Jesse Cohn
Managing Partner



Jason Genrich
Partner & Senior Portfolio Manager

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