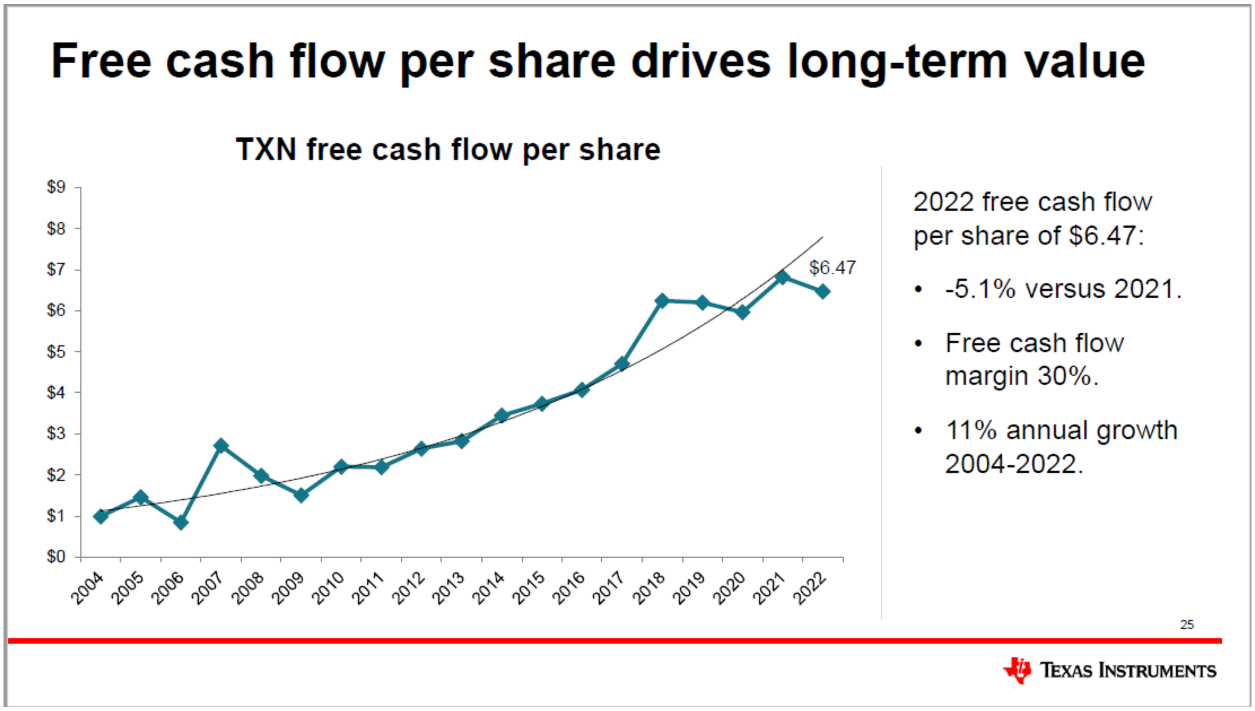
**The Outlook:  May 5, 2023**

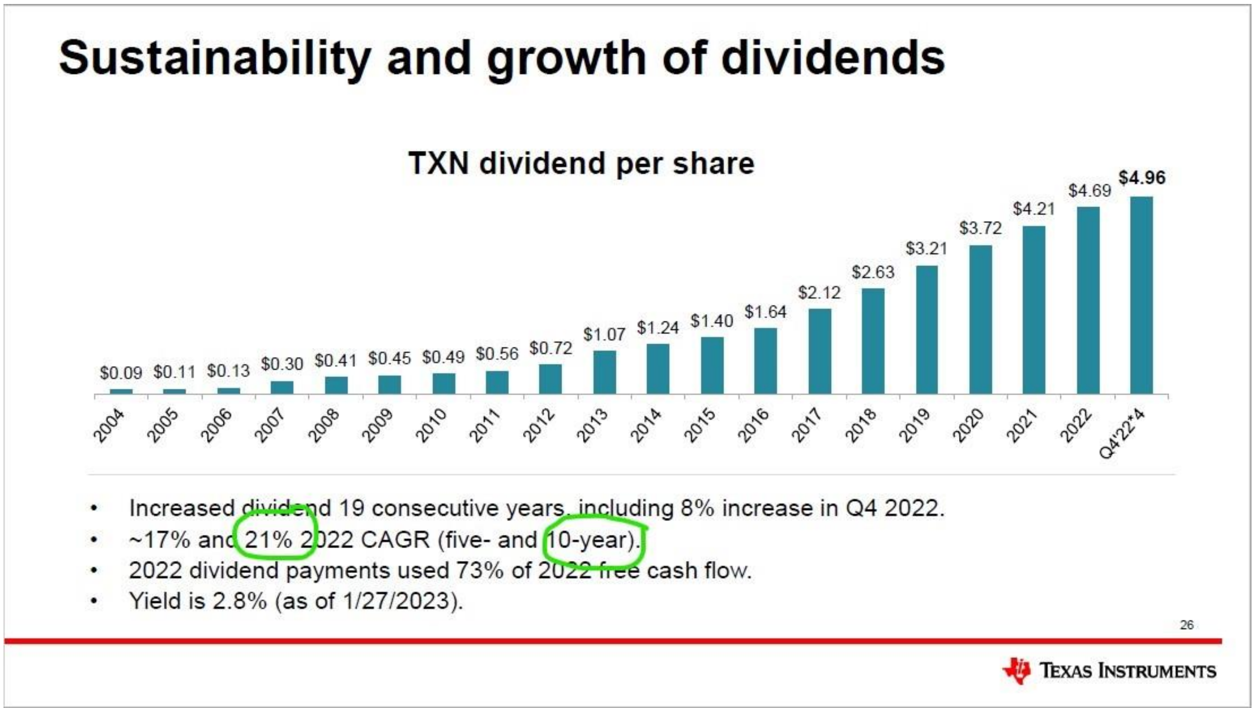
***Having fun with an argument:  Texas Instruments.***

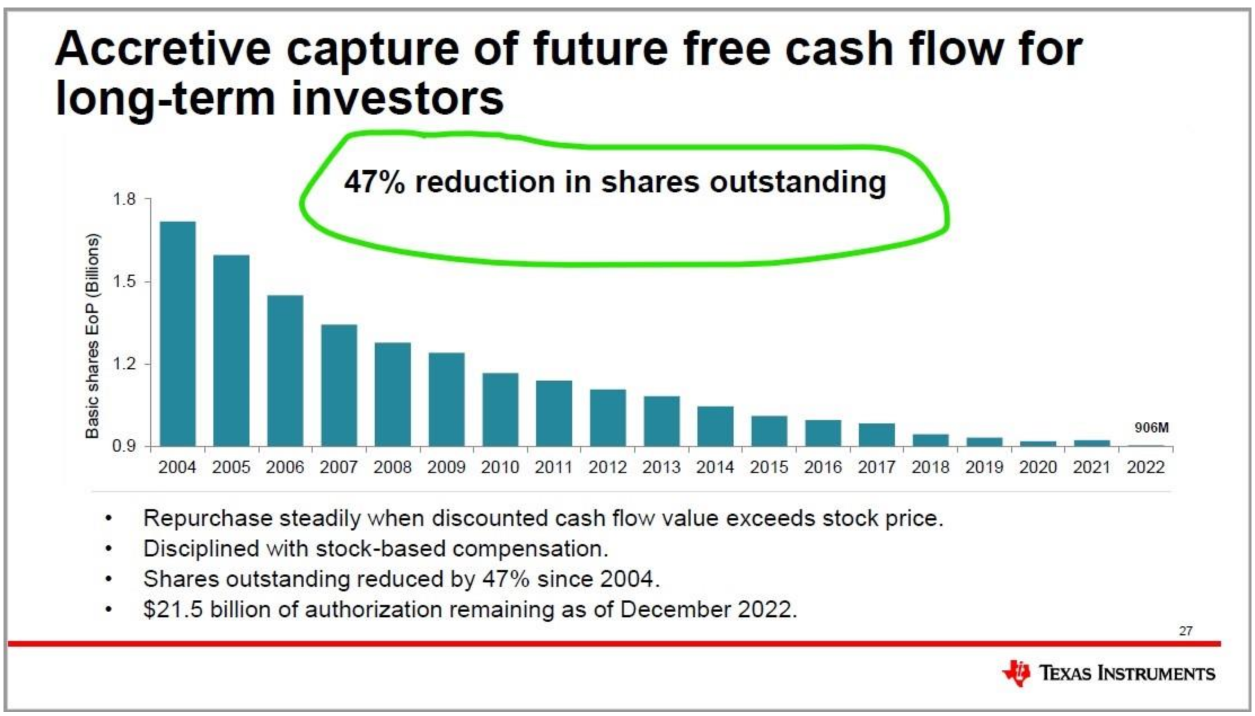
There are lots of bad things about being anxious or fearful:  to begin with, it feels terrible.  For us investors, next on the list might be that it tends to block us from seeing and appreciating things which are really, genuinely remarkable.  Texas Instruments talked about how it uses the money it makes, recently.  It was every bit of "really, genuinely remarkable" . . . maybe even "astonishing."




Free cash flow, remember, is the cash the company brings in from its business operations, minus spending on plant and equipment (capital spending) needed to keep the business growing in the future.  So it's "free" (leftover) cash available to reward investors or pay off debt.  The people in charge of Texas Instruments have said (for decades now) "We run our business to earn as much free cash flow as possible, over time."  That's another way of saying, "We run our business to reward our shareholders over time," which is a pretty good thing to hear before we invest our money in the business.

That picture sums up how well management has done this job:  $1 of free cash flow per share in 2004; $6.47 in 2022.  We can call that "remarkable."  Now, what have they done with the cash?

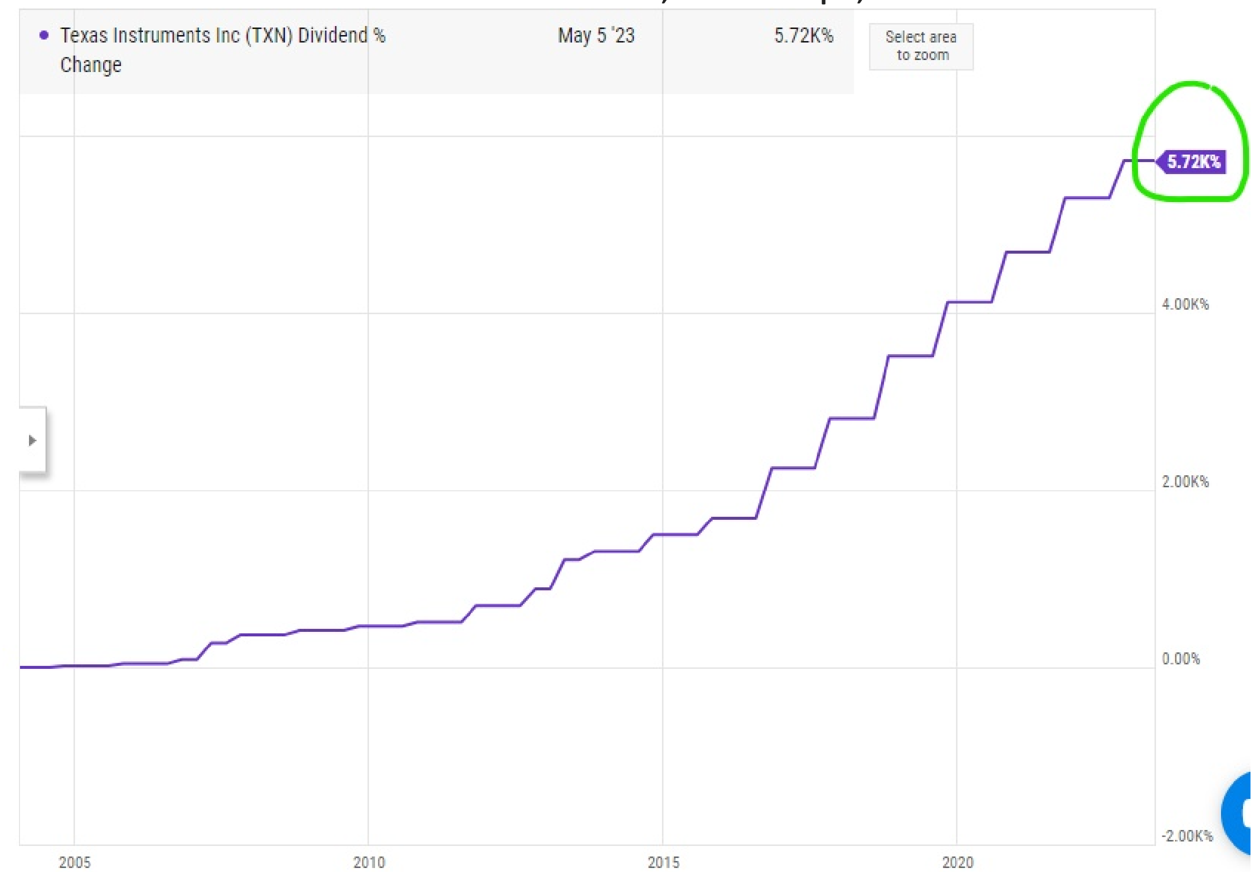



Just as remarkable . . . maybe more so. The dividend began at 9 cents . . . and ended at $4.96. That is 21% annual compound growth. Now we're getting into "astonishing" territory. The next picture shows the total shares being cut in half: meaning each share we hold has doubled its share of the firm's total earnings and assets since 2004. That doubling made possible the 21% annual dividend growth.

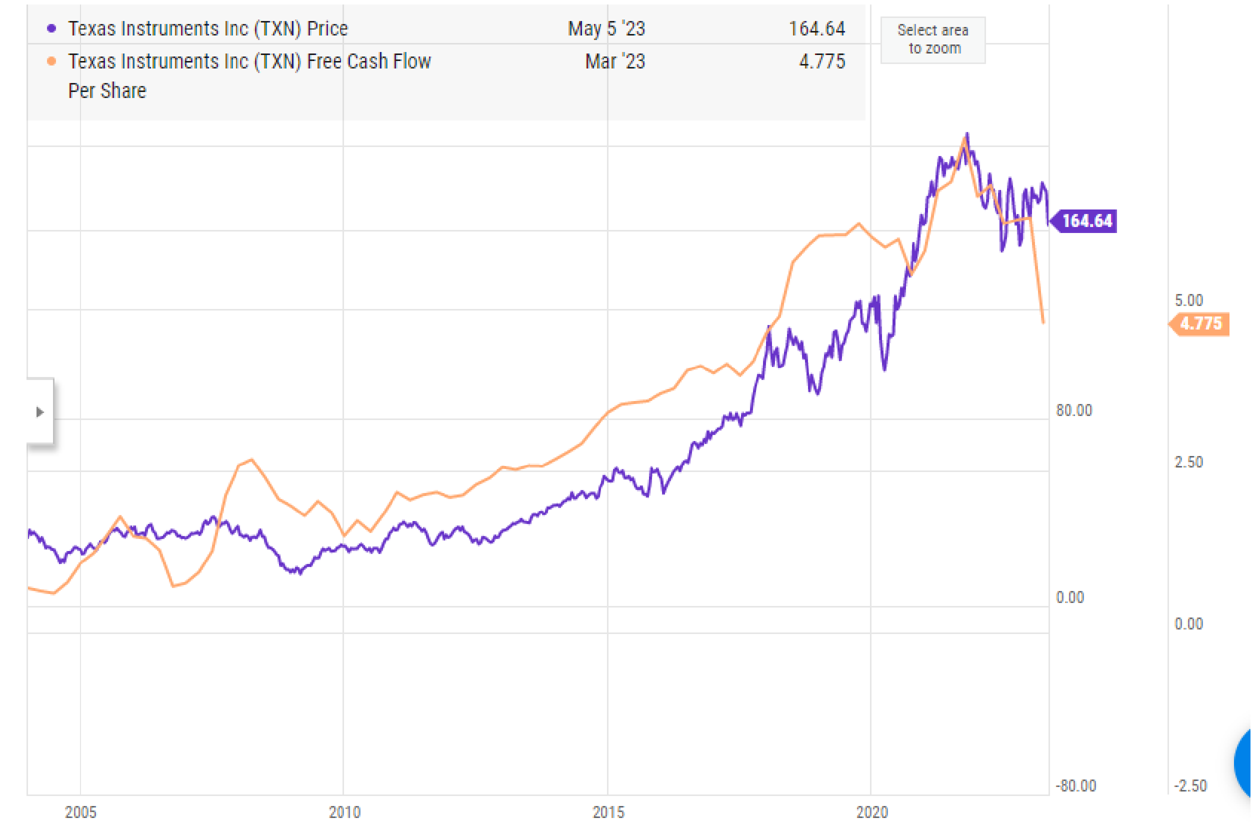
Here's another look at those dividends, just because they are in that "astonishing" neighborhood.

**Texas Instruments Dividend, 18 Years:  Up 5,700%**




And here's the last piece of the "remarkable" story:  the share price.

**TXN Free Cash Flow Drives the Stock:  713% Total Return, 18 Years**




Is 713% "astonishing" or merely "remarkable?"  We can each argue our own point of view on that . . . but if we own Texas Instruments we'll have a lot of fun doing it, won't we?


© Dave Raub
Outlook Capital Management, LLC
125 S. Wilke Road, Suite 200E
Arlington Heights, IL 60005
847-797-0600


*The remarks above aren't a general recommendation to buy or sell particular securities.  Such decisions should only be made in the context of an investor's own circumstances.  Stocks and bonds carry the risk of loss.*