

**Research Highlights**

Company Notes	2
Ratings History	4
Tigress Research Methodology Overview	5
Glossary of Key Terms and Measures	5
Contacts	6
Analyst Certification	6
Research Disclosures	6
Tigress Research Investment Rating Meanings and Distribution	6
Specific Disclosures for the companies that are the subject of this Report	7
Research Report Disclaimer	8
About Tigress Financial Partners LLC	8

**Research**  
(646) 780-8880  
research@tigressfp.com

**Trading**  
(646) 780-8890  
trading@tigressfp.com

**Tigress Financial Partners LLC**  
Member of FINRA / MSRB / SIPC  
500 Fifth Avenue  
New York, NY 10110  
(212) 430-8700  
www.tigressfinancialpartners.com

**Research Upgrade**

---

**NVIDIA Corporation (NVDA-US) 2**

We are upgrading NVDA from Neutral to Buy. NVDA's compelling valuation and exposure to rapidly expanding Automotive and Cloud end markets give us conviction that shares can move higher from current levels. Furthermore, NVDA's of 3.76X EV/EBITDAR Multiple signals the market is undervaluing NVDA's operating strength. We believe NVDA is taking the right steps to reorient the business and we anticipate higher Economic Profit and shareholder returns in the future.

**Research Update**

---

**Texas Instruments Incorporated (TXN-US) 3**

We reiterate our Buy Rating on TXN. TXN has steadily retaken its leadership position by concentrating its efforts on maximizing efficiency of their higher margin segments. Management remains fundamentally committed to returning cash to shareholders with an expressed goal to return 100% of the company FCF to its shareholders through dividends and repurchases. We believe that TXN will continue to leverage its scale and diverse product lines to drive future market share gains, Economic Profit growth and shareholder returns.

Please refer to the last three pages of this report for important certification, disclosure and disclaimer information.  
© 2015 Tigress Financial Partners LLC. No part of this report may be reproduced or redistributed in any form.

**Company Notes**
**NVIDIA Corporation (NVDA-US)**  
**Semiconductors & Semiconductor Equipment**

**Ivan Feinseth**  
**Chief Investment Officer**  
**(212) 430-8730 Direct**  
[ifeinseth@tigressfp.com](mailto:ifeinseth@tigressfp.com)

**Research Action:**
**Upgrade**
**Rating:** Buy

**Prior Rating:** Neutral

**Price 06/16/2015:** \$21.33

**52 Week High / Low:** \$23.61 / \$16.77

**Key Data: (TTM as of Apr-15)**
**Excess Cash per Share:** \$8.30

**Annual Dividend:** \$0.39

**Dividend Yield:** 1.83%

**Ave. Volume (30 Day):** 7.5M

**Shares Outstanding:** 538.0M

**Float:** 429.2M

**Short Interest** 43.9M

**Equity MV:** \$11,475.5M

**Sales TTM:** \$4,729.7M

**Beta:** 1.38

**EBITDAR:** \$2,464.9M

**NOPAT:** \$686.1M

**Total Invested Capital:** \$6,451.5M

**Return on Capital:** 11.02%

**Cost of Capital:** 7.93%

**Economic Profit:** \$192.3M

**Market Value Added:** \$6,648.6M

**Current Operations Value:** \$8,875.6M

**Future Growth Value:** \$4,224.5M

- **We are upgrading NVDA from Neutral to Buy.** NVDA's compelling valuation and exposure to rapidly expanding Automotive and Cloud end markets give us conviction that shares can move higher from current levels. NVDA has made strides to diversify the business by moving into automobile and cloud products, reducing exposure to the lagging PC segment. Furthermore, NVDA's of 3.76X EV/EBITDAR Multiple signals the market is undervaluing NVDA's operating strength. We believe NVDA is taking the right steps to reorient the business and we anticipate higher Economic Profit and shareholder returns in the future.
- **Multiple business segments exhibiting strong growth.** Gaming revenue rose 25% Y/Y and we anticipate further growth from the increased adoption of processors for 4K television gaming and Virtual Reality systems. Cloud and High Performance Computing (HPC) revenue increased 57% Y/Y to \$59 million and we have confidence in management's guidance for sales to increase 60-70% annually to \$1 billion in 2-3 years. Automotive revenue was particularly strong with quarterly sales rising 121% Y/Y and will continue to grow rapidly as NVDA wins more contracts for digital clusters and infotainment with new and existing OEMs.
- **PC Sales still bogging down performance.** There is still significant weakness in its main PC OEM segment due to the decline in PC demand. PC OEM sales fell 38% Y/Y and should continue to weigh down overall sales revenue until PC demand recovers. European currency weakness is also responsible for decreasing demand, but recent recovery in the Euro could stabilize this trend. Even though NVDA has been steadily diversifying its product offerings, they still have significant exposure to the computer market. However, we believe weakness in the computer market is priced into the stock and see strong upside potential in the continued high growth areas of Automotive and Cloud.

For more information or a copy of our complete report, please contact us at (646)780-8880 or [research@tigressfp.com](mailto:research@tigressfp.com)

**Tigress Financial Partners LLC - Member of FINRA / MSRB / SIPC**
**Research: (646) 780-8880 [research@tigressfp.com](mailto:research@tigressfp.com)**

 500 Fifth Avenue New York, NY 10110 (212) 430-8700 [www.tigressfinancialpartners.com](http://www.tigressfinancialpartners.com)

**Company Notes**
**Texas Instruments Incorporated (TXN-US)**  
**Semiconductors & Semiconductor Equipment**

**Ivan Feinseth**  
**Chief Investment Officer**  
**(212) 430-8730 Direct**  
[ifeinseth@tigressfp.com](mailto:ifeinseth@tigressfp.com)

**Research Action:**
**Reiterate Rating**
**Rating:** Buy

**Prior Rating:** Buy

**Price 06/16/2015:** \$53.09

**52 Week High /** \$59.99

**Low:** \$41.47

**Key Data: (TTM as of Mar-15)**
**Excess Cash per Share:** \$2.71

**Annual Dividend:** \$1.36

**Dividend Yield:** 2.56%

**Ave. Volume (30 Day):** 4.9M

**Shares Outstanding:** 1,040.4M

**Float:** 1,033.4M

**Short Interest** 19.8M

**Equity MV:** \$55,232.9M

**Sales TTM:** \$13,212.0M

**Beta:** 1.20

**EBITDAR:** \$6,970.4M

**NOPAT:** \$3,111.5M

**Total Invested Capital:** \$16,080.2M

**Return on Capital:** 18.52%

**Cost of Capital:** 7.34%

**Economic Profit:** \$1,877.8M

**Market Value Added:** \$44,091.9M

**Current Operations Value:** \$41,650.2M

**Future Growth Value:** \$18,521.9M

- **We reiterate our Buy Rating on TXN.** TXN has steadily retaken its leadership position by concentrating its efforts on maximizing efficiency of their higher margin segments. Currently, TXN has the highest market share in the analog chip market with 19% and the second most in the embedded processors market with 15%. Furthermore, management remains fundamentally committed to returning cash to shareholders with an expressed goal to return 100% of the company FCF to its shareholders through dividends and repurchases. We believe that TXN will continue to leverage its scale and diverse product lines to drive future market share gains, Economic Profit growth and shareholder returns.
- **Mature business profile provides strength and stability.** By isolating operations to its high margin analog chips and embedded processing segments TXN's has bolstered its margin profile and will allow the firm to focus on efficiently managing their business units going forward. TXN was able to expand their NOPAT Margin 28% Y/Y to 23.59% which is reflective of this strategic move. TXN's performance scored in the 86th percentile versus our universe of companies, indicative of TXN's strong Return on Capital of 18.96%. TXN also ranked in the 97th percentile of companies in our measure of Free Cash Flow/Capital with a ratio of 28.7%. While the company does have above average levels of debt, we do not believe this is a significant risk factor given TXN's history of generating consistent cash flow.
- **Upside expectations should be tempered.** A short term headwind that could continue to hinder TXN's growth is their exposure to the sluggish PC market. TXN derives about 20% of their revenues from this channel and has already been affected by the slowing growth in PC demand. However, TXN's improving margin profile gives us conviction that the company is well positioned to weather the PC slowdown and quickly rebound once demand returns. From a valuation perspective TXN's metrics are slightly above average with EV/EBITDAR of 8.88X and EV/NOPAT of 19.89X, we believe this largely reflects the markets desire for financially healthy, cash producing companies.

For more information or a copy of our complete report, please contact us at (646)780-8880 or [research@tigressfp.com](mailto:research@tigressfp.com)

**Tigress Financial Partners LLC - Member of FINRA / MSRB / SIPC**
**Research: (646) 780-8880 [research@tigressfp.com](mailto:research@tigressfp.com)**

 500 Fifth Avenue New York, NY 10110 (212) 430-8700 [www.tigressfinancialpartners.com](http://www.tigressfinancialpartners.com)

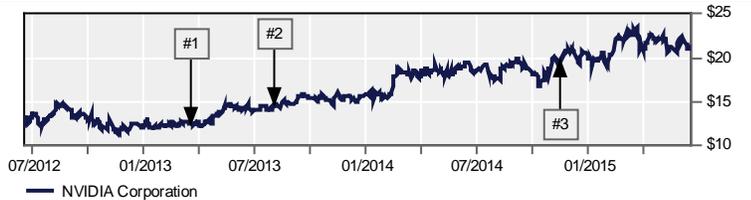
# Research Highlights

June 17, 2015  
Page 4 of 8

## Ratings History

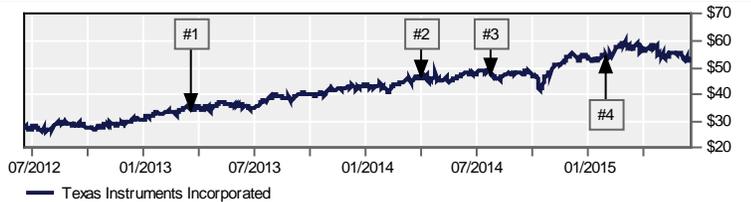
### NVIDIA Corporation (NVDA-US)

Item #	Date	Research Action	Rating	Price
#3	11/13/2014	Reiterate Rating	Neutral	\$19.55
#2	08/02/2013	Reiterate Rating	Neutral	\$14.76
#1	03/18/2013	Initiation of Coverage	Neutral	\$12.55



### Texas Instruments Incorporated (TXN-US)

Item #	Date	Research Action	Rating	Price
#4	01/28/2015	Upgrade	Buy	\$53.94
#3	07/24/2014	Upgrade	Neutral	\$47.86
#2	03/31/2014	Reiterate Rating	Underperform	\$47.16
#1	03/18/2013	Initiation of Coverage	Underperform	\$34.62



**Tigress Financial Partners LLC - Member of FINRA / MSRB / SIPC**

**Research: (646) 780-8880 [research@tigressfp.com](mailto:research@tigressfp.com)**

500 Fifth Avenue New York, NY 10110 (212) 430-8700 [www.tigressfinancialpartners.com](http://www.tigressfinancialpartners.com)

**Tigress Research Methodology Overview**

We employ proprietary quantitative valuation models combined with dynamic fundamental analysis based on the principles of Economic Profit to formulate timely and insightful investment ratings, analysis, strategies and recommendations.

We make key adjustments to reported financial data eliminating GAAP-based accounting distortions and measuring all companies on a cash operating basis.

Our proprietary research framework is a multi-factor model that scores and ranks companies based on their risk-adjusted ability to create Economic Profit relative to their current market value focusing on three key components:

**Business Performance:** Measuring economic profitability, growth and operating efficiency.

**Risk:** Measuring business sustainability, volatility, strength and consistency.

**Valuation:** Linking business performance to market value. Measuring value created relative to capital employed and enterprise multiples of economic profit and cash flow.

We score and rank 24 key measurements of performance, risk and value into relative market and industry investment recommendations.

*For more information on our research methodology, please review the Tigress Investment Research Guide to Company Valuation and Analysis.*

**Glossary of Key Terms and Measures**

<b>Excess Cash per Share:</b>	Excess Cash per Share is the amount of excess cash divided by basic shares outstanding. Excess Cash consists of all cash and short-term securities less operating cash needed to run the business. Operating Cash is 5% of TTM net sales revenue.
<b>EBITDAR:</b>	Earnings Before Interest, Taxes, Depreciation, Amortization, and Restructuring and Rent Costs. This is especially important when comparing companies that use a significant amount of leased assets like restaurants and retailers.
<b>NOPAT:</b>	Net Operating Profit after Tax. Represents a company's after-tax cash operating profit excluding financing costs.
<b>Total Invested Capital:</b>	Total Invested Capital the total cash investment that shareholders and debt holders have made during the life of company.
<b>Return on Capital:</b>	Return on Capital equals NOPAT divided by Total Invested Capital. It is a key measure of operating efficiency. ROC quantifies how well a company generates cash flow relative to the capital invested in its business.
<b>Cost of Capital:</b>	Is the proportionately weighted cost of each category of capital – common equity, preferred equity and debt.
<b>Economic Profit:</b>	Economic Profit is the net operating income after tax less the opportunity cost of the total capital invested. It is the most important driver of shareholder value.
<b>Current Operations Value:</b>	Current Operations Value is the portion of market value based on the discounted present value of the current earnings stream assuming it remains constant forever.
<b>Future Growth Value:</b>	Future Growth Value is the portion of market value based on un-earned Economic Profit

*For more information on the key terms and measures, please review the Tigress Investment Research Guide to Company Valuation and Analysis.*

**Tigress Financial Partners LLC - Member of FINRA / MSRB / SIPC**

**Research: (646) 780-8880 [research@tigressfp.com](mailto:research@tigressfp.com)**

500 Fifth Avenue New York, NY 10110 (212) 430-8700 [www.tigressfinancialpartners.com](http://www.tigressfinancialpartners.com)

**Contacts**

**Ivan Feinseth**  
 Chief Investment Officer  
 (212) 430-8730 Direct  
[ifeinseth@tigressfp.com](mailto:ifeinseth@tigressfp.com)

**Philip Van Deusen**  
 Director of Research  
 (646) 862-2909 Direct  
[pvandeusen@tigressfp.com](mailto:pvandeusen@tigressfp.com)

**Chris DeCarolis**  
 Research Associate  
 (646) 402-6695 Direct  
[cdecarolis@tigressfp.com](mailto:cdecarolis@tigressfp.com)

**Brian O'Sullivan**  
 Managing Director, Trading  
 (646) 798-8453 Direct  
[bosullivan@tigressfp.com](mailto:bosullivan@tigressfp.com)

**Ernest Williams**  
 Institutional Sales & Trading  
 (646) 862-2912 Direct  
[ewilliams@tigressfp.com](mailto:ewilliams@tigressfp.com)

**Analyst Certification**

I, Ivan Feinseth, hereby certify that the views expressed herein accurately reflect my personal views about the subject company and their securities and that I have not been and will not be directly or indirectly compensated for expressing specific recommendations or views in the report.

**Research Disclosures**

Employees, officers, directors and shareholders of Tigress Financial Partners LLC and of any of Tigress Financial Partners LLC affiliated entities that are not directly involved with the production of any Tigress Research report (s) and / or their family members may buy / sell or hold securities for their own accounts contrary to the current recommendation expressed in any report published by Tigress Research.

Tigress Financial Partners LLC as well as affiliates of Tigress Financial Partners LLC provide or may seek to provide investment banking, consulting and / or other services to the companies and / or the officers, directors, and employees of the companies that are the subject of research reports published by Tigress Research.

Tigress Financial Partners research personnel, including the analyst(s) responsible for the production of this report receive compensation based upon the overall profitability of the entire firm including profits derived from investment banking revenues.

**Tigress Research Investment Rating Meanings and Distribution**

Tigress Research employs a five-tier rating system for evaluating the investment opportunity and potential return associated with owning the common equity of rated firms within our research universe. The potential return is measured on a relative basis to the general market which is represented by the S&P 500 and to the subject company's industry peer group as indicated.

Rating:	Meaning:	Rating Distribution (06/16/2015)			
		Companies Under Coverage		Relationship Companies Under Coverage*	
		#	%	#	%
<b>Strong Buy:</b>	Expect significant price gains in the price of the stock relative to its industry peer group and general market over the next 12 months.	22	17%	0	0%
<b>Buy:</b>	Expect out-performance for the price of the stock relative to its industry peer group and general market over the next 12 months.	59	46%	3	75%
<b>Neutral:</b>	Expect little or no outperformance opportunity over the next 12 months.	40	31%	1	25%
<b>Underperform:</b>	Expect underperformance for the price of the stock relative to its industry peer group and general market over the next 12 months.	6	5%	0	0%
<b>Sell:</b>	Expect price decline or significant relative market and industry underperformance over the next 12 months.	2	2%	0	0%

\*Relationship Companies under research coverage are companies in which Tigress Financial Partners LLC or one of its affiliates has received compensation for investment banking or non-investment banking services from the company, affiliated entities and / or its employees within the past twelve months or expects to do so within the next three months.

Total 129 100% 4 100%

**Tigress Financial Partners LLC - Member of FINRA / MSRB / SIPC**

**Research: (646) 780-8880 [research@tigressfp.com](mailto:research@tigressfp.com)**

500 Fifth Avenue New York, NY 10110 (212) 430-8700 [www.tigressfinancialpartners.com](http://www.tigressfinancialpartners.com)

**Specific Disclosures for the companies that are the subject of this Report****Company:****Disclosure:****Key Disclosure:**

1. The Analyst or a household member responsible for the production of this report currently holds a position in securities of the company that is the primary subject of this report in a personal, related or beneficial account.
2. The Analyst or a household member responsible for the production of this report beneficially owns one percent or more in securities of the company that is the primary subject of this report in a personal, related or beneficial account.
3. Tigress Financial Partners LLC together with its affiliates beneficially owns one percent or more of the security that is the primary subject of this report.
4. The Analyst or a household member responsible for the production of this report currently serves as an officer, director or advisory board member of the company that is the primary subject of this report.
5. An employee of Tigress Financial Partners LLC, its affiliates or subsidiaries currently serves as an officer, director or advisory board member of the company that is the primary subject of this report.
6. Tigress Financial Partners LLC, its affiliates or subsidiaries is acting as manager/co-manager, underwriter, selling group member, placement or sales agent in regard to an offering of securities of this subject company/entity or one of its affiliates.
7. Tigress Financial Partners LLC, its affiliates or subsidiaries has acted as manager/co-manager, underwriter, selling group member, placement or sales agent in regard to an offering of securities of this subject company/entity or one of its affiliates within the past 12 months.
8. Tigress Financial Partners LLC or an affiliated entity currently receives compensation for non-investment banking services from the company and / or employees and / or affiliated persons of the company that is the primary subject of this report.
9. Within the last 12 months, Tigress Financial Partners LLC, or an affiliated entity has received compensation for investment banking services from the company that is the primary subject of this report.
10. Within the last 12 months, Tigress Financial Partners LLC, or an affiliated entity has received compensation for non-investment banking services from the company that is the primary subject of this report.
11. Within the last 12 months, Tigress Financial Partners LLC, or an affiliated entity has received compensation for non-investment banking services from employees and / or affiliated persons of the company that is the primary subject of this report.
12. In the next 3 months, Tigress Financial Partners LLC, or an affiliated entity, expects to receive compensation for investment banking services from the company that is the primary subject of this report.
13. In the next 3 months, Tigress Financial Partners LLC, or an affiliated entity, expects to receive compensation for non-investment banking services from the company that is the primary subject of this report.
14. Accounts managed by Tigress Capital Advisors LLC, and / or an employee or an affiliated entity currently hold a position in the security that is the primary subject of this report.
15. Tigress Financial Partners LLC and /or an affiliated entity currently has contracted the products and / or services of the company that is the primary subject of this report.

**Tigress Financial Partners LLC - Member of FINRA / MSRB / SIPC****Research: (646) 780-8880 [research@tigressfp.com](mailto:research@tigressfp.com)**500 Fifth Avenue New York, NY 10110 (212) 430-8700 [www.tigressfinancialpartners.com](http://www.tigressfinancialpartners.com)

**Research Report Disclaimer**

This report is produced for informational purposes only and is not a solicitation to buy or sell any securities or services from any companies or issuers mentioned herein or to participate in any particular trading strategy or in any jurisdiction in which such an offer or solicitation would violate applicable laws or regulations.

Tigress research is distributed in the United States by Tigress Financial Partners LLC a registered broker dealer with the Securities and Exchange Commission (SEC) and a member of the Financial Industry Regulatory Authority (FINRA) and in Brazil by Gradual Investimentos, Gradual CCTVM S/A, a financial institution authorized by the Central Bank of Brazil.

The information contained herein has been obtained or derived from sources believed to be reliable but its accuracy and completeness is not guaranteed and should not be the sole basis of any investment decision but only to be used as a factor in the investment decision process.

This report does not provide individually tailored investment advice and has been prepared without regard to the individual financial circumstances and investment objectives of any person(s) receiving it. The analysis and conclusions herein are not a complete analysis of every material fact respecting any company, industry, or security. The opinions expressed in this report reflect the judgment of the author(s) at this date and are subject to change without further notice. Tigress Financial Partners is under no obligation to provide updates to recipients of any previously issued reports or recommendations.

The market value and expected income from any investment may vary because of changes in interest rates or foreign exchange rates, securities prices or market indexes, operational or financial conditions of the underlying companies or other factors. Past performance is not indicative of future performance. Estimates of future performance, research ratings and target prices are based on assumptions that may not be realized. Unless otherwise stated, the cover page provides the most recently available closing price on the primary exchange for the subject company's securities/instruments.

Securities are offered through Tigress Financial Partners LLC a SEC Registered Broker Dealer and a member of FINRA / MSRB / SIPC which clears its securities transactions and provides custody of client accounts on a fully disclosed basis through Pershing LLC, a subsidiary of The Bank of New York Mellon.

Securities in your account are protected up to \$500,000 of which \$250,000 can be for claims for cash awaiting reinvestment. Please note that SIPC does not protect against loss due to market fluctuation. For additional information please go to [www.sipc.org](http://www.sipc.org).

In addition to SIPC protection, Pershing provides Tigress Financial Partners LLC client accounts coverage in excess of SIPC limits from Lloyd's of London, in conjunction with other insurance companies. The excess of SIPC coverage provides an aggregate loss limit of \$1 billion for eligible securities over all client accounts and a per-client loss limit of \$1.9 million for cash awaiting reinvestment within the aggregate loss limit of \$1 billion. The excess of SIPC coverage does not protect against loss due to market fluctuation. For additional information please go to [www.lloyds.com](http://www.lloyds.com).

Pershing's excess of SIPC coverage is provided by Lloyd's of London in conjunction with XL Specialty Insurance Co., Axis Specialty Europe Ltd., Great Lakes Reinsurance (UK) PLC and Ironshore Specialty Insurance Co.

**About Tigress Financial Partners LLC**

Tigress Financial Partners is a specialized financial services firm providing expertise and services in investment banking, investment research, asset management, corporate advisory and trade execution services.

Tigress Financial Partners provides its services to corporate entities, institutional investors, high-net worth individual investors, public and private pensions, federal, state and municipal governments.

Tigress Financial Partners LLC is a registered broker dealer with the Securities and Exchange Commission (SEC) and a member of the Financial Industry Regulatory Authority (FINRA), the Municipal Securities Rulemaking Board (MSRB) and the Securities Investor Protection Corporation (SIPC).

Tigress Financial Partners LLC is a Woman-Owned Business Enterprise (WBE) and is nationally certified by WBENC, the Women's Business Enterprise National Council.

Tigress Financial Partners LLC is a wholly-owned subsidiary of Tigress Holdings LLC and Gradual Holding Financeira S.A.

For further information please go to [www.tigressfinancialpartners.com](http://www.tigressfinancialpartners.com).

No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, scanning or otherwise without prior expressed permission in writing from Tigress Financial Partners LLC.

All trademarks, service marks and logos used in this report are trademarks or service marks or registered trademarks or service of their respective owners.

© 2015 Tigress Financial Partners LLC. All Rights reserved.

**Tigress Financial Partners LLC - Member of FINRA / MSRB / SIPC**

**Research: (646) 780-8880 [research@tigressfp.com](mailto:research@tigressfp.com)**

500 Fifth Avenue New York, NY 10110 (212) 430-8700 [www.tigressfinancialpartners.com](http://www.tigressfinancialpartners.com)