

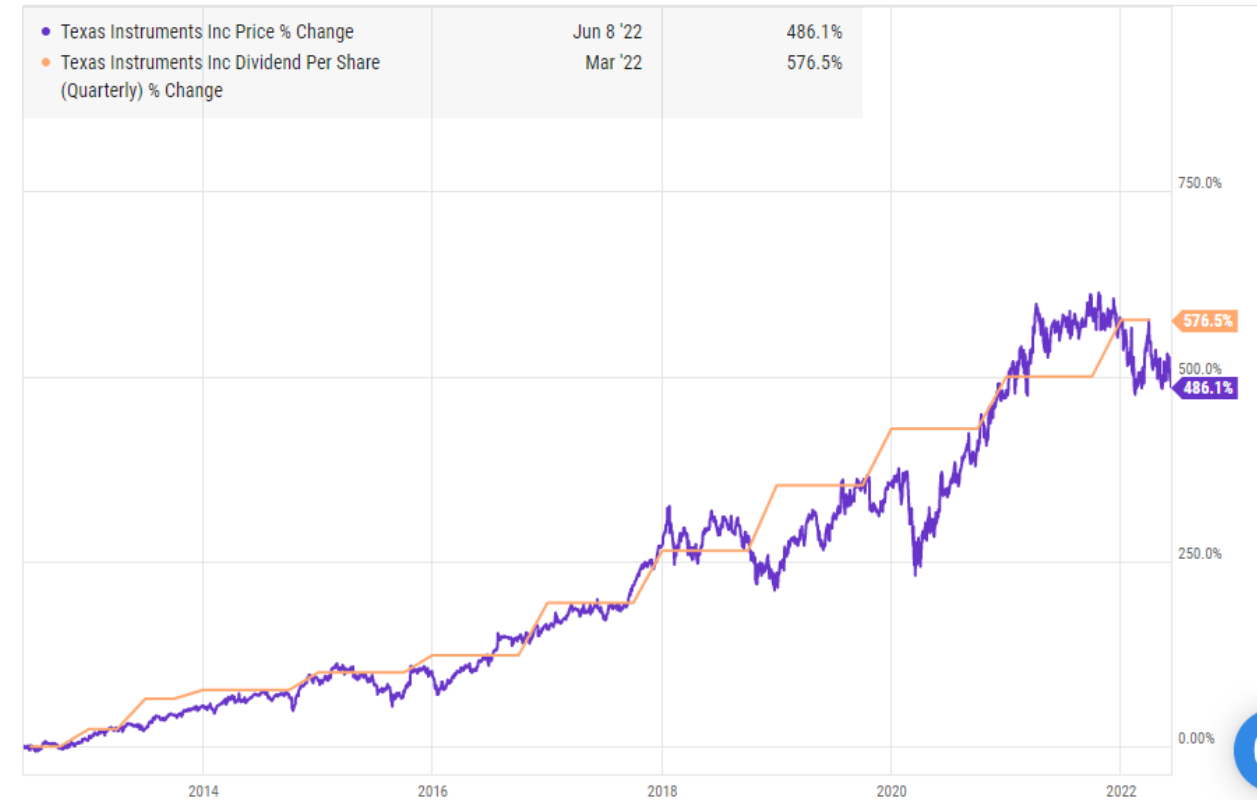
## The Outlook: June 8, 2022

### *Outstanding leaders: always rare, always worth knowing about.*

One of the best things about military history is that it tells the stories of real people under intense pressure, carrying crushing responsibilities. We all carry such burdens, of course; but the way we handle them in our private or business lives—well or poorly—tends to play out over a long time, so it's harder to “see” our stories at a glance, and harder to tell if we've done well or poorly. But those stories are unfolding nevertheless, and one of Outlook's most important jobs is to understand, in the business world, which leaders are doing “well or poorly” under their heavy burdens.

Business history is much foggier than military history . . . but outstanding leaders are just as rare. They face hard decisions under great pressure, and most do average-to-decent jobs of handling them. A few, though, accomplish things as daring and effective as anything in the military world—and at Outlook we usually want to own their companies. Let's glance at Texas Instruments.

### **Texas Instruments, 10 Years: Stock up 490%; Dividends 580%.**



TXN is a Tech company—making low-cost sensing chips planted in everything we touch, almost—but it's the farthest thing in the world from a “Celebrity Tech” company. It makes chips priced at 40 cents or so. But TXN's leaders, Rich Templeton and his team, have made some of the gutsiest decisions in the business world, these past 10 to 15 years. Again and again they've spent billions on new factories when the rest of the world seems to be falling down around them; or they've spent billions to build up their chip supplies when the rest of the world is canceling orders. Mr. Templeton gave a talk this week, and explained it this way, roughly:

“We make our hardest decisions looking ahead 15 to 20 years. Those decisions usually cost us money and popularity in the short run, because everyone else is doing the opposite when times are bad. But if we’re right, we’ll come out of the bad times farther ahead of our competitors: farther ahead in financial strength, in low-cost manufacturing, and especially in customer loyalty and goodwill. People are always asking, “When will this upcycle end, and how bad will the downcycle be?” We don’t care much about that question, because what the cycle is going to do is go up until it stops going up. Then it will go down. Then after it goes down, it will go up again. And we just don’t care that much because we know where we’re going over the next 20 years, and that’s what matters.”

How easy it is to say that . . . and how rare it is to find a business leader who really “walks that walk,” instead of merely “talking that talk.” At Outlook we’ve owned Texas Instruments for many years, and like Mr. Templeton we’ve never had the faintest idea “when each upcycle will end, and how bad the next downcycle will be,” and so on. But we’ve understood Mr. Templeton’s nerve and deep understanding of its business. That’s been more than enough. We’ll keep owning this company for a good while.

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