

# ModernGraham Valuation

Company Name:

Garmin Ltd.

Company Ticker GRMN

Date of Analysis

9/21/2015



## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

*Defensive Investor; must pass 6 out of the following 7 tests.*

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$6,974,562,283	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.37	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-25.10%	Fail
5. Earnings Growth			
6. Moderate PEmg Ratio	PEmg < 20	15.11	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.19	Pass

*Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.*

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	2.37	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Fail

### Suitability

<b>Defensive</b>	<b>Yes</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$2.43
MG Growth Estimate	-3.24%
<b>MG Value</b>	<b>\$5.58</b>
MG Value based on 3% Growth	\$35.25
MG Value based on 0% Growth	\$20.67
Market Implied Growth Rate	3.31%

### MG Opinion

Current Price	\$36.74
% of Intrinsic Value	658.88%
<b>Opinion</b>	<b>Overvalued</b>

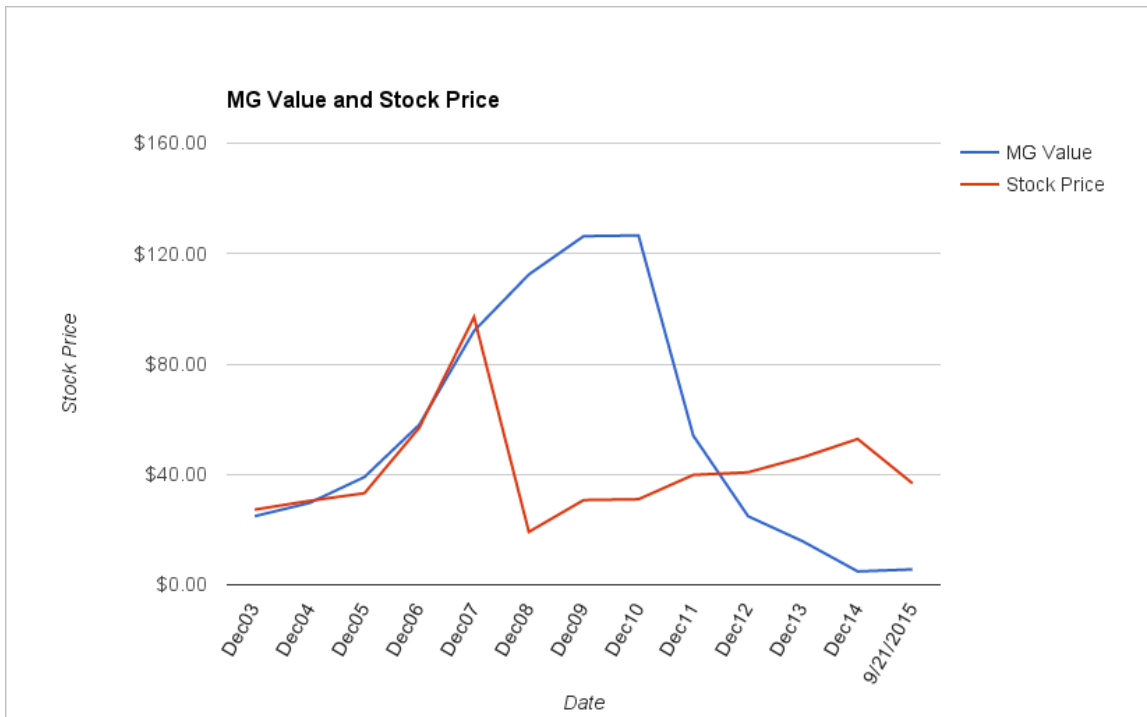
## Stage 3: Information for Further Research

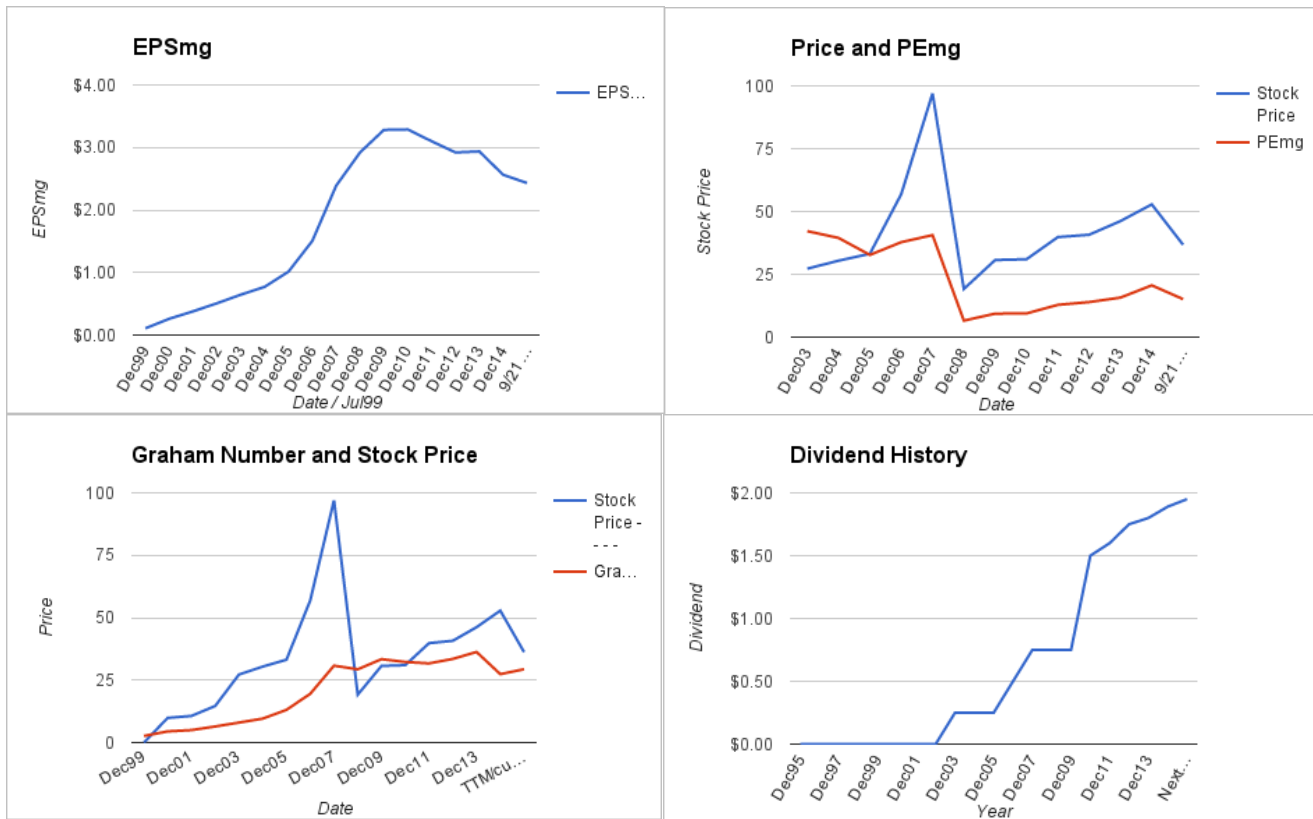
Net Current Asset Value (NCAV)	\$5.58
Graham Number	\$29.36
PEmg	15.11
Current Ratio	2.37
PB Ratio	2.19
Dividend Yield	5.31%
Number of Consecutive Years of Dividend Growth	6

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.28	Next Fiscal Year Estimate	\$2.43
Dec14	\$1.88	Dec14	\$2.56
Dec13	\$3.12	Dec13	\$2.94
Dec12	\$2.76	Dec12	\$2.92
Dec11	\$2.67	Dec11	\$3.10
Dec10	\$2.95	Dec10	\$3.29
Dec09	\$3.50	Dec09	\$3.28
Dec08	\$3.48	Dec08	\$2.92
Dec07	\$3.89	Dec07	\$2.39
Dec06	\$2.35	Dec06	\$1.51
Dec05	\$1.43	Dec05	\$1.01
Dec04	\$0.95	Dec04	\$0.77
Dec03	\$0.82	Dec03	\$0.65
Dec02	\$0.66	Dec02	\$0.51
Dec01	\$0.53	Dec01	\$0.38
Dec00	\$0.53	Dec00	\$0.26
Dec99	\$0.32	Dec99	\$0.11
Dec98	\$0.00	<b>Balance Sheet Information Jun15</b>	
Dec97	\$0.00	Total Current Assets	\$2,283,296,000
Dec96	\$0.00	Total Current Liabilities	\$961,681,000
Dec95	\$0.00	Long-Term Debt	\$0
		Total Assets	\$4,423,409,000
		Intangible Assets	\$222,968,000
		Total Liabilities	\$1,214,904,000
		Shares Outstanding (Diluted Average)	191,600,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

### Recommended Reading:

**Other ModernGraham posts about the company**

- [Garmin Limited Analysis – June 2015 Update \\$GRMN](#)
- [18 Companies in the Spotlight This Week – 3/15/15](#)
- [Garmin Limited Quarterly Valuation – March 2015 \\$GRMN](#)
- [26 Companies in the Spotlight This Week – 12/13/14](#)
- [23 Companies to Research This Week – 9/13/14](#)

**Other ModernGraham posts about related companies**

- [Texas Instruments Inc Analysis – September 2015 Update \\$TXN](#)
- [My Personal Holdings: Apple Inc. – September 2015 Update \\$AAPL](#)
- [The Best Stocks of the IT Hardware Industry – September 2015](#)
- [Seagate Technology PLC Analysis – September 2015 Update \\$STX](#)
- [Microchip Technology Inc. Analysis – September 2015 Update \\$MCHP](#)
- [KLA-Tencor Corporation Analysis – September 2015 Update \\$KLAC](#)
- [Avago Technologies Ltd Analysis – Initial Coverage \\$AVGO](#)
- [Arrow Electronics Inc. Analysis – Initial Coverage \\$ARW](#)
- [TE Connectivity Limited Analysis – August 2015 Update \\$TEL](#)
- [Broadcom Corporation Analysis – August 2015 Update \\$BRCM](#)