

ModernGraham Valuation

Company Name:

Garmin Ltd.

Company Ticker GRMN

Date of Analysis

2/15/2016



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	\$6,640,649,909	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	2.49	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	-26.44%	Fail
5. Earnings Growth	PEmg < 20	14.39	Pass
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.03	Pass
7. Moderate Price to Assets			

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	2.49	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

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.39
MG Growth Estimate	-3.45%
MG Value	\$5.65
MG Value based on 3% Growth	\$34.63
MG Value based on 0% Growth	\$20.30
Market Implied Growth Rate	2.94%

MG Opinion

Current Price	\$34.36
% of Intrinsic Value	608.13%
Opinion	Overvalued
MG Grade	B-

Stage 3: Information for Further Research

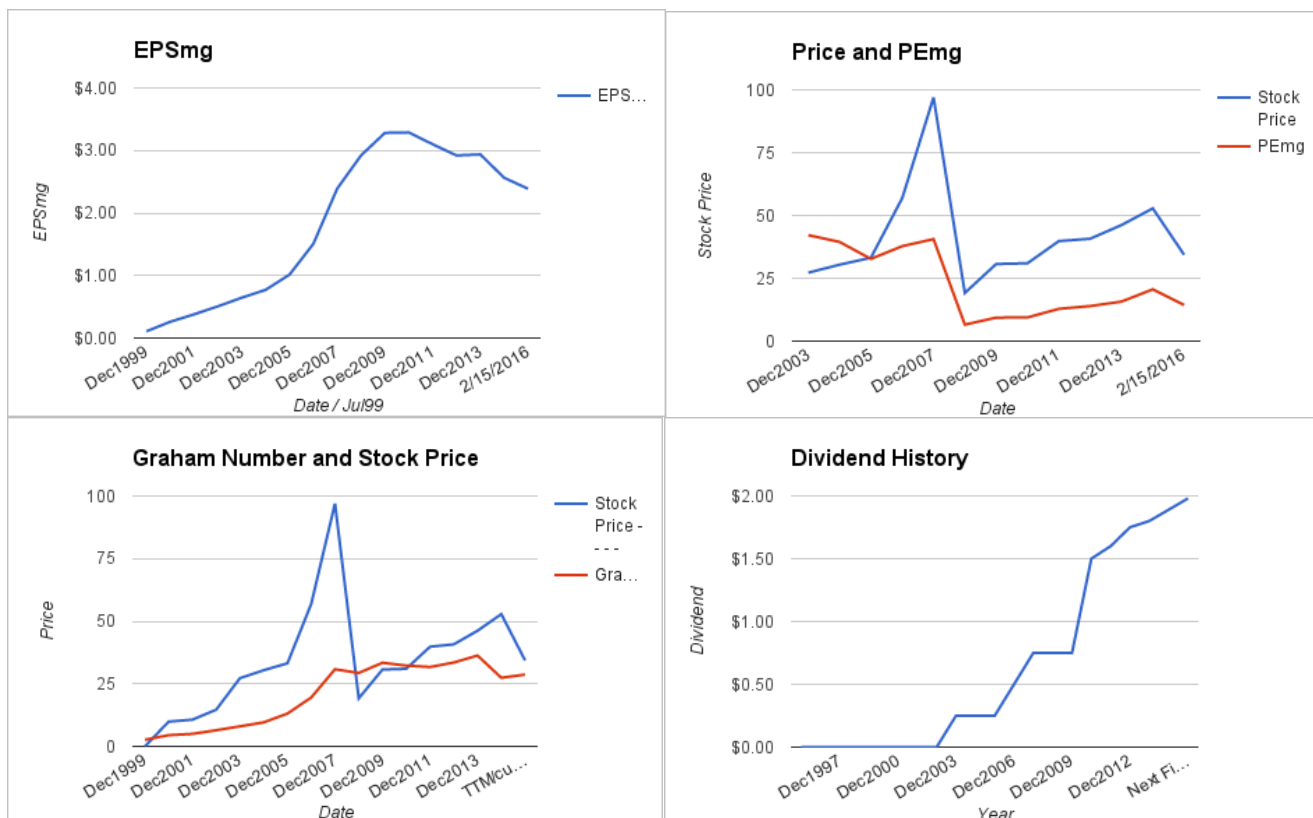
Net Current Asset Value (NCAV)	\$5.65
Graham Number	\$28.67
PEmg	14.39
Current Ratio	2.49
PB Ratio	2.03
Dividend Yield	5.76%
Number of Consecutive Years of Dividend Growth	6

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.15	Next Fiscal Year Estimate	\$2.39
Dec2014	\$1.88	Dec2014	\$2.56
Dec2013	\$3.12	Dec2013	\$2.94
Dec2012	\$2.76	Dec2012	\$2.92
Dec2011	\$2.67	Dec2011	\$3.10
Dec2010	\$2.95	Dec2010	\$3.29
Dec2009	\$3.50	Dec2009	\$3.28
Dec2008	\$3.48	Dec2008	\$2.92
Dec2007	\$3.89	Dec2007	\$2.39
Dec2006	\$2.35	Dec2006	\$1.51
Dec2005	\$1.43	Dec2005	\$1.01
Dec2004	\$0.95	Dec2004	\$0.77
Dec2003	\$0.82	Dec2003	\$0.65
Dec2002	\$0.66	Dec2002	\$0.51
Dec2001	\$0.53	Dec2001	\$0.38
Dec2000	\$0.53	Dec2000	\$0.26
Dec1999	\$0.32	Dec1999	\$0.11
Dec1998	\$0.00	Balance Sheet Information Sep2015	
Dec1997	\$0.00	Total Current Assets	\$2,231,953,000
Dec1996	\$0.00	Total Current Liabilities	\$894,656,000
Dec1995	\$0.00	Long-Term Debt	\$0
		Total Assets	\$4,388,472,000
		Intangible Assets	\$220,848,000
		Total Liabilities	\$1,153,787,000
		Shares Outstanding (Diluted Average)	190,822,000





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.

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company

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[Garmin Limited Analysis – June 2015 Update \\$GRMN](#)
[18 Companies in the Spotlight This Week – 3/15/15](#)
[Garmin Limited Quarterly Valuation – March 2015 \\$GRMN](#)
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[Texas Instruments Inc Valuation – February 2016 \\$TXN](#)
[Apple Inc Valuation – February 2016 \\$AAPL](#)
[Ametek Inc Valuation – February 2016 Update \\$AME](#)
[MTS Systems Corp Valuation – February 2016 Update \\$MTSC](#)
[Linear Technology Corp Valuation – January 2016 Update \\$LLTC](#)
[Seagate Technology PLC Valuation – January 2016 Update \\$STX](#)