

ModernGraham Valuation

Company Name:

Garmin Ltd.

Company Ticker GRMN

Date of Analysis

6/10/2018



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	\$12,251,089,671	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	3.93	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	3.40%	Fail
5. Earnings Growth	PEmg < 20	20.74	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.93	Fail
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	3.93	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 Score		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$2.98
MG Growth Estimate	2.45%
MG Value	\$39.96
MG Value based on 3% Growth	\$43.24
MG Value based on 0% Growth	\$25.35
Market Implied Growth Rate	6.12%

MG Opinion

Current Price	\$61.85
% of Intrinsic Value	154.79%
Opinion	Overvalued
MG Grade	C+

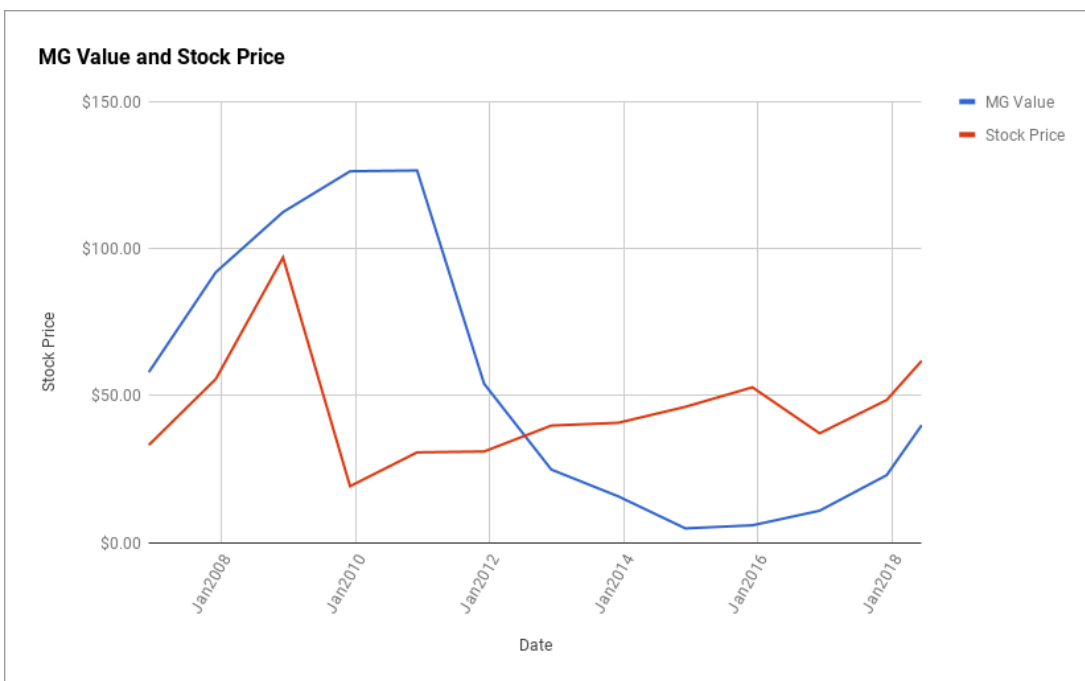
Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	\$7.04
Graham Number	\$37.24
PEmg	20.74
Current Ratio	3.93
PB Ratio	2.93
Current Dividend	\$2.04
Dividend Yield	3.30%
Number of Consecutive Years of Dividend Growth	8

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		Next Fiscal Year Estimate	
Dec2017	\$3.05	Dec2017	\$2.98
Dec2016	\$3.68	Dec2016	\$2.88
Dec2015	\$2.70	Dec2015	\$2.51
Dec2014	\$2.39	Dec2014	\$2.47
Dec2013	\$1.88	Dec2013	\$2.56
Dec2012	\$3.12	Dec2012	\$2.94
Dec2011	\$2.76	Dec2011	\$2.92
Dec2010	\$2.67	Dec2010	\$3.10
Dec2009	\$2.95	Dec2009	\$3.29
Dec2008	\$3.50	Dec2008	\$3.28
Dec2007	\$3.48	Dec2007	\$2.92
Dec2006	\$3.89	Dec2006	\$2.39
Dec2005	\$2.35	Dec2005	\$1.51
Dec2004	\$1.43	Dec2004	\$1.01
Dec2003	\$0.95	Dec2003	\$0.77
Dec2002	\$0.82	Dec2002	\$0.65
Dec2001	\$0.66	Dec2002	\$0.51
Dec2000	\$0.53	Balance Sheet Information	
Dec1999	\$0.53	3/1/2018	
Dec1998	\$0.32	Total Current Assets	\$2,191,283,000
	\$0.00	Total Current Liabilities	\$557,843,000
		Long-Term Debt	\$0
		Total Assets	\$4,855,222,000
		Intangible Assets	\$421,006,000
		Total Liabilities	\$858,029,000
		Shares Outstanding (Diluted Average)	189,292,000





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:

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ModernGraham
posts about the
company

[Garmin Ltd Valuation – March 2017 \\$GRMN](#)
[Garmin Limited Valuation – August 2016 \\$GRMN](#)
[Garmin Ltd Stock Valuation – February 2016 \\$GRMN](#)
[Garmin Limited Analysis – September 2015 Update \\$GRMN](#)
[Garmin Limited Analysis – June 2015 Update \\$GRMN](#)

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[Analog Devices Inc Valuation – June 2018 \\$ADI](#)
[IPG Photonics Corp Valuation – June 2018 \\$IPGP](#)
[Micron Technology Inc Valuation – May 2018 \\$MU](#)
[Amphenol Corp Valuation – May 2018 \\$APH](#)
[Xilinx Inc Valuation – May 2018 \\$XLNX](#)
[Western Digital Corp Valuation – May 2018 \\$WDC](#)
[Texas Instruments Inc Valuation – May 2018 \\$TXN](#)
[Qualcomm Inc Valuation – May 2018 \\$QCOM](#)