



Q4 2024 Earnings

February 19, 2025

**AMERICA'S  
BEST LARGE  
EMPLOYERS**

**Forbes  
2024**

POWERED BY STATISTA

**BEST EMPLOYERS  
FOR NEW GRADS**

**Forbes  
2024**

POWERED BY STATISTA

**TOP 10 EMPLOYER**

# Safe Harbor Statement

These materials include projections and other forward-looking statements regarding Garmin Ltd. and its business that are commonly identified by words such as “anticipates,” “would,” “may,” “expects,” “estimates,” “plans,” “intends,” “projects,” and other words or phrases with similar meanings. Any statements regarding the Company’s expected fiscal 2025 GAAP and pro forma estimated earnings, EPS, and effective tax rate, and the Company’s expected segment revenue growth rates, projected compound annual growth rate of Auto OEM, future profitability and revenue of Auto OEM, consolidated revenue, gross margins, operating margins, potential future acquisitions, share repurchase programs, currency movements, expenses, pricing, new product launches, market reach, statements relating to possible future dividends, and the Company’s plans and objectives are forward-looking statements. The forward-looking events and circumstances discussed in this release may not occur and actual results could differ materially as a result of risk factors and uncertainties affecting Garmin, including, but not limited to, the risk factors that are described in the Annual Report on Form 10-K for the year ended December 28, 2024 filed by Garmin with the Securities and Exchange Commission (Commission file number 001-41118). A copy of Garmin’s 2024 Form 10-K can be downloaded from <https://www.garmin.com/en-US/investors/sec/>. All information provided in this presentation and in the attachments is as of December 28, 2024. Undue reliance should not be placed on the forward-looking statements in this press release, which are based on information available to us on the date hereof. We undertake no duty to update this information unless required by law.

# Business Update

Cliff Pemble  
President and CEO

# Consolidated Q4 2024

Revenue

**\$1.82B**

23% y/y growth

Operating income

**\$516M**

52% y/y growth

Operating margin

**28.3%**

## BUSINESS INSIGHTS

- Record consolidated fourth quarter revenue
- Gross and operating margins expanded, resulting in record fourth quarter operating income
- Record pro forma EPS of \$2.41, up 40% over the prior year quarter

# Consolidated FY 2024

Revenue

**\$6.30B**

20% y/y growth

Operating income

**\$1.59B**

46% y/y growth

Operating margin

**25.3%**

## BUSINESS INSIGHTS

- Record consolidated full year revenue
- Gross and operating margins expanded, resulting in record full year operating income
- Since inception, Garmin has delivered over 300 million products
- Establishing our 2025 guidance
- Proposing a 20% increase in our dividend

# Fitness

## FY 2024

Revenue

**\$1.77B**

32% y/y growth

Operating income

**\$483M**

108% y/y growth

Operating margin

**27%**

## SEGMENT INSIGHTS

- Growth across all product categories, led by strong demand for our running products
- Launched Lily 2 Active, our smallest smartwatch with GPS
- 2025 revenue growth estimate: +10%

# Outdoor FY 2024

Revenue

**\$1.96B**

16% y/y growth

Operating income

**\$703M**

36% y/y growth

Operating margin

**36%**

## SEGMENT INSIGHTS

- Revenue growth led by strong demand for adventure watches
- Launched new halo products: the Approach R50 & Descent X50i
- 2025 revenue growth estimate: +10%

# Aviation FY 2024

Revenue  
**\$877M**  
4% y/y growth

Operating income  
**\$211M**  
7% y/y decline

Operating margin  
**24%**

## SEGMENT INSIGHTS

- Revenue growth in both OEM and aftermarket product categories
- Ranked No. 1 in product support for the 21st consecutive year
- Received the Aviation Week Laureate award for Runway Occupancy Awareness
- G3000 PRIME gains traction with OEMs
- 2025 revenue growth estimate: +5%

# Marine FY 2024

Revenue

**\$1.07B**

17% y/y growth

Operating income

**\$236M**

32% y/y growth

Operating margin

**22%**

## SEGMENT INSIGHTS

- Revenue growth primarily driven by the acquisition of JL Audio; organic growth of 6%, outperforming industry trends
- JL Audio home Pavilion outdoor speakers were honored with a Product Innovation Award from Home Technology Specialists of America
- 2025 revenue growth estimate: +4%

# Auto OEM

## FY 2024

Revenue

**\$611M**

44% y/y growth

Operating income

**(\$39M)**

Operating margin

**(6%)**

## SEGMENT INSIGHTS

- Revenue growth driven by increased shipments of domain controllers
- Business wins expand our domain controller customer base
- Expecting continued softness across the global OEM landscape
- 2025 revenue growth estimate: +7%

# Financial Update

Doug Boessen  
CFO and Treasurer

# Income Statement

## Q4

(in millions)	Q4 2024	Q4 2023	Y/Y
Net sales	\$1,823	\$1,483	23%
Gross profit	1,080	864	25%
<i>Margin %</i>	<i>59.3%</i>	<i>58.3%</i>	<i>100 bps</i>
Operating expenses	564	524	8%
Operating income	\$516	\$340	52%
<i>Margin %</i>	<i>28.3%</i>	<i>23.0%</i>	<i>540 bps</i>
GAAP EPS	\$2.25	\$2.82	(20)%
Pro Forma EPS	\$2.41	\$1.72	40%

# Income Statement

## Full Year

(in millions)	FY 2024	FY 2023	Y/Y
Net sales	\$6,297	\$5,228	20%
Gross profit	3,697	3,005	23%
<i>Margin %</i>	<i>58.7%</i>	<i>57.5%</i>	<i>120 bps</i>
Operating expenses	2,103	1,913	10%
Operating income	\$1,594	\$1,092	46%
<i>Margin %</i>	<i>25.3%</i>	<i>20.9%</i>	<i>440 bps</i>
GAAP EPS	\$7.30	\$6.71	9%
Pro Forma EPS	\$7.39	\$5.59	32%

# Revenue Q4

(in millions)	Q4 2024	Q4 2023	Change
Fitness	\$539	\$412	31%
Outdoor	629	486	29%
Aviation	237	217	9%
Marine	251	240	5%
Auto OEM	166	127	30%
<b>Total</b>	<b>\$1,823</b>	<b>\$1,483</b>	<b>23%</b>

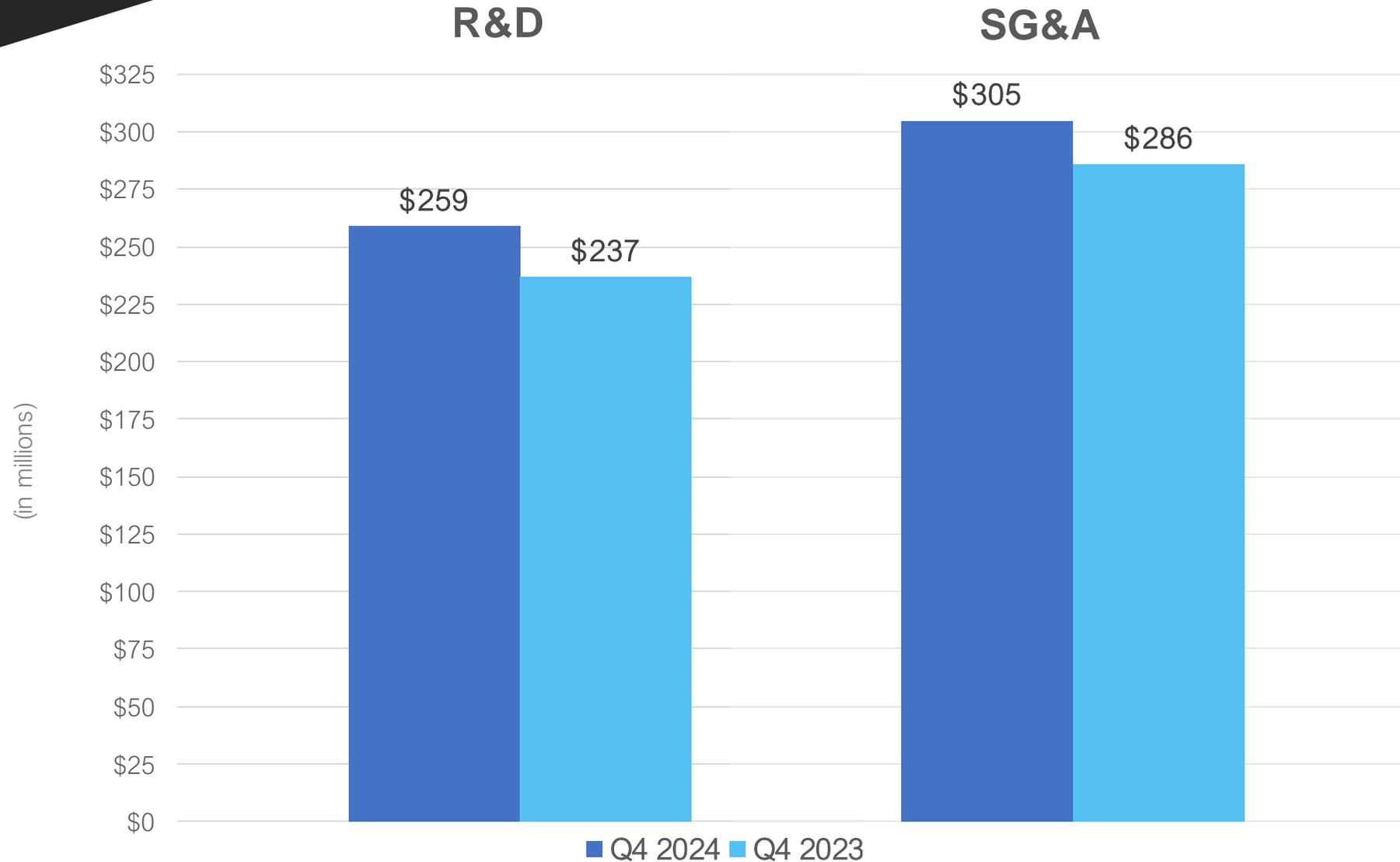
(in millions)	Q4 2024	Q4 2023	Change
Americas	\$855	\$733	17%
EMEA	701	523	34%
APAC	266	226	18%
<b>Total</b>	<b>\$1,823</b>	<b>\$1,483</b>	<b>23%</b>

# Revenue Full Year

(in millions)	FY 2024	FY 2023	Change
Fitness	\$1,774	\$1,345	32%
Outdoor	1,962	1,697	16%
Aviation	877	846	4%
Marine	1,073	917	17%
Auto OEM	611	423	44%
<b>Total</b>	<b>\$6,297</b>	<b>\$5,228</b>	<b>20%</b>

(in millions)	FY 2024	FY 2023	Change
Americas	\$3,036	\$2,614	16%
EMEA	2,319	1,776	31%
APAC	942	838	12%
<b>Total</b>	<b>\$6,297</b>	<b>\$5,228</b>	<b>20%</b>

# Operating Expenses



\* SG&A includes Advertising Expense. See Appendix for additional information.

# Other Financial Items

## FY 2024

### Balance Sheet

Cash and Marketable Securities

**\$3.70B**

Accounts Receivable

**\$983M**

Inventory

**\$1.47B**

### Cash Flow

Free Cash Flow

**\$1.24B**

Capital Expenditures

**\$194M**

Dividends Paid

**\$572M**

Share Repurchases

**\$62M**

### Taxes

Pro Forma  
Effective Tax Rate

**16.7%**

# Guidance

	2025
Revenue	\$6.80B
Gross margin	58.7%
Operating margin	25.0%
Pro forma Tax rate	16.5%
Pro forma EPS	\$7.80

All amounts and %'s are approximate.

**GARMIN<sup>▲</sup>**®

# Appendix

## February 19, 2025

## Non-GAAP Financial Information

To supplement our financial results presented in accordance with GAAP, this release includes the following measures defined by the Securities and Exchange Commission as non-GAAP financial measures: pro forma effective tax rate, pro forma net income (earnings) per share and free cash flow. These non-GAAP measures are not based on any comprehensive set of accounting rules or principles and should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP, and may be different from non-GAAP measures used by other companies, limiting the usefulness of the measures for comparison with other companies. Management believes providing investors with an operating view consistent with how it manages the Company provides enhanced transparency into the operating results of the Company, as described in more detail by category below.

The tables in the subsequent slides provide reconciliations between the GAAP and non-GAAP measures.

# Non-GAAP Financial Information

## *Pro forma effective tax rate*

The Company's income tax expense is periodically impacted by discrete tax items that are not reflective of income tax expense incurred as a result of current period earnings. Therefore, management believes the effective tax rate and income tax provision before the effect of certain discrete tax items are important measures to permit investors' consistent comparison between periods. In the full year 2024 there were no such discrete tax items identified.

(In thousands)

	13-Weeks Ended				52-Weeks Ended			
	December 28, 2024		December 30, 2023		December 28, 2024		December 30, 2023	
	\$	ETR <sup>(1)</sup>						
GAAP income tax provision (benefit)	\$ 80,405	15.6%	\$ (159,089)	(41.5)%	\$ 283,965	16.7%	\$ (89,280)	(7.4)%
Pro forma discrete tax items:								
Tax effect of state rate change <sup>(2)</sup>	—		—		—		(2,269)	
Switzerland deferred tax assets <sup>(3)</sup>	—		181,410		—		181,410	
Poland incentive tax credits <sup>(4)</sup>	—		12,116		—		12,116	
Pro forma income tax provision	\$ 80,405	15.6%	\$ 34,437	9.0%	\$ 283,965	16.7%	\$ 101,977	8.5%

(1) Effective tax rate is calculated by taking the income tax provision (benefit) divided by income before taxes, as presented on the face of the Condensed Consolidated Statements of Income.

(2) In third quarter 2023, the Company recognized \$2.3 million of tax expense due to the revaluation of deferred tax assets associated with the change in corporate income tax rate for the state of Kansas.

(3) Certain Switzerland deferred tax assets related to the enactment of Switzerland Federal and Schaffhausen cantonal tax reform were revalued in the fourth quarter of 2023, resulting in income tax benefit of \$181.4 million.

(4) In fourth quarter 2023, the Company recognized \$12.1 million of income tax benefit due to Auto OEM manufacturing tax incentives in Poland.

# Non-GAAP Financial Information

## *Pro forma net income (earnings) per share*

Management believes that net income (earnings) per share before the impact of foreign currency gains or losses and certain discrete income tax items, as discussed above, is an important measure in order to permit a consistent comparison of the Company's performance between periods.

(In thousands, except per share information)

	13-Weeks Ended		52-Weeks Ended	
	December 28, 2024	December 30, 2023	December 28, 2024	December 30, 2023
GAAP net income	\$ 435,734	\$ 542,125	\$ 1,411,436	\$ 1,289,636
Foreign currency gains / losses <sup>(1)</sup>	36,184	(19,488)	20,599	(26,434)
Tax effect of foreign currency gains / losses <sup>(2)</sup>	(5,637)	1,752	(3,450)	2,246
Pro forma discrete tax items <sup>(3)</sup>	—	(193,526)	—	(191,257)
Pro forma net income	\$ 466,281	\$ 330,863	\$ 1,428,585	\$ 1,074,191
GAAP net income per share:				
Basic	\$ 2.27	\$ 2.83	\$ 7.35	\$ 6.74
Diluted	\$ 2.25	\$ 2.82	\$ 7.30	\$ 6.71
Pro forma net income per share:				
Basic	\$ 2.43	\$ 1.73	\$ 7.44	\$ 5.61
Diluted	\$ 2.41	\$ 1.72	\$ 7.39	\$ 5.59
Weighted average common shares outstanding:				
Basic	192,075	191,363	192,060	191,397
Diluted	193,759	192,557	193,281	192,058

(1) Foreign currency gains and losses for the Company are driven by movements of a number of currencies in relation to the U.S. Dollar and the related exchange rate impact on the significant cash, receivables, and payables held in a currency other than the functional currency at a given legal entity. However, there is minimal cash impact from such foreign currency gains and losses.

(2) The tax effect of foreign currency gains and losses was calculated using the pro forma effective tax rate of 15.6% and 16.7% for the 13-weeks and fiscal year ended December 28, 2024, respectively, and the pro forma effective tax rate of 9.0% and 8.5% for the 13-weeks and fiscal year ended December 30, 2023, respectively.

(3) The 2023 discrete tax items are discussed in the pro forma effective tax rate section above.

# Non-GAAP Financial Information

## *Free cash flow*

Management believes that free cash flow is an important liquidity measure because it represents the amount of cash provided by operations that is available for investing and defines it as operating cash flows less capital expenditures for property and equipment. Management believes that excluding purchases of property and equipment provides a better understanding of the underlying trends in the Company's operations and allows more accurate comparisons of the Company's results between periods. This metric may also be useful to investors, but should not be considered in isolation as it is not a measure of cash flow available for discretionary expenditures. The most comparable GAAP measure is net cash provided by operating activities.

(In thousands)

	13-Weeks Ended		52-Weeks Ended	
	December 28, 2024	December 30, 2023	December 28, 2024	December 30, 2023
Net cash provided by operating activities	\$ 483,890	\$ 465,941	\$ 1,432,471	\$ 1,376,265
Less: purchases of property and equipment	(84,702)	(48,648)	(193,571)	(193,524)
Free Cash Flow	\$ 399,188	\$ 417,293	\$ 1,238,900	\$ 1,182,741

## Forward-looking financial measures

The forward-looking financial measures in our 2025 guidance do not consider the potential future net effect of foreign currency exchange gains and losses, certain discrete tax items and any other impacts that may be identified as pro forma adjustments in calculating the non-GAAP measures described above.

The estimated impact of foreign currency gains and losses cannot be reasonably estimated on a forward-looking basis due to the high variability and low visibility with respect to non-operating foreign currency exchange gains and losses and the related tax effects of such gains and losses. The impact on diluted net income per share of foreign currency gains and losses, net of tax effects, was \$0.09 per share for the 52-weeks ended December 28, 2024.

At this time, management is unable to determine whether or not significant discrete tax items will occur in fiscal 2025, estimate the impact of any such items, or anticipate the impact of any other events that may be considered in the calculation of non-GAAP financial measures.

## Change in Operating Expense Presentation

Certain prior period information presented has been recast to conform to the current period presentation. In the first quarter of 2024, the Company changed the presentation of operating expense to include advertising expense within selling, general, and administrative expenses on the Company's condensed consolidated statements of income, which management believes to be a more meaningful presentation. This change in presentation had no effect on the Company's consolidated operating or net income.