Tracking performance: A comprehensive valuation of Garmin

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Abstract

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Key words: Equity research, Garmin, health, fitness, outdoor and sport

Title: Tracking performance: A comprehensive valuation of Garmin

This dissertation provides a comprehensive equity valuation of Garmin Ltd., a global leader in GPS navigation, multisport wearables, and specialized aviation and marine technologies. The analysis aims to determine the fair value of Garmin's shares and assess whether the market price accurately reflects the company's underlying fundamentals. Using a combination of a DCF model and a relative valuation through trading multiples, the research integrates both intrinsic and market-based perspectives to obtain a balanced estimate of value.

The analysis incorporates Garmin's financial performance, capital structure, investment cycles, and its positioning within the rapidly expanding health, fitness, and outdoor-technology markets. The results indicate a weighted target price of $204.24 per share, representing a 0.68% upside (+0.68%) relative to the market price ($202.85) as of 31/12/2025. This suggests that while Garmin remains financially strong and well diversified operationally, its shares are trading close to fair value, implying limited upside and a largely balanced market expectation for near-term growth.

The conclusion of this dissertation is a hold recommendation, reflecting solid long-term prospects but limited immediate upside. The findings contribute to a deeper understanding of Garmin's financial resilience, competitive dynamics, and valuation drivers within the broader fitness/technology ecosystem.

Resumo

Autor: Justin Veilleux

Palavras-chave: Research de ações, Garmin, saúde, fitness, atividades ao ar livre e desporto
Título: Tracking performance: Uma avaliação abrangente da Garmin

Esta dissertação apresenta uma avaliação abrangente do capital próprio da Garmin Ltd., líder global em navegação por GPS, dispositivos *wearables* multidesportivos e tecnologias especializadas para os setores da aviação e marítimo. O objetivo da análise é estimar o valor das ações da Garmin e avaliar se o preço de mercado reflete adequadamente os fundamentos económicos da empresa. Para esse efeito, recorre-se a uma combinação de um modelo de Fluxos de Caixa Descontados (DCF) e de uma avaliação relativa baseada em múltiplos de mercado, integrando perspetivas intrínsecas e orientadas pelo mercado, de forma a obter uma estimativa equilibrada do valor.

A análise incorpora o desempenho financeiro da Garmin, a sua estrutura de capital, os ciclos de investimento e o seu posicionamento nos mercados de saúde, *fitness* e tecnologia *outdoor*, que se encontram em rápida expansão. Os resultados indicam um *target price* ponderado de 204,24 dólares por ação, o que representa um potencial de valorização de 0,68% face ao preço de mercado de 202,85 dólares em 31/12/2025. Estes resultados sugerem que, embora a Garmin se mantenha financeiramente sólida e operacionalmente bem diversificada, as suas ações estão a ser transacionadas próximo do seu valor justo, implicando um potencial de valorização limitado e expectativas de crescimento de curto prazo amplamente equilibradas.

A conclusão desta dissertação é uma recomendação de *manter* (*hold*), refletindo perspetivas de longo prazo sólidas, mas um potencial de valorização imediato reduzido. O estudo contribui para uma melhor compreensão da resiliência financeira da Garmin, da sua dinâmica competitiva e dos principais fatores que influenciam a sua avaliação no contexto mais amplo do setor de *fitness* e tecnologia.

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Acronyms

ADAS	Advanced Driver Assistance Systems
APAC	Asia-Pacific
BMW	Bayerische Motoren Werke
CAGR	Compound Annual Growth Rate
CAPEX	Capital Expenditures
CCC	Cash Conversion Cycle
CNY	Chinese Yuan
COGS	Cost of Goods Sold
D&A	Depreciation and Amortization
DCF	Discounted Cash Flow
DIO	Days Inventory Outstanding
DPO	Days Payables Outstanding
DSO	Days Sales Outstanding
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
EMEA	Europe, Middle East and Africa
EPS	Earnings per Share
ESG	Environmental, Social and Governance
EV	Enterprise Value
EV/EBITDA	Enterprise Value to EBITDA
EV/FCFF	Enterprise Value to Free Cash Flow to the Firm
EV/Revenue	Enterprise Value to Revenue

FAA Federal Aviation Administration

FCFF Free Cash Flow to the Firm

FX Foreign Exchange

FY Fiscal Year

GBP British Pound

GDP Gross Domestic Product

GNSS Global Navigation Satellite System

GPS Global Positioning System

GRMN Garmin Ltd. stock ticker

IPO Initial Public Offering

JL JL Audio

JPY Japanese Yen

M&A Mergers and Acquisitions

M/FCFE Market Value to Free Cash Flow to Equity

NHTSA National Highway Traffic Safety Administration

NWC Net Working Capital

NYSE New York Stock Exchange

OEM Original Equipment Manufacturer

P/E Price-to-Earnings Ratio

PESTEL Political, Economic, Social, Technological, Environmental and Legal

Q2 Second Quarter

R&D Research and Development

ROA Return on Assets

ROCE	Return on Capital Employed
ROE	Return on Equity
SAM	Serviceable Addressable Market
SEC	Securities and Exchange Commission
SG&A	Selling, General and Administrative
SWOT	Strengths, Weaknesses, Opportunities and Threats
TAM	Total Addressable Market
TWD	New Taiwan Dollar
USD	United States Dollar
WACC	Weighted Average Cost of Capital
WDI	World Development Indicators

Preface

This dissertation concludes an enriching year and a half of learning, collaboration, and personal growth. I am deeply grateful to my colleagues, whose support, teamwork, and shared commitment made this journey both challenging and inspiring. The knowledge gained throughout the program at Católica, together with the experiences we shared inside and outside the classroom, has shaped me academically and personally in ways I will carry forward. I would also like to express my sincere appreciation to the professors at Católica for their guidance and dedication, and especially to Fani Kalogirou, whose support in the Firm Valuation course and throughout this thesis was invaluable. To all who contributed to this journey, thank you for being an essential part of my development.

1. Introduction

Over the past decade, the global health, wellness, and fitness technology markets have expanded at an unprecedented pace as consumers embrace connected devices to track performance, monitor wellbeing, and support increasingly active lifestyles. Alongside this surge, adjacent categories such as outdoor recreation, cycling, marine navigation, and aviation instrumentation have also experienced rising demand, driven by broader lifestyle shifts toward adventure sports, safety-enhanced navigation, and high-precision geolocation technology. These trends have reshaped the competitive landscape for companies specializing in integrated hardware ecosystems, where accuracy, durability, and premium user experience are critical differentiators.

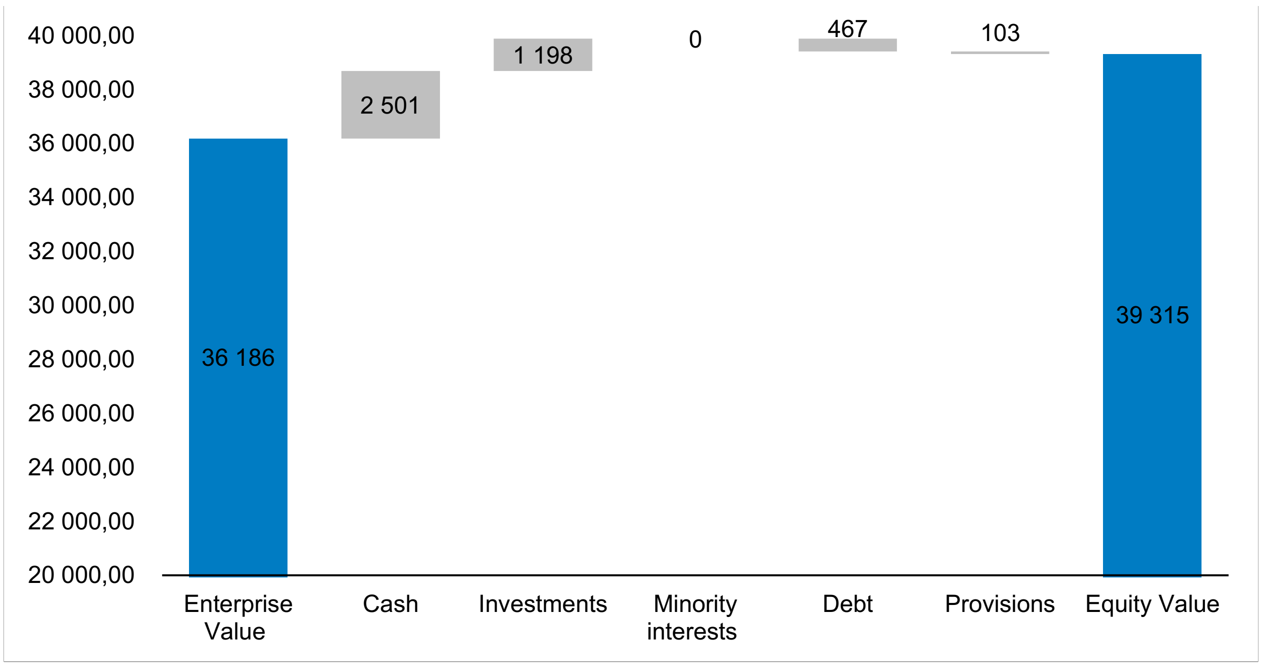
This paper presents an equity valuation of Garmin Ltd., a rising brand positioned at the intersection of global positioning system (GPS) navigation, health and fitness wearables, and specialized outdoor and aviation technologies. Founded in 1989, Garmin has grown from a niche navigation/equipment provider into a diversified global manufacturer operating across five segments: fitness, outdoor, aviation, marine, and original equipment manufacturer of automobile (OEM). The company has built a reputation for engineering excellence, robust product design, and a vertically integrated approach that ensures control over hardware, software, and mapping data. Garmin is a public company with a market capitalization of approximately $38.97 billion, as of 19/12/2025, supported by strong cash generation, a near debt-free balance sheet, and a loyal customer base. This paper aims to assess Garmin's value through a comprehensive financial framework that incorporates both historical performance trends and the company's strategic positioning within the rapidly expanding fitness-tech and navigation industries.

The central question of this research is therefore: What is the fair value of Garmin's shares, and why is the stock currently overvalued or undervalued by the market? To address these questions, I employed a valuation approach combining a DCF model with a relative multiples analysis using peer-group benchmarks. Weighting both methods (50% each) provides a balanced view of Garmin's value under conservative and market-based perspectives. The resulting weighted target price estimate is $204.24 per share, implying a 0.68% upside (+0.68%) relative to the market price ($202.85) as of 31/12/2025. The weighted enterprise value (EV) is $36.19 billion in the base case (see Figure 1) and ranges from $29.97 billion in the bear case to $41.84 billion in the bull case, reflecting varying scenario assumptions. On a per-share basis, the valuation spans between $171.97 in the bear case to $233.60 in the bull case, with the base case landing at $204.24.

Based on this assessment, the recommendation is a hold, indicating that while Garmin remains a fundamentally strong company with attractive long-term prospects, its current stock price already reflects much of its expected operational performance.

Figure 1

EV to equity value bridge - In mUSD



Source: Garmin Valuation.xlsx

2. Industry analysis

2.1. Industry overview

Garmin operates across five distinct industries. While wearable technology, driven by the fitness and outdoor segments, accounts for almost 60% of the revenue and growth in 2024, the company also competes in the avionics, marine electronics, and automotive OEM markets.

2.1.1 Fitness and outdoor

The wearable technology market has grown rapidly in recent years, driven by rising consumer demand for health, fitness, and wellness monitoring. In 2024, the global market was valued at approximately $84.20 billion and is forecast to reach about $186.14 billion by 2030 (Grand View Research, 2024). The wearable technology TAM (total addressable market) by region in 2024 is estimated at Americas: $33.70 billion (40%), APAC (Asia-Pacific): $27.80 billion (33%), and Europe, Middle East and Africa (EMEA): $22.70 billion (27%), with Garmin's SAM (serviceable addressable market) realistically representing around 20-30% of each regional market, or approximately $6.70 - 10.10 billion in the Americas, $5.60 - 8.30 billion in APAC, and $4.50 - 6.80 billion in EMEA, reflecting its premium positioning and niche focus (see Figure 2). Over the next five years, the global market is forecasted to grow at a 13.6% compounded annual growth rate (CAGR), implying that both regional TAM and Garmin's SAM should expand proportionally through 2030 (Grand View Research, 2024). Within the industry, wrist-worn devices such as smartwatches and fitness bands dominate, accounting for more than 58% of total revenue in 2024 (Grand View Research, 2024). Competition in the wearable fitness technology market is highly concentrated among a few dominant firms with strong brand equity and integrated ecosystems. High research and development (R&D) intensity, brand loyalty, and ecosystem lock-in create high entry barriers, making disruption in this market challenging and reinforcing the competitive advantages of established players.

2.1.2 Avionics industry

The global avionics market is witnessing robust expansion, with estimates of the market at approximately $44.68 billion in 2023 (Grand View Research, 2023). Regional estimates suggest that the 2023 avionics market totals approximately $20.11 billion in the Americas (45%), $13.40 billion in EMEA (30%), and $11.17 billion in APAC (25%), highlighting the dominant role of the Americas in overall market value. Garmin's serviceable addressable market is assessed at roughly

10-20% of each region, equivalent to around \$2.01 - 4.02 billion in the Americas, \$1.34 - 2.68 billion in EMEA, and \$1.12 - 2.23 billion in APAC (see Figure 2). With the global avionics market projected to grow at a 9.70% CAGR through 2030, both regional TAM and Garmin's accessible market are expected to expand steadily in line with this trajectory (Grand View Research, 2023). This growth is driven by increased integration of connected aircraft systems, efficiency demands, and modernization of cockpit infrastructure (MarketsandMarkets, 2025). Garmin competes in this environment by supplying flight decks, navigation and communication systems to both OEM and retrofit segments, where safety certification and reliability are critical competitive barriers.

2.1.3 Marine electronics

The marine electronics market is estimated at about \$6.66 billion in 2024, and it is forecast to reach \$9.73 billion by 2030 (Grand View Research, 2024). For the marine electronics industry, the 2024 TAM is regionally distributed as approximately Americas \$2.80 billion (42%), EMEA \$2.00 billion (30%), and APAC \$1.86 billion (28%). Based on Garmin's competitive position in premium marine navigation systems, its SAM is estimated at 15-25% of these markets, equating to roughly \$400-700 million in the Americas, \$300-500 million in EMEA, and \$280-470 million in APAC (see Figure 2). With the sector expected to grow at a 6.70% CAGR through 2030, both TAM and Garmin's serviceable market should expand steadily over the forecast period (Grand View Research, 2024). Key growth drivers include demand for advanced navigation, automation, sonar systems, connectivity, and integration of marine entertainment systems. Garmin's strength in combining hardware, software, mapping services, and integrations like JL Audio positions it well to capitalize on increasing demand for premium solutions in the boating and fishing markets.

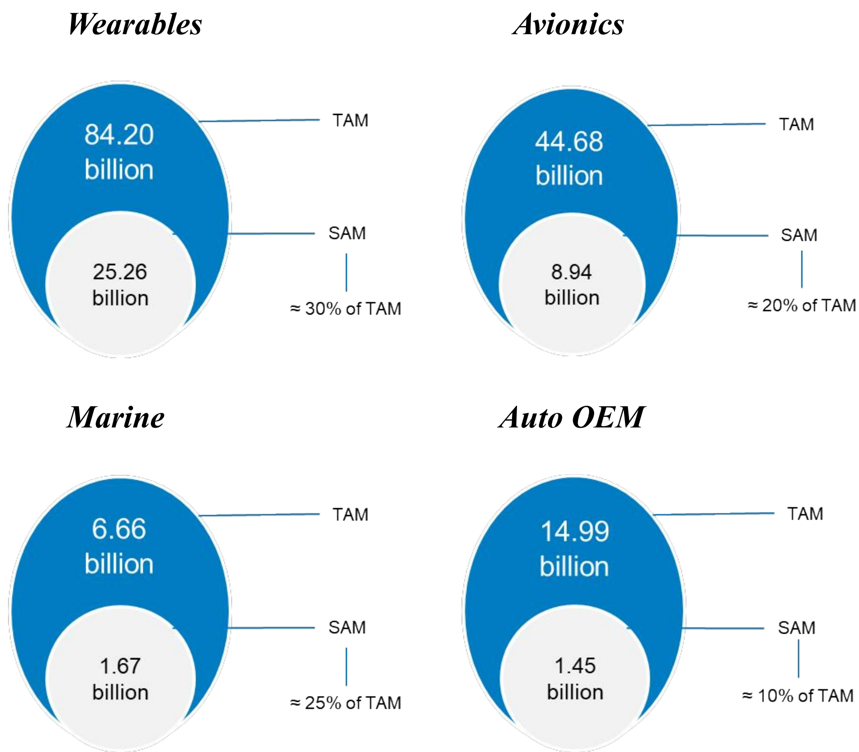
2.1.4 Car electronics and GPS

The global car electronics and GPS market is projected to grow from \$14.99 billion in 2024 to \$28.93 billion by 2030 (Grand View Research, 2023). For the car electronics and GPS industry, the 2023 TAM is regionally distributed as approximately Americas \$6.00 billion (40%), EMEA \$4.50 billion (30%), and APAC \$4.50 billion (30%). Given Garmin's more limited focus within automotive navigation, its SAM is estimated at 5-10% of these markets, equating to roughly \$300-600 million in the Americas, \$230-450 million in EMEA, and \$230-450 million in APAC (see Figure 2). With the market projected to grow at a 9.90% CAGR through 2030, both TAM and Garmin's serviceable market are expected to increase steadily over the forecast period (Grand View

Research, 2024). This expansion is fueled by rising adoption of connected cars, embedded navigation systems, infotainment modules, ADAS (advanced driver assistance systems) electronics, and domain controllers. Garmin's contract-based business model allows it to tap into this structural transition in automotive electronics while operating in a long-cycle environment.

Figure 2

Total addressable market and serviceable addressable market in the world – Per segment



Source: Grand View Research, 2024

2.2 Value / Supply chain overview

The value chain in the wearable fitness and outdoor technology industry, Garmin's largest market, begins with suppliers of semiconductors, sensors, batteries, and display components. These inputs are integrated into product design and software development, which determine differentiation through accuracy, usability, and connectivity. Assembly and manufacturing typically rely on contract manufacturers in Asia, but Garmin is distinct in maintaining vertically integrated operations with facilities in Taiwan, Poland, and the United States (Garmin, 2024). This integration enhances quality control, allows faster product iteration, and reduces reliance on third parties.

Distribution occurs both through large retail networks and increasingly through direct-to-consumer channels such as Garmin.com, which accounted for over 10% of total sales in 2024, reflecting a strategic shift toward higher-margin channels. (Garmin, 2024). Garmin's supply chain is highly centralized in Taiwan, where over 95% of production takes place (IWO, 2025), creating significant exposure to geopolitical risk, limited cost flexibility, and slower response times. While a small portion of entry-level models is produced in mainland China, Garmin relies on a global supplier base for key components such as GPS chips, sensors, batteries, and displays, sourced from firms including Airoha, Samsung, LG, Sharp, and Bosch. Finished products are shipped from Kaohsiung and Tainan to major markets in Europe and North America, leaving logistics vulnerable to disruptions, as seen during the Red Sea crisis in 2025.

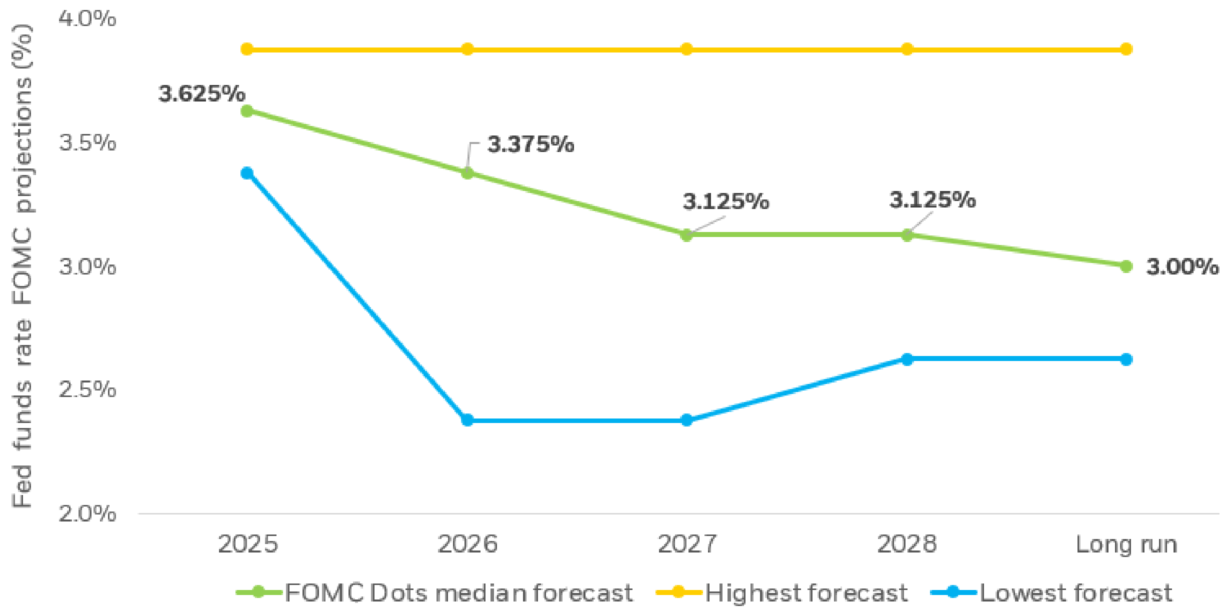
2.3 Political, economic, social, technological, environmental and legal analysis

Garmin operates in a highly international environment, and political factors significantly influence its supply chain and market access. The company manufactures a large portion of its products in Taiwan, making it vulnerable to geopolitical tensions in East Asia, where rising U.S./China rivalry and the risk of instability could disrupt operations (Garmin, 2024). Trade policies and tariffs also affect costs, particularly in consumer electronics, where U.S./China tariffs on components and finished products have previously raised uncertainty (IMF, 2019; Zhang, 2024). In aviation and automotive, government policies play a central role, as products must comply with regulatory bodies such as the Federal Aviation Administration (FAA), EASA, and National Highway Traffic Safety Administration (NHTSA) before entering the market (Garmin, 2024).

Macroeconomic conditions directly impact Garmin's demand profile. Consumer-facing segments such as fitness and outdoor are cyclical, with discretionary spending patterns sensitive to inflation, interest rates, and currency fluctuations. For example, in 2022 Garmin's revenue declined by 2%, with management attributing a $228.00 million headwind to unfavorable foreign exchange movements (Garmin, 2022). U.S. interest rates are also expected to decline in the coming years, which should support higher valuation (see Figure 3). Conversely, aviation and marine are more resilient, supported by fleet modernization and aftermarket demand that is less tied to short-term consumer cycles. Automotive, however, remains exposed to automaker cost pressures and long development lead times. Global gross domestic product (GDP) growth, exchange rate volatility, and raw material inflation thus remain key external drivers.

Figure 3

Fed outlook 2026: Rate forecasts and fixed income strategies



Source: iShares, 2025

Shifting consumer lifestyles represent a major tailwind for Garmin's core business. Rising global awareness of health, fitness, and wellness continues to fuel demand for smartwatches and wearables that track heart rate, sleep, and training performance. Outdoor recreation and adventure tourism are also expanding: the global recreational and outdoor products market was valued at $137.70 billion in 2024, driven by rising participation in hiking, camping, and watersports (Global Market Insights, 2024). Broader social acceptance of digital health monitoring, including integration into healthcare and insurance programs, reinforces the long-term growth outlook for Garmin's Fitness and Outdoor products.

Rapid technological change is reshaping Garmin's industries. In wearables, advances in sensors, battery performance, and connectivity set the pace for innovation. Apple and Samsung dominate through integration with their broader ecosystems, creating a strong competitive benchmark. Garmin invests heavily in R&D, spending $994 million in 2024 (16% of revenue), consistently above 15.00% of sales for the past decade (Garmin, 2024). This commitment supports differentiation through features such as solar charging, multi-band global navigation satellite system (GNSS) accuracy, and advanced sport analytics. In automotive, the expansion of connected cars and advanced driver assistance systems (ADAS) is a key technological driver, with the global connected car market projected to grow from $96.20 billion in 2024 to $284.00 billion by 2033 (IMARC Group, 2024). Aviation and marine also benefit from digitization, as integrated flight decks, autopilot systems, and sonar technologies evolve.

Sustainability pressures increasingly shape the electronics industry. Governments and consumers are pushing for reduced carbon emissions, lower energy usage, and circular economy principles (Circular Electronics Platform, 2023; Global Electronics Association, 2025). Garmin emphasizes durable design and extended product lifecycles, positioning longevity as both a product advantage and a sustainability contribution (Garmin, 2024). Marine and aviation are particularly affected by environmental regulation, as efficiency and emissions standards incentivize digital solutions that optimize navigation and performance (Garmin, 2024). Moreover, supply chain emissions and responsible sourcing are becoming priorities for technology firms, requiring Garmin to demonstrate progress in ESG reporting to maintain investor confidence (Garmin, 2024).

Garmin faces a complex regulatory landscape across its markets. Aviation and automotive products must undergo rigorous certification processes before commercial deployment, creating both barriers to entry and legal obligations. For instance, avionics must comply with FAA and EASA requirements (FAA Regulations, 2023), while automotive domain controllers must meet evolving safety and cybersecurity regulations. Legal risks are also linked to intellectual property, as the competitive wearables market has historically seen patent disputes among major players. A recent example is Garmin's legal dispute with Strava regarding data-sharing rights and platform interoperability, which highlighted the legal complexities surrounding ownership and use of user-generated fitness data (Cyclingnews, 2025). Ensuring compliance across diverse jurisdictions is therefore essential for Garmin to sustain its global footprint.

2.4. Key drivers and trends

The outlook for Garmin's core markets remains positive, underpinned by several structural drivers. Consumers increasingly expect devices that measure advanced metrics such as sleep quality, heart rate variability, and training recovery. This is reinforced by broader societal trends, including greater health awareness, the adoption of digital lifestyles, and the integration of fitness data into healthcare and insurance ecosystems. Another critical driver is technological innovation, with longer battery life, solar charging, and satellite connectivity enhancing the value proposition of Garmin's premium devices.

In outdoor technology, demand is supported by growing interest in adventure tourism and outdoor recreation, where safety features such as SOS satellite communication and reliable GPS mapping drive adoption. Similarly, aviation and marine electronics are driven by fleet modernization, safety regulations, and demand for integrated digital solutions, which sustain high margins despite slower growth rates compared with wearables. Finally, in automotive electronics, the expansion of connected cars and advanced infotainment platforms represents a long-term growth driver, though pricing pressure and long development cycles constrain near-term profitability.

2.5. Overview of key players

Garmin competes with a diverse set of companies across its five business segments, ranging from global consumer electronics giants to specialized technology firms. The competitive landscape is most intense in the fitness and outdoor segments, which together represent nearly 60% of Garmin's revenue (Garmin, 2024). In wearables and fitness technology, Apple and Samsung are the dominant global players, leveraging their extensive ecosystems and brand recognition to capture large portions of the smartwatch and fitness tracker markets (Counterpoint Research, 2025). Apple's integration of the Apple Watch within the iOS ecosystem gives it a strong lock-in effect, while Samsung benefits from synergies with Android and its Galaxy ecosystem (Counterpoint Research, 2025). Huawei and Xiaomi also represent significant competitors, particularly in Asia, where they combine affordability with growing brand credibility (MarketDataForecast, 2025). Niche players such as Fitbit (Google), Whoop, Polar, Suunto, Oura, and Coros focus on health metrics, sports performance, or specialized training tools.

In outdoor technology, competition extends beyond smartwatches to include GPS handheld devices, dog-tracking systems, and satellite communicators. Here, Garmin again faces Apple and Samsung as indirect competitors, as their smartwatches encroach on outdoor use cases. At the same time, traditional technology and lifestyle brands such as Casio, TAG Heuer, and Tissot compete in the premium watch segment, while companies like TomTom, Trackman, Zoleo, and Vista Outdoor provide navigation, tracking, or adventure-specific devices (Garmin, 2024).

The aviation segment presents a markedly different set of competitors. Garmin faces large aerospace and defense companies such as Honeywell Aerospace, Collins Aerospace (Raytheon), Thales, and Safran, which dominate the commercial aviation and defense markets (Garmin, 2024). Niche avionics firms including Aspen Avionics, Avidyne, Dynon Avionics, and Genesys Aerosystems compete in smaller subsegments such as general aviation and experimental aircraft. ForeFlight and Jeppesen (Boeing) add competition in software and flight planning solutions.

In marine electronics, Garmin competes with specialized companies such as Furuno, Johnson Outdoors, Navico (Brunswick), and Raymarine (Teledyne) (Garmin, 2024). These firms provide sonar, chartplotters, radars, and other navigation tools for recreational and professional marine customers. Competition centers on innovation in sonar accuracy, integration of mapping services, and user-friendly interfaces.

Finally, in automotive OEM electronics, Garmin's principal competitors are large Tier-1 suppliers including Bosch, Continental, Aptiv, Panasonic, Alpine Electronics, Visteon, and Harman (Samsung) (Garmin, 2024). These companies dominate the supply of infotainment platforms, domain controllers, and advanced driver assistance systems (ADAS). Garmin's role as a contract-based supplier positions it in direct competition with these players, though its contracts with BMW and other automakers demonstrate credibility in this highly competitive market (Garmin, 2022). Automotive is characterized by high buyer power from automakers and long development cycles, which present challenges for Garmin's profitability compared with its other segments (see Figure 4).

Figure 4

Key competitors per segment

Source: Garmin Valuation.xlsx

2.6. Competitive analysis

Understanding Garmin's positioning requires an assessment of the competitive dynamics shaping the industries in which it operates. Porter's five forces provides a structured framework to evaluate the intensity of rivalry, barriers to entry, bargaining power, and substitution risks (see Appendix A). Given that fitness and outdoor represent nearly 60% of Garmin's revenues, the analysis centers on the wearable fitness technology industry, while also considering aviation, marine, and automotive segments where competitive forces differ.

Competition is most intense in the wearable fitness technology industry, Garmin's largest market. Global smartwatch shipments in 2024 were dominated by Apple with roughly 28% share, followed by Samsung at 9%, while Garmin held about 11%, positioning it as the second-largest player worldwide (Counterpoint, 2025; PhoneArena, 2024). Unlike Apple and Samsung, which compete through ecosystem integration and brand scale, Garmin focuses on performance-driven niches such as endurance sports and outdoor exploration. This strategy reduces head-to-head competition but still exposes Garmin to high rivalry in terms of innovation, pricing, and consumer attention. In contrast, rivalry in aviation and marine is lower due to regulatory barriers and fewer competitors, while automotive pits Garmin against large Tier-1 suppliers such as Bosch and Continental (Garmin, 2024).

Entry barriers in wearables are significant, as new players would require heavy investments in R&D, brand building, and software ecosystems. Apple and Samsung benefit from integrated operating systems, while Garmin's differentiation relies on vertical integration and sport-specific specialization. New entrants may emerge in niche medical wearables, but large-scale disruption is unlikely. Barriers are even higher in aviation and marine, where certification and long development cycles deter newcomers, whereas in automotive, capital intensity and automaker control limit entry, though technology firms are showing interest in connected car solutions.

Supplier power is moderate in fitness and outdoor. Garmin relies on global suppliers for semiconductors, sensors, and batteries, but vertical integration mitigates some of this dependency by giving the company control over assembly and quality (Garmin, 2024). Semiconductor shortages during the pandemic demonstrated supplier leverage in critical components. Supplier power is weaker in aviation and marine, where Garmin develops much of its avionics and marine systems in-house. In automotive, automakers themselves function as dominant buyers, effectively shifting the balance of power away from Garmin.

Consumers in wearables have strong bargaining power because switching costs are low, and brand loyalty tends to be concentrated in larger ecosystems. However, Garmin's niche customers: athletes and outdoor enthusiasts, are less price-sensitive and show greater loyalty, since Garmin's devices offer long battery life, rugged durability, and advanced performance metrics. Buyer power in aviation and marine is lower due to high switching costs associated with certification and training requirements. Automotive customers, by contrast, are large automakers that hold substantial power in contract negotiations, volumes, and pricing.

Substitution risk is high in wearables, as smartphones and low-cost fitness trackers can replace some of the functionality of premium devices. Garmin must therefore continue to innovate to justify premium pricing. In aviation and marine, substitution risk is minimal since there are no viable alternatives to certified avionics or sonar systems. Automotive faces a medium level of substitution, as smartphone-based navigation can displace embedded systems, though domain controllers and integrated cockpits provide functionality that consumer devices cannot replicate.

Porter's framework highlights that Garmin's most competitive pressures occur in fitness and outdoor, where rivalry, buyer power, and substitution risks are strongest. The company mitigates these forces through product specialization and vertical integration. Meanwhile, aviation and marine provide stability with high margins and strong barriers to entry, while automotive OEM remains a growth opportunity but exposes Garmin to intense buyer power and lower profitability.

3. Garmin company analysis

3.1. Business model

Garmin Ltd. operates a vertically integrated business model that combines product innovation, in-house manufacturing, and global distribution across multiple industries. Since its founding in 1989, the company has built expertise in global positioning systems (GPS) and sensor-based technologies, expanding into five principal segments: fitness, outdoor, aviation, marine, and automotive OEM. Since inception, Garmin has delivered more than 300 million products, including 18 million units in 2024 alone, illustrating the scale and resilience of its operations (Garmin, 2024).

The company's ability to generate value is anchored in continuous innovation, vertical integration, and brand credibility. Innovation is supported by substantial R&D, which amounted to nearly $994 million in 2024, representing 16% of total sales. This ratio has consistently exceeded 15% for the past decade (see Appendix B), underscoring the company's sustained commitment to engineering intensity as a competitive advantage.

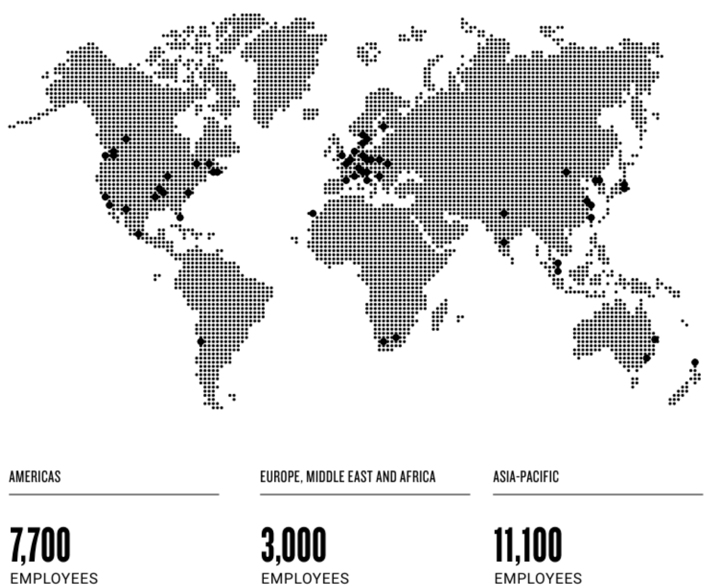
Vertical integration is another defining element of the business model. Garmin designs, manufactures, and assembles most of its products in-house, with facilities in Taiwan, the United States, the Netherlands, Poland, and China. This structure provides economies of scale, ensures rigorous quality control, and accelerates time-to-market while reducing reliance on contract manufacturers (Garmin, 2024). Such integration also enhances flexibility in navigating supply chain disruptions and product lifecycle management.

Garmin's revenue model remains primarily hardware-driven, but the company supplements this with software, subscription services, and data-based offerings. Distribution is diversified across indirect channels such as distributors, retailers, OEM partners, and direct-to-consumer sales through Garmin.com and branded retail stores. Direct sales through its direct distribution accounted for more than 10% of total revenue in 2024, highlighting their growing strategic role in customer engagement and margin capture (Garmin, 2024).

Diversification across segments and geographies adds resilience. Fitness and outdoor target the consumer wearables market, aviation and marine cater to professional and highly regulated applications, and auto OEM develops long-term partnerships with global car manufacturers. For example, Garmin has supplied infotainment and navigation solutions to Mercedes-Benz since 2013 and has ongoing partnerships with BMW, Toyota, and Ford to integrate domain controllers and in-dash systems into their vehicles (Garmin, 2013; Automotive World 2019). Geographic diversification further strengthens the model, with Garmin employing 21,800 people across the Americas, Asia-Pacific, and EMEA as of year-end 2024 (see Figure 5).

Figure 5

Employees per region



Source: Garmin 2024 Corporate Impact Report

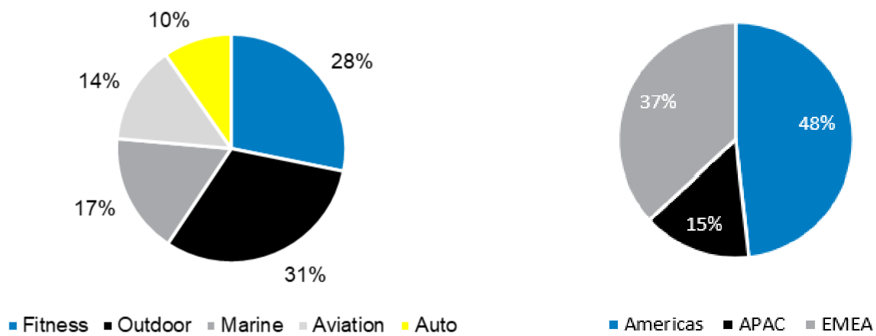
Financial results confirm the effectiveness of this model. In 2024, Garmin reported record revenue of $6.30 billion, up 20.44% year-over-year, with a gross margin of 58.70% and earnings before interest and taxes (EBIT) margin of 25.31% (Garmin, 2024). These results demonstrate both strong demand in core markets and the benefits of operational leverage derived from fixed R&D and manufacturing costs. While the integrated model provides structural advantages, risks remain in areas such as geopolitical exposure in Taiwan, intensified competition in wearables from Apple and Samsung, and the limited contribution of recurring revenues relative to hardware sales.

3.2. Business Segments

Garmin organizes its activities into five segments, each targeting different end-markets with distinct growth and profitability profiles. The following figure (Figure 6) demonstrates revenue distribution between the five segments. Appendix C provides visual support of main products for each segment.

Figure 6

Revenue per segment & aera in FY24



Source: Garmin Valuation.xlsx

3.2.1 Fitness

The fitness segment generated $1.77 billion in revenue in 2024, representing 28.18% of total company sales. Growth was 31.97% year-over-year, reflecting strong demand for wearables, cycling products, and multisport devices. Over the long term, fitness has expanded steadily, delivering a 10-year CAGR of 11.59% between FY15 and FY24, driven by the global acceleration of health, wellness, and performance-tracking technologies. Growth has been more moderate in the recent period, with a 4-year CAGR of 7.73% between FY20 and FY24, reflecting post-pandemic normalization and temporary foreign exchange (FX)-related pressures in FY22 (-27.67% in fitness revenue). The product portfolio includes running and cycling watches, multisport devices, smartwatches, and connected health products. Although the segment operates in one of Garmin's most competitive markets, dominated by large ecosystem players, Garmin differentiates itself through superior durability, long battery life, advanced sport-oriented features, and strong credibility among endurance athletes.

3.2.2 Outdoor

The outdoor segment generated $1.96 billion in revenue in 2024, representing 31.16% of total company sales. Sales increased 15.60% year-over-year, supported by strong demand for premium adventure watches such as the Fēnix, Epix, and Instinct families, as well as handheld GPS devices, dog-tracking systems, and inReach satellite communicators. Over the long term, outdoor has been Garmin's fastest-growing segment, expanding at a 10-year CAGR of 18.96% between FY15 and FY24, driven by rising participation in outdoor recreation and sustained demand for rugged, GPS-enabled multisport wearables. Growth has remained robust even in the more recent period, with a 4-year CAGR of 14.84% from FY20 to FY24, reflecting continued momentum in premium outdoor devices and recurring satellite communication services. Adventure watches account for the majority of outdoor revenue, supported by premium pricing, high brand loyalty, and strong repeat-purchase behavior among outdoor and endurance users.

3.2.3 Aviation

The aviation segment generated $876.61 million in revenue in 2024, representing 13.92% of total company sales. Growth was 3.58% year-over-year, reflecting longer certification cycles and the slower pace of expansion typical of general and business aviation markets. Over the past decade, the segment delivered a steady 9.15% CAGR, supported by ongoing fleet modernization and the adoption of integrated digital flight systems. Recently, aviation has grown at a resilient 8.92% CAGR from FY20 to FY24, driven by stable retrofit demand and sustained interest in Garmin's integrated cockpit displays, navigation systems, and flight-control technologies. Despite slower top-line growth relative to consumer segments, Aviation remains a high-margin business with long product lifecycles and strong customer retention.

3.2.4 Marine

The marine segment generated $1.07 billion in revenue in 2024, accounting for 17.04% of total sales. Revenue increased 17.04% year-over-year, driven by strong demand for chartplotters, sonar systems, radars, and the incremental contribution of JL Audio acquired in 2023 (Garmin, 2023). Over the long term, the segment has expanded at a solid 15.79% CAGR from FY15 to FY24, supported by rising adoption of advanced marine electronics and integrated onboard systems. Marine delivered a 13.02% CAGR between FY20 and FY24, reflecting steady growth in recreational boating and continued upgrades to premium navigation and sonar equipment.

Although partly influenced by discretionary spending, marine benefits from a broad hardware ecosystem and recurring demand for high-performance navigation technologies.

3.2.5 Automotive

The automotive OEM segment generated $610.62 million in revenue in 2024, representing 9.70% of total sales. Revenue grew 44.28% year-over-year, driven primarily by higher shipments of domain controllers, including Garmin's program for BMW's iDrive 9 platform used in the X3 model (Garmin, 2024). Over the long term, the segment has contracted at a -5.96% CAGR from FY15 to FY24, reflecting the decline of legacy portable navigation devices. However, performance has stabilized more recently, posting a 7.32% CAGR between FY20 and FY24 as automotive electronics programs ramped across customers such as BMW, Mercedes-Benz, Toyota, and Ford. Despite strong revenue momentum in 2024, the segment reported an operating loss of $39 million due to long development cycles, high upfront engineering costs, and the capital-intensive nature of automotive programs (Garmin, 2024). While Automotive OEM represents a strategic long-term growth option, its current economics remain dilutive, meaning value creation depends on scale effects and margin normalization over time.

Overall, fitness and outdoor accounted for 59.34% of revenue in 2024, making them the principal growth drivers. Aviation and Marine added stability through high-margin professional applications, while Automotive OEM provided a strategic foothold in the connected-car ecosystem at the expense of short-term profitability.

3.3. Customers and end-markets

Garmin serves a broad and diversified customer base across both consumer and professional markets. Fitness and outdoor cater to athletes, cyclists, health-conscious consumers, and outdoor enthusiasts through products such as Forerunner, Venu, fēnix, and inReach devices. Aviation customers include aircraft OEMs and aftermarket operators in general and business aviation, while marine customers are recreational boaters, fishers, and commercial operators purchasing chartplotters, sonar, and audio systems. Automotive OEM customers are large global automakers such as BMW, Mercedes-Benz, Toyota, and Ford, which contract Garmin for infotainment, navigation, and domain controllers including the BMW iDrive 9 platform (Garmin, 2024). Sales are geographically diversified, with the Americas accounting for 48.22% of revenue in 2024, EMEA 36.83%, and Asia-Pacific 14.95%.

3.4. ESG Materiality & Sustainability Strategy

Garmin's ESG approach emphasizes environmental stewardship, employee well-being, and ethical governance. On the environmental side, the company focuses on reducing greenhouse gas emissions, improving energy efficiency in its global facilities, and extending product lifecycles through durable design and repair services (Garmin, 2024). Social initiatives include promoting diversity and inclusion across its 21,800 employees worldwide, employee wellness programs, and community engagement in education and environmental projects. Governance is anchored in a long-standing board structure, compliance with international regulations, and a strong code of conduct. While Garmin does not rely heavily on ESG branding compared to consumer tech peers, its strategy is integrated into operations through vertical manufacturing control, supply chain oversight, and responsible product innovation, aiming to balance profitability with sustainability commitments (see Appendix D).

3.5. Leadership & Governance

Garmin operates under a traditional governance framework with a board of directors responsible for oversight and strategic direction. The company is incorporated in Switzerland and adheres to both Swiss corporate governance standards and U.S. Securities and Exchange Commission (SEC) reporting requirements. Leadership is centered around CEO Clifton Pemble, who has been with Garmin since 1989 and became chief executive in 2013, reflecting strong continuity in management (Garmin, 2024). The board is composed of a majority of independent directors with diverse backgrounds in technology, finance, and industry, ensuring balanced oversight. Garmin emphasizes long-term shareholder value creation through conservative financial management, vertical integration, and sustained R&D investment. Its governance structure is reinforced by a comprehensive code of conduct, risk management policies, and active shareholder engagement. This framework has supported strategic stability and credibility, particularly in navigating competitive markets and technological transitions. See Appendix E for visual support of the board.

3.6. Key Financial Metrics

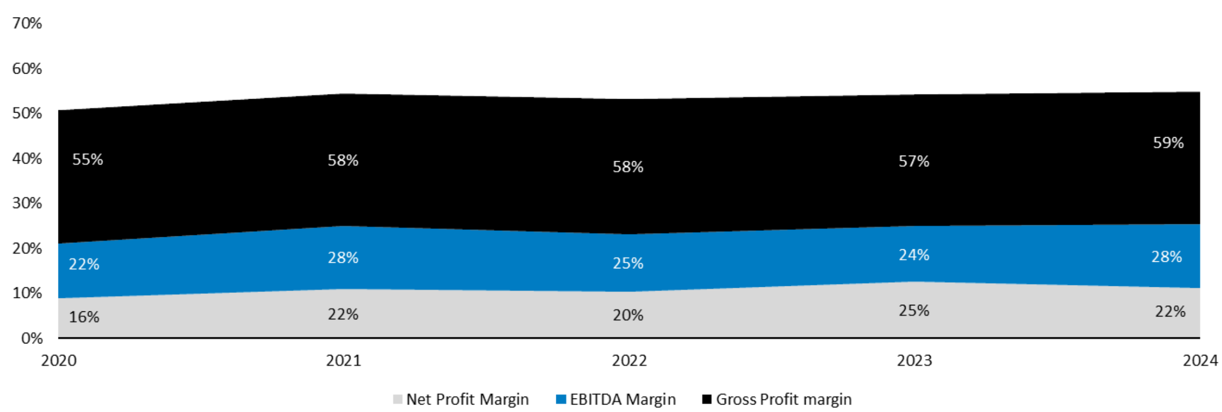
For full visual summary of all key financial metrics, see Appendix F.

3.6.1 Profitability

Over the past ten years, Garmin has demonstrated consistently strong and resilient profitability, outperforming many peers in the consumer electronics and specialty devices industry. Gross profit margins remained exceptionally stable in a narrow 54.56% to 59.45% range, well above typical industry benchmarks (usually 30% to 40% for hardware-focused companies), reflecting Garmin's premium pricing, strong brand equity, vertical integration, and high-margin product mix in categories such as fitness, outdoor, and aviation. Operating profitability also improved materially, with EBIT margins rising from 19.49% in 2015 to 25.31% in 2024, despite occasional drops linked to currency effects and product-mix shifts. Earnings before interest, taxes, depreciation and amortization (EBITDA) margins followed a similar trajectory, expanding from 22.27% to roughly 28.17%, which is significantly higher than competitors like Fitbit (pre-acquisition), GoPro, and even tech-device players whose EBITDA margins often remain below 20%. Net profit margins also strengthened, from 16.18% in 2015 to 22.41% in 2024, highlighting Garmin's disciplined cost structure, lean operations, and lack of financial leverage (see Figure 7).

Figure 7

Key margins – FY20 to FY24

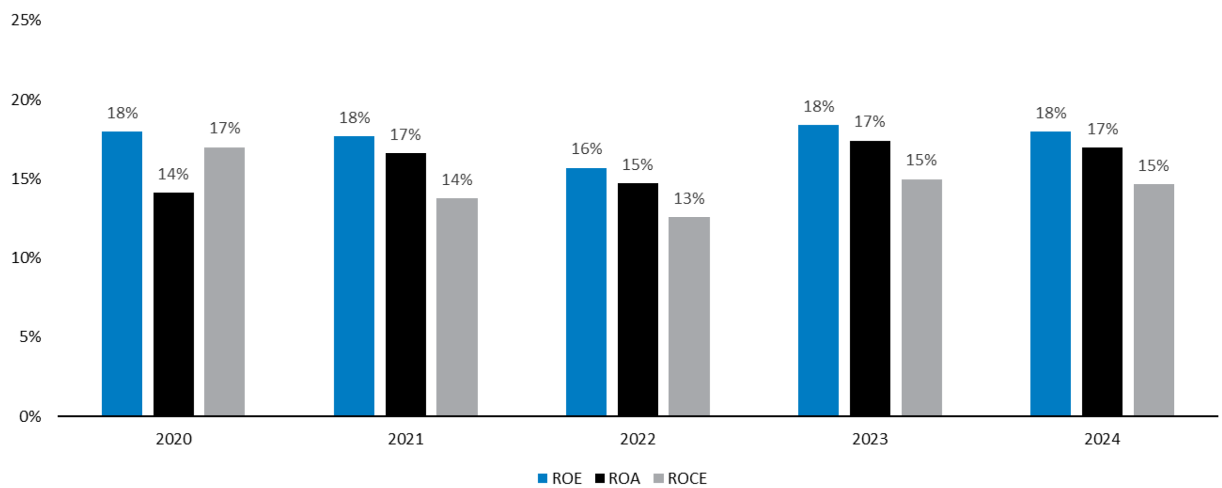


Source: Garmin Valuation.xlsx

Garmin's profitability ratios highlight a resilient and efficient business model. Return on equity (ROE) consistently ranged from 13.64% to 19.87%, impressive given the absence of financial leverage, while return on capital employed (ROCE) tracked closely at 12.82% to 18.74%, reflecting strong operating efficiency despite significant cash holdings. Return on assets (ROA) of 10.14% to 15.45% further underscores solid asset productivity (see Figure 8). Compared with peers, Garmin's returns exceed those of most hardware manufacturers, outpace companies like Samsung and former wearable rivals, and remain remarkably stable over time. This profitability profile positions Garmin among the strongest operators in the consumer electronics and wearables landscape.

Figure 8

ROE, ROA and ROCE – 2020 to 2024



Source: Garmin Valuation.xlsx

3.6.2 Liquidity

Garmin maintains exceptionally strong liquidity throughout the 2015 to 2024 period. The current ratio consistently sits well above industry norms, rising from 2.55x in 2015 to 3.54x in 2024, reflecting a steadily expanding cushion of current assets over short-term liabilities. The quick ratio, which removes inventory, also remains comfortably high, fluctuating between 2.00x and 2.56x, demonstrating that Garmin can cover its short-term obligations using only its most liquid assets. This stability is supported by sizeable and growing current asset balances, even as inventories increased with business expansion. Combined with the company's virtually debt-free balance sheet, these liquidity metrics point to very low financial risk and underline Garmin's ability to self-finance operations and growth without relying on external borrowing.

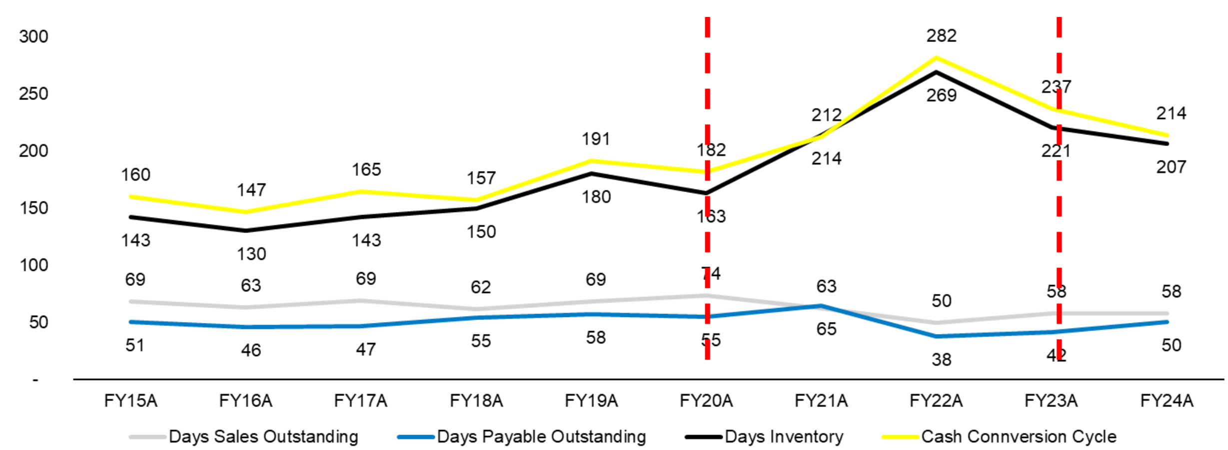
3.6.3 Operational efficiency

Garmin's operational efficiency metrics show relatively stable collection and payment patterns but a structurally high days inventory outstanding (DIO). Days sales outstanding (DSO) ranges from roughly 50 to 74 days, indicating that customers generally pay within two months, with only modest year-to-year variation. Days payables outstanding (DPO) ranges from about 38 to 65 days, suggesting Garmin maintains moderate bargaining power with suppliers, neither paying extremely quickly nor extending payables aggressively. In contrast, DIO is consistently high, fluctuating between 130 and 269 days, with peaks such as 214 days in 2021 and 269 days in 2022, which heavily influence the cash conversion cycle (CCC). These elevated inventory levels reflect the nature of Garmin's multi-segment hardware business: the company must support long product lifecycles in aviation and marine, carry broad SKU assortments across fitness and outdoor, and build stocks ahead of seasonal demand peaks.

Garmin also discloses the need for higher component inventories to protect production against supply chain volatility, particularly after global semiconductor shortages (Garmin, 2024). Combined with the long development cycles in automotive and regulatory requirements in aviation, these structural factors lead to slow inventory turnover and thus a persistently high DIO relative to consumer electronics companies. The pronounced spike in DIO during the COVID period reflects widespread supply chain disruptions and semiconductor shortages, which led Garmin, like many manufacturers, to temporarily accumulate excess safety stock to secure production and mitigate uncertainty (see Figure 9). This abnormal inventory build-up is viewed as cyclical rather than structural. For valuation purposes, inventory levels are therefore assumed to revert toward pre-COVID norms as supply chains continue to normalize.

Figure 9

DPO, DSO, DIO and CCC – FY15 to FY24



Source: Garmin Valuation.xlsx

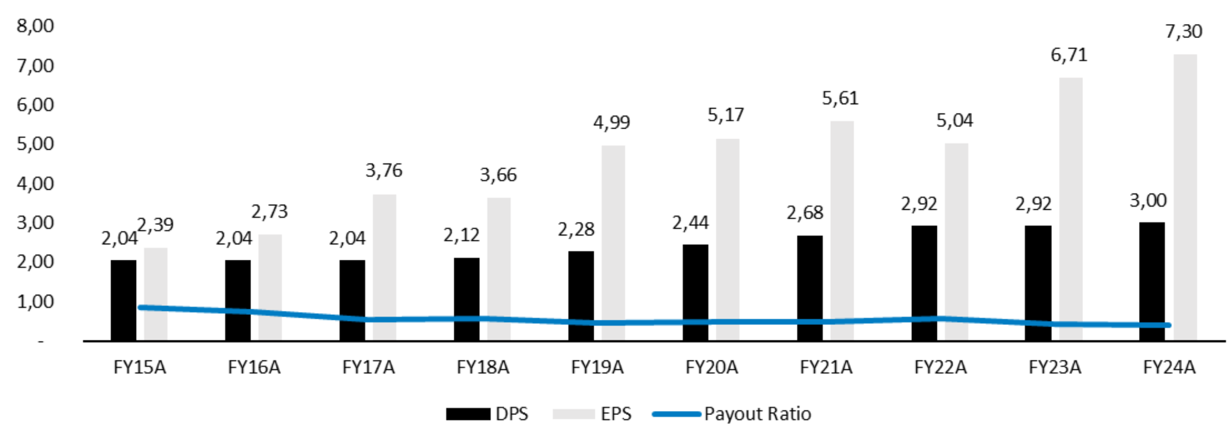
3.6.4 Dividend structure and shares

Garmin's dividend structure shows a steadily rising DPS, increasing from $2.04 in FY15 to $3.00 in FY24 (see Figure 10), reflecting a consistent and shareholder-friendly payout policy. Over the same period, earnings per share (EPS) have grown much faster, causing the payout ratio to fall from 85% to around 41%, signaling stronger earnings coverage and greater financial flexibility.

Garmin's equity structure is very simple, consisting of a single class of common shares with one vote per share and no preferred stock or convertible securities. As a Swiss-incorporated company trading on the New York Stock Exchange (NYSE), Garmin pays dividends from tax-advantaged capital contribution reserves, and shareholder approval is required annually. With low debt, minimal buybacks, and a stable share count around 193 million diluted shares, the company's capital structure is clean, transparent, and shareholder-friendly (Garmin, 2024).

Figure 10

DPS, EPS and Payout ratio – FY15 to FY24



Source: Garmin Valuation.xlsx

3.7 Mergers and acquisitions strategy

Garmin's M&A strategy is best characterised as a disciplined bolt-on acquisition approach focused on reinforcing its core segments of fitness, outdoor, aviation and marine rather than undertaking large transformational deals. For instance, in 2016 Garmin announced the acquisition of DeLorme Publishing Company, bringing in two-way satellite communications and mapping technology to bolster its outdoor and navigation ecosystem (Garmin, 2016). In 2017, Garmin acquired Navionics

S.p.A., a leading provider of electronic nautical charts, thereby enhancing its marine electronics offering (Reuters, 2017). More recently, in 2023 Garmin announced its acquisition of JL Audio, further expanding its premium onboard systems in marine and vehicle segments (Outdoor Sports Wire, 2023). These targeted acquisitions align with Garmin's objective of expanding functionality, deepening ecosystem integration, and driving innovation, while maintaining financial discipline and preserving its brand focus, positioning M&A as a strategic and selective lever for sustainable long-term growth.

3.8 Strengths, weaknesses, opportunities and threats analysis

Garmin's greatest strength lies in its diversified business model across five segments, with fitness and outdoor providing growth, and aviation and marine offering high-margin stability. The company's vertical integration allows for strict quality control, faster innovation cycles, and reduced dependence on contract manufacturers (Garmin, 2024). A further strength is its sustained R&D intensity, with $994 million invested in 2024, a number consistently above 15% of revenues for the past decade. This supports product differentiation and a reputation for reliability. Additionally, Garmin benefits from a global footprint, with sales balanced across the Americas (48.22%), EMEA (36.83%), and Asia-Pacific (14.95%), reducing regional concentration risk.

Despite its strengths, Garmin remains heavily reliant on hardware sales, with limited recurring revenues from software and subscriptions. This contrasts with consumer technology peers that increasingly leverage services to stabilize cash flows. The automotive OEM segment, though strategically important, continues to dilute profitability, reporting an operating loss of $39 million in 2024 due to long development cycles and high upfront costs (Garmin, 2024). Brand recognition in wearables is also narrower compared with global technology giants such as Apple and Samsung, restricting Garmin's reach beyond niche and performance-oriented users.

Growing demand for wearable and health-oriented devices continues to support Garmin's fitness and outdoor segments. In value terms, the wearable technology industry is projected to expand from $84.20 billion in 2024 to $186.14 billion by 2030, representing a CAGR of 13.60% (Grand View Research, 2024). Garmin is well positioned to capture this growth through differentiated products targeting health-conscious consumers and outdoor enthusiasts.

Beyond wearables, the company benefits from structural opportunities in other segments. In aviation, the long-term demand for avionics and flight systems is supported by fleet modernization and the increasing adoption of digital cockpit technologies. In marine, growth is underpinned by premium demand for integrated navigation, sonar, and entertainment systems. In automotive OEM, rising demand for connected-car solutions creates a long-term opportunity. Furthermore, Garmin's expertise in GPS and GNSS technologies positions it to benefit from the rapid expansion of the satellite navigation market, which is projected to reach $472.16 billion for GPS by 2034 and record strong growth across GNSS applications from 2025 to 2032 (Precedence Research, 2024). These developments provide multiple avenues for Garmin to leverage its innovation capabilities and strengthen its presence across consumer, professional, and enterprise markets.

Garmin faces intense competition in consumer wearables from Apple, Samsung, and other large players with greater ecosystem integration and marketing power. In aviation and marine, the company competes with established players such as Honeywell, Collins Aerospace, and Raymarine. Macroeconomic risks such as inflation, currency fluctuations, and consumer spending cycles can directly affect demand in fitness, outdoor, and marine. Additionally, Garmin's vertically integrated manufacturing exposes it to geopolitical risks in regions like Taiwan, where much of its production capacity is located (Garmin, 2024). Rapid technological shifts, particularly in automotive electronics and digital health ecosystems, also pose a threat if Garmin fails to keep pace with innovation at scale.

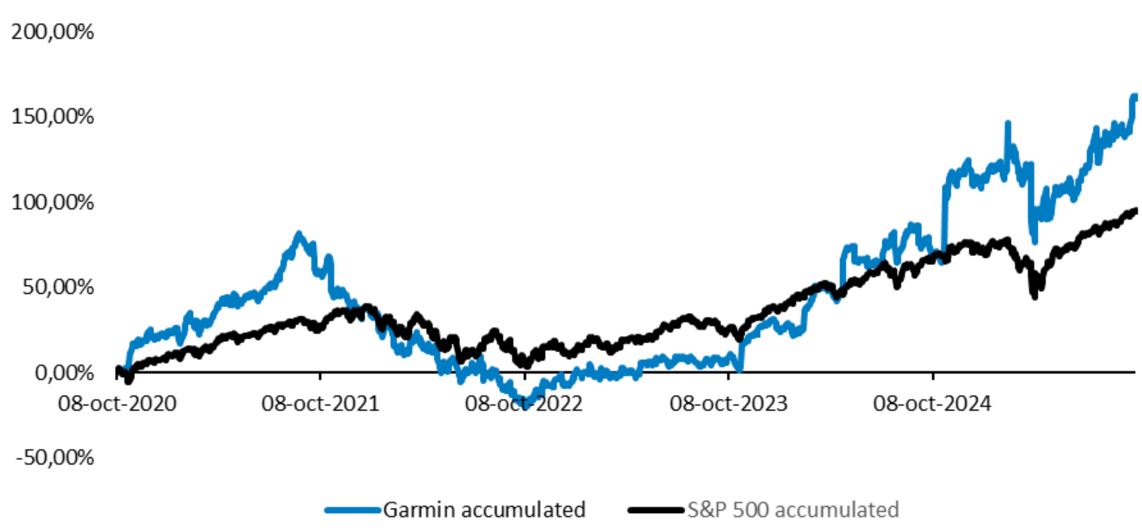
4. Garmin stock performance

4.1. Historical stock trends

Garmin Ltd. (ticker GRMN) began trading on the NASDAQ with its initial public offering (IPO) on December 8, 2000 at an opening price of approximately $14.00 per share ($7.00 per share post-split) (Garmin, 2024). The company now has about 192.49 million shares outstanding (Yahoo Finance, 2025). In 2010, Garmin redomiciled from the Cayman Islands to Switzerland to strengthen governance and align its legal structure with its global operations. This resulted in a technical relisting on the NASDAQ Global Select Market, though the trading venue remained the same (Garmin, 2010). In terms of recent performance, the stock's 52-week range as of 14/11/2025 spans from a low of approximately $169.26 to a high near $261.69 (see Figure 11), reflecting notable volatility as investor sentiment reacted to product cycle updates and macroeconomic uncertainty (Yahoo Finance, 2025).

Figure 11

Stock Performance – Garmin & S&P – Last 5 years



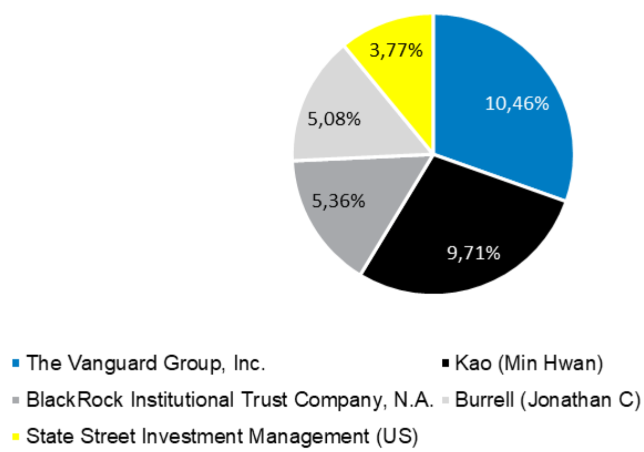
Source: Garmin Valuation.xlsx

4.2. Shareholder structure & capital allocation

Garmin's shareholder base is dominated by large institutional investors, which collectively hold a substantial portion of the company's outstanding shares and play a central role in influencing governance and capital-market expectations. According to MarketScreener, the largest institutional holder is The Vanguard Group, owning approximately 10.46% of Garmin's shares. The company's co-founder and Executive Chairman, Min H. Kao, remains a major individual shareholder with roughly 9.71% ownership (see Figure 12). BlackRock Advisors is another key institutional investor, holding about 5.36%, while long-time insider Jonathan Burrell controls around 5.08%. Rounding out the top group of significant shareholders is SSgA Funds Management (State Street Global Advisors), which holds close to 3.77 %.

Figure 12

Shareholder structure – Top 5 shareholders



Source: Garmin Valuation.xlsx

5. Key catalysts

Garmin's valuation outlook is supported by continued strength in its core fitness, outdoor and auto OEM segments. In early 2025, the company raised full-year revenue expectations to $6.80 billion, above analyst estimates, and later increased guidance again to $7.10 billion as auto OEM revenue reached $170.10 million in second quarter (Q2) 2025 (Reuters, 2025a; Reuters, 2025b). Sustained momentum in these segments, especially long-cycle auto OEM programs, can meaningfully lift both growth and operating leverage.

Product innovation also represents a catalyst. In late 2025, Garmin expanded its "Health Status" biometrics platform to older smartwatch models through a major firmware update, widening ecosystem engagement and reinforcing customer retention (Android Central, 2025). The company also strengthened its marine positioning, with the Garmin OnBoard system receiving the 2025 DAME Design Award, which supports pricing power and brand differentiation in premium marine electronics (Yahoo Finance, 2025).

Finally, margin recovery offers additional upside potential. In late 2025, Garmin reported higher operating expenses and temporary outdoor weakness, which weighed on profitability (Reuters, 2025c). Stabilization in outdoor demand, combined with improved selling, general and administrative (SG&A) control, could therefore produce meaningful earnings and free-cash-flow upside. Together, these drivers, segment growth, ecosystem innovation, and margin normalization, serve as realistic catalysts for Garmin over the medium term.

6. Key risks

Garmin's reliance on consumer discretionary spending presents a significant risk. In 2024 the company's fitness segment generated approximately $1.77 billion and its outdoor segment approximately $1.96 billion, together accounting for about 59.40 % of total revenue. Because most of these products, premium wearables and GPS devices, are non-essential and often at higher price points, any downturn in consumer sentiment, inflation pressures or macroeconomic weakness in North America or Europe could reduce unit volumes and depress average selling prices. As a result, revenue growth could slow appreciably, which would challenge valuation assumptions based on steady demand.

Garmin also faces important competitive and product risks. Garmin competes in wearable electronics with large, diversified players that benefit from broader ecosystems, higher scale and deeper software and platform capabilities (for example, Apple and Samsung). If competitors narrow Garmin's differentiation in GPS accuracy, battery life or fitness analytics, Garmin may face price pressure, margin erosion or market share decline. Moreover, Garmin's revenue is concentrated in relatively few device families, such as the Fenix, Forerunner and Epix lines, making the company vulnerable to weaker-than-expected product launches or refreshed models. In 2024, Garmin achieved a gross margin of 58.70% and EBITDA margin of 28.17% on $6.30 billion of revenue. However, these margins depend on favourable product mix, stable component and manufacturing cost and successful refresh cycles. Any disruption could reduce profitability and thereby lower intrinsic value.

Geographic, execution and structural segment risks further expose Garmin. In 2024 about 36.83% of revenue was derived from the EMEA region ($2.32 billion) and 14.95 % ($941.51 million) from Asia-Pacific. This creates currency risk and exposure to regional economic slowdowns or uneven adoption of premium wearables. Smaller business units, such as aviation (13.92 % of 2024 revenue) and automotive OEM (9.70 % in 2024), carry long development cycles, heavy OEM dependency and regulatory certification risk. Garmin's effort to increase recurring-revenue streams (software subscriptions, satellite connectivity) also carries execution risk, if adoption falls short, the company may remain overly reliant on hardware cycles, which are inherently volatile and heighten valuation risk. Garmin is exposed to significant foreign exchange (FX) risk due to its global cost structure and diversified revenue base, with a large portion of manufacturing expenses denominated in New

Taiwan Dollar (TWD) and Chinese Yuan (CNY) and substantial sales generated in Euro (EUR), British Pound (GBP), and Japanese Yen (JPY) (Garmin, 2024). A stronger TWD or CNY increases production costs, while depreciation of European currencies reduces the United States Dollar (USD) value of EMEA revenue, evident in FY22 when Garmin reported a $228 million negative FX impact driven by USD appreciation (Garmin, 2022). To mitigate this exposure, the company primarily relies on natural hedging by matching locally generated revenues with local operating expenses and invoicing part of its Taiwanese production in USD (Garmin, 2024). Garmin also uses short-term forward exchange contracts, mainly USD/TWD, USD/EUR, USD/GBP, and USD/JPY, to hedge highly probable forecasted transactions, while deliberately avoiding speculative or long-term derivative positions (Garmin, 2024).

Garmin is also exposed to tariff and trade-policy risk due to its global manufacturing footprint. Recent U.S. tariff proposals affecting imports from Asia could raise Garmin's annual costs. The 2024 Annual Report highlights that changes in tariffs or trade regulations could increase production costs and pressure margins (Garmin, 2024). Any escalation in tariffs that cannot be passed on to consumers would negatively affect profitability and valuation. Garmin's CEO warned that trade-tariff risks could impose an estimated $100 million cost headwind in 2025, stemming from manufacturing outside the U.S. and evolving global trade policies (Garmin, 2025).

8. Discounted cash flow analysis

8.1 Historic financial performance FY15A-FY24A

For further visual support on DCF historical performance, see Appendix G.

8.1.1 Revenue

Garmin's total revenue grew steadily over the last decade, increasing from $2.82 billion in FY15A to $6.30 billion in FY2024 (see Figure 13), representing a CAGR of 9.34%. Growth was especially strong between FY20A and FY24A, averaging above 10.74% annually and culminating in a 20.44% increase in FY24A. This acceleration was primarily driven by the company's strategic focus on the Fitness and Outdoor segments, which together now represent nearly 60% of total revenue. The period was marked by consistent innovation, the expansion of Garmin's wearable ecosystem, and the growing popularity of adventure and performance tracking devices.

From a segment perspective, fitness and outdoor have been the main growth engines, as explained above. Fitness sales rose from $662 million in 2015 to $1.77 billion in 2024, reflecting a CAGR of 11.59% and recent two-year CAGR of 26.47%. This overall surge stems from increasing consumer demand for health-oriented wearables, cycling computers, and smartwatches. Outdoor revenue expanded even faster, from $411 million in 2015 to nearly $1.96 billion in 2024 over the same period, with a CAGR of 18.93%, supported by strong sales of multisport and adventure watches, such as the Fenix and Epix series. Both segments have benefited from the premiumization trend, in which consumers favor advanced, durable products over entry-level devices.

The marine and aviation segments also contributed positively. Marine revenue grew at a CAGR of 15.79%, from $287 million in 2015 to over $1.07 billion in 2024, driven by demand for chartplotters, sonar systems, and, more recently, the acquisition of JL Audio. Aviation posted a CAGR of 9.15% reaching $877 million in 2024, with steady OEM demand for integrated flight decks and autopilot systems offsetting fluctuations in the aftermarket business. However, it is evident that both segments are not keeping pace with the rapid growth of fitness and outdoor, which have become the primary engines of Garmin's revenue expansion and now dominate the company's overall sales mix.

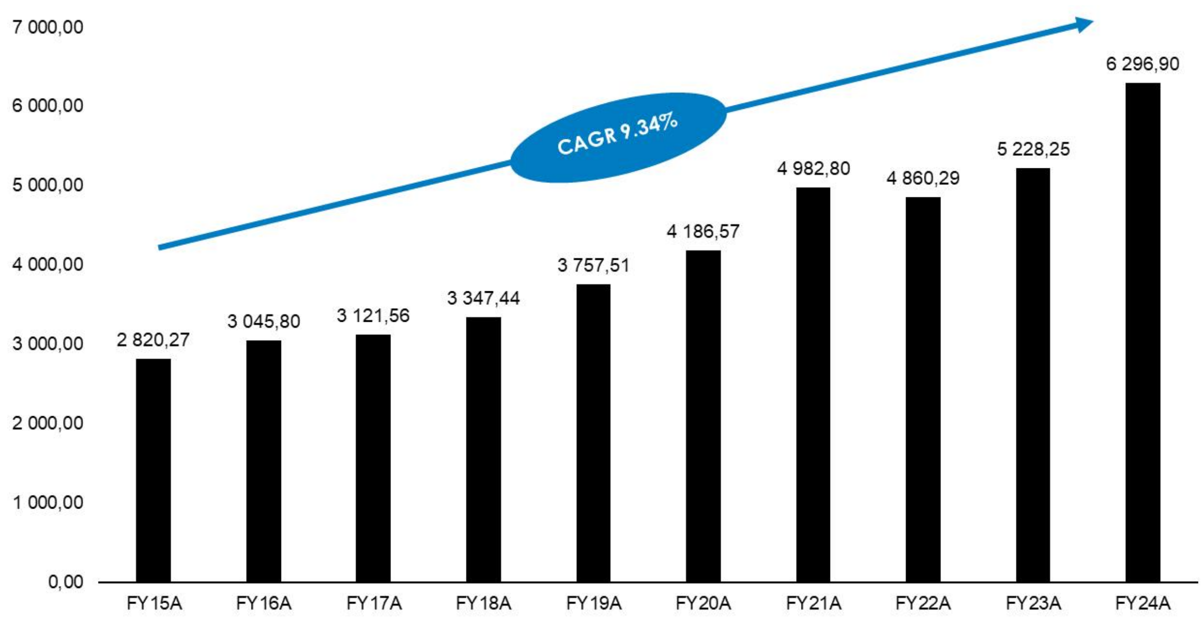
In contrast, the automotive segment has experienced a sustained decline due to the structural shift away from standalone portable navigation devices. Auto sales fell from $1.06 billion in 2015 to

$611 million in 2024, corresponding to a negative CAGR of 5.96% (-5.96%). The rise of smartphones and in-vehicle infotainment systems significantly reduced consumer demand for Garmin's legacy GPS units. However, the Auto OEM subsegment, which develops embedded infotainment and domain controllers for manufacturers such as BMW, has shown signs of stabilization since 2023, partially offsetting the decline in consumer auto products.

Analyzing the composition of revenue over time, Garmin's business mix has evolved markedly toward wearables and technology-driven solutions. The combined share of fitness and outdoor rose from 38% of total sales in 2015 to 59.34% in 2024, while automotive's contribution shrank from 38.04% to 9.70%. Marine and aviation maintained stable shares of 17.04% and 13.92%, respectively, reflecting diversification and resilience in non-consumer markets. This transformation underscores Garmin's successful repositioning from a navigation-centric company toward a leading player in premium wearable and outdoor technology, aligning with global health and wellness trends and strengthening its long-term growth outlook.

Figure 13

Historical revenue per segment – FY15 to FY24



Source: Garmin Valuation.xlsx

8.1.2 COGS and gross margin

Garmin's cost of goods sold increased from $1.28 billion in FY15A to $ 2.60 billion in FY24A, driven by higher production volumes, broader product offerings, and rising component and logistics expenses. The primary driver of COGS is raw materials, as Garmin sources key electronic components such as chips, sensors, screens, and batteries from third-party suppliers, while performing final assembly in-house, mainly through facilities in Taiwan (Garmin, 2024).

Despite these cost pressures, Garmin consistently maintained strong gross profitability, with gross margins improving from 54.56% in FY15 to 58.70% in FY24, well above typical consumer electronics benchmarks. This resilience reflects a premium pricing strategy, strong brand positioning in specialized performance-based markets, and added value through integrated software and proprietary ecosystems.

8.1.3 EBITDA margin, SGA costs

Garmin's EBITDA margin strengthened over the period, rising from 22.27% in FY15 to a peak of 28.21% in FY20, supported by a favorable product mix weighted toward higher-margin segments such as outdoor, aviation, and marine, along with strong pricing power and improved fixed-cost absorption as revenues increased from $2.8 billion in FY15 to $4.2 billion in FY20. Pandemic-driven demand and temporarily lower discretionary spending also helped sustain elevated margins through FY21. After a moderate decline in FY22–FY23 caused by a 2.46% (-2.46%) reduction in revenue in FY22, EBITDA margin improved again to 28.17% in FY24, driven by a strong 20.44% revenue rebound to $6.30, improved operating efficiency, and a normalization of cost pressures following supply-chain disruptions. Although SG&A rose from $911 million in FY15 to $1.92 billion in FY24, Garmin maintained solid operating leverage and continued to translate top-line growth into higher earnings, supported by its premium product positioning and sticky customer base.

8.1.4 EBIT margin and D&A costs

Garmin maintained strong EBIT margins, rising from 19.49% in FY15 to a peak of 25.31% in FY24, reflecting solid gross profitability and effective cost control. D&A expenses increased steadily from $78.36 million in FY15 to $179.74 million in FY24, roughly averaging 2.98% of sales in the past 10 years.

8.1.5 Net profit margin, tax and interest

Net profit margin increased from 16.18% in FY15 to 25.35% in FY19, then stabilized around 21-25%, ending at 22.41% in FY24, reflecting consistently strong earnings quality. The effective tax rate was volatile over the period-ranging from 19.56% in FY15 to -7.44% in FY23, due to geographic mix, R&D tax credits, and discrete tax items, before normalizing at 16.75% in FY24. Financing activities remained minimal throughout the period, with small positive contributions driven by investment income rather than interest expense, consistent with Garmin's almost debt-free balance sheet. Overall, the combination of stable profitability, low leverage, and moderate taxes underscores the resilience of Garmin's FY15–FY24 earnings profile.

8.1.6 Net Working Capital

Garmin's net working capital increased from $490 million in FY15 to $1.50 billion in FY24, reflecting greater capital tied up in inventory and receivables as the business scaled. NWC as a % of sales also rose from 17.37% to a peak of 29.96%, driven mainly by higher inventory levels and growing prepaid expenses during supply-chain disruptions. Although it eased to 18.06% in FY24, NWC remains relatively high for a consumer electronics company due to Garmin's vertically integrated operations and broad product portfolio, but is expected to gradually normalize with improved supply chain conditions and continued growth.

8.1.7 CAPEX

Garmin's capital expenditures (CAPEX) varies because it follows clear investment cycles rather than steady spending. CAPEX jumps sharply in FY17 to FY18 $151.57 million to $158.76 million) and peaks in FY21 at $309.55 million, reflecting major product and manufacturing investments, while depreciation rises more gradually. In FY22 to FY24, CAPEX falls back to roughly $193.57, while D&A stays high, pushing D&A/CAPEX above 90.00%.

8.2. Forecasting for base case

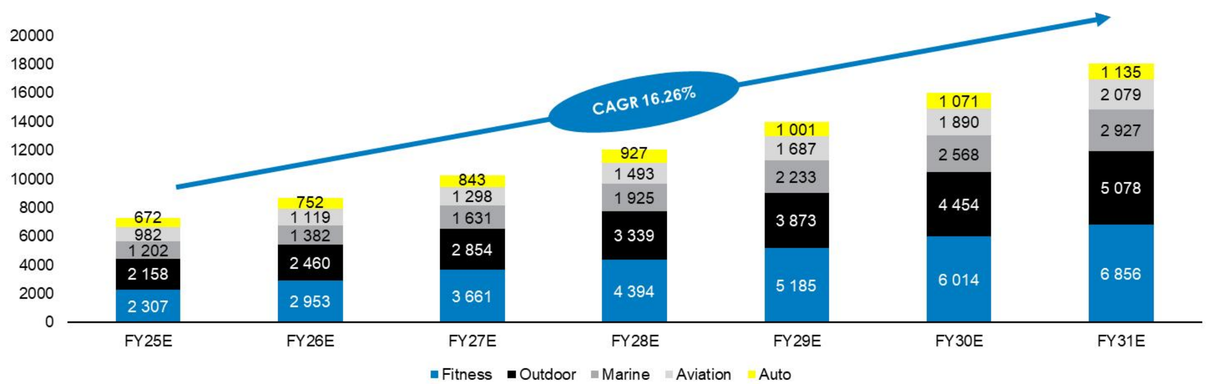
My horizon forecast uses a six-year investment horizon (FY26E–FY31E), with the valuation conducted as of 31 December 2025. Although FY25 is not an actual historical year and is therefore forecasted, it is treated as the base year for valuation purposes. Cash flows are forecast from FY26E onward and discounted back to the end-2025 valuation date. This horizon captures a full product and innovation cycle across Garmin's major business segments, providing sufficient visibility to model meaningful growth trends while avoiding excessive long-term uncertainty. The selected horizon aligns with Garmin's historical cadence of product refreshes, market expansion, and segment maturity, offering a balanced and realistic foundation for valuation. Full DCF forecast can be viewed in Appendix H.

8.2.1 Revenue

Garmin's total revenue is expected to rise from \$6.30 billion in FY24A to \$17.89 billion in FY31E (see Figure 14), representing a strong 16.26% CAGR over the forecast period. This growth is primarily driven by sustained double-digit expansion in fitness, outdoor, and marine, supported by rising global demand for premium wearables and advanced navigation technologies. Steady contributions from Aviation and a stabilizing Auto OEM segment further reinforce Garmin's multi-segment revenue.

Figure 14

Forecasted revenue per segment – FY25 to FY31



Source: Garmin Valuation.xlsx

The fitness segment is projected to grow at a 19.91% CAGR from FY25E to FY31E, supported by expanding global consumer spending on health, wellness, and performance optimization. The wellness market reached nearly \$2 trillion in 2024, driven by rising demand for personalized health tracking and high-performance fitness technologies (McKinsey, 2024) (see Appendix I). Additionally, consumer intent to invest in fitness continues to rise, with 78% of respondents planning new wellness or fitness purchases by late 2025 (PA Consulting, 2024). Garmin is uniquely positioned to capitalize on this shift: the company's premium products, particularly the Fēnix, Epix, and Forerunner families, directly target endurance athletes and performance-driven users, a segment less sensitive to economic cycles and more willing to upgrade frequently.

The outdoor segment is expected to grow at a 15.33% CAGR from FY25E to FY31E, supported by continued strength in outdoor recreation and rising demand for rugged, GPS-enabled wearables. The outdoor watch market is forecast to expand at a 14.40% CAGR over the next decade, reflecting consumers' increasing preference for multifunctional devices for hiking, trail running, and exploration (Global Growth Insights, 2025). Broader outdoor gear spending also remains elevated as participation in nature-based activities continues to rise (Cognitive Market Research, 2024). Garmin is well-positioned to benefit from these trends through its inReach satellite-communication ecosystem and its durable, performance-oriented adventure watches, which directly target high-engagement outdoor users.

The marine, aviation, and auto OEM segments are expected to grow steadily from FY25E to FY31E, with CAGRs of 15.99%, 13.32%, and 9.14%, respectively. Marine expansion is driven by rising adoption of advanced sonar, radar, and chartplotter systems, supported by a global marine electronics market growing and recreational fishing activity remains strong. Aviation benefits from sustained avionics retrofit cycle and stable demand in general aviation, supported by growing adoption of digital flight-deck systems across aging fleets (Grand View Research, 2024). Auto OEM grows at a more moderate pace as new EV-focused cockpit and domain-controller programs ramp, despite longer automotive production cycles; the broader automotive electronics market continues to expand at a 7.3% CAGR (MarketsandMarkets, 2024), reinforcing Garmin's opportunity within integrated infotainment and vehicle-display systems.

8.2.2 Gross margin and cost of revenue

Garmin's cost of revenue is expected to remain elevated in the near term due to tariff-related pressures and still-high inventory levels following prior supply chain disruptions. Although DIO improved from a peak of 269 days in FY22 to 207 days in FY24, indicating better inventory turnover and operational efficiency, the company will still face a $100 million cost headwind in FY25 related to new U.S. tariffs (Garmin, 2024). As a result, cost of revenue as a percentage of sales is projected to rise temporarily to 42.26% of revenue in FY25, which drives a modest gross margin decline to 57.74%, before gradually normalizing. From FY26 onward, cost of revenue declines toward 40.71%, supported by supply-chain normalization, improved component flows, and a more efficient inventory cycle, allowing gross margins to recover and stabilize at approximately 59.29% from FY28 through FY31. This steady margin recovery reflects Garmin's strong vertical integration, disciplined cost management, and the easing of short-term tariff impacts.

8.2.3 EBITDA margin, SG&A costs

Over the forecast period from FY25 to FY31, Garmin's profitability continues to strengthen as revenue scales and operational efficiency improves. EBITDA increases from $1.88 billion in FY25 to $4.93 billion in FY31, reflecting a strong 17.40% CAGR, while the EBITDA margin remains stable between 26% and 27%, supported by consistent gross margins and improved fixed-cost absorption. SG&A expenses are projected to remain steady at approximately 32% of revenue, reflecting a normalized cost structure after post-pandemic fluctuations. Operating costs overall are modeled using the 10-year historical average intensity (34.98% of revenues), which captures Garmin's long-term spending discipline and avoids overestimating short-term volatility. This cost stability, combined with sustained top-line growth, supports resilient and predictable margin performance throughout the forecast horizon.

8.2.4 EBIT margin and D&A costs

Over the FY25-FY31 forecast period, Garmin's EBIT margin is expected to remain stable between 22.76% in FY25 and 24.31% from FY28 to FY31, reflecting the company's ability to maintain strong gross margins while keeping operating costs aligned with long-term historical averages. This stability is supported by a consistent depreciation and amortization profile, which has remained tightly range-bound between 2.70% and 3.40% of revenue over the past decade. As this ratio has shown minimal volatility, D&A is forecasted using the 10-year average of 2.98% of revenue, capturing Garmin's steady capital intensity and predictable asset-replacement cycle. Together, the stable EBIT margin and normalized D&A assumption provide a reliable foundation for forecasting operating profitability and cash flow generation through FY31.

8.2.5 Net profit margin, tax and interest

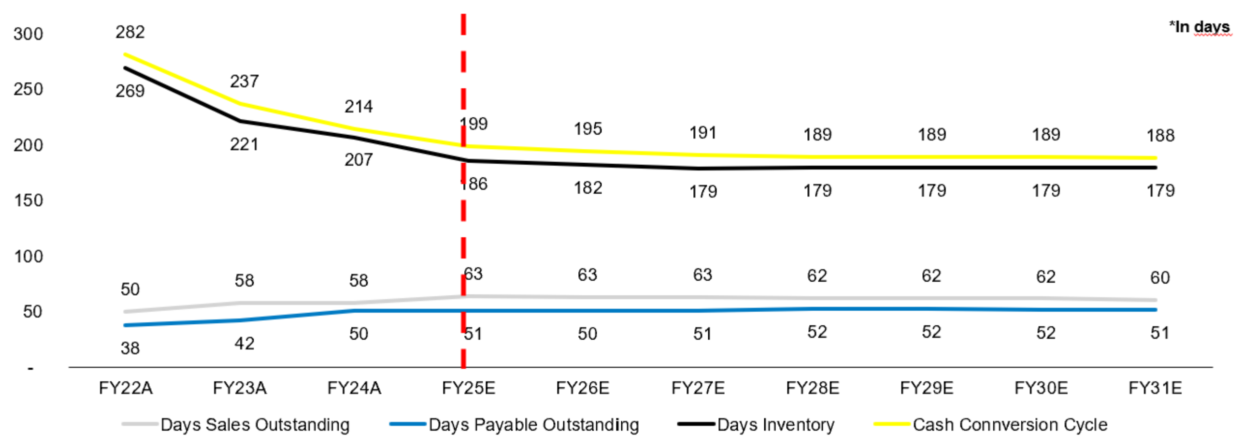
Garmin's net income rises from $1.55 billion in FY25 to $4.03 billion in FY31, reflecting a strong 17.30% CAGR supported by solid revenue expansion and stable operating margins. Net profit margin remains consistently around 21-22%, aligned with Garmin's high-margin segment mix and normalization of operating performance. The tax rate in the forecast is held constant at 9.43%, based on the company's average historical effective tax rate, which best reflects recurring tax behavior. Interest expense remains negligible throughout, as Garmin maintains a debt-free capital structure and does not plan to issue new debt.

8.2.6 NWC

Inventory levels are projected to decline relative to revenue as Garmin reduces DIO, with inventory as a percentage of sales falling from 23.41% in FY24 to 21-20% over the forecast period (see Figure 15). All other working-capital components, accounts receivable, prepaid expenses, other current assets, accrued expenses, accounts payable, and other current liabilities, are forecasted using their historical average percentage of revenue, resulting in stable ratios such as ~17% for receivables, ~5% for prepaid expenses, ~11% for accrued expenses, and ~6% for accounts payable. Consequently, total operating working capital remains stable at around 22.00% of revenue throughout the forecast horizon.

Figure 15

Forecasted NWC analysis – DPO, DSO, DIO and CCC



Source: Garmin Valuation.xlsx

8.2.7 CAPEX

Capital expenditures are forecasted using the 10-year historical average of 3.51% of revenue, reflecting Garmin's stable capital intensity over time. This approach assumes that investment needs remain consistent with past levels, supporting ongoing product development and operational maintenance without requiring additional one-off spending.

8.2.8 Free cash flow to the firm

FCFF is calculated using the standard valuation formula (see Appendix J), capturing the cash generated by operations after accounting for reinvestment needs. This approach isolates the company's unlevered free cash generation by adjusting operating profit for non-cash charges, capital investments, and changes in working capital. Over the forecast period, FCFF grows at a strong CAGR of 13.37%.

8.3. Weighted average cost of capital estimation

Garmin's discount rate was estimated using the standard WACC framework, resulting in a final WACC of 9.86% (see Appendix J for formula). Because the company operates with virtually no interest-bearing debt, the WACC is driven almost entirely by the cost of equity. The risk-free rate was taken as the 10-year U.S. Treasury yield, which is widely recognized as the closest proxy to a default-free asset and is appropriate given Garmin's predominantly U.S.-based operations. The United States carries no country risk premium (Damodaran, 2025). The risk-free rate applied in the model is 4.04%, retrieved from Trading Economics (2025) (See Appendix J).

The levered beta was estimated using a blended approach. A five-year regression beta of 1.07 was obtained from Garmin's historical stock performance. To complement this, Damodaran's relevering formula was applied, yielding a levered beta of 0.96, consistent with Garmin's nearly all-equity capital structure (Damodaran, 2025). Averaging these two estimates produced a final levered beta of 1.01 (see Appendix J for beta formulas).

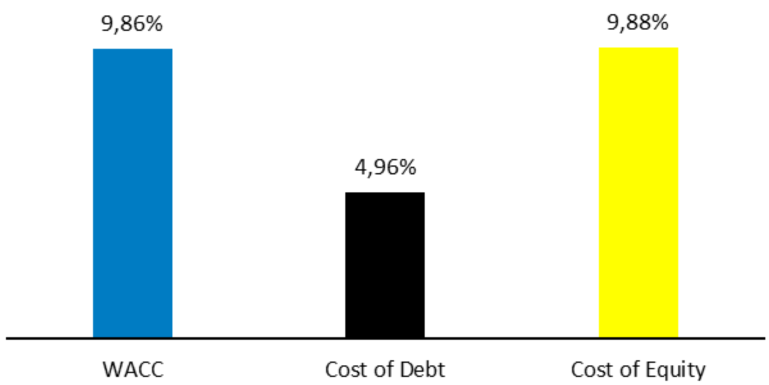
Although Garmin carries no interest-bearing debt, a synthetic cost of debt was calculated to represent the rate the firm would likely face if it issued long-term debt. Based on an interest-coverage ratio of 6.25, Garmin corresponds to an A+ credit rating with an associated default spread of 0.92% (Damodaran, 2025). Adding this spread to the 4.04% risk-free rate results in a synthetic cost of debt of 4.96% (see Appendix J).

I applied an equity risk premium (ERP) of 5.75%, consistent with Aswath Damodaran's 2025 implied ERP for the U.S. market. This forward-looking premium is widely used in valuation practice and provides a standardized benchmark for estimating Garmin's cost of equity. Combining this premium with the final levered beta and the risk-free rate yields a cost of equity of 9.88% (see Appendix J for CAPM formula).

Given Garmin's capital structure, which is almost entirely equity-financed, the WACC naturally converges toward the cost of equity. Incorporating the synthetic cost of debt and equity weights produces a final WACC of 9.86%, which is used as the discount rate for the DCF valuation (see Figure 16).

Figure 16

WACC



Source: Garmin Valuation.xlsx

8.4. Terminal value

The terminal value is estimated using the perpetual growth method, applying a long-term growth rate of 3.15% (see Appendix J). This rate is derived from a revenue-weighted average (last 4 years) of regional GDP growth across Garmin's main markets: Americas, EMEA, and APAC, using World Development Indicators data updated on 07/10/2025 (see Appendix P). By weighting each region's GDP growth by its share of Garmin's revenue, the resulting terminal growth assumption reflects a realistic, geography-adjusted measure of long-run economic expansion relevant to the company's global footprint. Using this assumption together with the final forecasted free cash flow results in a terminal value of $52.99 billion.

8.5. Enterprise value to equity value bridge

Garmin's EV is converted into equity value by adjusting for non-operating assets and liabilities. Beginning with an enterprise value of approximately $40.17 billion, the valuation adds $2.50 billion in cash and $1.20 billion in investments, while subtracting $467 million in debt and $103 million in provisions (provisions mainly relate to estimated future obligations such as tax uncertainties, product warranty liabilities, and other accrued operating obligations), resulting in a final equity value of about $43.30 billion. Dividing this by 192.49 million basic shares outstanding produces a target price of $224.95 per share (see Figure 17). The $224.95 represents a 10.89% upside to the share price at the end of the 2025 fiscal year ($202.85). See Appendix H for forecasted FCFF.

Figure 17

Final share price – DCF base case

Enterprise Value	**40 172,50**
Cash	2 500,74
Investments	1 198,33
Minority interests	-
Debt	466,83
Provisions	103,27
Equity Value	**43 301,47**
Number of basic shares outstanding	192,49
Target Price	**224,95**
Stock price as of 31/12/2025	202,85
Implied upside/downside in %	10,89%

Source: Garmin Valuation.xlsx

8.6. DCF scenarios and sensitivity analysis

To complement the base case valuation, a full scenario and sensitivity framework was implemented to assess how changes in key assumptions affect Garmin's intrinsic value. The three central valuation outcomes are a base case enterprise value of $40.17 billion (share price of $204.24), a bull-case value of $50.83 billion (share price of $280), and a bear-case value of $28.40 billion (share price of $164). Together, these results define a realistic valuation range around the base DCF, allowing both upside and downside potential to be evaluated.

The bull and bear outcomes were generated through a Monte Carlo simulation of 1,000 distinct DCF scenarios, performed using Excel's What-If Analysis (see Appendix K). Each simulation randomly selected values for core DCF inputs, including FCFF, forecast-horizon growth, D/E ratio, beta, terminal growth rate, and WACC, based on predefined cumulative probability distributions. For example, the D/E ratio varied between 0.20% and 0.60%, while beta ranged from 0.7 to 1.3, with the highest assigned probabilities centred around 1.0-1.1. Each combination produced a unique enterprise value, allowing the distribution's minimum value ($28.40 billion) to define the bear case and its maximum ($50.83 billion) to define the bull case. The base case valuation of $38.05 billion lies near the centre of this distribution, indicating a stable midpoint of expected outcomes.

In addition to the simulation, three deterministic sensitivity analyses were conducted. A WACC sensitivity table shows enterprise value ranging from $44.99 billion at a 9.00% discount rate to $28.69 billion at a 12.00% rate (See Appendix K), illustrating the inverse relationship between discount rates and valuation. A second table jointly varies FCFF forecast growth and the discount rate, demonstrating that stronger growth assumptions and lower discount rates shift firm value toward the high $40 billion range, while more conservative inputs pull valuations into the low $30 billion range. A third grid tests terminal growth rates from 2.0% to 3.5%, confirming that even moderate adjustments to long-term growth can move enterprise value by several billion dollars.

Overall, the Monte Carlo simulation provides the most comprehensive representation of valuation uncertainty because it allows multiple assumptions to vary simultaneously rather than one at a time.

9. Comparable trading multiples

The comparable companies' analysis complements the DCF by valuing Garmin relative to peers across its key operating segments. To ensure consistency with the firm's cash-flow profile and business mix, the valuation relies on EV/FCFF, EV/EBITDA, and price-to-earnings ratio (P/E), as these are the most representative ratios for hardware-focused, cash-generative companies with stable profitability. Each multiple was first computed for the relevant peer set (per segment) and then weighted by the expected 2025 revenue contribution (in %) of each one of Garmin's segments to reflect their relative importance in the business. Historical peer ratios were used as benchmarks, but final enterprise values were derived using NTM financial data to reflect forward-looking multiples rather than backward-looking results (See Appendix L).

9.1. Peer selection

Peer selection for the relative valuation was based on the competitor lists disclosed in Garmin's annual report, ensuring that each segment is benchmarked against companies operating in the same product categories. For fitness and outdoor, peers such as Apple, Samsung, Alphabet (Fitbit), Xiaomi, Casio, and Globalstar were used because they compete directly in smartwatches, wearables, and performance-tracking devices. Although giants like Apple and Samsung are much larger and more diversified, they remain Garmin's true competitors in premium wearables, even if size differences make direct comparison more challenging. For aviation, publicly listed avionics and aerospace-technology firms such as Honeywell Aerospace, Boeing, Innovative Solutions, RTX, Safran and Thales were selected due to their presence in certified cockpit systems and regulated aviation markets similar to Garmin's. In the marine segment, companies like Johnson Outdoors, Navico (Brunswick), Furuno, and Raymarine (Teledyne) were included as they compete directly in sonar, chartplotters, and marine navigation electronics. Finally, for automotive OEM electronics, peers such as Alps Alpine, Aptiv, Continental, Panasonic, Harman (Samsung), and Visteon were selected due to their activity in infotainment systems, domain controllers, and integrated cockpit technologies. Only public companies were retained to ensure that reliable multiples could be computed. Overall, these peers provide the closest market-based benchmarks for Garmin's diverse segment exposure.

9.2. Peer multiples

Among the available multiples, EV/EBITDA, EV/FCFF, and P/E were retained because they best capture Garmin's operating performance, cash-flow generation, and earnings profile. EV/EBITDA is widely recommended for valuing capital-intensive hardware and technology firms because it neutralizes accounting differences in depreciation and amortization while providing a clean measure of core operating profitability (Damodaran, 2023). EV/FCFF is considered one of the most theoretically sound enterprise-value multiples, as it links directly to free cash flow, the primary driver of intrinsic value, making it particularly relevant for Garmin's near-zero leverage (Koller, Goedhart, & Wessels, 2020). The P/E ratio complements these enterprise-value metrics by capturing the company's stable earnings power and allowing comparison with large consumer-technology peers that dominate the wearable and electronics markets (McKinsey, 2024). By contrast, EV/Revenues is less informative due to large margin differences across Garmin's five segments, while market value to free cash flow to equity (M/FCFE) becomes less reliable for companies with minimal debt and substantial excess cash (Damodaran, 2023). For these reasons, EV/EBITDA, EV/FCFF, and P/E represent the most appropriate and representative valuation benchmarks.

9.3. Output & valuation range

The final step of the relative valuation aggregates segment-weighted multiples to derive Garmin's enterprise value using peer benchmarks. Forecasted sales weights from FY25 were applied: Fitness (31.51%), Outdoor (29.48%), Marine (16.42%), Aviation (13.41%), and Auto (9.18%), ensuring each segment contributes proportionally to the final valuation. After selecting EV/FCFF, EV/EBITDA, and P/E as the most representative forward-looking metrics and applying their respective NTM financial inputs (see Appendix L), the weighted multiples produce enterprise values of $42.27 billion (EV/FCFF), $19.29 billion (EV/EBITDA), and $35.04 billion (P/E). Supporting values from EV/Revenues and M/FCFE were also calculated for completeness, though they carry lower relevance for Garmin's business model. Overall, the multiples framework provides a complementary market-based perspective to the DCF, anchoring Garmin's valuation in a range consistent with segment dynamics and peer performance. The multiples valuation results in a final implied share price of $183.53, which represents a 9.53% downside (-9.53%) relative to the market price of $202.85 as of 31/12/2025. See figure 18 for share price.

Figure 18

Final share price - multiples

Enterprise Value	**32 198,92**
Cash	2 500,74
Investments	1 198,33
Minority interests	-
Debt	466,83
Provisions	103,27
Equity Value	**35 327,89**
Number of basic shares outstanding	192,49
Target Price	**183,53**
Stock price as of 31/12/2025	202,85
Implied upside/downside in %	-9,53%

Source: Garmin Valuation.xlsx

10. Final share price - Weighted EV

To consolidate the intrinsic and market-based perspectives, the valuation combines the DCF and comparable-company results through a weighted average framework. The DCF, which provides the most theoretically robust estimate of value, receives a 50% weight, while the three most representative forward-looking multiples, EV/FCFF, EV/EBITDA, and P/E, each carry 16.67%, ensuring that segment-adjusted market pricing is reflected without over-reliance on any single metric. Less informative ratios (EV/Revenues and M/FCFE) were excluded from the weighting. Applying these weights across the worst-case, base-case, and best-case scenarios yields a weighted base-case enterprise value of $36.19 billion, which, when divided by the expected FY25 share count, results in a final implied share price of $204.24 (see Figure 19). Relative to the $202.85 market price on 31/12/2025, this represents a 0.68% upside (+0.68%). The weighted approach therefore provides a balanced and credible synthesis of intrinsic cash-flow valuation and peer-based market benchmarks. The bear case share price is $171.97, and the bull case share price is $233.60. The bear case EV/EBITDA multiple is 17.67 and the bull case EV/EBITDA is 20.18, with a base case of 19.20 (see Appendix M).

Figure 19

Final share price – weighted EV

Enterprise Value	**36 185,71**
Cash	2 500,74
Investments	1 198,33
Minority interests	-
Debt	466,83
Provisions	103,27
Equity Value	**39 314,68**
Number of basic shares outstanding	192,49
Price per share	**204,24**
Stock price as of 31/12/2025	202,85
Implied upside/downside in %	0,68%

Source: Garmin Valuation.xlsx

11. Versus analyst consensus

The analyst consensus incorporates target prices and recommendations from major investment banks and equity research firms as of late 2024, ensuring alignment with the valuation timeline of this thesis. To provide an accurate and relevant benchmark, the consensus (see Figure 20) for 2024 and 2025 is compared directly with Garmin's actual financial performance and outlook, allowing for a meaningful assessment of how market expectations align with the company's fundamentals at the time of analysis.

Figure 20

Analyst consensus – Share price

DATE	ANALYST	RATING	PRICE
07/17/25	J.P. Morgan	Maintained Hold	$250
05/01/25	J.P. Morgan	Maintained Hold	$215
05/01/25	Morgan Stanley	Maintained Sell	$172
04/30/25	Barclays Capital	Maintained Sell	$152
04/17/25	J.P. Morgan	Maintained Hold	$220
02/20/25	Barclays Capital	Maintained Sell	$188
02/20/25	J.P. Morgan	Maintained Hold	$260
05/22/24	Bank of America Merrill Lynch	Downgraded to Sell	$150

Source: Markets Insider, 2025

Analyst expectations from early 2024 through mid-2025 offer a clear benchmark against which to compare my intrinsic valuation. J.P. Morgan issued multiple updates during this period: on February 20, 2025, they maintained a hold rating with a $260 target (Business Insider, 2025), reflecting a substantially more optimistic view than my base-case valuation of $204.24. Their subsequent revisions on April 17, 2025 ($220) and May 1, 2025 ($215) bring their targets closer to my target price, indicating partial alignment with my outlook (Business Insider, 2025). By July 17, 2025, J.P. Morgan raised their target to $250, reinforcing their generally bullish stance relative to my own more conservative assumptions (Business Insider, 2025).

On the bearish end of the spectrum, Morgan Stanley maintained a sell rating on May 1, 2025 with a $172 target (Business Insider, 2025), which sits slightly below my bear-case estimate of $171.97. Similarly, Barclays Capital issued sell ratings on February 20, 2025 ($188) and April 30, 2025 ($152), signaling greater caution regarding Garmin's ability to sustain margin strength and long-term growth (Business Insider, 2025). Bank of America Merrill Lynch downgraded Garmin to sell earlier on May 22, 2024, assigning a $150 target (Business Insider, 2024), reflecting deeper concerns around competitive pressures and decelerating demand in certain product categories.

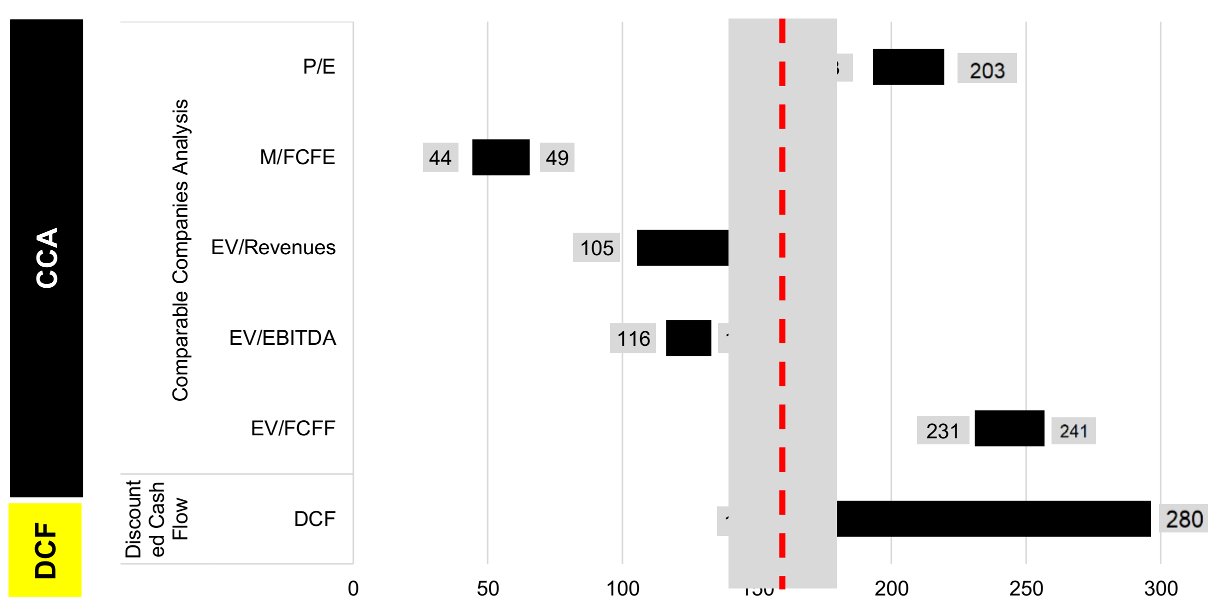
Overall, the analyst consensus reported on Business Insider (2024–2025) spans a wide range, from $150 on the low end (Bank of America, Barclays) to $260 on the high end (J.P. Morgan). Most targets, however, cluster between $172 and $220, a band that overlaps closely with my $171.97-$233.60 valuation range. My base-case estimate of $204.24 sits near the center of this spectrum. This comparison shows that although analyst sentiment varied significantly, my valuation remains well positioned within the consensus range and reflects a balanced assessment grounded in Garmin's fundamentals.

12. Conclusion

The final valuation synthesizes both intrinsic and market-based methods through a weighted framework, assigning 50% to the DCF and the remaining 50% evenly across the three most informative forward-looking multiples (EV/FCFF, EV/EBITDA, and P/E), while excluding less meaningful ratios such as EV/Revenue and M/FCFE. The DCF analysis yields a base-case target price of $224.95, while the comparable-company approach results an implied value of $183.53. Figure 21 demonstrates all bear-bull case share prices for both DCF and comparable multiples. Weighting these outcomes produces a final blended intrinsic value of $204.24 per share. This figure sits in between its 52-week range of $121.63 to $263.31. Scenario testing reinforces this conclusion: the bull case indicates upside potential of the brand if growth accelerates beyond expectations, while the bear case highlights meaningful downside if margins compress or demand normalizes. Overall, the valuation indicates that Garmin's shares are trading slightly above their blended intrinsic value, with the modest overvaluation reflecting elevated market expectations rather than a clear divergence in underlying fundamentals.

Figure 21

Football analysis



Source: Garmin Valuation.xlsx

Despite the slight overvaluation of the share price, Garmin remains a fundamentally strong company with a healthy financial profile and a positive long-term outlook. The firm benefits from a robust balance sheet, a debt-free capital structure, resilient gross and EBITDA margins, and strong cash-generation capacity. Growth in its Fitness and Outdoor segments continues to anchor performance, supported by premium pricing, loyal customers, and expanding product ecosystems. Marine and Aviation add diversification with durable demand and high-margin product categories. These strengths, combined with operational efficiency improvements and healthy reinvestment capacity, position Garmin for continued expansion.

In conclusion, Garmin appears to be a financially sound and strategically well-positioned company with solid long-term growth prospects. However, the current market price closely reflects the company's intrinsic value, with the valuation implying only a marginal upside of 0.68%. While the firm benefits from strong operating performance and a diversified product portfolio, the limited gap between price and value suggests that the stock is fairly valued at present. As a result, despite positive long-term fundamentals, the lack of a meaningful margin of safety makes the stock unattractive as an entry point at current levels.

13. Limitations

Despite the robustness of the analysis, several limitations remain. The valuation relies on historical trends and management guidance that may not fully capture future market volatility or structural shifts in Garmin's niche industries, such as marine electronics, aviation systems, and satellite communication devices, where publicly available data is limited. Assumptions regarding discount rates, tax normalization, and long-term growth introduce sensitivity into the model, and competitive or regulatory changes could impact performance in ways not reflected in the forecast. Finally, to limit any potential conflict of interest, I confirm that I do not own shares of Garmin and have no financial stake in the company's valuation.

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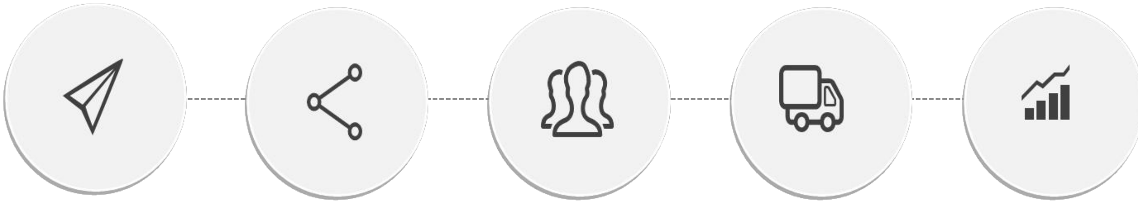
Appendix

Appendix A - Porter's five forces analysis



Threat of new entrants
Moderate

Wearables require **high R&D spending**, strong software ecosystems, and brand scale, creating meaningful entry barriers.

Aviation and marine have strict certification and development regulations, making new entry highly unlikely outside niche specialty players.

Threat of substitutes
Moderate

In wearables, **smartphones replicate many key features** of smartwatches, increasing substitution risk for lower-end products.

Aviation and marine systems face limited substitution, as certified avionics and sonar equipment have no viable consumer alternatives.

Bargaining power of customers
High

Consumers **face low switching costs** in wearables and have abundant alternatives from Apple, Samsung, and others, increasing buyer power.

Aviation and marine OEMs exert strong leverage due to large volumes, long development cycles, and strict pricing requirements.

Bargaining power of suppliers
Moderate

Semiconductor, sensor, and battery suppliers hold leverage, as **shortages have shown their ability to disrupt production**.

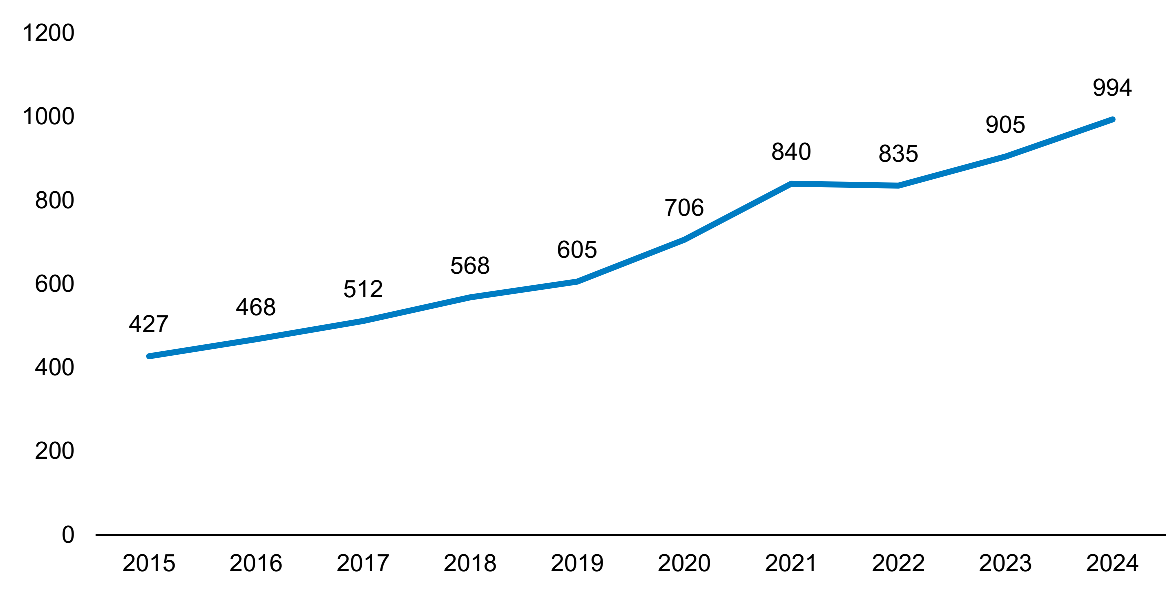
Garmin reduces some supplier risk through vertical integration, but automotive OEMs still dominate purchasing terms in their segment.

Competitive rivalry
High

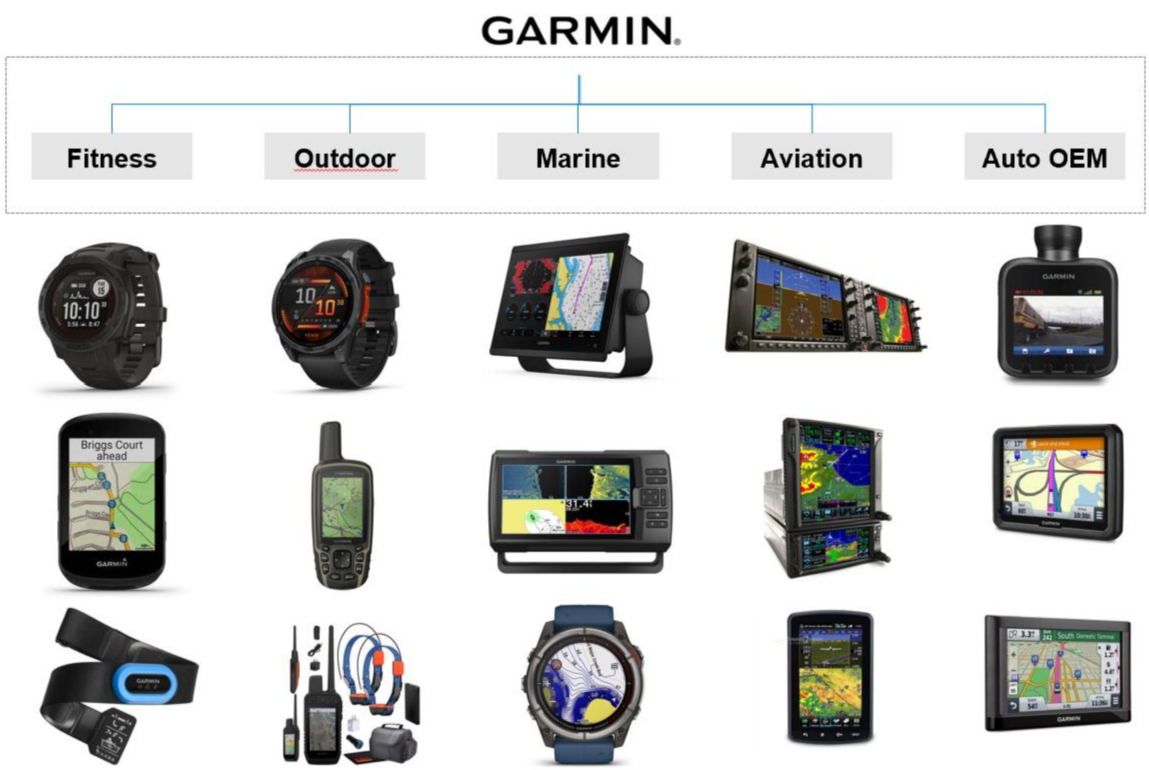
Wearables competition is intense, with Apple and Samsung dominating global shipments, forcing Garmin to compete in niche premium categories.

While aviation and marine face fewer competitors due to regulation, automotive remains highly competitive with strong Tier-1 suppliers.

Appendix B - R&D growth



Appendix C - Products per segment



Appendix D - ESG

In 2024, Garmin was recognized as #2 on the Forbes list of America's Best Large Employers.

In 2024, Garmin reduced emissions by more than 24,000 metric tons of CO_2e by using renewable energy.

Garmin is a global brand that employs more than 22,000 associates in 35 countries. These individuals share our core values and are committed to helping us achieve our mission.

Appendix E - Board of Garmin

DR. Min Keo
Executive Chairman

Shapes Garmin's overall direction and ensures the company stays aligned with its founding vision and values. Co-founded the company with Gary Burrell.

1989	2013	PRESENT
Co-Founder & CEO	Executive Chairman	

Clifton Pemble
President and CEO

Leads the company's strategy, growth initiatives, and global business execution.

1989	2007	2012	2013	PRESENT
Software Engineer	Chief Brand Officer	Chief Operating Officer	President and CEO	

Douglas Boessen
Chief Financial Officer and Treasurer

Oversees Garmin's financial stability, managing planning, reporting, and treasury functions.

Before Garmin	2014	PRESENT
Former CFO at Collective Brands, Payless ShoeSource. Held senior financial roles at YRC Worldwide and EY.	CFO & Treasurer	

Joshua Maxfield
Vice President, General Counsel & Secretary

Handles legal, compliance, and corporate governance matters across all divisions.

Before Garmin	2004	2015	2021	PRESENT
Attorney at Stinson LLP	Corporate Counsel	Director of Legal Relations	VP, General Counsel & Secretary	

Patrick Desbois
Co-Chief Operating Officer

Directs operations for aviation, auto OEM, supply chain, and internal systems worldwide.

Before Garmin	2018	2022	PRESENT
Chief Operating Officer at Louis Vuitton Americas	EVP Operations	Co-Chief Operating Officer	

Bradley Trenkle
Co-Chief Operating Officer

Guides consumer product development, engineering innovation, and global sales and marketing efforts.

Before Garmin	2003	2013	2023	PRESENT
Product Designer at General Dynamics	Engineering & Product Development	VP Consumer Engineering	Co-Chief Operating Officer	

Appendix F - Financial overview

Growth & Margin Analysis	FY15A	FY16A	FY17A	FY18A	FY19A	FY20A	FY21A	FY22A	FY23A	FY24A
Revenue growth	-	8,00%	2,49%	7,24%	12,25%	11,42%	19,02%	-2,46%	7,57%	20,44%
Gross Profit margin	54,56%	55,44%	57,60%	59,14%	59,45%	59,27%	58,01%	57,75%	57,48%	58,70%
EBITDA margin	22,27%	23,61%	24,66%	26,13%	27,99%	28,21%	27,56%	24,52%	24,29%	28,17%
EBIT margin	19,49%	20,78%	21,90%	23,25%	25,17%	25,18%	24,46%	21,15%	20,89%	25,31%
Net income margin	16,18%	17,00%	22,71%	20,73%	25,35%	23,70%	21,72%	20,03%	24,67%	22,41%

Investment analysis - CAPEX	FY15A	FY16A	FY17A	FY18A	FY19A	FY20A	FY21A	FY22A	FY23A	FY24A
Total CAPEX	76,56	96,00	151,57	158,76	119,88	185,49	309,55	243,79	194,81	193,57
D&A	78,36	86,34	86,25	96,19	106,18	126,72	154,82	163,85	177,57	179,74
Expanding or downsizing?	Downsizing	Expanding	Expanding	Expanding	Expanding	Expanding	Expanding	Expanding	Expanding	Expanding
Is the company divesting?	No	No	No	No	No	No	No	No	No	No
D&A as a % of CAPEX	102,35%	89,94%	56,90%	60,59%	88,57%	68,32%	50,01%	67,21%	91,15%	92,86%
D&A as a % average fixed asset		18,59%	15,99%	15,28%	14,58%	14,54%	14,70%	13,42%	13,39%	12,98%
% of Sales - CAPEX	2,71%	3,15%	4,86%	4,74%	3,19%	4,43%	6,21%	5,02%	3,73%	3,07%
% of Sales - D&A	2,78%	2,83%	2,76%	2,87%	2,83%	3,03%	3,11%	3,37%	3,40%	2,85%
CAPEX Growth		25,39%	57,89%	4,74%	-24,49%	54,73%	66,88%	-21,24%	-20,09%	-0,64%

Efficiency	FY15A	FY16A	FY17A	FY18A	FY19A	FY20A	FY21A	FY22A	FY23A	FY24A
Sales	2 820,27	3 045,80	3 121,56	3 347,44	3 757,51	4 186,57	4 982,80	4 860,29	5 228,25	6 296,90
COGS	1 281,57	1 357,27	1 323,62	1 367,73	1 523,53	1 705,24	2 092,34	2 053,51	2 223,30	2 600,35
Accounts Receivables	531,48	527,06	590,88	569,83	706,76	849,47	854,43	667,93	826,96	998,21
Accounts Payable	178,91	172,40	169,64	204,99	240,83	258,89	370,05	212,42	253,79	359,37
Inventory	500,55	484,82	517,64	561,84	752,91	762,08	1 227,61	1 515,05	1 345,96	1 473,98
Days per year	365,00	365,00	365,00	365,00	365,00	365,00	365,00	365,00	365,00	365,00
Days Sales Outstanding	69	63	69	62	69	74	63	50	58	58
Days Payable Outstanding	51	46	47	55	58	55	65	38	42	50
Days Inventory	143	130	143	150	180	163	214	269	221	207
Cash Connversion Cycle	160	147	165	157	191	182	212	282	237	214
Clients are paying		Sooner	Later	Sooner	Later	Later	Sooner	Sooner	Later	Later
Moncler is paying suppliers		Sooner	Later	Later	Later	Sooner	Later	Sooner	Later	Later
Products stay on stock		Less	Longer	Longer	Longer	Less	Longer	Longer	Less	Less

Financing analysis	FY15A	FY16A	FY17A	FY18A	FY19A	FY20A	FY21A	FY22A	FY23A	FY24A
Cash & Short term investments	1 048,23	1 113,84	1 053,18	1 384,72	1 404,03	1 846,08	1 846,04	1 452,48	1 968,07	2 500,74
Common equity - Total	3 345,13	3 418,00	3 852,42	4 162,97	4 793,50	5 516,12	6 114,16	6 204,34	7 012,06	7 848,40
Debt - Total	214,66	112,33	129,62	252,12	288,93	321,09	406,60	411,06	393,26	466,83
Interest	17,61	5,77	13,44	44,90	41,64	49,17	(11,82)	37,13	108,20	101,41
EBIT	549,58	632,87	683,64	778,33	945,59	1 054,23	1 218,62	1 027,85	1 092,15	1 593,99
Leverage D/E	6,42%	3,29%	3,36%	6,06%	6,03%	5,82%	6,65%	6,63%	5,61%	5,95%
Leverage D/(D+E)	6,03%	3,18%	3,26%	5,71%	5,68%	5,50%	6,24%	6,21%	5,31%	5,61%
Interest Coverage Ration	31,21	109,68	50,87	17,33	22,71	21,44	103,10	27,68	10,09	15,72

Liquidity analysis	FY15A	FY16A	FY17A	FY18A	FY19A	FY20A	FY21A	FY22A	FY23A	FY24A
Total Current Assets	2 211,09	2 263,02	2 346,14	2 665,37	3 057,85	3 669,35	4 261,77	3 955,15	4 464,14	5 336,15
Inventory	500,55	484,82	517,64	561,84	752,91	762,08	1 227,61	1 515,05	1 345,96	1 473,98
Total Current Liabilities	866,00	782,74	792,12	921,31	1 035,93	1 164,22	1 448,15	1 211,64	1 310,69	1 507,86
Current ratio	255,32%	289,12%	296,18%	289,30%	295,18%	315,18%	294,29%	326,43%	340,59%	353,89%
Acid test	197,52%	227,18%	230,84%	228,32%	222,50%	249,72%	209,52%	201,39%	237,90%	256,14%

Profitability analysis	FY15A	FY16A	FY17A	FY18A	FY19A	FY20A	FY21A	FY22A	FY23A	FY24A
Net Income	456,23	517,72	709,01	694,08	952,49	992,32	1 082,20	973,59	1 289,64	1 411,44
Common equity - Total	3 345,13	3 418,00	3 852,42	4 162,97	4 793,50	5 516,12	6 114,16	6 204,34	7 012,06	7 848,40
Debt - Total	214,66	112,33	129,62	252,12	288,93	321,09	406,60	411,06	393,26	466,83
Total Assets	4 499,39	4 525,13	4 948,29	5 382,86	6 166,80	7 031,37	7 854,43	7 731,17	8 603,57	9 630,53
Return on Equity	13,64%	15,15%	18,40%	16,67%	19,87%	17,99%	17,70%	15,69%	18,39%	17,98%
Return on Capital Employed	12,82%	14,66%	17,81%	15,72%	18,74%	17,00%	16,60%	14,72%	17,42%	16,97%
Return on Assets	10,14%	11,44%	14,33%	12,89%	15,45%	14,11%	13,78%	12,59%	14,99%	14,66%

Dividends	FY15A	FY16A	FY17A	FY18A	FY19A	FY20A	FY21A	FY22A	FY23A	FY24A
DPS	2,04	2,04	2,04	2,12	2,28	2,44	2,68	2,92	2,92	3,00
EPS	2,39	2,73	3,76	3,66	4,99	5,17	5,61	5,04	6,71	7,30
Payout Ratio	85,36%	74,73%	54,26%	57,92%	45,69%	47,20%	47,77%	57,94%	43,52%	41,10%

Shares

Garmin's equity structure is very simple, consisting of a single class of common shares with one vote per share and no preferred stock or convertible securities. As a Swiss-incorporated company trading on the NYSE, Garmin pays dividends from tax-advantaged capital contribution reserves, and shareholder approval is required annually. With no debt, minimal buybacks, and a stable share count around 190–193 million diluted shares, the company's capital structure is clean, transparent, and shareholder-friendly.

Appendix G - Historical DCF

Year	FY15A	FY16A	FY17A	FY18A	FY19A	FY20A	FY21A	FY22A	FY23A	FY24A	FY25F
Revenue	2 820,27	3 045,80	3 121,56	3 347,44	3 757,51	4 186,57	4 982,80	4 860,29	5 228,25	6 296,90	7 320,49
Revenue growth		*8,00%*	*2,49%*	*7,24%*	*12,25%*	*11,42%*	*19,02%*	*-2,46%*	*7,57%*	*20,44%*	*16,26%*
Cost of revenue	1 281,57	1 357,27	1 323,62	1 367,73	1 523,53	1 705,24	2 092,34	2 053,51	2 223,30	2 600,35	3 093,67
COR common size	*45,44%*	*44,56%*	*42,40%*	*40,86%*	*40,55%*	*40,73%*	*41,99%*	*42,25%*	*42,52%*	*41,30%*	*42,26%*
Gross profit	1 538,70	1 688,53	1 797,94	1 979,71	2 233,98	2 481,33	2 890,46	2 806,78	3 004,95	3 696,55	4 226,81
Gross margin	*54,56%*	*55,44%*	*57,60%*	*59,14%*	*59,45%*	*59,27%*	*58,01%*	*57,75%*	*57,48%*	*58,70%*	*57,74%*
Operating costs	989,12	1 055,66	1 114,30	1 201,38	1 288,39	1 427,10	1 671,84	1 778,93	1 912,80	2 102,56	2 560,88
Operating profit	549,58	632,87	683,64	778,33	945,59	1 054,23	1 218,62	1 027,85	1 092,15	1 593,99	1 665,94
Operating margin	*19,49%*	*20,78%*	*21,90%*	*23,25%*	*25,17%*	*25,18%*	*24,46%*	*21,15%*	*20,89%*	*25,31%*	*22,76%*
Effective tax rate	*19,56%*	*18,93%*	*-1,71%*	*15,69%*	*3,52%*	*10,07%*	*10,32%*	*8,58%*	*-7,44%*	*16,75%*	*9,43%*
NOPAT	442,07	513,06	695,35	656,21	912,31	948,09	1 092,80	939,65	1 173,38	1 327,02	1 508,88
NOPAT margin	*15,67%*	*16,84%*	*22,28%*	*19,60%*	*24,28%*	*22,65%*	*21,93%*	*19,33%*	*22,44%*	*21,07%*	*20,61%*
D&A	78,36	86,34	86,25	96,19	106,18	126,72	154,82	163,85	177,57	179,74	218,38
Δ in OWC		-32,74	151,68	-19,01	295,38	73,32	394,04	327,90	-123,45	215,75	-152,40
Δ in OWC common size		*-1,07%*	*4,86%*	*-0,57%*	*7,86%*	*1,75%*	*7,91%*	*6,75%*	*-2,36%*	*3,43%*	*-2,08%*
CapEx		76,56	96,00	151,57	158,76	119,88	185,49	309,55	243,79	194,81	256,61
CapEx common size		*2,51%*	*3,08%*	*4,53%*	*4,23%*	*2,86%*	*3,72%*	*6,37%*	*4,66%*	*3,09%*	*3,51%*
FCFF		555,58	533,92	619,84	564,35	881,61	668,09	466,05	1 230,61	1 096,20	1 623,05
FCF margin		*18,24%*	*17,10%*	*18,52%*	*15,02%*	*21,06%*	*13,41%*	*9,59%*	*23,54%*	*17,41%*	*22,17%*
WACC											
Discount Factor											
PV of FCFF											

OWC computations

Year	FY15A	FY16A	FY17A	FY18A	FY19A	FY20A	FY21A	FY22A	FY23A	FY24A	FY25F
Inventory	500,55	484,82	517,64	561,84	752,91	762,08	1 227,61	1 515,05	1 345,96	1 473,98	1 573,90
Inventory/R size	17,75%	15,92%	16,58%	16,78%	20,04%	18,20%	24,64%	31,17%	25,74%	23,41%	21,50%
Accounts receivable	531,48	527,06	590,88	569,83	706,76	849,47	854,43	667,93	826,96	998,21	1 272,01
A/R common size	*18,85%*	*17,30%*	*18,93%*	*17,02%*	*18,81%*	*20,29%*	*17,15%*	*13,74%*	*15,82%*	*15,85%*	17,38%
Prepaid expenses	81,65	89,90	153,91	120,51	169,04	191,57	317,73	304,83	306,84	339,19	346,67
Prepaid expenses common size	*2,90%*	*2,95%*	*4,93%*	*3,60%*	*4,50%*	*4,58%*	*6,38%*	*6,27%*	*5,87%*	*5,39%*	*4,74%*
Other Current Assets	49,18	47,40	30,53	28,46	25,11	20,15	15,96	14,86	16,32	24,04	55,62
Other Current Assets common siz	*1,74%*	*1,56%*	*0,98%*	*0,85%*	*0,67%*	*0,48%*	*0,32%*	*0,31%*	*0,31%*	*0,38%*	*0,76%*
Accrued expenses	307,45	351,44	389,72	367,83	411,60	497,36	583,84	497,07	562,46	570,66	809,00
Accrued expenses common size	*10,90%*	*11,54%*	*12,48%*	*10,99%*	*10,95%*	*11,88%*	*11,72%*	*10,23%*	*10,76%*	*9,06%*	*11,05%*
Accounts Payable	178,91	172,40	169,64	204,99	240,83	258,89	370,05	212,42	253,79	359,37	428,35
A/P common size	*6,34%*	*5,66%*	*5,43%*	*6,12%*	*6,41%*	*6,18%*	*7,43%*	*4,37%*	*4,85%*	*5,71%*	*5,85%*
Other current liabilities	164,98	146,56	103,14	96,37	94,56	86,87	87,65	91,09	101,19	111,00	368,86
Other current liabilities current siz	*10,72%*	*8,68%*	*5,74%*	*4,87%*	*4,23%*	*3,50%*	*3,03%*	*3,25%*	*3,37%*	*3,00%*	5,04%
OWC	511,52	478,78	630,46	611,45	906,83	980,15	1 374,19	1 702,09	1 578,64	1 794,39	1 641,99
OWC common size	*18,14%*	*15,72%*	*20,20%*	*18,27%*	*24,13%*	*23,41%*	*27,58%*	*35,02%*	*30,19%*	*28,50%*	*22,43%*

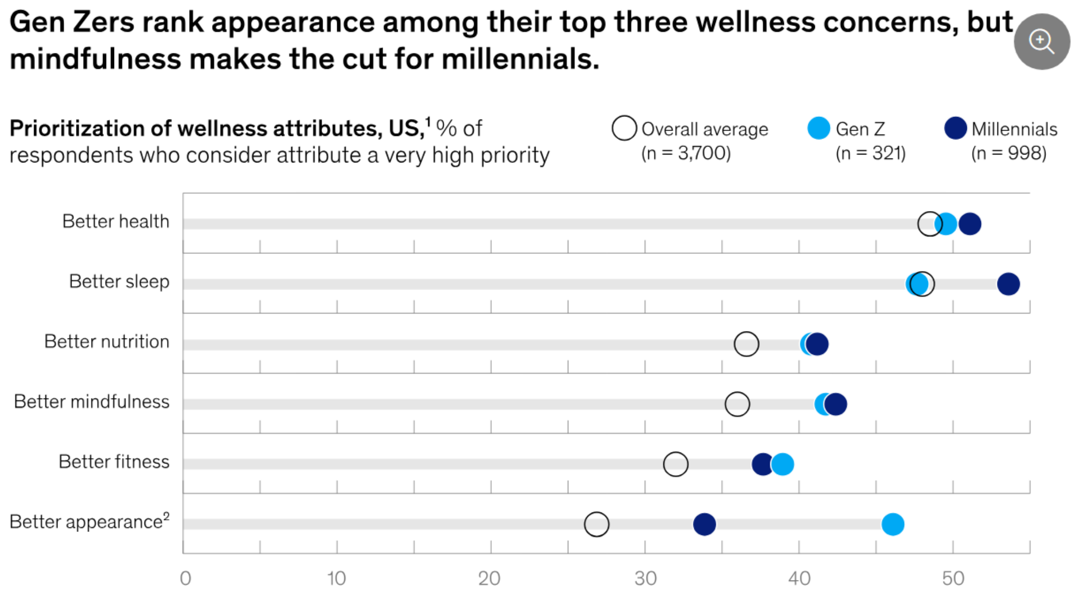
Appendix H - Forecasted DCF

Year	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	Terminal Value
Revenue	8 666,90	10 287,38	12 077,44	13 978,76	15 996,73	18 075,00	
Revenue growth	*18,39%*	*18,70%*	*17,40%*	*15,74%*	*14,44%*	*12,99%*	
Cost of revenue	3 645,34	4 306,35	4 916,98	5 691,05	6 512,61	7 358,72	
COR common size	*42,06%*	*41,86%*	*40,71%*	*40,71%*	*40,71%*	*40,71%*	
Gross profit	5 021,56	5 981,03	7 160,45	8 287,71	9 484,12	10 716,28	
Gross margin	*57,94%*	*58,14%*	*59,29%*	*59,29%*	*59,29%*	*59,29%*	
Operating costs	3 031,88	3 598,77	4 224,97	4 890,10	5 596,03	6 323,06	
Operating profit	1 989,67	2 382,26	2 935,48	3 397,61	3 888,08	4 393,22	
Operating margin	*22,96%*	*23,16%*	*24,31%*	*24,31%*	*24,31%*	*24,31%*	
Effective tax rate	*9,43%*	*9,43%*	*9,43%*	*9,43%*	*9,43%*	*9,43%*	
NOPAT	1 802,10	2 157,67	2 658,74	3 077,30	3 521,53	3 979,05	
NOPAT margin	*20,79%*	*20,97%*	*22,01%*	*22,01%*	*22,01%*	*22,01%*	
D&A	258,55	306,89	360,29	417,01	477,21	539,20	
Δ in OWC	305,58	369,67	353,01	456,95	451,30	439,38	
Δ in OWC common size	*3,53%*	*3,59%*	*2,92%*	*3,27%*	*2,82%*	*2,43%*	
CapEx	303,81	360,61	423,36	490,01	560,75	633,60	
CapEx common size	*3,51%*	*3,51%*	*3,51%*	*3,51%*	*3,51%*	*3,51%*	
FCFF	1 451,25	1 734,28	2 242,65	2 547,35	2 986,69	3 445,27	**52 990,43**
FCF margin	*16,74%*	*16,86%*	*18,57%*	*18,22%*	*18,67%*	*19,06%*	
WACC	*9,86%*	*9,86%*	*9,86%*	*9,86%*	*9,86%*	*9,86%*	
Discount Factor	*1*	*1,21*	*1,33*	*1,46*	*1,60*	*1,76*	
PV of FCFF	**1 321,04**	**1 437,04**	**1 691,55**	**1 748,99**	**1 866,66**	**1 960,07**	**30 147,14**

OWC computations

Year	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E
Inventory	1 820,05	2 108,91	2 415,49	2 795,75	3 199,35	3 615,00
Inventory/R size	21,00%	20,50%	20,00%	20,00%	20,00%	20,00%
Accounts receivable	1 493,24	1 771,66	2 059,31	2 383,90	2 699,95	2 989,05
A/R common size	17,23%	17,22%	17,05%	17,05%	16,88%	16,54%
Prepaid expenses	426,38	526,35	620,18	739,27	858,62	984,48
Prepaid expenses common size	*4,92%*	*5,12%*	*5,14%*	*5,29%*	*5,37%*	*5,45%*
Other Current Assets	57,32	58,83	64,16	69,81	77,18	87,23
Other Current Assets common siz	*0,66%*	*0,57%*	*0,53%*	*0,50%*	*0,48%*	*0,48%*
Accrued expenses	959,09	1 133,56	1 313,10	1 518,20	1 735,87	1 942,81
Accrued expenses common size	*11,07%*	*11,02%*	*10,87%*	*10,86%*	*10,85%*	*10,75%*
Accounts Payable	502,87	598,35	707,07	814,62	922,92	1 035,33
A/P common size	*5,80%*	*5,82%*	*5,85%*	*5,83%*	*5,77%*	*5,73%*
Other current liabilities	387,45	416,59	468,71	528,70	597,81	679,74
Other current liabilities current siz	4,47%	4,05%	3,88%	3,78%	3,74%	3,76%
OWC	1 947,57	2 317,25	2 670,26	3 127,21	3 578,51	4 017,89
OWC common size	*22,47%*	*22,53%*	*22,11%*	*22,37%*	*22,37%*	*22,23%*

Appendix I - Gen Z wellness prioritization



[1]Question: How high of a priority do you place on the following attributes?
[2]Through skin care, makeup, and other cosmetic enhancements.
Source: McKinsey Future of Wellness Survey, Nov 2024

McKinsey & Company

Appendix J - Formulas

FCFF formula

$$FCFF = EBIT \times (1 - t) + D\&A - CAPEX - \Delta NWC$$

WACC formula

$$WACC = \frac{E}{E+D} * R_E + \frac{D}{E+D} * R_D * (1 - T)$$

Risk-free rate and US risk premium

Bonds	Yield		Day	Month	Year	Date
US 10Y	4.04	▼	-0.005%	-0.301%	0.380%	Sep/16

Country	Adj. Default Spread	Equity Risk Premium	Country Risk Premium
United States	0.00%	4.33%	0.00%

Beta formulas

$$B = \frac{Cov(rs, rm)}{Var(rm)} \qquad \boxed{\beta_e = \beta_u \left[1 + \frac{D(1-t)}{E}\right]}$$

Industry Name	Number of firms	Beta	D/E Ratio	Effective Tax rate	Unlevered beta	Cash/Firm value
Electronics (General)	122	1.06	14.42%	6.59%	0.96	5.57%

Cost of debt

For larger firms (market cap > $5 billion)			
If interest coverage ratio is			
>	*≤ to*	*Rating is*	*Spread is*
-100000	0.199999	D2/D	20.00%
0.2	0.649999	C2/C	17.00%
0.65	0.799999	Ca2/CC	11.78%
0.8	1.249999	Caa/CCC	8.51%
1.25	1.499999	B3/B-	5.24%
1.5	1.749999	B2/B	3.61%
1.75	1.999999	B1/B+	3.14%
2	2.2499999	Ba2/BB	2.21%
2.25	2.49999	Ba1/BB+	1.74%
2.5	2.999999	Baa2/BBB	1.47%
3	4.249999	A3/A-	1.21%
4.25	5.499999	A2/A	1.07%
5.5	6.499999	A1/A+	0.92%
6.5	8.499999	Aa2/AA	0.70%
8.50	100000	Aaa/AAA	0.59%

Cost of equity

$$E(R_p) = r_f + \beta_p\,(E(R_m) - r_f)$$

Long term growth rate

Region	Revenue Weight	GDP Growth
Americas:	48,22%	*3,56%*
Europe, Middle East, and Africa (EMEA):	36,83%	*2,50%*
Asia-Pacific (APAC):	*14,95%*	*3,41%*
Weighted Terminal Growth Rate		**3,15%**

Terminal value

$$\boldsymbol{Terminal\,Value = \frac{FCFF_N \times (1+g)}{WACC - g}}$$

DCF and equity value formula

$$\boldsymbol{Discounted\,Cash\,Flow = \frac{CF_n}{(1+WACC)^n}}$$

$$\boldsymbol{Equity\,Value = EV + MV\,non-core\,assets - MV\,Debt\,and\,Liabilities + Cash\,and\,equivalents - MV\,employee\,stock\,options - MV\,of\,minority\,shares}$$

Appendix K - Sensitivity analysis and Monte Carlo simulation

FCFF Growth Rate	Discount rate → 38 829,95	9,00%	9,25%	9,50%	9,75%	10,00%	10,25%	10,50%
	12,00%	42 224,46	40 380,68	38 683,41	37 115,99	35 664,17	34 315,73	33 060,10
	12,25%	42 719,49	40 851,34	39 131,67	37 543,58	36 072,66	34 706,50	33 434,39
	12,50%	43 219,78	41 326,99	39 584,66	37 975,69	36 485,44	35 101,36	33 812,61
	12,75%	43 725,37	41 807,66	40 042,44	38 412,34	36 902,56	35 500,37	34 194,77
	13,00%	44 236,32	42 293,42	40 505,04	38 853,59	37 324,06	35 903,56	34 580,93
	13,25%	44 752,66	42 784,29	40 972,50	39 299,46	37 749,97	36 310,95	34 971,11
	13,50%	45 274,45	43 280,33	41 444,87	39 750,01	38 180,33	36 722,60	35 365,36
	13,75%	45 801,73	43 781,58	41 922,19	40 205,26	38 615,18	37 138,52	35 763,69
	14,00%	46 334,54	44 288,08	42 404,50	40 665,27	39 054,56	37 558,77	36 166,16
	14,25%	46 872,95	44 799,88	42 891,85	41 130,07	39 498,50	37 983,38	36 572,79
	14,50%	47 416,98	45 317,02	43 384,27	41 599,69	39 947,05	38 412,38	36 983,62
	14,75%	47 966,70	45 839,55	43 881,81	42 074,20	40 400,25	38 845,81	37 398,68

Discount rate	Long Term Growth Rate → 38 829,95	2,00%	2,25%	2,50%	2,75%	3,00%	3,25%	3,50%
	9,00%	39 225,21	40 312,14	41 482,69	42 746,87	44 116,41	45 605,03	47 228,99
	9,25%	37 745,04	38 743,19	39 815,29	40 969,85	42 216,78	43 567,61	45 035,92
	9,50%	36 365,06	37 283,98	38 268,54	39 326,03	40 464,87	41 694,81	43 027,25
	9,75%	35 075,56	35 923,51	36 829,95	37 801,13	38 844,25	39 967,61	41 180,83
	10,00%	33 868,03	34 652,21	35 488,66	36 382,81	37 340,82	38 369,80	39 477,93
	10,25%	32 735,00	33 461,69	34 235,26	35 060,40	35 942,45	36 887,50	37 902,56
	10,50%	31 669,88	32 344,59	33 061,47	33 824,60	34 638,60	35 508,75	36 441,04
	10,75%	30 666,83	31 294,42	31 960,04	32 667,27	33 420,12	34 223,16	35 081,58
	11,00%	29 720,66	30 305,42	30 924,57	31 581,25	32 278,97	33 021,70	33 813,95
	11,25%	28 826,74	29 372,47	29 949,39	30 560,24	31 208,11	31 896,48	32 629,25
	11,50%	27 980,93	28 491,02	29 029,45	29 598,65	30 201,33	30 840,53	31 519,69
	11,75%	27 179,50	27 656,98	28 160,26	28 691,50	29 253,11	29 847,74	30 478,42

Mean EV	38132
Mean Share Price	216
St. Dev.	5237
Min	28400
Max	50827

Debt to Equity Scenarios		
Cumulative Distribution	D/E Ratio	Probability
0,00%	0,20%	5,00%
5,00%	0,30%	10,00%
15,00%	0,40%	60,00%
75,00%	0,50%	20,00%
95,00%	0,60%	5,00%

Beta Scenarios		
Cumulative Distribution	Beta Scenario	Probability
0	0,7	10,00%
0,1	0,8	15,00%
0,25	0,9	15,00%
0,4	1	20,00%
0,6	1,1	30,00%
0,9	1,2	5,00%
0,95	1,3	5,00%

Appendix L - Comparable multiples by segment

Multiples by segment

Mutliples Overview - Fitness

	Multiple	Average	Median	Weighted
Comparable Companies Analysis	EV/FCFF	24,15	25,68	24,91
	EV/EBITDA	13,80	13,70	13,75
	EV/Revenues	4,29	3,87	4,08
	M/FCFE	5,59	5,55	5,57
	P/E	27,35	27,78	27,56

Comparable Companies Analysis

Identifier (RIC)	Company Name	EV/FCFF	EV/EBITDA	EV/Revenues	M/FCFE	P/E
GRMN.K	Garmin Ltd	30,43	18,92	5,58	7,32	31,58
AAPL.OQ	Apple Inc	32,22	24,41	8,58	9,37	34,70
GOOGL.O	Alphabet Inc	30,73	12,69	6,02	8,01	24,55
005930.KS	Samsung Electronics Co Ltd	13,00	3,37	0,84	1,90	19,15
1810.HK	Xiaomi Corp	20,64	14,72	1,73	3,09	31,00
	Average (excl. Garmin)	**24,15**	**13,80**	**4,29**	**5,59**	**27,35**
	Median (excl. Garmin)	**25,68**	**13,70**	**3,87**	**5,55**	**27,78**

Mutliples Overview - Outdoor

	Multiple	Average	Median	Weighted
Comparable Companies Analysis	EV/FCFF	23,71	25,90	24,80
	EV/EBITDA	11,22	5,89	8,56
	EV/Revenues	3,39	0,84	2,12
	M/FCFE	4,13	1,90	3,02
	P/E	24,23	19,15	21,69

Comparable Companies Analysis

Identifier (RIC)	Company Name	EV/FCFF	EV/EBITDA	EV/Revenues	M/FCFE	P/E
GRMN.K	Garmin Ltd	30,43	18,92	5,58	7,32	31,58
AAPL.OQ	Apple Inc	32,22	24,41	8,58	9,37	34,70
6952.T	Casio Computer Co Ltd	25,90	5,89	0,76	1,13	18,84
005930.KS	Samsung Electronics Co Ltd	13,00	3,37	0,84	1,90	19,15
GSAT.O	Globalstar Inc	21,45	29,42	15,52	20,47	-505,23
	Average (excl. Garmin and Glob	**23,71**	**11,22**	**3,39**	**4,13**	**24,23**
	Median (excl. Garmin and Globa	**25,90**	**5,89**	**0,84**	**1,90**	**19,15**

Mutliples Overview - Avionics

	Multiple	Average	Median	Weighted
Comparable Companies Analysis	EV/FCFF	56,09	33,97	45,03
	EV/EBITDA	11,42	12,01	11,72
	EV/Revenues	2,75	2,89	2,82
	M/FCFE	3,59	3,32	3,46
	P/E	26,84	27,70	27,27

Comparable Companies Analysis

Identifier (RIC)	Company Name	EV/FCFF	EV/EBITDA	EV/Revenues	M/FCFE	P/E
GRMN.K	Garmin Ltd	30,43	18,92	5,58	7,32	31,58
BA	Boeing Co	-11,13	47,83	2,13	2,17	-66,83
HON.O	Honeywell International Inc	33,97	15,82	4,19	3,32	19,53
ISSC.O	Innovative Solutions and Support I	159,09	7,69	3,00	4,50	20,31
RTX	RTX Corp	48,85	13,71	2,29	2,67	27,70
SAF.PA	Safran SA	26,66	12,01	2,89	4,74	37,01
TCFP.PA	Thales SA	11,90	7,89	1,37	2,74	29,63
	Average (excl. Garmin)	**56,09**	**11,42**	**2,75**	**3,59**	**26,84**
	Median (excl. Garmin)	**33,97**	**12,01**	**2,89**	**3,32**	**27,70**

Mutliples Overview - Marine

	Multiple	Average	Median	Weighted
Comparable Companies Analysis	EV/FCFF	18,45	22,05	20,25
	EV/EBITDA	3,19	13,17	8,18
	EV/Revenues	1,89	2,65	2,27
	M/FCFE	2,09	2,76	2,43
	P/E	7,77	24,06	15,92

Comparable Companies Analysis

Identifier (RIC)	Company Name	EV/FCFF	EV/EBITDA	EV/Revenues	M/FCFE	P/E
GRMN.K	Garmin Ltd	30,43	18,92	5,58	7,32	31,58
6814.T	Furuno Electric Co Ltd	-113,18	4,27	0,58	1,40	18,05
JOUT.O	Johnson Outdoors Inc	11,26	-16,76	0,38	0,77	-24,81
BC	Brunswick Corp	22,47	10,26	1,24	0,85	20,40
TDY	Teledyne Technologies Inc	21,63	16,09	4,06	4,66	27,72
	Average (excl. Garmin)	**18,45**	**3,19**	**1,89**	**2,09**	**7,77**
	Median (excl. Garmin)	**22,05**	**13,17**	**2,65**	**2,76**	**24,06**

Mutliples Overview - Auto OEM

	Multiple	Average	Median	Weighted
Comparable Companies Analysis	EV/FCFF	15,91	17,16	16,53
	EV/EBITDA	5,40	4,75	5,07
	EV/Revenues	0,60	0,58	0,59
	M/FCFE	0,62	0,52	0,57
	P/E	15,20	13,47	14,34

Comparable Companies Analysis

Identifier (RIC)	Company Name	EV/FCFF	EV/EBITDA	EV/Revenues	M/FCFE	P/E
GRMN.K	Garmin Ltd	30,43	18,92	5,58	7,32	31,58
6770.T	Alps Alpine Co Ltd	19,26	4,75	0,29	0,42	28,50
APTV.K	Aptiv PLC	13,17	6,72	1,08	0,97	11,45
CONG.DE	Continental AG	17,16	4,49	0,42	0,32	8,77
6752.T	Panasonic Holdings Corp	22,27	6,52	0,62	0,52	13,80
VC.O	Visteon Corp	7,68	4,52	0,58	0,86	13,47
	Average (excl. Garmin)	**15,91**	**5,40**	**0,60**	**0,62**	**15,20**
	Median (excl. Garmin)	**17,16**	**4,75**	**0,58**	**0,52**	**13,47**

NTM comparable values

in mUSD	FY2025E (NTM)
Revenues	7 320,49
EBITDA	1 884,32
Net Income	1 545,78
FCFF	1 623,05
FCFE	1 651,07

Weighted average of segments revenue with multiples

Enterprise Value based on Relative Valuation

Historical Sales

Historical Net Sales	FY24A
Fitness	1774,487
Outdoor	1961,99
Marine	1073,192
Aviation	876,614
Auto	610,62
Total	6296,903

Historical Net Sales - In % of Revenue	FY24A
Fitness	31,51%
Outdoor	29,48%
Marine	16,42%
Aviation	13,41%
Auto	9,18%
Total	100,00%

Mutliples Overview

	Multiple	Average	Median	Weighted
Comparable Companies Analysis	EV/FCFF	26,61	25,48	26,04
	EV/EBITDA	10,21	10,26	10,24
	EV/Revenues	3,09	2,34	2,72
	M/FCFE	3,86	3,25	3,56
	P/E	22,03	23,30	22,67

Enterprise Values based on Relative Valuation

	Multiple	Average	Median	Weighted
Comparable Companies Analysis	EV/FCFF	43 189,68	41 354,37	42 272,03
	EV/EBITDA	19 235,14	19 341,84	19 288,49
	EV/Revenues	22 599,18	17 159,82	19 879,50
	M/FCFE	6 378,13	5 371,57	5 874,85
	P/E	34 055,60	36 016,86	35 036,23

Appendix M - Weighted EV and share price

		Worst Case	-	Base Case	-	Best Case	Weight
Discounted Cash Flow	DCF	28 400	11 773	40 172	10 654	50 827	*50,00%*
Comparable Companies Analysis	EV/FCFF	41 354	918	42 272	918	43 190	*16,67%*
	EV/EBITDA	19 235	53	19 288	53	19 342	*16,67%*
	EV/Revenues	17 160	2 720	19 879	2 720	22 599	*0,00%*
	M/FCFE	5 372	503	5 875	503	6 378	*0,00%*
	P/E	34 056	981	35 036	981	36 017	*16,67%*
							100,00%

	Weighted EV	Weighted EV / Share	EV/EBITDA Multiple
Weighted Worst Case	29 974,17	171,97	17,67
Weighted Base Case	36 185,71	204,24	19,20
Weighted Best Case	41 838,20	233,60	20,18

	Worst Case	Base Case	Best Case
	-10,00%		*10,00%*
EBITDA FY25E	1 696	1 884	2 073

Appendix N - Income statement - Last 10 years

Income Statement - Standardized (Currency: Standardized) Field Name	26-12-2020	25-12-2021	31-12-2022	30-12-2023	28-12-2024
Revenues					
Revenue from Goods & Services	4 186,57	4 982,80	4 860,29	5 228,25	6 296,90
Sales of Goods & Services - Net - Unclassified	4 186,57	4 982,80	4 860,29	5 228,25	6 296,90
Revenue from Business Activities - Total	**4 186,57**	**4 982,80**	**4 860,29**	**5 228,25**	**6 296,90**
Operating Expenses					
Cost of Operating Revenue	1 705,24	2 092,34	2 053,51	2 223,30	2 600,35
Cost of Revenues - Total	1 705,24	2 092,34	2 053,51	2 223,30	2 600,35
Gross Profit - Industrials/Property - Total	**2 481,34**	**2 890,46**	**2 806,78**	**3 004,96**	**3 696,56**
Selling, General & Administrative Expenses - Total	1 427,10	1 671,84	1 778,93	1 912,80	2 102,56
Operating Expenses - Total	3 132,33	3 764,18	3 832,44	4 136,09	4 702,91
Operating Profit					
Operating Profit before Non-Recurring Income/Expense	**1 054,24**	**1 218,62**	**1 027,85**	**1 092,16**	**1 593,99**
Non-Operating Expenses					
Financing Income/(Expense) - Net - Total	39,83	-16,69	29,55	103,74	92,92
Other Non-Operating Income/(Expense)	9,34	4,87	7,58	4,46	8,49
Normalized Pre-tax Profit	1 103,41	1 206,80	1 064,97	1 200,36	1 695,40
Pre-Tax Income					
Income before Taxes	**1 103,41**	**1 206,80**	**1 064,97**	**1 200,36**	**1 695,40**
Taxes					
Income Taxes	111,09	124,60	91,39	-89,28	283,96
Net Income after Tax					
Net Income after Tax	**992,32**	**1 082,20**	**973,59**	**1 289,64**	**1 411,44**
After Tax Income/Expense					
Income before Discontinued Operations & Extraordinary Items	**992,32**	**1 082,20**	**973,59**	**1 289,64**	**1 411,44**
Net Income before Minority Interest	992,32	1 082,20	973,59	1 289,64	1 411,44
Net Income after Minority Interest	992,32	1 082,20	973,59	1 289,64	1 411,44
Net Income					
Income Available to Common Shares	**992,32**	**1 082,20**	**973,59**	**1 289,64**	**1 411,44**
Other Comprehensive Income					
Comprehensive Income - Attributable to Parent Company Equity Holders - Total	1 119,88	1 016,61	741,22	1 338,56	1 329,81

Income Statement - Standardized (Currency: Standardized) Field Name	26-12-2015	31-12-2016	30-12-2017	29-12-2018	28-12-2019
Revenues					
Revenue from Goods & Services	2 820,3	3 045,80	3 121,56	3 347,44	3 757,51
Sales of Goods & Services - Net - Unclassified	2 820,3	3 045,80	3 121,56	3 347,44	3 757,51
Revenue from Business Activities - Total	**2 820,3**	**3 045,80**	**3 121,56**	**3 347,44**	**3 757,51**
Operating Expenses					
Cost of Operating Revenue	1 281,6	1 357,27	1 323,62	1 367,73	1 523,53
Cost of Revenues - Total	1 281,6	1 357,27	1 323,62	1 367,73	1 523,53
Gross Profit - Industrials/Property - Total	**1 538,7**	**1 688,53**	**1 797,94**	**1 979,72**	**2 233,98**
Selling, General & Administrative Expenses - Total	989,1	1 055,66	1 114,30	1 201,38	1 288,39
Operating Expenses - Total	2 270,7	2 412,93	2 437,92	2 569,10	2 811,92
Operating Profit					
Operating Profit before Non-Recurring Income/Expense	**549,58**	**632,86**	**683,64**	**778,34**	**945,59**
Non-Operating Expenses					
Financing Income/(Expense) - Net - Total	6,19	1,76	14,35	39,53	36,02
Other Non-Operating Income/(Expense)	11,42	4,01	-0,91	5,37	5,62
Normalized Pre-tax Profit	567,2	638,63	697,07	823,25	987,22
Pre-Tax Income					
Income before Taxes	**567,2**	**638,63**	**697,07**	**823,25**	**987,22**
Taxes					
Income Taxes	111,0	120,90	-11,94	129,17	34,74
Net Income after Tax					
Net Income after Tax	**456,2**	**517,72**	**709,01**	**694,08**	**952,49**
After Tax Income/Expense					
Income before Discontinued Operations & Extraordinary Items	**456,2**	**517,72**	**709,01**	**694,08**	**952,49**
Net Income before Minority Interest	456,2	517,72	709,01	694,08	952,49
Net Income after Minority Interest	456,2	517,72	709,01	694,08	952,49
Net Income					
Income Available to Common Shares	**456,2**	**517,72**	**709,01**	**694,08**	**952,49**
Other Comprehensive Income					
Comprehensive Income - Attributable to Parent Company Equity Holders - Total	423,2	511,13	802,46	646,53	999,93

Appendix O - Balance sheet - Last 10 years

Balance Sheet - Standardized (Currency: Standardized) Field Name	26-12-2015	31-12-2016	30-12-2017	29-12-2018	28-12-2019
Current Assets					
Cash & Short-Term Investments	1 048,2	1 113,8	1 053,2	1 384,7	1 404,0
Loans & Receivables - Net - Short-Term	531,5	527,1	590,9	569,8	706,8
Inventories - Total	500,6	484,8	517,6	561,8	752,9
Prepaid Expenses - Short-Term	81,65	89,90	153,9	120,5	169,0
Other Current Assets - Total	49,18	47,40	30,53	28,46	25,11
Total Current Assets	**2 211,1**	**2 263,0**	**2 346,1**	**2 665,4**	**3 057,9**
Non-Current Assets					
Investments - Long-Term	1 343,4	1 213,3	1 260,0	1 330,1	1 205,5
Property, Plant & Equipment - Net - Total	446,1	482,9	595,7	663,5	792,5
Other Non-Current Assets - Total	253,3	261,0	336,6	306,8	451,3
Intangible Assets - Total - Net	245,6	305,0	409,8	417,1	659,6
Total Non-Current Assets	**2 288,3**	**2 262,1**	**2 602,2**	**2 717,5**	**3 109,0**
Total Assets					
Total Assets	**4 499,4**	**4 525,1**	**4 948,3**	**5 382,9**	**6 166,8**
Current Liabilities					
Trade Accounts Payable & Accruals - Short-Term	486,4	523,8	559,4	572,8	652,4
Short-Term Debt & Current Portion of Long-Term Debt					
Income Taxes - Payable - Short-Term	21,67	16,16	33,64	51,64	56,91
Dividends/Distributions Payable	193,0	96,17	95,98	200,5	217,3
Operating Lease Liabilities - Current Portion/Short-Term					14,76
Other Current Liabilities - Total	165,0	146,6	103,1	96,37	94,56
Total Current Liabilities	**866,0**	**782,7**	**792,1**	**921,3**	**1 035,9**
Non-Current Liabilities					
Debt - Long-Term - Total		0	0	0	0
Deferred Tax & Investment Tax Credits - Long-Term	56,21	61,22	76,61	92,94	114,8
Operating Lease Liabilities - Long-Term					49,24
Other Non-Current Liabilities - Total	232,1	263,2	227,1	205,6	173,4
Total Non-Current Liabilities	288,3	324,4	303,8	298,6	337,4
Total Liabilities					
Total Liabilities	**1 154,3**	**1 107,1**	**1 095,9**	**1 219,9**	**1 373,3**
Shareholders' Equity					
Shareholders' Equity - Attributable to Parent Shareholders - Total	3 345,1	3 418,0	3 852,4	4 163,0	4 793,5
Total Shareholders' Equity					
Total Liabilities & Equity	**4 499,4**	**4 525,1**	**4 948,3**	**5 382,9**	**6 166,8**

Balance Sheet - Standardized (Currency: Standardized) Field Name	26-12-2020	25-12-2021	31-12-2022	30-12-2023	28-12-2024
Current Assets					
Cash & Short-Term Investments	1 846,1	1 846,0	1 452,5	1 968,1	2 500,7
Loans & Receivables - Net - Short-Term	849,5	854,4	667,9	827,0	998,2
Inventories - Total	762,1	1 227,6	1 515,1	1 346,0	1 474,0
Prepaid Expenses - Short-Term	191,6	317,7	304,8	306,8	339,2
Other Current Assets - Total	20,15	15,96	14,86	16,32	24,04
Total Current Assets	**3 669,4**	**4 261,8**	**3 955,2**	**4 464,1**	**5 336,2**
Non-Current Assets					
Investments - Long-Term	1 131,2	1 268,7	1 208,4	1 125,2	1 198,3
Property, Plant & Equipment - Net - Total	950,2	1 156,9	1 285,1	1 367,8	1 401,5
Other Non-Current Assets - Total	452,1	376,0	536,2	851,3	936,4
Intangible Assets - Total - Net	828,6	791,1	746,5	795,1	758,1
Total Non-Current Assets	**3 362,0**	**3 592,7**	**3 776,0**	**4 139,4**	**4 294,4**
Total Assets					
Total Assets	**7 031,4**	**7 854,4**	**7 731,2**	**8 603,6**	**9 630,5**
Current Liabilities					
Trade Accounts Payable & Accruals - Short-Term	756,3	953,9	709,5	816,3	930,0
Short-Term Debt & Current Portion of Long-Term Debt	0	0	0	0	0
Income Taxes - Payable - Short-Term	68,58	128,1	246,2	225,5	294,6
Dividends/Distributions Payable	233,6	258,0	139,7	140,0	144,4
Operating Lease Liabilities - Current Portion/Short-Term	18,87	20,50	25,15	27,78	27,90
Other Current Liabilities - Total	86,87	87,65	91,09	101,2	111,0
Total Current Liabilities	**1 164,2**	**1 448,2**	**1 211,6**	**1 310,7**	**1 507,9**
Non-Current Liabilities					
Debt - Long-Term - Total	0	0	0	0	0
Deferred Tax & Investment Tax Credits - Long-Term	116,8	117,6	130,0	114,7	103,3
Operating Lease Liabilities - Long-Term	75,96	70,04	114,5	113,0	134,9
Other Non-Current Liabilities - Total	158,2	104,5	70,69	53,11	36,11
Total Non-Current Liabilities	351,0	292,1	315,2	280,8	274,3
Total Liabilities					
Total Liabilities	**1 515,3**	**1 740,3**	**1 526,8**	**1 591,5**	**1 782,1**
Shareholders' Equity					
Shareholders' Equity - Attributable to Parent Shareholders - Total	5 516,1	6 114,2	6 204,3	7 012,1	7 848,4
Total Shareholders' Equity					
Total Liabilities & Equity	**7 031,4**	**7 854,4**	**7 731,2**	**8 603,6**	**9 630,5**

Appendix P - Cash flow - Last 10 years

Cash Flow - Standardized (Currency: Standardized) Field Name	26-12-2015	31-12-2016	30-12-2017	29-12-2018	28-12-2019
Operating Cash Flow - Indirect					
Profit/(Loss) - Starting Line - Cash Flow	456,2	517,7	709,0	694,1	952,5
Non-cash Items & Reconciliation Adjustments - Cash Flow	169,0	173,7	95,52	232,4	98,85
Cash Flow from Operating Activities before Changes in Working Capital	625,2	691,5	804,5	926,5	1 051,3
Working Capital - Increase/(Decrease) - Cash Flow	-344,7	14,23	-143,7	-6,96	-352,8
Net Cash Flow from Operating Activities	**280,5**	**705,7**	**660,8**	**919,5**	**698,6**
Investing Cash Flow					
Capital Expenditures - Net - Cash Flow	76,56	96,00	151,6	158,8	119,9
Acquisition & Disposals of Business - Assets - Sold/(Acquired) - Net - Cash Flow	-38,69	-77,94	-90,47	-29,17	-300,3
Investments excluding Loans - Decrease/(Increase) - Cash Flow	3,22	52,26	47,66	-119,6	-30,58
Other Investing Cash Flow - Decrease/(Increase)	0,05				
Net Cash Flow from Investing Activities	**-112,0**	**-121,7**	**-194,4**	**-307,5**	**-450,8**
Financing Cash Flow					
Dividends Paid - Cash - Total - Cash Flow	378,1	481,5	383,0	296,2	417,3
Stock - Total - Issuance/(Retirement) - Net - Cash Flow	-119,9	-81,92	-65,44	9,99	1,24
Other Financing Cash Flow - Increase/(Decrease)	-2,05	1,69			
Net Cash Flow from Financing Activities	**-500,1**	**-561,7**	**-448,4**	**-286,2**	**-416,0**
Foreign Exchange Effects					
Foreign Exchange Effects - Cash Flow	-31,59	-8,66	26,72	-15,81	-5,94
Change in Cash					
Net Change in Cash - Total	**-363,2**	**13,67**	**44,76**	**310,1**	**-174,2**
Net Cash from Continuing Operations	-363,2	13,67	44,76	310,1	-174,2
Net Cash - Beginning Balance	1 196,3	833,3	847,0	891,8	1 201,8
Net Cash - Ending Balance	833,1	847,0	891,8	1 201,8	1 027,6

Cash Flow - Standardized (Currency: Standardized) Field Name	26-12-2020	25-12-2021	31-12-2022	30-12-2023	28-12-2024
Operating Cash Flow - Indirect					
Profit/(Loss) - Starting Line - Cash Flow	992,3	1 082,2	973,6	1 289,6	1 411,4
Non-cash Items & Reconciliation Adjustments - Cash Flow	201,5	278,0	90,40	-87,04	250,8
Cash Flow from Operating Activities before Changes in Working Capital	1 193,8	1 360,2	1 064,0	1 202,6	1 662,2
Working Capital - Increase/(Decrease) - Cash Flow	-58,52	-347,8	-275,7	173,7	-229,7
Net Cash Flow from Operating Activities	**1 135,3**	**1 012,4**	**788,3**	**1 376,3**	**1 432,5**
Investing Cash Flow					
Capital Expenditures - Net - Cash Flow	185,5	309,6	243,8	194,8	193,6
Acquisition & Disposals of Business - Assets - Sold/(Acquired) - Net - Cash Flow	-148,7	-20,17	-13,45	-150,9	-16,44
Investments excluding Loans - Decrease/(Increase) - Cash Flow	73,61	-145,6	112,1	12,69	-198,4
Other Investing Cash Flow - Decrease/(Increase)					15,03
Net Cash Flow from Investing Activities	**-260,5**	**-475,4**	**-145,1**	**-333,0**	**-393,3**
Financing Cash Flow					
Dividends Paid - Cash - Total - Cash Flow	450,6	491,5	679,1	558,8	572,4
Stock - Total - Issuance/(Retirement) - Net - Cash Flow	-11,13	4,75	-161,5	-77,74	-54,50
Other Financing Cash Flow - Increase/(Decrease)					
Net Cash Flow from Financing Activities	**-461,8**	**-486,7**	**-840,6**	**-636,5**	**-626,9**
Foreign Exchange Effects					
Foreign Exchange Effects - Cash Flow	18,13	-10,25	-21,45	7,46	-26,28
Change in Cash					
Net Change in Cash - Total	**431,1**	**40,10**	**-218,9**	**414,2**	**386,0**
Net Cash from Continuing Operations	431,1	40,10	-218,9	414,2	386,0
Net Cash - Beginning Balance	1 027,6	1 458,8	1 498,8	1 279,9	1 694,2
Net Cash - Ending Balance	1 458,8	1 498,8	1 279,9	1 694,2	2 080,2

Appendix Q – Forecasted IS

Year	FY15A	FY16A	FY17A	FY18A	FY19A	FY20A	FY21A	FY22A	FY23A	FY24A
Revenue	2 820	3 046	3 122	3 347	3 758	4 187	4 983	4 860	5 228	6 297
Intrinsic Revenue growth		*8%*	*2%*	*7%*	*12%*	*11%*	*19%*	*-2%*	*8%*	*20%*
Cost of revenue	1 282	1 357	1 324	1 368	1 524	1 705	2 092	2 054	2 223	2 600
COR common size	*45%*	*45%*	*42%*	*41%*	*41%*	*41%*	*42%*	*42%*	*43%*	*41%*
Gross profit	1 539	1 689	1 798	1 980	2 234	2 481	2 890	2 807	3 005	3 697
Gross margin	*55%*	*55%*	*58%*	*59%*	*59%*	*59%*	*58%*	*58%*	*57%*	*59%*
Operating costs	989	1 056	1 114	1 201	1 288	1 427	1 672	1 779	1 913	2 103
SG&A	911	969	1 028	1 105	1 182	1 300	1 517	1 615	1 735	1 923
SG&A-As % of Revenues	32,29%	31,82%	32,93%	33,02%	31,46%	31,06%	30,45%	33,23%	33,19%	30,54%
D&A	78	86	86	96	106	127	155	164	178	180
Operating profit (EBIT)	550	633	684	778	946	1 054	1 219	1 028	1 092	1 594
Operating margin	*19%*	*21%*	*22%*	*23%*	*25%*	*25%*	*24%*	*21%*	*21%*	*25%*
Financing Activities	6	2	14	40	36	40	-17	30	104	93
Other Non-Operating Income/(Expen	11	4	-1	5	6	9	5	8	4	8
Income before taxes	567	639	697	823	987	1 103	1 207	1 065	1 200	1 695
Taxes	111	121	-12	129	35	111	125	91	-89	284
Effective tax rate	*20%*	*19%*	*-2%*	*16%*	*4%*	*10%*	*10%*	*9%*	*-7%*	*17%*
Net income	456	518	709	694	952	992	1 082	974	1 290	1 411
Net Profit Margin	16,18%	17,00%	22,71%	20,73%	25,35%	23,70%	21,72%	20,03%	24,67%	22,41%
Suppelmental information										
EBITDA	628	719	770	875	1 052	1 181	1 373	1 192	1 270	1 774
EBITDA Margin	22,27%	23,61%	24,66%	26,13%	27,99%	28,21%	27,56%	24,52%	24,29%	28,17%
EBIT	550	633	684	778	946	1 054	1 219	1 028	1 092	1 594
EBIT Margin	19,49%	20,78%	21,90%	23,25%	25,17%	25,18%	24,46%	21,15%	20,89%	25,31%

Year	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	CAGR (FY15A-FY24A)	CAGR (FY25E-FY31E)
Revenue	7 320	8 667	10 287	12 077	13 979	15 997	18 075	9,34%	16,26%
Intrinsic Revenue growth	*16%*	*18%*	*19%*	*17%*	*16%*	*14%*	*13%*	-	-
Cost of revenue	3 094	3 645	4 306	4 917	5 691	6 513	7 359	8,18%	15,54%
COR common size	*42%*	*42%*	*42%*	*41%*	*41%*	*41%*	*41%*	-	-
Gross profit	4 227	5 022	5 981	7 160	8 288	9 484	10 716	10,23%	16,77%
Gross margin	*58%*	*58%*	*58%*	*59%*	*59%*	*59%*	*59%*	-	-
Operating costs	2 561	3 032	3 599	4 225	4 890	5 596	6 323	8,74%	16,26%
SG&A	2 342	2 773	3 292	3 865	4 473	5 119	5 784	8,66%	16,26%
SG&A-As % of Revenues	32,00%	32,00%	32,00%	32,00%	32,00%	32,00%	32,00%		
D&A	218	259	307	360	417	477	539	9,66%	16,26%
Operating profit (EBIT)	1 666	1 990	2 382	2 935	3 398	3 888	4 393	12,56%	17,54%
Operating margin	*23%*	*23%*	*23%*	*24%*	*24%*	*24%*	*24%*	-	-
Financing Activities	35	38	41	44	44	45	46	35,12%	4,65%
Other Non-Operating Income/(Expen	6	5	6	6	6	6	6	-3,24%	0,39%
Income before taxes	1 707	2 033	2 429	2 986	3 448	3 940	4 445	12,94%	17,30%
Taxes	161	192	229	281	325	371	419	11,01%	17,30%
Effective tax rate	*9%*	*9%*	*9%*	*9%*	*9%*	*9%*	*9%*	-	-
Net income	1 546	1 841	2 200	2 704	3 123	3 568	4 026	13,37%	17,30%
Net Profit Margin	21,12%	21,24%	21,39%	22,39%	22,34%	22,31%	22,27%	-	-
								-	-
Suppelmental information									
EBITDA	1 884	2 248	2 689	3 296	3 815	4 365	4 932	12,23%	17,40%
EBITDA Margin	25,74%	25,94%	26,14%	27,29%	27,29%	27,29%	27,29%	-	-
EBIT	1 666	1 990	2 382	2 935	3 398	3 888	4 393	12,56%	17,54%
EBIT Margin	22,76%	22,96%	23,16%	24,31%	24,31%	24,31%	24,31%	-	-

Appendix R – Forecasted FCFE

Year	FY15A	FY16A	FY17A	FY18A	FY19A	FY20A	FY21A	FY22A	FY23A	FY24A
Revenue	2 820,27	3 045,80	3 121,56	3 347,44	3 757,51	4 186,57	4 982,80	4 860,29	5 228,25	6 296,90
Intrinsic Revenue growth		*8,00%*	*2,49%*	*7,24%*	*12,25%*	*11,42%*	*19,02%*	*-2,46%*	*7,57%*	*20,44%*
Cost of revenue	1 281,57	1 357,27	1 323,62	1 367,73	1 523,53	1 705,24	2 092,34	2 053,51	2 223,30	2 600,35
COR common size	*45,44%*	*44,56%*	*42,40%*	*40,86%*	*40,55%*	*40,73%*	*41,99%*	*42,25%*	*42,52%*	*41,30%*
Gross profit	1 538,70	1 688,53	1 797,94	1 979,71	2 233,98	2 481,33	2 890,46	2 806,78	3 004,95	3 696,55
Gross margin	*54,56%*	*55,44%*	*57,60%*	*59,14%*	*59,45%*	*59,27%*	*58,01%*	*57,75%*	*57,48%*	*58,70%*
Operating costs	989,12	1 055,66	1 114,30	1 201,38	1 288,39	1 427,10	1 671,84	1 778,93	1 912,80	2 102,56
Operating profit	549,58	632,87	683,64	778,33	945,59	1 054,23	1 218,62	1 027,85	1 092,15	1 593,99
Operating margin	*19,49%*	*20,78%*	*21,90%*	*23,25%*	*25,17%*	*25,18%*	*24,46%*	*21,15%*	*20,89%*	*25,31%*
Effective tax rate	*19,56%*	*18,93%*	*-1,71%*	*15,69%*	*3,52%*	*10,07%*	*10,32%*	*8,58%*	*-7,44%*	*16,75%*
NOPAT	442,07	513,06	695,35	656,21	912,31	948,09	1 092,80	939,65	1 173,38	1 327,02
NOPAT margin	*15,67%*	*16,84%*	*22,28%*	*19,60%*	*24,28%*	*22,65%*	*21,93%*	*19,33%*	*22,44%*	*21,07%*
D&A	78,36	86,34	86,25	96,19	106,18	126,72	154,82	163,85	177,57	179,74
Δ in OWC		-32,74	151,68	-19,01	295,38	73,32	394,04	327,90	-123,45	215,75
Δ in OWC common size		*-1,07%*	*4,86%*	*-0,57%*	*7,86%*	*1,75%*	*7,91%*	*6,75%*	*-2,36%*	*3,43%*
CapEx		76,56	96,00	151,57	158,76	119,88	185,49	309,55	243,79	194,81
CapEx common size		*2,51%*	*3,08%*	*4,53%*	*4,23%*	*2,86%*	*3,72%*	*6,37%*	*4,66%*	*3,09%*
FCFF		556	534	620	564	882	668	466	1 231	1 096
FCFF margin		*18,24%*	*17,10%*	*18,52%*	*15,02%*	*21,06%*	*13,41%*	*9,59%*	*23,54%*	*17,41%*
Interest expense after tax		*0,00*	*0,00*	*0,00*	*0,00*	*0,00*	*0,00*	*0,00*	*0,00*	*0,00*
Change in Debt		*-102,33*	*17,29*	*122,50*	*36,81*	*32,16*	*85,51*	*4,46*	*-17,80*	*73,57*
FCFE		453,25	551,21	742,34	601,16	913,77	753,60	470,51	1 212,81	1 169,77
FCFF margin		14,88%	17,66%	22,18%	16,00%	21,83%	15,12%	9,68%	23,20%	18,58%

Year	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	CAGR (FY25E-FY31E)
Revenue	7 320,49	8 666,90	10 287,38	12 077,44	13 978,76	15 996,73	18 075,00	
Intrinsic Revenue growth	*16,26%*	*18,39%*	*18,70%*	*17,40%*	*15,74%*	*14,44%*	*12,99%*	
Cost of revenue	3 093,67	3 645,34	4 306,35	4 916,98	5 691,05	6 512,61	7 358,72	
COR common size	*42,26%*	*42,06%*	*41,86%*	*40,71%*	*40,71%*	*40,71%*	*40,71%*	
Gross profit	4 226,81	5 021,56	5 981,03	7 160,45	8 287,71	9 484,12	10 716,28	
Gross margin	*57,74%*	*57,94%*	*58,14%*	*59,29%*	*59,29%*	*59,29%*	*59,29%*	
Operating costs	2 560,88	3 031,88	3 598,77	4 224,97	4 890,10	5 596,03	6 323,06	
Operating profit	1 665,94	1 989,67	2 382,26	2 935,48	3 397,61	3 888,08	4 393,22	
Operating margin	*22,76%*	*22,96%*	*23,16%*	*24,31%*	*24,31%*	*24,31%*	*24,31%*	
Effective tax rate	*9,43%*	*9,43%*	*9,43%*	*9,43%*	*9,43%*	*9,43%*	*9,43%*	
NOPAT	1 508,88	1 802,10	2 157,67	2 658,74	3 077,30	3 521,53	3 979,05	
NOPAT margin	*20,61%*	*20,79%*	*20,97%*	*22,01%*	*22,01%*	*22,01%*	*22,01%*	
D&A	218,38	258,55	306,89	360,29	417,01	477,21	539,20	
Δ in OWC	-152,40	305,58	369,67	353,01	456,95	451,30	439,38	
Δ in OWC common size	*-2,08%*	*3,53%*	*3,59%*	*2,92%*	*3,27%*	*2,82%*	*2,43%*	
CapEx	256,61	303,81	360,61	423,36	490,01	560,75	633,60	
CapEx common size	*3,51%*	*3,51%*	*3,51%*	*3,51%*	*3,51%*	*3,51%*	*3,51%*	
FCFF	1 623	1 451	1 734	2 243	2 547	2 987	3 445	13,37%
FCFF margin	*22,17%*	*16,74%*	*16,86%*	*18,57%*	*18,22%*	*18,67%*	*19,06%*	
Interest expense after tax	*0,00*	*0,00*	*0,00*	*0,00*	*0,00*	*0,00*	*0,00*	
Change in Debt	*28,02*	*28,02*	*28,02*	*28,02*	*28,02*	*28,02*	*28,02*	
FCFE	1 651,07	1 479,27	1 762,30	2 270,67	2 575,36	3 014,71	3 473,29	13,20%
FCFF margin	22,55%	17,07%	17,13%	18,80%	18,42%	18,85%	19,22%	