



GARMIN.



Q1 2014 Earnings Call Webcast

April 30, 2014

Safe Harbor Statement

These materials include forward-looking statements. These statements are based on the current expectations of Garmin Ltd. and are naturally subject to uncertainty and changes in circumstances. Forward-looking statements include, without limitation, statements containing words such as "proposed" and "intends" or "intended" and "expects" or "expected." By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. These factors include those discussed or identified in the filing by Garmin Ltd. with the U.S. Securities and Exchange Commission in its Annual Report on Form 10-K. Garmin Ltd. does not undertake any obligation to update publicly or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

Business Update

Cliff Pemble
President and CEO

1st Quarter Financial Review

**Strong first quarter revenue and margin performance
leading to 38% pro forma EPS growth**

- Non-automotive/mobile market segments grew 22% and contributed 58% of total revenue
- Gross and operating margin of 57% and 21%, respectively
- Operating income growth of 51% with all segments contributing
- Pro forma EPS growth of 38%; \$0.55 for first quarter 2014

Fitness

1st Quarter Business Review

- Revenue growth of 38%
- Gross and operating margin of 64% and 33%, respectively
- Operating income growth of 68%

Market/Product Update

- vívofit well received in a rapidly growing product category
- Edge 1000 sets a new standard in high-end cycling computers
- Continuing to increase R&D spending to support new products and services



Aviation

1st Quarter Business Review

- Revenue growth of 19%; OEM and aftermarket contributing
- Operating income growth of 38% with gross and operating margin improvement

Market/Product Update

- Introduced additional aftermarket products to enhance portfolio
- Gained additional OEM relationships with the G3X Touch for the light-sport aircraft market
- Extended partnership with Cessna on the CJ3+ and Alpine Edition CJ2+



Marine



1st Quarter Business Review

- Revenue growth of 19% due to an improving demand environment for new products
- Profitability improving though pricing remains competitive

Market/Product Update

- 2014 products available ahead of the buying season
- Market for marine electronics remains depressed though we anticipate taking share



Outdoor

1st Quarter Business Review

- Revenue growth of 10%
- Gross and operating margins remained strong due to our niche product offerings

Market/Product Update

- Introduction of fēnix 2 and PRO series of dog collars
- VIRB market share gains have been slow but we are continuing to invest in advertising and sponsorships, as well as future innovation to drive long-term growth



Automotive/Mobile

1st Quarter Business Review

- Revenue decline of 4% as the PND category performed as expected; partially offset by amortization of deferred revenues and growth in OEM
- Profitability and market share improving

Market/Product Update

- Expect PND market to decline approximately 20% globally; partially offset by niche automotive offerings
- Garmin equipped Mercedes E Class now shipping



2014 Guidance

	2014 Guidance
Revenue *	\$2.6 - \$2.7 B
Gross Margin	54 - 55%
Operating Income	\$530 - \$565 M
Operating Margin	~21%
Tax Rate	17%
EPS (Pro Forma)	\$2.50 - \$2.60
Free Cash Flow	\$550 -\$600 M

* Assumes EUR/USD FX rate of 1.35 in 2014

Financial Update

Kevin Rauckman
CFO and Treasurer

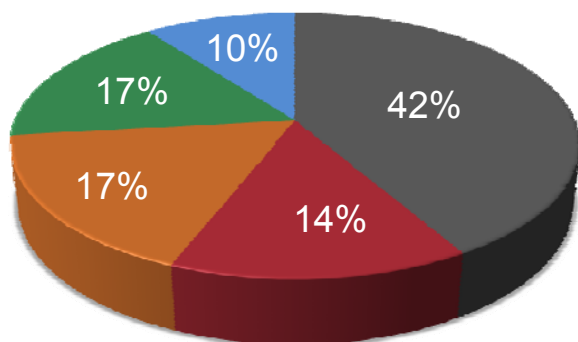
Q1 Income Statement

(\$ Millions)	Q1 2014 Actual	Q1 2013 Actual	Change
Revenue	\$583	\$532	10%
Gross Profit	331	276	20%
Gross Margin %	57%	52%	480 bps
Total Operating Expense	210	196	7%
Operating Income	120	80	51%
Operating Margin %	21%	15%	560 bps
Other Income/(Expense)	22	2	
Income Tax	24	(7)	
Net Income (GAAP)	119	89	34%
Net Income Pro-Forma	108	80	36%
EPS (GAAP)	\$0.61	\$0.45	36%
EPS Pro-Forma	\$0.55	\$0.40	38%
Units Shipped (K)	2,492	2,499	NM

Q1 Revenue

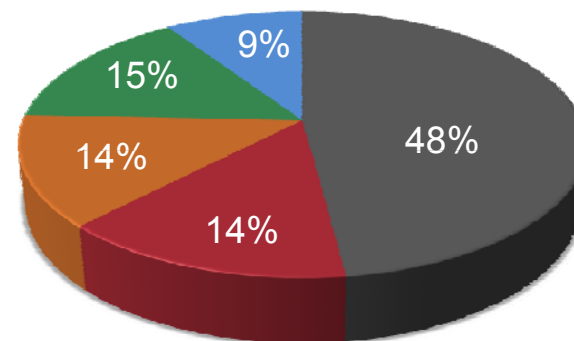
Revenue by Segment			
(\$ M)	Q1 2014	Q1 2013	Change
Auto / Mobile	\$243	\$253	(4%)
Outdoor	\$84	\$76	10%
Fitness	\$100	\$72	38%
Aviation	\$96	\$80	19%
Marine	\$60	\$50	19%
Total	\$583	\$532	10%

Q1 2014 Revenue



■ Auto/Mobile ■ Outdoor ■ Fitness ■ Aviation ■ Marine

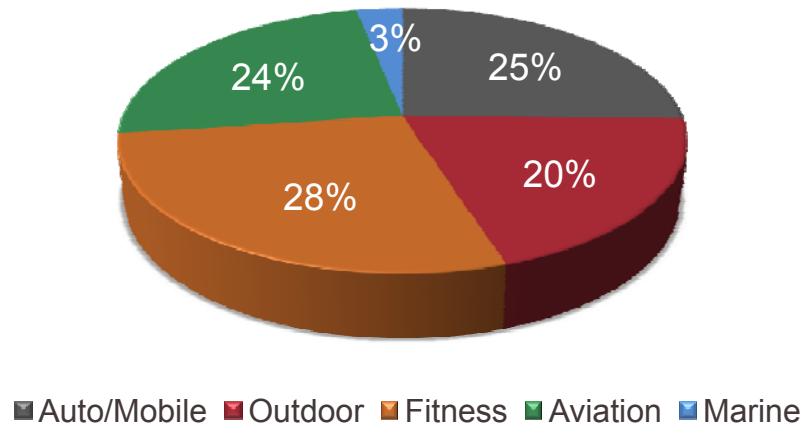
Q1 2013 Revenue



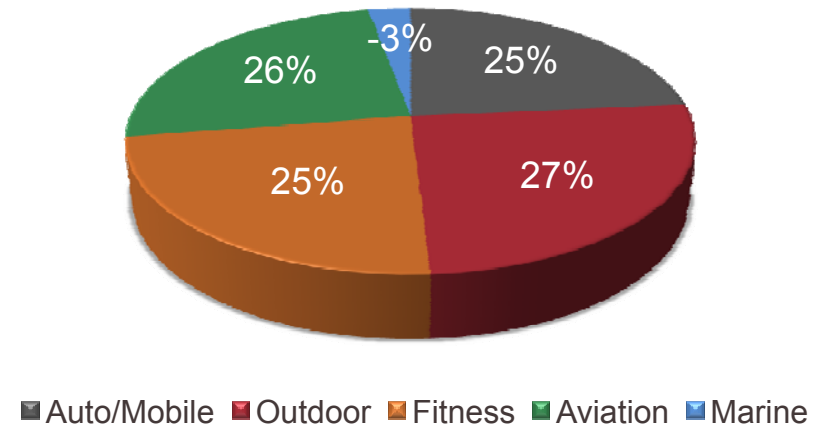
■ Auto/Mobile ■ Outdoor ■ Fitness ■ Aviation ■ Marine

Q1 Operating Income

Q1 2014 Operating Income



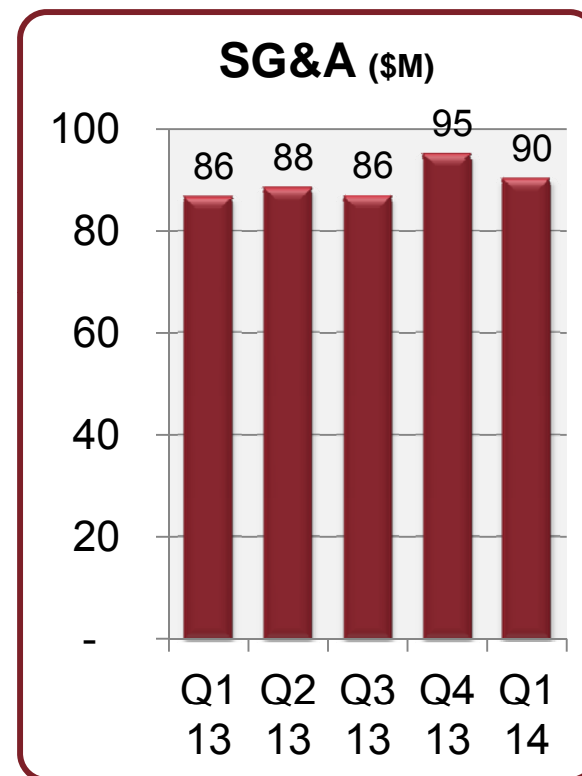
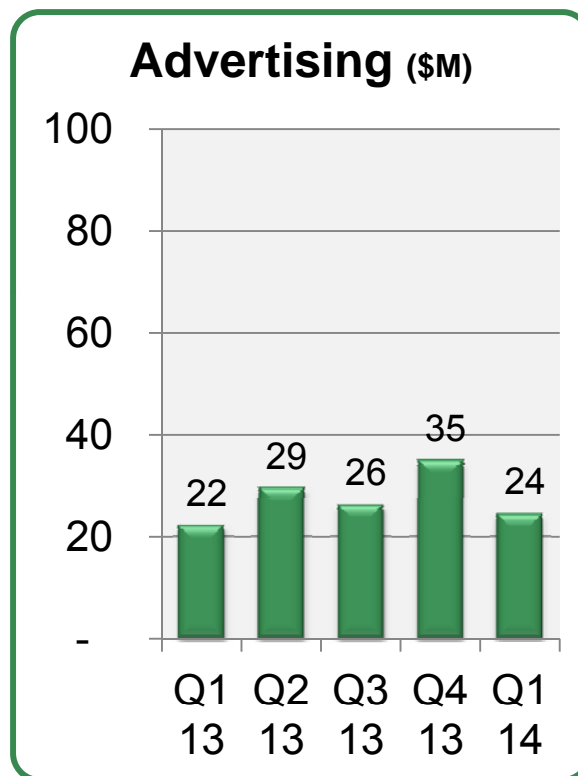
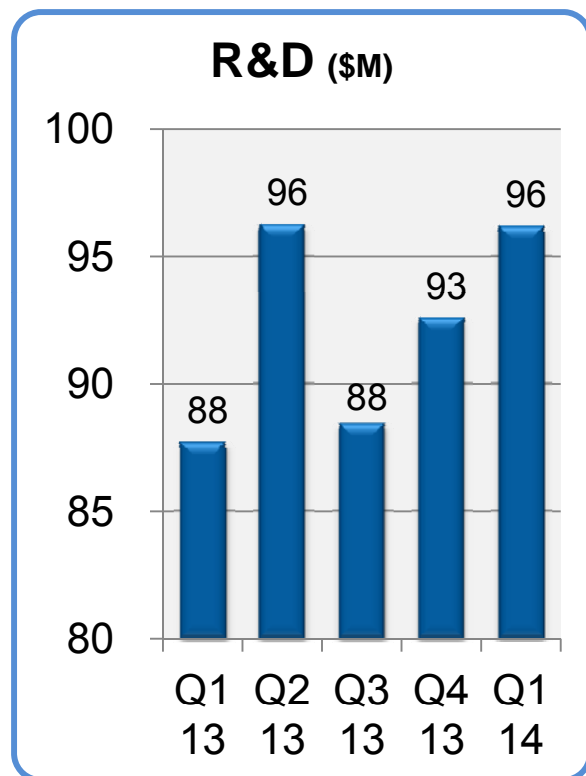
Q1 2013 Operating Income



Margin Review

- GM of 57%; improvement in each segment
- Auto/mobile improvement driven by benefit from high margin deferred revenue
- Non-auto/mobile segments driven by product mix shift toward new offerings
- Operating margin improved to 21% from 15% in prior year as revenue growth outpaced operating expense growth

Operating Expenses



Balance Sheet/Cash Flow

Balance Sheet

- Ended quarter with over \$2.8 billion of cash and marketable securities
- Accounts receivable declined as expected following seasonally strong fourth quarter
- Inventory balance increased on a sequential basis as we launched new product categories and prepared for the seasonal strength of second quarter

Cash Flow

- Continued strong cash flow with \$71 million of operating cash and \$56 million of free cash flow in the quarter
- Repurchased \$33 million in company stock; \$208 million repurchase authorization remains in effect and management intends to repurchase shares as conditions warrant



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Appendix

April 30, 2014

Pro Forma Net Income

Garmin Ltd. And Subsidiaries
Net income per share (Pro Forma)
(in thousands, except per share information)

	13-Weeks Ended	
	Mar 29, 2014	Mar 30, 2013
Net Income (GAAP)	\$118,818	\$88,666
Foreign currency (gain) / loss, net of tax effects	(\$10,687)	\$7,377
Income tax benefit due to completion of tax audits and/or expiration of statutes	-	(\$16,536)
Net income (Pro Forma)	\$108,131	\$79,507
Net income per share (GAAP):		
Basic	\$0.61	\$0.45
Diluted	\$0.61	\$0.45
Net income per share (Pro Forma):		
Basic	\$0.55	\$0.41
Diluted	\$0.55	\$0.40
Weighted average common shares outstanding:		
Basic	195,090	195,630
Diluted	195,860	196,457

Free Cash Flow

Garmin Ltd. And Subsidiaries
Free Cash Flow
(in thousands)

	13-Weeks Ended	
	Mar 29, 2014	Mar 30, 2013
Net cash provided by operating activities	\$71,173	\$59,363
Less: purchases of property and equipment	(\$15,537)	(\$11,616)
Free Cash Flow	<u>\$55,636</u>	<u>\$47,747</u>