



Garmin announces first quarter 2025 results

Company reports record first quarter operating results and maintains full year EPS guidance



Schaffhausen, Switzerland / April 30, 2025 / PR Newswire – Garmin® Ltd. (NYSE: GRMN), today announced results for the first quarter ended March 29, 2025.

Highlights for first quarter 2025 include:

- Record consolidated revenue of \$1.54 billion, an 11% increase compared to the prior year quarter
- Gross margin of 57.6% compared to 58.1%, in the prior year quarter
- Operating margin expanded to 21.7% from 21.6%, in the prior year quarter
- Record operating income of \$333 million, a 12% increase compared to the prior year quarter
- GAAP EPS of \$1.72 and pro forma EPS⁽¹⁾ of \$1.61, representing 13% growth in pro forma EPS over the prior year quarter
- Named one of the Top 10 Most Trustworthy Companies in America, within our industry, by Newsweek
- Recognized as an exceptional aviation OEM and marine supplier, winning multiple awards during the quarter
- Announced the G3000® PRIME integrated flight deck was selected by Pilatus for its new PC-12 PRO aircraft and PC-7 MKX military training aircraft
- Published our 2024 Garmin inReach® SOS Report, highlighting the important role served by inReach devices in remote communications and emergency response coordination around the globe

(In thousands, except per share information)

| | 13-Weeks Ended | | |
|--------------------------------------|-------------------|-------------------|---------------|
| | March 29, 2025 | March 30, 2024 | YoY Change |
| Net sales | \$ 1,535,099 | \$ 1,381,649 | 11% |
| Fitness | 384,722 | 342,892 | 12% |
| Outdoor | 438,496 | 366,193 | 20% |
| Aviation | 223,114 | 216,855 | 3% |
| Marine | 319,438 | 326,736 | (2)% |
| Auto OEM | 169,329 | 128,973 | 31% |
| Gross profit | 884,545 | 802,139 | 10% |
| Gross margin % | 57.6% | 58.1% | |
| Operating Income | 332,824 | 298,410 | 12% |
| Operating income % | 21.7% | 21.6% | |
| GAAP diluted EPS | \$ 1.72 | \$ 1.43 | 20% |
| Pro forma diluted EPS ⁽¹⁾ | \$ 1.61 | \$ 1.42 | 13% |

(1) See attached Non-GAAP Financial Information for discussion and reconciliation of non-GAAP financial measures, including pro forma diluted EPS

Executive Overview from Cliff Pemble, President and Chief Executive Officer:

"We delivered another quarter of outstanding financial results which we attribute to our strong lineup of highly differentiated products that customers desire. While recent developments in global trade have created an atmosphere of uncertainty for many companies, we remain optimistic because of the resilience and flexibility our vertically integrated and highly diversified business model offers. We are very pleased with our results so far, and we look forward to the opportunities ahead as the year continues to unfold." – Cliff Pemble, President and Chief Executive Officer of Garmin Ltd.

Fitness:

Revenue from the fitness segment increased 12% in the first quarter with growth led by strong demand for advanced wearables. Gross and operating margins were 57% and 20%, respectively, resulting in \$78 million of operating income. During the quarter, we announced Garmin Connect+, a premium plan offering personalized insights driven by artificial intelligence, enhanced live tracking, and exclusive achievement badges. Garmin Connect+ will elevate users' health and fitness knowledge with personalized Active Intelligence insights powered by AI. Also during the quarter, we were recognized as one of the Most Innovative Fitness and Wellness Companies of 2025 by *Athletech News*. We also recently announced the vivoactive® 6, our newest health and fitness smartwatch with an even brighter AMOLED display that includes more than 80 preloaded sports apps and provides access to Garmin Coach running and strength training plans.

Outdoor:

Revenue from the outdoor segment increased 20% in the first quarter primarily due to growth in adventure watches. Gross and operating margins were 64% and 29%, respectively, resulting in \$129 million of operating income. During the quarter, we launched several wearables, including Instinct® 3, Descent™ G2, tactix® 8 and Approach® S44 and Approach S50. Each wearable is purpose built to allow our customers to participate in the activities that further their passions. Also during the quarter, we launched the new Montana® handheld GPS series with optional SOS satellite communication capabilities, and the new Approach G20, the first GPS golf handheld with unlimited battery life in sunny conditions.

Aviation:

Revenue from the aviation segment increased 3% in the first quarter with growth primarily driven by the OEM product categories. Gross and operating margins were 75% and 22%, respectively, resulting in \$48 million of operating income. During the quarter, we announced that the G3000 PRIME integrated flight deck was selected by Pilatus for its new PC-12 PRO aircraft, with deliveries anticipated to begin in the second half of 2025, and PC-7 MKX military training aircraft. Also during the quarter, we introduced GCO™ 14, our first carbon monoxide detector for aircraft. This remote-mount sensor allows pilots to monitor CO levels and receive alerts, adding a layer of situational awareness in the cockpit. We were also named Supplier of the Year by Cirrus Aircraft, reflecting our commitment to create the best products and provide outstanding service to our customers.

Marine:

Revenue from the marine segment decreased 2% in the first quarter primarily due to the timing of promotions, which contributed to lower revenue from multiple product categories in the quarter. Gross and operating margins were 58% and 27%, respectively, resulting in \$87 million of operating income. During the quarter, we launched the Force® Pro trolling motor, with multi-band GPS for improved control, reverse thrust capabilities and a built-in sonar transducer. Also during the quarter, we were named 2025 Supplier of the Year for the second consecutive year by Independent Boat Builders, Inc. (IBBI), for providing outstanding service, support and dedication to its owner network.

Auto OEM:

Revenue from the auto OEM segment increased 31% during the first quarter primarily driven by growth in domain controllers. Gross margin was 18% and we recorded an operating loss of \$9 million in the quarter. During the quarter, Honda introduced the 2025 Gold Wing motorcycle which includes a Garmin infotainment system.

Additional Financial Information:

Total operating expenses in the first quarter were \$552 million, a 10% increase over the prior year. Research and development and selling, general and administrative expenses increased 11% and 9%, respectively, driven primarily by personnel related costs.

The effective tax rate in the first quarter was 14.5% compared to the effective tax rate of 15.6% in the prior year quarter. The decrease in the current quarter is primarily due to increased tax benefits from stock-based compensation.

In the first quarter of 2025, we generated operating cash flows of \$421 million and free cash flow⁽¹⁾ of \$381 million. We paid a quarterly dividend of approximately \$145 million and repurchased \$27 million of the Company's shares within the quarter, leaving approximately \$210 million remaining as of March 29, 2025 in the share repurchase program authorized through December 2026. We ended the quarter with cash and marketable securities of approximately \$3.9 billion.

- (1) See attached Non-GAAP Financial Information for discussion and reconciliation of non-GAAP financial measures, including pro forma effective tax rate and free cash flow.

2025 Fiscal Year Guidance:

Based upon our first quarter results and our assessment of the current global trade environment, we are updating our full year 2025 expectations for revenue to approximately \$6.85 billion and maintaining our pro forma EPS of \$7.80 based on gross margin of 58.5%, operating margin of 24.8% and a full year tax rate of 16.5% (see attached discussion on Forward-looking Financial Measures).

Dividend Recommendation:

As announced in February, the Board will recommend to the shareholders for approval at the annual meeting to be held on June 6, 2025, a cash dividend in the total amount of \$3.60 per share payable in four equal quarterly installments.

Webcast Information/Forward-Looking Statements:

The information for Garmin Ltd.'s earnings call is as follows:

When: Wednesday, April 30, 2025 10:30 a.m. Eastern
Where: Join a live stream of the call at the following link
<https://www.garmin.com/en-US/investors/events/>

An archive of the live webcast will be available until April 29, 2026 on the Garmin website at www.garmin.com. To access the replay, click on the Investors link and click over to the Events Calendar page.

This release includes projections and other forward-looking statements regarding Garmin Ltd. and its business that are commonly identified by words such as “anticipates,” “would,” “may,” “expects,” “estimates,” “plans,” “intends,” “projects,” and other words or phrases with similar meanings. Any statements regarding the Company’s expected fiscal 2025 GAAP and pro forma estimated earnings, EPS, and effective tax rate, and the Company’s expected segment revenue growth rates, consolidated revenue, gross margins, operating margins, global trade related impacts, potential future acquisitions, share repurchase programs, currency movements, expenses, pricing, new product launches, market reach, statements relating to possible future dividends, and the Company’s plans and objectives are forward-looking statements. The forward-looking events and circumstances discussed in this release may not occur and actual results could differ materially as a result of risk factors and uncertainties affecting Garmin, including, but not limited to, the risk factors that are described in the Annual Report on Form 10-K for the year ended December 28, 2024 and the Quarterly Report on Form 10-Q for the quarter ended March 29, 2025 filed by Garmin with the Securities and Exchange Commission (Commission file number 001-41118). A copy of Garmin’s 2024 Form 10-K and the Q1 2025 Form 10-Q can be downloaded from <https://www.garmin.com/en-US/investors/sec/>. All information provided in this release and in the attachments is as of March 29, 2025. Undue reliance should not be placed on the forward-looking statements in this press release, which are based on information available to us on the date hereof. We undertake no duty to update this information unless required by law.

This release and the attachments contain non-GAAP financial measures. A reconciliation to the nearest GAAP measure and a discussion of the Company’s use of these measures are included in the attachments.

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Investor Relations Contact:
Teri Seck
913/397-8200
investor.relations@garmin.com

Media Relations Contact:
Krista Klaus
913/397-8200
media.relations@garmin.com

Garmin Ltd. and Subsidiaries
Condensed Consolidated Statements of Income (Unaudited)
(In thousands, except per share information)

| | 13-Weeks Ended | |
|--|-------------------|-------------------|
| | March 29, 2025 | March 30, 2024 |
| Net sales | \$ 1,535,099 | \$ 1,381,649 |
| Cost of goods sold | 650,554 | 579,510 |
| Gross profit | 884,545 | 802,139 |
| Research and development expense | 268,120 | 242,535 |
| Selling, general and administrative expenses | 283,601 | 261,194 |
| Total operating expense | 551,721 | 503,729 |
| Operating income | 332,824 | 298,410 |
| Other income (expense): | | |
| Interest income | 30,507 | 25,027 |
| Foreign currency gains | 24,760 | 2,282 |
| Other income | 987 | 1,321 |
| Total other income (expense) | 56,254 | 28,630 |
| Income before income taxes | 389,078 | 327,040 |
| Income tax provision | 56,309 | 51,079 |
| Net income | <u>\$ 332,769</u> | <u>\$ 275,961</u> |
| Net income per share: | | |
| Basic | \$ 1.73 | \$ 1.44 |
| Diluted | \$ 1.72 | \$ 1.43 |
| Weighted average common shares outstanding: | | |
| Basic | 192,544 | 191,890 |
| Diluted | 193,717 | 192,698 |

Garmin Ltd. and Subsidiaries
Condensed Consolidated Balance Sheets (Unaudited)
(In thousands)

| | March 29, 2025 | December 28, 2024 |
|---|---------------------------|------------------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 2,175,515 | \$ 2,079,468 |
| Marketable securities | 498,995 | 421,270 |
| Accounts receivable, net | 787,133 | 983,404 |
| Inventories | 1,581,952 | 1,473,978 |
| Deferred costs | 21,077 | 24,040 |
| Prepaid expenses and other current assets | 380,512 | 353,993 |
| Total current assets | 5,445,184 | 5,336,153 |
| Property and equipment, net | 1,233,213 | 1,236,884 |
| Operating lease right-of-use assets | 170,703 | 164,656 |
| Noncurrent marketable securities | 1,226,464 | 1,198,331 |
| Deferred income tax assets | 831,817 | 822,521 |
| Noncurrent deferred costs | 5,783 | 6,898 |
| Goodwill | 616,955 | 603,947 |
| Other intangible assets, net | 150,026 | 154,163 |
| Other noncurrent assets | 107,477 | 106,974 |
| Total assets | <u>\$ 9,787,622</u> | <u>\$ 9,630,527</u> |
| Liabilities and Stockholders' Equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 344,804 | \$ 359,365 |
| Salaries and benefits payable | 204,589 | 210,879 |
| Accrued warranty costs | 61,142 | 62,473 |
| Accrued sales program costs | 71,765 | 108,492 |
| Other accrued expenses | 209,473 | 216,721 |
| Deferred revenue | 105,716 | 110,997 |
| Income taxes payable | 332,217 | 294,582 |
| Dividend payable | — | 144,349 |
| Total current liabilities | 1,329,706 | 1,507,858 |
| Deferred income tax liabilities | 104,923 | 103,274 |
| Noncurrent income taxes payable | 6,951 | 7,014 |
| Noncurrent deferred revenue | 25,526 | 28,321 |
| Noncurrent operating lease liabilities | 140,235 | 134,886 |
| Other noncurrent liabilities | 803 | 776 |
| Stockholders' equity: | | |
| Common shares (194,901 and 194,901 shares authorized and issued; 192,711 and 192,468 shares outstanding) | 19,490 | 19,490 |
| Additional paid-in capital | 2,255,968 | 2,247,484 |
| Treasury shares (2,190 and 2,433 shares) | (301,804) | (270,521) |
| Retained earnings | 6,331,735 | 5,999,183 |
| Accumulated other comprehensive income (loss) | (125,911) | (147,238) |
| Total stockholders' equity | 8,179,478 | 7,848,398 |
| Total liabilities and stockholders' equity | <u>\$ 9,787,622</u> | <u>\$ 9,630,527</u> |

Garmin Ltd. and Subsidiaries
Condensed Consolidated Statements of Cash Flows (Unaudited)
(In thousands)

| | 13-Weeks Ended | |
|---|-----------------------|-----------------------|
| | March 29, 2025 | March 30, 2024 |
| Operating Activities: | | |
| Net income | \$ 332,769 | \$ 275,961 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation | 37,463 | 33,892 |
| Amortization | 8,835 | 10,933 |
| Gain on sale or disposal of property and equipment | (15) | (12) |
| Unrealized foreign currency (gains) losses | (38,983) | 2,974 |
| Deferred income taxes | (11,593) | (9,611) |
| Stock compensation expense | 37,772 | 30,719 |
| Realized loss on marketable securities | 98 | — |
| Changes in operating assets and liabilities, net of acquisitions: | | |
| Accounts receivable, net of allowance for doubtful accounts | 213,089 | 108,453 |
| Inventories | (102,239) | 16,545 |
| Other current and noncurrent assets | (17,510) | 2,117 |
| Accounts payable | (12,629) | (1,281) |
| Other current and noncurrent liabilities | (57,318) | (64,699) |
| Deferred revenue | (8,160) | (2,549) |
| Deferred costs | 4,102 | (1,451) |
| Income taxes | 35,107 | 33,314 |
| Net cash provided by operating activities | 420,788 | 435,305 |
| Investing activities: | | |
| Purchases of property and equipment | (40,062) | (33,168) |
| Purchase of marketable securities | (179,827) | (85,626) |
| Redemption of marketable securities | 88,788 | 77,131 |
| Net (payments for) cash from acquisitions | (2,100) | 5,011 |
| Other investing activities, net | 599 | (223) |
| Net cash used in investing activities | (132,602) | (36,875) |
| Financing activities: | | |
| Dividends | (144,566) | (140,212) |
| Purchase of treasury shares related to equity awards | (33,144) | (15,987) |
| Purchase of treasury shares under share repurchase plan | (27,098) | — |
| Net cash used in financing activities | (204,808) | (156,199) |
| Effect of exchange rate changes on cash and cash equivalents | 12,672 | (13,913) |
| Net increase in cash, cash equivalents, and restricted cash | 96,050 | 228,318 |
| Cash, cash equivalents, and restricted cash at beginning of period | 2,080,154 | 1,694,156 |
| Cash, cash equivalents, and restricted cash at end of period | <u>\$ 2,176,204</u> | <u>\$ 1,922,474</u> |

Garmin Ltd. and Subsidiaries
Net Sales, Gross Profit and Operating Income by Segment (Unaudited)
(In thousands)

| | <u>Fitness</u> | <u>Outdoor</u> | <u>Aviation</u> | <u>Marine</u> | <u>Auto OEM</u> | <u>Total</u> |
|--------------------------------------|----------------|----------------|-----------------|---------------|---------------------|--------------|
| 13-Weeks Ended March 29, 2025 | | | | | | |
| Net sales | \$ 384,722 | \$ 438,496 | \$ 223,114 | \$ 319,438 | \$ 169,329 | \$ 1,535,099 |
| Gross profit | 220,142 | 282,536 | 167,902 | 183,933 | 30,032 | 884,545 |
| Operating income (loss) | 77,712 | 128,788 | 48,356 | 86,865 | (8,897) | 332,824 |
| 13-Weeks Ended March 30, 2024 | | | | | | |
| Net sales | \$ 342,892 | \$ 366,193 | \$ 216,855 | \$ 326,736 | \$ 128,973 | \$ 1,381,649 |
| Gross profit | 194,802 | 242,739 | 162,626 | 179,252 | 22,720 | 802,139 |
| Operating income (loss) | 68,133 | 106,950 | 52,134 | 87,692 | (16,499) | 298,410 |

Garmin Ltd. and Subsidiaries
Net Sales by Geography (Unaudited)
(In thousands)

| | 13-Weeks Ended | | |
|-----------|---------------------------|---------------------------|-----------------------|
| | March 29, 2025 | March 30, 2024 | YoY Change |
| Net sales | \$ 1,535,099 | \$ 1,381,649 | 11% |
| Americas | 745,733 | 716,116 | 4% |
| EMEA | 568,953 | 463,384 | 23% |
| APAC | 220,413 | 202,149 | 9% |

Americas - North America & South America; EMEA - Europe, Middle East & Africa; APAC - Asia Pacific & Australian Continent

Non-GAAP Financial Information

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

The tables below provide reconciliations between the GAAP and non-GAAP measures.

Pro forma effective tax rate

The Company's income tax expense is periodically impacted by discrete tax items that are not reflective of income tax expense incurred as a result of current period earnings. Therefore, management believes the effective tax rate and income tax provision before the effect of certain discrete tax items are important measures to permit investors' consistent comparison between periods. In the first quarter of 2025 and 2024 there were no such discrete tax items identified.

Pro forma net income (earnings) per share

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

(In thousands, except per share information)

| | 13-Weeks Ended | |
|--|-------------------|-------------------|
| | March 29, 2025 | March 30, 2024 |
| GAAP net income | \$ 332,769 | \$ 275,961 |
| Foreign currency gains / losses ⁽¹⁾ | (24,760) | (2,282) |
| Tax effect of foreign currency gains / losses ⁽²⁾ | 3,583 | 356 |
| Pro forma net income | \$ 311,592 | \$ 274,035 |
| GAAP net income per share: | | |
| Basic | \$ 1.73 | \$ 1.44 |
| Diluted | \$ 1.72 | \$ 1.43 |
| Pro forma net income per share: | | |
| Basic | \$ 1.62 | \$ 1.43 |
| Diluted | \$ 1.61 | \$ 1.42 |
| Weighted average common shares outstanding: | | |
| Basic | 192,544 | 191,890 |
| Diluted | 193,717 | 192,698 |

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

(2) The tax effect of foreign currency gains was calculated using the effective tax rate of 14.5% for the 13-weeks ended March 29, 2025 and 15.6% for the 13-weeks ended March 30, 2024.

Free cash flow

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

(In thousands)

| | 13-Weeks Ended | |
|---|-------------------|-------------------|
| | March 29, 2025 | March 30, 2024 |
| Net cash provided by operating activities | \$ 420,788 | \$ 435,305 |
| Less: purchases of property and equipment | (40,062) | (33,168) |
| Free Cash Flow | <u>\$ 380,726</u> | <u>\$ 402,137</u> |

Forward-looking Financial Measures

The forward-looking financial measures in our 2025 guidance include certain economic assumptions such as foreign currency exchange rates and tariffs which are fluid and can rapidly change favorably or unfavorably.

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

The estimated impact of foreign currency gains and losses cannot be reasonably estimated on a forward-looking basis due to the high variability and low visibility with respect to non-operating foreign currency exchange gains and losses and the related tax effects of such gains and losses. The impact on diluted net income per share of foreign currency gains and losses, net of tax effects, was \$0.11 per share for the 13-weeks ended March 29, 2025.

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