

Garmin Ltd. And Subsidiaries
Consolidated Balance Sheets
(In thousands, except per share information)

	December 29, 2018	December 30, 2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,201,732	\$ 891,488
Marketable securities <i>(Note 3)</i>	182,989	161,687
Accounts receivable, less allowance for doubtful accounts of \$5,487 in 2018 and \$4,168 in 2017	569,833	590,882
Inventories	561,840	517,644
Deferred costs	28,462	30,525
Prepaid expenses and other current assets	<u>120,512</u>	<u>153,912</u>
Total current assets	2,665,368	2,346,138
Property and equipment, net		
Land and improvements	131,689	114,701
Building and improvements	539,177	482,794
Office furniture and equipment	264,818	246,107
Manufacturing equipment	162,077	156,119
Engineering equipment	154,742	141,321
Vehicles	<u>20,991</u>	<u>21,115</u>
	1,273,494	1,162,157
Accumulated depreciation	<u>(609,967)</u>	<u>(566,473)</u>
	663,527	595,684
Restricted cash <i>(Note 4)</i>	73	271
Marketable securities <i>(Note 3)</i>	1,330,123	1,260,033
Deferred income taxes <i>(Note 6)</i>	176,959	195,981
Noncurrent deferred costs	29,473	33,029
Intangible assets, net	417,080	409,801
Other assets	<u>100,255</u>	<u>107,352</u>
Total assets	<u>\$ 5,382,858</u>	<u>\$ 4,948,289</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 204,985	\$ 169,640
Salaries and benefits payable	113,087	102,802
Accrued warranty costs	38,276	36,827
Accrued sales program costs	90,388	93,250
Deferred revenue	96,372	103,140
Accrued royalty costs	24,646	32,204
Accrued advertising expense	31,657	30,987
Other accrued expenses	69,777	93,652
Income taxes payable	51,642	33,638
Dividend payable	<u>200,483</u>	<u>95,975</u>
Total current liabilities	921,313	792,115
Deferred income taxes <i>(Note 6)</i>	92,944	76,612
Noncurrent income taxes	127,211	138,295
Noncurrent deferred revenue	76,566	87,060
Other liabilities	1,850	1,788
Stockholders' equity:		
Shares, CHF 0.10 par value, 198,077 shares authorized and issued, 189,461 shares outstanding at December 29, 2018; and 188,189 shares outstanding at December 30, 2017; <i>(Notes 9, 10, and 11):</i>	17,979	17,979
Additional paid-in capital	1,823,638	1,828,386
Treasury stock	(397,692)	(468,818)
Retained earnings	2,710,619	2,418,444
Accumulated other comprehensive income	<u>8,430</u>	<u>56,428</u>
Total stockholders' equity	<u>4,162,974</u>	<u>3,852,419</u>
Total liabilities and stockholders' equity	<u>\$ 5,382,858</u>	<u>\$ 4,948,289</u>

See accompanying notes.

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

	Fiscal Year Ended		
	December 29, 2018	December 30, 2017	December 31, 2016
Net sales	\$ 3,347,444	\$ 3,121,560	\$ 3,045,797
Cost of goods sold	<u>1,367,725</u>	<u>1,323,619</u>	<u>1,357,272</u>
Gross profit	1,979,719	1,797,941	1,688,525
Advertising expense	155,394	164,693	177,143
Selling, general and administrative expenses	478,177	437,977	410,558
Research and development expense	<u>567,805</u>	<u>511,634</u>	<u>467,960</u>
	<u>1,201,376</u>	<u>1,114,304</u>	<u>1,055,661</u>
Operating income	778,343	683,637	632,864
Other income (expense):			
Interest income	47,147	36,925	33,406
Foreign currency losses	(7,616)	(22,579)	(31,651)
Other income (expense)	<u>5,373</u>	<u>(912)</u>	<u>4,006</u>
	<u>44,904</u>	<u>13,434</u>	<u>5,761</u>
Income before income taxes	823,247	697,071	638,625
Income tax provision (benefit): (Note 6)			
Current	93,424	79,234	117,842
Deferred	<u>35,743</u>	<u>(91,170)</u>	<u>3,059</u>
	<u>129,167</u>	<u>(11,936)</u>	<u>120,901</u>
Net income	<u>\$ 694,080</u>	<u>\$ 709,007</u>	<u>\$ 517,724</u>
Basic net income per share (Note 10)	<u>\$ 3.68</u>	<u>\$ 3.77</u>	<u>\$ 2.74</u>
Diluted net income per share (Note 10)	<u>\$ 3.66</u>	<u>\$ 3.76</u>	<u>\$ 2.73</u>

See accompanying notes.

Garmin Ltd. And Subsidiaries
Consolidated Statements of Cash Flows
(In thousands)

	Fiscal Year Ended		
	December 29, 2018	December 30, 2017	December 31, 2016
Operating Activities:			
Net income	\$ 694,080	\$ 709,007	\$ 517,724
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	64,798	59,895	55,796
Amortization	31,396	26,357	30,544
Gain on sale of property and equipment	(479)	(230)	(503)
Provision for doubtful accounts	2,123	1,021	4,136
Provision for obsolete and slow-moving inventories	24,579	31,071	26,458
Unrealized foreign currency losses	13,790	21,681	13,125
Deferred income taxes	38,978	(90,000)	3,745
Stock compensation expense	56,391	44,735	41,250
Realized losses (gains) on marketable securities	827	991	(822)
Changes in operating assets and liabilities, net of acquisitions:			
Accounts receivable	5,167	(40,088)	9,000
Inventories	(82,316)	(38,575)	(2,455)
Other current and non-current assets	7,358	(21,608)	2,234
Accounts payable	40,628	(17,240)	(11,496)
Other current and non-current liabilities	(1,323)	5,627	44,766
Deferred revenue	(17,208)	(20,754)	(32,733)
Deferred costs	5,611	2,395	1,896
Income taxes payable	35,120	(13,443)	3,017
Net cash provided by operating activities	919,520	660,842	705,682
Investing activities:			
Purchases of property and equipment	(155,755)	(139,696)	(90,960)
Proceeds from sale of property and equipment	1,600	361	676
Purchase of intangible assets	(4,600)	(12,232)	(5,715)
Purchase of marketable securities	(403,181)	(587,656)	(905,089)
Redemption of marketable securities	283,603	635,311	957,350
Acquisitions, net of cash acquired	(29,170)	(90,471)	(77,945)
Net cash used in investing activities	(307,503)	(194,383)	(121,683)
Financing activities:			
Dividends	(296,148)	(382,976)	(481,452)
Tax benefit from issuance of equity awards	-	-	1,692
Proceeds from issuance of treasury stock related to equity awards	26,642	21,860	18,648
Purchase of treasury stock related to equity awards	(16,655)	(12,773)	(7,331)
Purchase of treasury stock under share repurchase plan	-	(74,523)	(93,233)
Net cash used in financing activities	(286,161)	(448,412)	(561,676)
Effect of exchange rate changes on cash and cash equivalents	(15,810)	26,716	(8,656)
Net increase in cash, cash equivalents, and restricted cash	310,046	44,763	13,667
Cash, cash equivalents, and restricted cash at beginning of year	891,759	846,996	833,329
Cash, cash equivalents, and restricted cash at end of year	\$ 1,201,805	\$ 891,759	\$ 846,996

See accompanying notes.