GARMIN LTD
Form 10-Q
May 01, 2019

United States

Securities and Exchange Commission

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 30, 2019

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _______ to _______

Commission file number 0-31983

GARMIN LTD.

(Exact name of Company as specified in its charter)

Switzerland	**98-0229227**
(State or other jurisdiction	(I.R.S. Employer identification no.)

of incorporation or organization)
Mühlentalstrasse 2

N/A

8200 Schaffhausen

(Zip Code)

Switzerland

(Address of principal executive offices)

Company's telephone number, including area code: **+41 52 630 1600**

Indicate by check mark whether the Company (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Company was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES NO

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer Non-accelerated Filer (Do not check if a smaller reporting company)
Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. YES NO

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES NO

Number of shares outstanding of the registrant’s common shares as of April 29, 2019

CHF 0.10 par value: 198,077,418 (including treasury shares)

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Garmin Ltd.

Form 10-Q

Quarter Ended March 30, 2019

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Part I - Financial Information

Item I - Condensed Consolidated Financial Statements

Garmin Ltd. And Subsidiaries

Condensed Consolidated Balance Sheets (Unaudited)

(In thousands, except per share information)

	March 30, 2019	December 29, 2018
Assets		
Current assets:		
Cash and cash equivalents	$1,115,951	$1,201,732
Marketable securities	197,385	182,989
Accounts receivable, net	453,069	569,833
Inventories	598,387	561,840
Deferred costs	27,567	28,462
Prepaid expenses and other current assets	119,778	120,512
Total current assets	2,512,137	2,665,368
Property and equipment, net	672,299	663,527
Operating lease right-of-use assets	54,978	—
Restricted cash	148	73
Marketable securities	1,337,771	1,330,123
Deferred income taxes	170,935	176,959
Noncurrent deferred costs	28,428	29,473
Intangible assets, net	411,162	417,080
Other assets	92,287	100,255
Total assets	$5,280,145	$5,382,858
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$170,474	$204,985
Salaries and benefits payable	95,881	113,087
Accrued warranty costs	35,042	38,276
Accrued sales program costs	54,597	90,388
Deferred revenue	93,653	96,372
Accrued royalty costs	16,768	24,646
Accrued advertising expense	18,263	31,657
Other accrued expenses	81,919	69,777

Income taxes payable	55,929	51,642
Dividend payable	—	200,483
Total current liabilities	622,526	921,313
Deferred income taxes	98,959	92,944
Noncurrent income taxes	127,339	127,211
Noncurrent deferred revenue	72,531	76,566
Noncurrent operating lease liabilities	43,277	—
Other liabilities	227	1,850
Stockholders' equity:		
Shares, CHF 0.10 par value, 198,077 shares authorized and issued; 189,847 shares outstanding at March 30, 2019; and 189,461 shares outstanding at December 29, 2018;	17,979	17,979
Additional paid-in capital	1,810,196	1,823,638
Treasury stock	(381,815)	(397,692)
Retained earnings	2,850,588	2,710,619
Accumulated other comprehensive income	18,338	8,430
Total stockholders' equity	4,315,286	4,162,974
Total liabilities and stockholders' equity	$5,280,145	$5,382,858

See accompanying notes.

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Garmin Ltd. And Subsidiaries

Condensed Consolidated Statements of Income (Unaudited)

(In thousands, except per share information)

	13-Weeks Ended	
	March 30, 2019	March 31, 2018
Net sales	$766,050	$710,872
Cost of goods sold	314,352	284,337
Gross profit	451,698	426,535
Advertising expense	27,615	25,311
Selling, general and administrative expense	126,781	117,065
Research and development expense	145,919	141,957
Total operating expense	300,315	284,333
Operating income	151,383	142,202
Other income:		
Interest income	13,704	10,227
Foreign currency gains	314	816
Other income	864	735
Total other income	14,882	11,778
Income before income taxes	166,265	153,980
Income tax provision	26,092	24,606
Net income	$140,173	$129,374
Net income per share:		
Basic	$0.74	$0.69
Diluted	$0.74	$0.68
Weighted average common shares outstanding:		
Basic	189,601	188,322
Diluted	190,599	189,292

See accompanying notes.

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Garmin Ltd. And Subsidiaries

Condensed Consolidated Statements of Comprehensive Income (Unaudited)

(In thousands)

	13-Weeks Ended	
	March 30, 2019	March 31, 2018
Net income	$140,173	$129,374
Foreign currency translation adjustment	(9,235)	23,500
Change in fair value of available-for-sale marketable securities, net of deferred taxes	19,143	(15,034)
Comprehensive income	$150,081	$137,840

See accompanying notes.

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Garmin Ltd. And Subsidiaries

Condensed Consolidated Statements of Stockholders' Equity (Unaudited)

(In thousands)

	Common Stock	Additional Paid-In Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance at December 30, 2017	$ 17,979	$ 1,828,386	$ (468,818)	$ 2,418,444	$ 56,428	$ 3,852,419
Net income	—	—	—	129,374	—	129,374
Translation adjustment	—	—	—	—	23,500	23,500
Adjustment related to unrealized gains (losses) on available-for-sale securities net of income tax effects of $2,416	—	—	—	—	(15,034)	(15,034)
Comprehensive income						137,840
Dividends declared	—	—	—	(170)	—	(170)
Issuance of treasury stock related to equity awards	—	(23,294)	25,220	—	—	1,926
Stock compensation	—	13,440	—	—	—	13,440
Purchase of treasury stock related to equity awards	—	—	(6,562)	—	—	(6,562)
Reclassification under ASU 2016-06	—	—	—	(1,700)	—	(1,700)
Reclassification under ASU 2018-02	—	—	—	452	(452)	—
Balance at March 31, 2018	$ 17,979	$ 1,818,532	$ (450,160)	$ 2,546,400	$ 64,442	$ 3,997,193

	Common Stock	Additional Paid-In Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance at December 29, 2018	$ 17,979	$ 1,823,638	$ (397,692)	$ 2,710,619	$ 8,430	4,162,974
Net income	—	—	—	140,173	—	140,173
Translation adjustment	—	—	—	—	(9,235)	(9,235)
Adjustment related to unrealized gains (losses) on available-for-sale securities net of income tax effects of $2,905	—	—	—	—	19,143	19,143
Comprehensive income						150,081
Dividends declared	—	—	—	(204)	—	(204)
Issuance of treasury stock related to equity awards	—	(28,571)	28,571	—	—	—
Stock compensation	—	15,129	—	—	—	15,129
	—	—	(12,694)	—	—	(12,694)

Purchase of treasury stock related to equity awards						
Balance at March 30, 2019	$17,979	$1,810,196	$(381,815)	$2,850,588	$ 18,338	$4,315,286

See accompanying notes.

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Garmin Ltd. And Subsidiaries

Condensed Consolidated Statements of Cash Flows (Unaudited)

(In thousands)

	13-Weeks Ended March 30, 2019	13-Weeks Ended March 31, 2018
Operating activities:		
Net income	$140,173	$129,374
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	16,832	16,014
Amortization	7,179	7,132
Loss (gain) on sale or disposal of property and equipment	227	(15)
Provision for doubtful accounts	408	57
Provision for obsolete and slow moving inventories	7,579	3,959
Unrealized foreign currency loss (gain)	3,124	(517)
Deferred income taxes	9,105	416
Stock compensation expense	15,129	13,440
Realized losses on marketable securities	60	196
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	112,488	187,693
Inventories	(46,646)	(26,455)
Other current and non-current assets	2,930	9,037
Accounts payable	(32,786)	(36,708)
Other current and non-current liabilities	(76,030)	(99,935)
Deferred revenue	(6,744)	(8,368)
Deferred costs	1,938	1,807
Income taxes payable	9,616	17,063
Net cash provided by operating activities	164,582	214,190
Investing activities:		
Purchases of property and equipment	(30,094)	(26,336)
Proceeds from sale of property and equipment	47	121
Purchase of intangible assets	(413)	(1,622)
Purchase of marketable securities	(83,068)	(140,623)
Redemption of marketable securities	80,907	65,253
Acquisitions, net of cash acquired	—	(9,417)
Net cash used in investing activities	(32,621)	(112,624)
Financing activities:		
Dividends	(200,687)	(96,146)
Proceeds from issuance of treasury stock related to equity awards	—	1,926
Purchase of treasury stock related to equity awards	(12,694)	(6,562)

Net cash used in financing activities	$(213,381)	$(100,782)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(4,286)	6,717
Net (decrease) increase in cash, cash equivalents, and restricted cash	(85,706)	7,501
Cash, cash equivalents, and restricted cash at beginning of period	1,201,805	891,759
Cash, cash equivalents, and restricted cash at end of period	$1,116,099	$899,260

See accompanying notes.

Garmin Ltd. and Subsidiaries

Notes to Condensed Consolidated Financial Statements (Unaudited)

March 30, 2019

(In thousands, except per share information)

1. Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Additionally, the condensed consolidated financial statements should be read in conjunction with Item 2 of Management's Discussion and Analysis of Financial Condition and Results of Operations, included in this Form 10-Q. Operating results for the 13-week period ended March 30, 2019 are not necessarily indicative of the results that may be expected for the year ending December 28, 2019.

The condensed consolidated balance sheet at December 29, 2018 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended December 29, 2018.

The Company's fiscal year is based on a 52-53 week period ending on the last Saturday of the calendar year. Therefore, the financial results of certain 53-week fiscal years, and the associated 14-week quarters, will not be exactly comparable to the prior and subsequent 52-week fiscal years and the associated 13-week quarters. The quarters ended March 30, 2019 and March 31, 2018 both contain operating results for 13 weeks.

Recently Adopted Accounting Standards

Leases

In February 2016, the FASB issued Accounting Standards Update No. 2016-02, Leases (Topic 842) ("ASU 2016-02"), which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. The FASB subsequently issued Accounting Standards Update No. 2018-10 and Accounting Standards Update No. 2018-11 in July 2018, which provide clarifications and improvements to ASU 2016-02 (collectively, the "new lease standard"). Accounting Standards Update No. 2018-11 also provides the optional transition method which allows companies to apply the new lease standard at the adoption date instead of at the earliest comparative period presented. The new lease standard requires lessees to present a right-of-use asset and a corresponding lease liability on the balance sheet.

The Company adopted the new lease standard as of the beginning of the 2019 fiscal year using the optional transition method. The Company did not have a cumulative effect adjustment to retained earnings as a result of adopting the new lease standard and does not expect the new lease standard to have a material impact on the Company's consolidated statements of income or consolidated statements of cash flows in future periods. The Company elected the package of transitional practical expedients upon adoption which, among other provisions, allowed the Company to carry forward historical lease classification. See Note 12 – Leases for additional information regarding leases.

Significant Accounting Policies

For a description of the significant accounting policies and methods used in the preparation of the Company's condensed consolidated financial statements, refer to Note 2, "Summary of Significant Accounting Policies" in the Notes to the Consolidated Financial Statements in Part II, Item 8 of the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2018. Other than the policy discussed below, there were no material changes to the Company's significant accounting policies during the 13-week period ended March 30, 2019.

Preproduction Costs Related to Long-Term Supply Arrangements

Preproduction design and development costs related to long-term supply arrangements are expensed as incurred, and classified as Research and development, unless the customer has provided a contractual guarantee for reimbursement of such costs. Contractually reimbursable costs are capitalized as incurred in the Condensed Consolidated Balance Sheets within Prepaid expenses and other current assets if reimbursement is expected to be received within one year, or within Other assets if expected to be received beyond one year. Such capitalized costs were approximately $5 million as of March 30, 2019, and there were no such capitalized costs as of December 29, 2018.

2. Inventories

The components of inventories consist of the following:

	March 30, 2019	December 29, 2018
Raw materials	$213,380	$205,696
Work-in-process	103,204	96,564
Finished goods	281,803	259,580
Inventories	$598,387	$561,840

3. Earnings Per Share

The following table sets forth the computation of basic and diluted net income per share:

	13-Weeks Ended	
	March 30, 2019	March 31, 2018
Numerator:		
Numerator for basic and diluted net income per share - net income	$140,173	$129,374
Denominator:		

Denominator for basic net income per share – weighted-average common shares	189,601	188,322
Effect of dilutive securities – stock options, stock appreciation rights and restricted stock units	998	970
Denominator for diluted net income per share – adjusted weighted-average common shares	190,599	189,292
Basic net income per share	$0.74	$0.69
Diluted net income per share	$0.74	$0.68

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There were no anti-dilutive stock options, stock appreciation rights and restricted stock units (collectively "equity awards") outstanding during the 13-week periods ended March 30, 2019 and March 31, 2018.

There were 386 and 332 net shares issued as a result of exercises and releases of equity awards for the 13-week periods ended March 30, 2019 and March 31, 2018, respectively.

4. Segment Information

The Company has identified five reportable segments – auto, aviation, fitness, marine, and outdoor. The Company's Chief Executive Officer has been identified as the Chief Operating Decision Maker (CODM), who uses operating income as the measure of profit or loss to assess segment performance and allocate resources. Operating income represents net sales less costs of goods sold and operating expenses. Net sales are directly attributed to each segment. Most costs of goods sold and the majority of operating expenses are also directly attributed to each segment, while certain other costs of goods sold and operating expenses are allocated to the segments in a manner appropriate to the specific facts and circumstances of the expenses being allocated.

In the first quarter of fiscal 2019, the methodology used to allocate certain selling, general, and administrative expenses to the segments was refined, endeavoring to provide the Company's CODM with a more meaningful representation of segment profit or loss in light of the evolution of its segments. The Company's composition of operating segments and reportable segments did not change. Prior year amounts are presented here as they were originally reported, as it is not practicable to accurately restate prior period activity in accordance with the refined allocation methodology. For comparative purposes, we estimate operating income for the 13-weeks ended March 31, 2018 would have been approximately $4 million less for the aviation segment, approximately $4 million more for the marine segment, and not significantly different for the outdoor, fitness, and auto segments.

Net sales ("revenue"), gross profit, and operating income for each of the Company's reportable segments are presented below.

	Reportable Segments					
	Outdoor	**Fitness**	**Marine**	**Auto**	**Aviation**	**Total**
13-Weeks Ended March 30, 2019						
Net sales	$154,051	$180,256	$133,968	$126,999	$170,776	$766,050
Gross profit	97,488	90,835	78,055	57,337	127,983	451,698

Operating income	41,953	18,126	25,473	8,213	57,618	151,383

13-Weeks Ended March 31, 2018

Net sales	$144,258	$166,035	$113,554	$141,312	$145,713	$710,872
Gross profit	93,285	96,601	66,683	61,012	108,954	426,535
Operating income	43,822	33,374	13,131	3,468	48,407	142,202

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Net sales to external customers by geographic region were as follows for the 13-week periods ended March 30, 2019 and March 31, 2018. Note that APAC includes Asia Pacific and Australian Continent and EMEA includes Europe, the Middle East and Africa:

	13-Weeks Ended	
	March 30, 2019	March 31, 2018
Americas	$379,456	$345,975
EMEA	260,021	245,912
APAC	126,573	118,985
Net sales to external customers	$766,050	$710,872

Net property and equipment by geographic region as of March 30, 2019 and March 31, 2018 are presented below.

	Americas	APAC	EMEA	Total
March 30, 2019				
Property and equipment, net	$413,632	$212,933	$45,734	$672,299
March 31, 2018				
Property and equipment, net	$388,531	$176,245	$40,037	$604,813

5. Warranty Reserves

The Company’s products sold are generally covered by a standard warranty for periods ranging from one to three years. The Company’s estimate of costs to service its warranty obligations are based on historical experience and management’s expectations and judgments of future conditions, and are recorded as a liability on the balance sheet. The following reconciliation provides an illustration of changes in the aggregate warranty reserve.

	13-Weeks Ended	
	March 30, 2019	March 31, 2018
Balance - beginning of period	$38,276	$36,827
Accrual for products sold during the period(1)	10,849	10,012
Expenditures	(14,083)	(11,417)

Balance - end of period	$35,042	$35,422

(1) Changes in cost estimates related to pre-existing warranties are not material and aggregated with accruals for new warranty contracts in the ‘accrual for products sold during the period’ line.

6. Commitments and Contingencies

Commitments

The Company is party to certain commitments, which include purchases of raw materials, advertising expenditures, and other indirect purchases in connection with conducting our business. The aggregate amount of purchase orders and other commitments open as of March 30, 2019 was approximately $435,100. We cannot determine the aggregate amount of such purchase orders that represent contractual obligations because purchase orders may represent authorizations to purchase rather than binding agreements. Our purchase orders are based on our current needs and are typically fulfilled within short periods of time.

Contingencies

In the normal course of business, the Company and its subsidiaries are parties to various legal claims, investigations and complaints, including matters alleging patent infringement and other intellectual property claims. The Company evaluates, on a quarterly and annual basis, developments in legal proceedings, investigations, claims, and other loss contingencies that could affect any required accrual or disclosure or estimate of reasonably possible loss or range of loss. An estimated loss from a loss contingency is accrued by a charge to income if it is probable that an asset has been impaired or a liability has been incurred and the amount of the loss can be reasonably estimated. If a range of loss is estimated, and some amount within that range appears to be a better estimate than any other amount within that range, then that amount is accrued. If no amount within the range can be identified as a better estimate than any other amount, the Company accrues the minimum amount in the range.

If an outcome unfavorable to the Company is determined to be probable, but the amount of loss cannot be reasonably estimated or is determined to be reasonably possible, but not probable, we disclose the nature of the contingency and an estimate of the possible loss or range of loss or a statement that such an estimate cannot be made. The Company's aggregate range of reasonably possible losses includes (1) matters where a liability has been accrued and there is a reasonably possible loss in excess of the amount accrued for that liability, and (2) matters where a loss is believed to be reasonably possible, but not probable, and a liability therefore has not been accrued. This aggregate range only represents the Company's estimate of reasonably possible losses and does not represent the Company's maximum loss exposure. The assessment regarding whether a loss is probable or reasonably possible, and whether the loss or a range of loss is estimable, often involves a series of complex judgments about future events. In assessing the probability of an outcome in a lawsuit, claim or assessment that could be unfavorable to the Company, we consider the following factors, among others: a) the nature of the litigation, claim, or assessment; b) the progress of the case; c) the opinions or views of legal counsel and other advisers; d) our experience in similar cases; e) the experience of other entities in similar cases; and f) how we intend to respond to the lawsuit, claim, or assessment. Costs incurred in defending lawsuits, claims or assessments are expensed as incurred.

Management of the Company currently does not believe it is reasonably possible that the Company may have incurred a material loss, or a material loss in excess of recorded accruals, with respect to loss contingencies in the aggregate, for the fiscal quarter ended March 30, 2019. The results of legal proceedings, investigations and claims, however, cannot be predicted with certainty. An adverse resolution of one or more of such matters in excess of management's expectations could have a material adverse effect in the particular quarter or fiscal year in which a loss is recorded, but based on information currently known, the Company does not believe it is likely that losses from such matters would have a material adverse effect on the Company's business or its consolidated financial position, results of operations or cash flows.

The Company settled or resolved certain matters during the 13-week period ended March 30, 2019 that did not individually or in the aggregate have a material impact on the Company's business or its consolidated financial position, results of operations or cash flows.

7. Income Taxes

The Company recorded income tax expense of $26,092 in the 13-week period ended March 30, 2019, compared to income tax expense of $24,606 in the 13-week period ended March 31, 2018. The effective tax rate was 15.7% in the first quarter of 2019, compared to 16.0% in the first quarter of 2018.

8. Marketable Securities

The Financial Accounting Standards Board ("FASB") ASC topic entitled Fair Value Measurements and Disclosures defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The accounting guidance classifies the inputs used to measure fair value into the following hierarchy:

Level 1 Unadjusted quoted prices in active markets for the identical asset or liability

Level 2 Observable inputs for the asset or liability, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability

Level 3 Unobservable inputs for the asset or liability

The Company endeavors to utilize the best available information in measuring fair value. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Valuation is based on prices obtained from an independent pricing vendor using both market and income approaches. The primary inputs to the valuation include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, contractual cash flows, benchmark yields, and credit spreads.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Available-for-sale securities measured at fair value on a recurring basis are summarized below:

	Fair Value Measurements as of March 30, 2019			
	Total	Level 1	Level 2	Level 3
U.S. Treasury securities	$22,229	$ —	$22,229	$ —

Agency securities	63,714	—	63,714	—
Mortgage-backed securities	131,973	—	131,973	—
Corporate securities	1,019,083	—	1,019,083	—
Municipal securities	171,551	—	171,551	—
Other	126,606	—	126,606	—
Total	$1,535,156	$ —	$1,535,156	$ —

	Fair Value Measurements as of December 29, 2018			
	Total	Level 1	Level 2	Level 3
U.S. Treasury securities	$22,128	$ —	$22,128	$ —
Agency securities	59,116	—	59,116	—
Mortgage-backed securities	135,865	—	135,865	—
Corporate securities	980,524	—	980,524	—
Municipal securities	173,137	—	173,137	—
Other	142,342	—	142,342	—
Total	$1,513,112	$ —	$1,513,112	$ —

Marketable securities classified as available-for-sale securities are summarized below:

	Available-For-Sale Securities as of March 30, 2019			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury securities	$22,448	$ —	$ (219)	$22,229
Agency securities	64,178	72	(535)	63,715
Mortgage-backed securities	136,763	2	(4,793)	131,972
Corporate securities	1,031,431	2,013	(14,361)	1,019,083
Municipal securities	172,399	287	(1,135)	171,551
Other	128,353	0	(1,747)	126,606
Total	$1,555,572	$ 2,374	$ (22,790)	$1,535,156

	Available-For-Sale Securities as of December 29, 2018			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury securities	$22,485	$ —	$ (357)	$22,128
Agency securities	60,088	28	(1,000)	