

CALIX, INC  
Form 10-Q  
July 31, 2014  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

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FORM 10-Q

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(Mark One)

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

For the quarterly period ended June 28, 2014

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: 001-34674

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Calix, Inc.  
(Exact Name of Registrant as Specified in Its Charter)

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Delaware (State or Other Jurisdiction of Incorporation or Organization)	68-0438710 (I.R.S. Employer Identification No.)
1035 N. McDowell Blvd., Petaluma, CA 94954 (Address of Principal Executive Offices) (Zip Code)	
(707) 766-3000 (Registrant's Telephone Number, Including Area Code)	

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Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant 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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes:  No:

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting 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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes:  No:

As of July 21, 2014, there were 50,914,092 shares of the Registrant's common stock, par value \$0.025 outstanding.



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## PART I. FINANCIAL INFORMATION

## ITEM 1. Financial Statements (Unaudited)

CALIX, INC.

## CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share data)

	June 28, 2014 (Unaudited)	December 31, 2013 (See Note 1)
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$32,543	\$82,747
Marketable securities	46,439	—
Restricted cash	295	295
Accounts receivable, net	47,330	43,520
Inventory	45,888	51,071
Deferred cost of revenue	15,957	21,076
Prepaid expenses and other current assets	5,038	5,757
Total current assets	193,490	204,466
Property and equipment, net	17,289	17,473
Goodwill	116,175	116,175
Intangible assets, net	34,460	43,740
Other assets	1,503	1,745
Total assets	\$362,917	\$383,599
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$12,850	\$23,163
Accrued liabilities	34,689	32,075
Deferred revenue	26,346	34,862
Total current liabilities	73,885	90,100
Long-term portion of deferred revenue	18,640	18,431
Other long-term liabilities	958	1,145
Total liabilities	93,483	109,676
Commitments and contingencies (See Note 7)		
Stockholders' equity:		
Preferred stock, \$0.025 par value; 5,000,000 shares authorized; no shares issued and outstanding as of June 28, 2014 and December 31, 2013	—	—
Common stock, \$0.025 par value; 100,000,000 shares authorized; 50,910,446 shares and 50,224,952 shares issued and outstanding as of June 28, 2014 and December 31, 2013, respectively	1,273	1,256
Additional paid-in capital	791,756	782,253
Accumulated other comprehensive income	159	190
Accumulated deficit	(523,754)	(509,776)
Total stockholders' equity	269,434	273,923
Total liabilities and stockholders' equity	\$362,917	\$383,599

See accompanying notes to condensed consolidated financial statements.



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CALIX, INC.

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(In thousands, except per share data)

(Unaudited)

	Three Months Ended		Six Months Ended	
	June 28, 2014	June 29, 2013	June 28, 2014	June 29, 2013
Revenue	\$98,005	\$94,439	\$183,825	\$184,987
Cost of revenue:				
Products and services <sup>(1)</sup>	51,575	49,846	98,381	97,191
Amortization of intangible assets	2,088	2,088	4,176	4,176
Total cost of revenue	53,663	51,934	102,557	101,367
Gross profit	44,342	42,505	81,268	83,620
Operating expenses:				
Research and development <sup>(1)</sup>	19,544	20,035	39,174	