

CALIX, INC
Form 10-Q
October 30, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 26, 2015

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

Calix, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

1035 N. McDowell Blvd., Petaluma, CA 94954

(Address of Principal Executive Offices) (Zip Code)

(707) 766-3000

(Registrant's Telephone Number, Including Area Code)

68-0438710

(I.R.S. Employer
Identification No.)

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 October 22, 2015, there were 50,809,976 shares of the Registrant's common stock, par value \$0.025 outstanding.

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PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements

CALIX, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share data)

	September 26, 2015 (Unaudited)	December 31, 2014 (See Note 1)
ASSETS		
Current assets:		
Cash and cash equivalents	\$36,194	\$48,829
Marketable securities	57,659	62,850
Restricted cash	—	295
Accounts receivable, net	48,188	30,744
Inventory	43,769	46,753
Deferred cost of revenue	2,998	5,080
Prepaid expenses and other current assets	8,311	12,936
Total current assets	197,119	207,487
Property and equipment, net	18,484	20,144
Goodwill	116,175	116,175
Intangible assets, net	11,259	25,179
Other assets	1,091	1,236
Total assets	\$344,128	\$370,221
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$16,784	\$23,629
Accrued liabilities	38,280	39,443
Deferred revenue	11,414	12,722
Total current liabilities	66,478	75,794
Long-term portion of deferred revenue	19,390	19,393
Other long-term liabilities	1,700	2,443
Total liabilities	87,568	97,630
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 September 26, 2015 and December 31, 2014	—	—
Common stock, \$0.025 par value; 100,000,000 shares authorized; 52,624,475 shares issued and 51,177,649 shares outstanding as of September 26, 2015, and 51,628,257 shares issued and outstanding as of December 31, 2014	1,316	1,291
Additional paid-in capital	813,776	801,810
Accumulated other comprehensive income (loss)	(31) 80
Accumulated deficit	(547,377) (530,590
Treasury stock, 1,446,826 shares as of September 26, 2015	(11,124) —
Total stockholders' equity	256,560	272,591
Total liabilities and stockholders' equity	\$344,128	\$370,221

See accompanying notes to condensed consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(In thousands, except per share data)

(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 26, 2015	September 27, 2014	September 26, 2015	September 27, 2014
Revenue	\$ 112,297	\$ 105,769	\$ 302,464	\$ 289,594
Cost of revenue:				
Products and services ⁽¹⁾	57,096	58,600	152,308	156,981
Amortization of intangible assets	2,088	2,089	6,264	6,265
Total cost of revenue	59,184	60,689	158,572	163,246
Gross profit	53,113	45,080	143,892	126,348
Operating expenses:				
Research and development ⁽¹⁾	22,120			