

Calix, Inc.

Historical Financial Statements

GAAP and Non-GAAP Statements of Income 2023

(\$ in thousands)

	GAAP	Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP
	Qtr Ending 4/1/2023	Qtr Ending 4/1/2023	Qtr Ending 7/1/2023	Qtr Ending 7/1/2023	Qtr Ending 9/30/2023	Qtr Ending 9/30/2023	Qtr Ending 12/31/2023	Qtr Ending 12/31/2023	Ytd Ending 12/31/2023	Ytd Ending 12/31/2023
Revenue	\$ 250,008	\$ 250,008	\$ 261,016	\$ 261,016	\$ 263,835	\$ 263,835	\$ 264,734	\$ 264,734	\$ 1,039,593	\$ 1,039,593
Cost of revenue ^{(1) (5)}	121,957	120,499	124,546	123,108	123,286	121,894	151,488	150,132	521,277	515,633
Gross profit	128,051	129,509	136,470	137,908	140,549	141,941	113,246	114,602	518,316	523,960
Gross margin %	51.2%	51.8%	52.3%	52.8%	53.3%	53.8%	42.8%	43.3%	49.9%	50.4%
Sales and marketing ⁽²⁾	51,865	47,433	54,596	49,543	52,356	48,023	55,747	52,672	214,564	197,671
Research and development ⁽³⁾	43,173	38,861	45,341	40,481	46,963	42,718	42,295	38,712	177,772	160,772
General and administrative ^{(4) (6)}	23,077	16,401	24,722	17,571	25,301	18,587	27,295	18,621	100,395	71,180
Total operating expenses	118,115	102,695	124,659	107,595	124,620	109,328	125,337	110,005	492,731	429,623
Operating income (loss)	9,936	26,814	11,811	30,313	15,929	32,613	(12,091)	4,597	25,585	94,337
Interest income, net	1,640	1,640	2,255	2,255	2,658	2,658	3,151	3,151	9,704	9,704
Other income (expense), net	(167)	(167)	163	163	(444)	(444)	(84)	(84)	(532)	(532)
Total interest income and other income (expense), net	1,473	1,473	2,418	2,418	2,214	2,214	3,067	3,067	9,172	9,172
Income taxes (benefit) ⁽⁷⁾	1,811	6,789	4,856	7,528	1,190	3,831	(2,425)	949	5,432	19,097
Net income (loss)	\$ 9,598	\$ 21,498	\$ 9,373	\$ 25,203	\$ 16,953	\$ 30,996	\$ (6,599)	\$ 6,715	\$ 29,325	\$ 84,412
<u>Non-GAAP bridge to GAAP</u>										
(1) Cost of revenue (stock-based compensation)		\$ 800		\$ 780		\$ 734		\$ 599		\$ 2,913
(2) Sales and marketing (stock-based compensation)		4,432		5,053		4,333		3,075		16,893
(3) Research and development (stock-based compensation)		4,312		4,860		4,245		3,583		17,000
(4) General and administrative (stock-based compensation)		6,676		7,151		6,714		5,424		25,965
(5) Intangible asset amortization		658		658		658		757		2,731
(6) Litigation settlement		-		-		-		3,250		3,250
(7) Income tax effect of non-GAAP adjustments		(4,978)		(2,672)		(2,641)		(3,374)		(13,665)
Total non-GAAP expenses		\$ 11,900		\$ 15,830		\$ 14,043		\$ 13,314		\$ 55,087
GAAP net income (loss)		\$ 9,598		\$ 9,373		\$ 16,953		\$ (6,599)		\$ 29,325

Calix's non-GAAP measures are not in accordance with, or an alternative for, GAAP and may be different from non-GAAP measures used by other companies. In addition, the above non-GAAP Consolidated Statements of Income are not based on a comprehensive set of accounting rules or principles.

Calix, Inc.
Historical Financial Statements
Condensed Consolidated Balance Sheet 2023
(\$ in thousands)

	4/1/2023	7/1/2023	9/30/2023	12/31/2023
Assets				
Current assets:				
Cash and cash equivalents	\$ 94,186	\$ 90,187	\$ 135,675	\$ 63,409
Marketable securities	162,864	173,941	114,417	156,937
Accounts receivable, net	92,209	96,980	80,661	126,027
Inventory	156,513	153,394	150,033	132,985
Prepaid expenses and other current assets	70,302	84,782	106,839	118,598
Total current assets	576,074	599,284	587,625	597,956
Property and equipment, net	27,419	28,836	29,123	29,461
Right-of-use operating leases	10,060	10,754	9,964	9,262
Deferred tax assets	167,918	166,331	162,901	167,691
Goodwill	116,175	116,175	116,175	116,175
Other assets	17,181	20,388	20,872	21,320
Total assets	\$ 914,827	\$ 941,768	\$ 926,660	\$ 941,865
Liabilities and stockholders' equity				
Current liabilities:				
Accounts payable	\$ 35,376	\$ 35,358	\$ 22,134	\$ 34,746
Accrued liabilities	80,838	85,275	82,078	116,227
Deferred revenue	44,497	41,814	34,944	36,669
Total current liabilities	160,711	162,447	139,156	187,642
Long-term portion of deferred revenue	25,121	25,425	25,413	24,864
Operating leases	8,825	9,504	8,446	7,421
Other long-term liabilities	2,331	2,622	2,700	2,956
Stockholders' equity:				
Common stock	1,656	1,658	1,649	1,627
Additional paid-in capital	1,097,596	1,112,434	1,104,435	1,078,393
Accumulated other comprehensive loss	(1,307)	(1,589)	(1,359)	(659)
Accumulated deficit	(380,106)	(370,733)	(353,780)	(360,379)
Total stockholders' equity	717,839	741,770	750,945	718,982
Total liabilities and stockholders' equity	\$ 914,827	\$ 941,768	\$ 926,660	\$ 941,865

Calix, Inc.
Historical Financial Statements
Condensed Consolidated Statement of Cash Flows 2023
(\$ in thousands)

	Qtr Ending 4/1/2023	Qtr Ending 7/1/2023	Qtr Ending 9/30/2023	Qtr Ending 12/31/2023	Ytd Ending 12/31/2023
Operating activities					
Net income (loss)	\$ 9,598	\$ 9,373	\$ 16,953	\$ (6,599)	\$ 29,325
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Stock-based compensation	16,220	17,844	16,026	12,681	62,771
Depreciation and amortization	3,723	4,192	4,266	4,450	16,631
Deferred income taxes	(681)	1,565	3,410	(4,956)	(662)
Net accretion of available-for-sale securities	(708)	(1,189)	(1,222)	(1,080)	(4,199)
Changes in operating assets and liabilities:					
Accounts receivable, net	1,595	(4,771)	16,319	(45,365)	(32,222)
Inventory	(7,353)	3,119	3,361	17,048	16,175
Prepaid expenses and other assets	(7,083)	(19,040)	(22,409)	(12,263)	(60,795)
Accounts payable	(5,899)	(406)	(13,451)	13,387	(6,369)
Accrued liabilities	(8,688)	8,186	361	37,213	37,072
Deferred revenue	11,005	(2,379)	(6,881)	1,176	2,921
Other long-term liabilities	(3,617)	970	(982)	(768)	(4,397)
Net cash provided by operating activities	8,112	17,464	15,751	14,924	56,251
Investing activities:					
Purchases of property and equipment	(4,618)	(5,489)	(3,776)	(3,972)	(17,855)
Purchases of marketable securities	(54,908)	(50,980)	(27,633)	(82,672)	(216,193)
Maturities of marketable securities	56,248	40,975	88,665	41,915	227,803
Net cash provided by (used in) investing activities	(3,278)	(15,494)	57,256	(44,729)	(6,245)
Financing activities					
Proceeds from common stock issuances related to employee benefit plans	12,471	5,813	8,375	5,490	32,149
Repurchases of common stock	(1,183)	(8,817)	(32,409)	(43,988)	(86,397)
Payments related to financing arrangements	(1,066)	(3,022)	(3,472)	(4,118)	(11,678)
Net cash provided by (used in) financing activities	10,222	(6,026)	(27,506)	(42,616)	(65,926)
Effect of exchange rate changes on cash and cash equivalents	57	57	(13)	155	256
Net increase (decrease) in cash and cash equivalents	15,113	(3,999)	45,488	(72,266)	(15,664)
Cash and cash equivalents at beginning of period	79,073	94,186	90,187	135,675	79,073
Cash and cash equivalents at end of period	\$ 94,186	\$ 90,187	\$ 135,675	\$ 63,409	\$ 63,409