



Calix Q4 2015 Financial Results

February 9, 2016

Safe Harbor

This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements relate to future events and expectations and involve known and unknown risks and uncertainties. Examples of forward-looking statements include, but are not limited to, statements about our development of new products and product features; our anticipated growth and growth drivers; our future financial condition and results of operations; our future business, operational and financial performance; and the success and/or market adoption of our products and solutions. We have based these forward-looking statements on our current expectations, assumptions and projections. Our actual results or actions may differ materially from those projected in forward-looking statements. These forward-looking statements are subject to a number of risks, uncertainties and factors that could cause results to differ materially as described in our filings with the Securities and Exchange Commission, including our annual report on Form 10-K and quarterly reports on Form 10-Q. Except as may be required by law, Calix, Inc. undertakes no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, changes in assumptions or otherwise.

Please refer to the reconciliation of GAAP to non-GAAP financial measures in the appendix and on the Investor Relations section of our website



Q4 2015 Financial Results vs. Guidance

(\$ in millions, except per share amounts)	Actual	Guidance
Revenues	\$105.0	\$102.0-\$106.0
Non-GAAP gross margin	46.5%	47%-48%
Non-GAAP operating expenses	\$50.6*	\$51.5-\$52.5
Non-GAAP EPS	(\$0.03)	(\$0.07) – (\$0.03)
Cash flow from operations	(\$4.1)	Neutral

*Includes approximately \$0.8M of litigation-related expenses

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Q4 2015: Key Developments

Revenues of \$105.0M, -6% q/q, -6% y/y

- Results at the upper end of \$102-\$106M guidance
- Eighth consecutive quarter at or above revenue guidance range

Non-GAAP Gross margins decrease to 46.5%, -1.6% y/y

- Higher mix of international revenues
- Full-year 2015 gross margins of 49.0%

Non-GAAP EPS loss of (\$0.03)

- At the high-end of guidance range of (\$0.07) – (\$0.03) due to lower operating expenses
- Eighth consecutive quarter at or above Non-GAAP EPS guidance range

Stock repurchase activity accelerated

- Repurchased 2.1M shares at an average cost of \$7.67 per share
- \$12.8M remains on \$40M stock repurchase authorization

Launched the era of Software Defined Access with the introduction of AXOS

Other major product announcements included

- Accelerated fiber migration with the launch of the Node-Based E3-8G
- Demonstrated bonded G.fast at speeds in excess of 1 gigabit per second
- Breakthrough VDSL2 system level vectoring solutions on the E7-2 modular access system

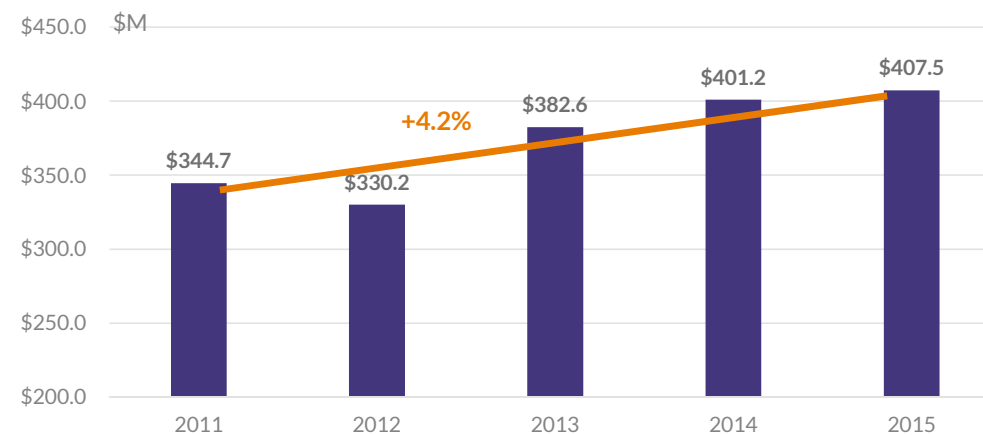
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Full-year 2015 Income Statement Highlights

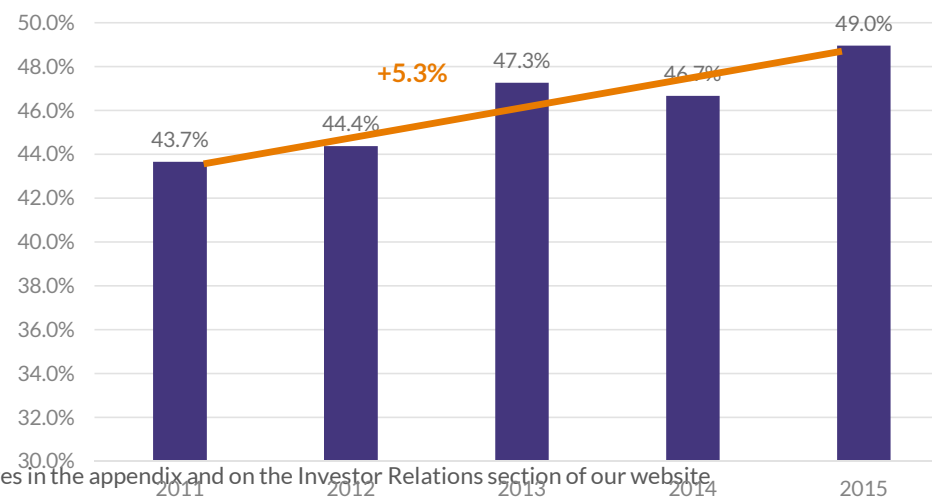
Full-year 2015 revenues +2% y/y

- Strength across multiple customers, products and geographies
- 2011-15 CAGR of 4.2% as customer & country count increase as well as market share gains at key existing accounts
- Product platforms poised to contribute to future growth



Full-year 2015 gross margins increase on mix and platform leverage

- Full-year gross margins of 49.0%, +230bps y/y and +530bps since 2011
- Favorable product mix as well as improved operating efficiency
- Unified Access architecture platform drives improved cost leverage



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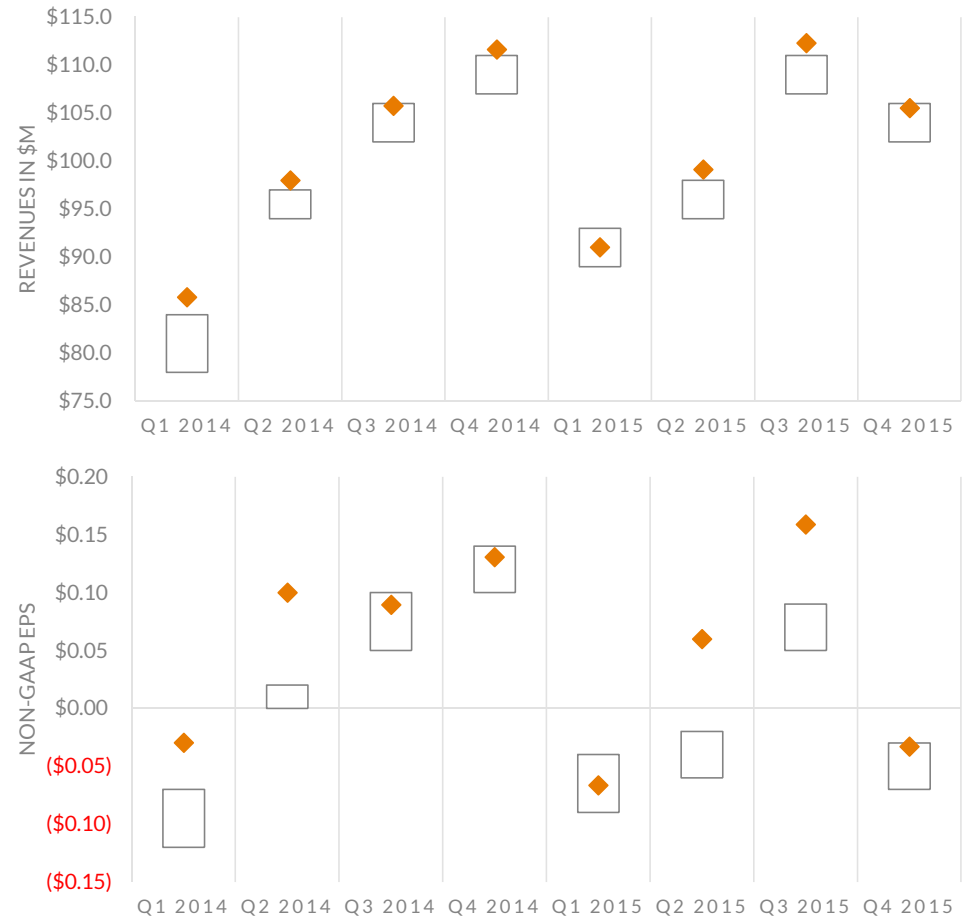
Consistency Relative to Guidance

Eighth consecutive quarter of reported revenues in-line or better than guidance

- Visibility remains challenged amid uneven customer spending environment
- New product offerings as well as improved customer value proposition driving revenues

Non-GAAP EPS at or above guidance for eighth consecutive quarter

- Continued shift to software-centric platform and product-specific momentum drives annual improvement in gross profits
- Some timing shifts in operating expenses added to improved near-term earnings

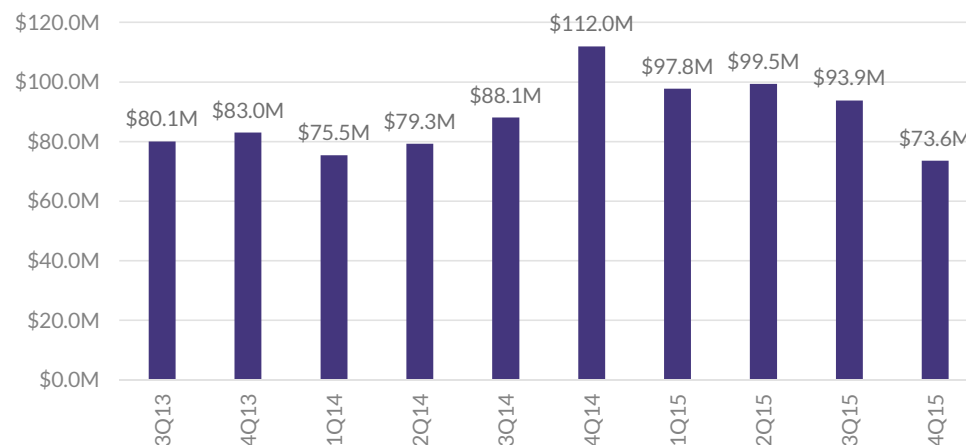


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Balance Sheet & Cash Flow Highlights

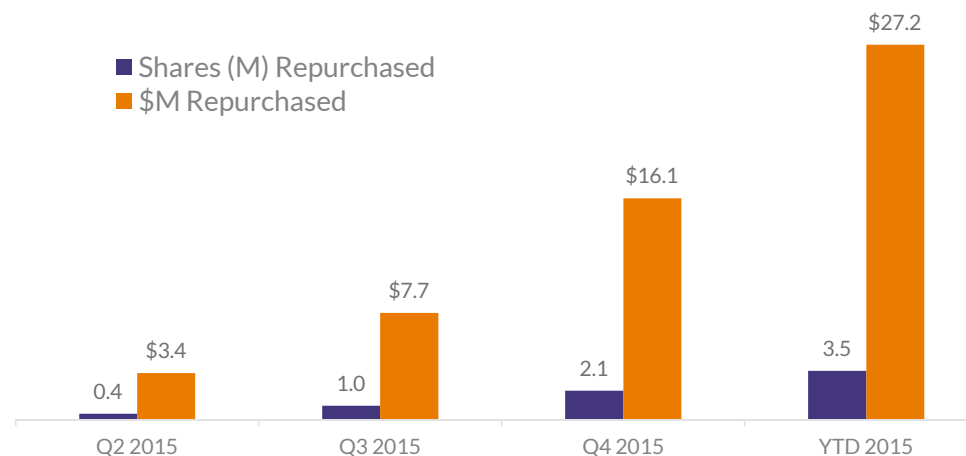
Cash and equivalents of \$73.6M

- Operating cash flow usage of \$4.1M
- Capital expenditures of \$1.3M
- Share repurchase of \$16.1M spent to buyback 2.1M shares of CALX common
- No debt



Buyback activity increased

- Stock repurchase activity level accelerated q/q
- In 2015, repurchased 3.5M shares at an average cost of \$7.68 per share
- \$12.8M remaining on original \$40M buyback authorization



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Q1 2016 Operating Performance Guidance

Revenues	\$95-\$99M
Gross margin	47.0-48.0%
Operating expenses	\$52.0-\$53.0M*
Non-GAAP EPS	(\$0.15) – (\$0.11)
Cash flow from operations	Negative

*Includes approximately \$2.6M of litigation-related expenses

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Q&A

Appendix

Non-GAAP to GAAP Q4 2015 Reconciliation

(Unaudited in thousands, except earnings per share data)

	Non-GAAP	Stock-Based Compensation	Amortization of Intangible Assets	Acquisition-Related Costs	GAAP
Revenue	\$ 104,999	\$ —	\$ —	\$ —	\$ 104,999
Cost of revenue	56,213	160	2,089	—	58,462
Gross profit	48,786	(160)	(2,089)	—	46,537
Gross margin	46.5 %	(0.2) %	(2.0) %	— %	44.3 %
Operating expenses	50,644	3,052	2,552	24	56,272
Operating loss	(1,858)	(3,212)	(4,641)	(24)	(9,735)
Interest and other income (expense), net	346	—	—	—	346
Loss before provision for income taxes	(1,512)	(3,212)	(4,641)	(24)	(9,389)
Provision for income taxes	157	—	—	—	157
Net loss	\$ (1,669)	\$ (3,212)	\$ (4,641)	\$ (24)	\$ (9,546)
Weighted average diluted shares used to compute net loss per common share	50,578	50,578	50,578	50,578	50,578
Net loss per diluted share	\$ (0.03)	\$ (0.06)	\$ (0.09)	\$ —	\$ (0.19)

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Non-GAAP to GAAP Q3 2015 Reconciliation

(Unaudited in thousands, except earnings per share data)

	Non-GAAP	Stock-Based Compensation	Amortization of Intangible Assets	Acquisition-Related Costs	GAAP
Revenue	\$ 112,297	\$ —	\$ —	\$ —	\$ 112,297
Cost of revenue	56,933	163	2,088	—	59,184
Gross profit	55,364	(163)	(2,088)	—	53,113
Gross margin	49.3 %	(0.1)%	(1.9)%	— %	47.3 %
Operating expenses	47,151	2,427	2,552	106	52,236
Operating income (loss)	8,213	(2,590)	(4,640)	(106)	877
Interest and other income (expense), net	230	—	—	—	230
Income (loss) before taxes	8,443	(2,590)	(4,640)	(106)	1,107
Provision for income taxes	185	—	—	—	185
Net income (loss)	\$ 8,258	\$ (2,590)	\$ (4,640)	\$ (106)	\$ 922
Weighted average diluted shares used to					
compute net income (loss) per common share	52,016	52,016	52,016	52,016	52,016
Net income (loss) per diluted share	\$ 0.16	\$ (0.05)	\$ (0.09)	\$ —	\$ 0.02

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Non-GAAP to GAAP Q4 2014 Reconciliation

(Unaudited in thousands, except earnings per share data)

	Non-GAAP	Stock-Based Compensation	Amortization of Intangible Assets	Acquisition-Related Costs	GAAP
Revenue	\$ 111,633	\$ —	\$ —	\$ —	\$ 111,633
Cost of revenue	57,898	206	2,088	—	60,192
Gross profit	53,735	(206)	(2,088)	—	51,441
Gross margin	48.1 %	(0.2)%	(1.9)%	— %	46.1 %
Operating expenses	47,072	3,692	2,552	978	54,294
Operating income (loss)	6,663	(3,898)	(4,640)	(978)	(2,853)
Interest and other income (expense), net	118	—	—	—	118
Income (loss) before taxes	6,781	(3,898)	(4,640)	(978)	(2,735)
Provision for income taxes	253	—	—	—	253
Net income (loss)	\$ 6,528	\$ (3,898)	\$ (4,640)	\$ (978)	\$ (2,988)
Weighted average diluted shares used to compute					
non-GAAP net income (loss) per common share	52,047	52,047	52,047	52,047	
Non-GAAP net income (loss) per diluted share	\$ 0.13	\$ (0.07)	\$ (0.09)	\$ (0.02)	
Weighted average basic and diluted shares used to compute GAAP net loss per common share					51,300
GAAP net loss per share					\$ (0.06)

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Additional Information

- Additional information available at <http://investor-relations.calix.com/>
 - Stock Information
 - Financial Information
 - Corporate Governance
 - Investor Resources

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ACCESS INNOVATION