Financial Analyst Day
The Platform for What’s Possible
September 8, 2016
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<td>Where All Your Work Comes Together</td>
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<td>12:10 – 12:45</td>
<td>The Platform for What's Possible</td>
<td>Jeetu Patel, Chief Strategy Officer and SVP, Platform</td>
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<td>12:50 – 1:20</td>
<td>The Enterprise Content Platform</td>
<td>Chris Yeh, SVP, Products</td>
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<td>1:20 – 2:00</td>
<td>Driving Long-Term Growth &amp; Profitability</td>
<td>Dylan Smith, Cofounder and CFO</td>
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Investor Disclosure: Forward-Looking Statements and Non-GAAP Financial Measures

This presentation contains forward-looking statements relating to our future performance or future expectations that are based on our current expectations, forecasts and assumptions and involve risks and uncertainties. These statements include, but are not limited to, statements regarding expected financial results for the third quarter and full fiscal year 2017 and beyond, the expected timing and financial profile of Box when we achieve $1 billion in revenue, our expectations regarding expansion of sales to existing customers, sales to new customers, future expenses, our ability to achieve positive free cash flow, profitability, expected gross and operating margins, future pricing of our products and services, the availability and success of future products, services and product features, the benefits that we may realize from our partnerships with third-parties, and the overall size of our market.

Our actual results may differ materially from the forward-looking statements included in this presentation for a variety of reasons, including, but not limited to: adverse changes in general economic or market conditions; delays or reductions in information technology spending; factors related to our intensely competitive market, including but not limited to pricing pressures, industry consolidation, entry of new competitors and new applications and marketing initiatives by our current or future competitors; the development of the cloud-based enterprise content management market; risks associated with our ability to manage our rapid growth effectively; our limited operating history, which makes it difficult to predict future results; the risk that our customers do not renew their subscriptions, expand their use of our services or purchase new features and product offerings; our ability to provide successful enhancements, new features and modifications to our services; actual or perceived security vulnerabilities in our services or any breaches of our security controls; and our ability to realize the anticipated benefits from our partnerships with third-parties. Further information on these and other factors that could affect the forward-looking statements we make in this presentation can be found in the documents that we file with or furnish to the US Securities and Exchange Commission, including our most recent Quarterly Report on Form 10-Q for the quarter ended July 31, 2016.

You should not rely on any forward-looking statements, and we assume no obligation, nor do we intend, to update these statements after the date this presentation is first given. All information in this presentation is as of September 8, 2016.

This presentation contains non-GAAP financial measures relating to the company's performance. You can find the reconciliation of these measures to the nearest comparable GAAP measures in the appendix at the end of this presentation. Except as otherwise noted, all financial measures are presented on a non-GAAP basis.

Any unreleased services or features referenced in this presentation or other public statements by Box are not currently available and may not be delivered on time or at all. Customers who purchase Box products and services should make their purchase decisions based upon services and features that are currently available.

All growth rates represent year-over-year comparisons, except as otherwise noted.
Where All Your Work Comes Together

Aaron Levie
Cofounder & CEO
We founded Box in 2005 to make it insanely easy for people to share and access files
We were overwhelmed by the response from organizations all over the world
Legacy content management and collaboration technology was holding everyone back
Our mission is to transform the way people and organizations work.
We set out to build a secure place for enterprises to store, manage and collaborate on all their most important information.
We had to exceed the capabilities enterprises were used to
Compliance

HIPAA, FINRA, PCI, FedRAMP, ISO 27018
IRM, Device Trust, DLP

Compliance Policies
Compliance Policies
Automation
Key management
Box Governance

Document Retention, Audit Logs, Legal Holds, eDiscovery

- Compliance Policies
- Automation
- Key management
- Information governance
boxZONES

Germany, Ireland, Australia, Japan, Singapore, Canada

Compliance Policies
Automation Key management Information governance Data residency
Reporting & Insights

Compliance
Policies
Automation
Key management
Information governance
Data residency
Analytics
Box is the world’s only modern content platform
66K 60%
CUSTOMERS  FORTUNE 500
We’re proud to serve so many amazing organizations
But we’re just getting started
Work is continuing to change.

Collaborative  Connected  Flatter  Data Driven  Fast
This is the future of work
The companies that thrive in the future are those that embrace these trends.
This change won’t be easy
This is how work looks for so many enterprises
Our legacy systems make it impossible to collaborate or work on mobile.
Teams aren’t working together because they’re using different systems.
Apps don’t talk to each other, creating data silos
New security holes are emerging
Routine work can’t be easily automated
There's never been a way to solve this
Until now
We’ve been reimagining how businesses share, manage, and collaborate on all their information. And through any app.
We’re starting on this journey today
All New Box
Where all your work comes together
All New Box /  

Best way to work with all your content

Team collaboration taken to the next level

Your workflow made simple
All New Box

Best way to work with all your content
The Fastest Access to Your Content
We founded Box in 2005 to make it insanely easy for people to share and access files.

The World’s Most Delightful Viewing Experience

3D & 360° Images
HD Video
Excel Viewer
The Best Collaboration

Office 365
Activity Stream
Annotations
Box on your desktop

Size on disk: 0 KB (0 bytes)

Unlimited access
Natively integrated
All New Box / Team collaboration taken to the next level
All New Box Notes

Event Plan

Budget

<table>
<thead>
<tr>
<th>Event</th>
<th>Budget</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Media</td>
<td>$10,000</td>
<td>Europe</td>
</tr>
<tr>
<td>Emailing</td>
<td>$7,500</td>
<td>Asia</td>
</tr>
<tr>
<td>Action Plan</td>
<td>$5,000</td>
<td>China</td>
</tr>
</tbody>
</table>

Action Plan

- Social media: Follow up on social media for brand awareness
- Email: Create emails with call-to-action and website
- Action plan: Work on sales and marketing strategies
- Action plan: Follow up on brand awareness

Details

- Social media: Increase engagement
- Email: Include links to website
- Action plan: Increase sales and revenue

- Action plan: Follow up on brand awareness
- Social media: Increase engagement
- Email: Include links to website
- Action plan: Increase sales and revenue
- Action plan: Follow up on brand awareness

Startup with new sales campaigns.
All New Box / Your workflow made simple
Majority of our work lives are filled with repeatable tasks and projects
Approving Invoices  Marketing Collateral  Contract Management
Problem: we don’t have the right tool to manage repeatable work
Traditional tools are too complex
Self-service tools don’t provide visibility
Access and Build Workflows

Accessible to All
Easy To build
Includes External Users
Manage and Track Workflows

Real-time Visibility
Email Notifications
Robust Tracking
All New Box
Where all your work comes together
All New Box

/ 

- Best way to work with all your content
- Team collaboration taken to the next level
- Your workflow made simple
The all new Box will help enterprise employees do their best work
Our job is to make it possible
The opportunity to do so is large
Large & Growing Addressable Market

Storage ($23 Billion)

Enterprise Content Management & Collaboration ($16 Billion)

File Sync/Share ($2 Billion)

Platform ($5 Billion)

- Retire legacy storage, shift to cloud
- Store, share, access
- Govern, secure, audit, enable workflows
- Power next-gen content-driven apps

The Platform For What’s Possible

Jeetu Patel
Chief Strategy Officer & SVP, Platform
Businesses are building apps in a very different way
Build From Scratch  Basic Cloud Infrastructure  The Modern Stack
Content is no exception
Box as a **content platform**

- **Box Apps**
- **Employees**
- **Productivity Integrations**
- **System Integrations**
- **Customers**
- **Partners**
- **Suppliers**
- **Custom Apps**
Customer adoption of Box Platform

1. License and deploy core Box
2. License Box Platform
3. Development and GTM
4. Launch to initial set of users
5. Scale to entire user base

- Initial Sale
- Expansion Opportunity
80,000 Developers

2,000 Integrations

7 Billion API calls/month
Common Use Cases

On-boarding Application

Customer and Client Portals

Mobile Experiences
Initial Traction: Industries Using Box Platform

- Financial Services
- Healthcare
- Construction
- Legal Services
Large and Growing Number of Potential Paid Users

- Coordinate with Financial Advisor
- Access Patient Records
- Submit an Insurance Claim
- Collaborate in the Office
- Retail Associate Onboarding

One Person Can Have Multiple Box Experiences
The Enterprise Content Platform

Chris Yeh
SVP, Product
All New Box  /  

- Best way to work with all your content
- Team collaboration taken to the next level
- Your workflow made simple
New Box.com: Better Organization

Keyword-less search and filters

Sidebar for organization and new functions (the new Box “hub”)

Details sidebar with metadata, retention policies, and more
Better Media Handling

- Keyboard shortcuts for cut/paste
- Image size slider
- Sidebar thumbnails
- Image thumbnails in grid view
- Access stats for highlighted files
New Content Types

3D packages and 1080P HD video support

Shareable 3D images
Better Collaboration

File annotations

All new activity stream

Bring the Full Power of Box to Your Apps

As digital transforms every industry, businesses are creating apps that reimagine the employee and customer experience, digitize legacy workflows and deliver products and services in all new ways. These custom apps often fail to consider how users interact with the content themselves, and unearth new revenue opportunities.

But the way business requirements of infrastructure and processes remain unchanged has not kept up. Complex security and compliance risks access to sensitive content, and basic storage and compliance needs of your business. As a result, content is outdated and painful processes for a business.

Box Platform is a management and collaboration platform for web and mobile development content services. Box Platform helps increase engagement while meeting the security and compliance needs of your businesses. Moreover, with Box Platform development wear.
Modern Mobile Apps
Seamless Desktop Drive Experience

Integrated in Windows File Explorer and Mac Finder

Mark for offline coming after GA

More secure and scalable
New Team Collaboration with Box Notes

Access All Your Notes: Recents, Shared, Favorites

Single note sharing (available now)

Box Notes Desktop App this fall, offline access and mobile apps next year
• **Accessible to all.** Any user can quickly and intuitively build custom workflows.

• **Built for the ‘extended enterprise’.** Make external teams part of your workflow.

• **Real-time visibility.** Reduce time to report on status of business process and progress.

• **Expand the collaboration capabilities** of Box.

• **Get all your work done in one place, start to finish.**
Easy Workflow for Teams

- Easily view all assigned tasks and sort by date
- Check the status of each active workflow
- Simple color coding denotes when workflows are on track, on hold or delayed
<table>
<thead>
<tr>
<th>SALES</th>
<th>MARKETING</th>
<th>EXEC</th>
<th>HR</th>
<th>FINANCE</th>
<th>LEGAL</th>
<th>R&amp;D</th>
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<tr>
<td>Sales Proposal</td>
<td>Content Approvals</td>
<td>Board Member Onboarding</td>
<td>Offer Letter Approvals</td>
<td>Budget Approval</td>
<td>Legal Approvals</td>
<td>Supplier Management</td>
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<td>Rep Training</td>
<td>Digital Asset Management</td>
<td>Audit Committee</td>
<td>Employee Onboarding</td>
<td>Supplier Management</td>
<td>Legal Training</td>
<td>Bug Triage</td>
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<td>New Hire Onboarding</td>
<td>Website Updates and Approvals</td>
<td>Exception Approvals</td>
<td>Contractor Management</td>
<td>Vendor Contract Approval</td>
<td>Contract Management</td>
<td>Product Development</td>
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<td>Sales Renewal</td>
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<td>Webinar Process</td>
<td>Performance Reviews</td>
<td>Monthly Close</td>
<td>Beta Agreement Process</td>
<td>Product Quality Assurance</td>
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<td>Contract Approvals</td>
<td></td>
<td>Brand Training</td>
<td>Employee Management</td>
<td>SOX Compliance</td>
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<td>Sales Enablement</td>
<td></td>
<td>Brand Templates</td>
<td>Training Content creation</td>
<td>Invoice Processing</td>
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<td>Process</td>
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<td>Event Planning Process</td>
<td>Headcount Approvals</td>
<td>External Auditor Approval</td>
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<td>High Value Approvals</td>
<td></td>
<td>Vendor</td>
<td>Performance Reviews</td>
<td>Fiscal Planning</td>
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<td>Pricing Approvals</td>
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<td>Employee Off boarding</td>
<td>Vendor Management</td>
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<td>Content Creation</td>
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<td>Inventory Management</td>
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<td>from Templates</td>
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<td>CAPEX planning</td>
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<td>Procurement</td>
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All New Box
Where all your work comes together
Dylan Smith
Cofounder & CFO

Driving Long Term Growth
Financial Platform for Growth and Efficiency
Inflection Point in Product Innovation and Operating Model

• Strong Business Momentum
• Catalysts for Sustainable and Rapid Growth
• Compelling Customer Economics Drive Future Profitability
• Path to $1B
## Second Quarter Fiscal 2017 Financial Highlights

**Solid Top Line Growth and Strong Bottom Line Improvement**

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<th>Q2FY16</th>
<th>Q2FY17</th>
<th>YoY Improvement</th>
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<tbody>
<tr>
<td>Revenue</td>
<td>$74M</td>
<td>$96M</td>
<td>30%</td>
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<tr>
<td>Billings</td>
<td>$80M</td>
<td>$107M</td>
<td>34%</td>
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<tr>
<td>Deferred Revenue</td>
<td>$130M</td>
<td>$183M</td>
<td>40%</td>
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<tr>
<td>GAAP EPS</td>
<td>(42¢)</td>
<td>(30¢)</td>
<td>12¢</td>
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<tr>
<td>Non-GAAP EPS</td>
<td>(28¢)</td>
<td>(14¢)</td>
<td>14¢</td>
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<tr>
<td>Cash Flow from Operations</td>
<td>($22M)</td>
<td>($5M)</td>
<td>$17M</td>
</tr>
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</table>

*Note: See GAAP to Non-GAAP reconciliation tables in the Appendix at the end of this presentation.*
Serving Large Enterprise Customers

Strong Momentum: New $100K+ Deals Up to 45 vs. 31 in Q2 F16

% of Total Quarter-Ending Recurring Revenue
from paid customer accounts with 1000+ seats

Year


Percentage

26% 30% 32% 37% 38% 38% 40% 43% 44% 46% 46% 46% 49% 48% 49%
Maintaining Price Per Seat with Differentiated Technology

Price per Seat Remains Strong at ~$100/user/year

- Steady at $100/user/yr for past several years
- Seasonality in price per seat driven by large deal volumes
- Each new product adds ~30% to core price, provide support and upside as they gain traction
Financial Platform for Growth and Efficiency
Inflection Point in Product Innovation and Operating Model

• Strong Business Momentum
• Catalysts for Sustainable and Rapid Growth
• Compelling Customer Economics Drive Future Profitability
• Path to $1B
Catalysts for Sustainable and Rapid Growth

Strong Foundation for Growth

Seat Growth
19% annual expansion rate

New Products
Well positioned to address $45B market opportunity

Box Platform
Greenfield opportunity to serve app developers in B2B2C use cases

Partner Leverage
IBM, MSFT, AWS, GOOG and other key partners expand technology and distribution, including internationally

New Logos
66K current customers
Land and Expand is Working
Compounding Growth Across All Customer Cohorts

1) FY 2013’s lower CAGR due to $3M initial deal with Schneider, Box’s largest deal at the time, causing future upsells to be smaller percentage-wise.
2) FY 2014’s lower CAGR due to 3 customers with initial deals > $1M, causing future upsells to be smaller percentage-wise.
Note: Excludes FY12 since it only consisted of Jan 2012 as Box transitioned its fiscal calendar.
Largest Customers Are Growing Consistently

Contract Expansion Driven Primarily by Seat Growth

Box Industry
Retail & Consumer Goods
Media & Entertainment
Other
Healthcare & Life Sciences
Technology
Healthcare & Life Sciences
Healthcare & Life Sciences
Healthcare & Life Sciences
Healthcare & Life Sciences
Healthcare & Life Sciences
Healthcare & Life Sciences
Healthcare & Life Sciences
Healthcare & Life Sciences
Healthcare & Life Sciences
Financial Services
Architecture, Engineering, & Construction
Media & Entertainment
Technology
Industrial Goods & Automotive
Professional Services
Energy
Healthcare & Life Sciences
Financial Services
Retail & Consumer Goods
Professional Services
Technology
Financial Services
Nonprofit Organizations
Healthcare & Life Sciences
Industrial Goods & Automotive
Healthcare & Life Sciences
Marketing & Advertising
Healthcare & Life Sciences
Financial Services

Note: Excludes FY12 since it only consisted of Jan 2012 as Box transitioned its fiscal calendar

Years with purchase
Year the customer exceeded $1M of total contract value
Inflection Point in Product Innovation
Expanding Cross-sell Portfolio With New Offerings

- **KeySafe (FY’16)**
  - Encryption Key Management

- **Governance (FY’16)**
  - Regulatory Compliance, e-discovery, sensitive doc management

- **Zones (Q1’17)**
  - Addresses international data residency requirements

- **Shuttle (Q2’17)**
  - Faster content migration into the cloud

- **Relay (Q3’17)**
  - Content Workflow in collaboration with IBM

*BoxPLATFOR**
Expands Use Cases to 10s of Millions of New App Users
Building a Massive Partner Ecosystem
Extending Box’s Product Offering and Go-to-Market Reach

Strategic Partners

IBM
Microsoft
Google

50+ Systems Integrators

accenture
Atos
bluewolf
Cognizant
Canon
Deloitte
Tech Mahindra
WORLDLINK

100+ ISVs

Adobe
Airwatch
ALTX
Anaplan
eHealth Technologies
MobileIron
Okta
Simpplier
Skyhigh
Vimeo

1,000+ Resellers and Referral Partners

at&t
CDW
Insight
Shi

softchoice
Telstra
Capturing New Logos Through International Expansion
Box Zones Provides Catalyst to Store Data In-Region

• International opportunity largely untapped
• Box Zones provides technical foundation for international expansion
• Partners create enterprise sales opportunity in regions with minimal sales coverage
• Online sales channel enables purchases in any geography without field sales rep
Financial Platform for Growth and Efficiency
Inflection Point in Product Innovation and Operating Model

- Strong Business Momentum
- Catalysts for Sustainable and Rapid Growth
- **Compelling Customer Economics Drive Future Profitability**
- Path to $1B
## Compelling Customer Economics

95% Recurring Revenue Provides Strong Revenue Visibility

<table>
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<tr>
<th>Metric</th>
<th>Percentage</th>
<th>Notes</th>
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</thead>
<tbody>
<tr>
<td>Improved Churn</td>
<td>3%</td>
<td>Product stickiness has improved over time</td>
</tr>
<tr>
<td>Net Expansion(^1)</td>
<td>19%</td>
<td>Continued growth within existing customers</td>
</tr>
<tr>
<td>Retention Rate(^2)</td>
<td>115%</td>
<td>Best-in-Class</td>
</tr>
</tbody>
</table>

\(^1\) Net expansion defined as the net increase in contract value from our existing customers, who had $5K+ in TAV 12 months ago.

\(^2\) Retention rate is defined as the net % of Total Account Value ("TAV") retained from existing customers, including expansion. This metric is calculated by dividing current TAV of customers who 12 months ago had $5K+ in TAV by their TAV 12 months ago.
Inherent Business Model Leverage
Investing in New Customer Acquisition; Recoup Costs Within 2 years

Note: This slide is for illustrative purposes only and is not intended to represent Box’s expectations regarding future ARR growth.
Inherent Business Model Leverage

Expansion Bookings Becoming More Efficient Over Time

Note: This slide is for illustrative purposes only and is not intended to represent Box’s expectations regarding future ARR growth.
Inherent Business Model Leverage
Growing Renewal Base is Highly Profitable

~$2 CAC for $1 ARR
Negative Contribution Margin

$0.90 Upsell Cost for $1 ARR Upsell
Slightly Positive Contribution Margin

$0.05 Renewal Cost
Highly positive contribution margin

ARR
Contribution Margin: ARR less S&M
Sales and Marketing Expenses

$1 ARR
Land

$1 ARR
Expand

$1 ARR
Renew

Note: This slide is for illustrative purposes only and is not intended to represent Box’s expectations regarding future ARR growth.
Inherent Business Model Leverage
Land and Expand Compounding Effect Drives $9 CLTV Over 10 Years

~$2 CAC for $1 ARR
Negative Contribution Margin

$0.90 Upsell Cost for $1 ARR Upsell
Slightly Positive Contribution Margin

$0.05 Renewal Cost
Highly positive contribution margin

$1 ARR
Land

$1 ARR
Expand

$1 ARR
Renew

$9 Total Contribution Margin Over 10-Year Period

ARR
Contribution Margin: ARR - S&M - COGS
Sales and Marketing Expenses

Note: This slide is for illustrative purposes only and is not intended to represent Box's expectations regarding future ARR growth.
Financial Platform for Growth and Efficiency
Inflection Point in Product Innovation and Operating Model

• Strong Business Momentum
• Catalysts for Sustainable and Rapid Growth
• Compelling Customer Economics Drive Future Profitability
• Path to $1B
Large & Growing Addressable Market

$45+ Billion by 2019

- **Storage** ($23 Billion)
  - Retire legacy storage, shift to cloud

- **File Sync/Share** ($2 Billion)
  - Store, share, access

- **Enterprise Content Management & Collaboration** ($16 Billion)
  - Govern, secure, audit, enable workflows

- **Platform** ($5 Billion)
  - Power next-gen content-driven apps

Tracking to Reach $1B Run Rate in FY21
Customer Base Expansion & Market Size Drive Confidence in Future Growth

~25% cohort growth rates
($ weighted)

~15% cohort growth rates
($ weighted)
New cohort sizes = FY14-16 Avg

FY14 FY15 FY16 FY17
FY18 FY19 FY20 FY21

FY17 and Prior
FY18 and Forward

Note: Achieve $250 million in a quarter in FY21.
Driving Significant S&M Operating Leverage

Q2’17 S&M As % of Revenue Improved 17 Points to 56%

S&M spend as % Revenue

Note: Sales and marketing expenses by type as a percentage of revenue are presented on a non-GAAP basis and exclude stock-based compensation.
Driving Significant S&M Operating Leverage
Q2'17 S&M As % of Revenue Improved 17 Points to 56%

Inherent Business Model Leverage

- Lower cost of customer expansion and renewals
- Improve sales rep tenure and productivity
- Scale drives free user marketing leverage

Focus Areas

- New products drive higher productivity and ACV
- Leverage partners to enhance sales efficiency
- Expand self-service model for small customers

S&M spend as % Revenue

Note: Sales and marketing expenses by type as a percentage of revenue are presented on a non-GAAP basis and exclude stock-based compensation.
Steadily Progressing Toward Profitability
Converging on Positive Free Cash Flow within 6 Months

Non-GAAP Operating Expenses (% of Revenue)

Non-GAAP Operating Margin (% of Revenue)

Free Cash Flow (% of Revenue)

Note: See GAAP to Non-GAAP reconciliation tables in the Appendix at the end of this presentation.
Target Model at ~$1B
Scaling to ~$1B with Existing Customers, New Products and Improved Efficiency

<table>
<thead>
<tr>
<th></th>
<th>FY15</th>
<th>FY16</th>
<th>1HFY17</th>
<th>Key Drivers</th>
<th>At ~$1B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Margin</td>
<td>80%</td>
<td>75%</td>
<td>73%</td>
<td>Scale into expanded data center footprint</td>
<td>~75%</td>
</tr>
<tr>
<td>S&amp;M as a % of revenue</td>
<td>91%</td>
<td>74%</td>
<td>58%</td>
<td>Drive business model leverage and rep productivity</td>
<td>~39%</td>
</tr>
<tr>
<td>R&amp;D as a % of revenue</td>
<td>25%</td>
<td>26%</td>
<td>22%</td>
<td>Continue to innovate on world class products</td>
<td>~16%</td>
</tr>
<tr>
<td>G&amp;A as a % of revenue</td>
<td>23%</td>
<td>20%</td>
<td>15%</td>
<td>Focus on operational excellence</td>
<td>~9%</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>(59%)</td>
<td>(44%)</td>
<td>(22%)</td>
<td>Manage expenses and benefit from economies of scale</td>
<td>~11%</td>
</tr>
<tr>
<td>Free Cash Flow Margin</td>
<td>(57%)</td>
<td>(38%)</td>
<td>(13%)</td>
<td>Improve payment durations; major CapEx in past</td>
<td>~17%</td>
</tr>
</tbody>
</table>
Box Highlights

Product Differentiation
#AllNewBox furthers market leadership

New Product Offerings
New products drive upsell opportunity and expand addressable market

Early Platform Traction
Box as Content Platform extends opportunity to new multi-billion dollar greenfield market

Partner Ecosystem Expansion
World-class ecosystem broadens technology and sales distribution

Compelling Economics
Inherent business model leverage with strong customer economics
Thank You!

Aaron Levie
Cofounder and
CEO

Dylan Smith
Cofounder and
CFO

Jeetu Patel
Chief Strategy
Officer & SVP, Platform

box.com
Appendix
Revenue to Billings Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>Q2FY16</th>
<th>Q2FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GAAP revenue</strong></td>
<td>$73,450</td>
<td>$95,713</td>
</tr>
<tr>
<td><strong>Deferred revenue, end of period</strong></td>
<td>130,349</td>
<td>183,004</td>
</tr>
<tr>
<td><strong>Less: deferred revenue, beginning of period</strong></td>
<td>(124,201)</td>
<td>(172,184)</td>
</tr>
<tr>
<td><strong>Billings</strong></td>
<td>$79,598</td>
<td>$106,533</td>
</tr>
</tbody>
</table>
# GAAP to Non-GAAP Reconciliation – Earnings per Share

<table>
<thead>
<tr>
<th></th>
<th>Q2FY16</th>
<th>Q2FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP EPS</td>
<td>($0.42)</td>
<td>($0.30)</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>0.13</td>
<td>0.15</td>
</tr>
<tr>
<td>Intangible assets amortization</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td>Non-GAAP EPS</td>
<td>($0.28)</td>
<td>($0.14)</td>
</tr>
<tr>
<td>($ in thousands)</td>
<td>Q2FY16</td>
<td>As a % of revenue</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>--------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>GAAP sales and marketing</td>
<td>$58,460</td>
<td>80%</td>
</tr>
<tr>
<td>Less: stock-based compensation</td>
<td>(4,742)</td>
<td></td>
</tr>
<tr>
<td>Non-GAAP sales and marketing</td>
<td>$53,718</td>
<td>73%</td>
</tr>
</tbody>
</table>
## GAAP to Non-GAAP Reconciliation – Operating Expenses

<table>
<thead>
<tr>
<th></th>
<th>FY2013</th>
<th>As a % of revenue</th>
<th>FY2014</th>
<th>As a % of revenue</th>
<th>FY2015</th>
<th>As a % of revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GAAP research and development</strong></td>
<td>$28,996</td>
<td>49%</td>
<td>$45,967</td>
<td>37%</td>
<td>$66,402</td>
<td>31%</td>
</tr>
<tr>
<td>Less: stock-based compensation</td>
<td>(1,211)</td>
<td></td>
<td>(3,154)</td>
<td></td>
<td>(11,767)</td>
<td></td>
</tr>
<tr>
<td><strong>Non-GAAP research and development</strong></td>
<td>$27,785</td>
<td>47%</td>
<td>$42,813</td>
<td>34%</td>
<td>$54,635</td>
<td>25%</td>
</tr>
<tr>
<td><strong>GAAP sales and marketing</strong></td>
<td>$99,221</td>
<td>169%</td>
<td>$171,188</td>
<td>138%</td>
<td>$207,749</td>
<td>96%</td>
</tr>
<tr>
<td>Less: stock-based compensation</td>
<td>(1,893)</td>
<td></td>
<td>(5,017)</td>
<td></td>
<td>(11,616)</td>
<td></td>
</tr>
<tr>
<td><strong>Non-GAAP sales and marketing</strong></td>
<td>$97,328</td>
<td>166%</td>
<td>$166,171</td>
<td>134%</td>
<td>$196,133</td>
<td>91%</td>
</tr>
<tr>
<td><strong>GAAP general and administrative</strong></td>
<td>$25,429</td>
<td>43%</td>
<td>$39,843</td>
<td>32%</td>
<td>$61,672</td>
<td>28%</td>
</tr>
<tr>
<td>Less: stock-based compensation</td>
<td>(3,345)</td>
<td></td>
<td>(3,128)</td>
<td></td>
<td>(7,054)</td>
<td></td>
</tr>
<tr>
<td>Less: Intangible assets amortization</td>
<td>(176)</td>
<td></td>
<td>(174)</td>
<td></td>
<td>(169)</td>
<td></td>
</tr>
<tr>
<td>Less: accruals related to a legal verdict</td>
<td>-</td>
<td></td>
<td>-</td>
<td></td>
<td>(3,900)</td>
<td></td>
</tr>
<tr>
<td><strong>Non-GAAP general and administrative</strong></td>
<td>$21,908</td>
<td>37%</td>
<td>$36,541</td>
<td>29%</td>
<td>$50,549</td>
<td>23%</td>
</tr>
</tbody>
</table>
## GAAP to Non-GAAP Reconciliation – Operating Expenses (Cont’d)

<table>
<thead>
<tr>
<th>($ in thousands)</th>
<th>FY2016</th>
<th>As a % of revenue</th>
<th>1H FY17</th>
<th>As a % of revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP research and development</td>
<td>$102,500</td>
<td>34%</td>
<td>$55,172</td>
<td>30%</td>
</tr>
<tr>
<td>Less: stock-based compensation</td>
<td>(24,696)</td>
<td></td>
<td>(13,872)</td>
<td></td>
</tr>
<tr>
<td>Non-GAAP research and development</td>
<td>$77,804</td>
<td>26%</td>
<td>$41,300</td>
<td>22%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GAAP sales and marketing</td>
<td>$242,184</td>
<td>80%</td>
<td>$119,658</td>
<td>64%</td>
</tr>
<tr>
<td>Less: stock-based compensation</td>
<td>(19,530)</td>
<td></td>
<td>(11,646)</td>
<td></td>
</tr>
<tr>
<td>Non-GAAP sales and marketing</td>
<td>$222,654</td>
<td>74%</td>
<td>$108,012</td>
<td>58%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GAAP general and administrative</td>
<td>$71,923</td>
<td>24%</td>
<td>$32,088</td>
<td>17%</td>
</tr>
<tr>
<td>Less: stock-based compensation</td>
<td>(10,614)</td>
<td></td>
<td>(6,293)</td>
<td></td>
</tr>
<tr>
<td>Less: Intangible assets amortization</td>
<td>(154)</td>
<td></td>
<td>(77)</td>
<td></td>
</tr>
<tr>
<td>Less: accruals related to a legal verdict</td>
<td>(1,586)</td>
<td>1,664</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-GAAP general and administrative</td>
<td>$59,569</td>
<td>20%</td>
<td>$27,382</td>
<td>15%</td>
</tr>
</tbody>
</table>
## GAAP to Non-GAAP Reconciliation – Operating Margin

<table>
<thead>
<tr>
<th>($ in thousands)</th>
<th>FY2013</th>
<th>As a % of revenue</th>
<th>FY2014</th>
<th>As a % of revenue</th>
<th>FY2015</th>
<th>As a % of revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP operating margin</td>
<td>($109,129)</td>
<td>(186%)</td>
<td>($158,780)</td>
<td>(128%)</td>
<td>($166,656)</td>
<td>(77%)</td>
</tr>
<tr>
<td>Add: stock-based compensation</td>
<td>7,536</td>
<td></td>
<td>11,749</td>
<td></td>
<td>31,929</td>
<td></td>
</tr>
<tr>
<td>Add: intangible assets amortization</td>
<td>176</td>
<td></td>
<td>1,987</td>
<td></td>
<td>3,624</td>
<td></td>
</tr>
<tr>
<td>Add: accruals related to a legal verdict</td>
<td>-</td>
<td></td>
<td>-</td>
<td></td>
<td>3,900</td>
<td></td>
</tr>
<tr>
<td>Non-GAAP operating margin</td>
<td>($101,417)</td>
<td>(172%)</td>
<td>($145,044)</td>
<td>(117%)</td>
<td>($127,203)</td>
<td>(59%)</td>
</tr>
</tbody>
</table>
## GAAP to Non-GAAP Reconciliation – Operating Margin (Cont’d)

<table>
<thead>
<tr>
<th>($ in thousands)</th>
<th>FY2016</th>
<th>As a % of revenue</th>
<th>1HFY17</th>
<th>As a % of revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP operating margin</td>
<td>($201,003)</td>
<td>(66%)</td>
<td>($76,511)</td>
<td>(41%)</td>
</tr>
<tr>
<td>Add: stock-based compensation</td>
<td>59,504</td>
<td></td>
<td>35,153</td>
<td></td>
</tr>
<tr>
<td>Add: intangible assets amortization</td>
<td>5,597</td>
<td></td>
<td>2,375</td>
<td></td>
</tr>
<tr>
<td>Add (less): accruals (income) related to a legal verdict</td>
<td>1,586</td>
<td></td>
<td>(1,664)</td>
<td></td>
</tr>
<tr>
<td>Non-GAAP operating margin</td>
<td>($134,316)</td>
<td>(44%)</td>
<td>($40,647)</td>
<td>(22%)</td>
</tr>
</tbody>
</table>
## GAAP to Non-GAAP Reconciliation – Free Cash Flow

<table>
<thead>
<tr>
<th></th>
<th>Q2FY16</th>
<th>As a % of revenue</th>
<th>Q3FY16</th>
<th>As a % of revenue</th>
<th>Q4FY16</th>
<th>As a % of revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash flows from (used in) operating activities</td>
<td>($21,661)</td>
<td>(29%)</td>
<td>($17,343)</td>
<td>(22%)</td>
<td>$4,865</td>
<td>6%</td>
</tr>
<tr>
<td>Less: purchases of property and equipment</td>
<td>(17,943)</td>
<td></td>
<td>(19,998)</td>
<td></td>
<td>(25,097)</td>
<td></td>
</tr>
<tr>
<td>Less: payments of capital lease obligations</td>
<td>(192)</td>
<td></td>
<td>(508)</td>
<td></td>
<td>(1,108)</td>
<td></td>
</tr>
<tr>
<td>Free cash flow</td>
<td>($39,796)</td>
<td>(54%)</td>
<td>($37,849)</td>
<td>(48%)</td>
<td>($21,340)</td>
<td>(25%)</td>
</tr>
</tbody>
</table>
GAAP to Non-GAAP Reconciliation – Free Cash Flow (Cont’d)

<table>
<thead>
<tr>
<th>($ in thousands)</th>
<th>Q1FY17</th>
<th>As a % of revenue</th>
<th>Q2FY17</th>
<th>As a % of revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>($4,231)</td>
<td>(5%)</td>
<td>($4,879)</td>
<td>(5%)</td>
</tr>
<tr>
<td>Less: purchases of property and equipment</td>
<td>(10,796)</td>
<td></td>
<td>(771)</td>
<td></td>
</tr>
<tr>
<td>Less: payments of capital lease obligations</td>
<td>(949)</td>
<td></td>
<td>(2,312)</td>
<td></td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td>($16,156)</td>
<td>(18%)</td>
<td>($7,962)</td>
<td>(8%)</td>
</tr>
</tbody>
</table>
### GAAP to Non-GAAP Reconciliation – Free Cash Flow (Cont’d)

<table>
<thead>
<tr>
<th>($ in thousands)</th>
<th>FY2015</th>
<th>As a % of revenue</th>
<th>FY2016</th>
<th>As a % of revenue</th>
<th>1HFY17</th>
<th>As a % of revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash used in operating activities</td>
<td>($84,900)</td>
<td>(39%)</td>
<td>($66,321)</td>
<td>(22%)</td>
<td>($9,110)</td>
<td>(5%)</td>
</tr>
<tr>
<td>Add: restricted cash used to guarantee a letter of credit for Redwood City Headquarter</td>
<td>-</td>
<td></td>
<td>25,000</td>
<td></td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Less: purchases of property and equipment</td>
<td>(38,681)</td>
<td></td>
<td>(72,939)</td>
<td></td>
<td>(11,747)</td>
<td></td>
</tr>
<tr>
<td>Less: payments of capital lease obligation</td>
<td>(69)</td>
<td></td>
<td>(2,036)</td>
<td></td>
<td>(3,261)</td>
<td></td>
</tr>
<tr>
<td>Free cash flow</td>
<td>($123,650)</td>
<td>(57%)</td>
<td>($116,296)</td>
<td>(38%)</td>
<td>(24,118)</td>
<td>(13%)</td>
</tr>
</tbody>
</table>
## GAAP to Non-GAAP Reconciliation – Gross Margin

<table>
<thead>
<tr>
<th>($ in thousands)</th>
<th>FY2015</th>
<th>FY2016</th>
<th>1HFY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP gross margin</td>
<td>$169,167</td>
<td>$215,604</td>
<td>$130,407</td>
</tr>
<tr>
<td>Add: stock-based compensation</td>
<td>1,492</td>
<td>4,664</td>
<td>3,342</td>
</tr>
<tr>
<td>Add: intangible assets amortization</td>
<td>3,455</td>
<td>5,443</td>
<td>2,298</td>
</tr>
<tr>
<td>Non-GAAP gross margin</td>
<td>$174,114</td>
<td>$225,711</td>
<td>$136,047</td>
</tr>
</tbody>
</table>

As a % of revenue:
- FY2015: 78%
- FY2016: 71%
- 1HFY17: 70%
- FY2015: 80%
- FY2016: 75%
- 1HFY17: 73%