

Box Inc.
Fourth Quarter and Fiscal 2026
Conference Call Remarks
March 3, 2026

Introduction

Good afternoon and welcome to Box's Fourth Quarter and Fiscal Year 2026 Earnings Conference Call. I am Cynthia Hiponia, Vice President Investor Relations. On the call today, we have Aaron Levie, Box co-founder and CEO, and Dylan Smith, Box co-founder and CFO. Following our prepared remarks, we will take your questions.

Today's call is being webcast and will also be available for replay on our Investor Relations website. Supplemental slides are now available on our website.

On this call, we will be making forward-looking statements including:

- Our first quarter and full fiscal year 2027 financial guidance, and our expectations regarding our financial performance for fiscal 2027 and future periods, including gross margins, operating margins, operating leverage, future profitability, net retention rates, remaining performance obligations, revenue and billings, net tax benefits, and the impact of foreign currency exchange rates; and
- Our expectations regarding
 - the size of our market opportunity;
 - our planned investments, future product offerings, and growth strategies;
 - the timing and market adoption of, and benefits from, our new products, pricing models, and partnerships;
 - our ability to address enterprise challenges, enhance our product capabilities, and deliver cost savings for our customers;
 - the impact of the macro environment on our business and operating results; and
 - our capital allocation strategies, including potential repurchase of our common stock.

These statements reflect our best judgment based on factors currently known to us, and actual events or results may differ materially. Please refer to our earnings press release filed today and the risk factors in documents we file with the Securities and Exchange Commission, including our most recent Quarterly Report on Form 10-Q for information on risks and uncertainties that may cause actual results to differ materially from statements made on this earnings call. These forward-looking statements are being made as of today, March 3, 2026, and we disclaim any obligation to update or revise them should they change or cease to be up-to-date.

In addition, during today's call, we will discuss non-GAAP financial measures. These non-GAAP financial measures should be considered in addition to, and not as a substitute for or in isolation from, our GAAP results. You can find additional disclosures regarding these non-GAAP measures, including reconciliations with comparable GAAP results, in our earnings press release and in the related supplemental slides which can be found on the Investor Relations page of our website. Unless otherwise indicated, all references to financial measures are on a non-GAAP basis.

Finally, please see our earnings deck, posted on our IR website, for a more detailed look at our Q1 and FY27 guidance.

Thank you.

With that, let me turn the call over to Aaron.

Q4 and Fiscal 2026 Overview

Thanks Cynthia. And thank you all for joining the call today.

We delivered strong Q4 operating results, reflecting continued growth in customer demand for Box AI and the success of our Enterprise Advanced offering. We achieved

revenue of \$306 million, up 9% year-over-year, or 8% in constant currency and Q4 EPS of \$0.49, above our guidance.

In fiscal 2026 we drove revenue of \$1.18 billion, up 8% year-over-year, with operating margins of 28%. It was a defining year for Box, as we executed on the launch of Enterprise Advanced, which brings together our most powerful capabilities around intelligent workflow automation, advanced AI and secure content management to enterprises. Enterprise Advanced customers have reached 10% of revenue and we're incredibly excited about this early traction and continued momentum.

Examples of Enterprise Advanced customer wins in Q4 include:

- A leading biotech company uses Box to manage large volumes of commercial documents but currently relies on manual searches to find key information. By upgrading from E+ to Enterprise Advanced, the company will use AI-powered data extraction and integrated apps to surface critical commercial data directly from documents.
- A leading global robotics company uses Box as the core platform for its revenue operations and content workflows. The company upgraded from E+ to Enterprise Advanced to streamline quote creation and approvals with Box Doc Gen, Box Sign, and Box Apps to increase throughput and reduce errors. They also plan to apply metadata extraction and OCR to financial and legal documents to automate data capture and better manage contractual risk.

To understand what's driving the momentum with Box, it's important to think about the criticality of enterprise content when it comes to driving transformation with AI.

Nearly every enterprise leader that I talk to today is looking to transform how their company operates with AI. They are looking to accelerate tasks across their organizations, ranging from reviewing legal contracts and doing financial analysis to accelerating pharma research and spreading expertise across their organization.

They quickly find that for AI agents to be effective in a workflow, agents need critical context about their business: they need to understand the company's product roadmap, marketing strategy, HR policies, internal best practices, planning insights, strategy decisions, and whatever else makes that business unique. Much of that unique context lives inside of enterprise content, ranging from contracts and financial documents to research documents and marketing assets, all housed inside of PDFs, documents, media assets and collateral, spreadsheets and markdown files.

All of this enterprise content is the digital brain of an organization, containing the most important insights *precisely* because of their unstructured nature. Files provide a universal way to create, capture, and share information between systems and people, which is why the growth of content continues to explode. Yet the vast majority of this data – which makes up 90% of corporate data – has been underutilized. Until today. Now, AI agents can finally help us tap into this critical business information and use it to accelerate knowledge work that previously could never have been automated.

As we prepare for a world where there will be a hundredfold more agents inside of an enterprise than people, we will equally see incredible growth in unstructured data. Files are, quite simply, the native unit of work for agents. Agents use files to keep track of their work, they leverage files as context about the tasks they're doing, and use files to share back and forth with their human counterparts.

And as AI Agents help us augment all of our work across industries like pharma, financial services, legal, healthcare or public sector these agents will need the *same* level of security, data governance, auditability, logging, and access controls that we've required for people in the enterprise. As we've seen with growth of OpenClaw, or launch of Claude Cowork and others, agents may spin up countless sessions, and will need their own secure file systems and sandboxes, while also being able to easily collaborate securely with other people and agents.

Thus, to have an effective AI agent strategy, companies fundamentally need a content

strategy. They need a secure platform to manage critical content, and ensure it can connect to all of their people, agents, and applications. This is what we're building at Box with our Intelligent Content Management Platform.

FY26 was another fantastic year of product innovation momentum to ensure that we stay ahead of the market and power our customers most critical content workflows with AI.

Just in the fourth quarter, we announced the general availability of [Box Extract](#), enabling enterprises to intelligently and securely pull the most valuable information from content and save it as metadata in Box--all powered by leading AI models. With Box Extract, companies can turn their documents into data, pulling out the structured data from contracts, invoices, marketing assets, research, financial documents, and any other file type – to automate workflows or glean critical insights in their business.

In Q4 we also rolled out [Box Shield Pro](#), a powerful new add-on that expands on existing Box Shield content protection and leverages agentic AI to bring new levels of scale, speed, and automation to advanced security controls.

We are also incredibly proud to have served as an early launch partner for Anthropic's Claude Opus 4.5 & Opus 4.6, Google's Gemini 3.0 Flash, and OpenAI's GPT-5.2, all available in the Box AI Studio. These are many of the foundational elements in our Intelligent Content Management platform that we delivered in FY26.

Now, looking forward in FY27 we will be delivering the next generation of AI agent features within Box, enabling AI agents that can do more long-running tasks and advanced work on enterprise information. Soon you'll be able to give AI agents complete projects, and they will go off and work through your enterprise information to complete those tasks, powering everything from writing out complex RFPs to analyzing your contracts and generating a new one with the most relevant clauses.

We are also building the most advanced AI-powered workflow automation capabilities with enterprise content. We will keep rapidly enhancing Box Extract to support even more complex document processing use-cases, and with Box Automate, which will launch in the first half of this year, customers will be able to combine human and agent-powered workflows to automate any content business process in an enterprise. And, combined with new features in Box Apps, we will deliver full no-code business workflows from contract management to digital asset management and more.

Throughout FY27 we will continue to advance our functionality across Box Shield to enable more intelligent threat prevention and data classification, with new Box Zones sites for enhanced data residency, Box Governance to power deeper lifecycle management features, and new functionality to help improve the security of AI agents in Box.

Finally, this is going to be a major year for the Box Platform APIs. Catalyzed by the rise of AI, enterprises will further need to further centralize their enterprise content and connect a single source of truth of content for their people, agents, and applications. The same contract that an agent produces, a user may want to review inside of an end user application, and may show up inside of Salesforce or a custom application. The same is true for every other type of enterprise content, from marketing assets to financial documents.

To support these growing AI use-cases, we're making it as easy and secure as ever to leverage Box as a platform to integrate content across the entire AI stack – like Claude Cowork, Copilot, IBM watsonx, ChatGPT, or custom agents – by leveraging Box's APIs, MCP server, and CLI support. We're incredibly excited about this new array of use-cases for the Box platform to be used as ***the file system for agents***. And we will monetize this either through end user seats that interact with these agents, or as API and AI unit consumption when our platform is connected to agents in a headless fashion, so we are covered either way.

Now, turning to go-to-market, as I've noted, we are incredibly excited about the momentum that we're seeing with Enterprise Advanced. Across industries like financial services, legal, life sciences, and in the public sector, including other key industries, we're seeing growing momentum for enterprises to adopt Box's most powerful set of capabilities, with Enterprise Advanced customers now reaching 10% of revenue, and driving an acceleration in our top-line metrics.

Our partner business also remains a critical part of our strategy as we deliver more advanced solutions for customers, and in Q4, we saw continued momentum with key partners.

- A large government regulator that selected Box Enterprise Advanced as the content layer for regulatory case management. Working with a global systems integrator, Box replaced a legacy system, enabling secure document intake, high-volume review, and AI-assisted classification integrated into core case systems—positioning Box as a foundational platform for the organization.
- A global insurance organization upgraded to Box Enterprise Advanced as part of a legacy ECM modernization led by our partner DataBank. Box AI now processes insurance policies and related documents at scale—extracting key data from large volumes of policies and endorsements to support underwriting and quoting, reduce manual review, and improve operational efficiency.

Given the strong results we saw in FY26 and especially through the tail end of the year, in FY27 we believe it's critical to continue to strategically invest to build on this momentum and ensure we're capturing this market opportunity. We will continue to invest in our critical growth verticals with GTM capacity and marketing efforts; we're bringing the full power of Box's Enterprise Advanced plan to customers through Box's Solutions offerings in key lines of business and industries; we're accelerating growth in large enterprises by deepening partnerships with major SI's like Deloitte, Slalom, TCS, Databank, and more; we're driving growth with key cloud marketplaces like GCP and AWS; and much more. You will hear more about these GTM initiatives at our Financial Analyst Day in two weeks.

As we enter a new era of work that is defined by AI agents, we are confident in the power that enterprise content plays in powering an agentic strategy in organizations, and that enterprises will need a secure platform to connect their most important enterprise information to people, agents, and applications. At Box our opportunity has never been larger to transform how companies work with their content. We are entering FY27 with the strongest momentum I've ever seen as we become the platform that powers intelligent content workflows and automation in the enterprise. With that, I'll hand it over to Dylan.

Q4 and Fiscal 2026 Financial Results; Q1 and Fiscal 2027 Guidance

Thanks Aaron. Good afternoon everyone.

Q4 capped off a year of strong execution against the three financial priorities we outlined heading into the year. First, we set the stage to accelerate top-line growth by investing in key go-to-market initiatives and enhancing the AI capabilities of our Intelligent Content Management platform. Second, we generated efficiencies across the business by advancing our AI-first efforts and workforce location strategy. Finally, we executed on our disciplined capital allocation strategy, reducing basic shares outstanding by more than 3 million over the past year.

In FY26 we delivered revenue of \$1.18 billion, up 8% year-over-year, and up 7% in constant currency. We drove an acceleration in RPO growth to 17% year-over-year, or 16% in constant currency. Operating margin came in at 28.3%, up 50 basis points year-over-year, and up 40 basis points in constant currency. Finally, in FY26 we generated record free cash flow of \$313 million, up 3% year-over-year.

Turning to Q4, we closed the year with very strong results, exceeding our guidance across all metrics. We delivered Q4 revenue of \$306 million, up 9% year-over-year, and up 8% in constant currency. This represents our third sequential quarter of

accelerating revenue growth, driven by strong AI and Enterprise Advanced momentum.

Customers paying us at least 100 thousand dollars annually grew 9% year-over-year. After launching Enterprise Advanced as our highest tier Suite just a year ago, Enterprise Advanced customers already account for 10% of our revenue. The intelligent workflow automation, advanced AI, and secure content management that this plan offers are clearly resonating in the market. Over the past year, price per seat for Enterprise Advanced customers have commanded an average pricing uplift of 30-40% over Enterprise Plus, at the high end of the 20-40% uplift we had initially anticipated. Going forward, we expect this 30-40% uplift to continue. Total Suites customers now account for 66% of our revenue, an increase from 60% a year ago.

We ended Q4 with remaining performance obligations, or RPO, of \$1.7 billion, representing 17% year-over-year growth, or 16% in constant currency, and providing us with greater visibility into future revenue. Short-term RPO grew 12% year-over-year, both as reported and in constant currency. Our strong RPO growth continues to benefit both from longer contract durations, and from mid-contract upgrades to Enterprise Advanced. We expect to recognize roughly 55% of our RPO over the next 12 months.

Q4 billings of \$420 million were up 5% year-over-year, and up 4% in constant currency, ahead of our expectations of low single digit billings growth. This outperformance was driven primarily by strong Q4 bookings.

We ended Q4 with a net retention rate of 104%, up from 102% in the year ago period, driven by continued improvements in both pricing and net seat expansion trends. We expect our net retention rate to remain at 104% in Q1, and to land in the range of 104 to 105 percent by the end of FY27.

Q4's gross margin was 82.3%, exceeding our guidance of 82%. This represents an increase of 130 basis points year-over-year.

In Q4 we continued to drive cost discipline across the business, delivering record Q4 operating income of \$94M and operating margin of 30.6%, exceeding our guidance of 30%.

In Q4 we delivered EPS of \$0.49 cents, well above our guidance of \$0.33. This includes the benefit from several tax items, which reduces our effective tax rate in FY26 and on a go forward basis. Excluding these tax benefits, EPS would have exceeded our guidance by 2 cents.

I'll now turn to our cash flow and balance sheet.

In Q4 we generated free cash flow of \$98 million and cash flow from operations of \$110 million, up 7% and 8% year-over-year, respectively.

We ended Q4 with \$480 million in cash, cash equivalents, restricted cash, and short-term investments. This balance reflects the cash settlement of debt principal related to our \$205 million of 2021 convertible notes that matured on January 15th, 2026.

In Q4 we repurchased 4.4 million shares for approximately \$126 million dollars. For the full year of FY26, we repurchased approximately 9.7 million shares for approximately \$293 million dollars, representing more than 90% of FY26 free cash flow generation.

As of January 31, 2026, we had approximately \$59 million of remaining buyback capacity under our current share repurchase plan.

With that, let me now turn to our Q1 and FY27 guidance.

As a reminder, approximately 40% of our revenue is generated outside of the US, with approximately 65% of this international revenue coming from Japan.

Note that our FY27 guidance reflects a lower expected GAAP and non-GAAP tax rate,

benefitting EPS.

For the first quarter of fiscal 2027:

We expect Q1 revenue to be approximately \$304 million, representing approximately 10% year over year growth, or 9% in constant currency.

We anticipate our Q1 billings growth to land in the low single digits, which includes an expected headwind from FX of approximately 530 basis points.

We expect Q1 gross margin to be approximately 81.5%.

We anticipate our Q1 operating margin to be approximately 27.5%, up 220 basis points year-over-year.

We expect our Q1 EPS to be approximately 36 cents.

Weighted-average diluted shares are expected to be approximately 141 million.

For the full fiscal year ending January 31st, 2027:

We expect our full year revenue to be approximately \$1.275 billion, representing 8% year-over-year growth, or 9% in constant currency.

We expect our FY27 billings growth rate to be roughly in-line with revenue growth. This includes an expected headwind of approximately 100 basis points from FX.

We expect FY27 gross margin to be approximately 81.5%.

We expect our FY27 operating margin to be approximately 28%, or 28.5% in constant currency. As we have discussed previously, given the momentum and demand we are

seeing for Box AI and Enterprise Advanced, we are continuing to invest in strategic go-to-market initiatives to ensure we can reach customers at this critical technology juncture. We will continue to drive operating efficiency through cost discipline, AI-driven efficiencies, and our workforce location strategy, and we remain committed to delivering significant margin expansion over the next few years.

As it relates to FY27 expense and margin seasonality, please note that our annual customer conference, BoxWorks, will take place in Q4. This will shift approximately \$3 million in expenses from Q3 into Q4 as compared to FY26.

We expect FY27 EPS of approximately \$1.55, or \$1.58 in constant currency.

Weighted-average diluted shares are expected to be approximately 141 million.

In the era of AI Agents, Box is powering the full lifecycle of content in a single platform, with native enterprise-grade security and AI capabilities. Our strong results in fiscal 2026 demonstrate the success of this strategy, including an acceleration in RPO growth and an improvement in our net retention rate. In FY27 we will continue to invest in our robust product roadmap and strategic go-to-market initiatives, delivering accelerating revenue growth and higher operating profit.

We look forward to providing more details at our Financial Analyst Day later this month.

With that, Aaron and I will be happy to take your questions. Operator?