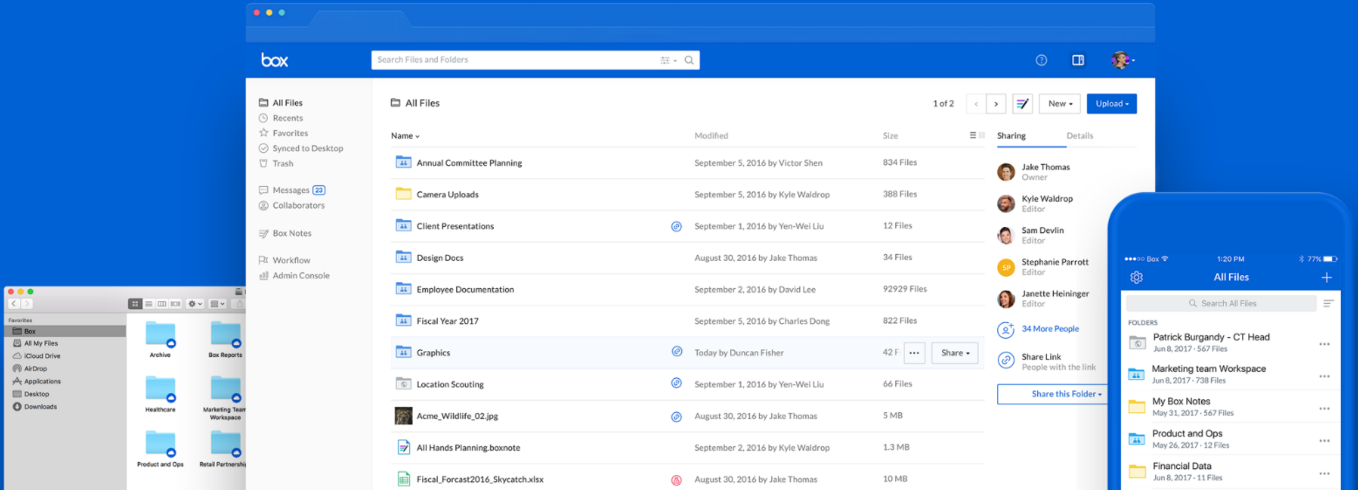
Third Fiscal Quarter FY20 Financial Results

November 26, 2019



Forward-looking statements and non-GAAP financial measures

This presentation contains forward-looking statements that involve risks and uncertainties, including statements regarding Box’s expectations regarding the size of its market opportunity, expectations regarding its leadership position in the cloud content management market, the demand for its products, its ability to scale its business and drive operating efficiencies, its ability to achieve its revenue targets, expectations regarding its ability to achieve profitability on a quarterly or ongoing basis, its expectations regarding free cash flow, its ability to continue to grow unrecognized revenue and remaining performance obligations, the timing of recent and planned product introductions, enhancements and integrations, the short- and long-term success, market adoption and retention, capabilities, and benefits of such product introductions and enhancements, and the success of strategic partnerships, as well as expectations regarding the amount and timing of its revenue, gross margin, GAAP and non-GAAP net income (loss) per share, non-GAAP operating margins for future periods, the related components of GAAP and non-GAAP net income (loss) per share, and weighted-average outstanding share count expectations for Box’s fiscal fourth quarter and full fiscal year 2020.

There are a significant number of factors that could cause actual results to differ materially from statements made in this press release, including: (1) adverse changes in general economic or market conditions; (2) delays or reductions in information technology spending; (3) factors related to Box’s highly competitive market, including but not limited to pricing pressures, industry consolidation, entry of new competitors and new applications and marketing initiatives by Box’s current or future competitors; (4) the development of the cloud content management market; (5) the risk that Box’s customers do not renew their subscriptions, expand their use of Box’s services, or adopt new products offered by Box on a timely basis, or at all; (6) Box’s ability to provide timely and successful enhancements and integrations, new features, integrations and modifications to its platform and services; (7) actual or perceived security vulnerabilities in Box’s services or any breaches of Box’s security controls; and (8) Box’s ability to realize the expected benefits of its third-party partnerships. 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 Box's most recent Quarterly Report on Form 10-Q filed for the fiscal quarter ended July 31, 2019.

You should not rely on any forward-looking statements, and we assume no obligation, nor do we intend, to update them. All information in this presentation is as of November 26, 2019. This presentation contains non-GAAP financial measures and key metrics relating to the company's past and expected future performance. You can find the reconciliation of these measures to the nearest comparable GAAP financial measures in the appendix at the end of this presentation. You can also find information regarding our use of non-GAAP financial measures in our earnings release dated November 26, 2019.

Digital transformation has never been more urgent

Businesses need to operate faster than ever

- Greater reliance on partners requires seamless external collaboration
- Hypercompetitive market demands faster cycle times
- Customers expect frictionless, responsive experiences

Workplace technology makes or breaks productivity

- Employees need to be able to work from anywhere, on any device
- Team collaboration is cumbersome, slowing down output
- Employee satisfaction and engagement require best-of-breed tools

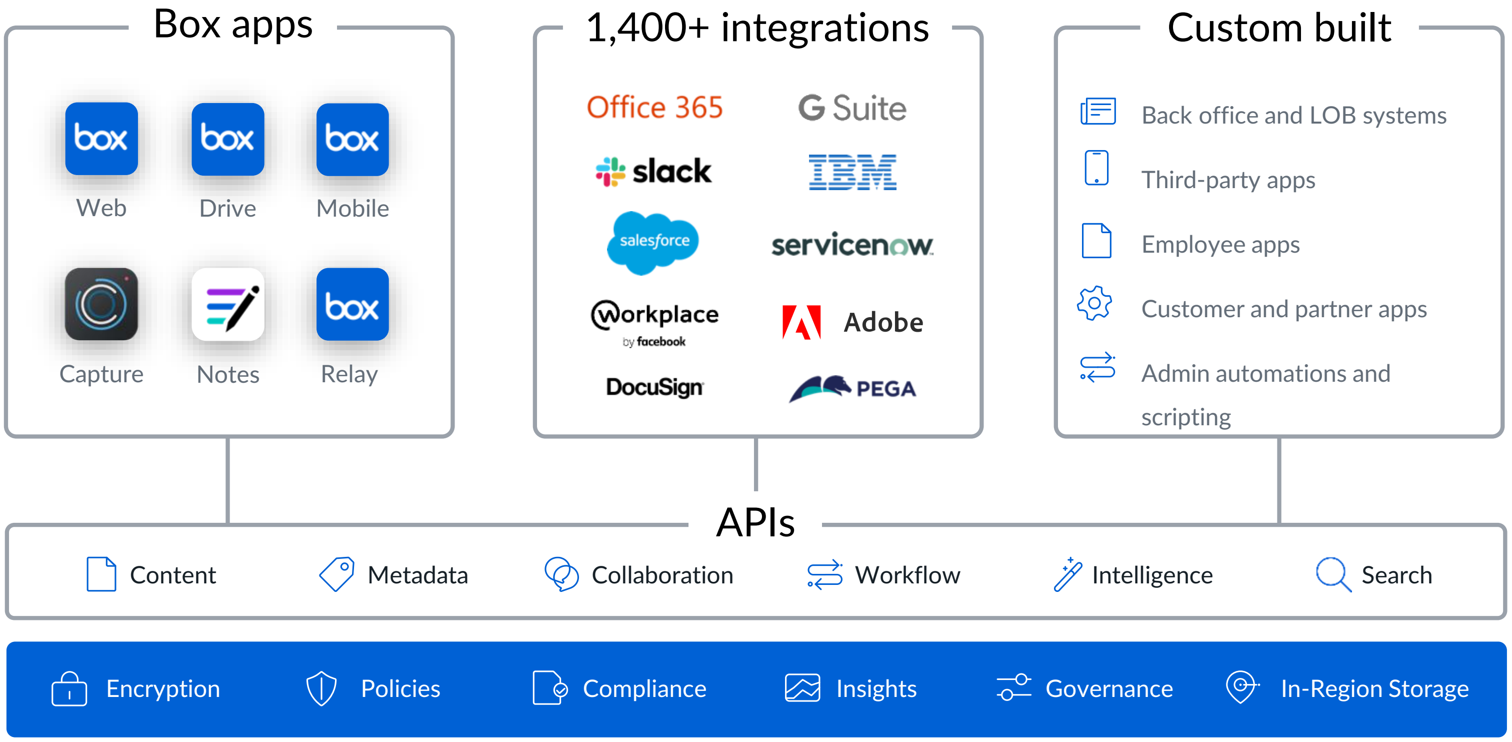
Risk of cyber threats and regulations are growing

- More high value IP is flowing across the extended enterprise
- Attacks are more frequent and harder to defend on your own
- Global data privacy regulations are becoming infinitely more complex

Cloud Content Management from Box

- Single source of truth for content, integrated across best-of-breed apps
- Seamless and secure internal and external collaboration
- Automated business workflows across the extended enterprise
- Advanced ML/AI technologies from all major vendors
- Security and compliance for every industry and geography without sacrificing simplicity

Simplifying how you work with one content platform



69%

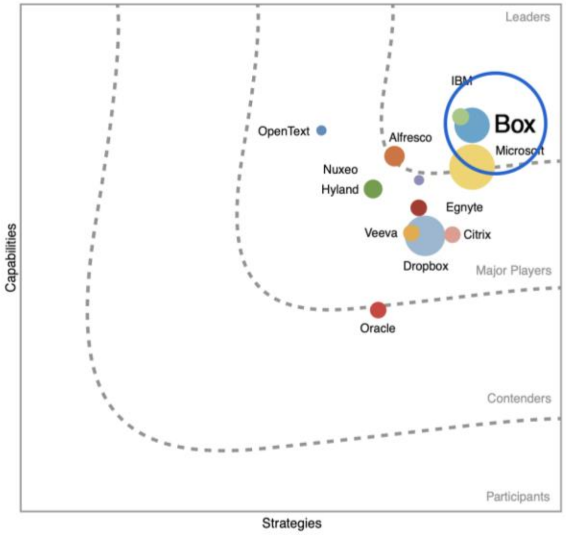
Fortune 500

A Leader in Cloud Content Management

Gartner

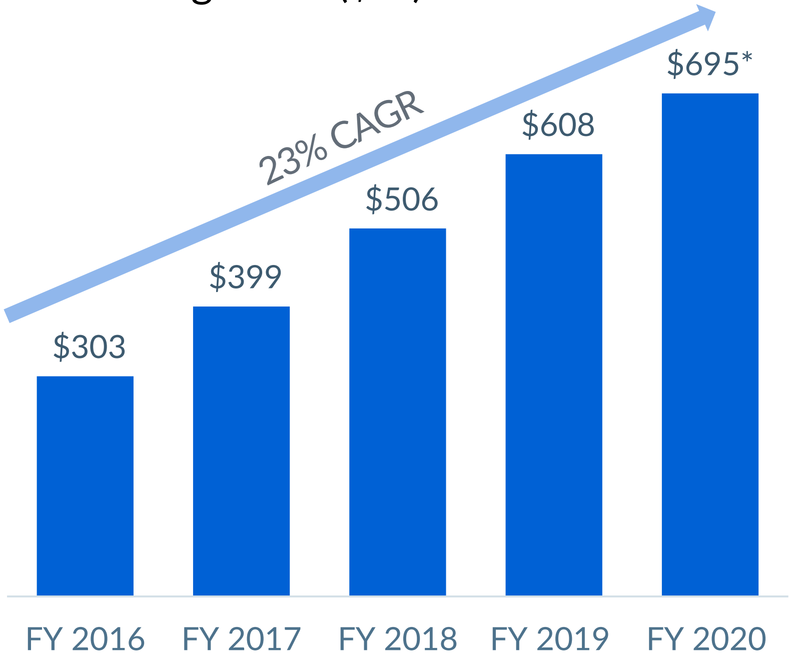
FORRESTER®

IDC



A Leader in Cloud Content Management

Revenue growth ($M)

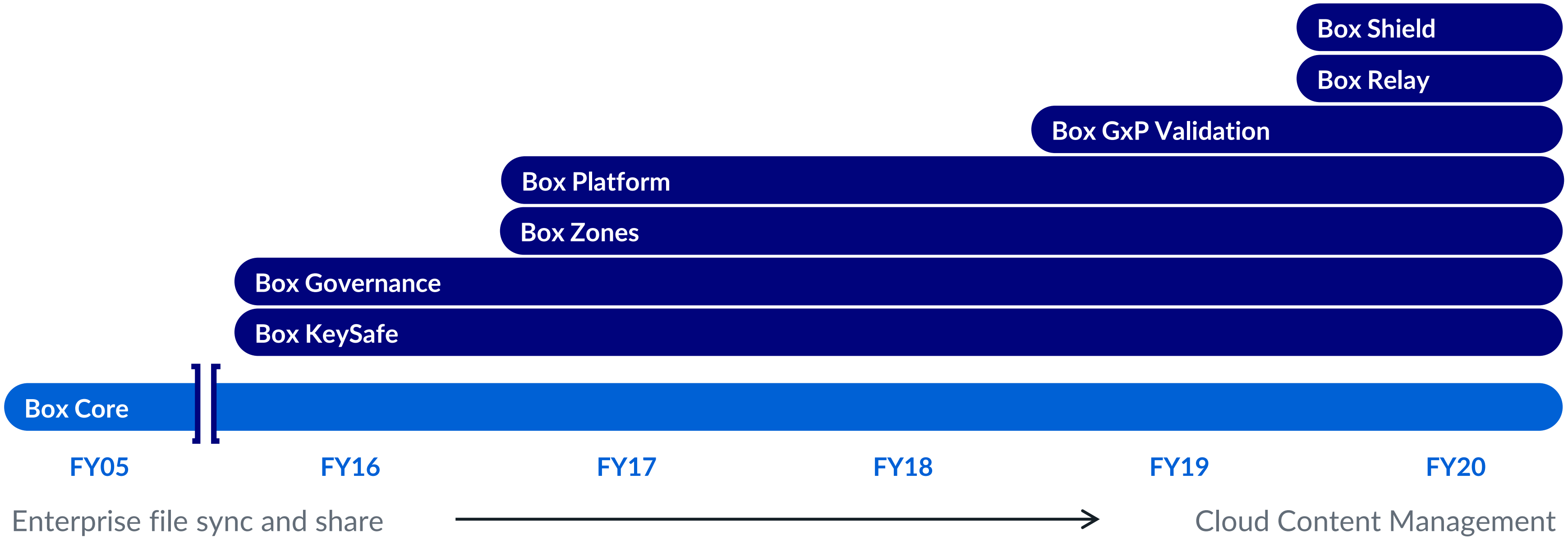


- $40+ billion market opportunity
- SaaS model with ~97% recurring revenue
- Strategic partners including IBM, Microsoft, Amazon, Google
- Headquartered in Redwood City, CA
- Over 2,000 employees worldwide

* Based on high end of guidance as of November 26, 2019

Product portfolio now supports our end-to-end CCM vision

FY20 has been strongest year of new product releases to date with Relay & Shield



Q3 fiscal year 2020 financial highlights

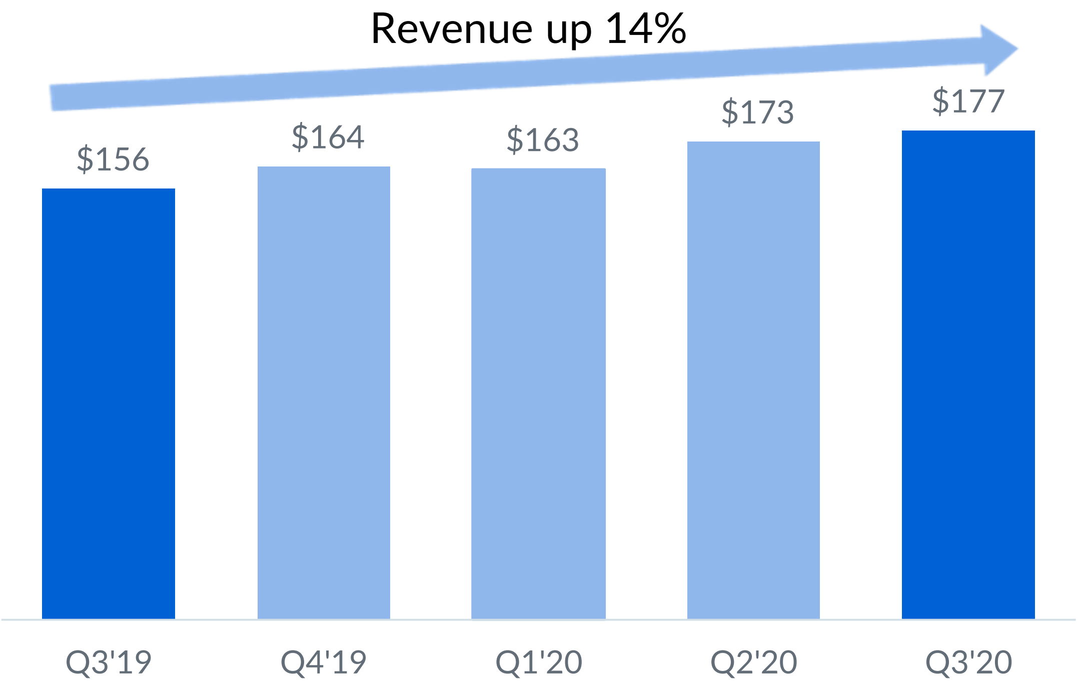
	Q3FY20*	Q3FY19**	Y/Y Growth
Revenue	$177.2M	$155.9M	14%
Remaining performance obligations	$636.0M	$607.1M	5%
Deferred revenue	$325.6M	$301.2M	8%
Billings	$171.9M	$155.6M	10%
GAAP operating margin	(22.1%)	(25.3%)	3 Percentage Points
Non-GAAP operating margin	(0.3%)	(4.9%)	5 Percentage Points
GAAP EPS	(28¢)	(28¢)	0¢
Non-GAAP EPS	(1¢)	(6¢)	5¢
Cash flows from operations	$8.9M	$6.8M	$2.1M
Free cash flow	($1.7M)	($4.1M)	$2.4M

* As reported and disclosed under ASC Topic 842

** As reported and disclosed under ASC Topic 840

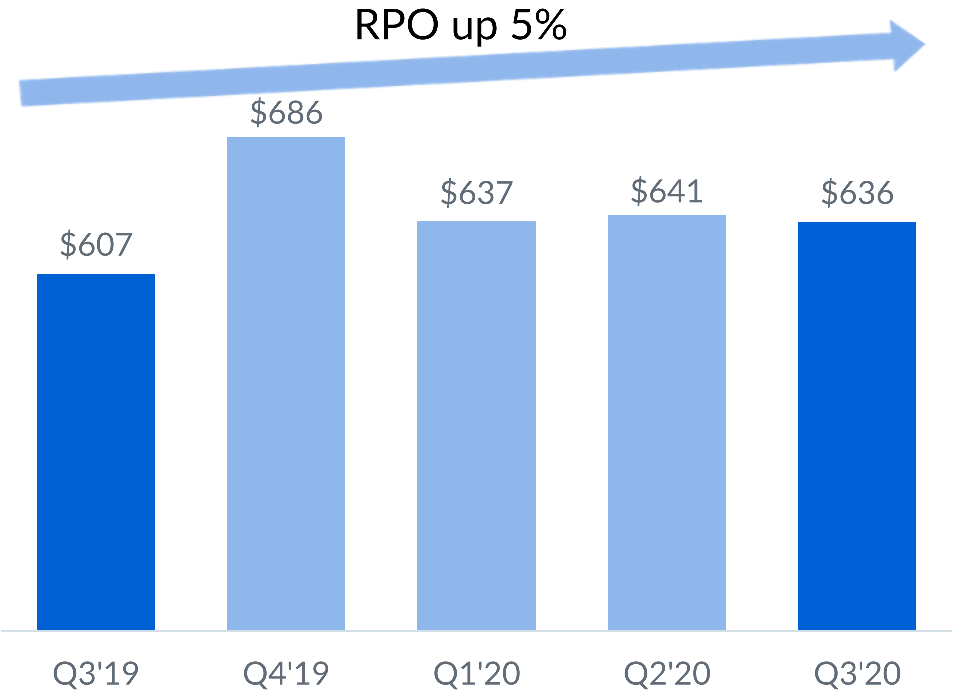
Revenue

Driven by strong attach rates of add-on products



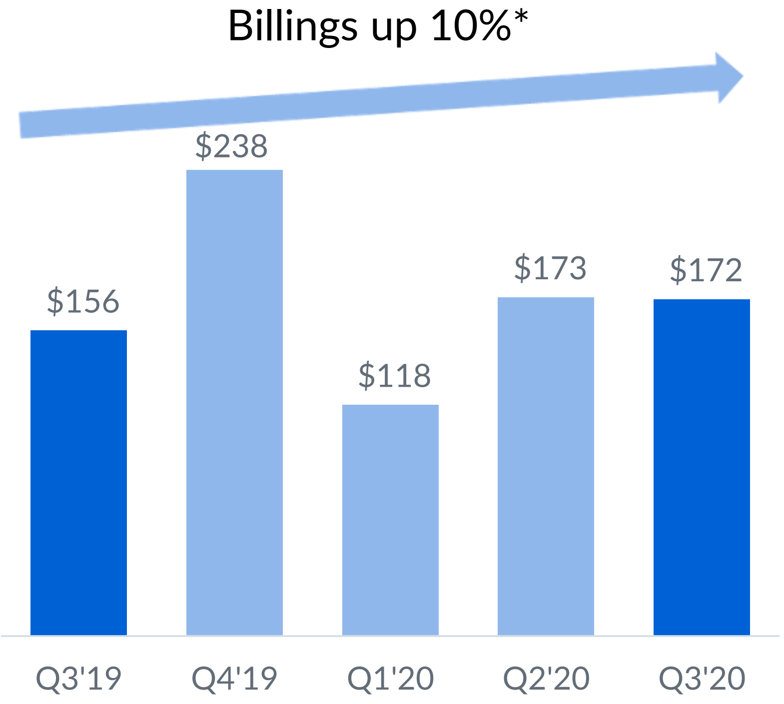
Remaining performance obligations (RPO)*

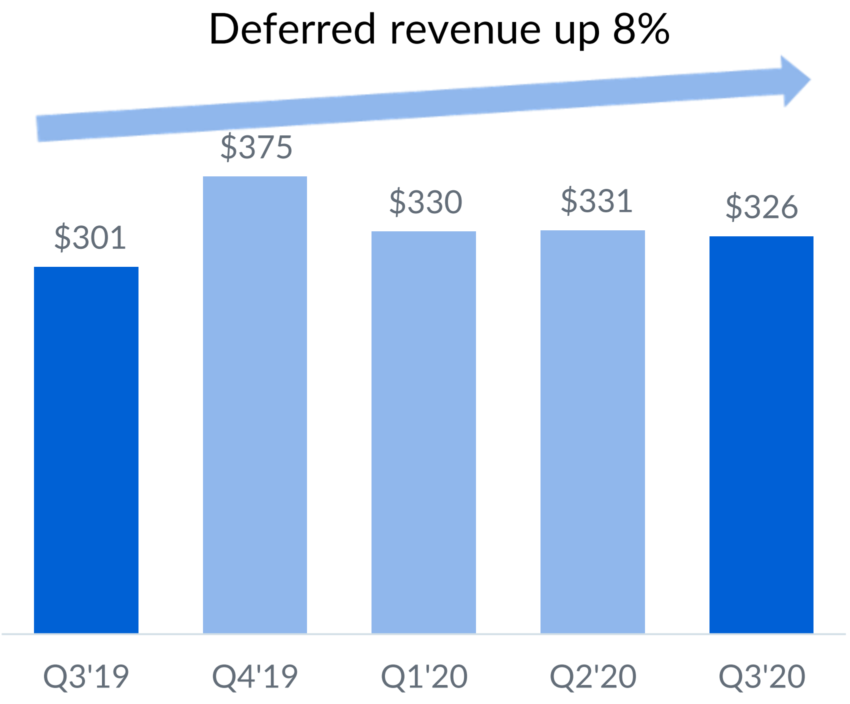
Expect to recognize roughly 68% over the next 12 months



*Remaining performance obligations ("RPO") represent, at a point in time, contracted revenue that has not yet been recognized. RPO consists of deferred revenue and backlog, offset by contract assets. Backlog is defined as non-cancellable contracts deemed certain to be invoiced and recognized as revenue in future periods. Future invoicing is determined to be certain when we have an executed non-cancellable contract and invoicing is not dependent on a future event such as the delivery of a specific new product or feature, or the achievement of contractual contingencies. Box considers RPO to be a significant performance measure. Box does not consider RPO to be a non-GAAP financial measure as it is calculated in accordance with GAAP, specifically under ASC Topic 606.

Billings and deferred revenue

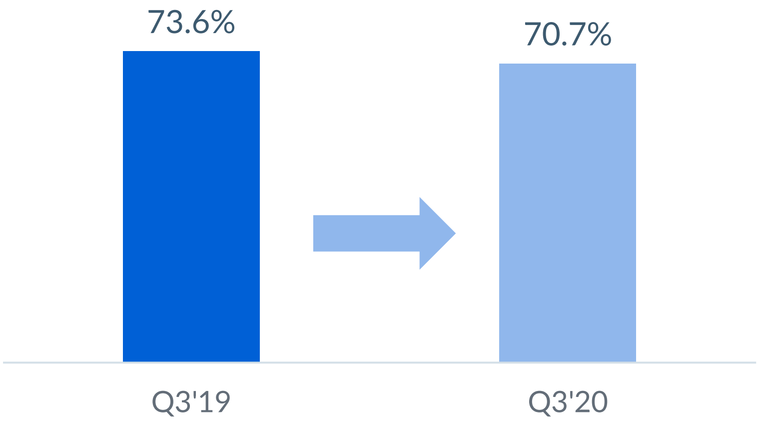




*Note: Reconciliations of billings to revenue, deferred revenue, and contract assets calculated in accordance with GAAP can be found in the Appendix of this presentation.

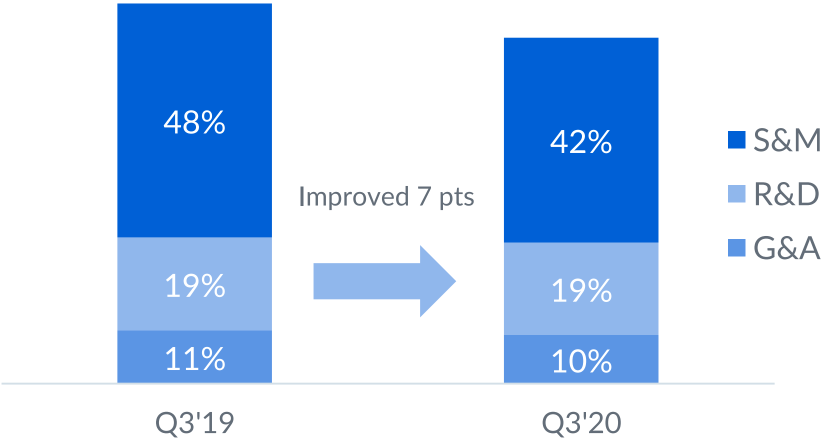
Gross margin and operating expense

Non-GAAP gross margin*



- Temporary decrease due to data center migrations as part of hybrid hosting strategy

Non-GAAP op expense*

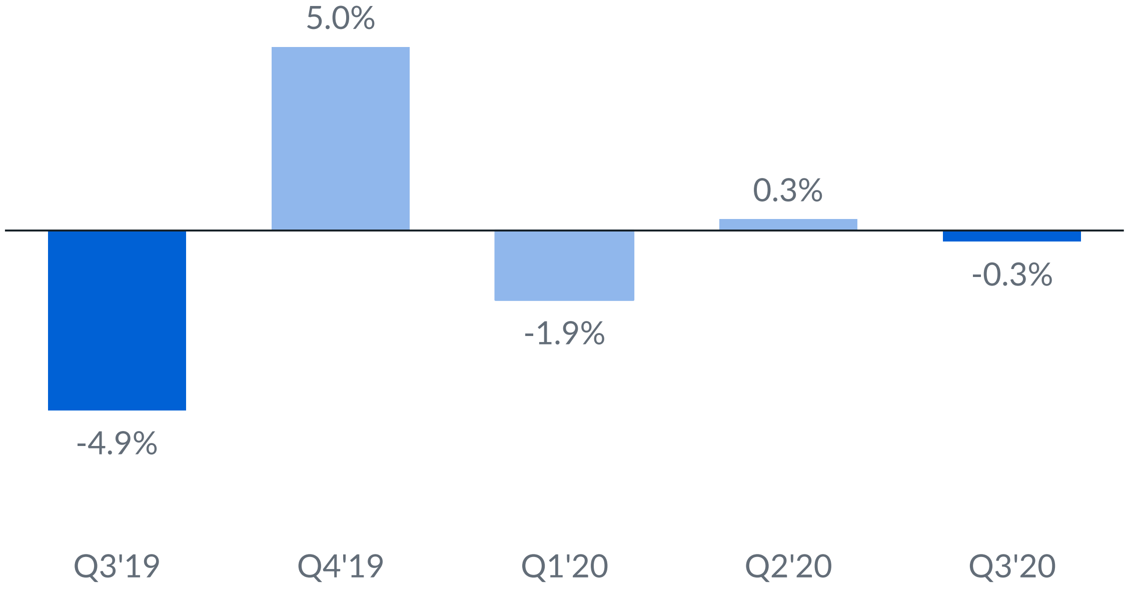


- S&M improved 6 percentage pts from improved go-to-market efficiencies
- R&D was flat, including the general availability of Box Shield and continued development of other product offerings
- G&A improved by 1 percentage pt from continued operational excellence and scale

*Note: Expenses and gross margin shown on a non-GAAP basis (reconciliations to the GAAP basis can be found in the Appendix of this presentation).

Non-GAAP operating margin*

5 percentage points improvement year over year



*Note: Operating margin shown on a non-GAAP basis (reconciliations to the GAAP basis can be found in the Appendix of this presentation).

Focus on existing customer expansion and retention

Churn rates significantly lower in customers who have purchased at least one add-on product

4.4%

Full Churn [1]

Product stickiness

9%

Net expansion[2]

Continued growth within existing customers

105%

Retention rate[3]

Best-in-class

1. Full churn is rounded to the nearest tenth of a percentage point.
2. Net expansion defined as the net increase in Total Account Value ("TAV") from our existing customers, who had $5K+ in TAV 12 months ago.
3. Retention rate 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.

Cash and cash equivalents

- "Other" primarily consists of cash used for RSU taxes and finance lease liabilities, partially offset by proceeds from the issuance of common stock under our employee stock purchase plan

Q4 and fiscal year 2020 guidance

Q4 FY20	Guidance
Revenue	$181M – $182M
GAAP EPS	(22¢) – (21¢)
Non-GAAP EPS	4¢ – 5¢
Weighted-Average Shares Used to Compute Non-GAAP EPS, Basic	150 million
Weighted-Average Shares Used to Compute Non-GAAP EPS, Diluted	155 million

Fiscal Year 2020	
Revenue	$693.7M – $694.7M
GAAP EPS	($1.01)
Non-GAAP EPS	$0.01
Weighted-Average Shares Used to Compute Non-GAAP EPS, Basic	148 million
Weighted-Average Shares Used to Compute Non-GAAP EPS, Diluted	154 million

Appendix

GAAP Revenue to Billings Reconciliation

($ in thousands)	**Q3FY19**	**Q4FY19**	**Q1FY20**	**Q2FY20**	**Q3FY20**
GAAP revenue	**$155,944**	**$163,713**	**$162,974**	**$172,549**	**$177,156**
Deferred revenue, end of period	301,241	375,041	330,445	330,834	325,647
Less: Deferred revenue, beginning of period	(301,517)	(301,241)	(375,041)	(330,445)	(330,834)
Contract assets, beginning of period	157	216	3	-	-
Less: Contract assets, end of period	(216)	(3)	-	-	(76)
Billings	**$155,609**	**$237,726**	**$118,381**	**$172,938**	**$171,893**

GAAP to Non-GAAP Reconciliation – Gross Margin

($ in thousands)	**Q3FY19**	*As a % of revenue*	**Q4FY19**	*As a % of revenue*	**Q1FY20**	*As a % of revenue*	**Q2FY20**	*As a % of revenue*	**Q3FY20**	*As a % of revenue*
GAAP gross margin	**$111,220**	***71.3%***	**$116,516**	***71.2%***	**$114,290**	***70.1%***	**$118,677**	***68.8%***	**$120,854**	***68.2%***
Add: Stock-based compensation	3,598		3,785		3,611		4,360		4,428	
Non-GAAP gross margin	**$114,818**	***73.6%***	**$120,301**	***73.5%***	**$117,901**	***72.3%***	**$123,037**	***71.3%***	**$125,282**	***70.7%***

GAAP to Non-GAAP Reconciliation – Operating Expenses

($ in thousands)	Q3FY19	*As a % of revenue*	Q4FY19	*As a % of revenue*	Q1FY20	*As a % of revenue*	Q2FY20	*As a % of revenue*	Q3FY20	*As a % of revenue*
GAAP research and development	**$42,310**	***27%***	**$41,362**	***25%***	**$46,244**	***28%***	**$49,693**	***29%***	**$50,652**	***29%***
Less: Stock-based compensation	(12,043)		(11,521)		(12,975)		(15,250)		(16,653)	
Non-GAAP research and development	**$30,267**	***19%***	**$29,841**	***18%***	**$33,269**	***20%***	**$34,443**	***20%***	**$33,999**	***19%***
GAAP sales and marketing	**$84,490**	***54%***	**$73,738**	***45%***	**$78,820**	***48%***	**$80,405**	***47%***	**$82,939**	***47%***
Less: Stock-based compensation	(9,708)		(9,163)		(9,400)		(9,994)		(9,250)	
Non-GAAP sales and marketing	**$74,782**	***48%***	**$64,575**	***39%***	**$69,420**	***43%***	**$70,411**	***41%***	**$73,689**	***42%***
GAAP general and administrative	**$23,884**	***15%***	**$23,110**	***14%***	**$24,607**	***15%***	**$24,856**	***14%***	**$26,496**	***15%***
Less: Stock-based compensation	(6,441)		(5,741)		(6,376)		(7,201)		(7,427)	
Less: Fees related to shareholder activism	-		-		-		-		(955)	
Non-GAAP general and administrative	**$17,443**	***11%***	**$17,369**	***11%***	**$18,231**	***11%***	**$17,655**	***10%***	**$18,114**	***10%***

GAAP to Non-GAAP Reconciliation – Operating Margin

($ in thousands)	**Q3FY19**	*As a % of revenue*	**Q4FY19**	*As a % of revenue*	**Q1FY20**	*As a % of revenue*	**Q2FY20**	*As a % of revenue*	**Q3FY20**	*As a % of revenue*
GAAP operating margin	**($39,464)**	*(25%)*	**($21,694)**	*(13%)*	**($35,381)**	*(22%)*	**($36,277)**	*(21%)*	**($39,233)**	*(22%)*
Add: Stock-based compensation	31,790	*20%*	30,210	*18%*	32,362	*20%*	36,805	*21%*	37,758	*21%*
Add: Fees related to shareholder activism	-	-	-	-	-	-	-	-	955	*1%*
Non-GAAP operating margin	**($7,674)**	*(5%)*	**$8,516**	*5%*	**($3,019)**	*(2%)*	**$528**	*0%*	**($520)**	*0%*

GAAP to Non-GAAP Reconciliation – Free Cash Flow

($ in thousands)	**Q3FY19**	**Q3FY20**
GAAP net cash provided by operating activities	**$6,816**	**$8,893**
Less: Purchases of property and equipment	(5,247)	(1,055)
Less: Principal payments of finance lease liabilities	(4,290)	(7,055)
Less: Capitalized internal-use software costs	(1,343)	(2,469)
Free cash flow	**($4,064)**	**($1,686)**

GAAP to Non-GAAP Reconciliation – EPS

	For the Three Months Ended October 31, 2018	For the Three Months Ended October 31, 2019
GAAP net loss per share, basic and diluted	**($0.28)**	**($0.28)**
Stock based compensation	0.22	0.26
Fees related to shareholder activism	-	0.01
Non-GAAP net loss per share, basic and diluted	**($0.06)**	**($0.01)**
Weighted-average shares outstanding, basic and diluted (in thousands)	**142,366**	**148,555**

GAAP to Non-GAAP Reconciliation – EPS Outlook

	For the Three Months Ended January 31, 2020	For the Year Ended January 31, 2020
GAAP net loss per share range, basic and diluted	**($0.22– $0.21)**	**($1.01)**
Stock based compensation	0.26	1.01
Fees related to shareholder activism	-	0.01
Non-GAAP net income per share range, basic and diluted	**$0.04 – $0.05**	**$0.01**
Weighted-average shares used to compute GAAP net loss per share, basic and diluted	**149,914**	**147,667**
Weighted-average shares used to compute Non-GAAP net income per share		
Basic	**149,914**	**147,667**
Diluted	**155,340**	**153,784**

Note, for the three months and fiscal year ended January 31, 2020, the range projected for non-GAAP net income per share is based on the basic and diluted weighted-average shares outstanding.