



First Fiscal Quarter FY23 Financial Results

May 25, 2022

Forward-looking statements & non-GAAP financial measures

This presentation contains forward-looking statements that involve risks, uncertainties, and assumptions, including statements regarding Box's expectations regarding the size of its market opportunity, sales productivity, its leadership position in the cloud content management market, the demand for its products, 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, the success of strategic partnerships, the impact of its acquisitions on future Box product offerings, the benefits to its customers from completing acquisitions, the time needed to integrate acquired businesses into Box, the impact of the COVID-19 pandemic or the Russian invasion of Ukraine on its business, its ability to grow and scale its business and drive operating efficiencies, the impact of fluctuations in foreign currency exchange rates on its future results, its net retention rate, its ability to achieve revenue targets and billings expectations, its revenue and billings growth rates, its ability to expand operating margins, its revenue growth rate plus free cash flow margin in fiscal year 2023 and beyond, its long-term financial targets for fiscal year 2025 and beyond, its ability to achieve profitability on a quarterly or ongoing basis, its free cash flow, its ability to continue to grow unrecognized revenue and remaining performance obligations, its revenue, billings, GAAP and non-GAAP gross margin, GAAP and non-GAAP net income (loss) per share, non-GAAP operating margins, the related components of GAAP and non-GAAP net income (loss) per share, weighted-average outstanding share count expectations for Box's fiscal second quarter and full fiscal year 2023, any potential repurchases of its common stock, whether, when, in what amount and by what method any such repurchases would be consummated, and the share price of any such repurchases.

There are a significant number of factors that could cause actual results to differ materially from statements made in this presentation, including: (1) adverse changes in general economic or market conditions, including those caused by the COVID-19 pandemic, the Russian invasion of Ukraine, inflation, and fluctuations in foreign currency exchange rates; (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; (8) Box's ability to realize the expected benefits of its third-party partnerships; and (9) Box's ability to successfully integrate acquired businesses and achieve the expected benefits from those acquisitions. 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 Annual Report on Form 10-K filed for the fiscal year ended January 31, 2022. In addition, the preliminary financial results set forth in this presentation are estimates based on information currently available to Box. While Box believes these estimates are meaningful, they could differ from the actual amounts that Box ultimately reports in its Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2022. Box assumes no obligations and does not intend to update these estimates prior to filing its Form 10-Q for the fiscal quarter ended April 30, 2022.

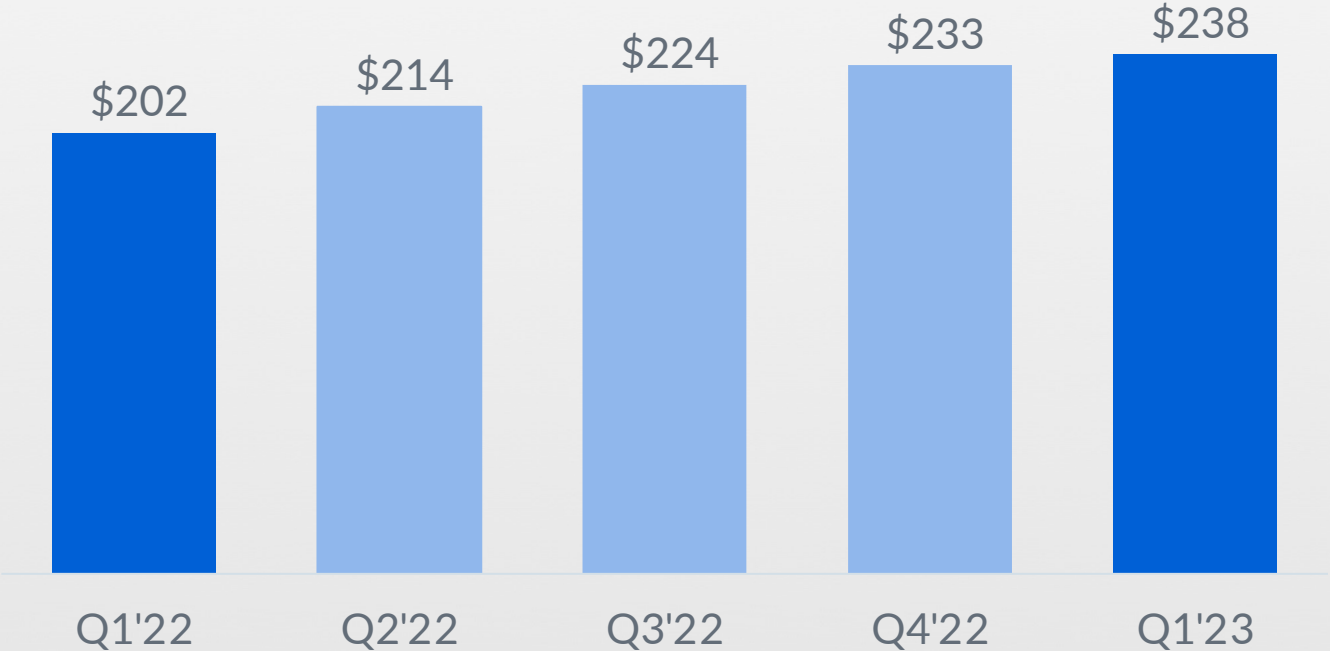
You should not rely on any forward-looking statements, and Box assumes no obligation, nor do we intend, to update them. All information in this presentation is as of May 25, 2022.

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.

Revenue acceleration driven by large and multi-product deals

Q1 revenue growth represents fifth consecutive quarter of acceleration

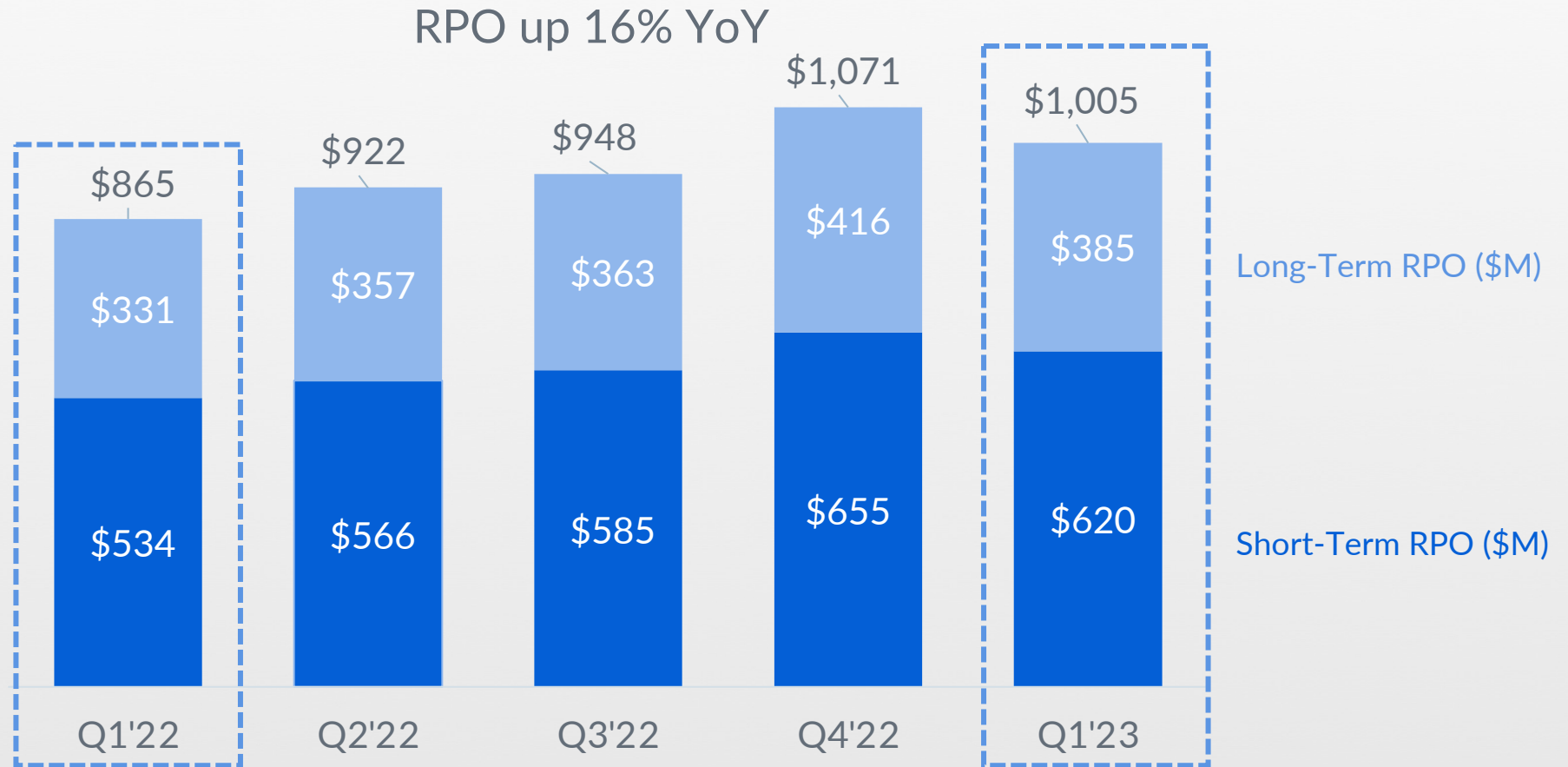
Revenue up 18% YoY



Note: \$ values are shown in millions

RPO supports enduring growth and revenue visibility

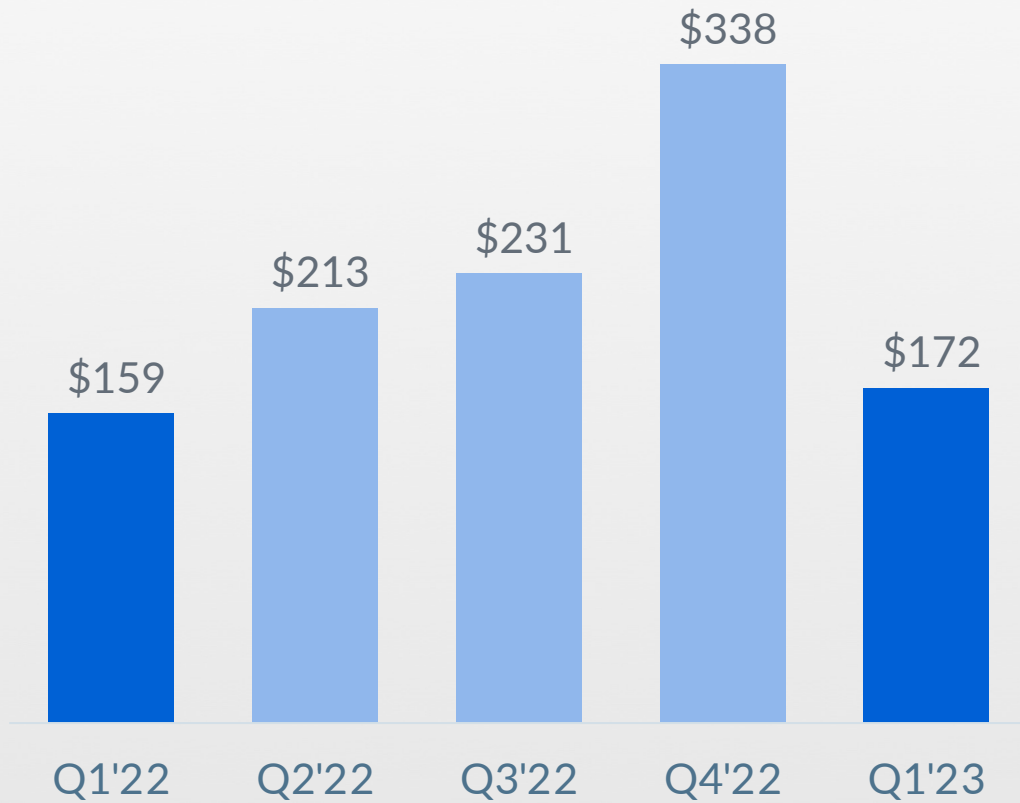
Trajectory reflects lengthened contract durations driven by higher volume of long-term strategic deals



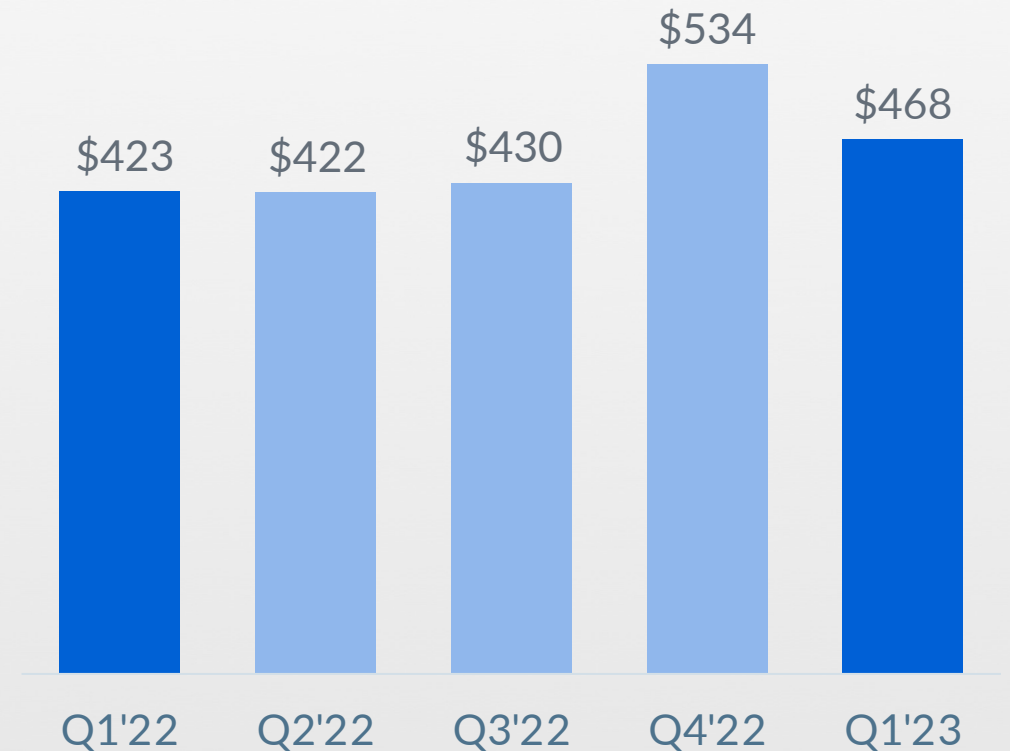
Note: Remaining performance obligations (RPO) represent, at a point in time, contracted revenue that has not yet been recognized. RPO consists of deferred revenue and backlog, offset by contract assets. Box does not consider RPO to be a non-GAAP financial measure because it is calculated in accordance with GAAP. Figures may not sum due to rounding.

Billings and deferred revenue

Billings up 8%* YoY



Deferred revenue up 11%* YoY



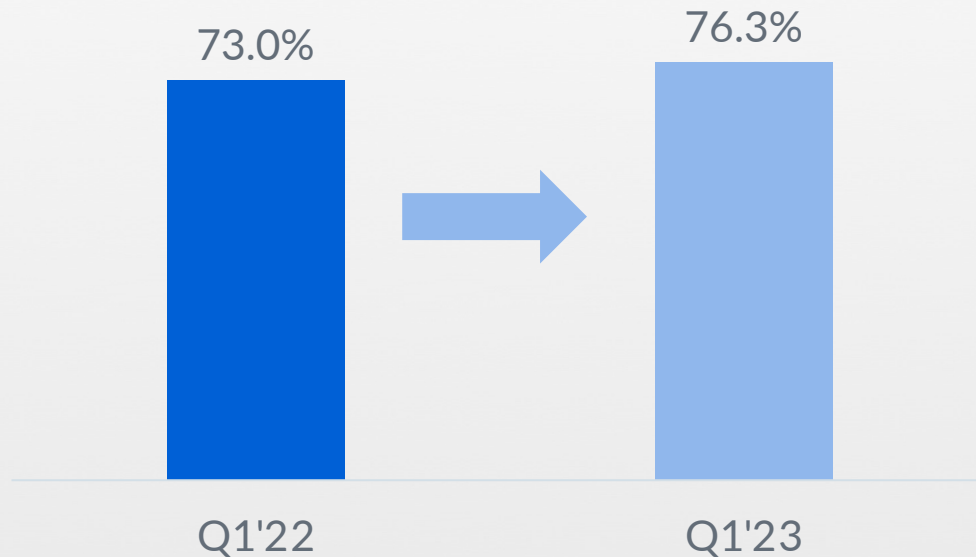
Note: \$ values are shown in millions

*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

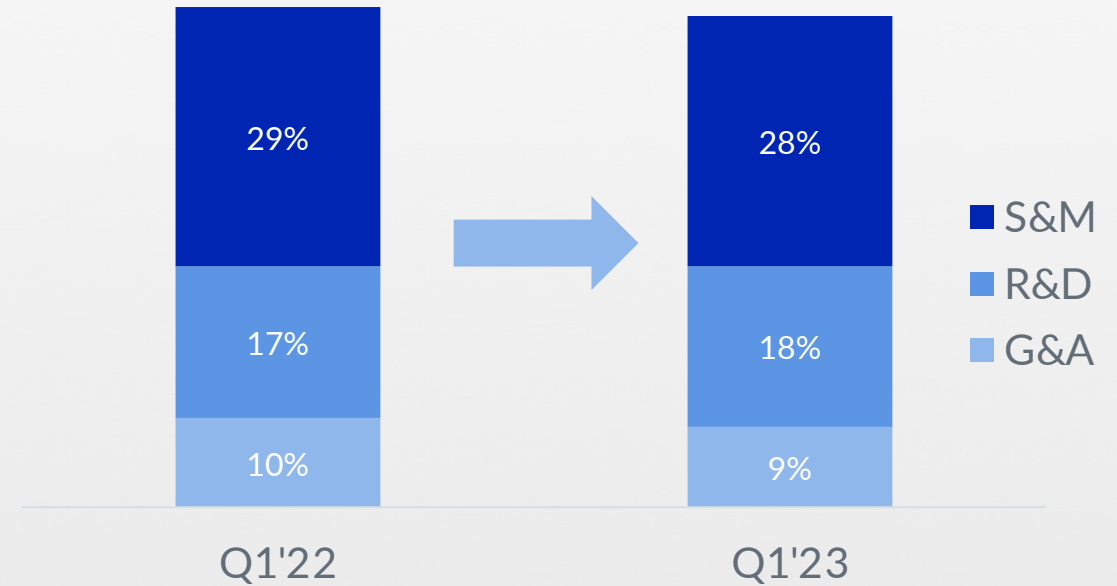
Up 330 bps YoY



- Benefit from optimizations to reduce infrastructure costs and improve overall efficiencies.

Non-GAAP operating expense

Improved 100 bps YoY



- S&M decreased 1 percentage point from improved go-to-market efficiencies
- R&D increased 1 percentage point from continued enhancements to product offerings
- G&A decreased 1 percentage point from continued operational excellence and scale

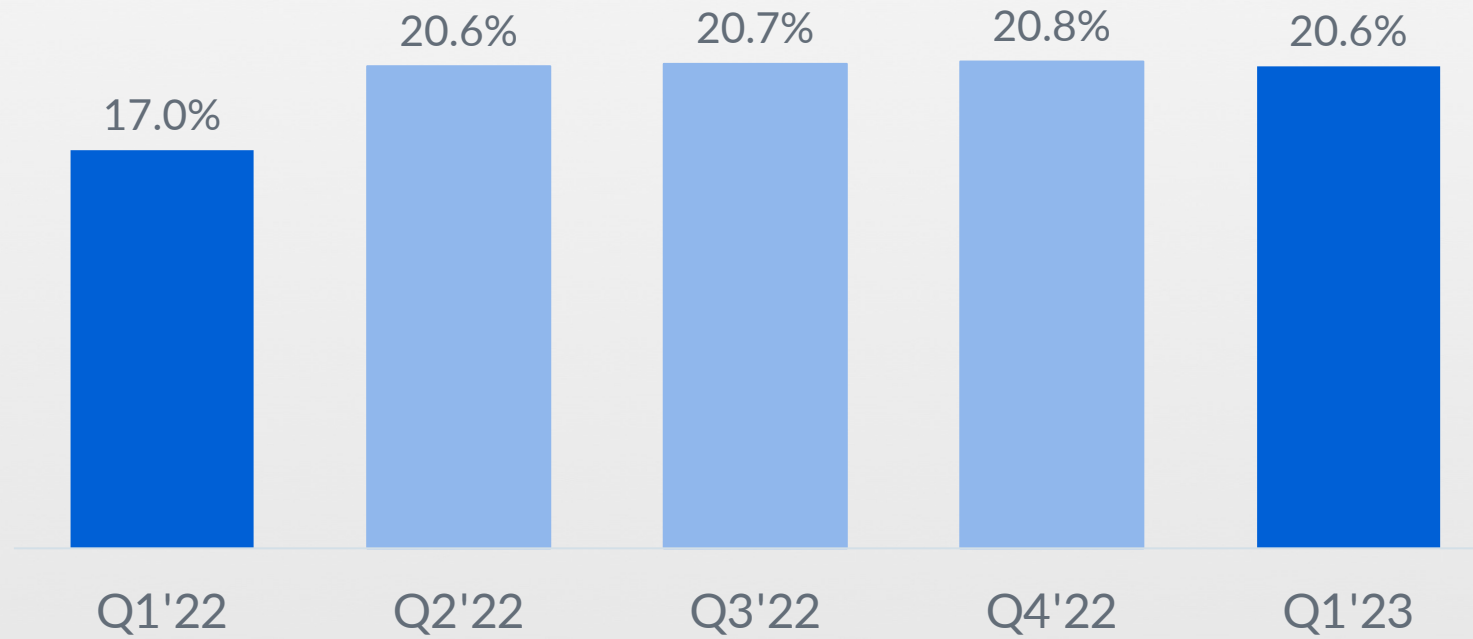
*Operating expense as a % of revenue and gross margin shown on a non-GAAP basis. A reconciliation to the nearest GAAP financial measures can be found in the Appendix of this presentation.

Delivering significant operating margin improvements

Operating leverage accelerates margin expansion

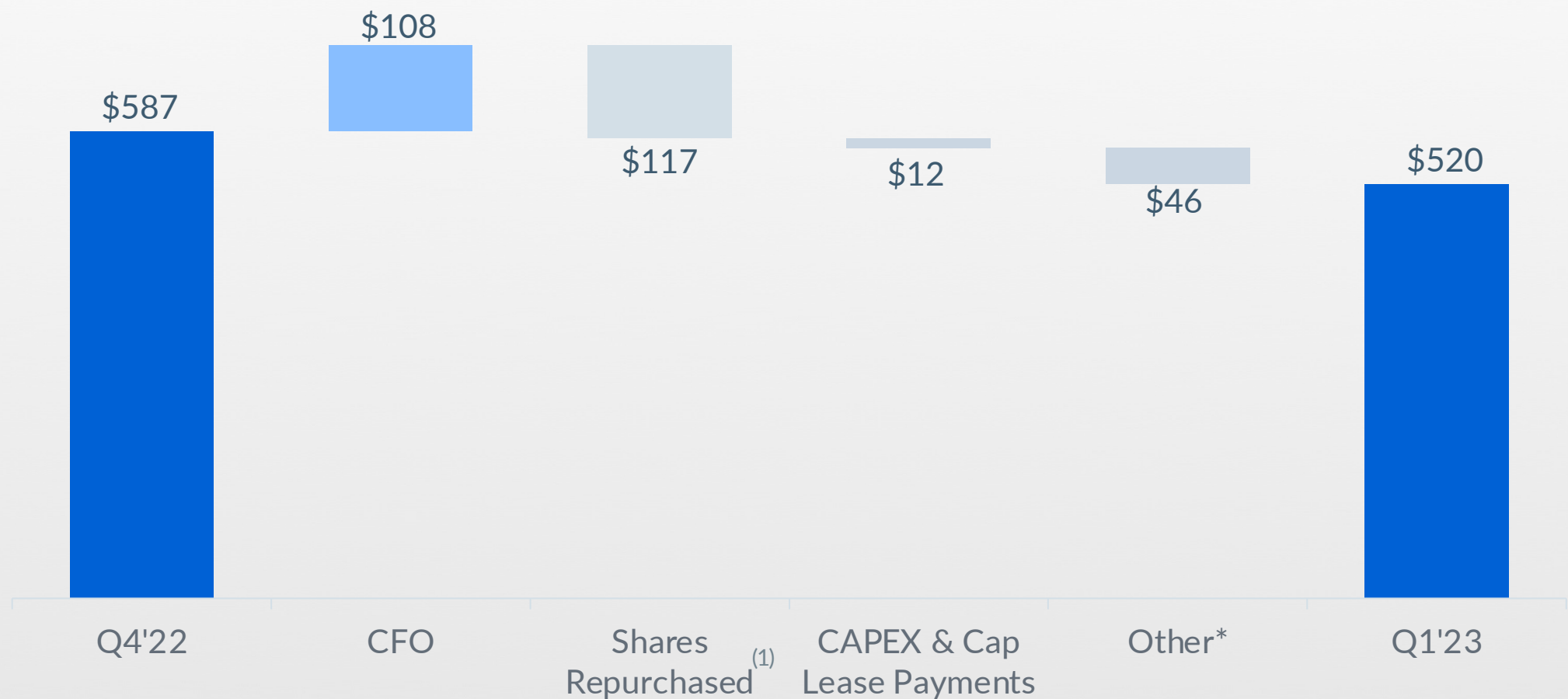
Non-GAAP operating margin

Up 360 bps YoY



Note: A reconciliation of non-GAAP operating margin to the nearest GAAP financial measures can be found in the Appendix of this presentation.

Cash, cash equivalents, restricted cash, and short-term investments



**“Other” primarily consists of RSU taxes and payments of dividend to preferred stockholders, partially offset by proceeds from issuance of common stock under our employee stock purchase plan.
(1) Shares repurchased differs from slide 9 due to timing of cash payment

Share repurchase program

- In Q1, the Company repurchased 4.2 million shares of Box's Class A common stock for approximately \$110 million.
- As of April 30, 2022, the Company had approximately \$148 million of remaining Board-approved buyback capacity.

Driving revenue growth and margin expansion while building Cloud Content momentum

	FY'20	FY'21	FY'22	Q1'23
Annual Revenue Growth + FCF Margin	13%	26%	33%	N/A
YoY Revenue Growth	14%	11%	13%	18%
Gross Margin	71%	73%	74%	76%
S&M as a % of Revenue	40%	30%	28%	28%
R&D as a % of Revenue	20%	18%	17%	18%
G&A as a % of Revenue	10%	9%	9%	9%
Operating Margin	1%	15%	20%	21%

Note: Gross Margin, S&M as a % of revenue, R&D as a % of revenue, G&A as a % of revenue, Operating Margin, and Free Cash Flow Margin are non-GAAP financial measures. A reconciliation to their nearest GAAP financial measures can be found in the Appendix of this presentation.



Guidance and Outlook

Q2 and fiscal year 2023 guidance

Q2 FY23

	Guidance
Revenue	\$244M – \$246M
GAAP EPS	(2¢) – (1¢)
Non-GAAP EPS (diluted)	27¢ – 28¢
Weighted-average shares used to compute GAAP EPS	146 million
Weighted-average shares used to compute non-GAAP EPS (diluted)	152 million
GAAP operating margin	Approximately 2.5%
Non-GAAP operating margin	Approximately 22%

Fiscal year 2023

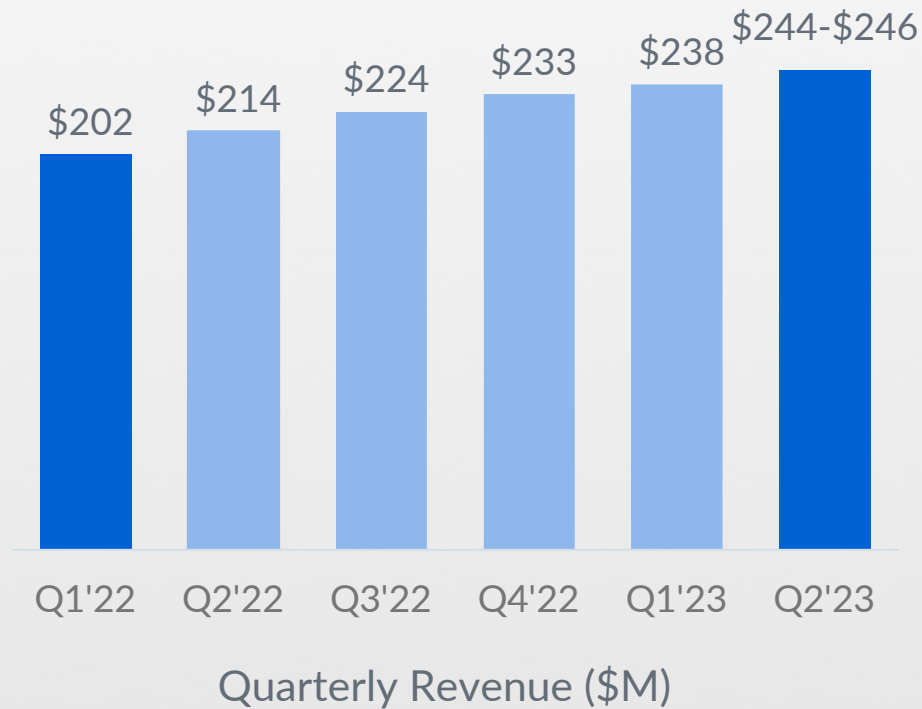
Revenue	\$992M – \$996M
GAAP EPS	(5¢) – (1¢)
Non-GAAP EPS (diluted)	\$1.11 – \$1.15
Weighted-average shares used to compute GAAP EPS	147 million
Weighted-average shares used to compute non-GAAP EPS (diluted)	154 million
GAAP operating margin	Approximately 3%
Non-GAAP operating margin	Approximately 22.5%

Note: We estimate an approximately 3% currency headwind for FY23 revenue growth and a 14 cent currency headwind to FY23 GAAP and non-GAAP EPS.

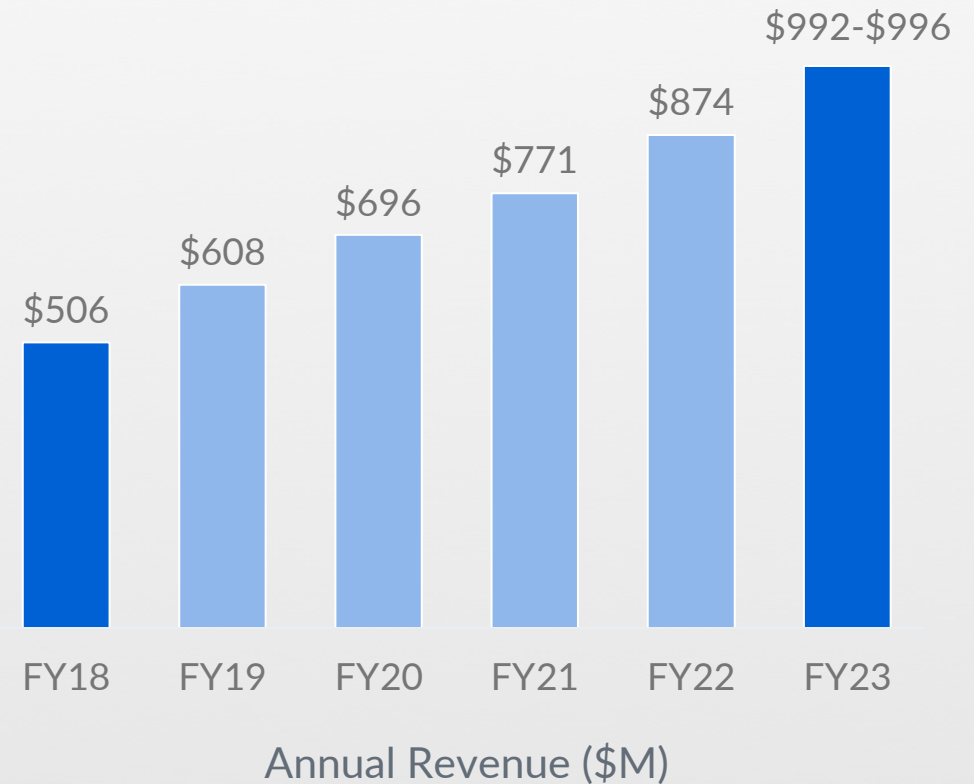
Strong revenue growth at scale

Driven by customer retention and expansion

Q2 FY23 revenue guidance up 15% YoY¹



FY23 revenue guidance up 14% YoY¹



Note: Box adopted the new revenue recognition standard ASC 606 beginning with its fiscal year 2019 using the modified retrospective transition method. The reported results for years including and subsequent to fiscal year 2019 reflect the application of ASC 606 while the reported results for fiscal years 2018 is not adjusted and continue to be reported under the prior revenue recognition standard ASC 605.

(1) Based on the high end of Q2 and full year FY23 guidance provided on the Q1FY23 earnings call on May 25, 2022.

Note: \$ values are shown in millions

Content cloud strategy creates a path to robust long-term growth

Committed to delivering multi-year revenue acceleration and operating margin expansion

	FY20A	FY21A	FY22A	FY23 ¹ (Guidance)
Revenue Growth + FCF Margin	13%	26%	33%	37%
Revenue Growth	14%	11%	13%	13-14%
Gross Margin	71%	73%	74%	~76%
S&M as a % of Revenue	40%	30%	28%	--
R&D as a % of Revenue	20%	18%	17%	--
G&A as a % of Revenue	10%	9%	9%	--
Operating Margin	1%	15%	20%	~22.5%
Net Retention Rate (Ending)	104%	102%	111%	~111%

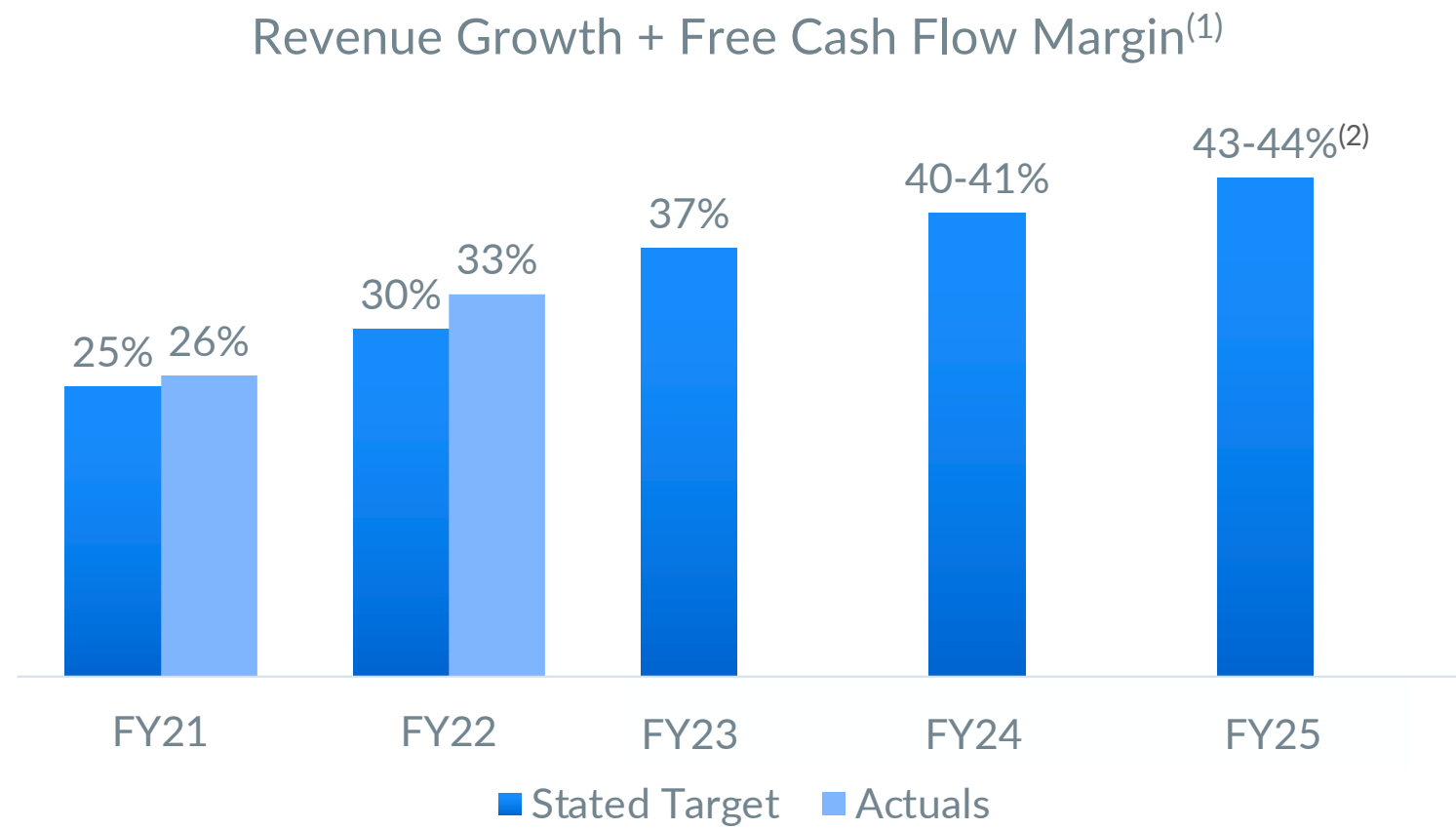
FY25 Target
43-44%
15-17%
~77%
25-27%
~16%
~8%
25-28%
111-113%

Note: Gross Margin, S&M as a % of revenue, R&D as a % of revenue, G&A as a % of revenue, Operating Margin, and Free Cash Flow Margin are non-GAAP financial measures. A reconciliation to their nearest GAAP financial measures can be found in the Appendix of this presentation.

(1) We estimate an approximately 3% currency head wind for FY23 revenue and a 14 cent currency headwind to FY23 GAAP and non-GAAP EPS. Based on the high end of full year FY23 guidance provided on the Q1FY23 earnings call on May 25, 2022.

We will continue to fuel growth and generate operating leverage

Committed to consistent “Rule of” expansion over the next 3 years



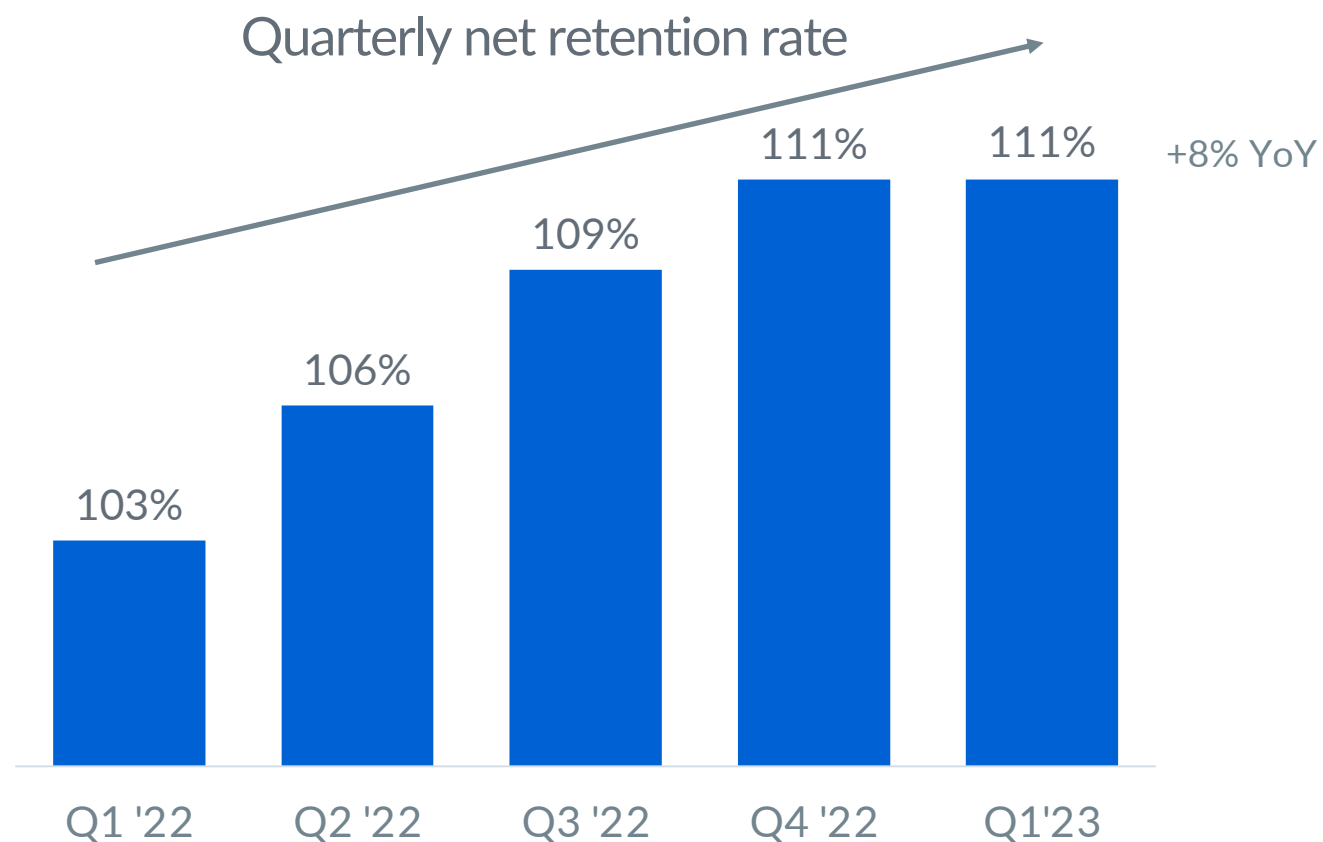
Notes:
(1) Note: Reconciliation to the nearest GAAP financial measure can be found in the Appendix
(2) Based on the FY25 guidance provided the Box Financial Analyst Day on March 16, 2022.



Key Customer Metrics

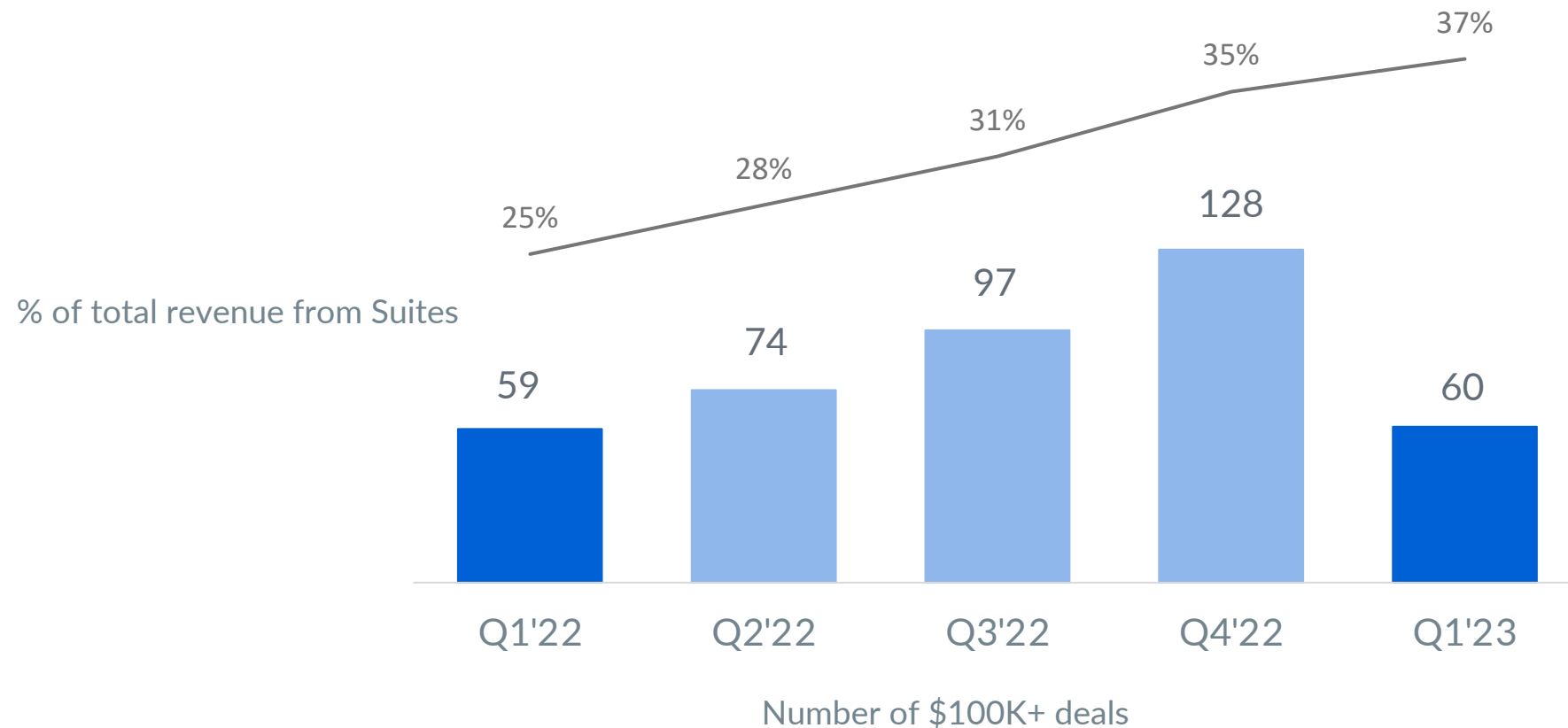
Re-accelerating customer momentum and expansion

Strong momentum driving year-over-year growth in net retention rates



Re-accelerating customer momentum and expansion

Our GTM strategy is producing results

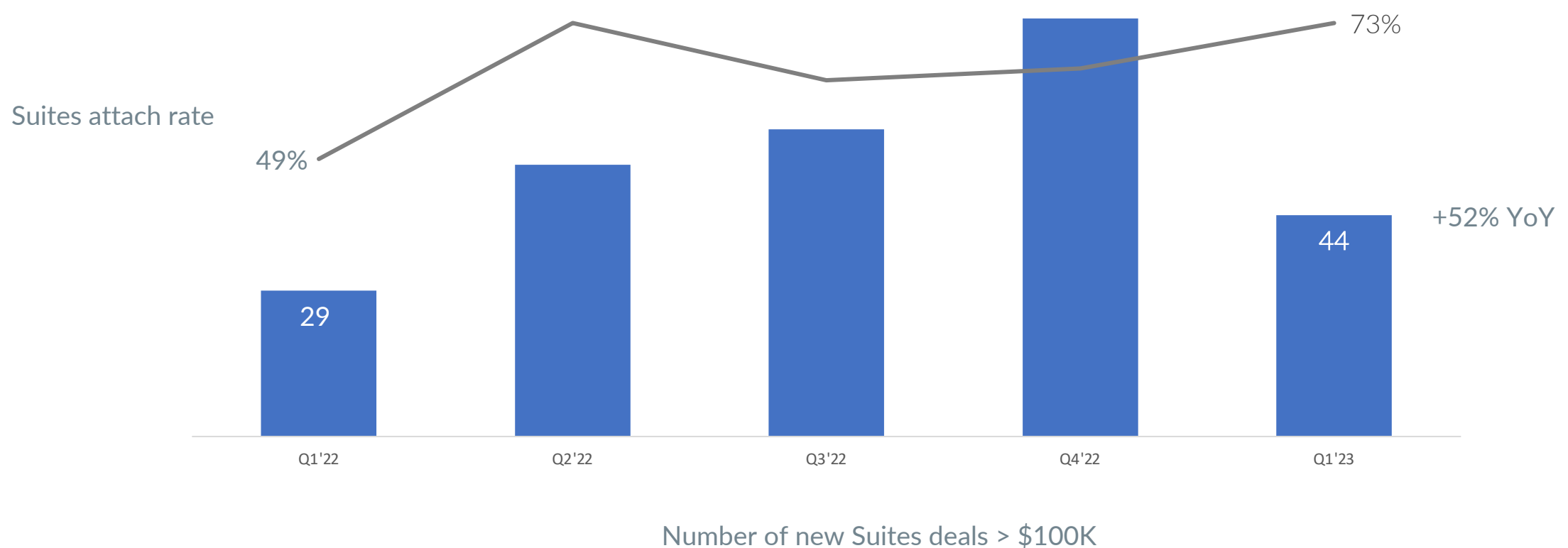


Shift to multi-product solution selling is paying off

Consistent improvement in attach rates demonstrates platform's enhanced strategic value

Box Suites deals over \$100K up 47% YoY

Suites attach rate of 73%



Appendix

Q2 and fiscal year 2023 Preferred Share Non-GAAP Impact Summary

	Q2 FY23	FY23
Amortization of preferred share issuance costs	\$0.5M	\$2.1M
Preferred stock dividend	\$3.8M	\$15.0M
Undistributed earnings attributable to preferred shareholders	\$5M - \$6M	\$22M - \$23M

As with FY22, the preferred stock dividend and the impact from the above items will appear below the net income line in our P&L, and in the Earnings Per Share Note accompanying Box's financial statements.

GAAP Revenue to Billings Reconciliation

<i>(\$ in thousands)</i>	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23
GAAP revenue	\$202,441	\$214,486	\$224,044	\$233,361	\$238,432
Deferred revenue, end of period	423,249	422,039	429,664	534,242	468,350
Less: Deferred revenue, beginning of period	(465,613)	(423,249)	(422,039)	(429,664)	(534,242)
Contract assets, beginning of period	25	677	866	1,073	1,111
Less: Contract assets, end of period	(677)	(866)	(1,073)	(1,111)	(1,491)
Billings	\$159,425	\$213,087	\$231,462	\$337,901	\$172,160

GAAP to Non-GAAP Reconciliation – Gross Margin

(\$ in thousands)	Q1FY22	As a % of revenue	Q2FY22	As a % of revenue	Q3FY22	As a % of revenue	Q4FY22	As a % of revenue	Q1FY23	As a % of revenue
GAAP gross margin	\$141,494	69.9%	\$153,698	71.7%	\$160,975	71.8%	\$168,681	72.3%	\$176,223	73.9%
Add: Stock-based compensation	5,340		4,883		4,786		5,084		4,355	
Add: Acquired intangible assets amortization	901		1,255		1,541		1,451		1,452	
Non-GAAP gross margin	\$147,735	73.0%	\$159,836	74.5%	\$167,302	74.7%	\$175,216	75.1%	\$182,030	76.3%

(\$ in thousands)	FY20	As a % of revenue	FY21	As a % of revenue	FY22	As a % of revenue
GAAP gross margin	\$480,687	69.0%	\$546,032	70.8%	\$624,848	71.5%
Add: Stock-based compensation	16,769		18,936		20,093	
Add: Acquired intangible assets amortization	-		-		5,148	
Add: Restructuring activities	27		-		-	
Non-GAAP gross margin	\$497,483	71.4%	\$564,968	73.3%	\$650,089	74.4%

GAAP to Non-GAAP Reconciliation – Operating Expenses

(\$ in thousands)	Q1FY22	As a % of revenue	Q2FY22	As a % of revenue	Q3FY22	As a % of revenue	Q4FY22	As a % of revenue	Q1FY23	As a % of revenue
GAAP research and development	\$50,859	25%	\$52,722	25%	\$55,837	25%	\$59,105	25%	\$61,733	26%
Less: Stock-based compensation	(15,453)		(16,626)		(17,712)		(18,272)		(17,726)	
Non-GAAP research and development	\$35,406	17%	\$36,096	17%	\$38,125	17%	\$40,833	17%	\$44,007	18%
 GAAP sales and marketing	 \$69,811	 34%	 \$72,788	 34%	 \$76,368	 34%	 \$79,668	 34%	 \$83,067	 35%
Less: Stock-based compensation	(11,551)		(12,919)		(13,872)		(14,205)		(15,289)	
Non-GAAP sales and marketing	\$58,260	29%	\$59,869	28%	\$62,496	28%	\$65,463	28%	\$67,778	28%
 GAAP general and administrative	 \$31,087	 15%	 \$34,298	 16%	 \$39,857	 18%	 \$30,074	 13%	 \$30,799	 13%
Less: Stock-based compensation	(9,446)		(9,700)		(9,219)		(9,906)		(9,740)	
Less: Acquisition-related expenses	(920)		(115)		(180)		(67)		(53)	
Less: Fees related to shareholder activism	(1,050)		(4,782)		(10,146)		334		77	
Non-GAAP general and administrative	\$19,671	10%	\$19,701	9%	\$20,312	9%	\$20,435	9%	\$21,083	9%

GAAP to Non-GAAP Reconciliation – Operating Expenses

(\$ in thousands)	FY20	As a % of revenue	FY21	As a % of revenue	FY22	As a % of revenue
GAAP research and development	\$199,750	29%	\$201,262	26%	\$218,523	25%
Less: Stock-based compensation	(62,565)		(61,145)		(68,063)	
Less: Restructuring activities	(306)		-		-	
Non-GAAP research and development	\$136,879	20%	\$140,117	18%	\$150,460	17%
 GAAP sales and marketing	 \$317,615	 46%	 \$275,742	 36%	 \$298,635	 34%
Less: Stock-based compensation	(38,030)		(42,015)		(52,547)	
Less: Restructuring activities	(1,134)		-		-	
Non-GAAP sales and marketing	\$278,451	40%	\$233,727	30%	\$246,088	28%
 GAAP general and administrative	 \$102,794	 15%	 \$106,670	 14%	 \$135,316	 15%
Less: Stock-based compensation	(28,624)		(32,196)		(38,271)	
Less: Acquisition-related expenses	-		(790)		(1,282)	
Less: Fees related to shareholder activism	(1,154)		(1,402)		(15,644)	
Less: Restructuring activities	(184)		-		-	
Non-GAAP general and administrative	\$72,832	10%	\$72,282	9%	\$80,119	9%

GAAP to Non-GAAP Reconciliation – Operating Margin

(\$ in thousands)	Q1FY22	As a % of revenue	Q2FY22	As a % of revenue	Q3FY22	As a % of revenue	Q4FY22	As a % of revenue	Q1FY23	As a % of revenue
GAAP operating margin	(\$10,263)	(5.1%)	(\$6,110)	(2.8%)	(\$11,087)	(4.9%)	(\$166)	(0.1%)	\$624	0.3%
Add: Stock-based compensation	41,790	20.6%	44,128	20.6%	45,589	20.3%	47,467	20.4%	47,110	19.7%
Add: Acquired intangible assets amortization	901	0.5%	1,255	0.6%	1,541	0.7%	1,451	0.6%	1,452	0.6%
Add: Acquisition-related expenses	920	0.5%	115	-	180	0.1%	67	-	53	-
Add: Fees related to shareholder activism	1,050	0.5%	4,782	2.2%	10,146	4.5%	(334)	(0.1%)	(77)	-
Non-GAAP operating margin	\$34,398	17.0%	\$44,170	20.6%	\$46,369	20.7%	\$48,485	20.8%	\$49,162	20.6%

(\$ in thousands)	FY20	As a % of revenue	FY21	As a % of revenue	FY22	As a % of revenue
GAAP operating margin	(\$139,472)	(20.0%)	(\$37,642)	(4.9%)	(\$27,626)	(3.2%)
Add: Stock-based compensation	145,988	21.0%	154,292	20.0%	178,974	20.5%
Add: Intangible assets amortization	-	-	-	-	5,148	0.6%
Add: Acquisition-related expenses	-	-	790	0.1%	1,282	0.1%
Add: Fees related to shareholder activism	1,154	0.1%	1,402	0.2%	15,644	1.8%
Add: Restructuring activities	1,651	0.2%	-	-	-	-
Non-GAAP operating margin	\$9,321	1.3%	\$118,842	15.4%	\$173,422	19.8%

GAAP to Non-GAAP Reconciliation — Free Cash Flow

<i>(\$ in thousands)</i>	FY20	<i>As a % of revenue</i>	FY21	<i>As a % of revenue</i>	FY22	<i>As a % of revenue</i>
GAAP net cash provided by operating activities	\$44,713	6%	\$196,834	26%	\$234,818	27%
Less: Purchases of property and equipment, net of proceeds from sales	(5,444)		(9,052)		(4,702)	
Less: Principal payments of finance lease liabilities	(38,542)		(60,020)		(50,391)	
Less: Capitalized internal-use software costs	(7,957)		(7,438)		(9,486)	
Free cash flow	(\$7,230)	(1%)	\$120,324	16%	\$170,239	19%

GAAP to Non-GAAP Reconciliation – EPS Outlook

	Three Months Ended July 31, 2022	Fiscal Year Ended January 31, 2023
GAAP net loss per share attributable to common stockholders range, basic and diluted	(\$0.02 – \$0.01)	(\$0.05 - \$0.01)
Stock-based compensation	0.32	1.29
Acquired intangible asset amortization	0.01	0.04
Amortization of debt issuance costs	-	0.01
Undistributed earnings attributable to preferred stockholders	(0.04)	(0.14)
Non-GAAP net income per share attributable to common stockholders range, basic	\$0.28 – \$0.29	\$1.16 - \$1.20
Non-GAAP net income per share attributable to common stockholders range, diluted	\$0.27 – \$0.28	\$1.11 - \$1.15
 Weighted-average shares used to compute GAAP net loss per share attributable to common stockholders , basic and diluted	 145,700	 147,000
 Weighted-average shares used to compute Non-GAAP net income per share attributable to common stockholders		
Basic	145,700	147,000
Diluted	152,000	153,500

Note: Figures may not sum due to rounding.

GAAP to Non-GAAP Reconciliation – Operating Margin Outlook

	Three Months Ended July 31, 2022	Fiscal Year Ended January 31, 2023
GAAP operating margin	2.5%	3.0%
Add: Stock-based compensation	19.0%	19.0%
Add: Acquired intangible assets amortization	0.5%	0.5%
Non-GAAP operating margin	22.0%	22.5%