Q1 FY2016 Financial Results

June 10, 2015

Investor Disclosure: Non-GAAP Measures and Forward-Looking Statements

- This presentation contains non-GAAP 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. All growth rates represent year-over-year comparisons, except as otherwise noted.

- This presentation contains forward-looking statements relating to our future performance 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 second quarter and full fiscal year 2016, as well as our expectations regarding future cash flow profitability.

- 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: (1) adverse changes in general economic or market conditions; (2) delays or reductions in information technology spending; (3) 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; (4) the development of the cloud-based Enterprise Content Collaboration market; (5) risks associated with our ability to manage our rapid growth effectively; (6) our limited operating history, which makes it difficult to predict future results; (7) the risk that our customers do not renew their subscriptions or expand their use of our services; (8) our ability to provide successful enhancements, new features and modifications to our services; and (9) actual or perceived security vulnerabilities in our services or any beaches of our security controls. 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 Annual Report on Form 10-K (filed on March 30, 2015).

- 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 June 10, 2015.

First Quarter Fiscal 2016 Financial Highlights

$65.6 million
Revenue

45%
YoY Growth

$69.8 million
Billings

58%
YoY Growth

Non-GAAP Operating Margin[1] improved by 19 points to (50%) vs. (69%) a year ago

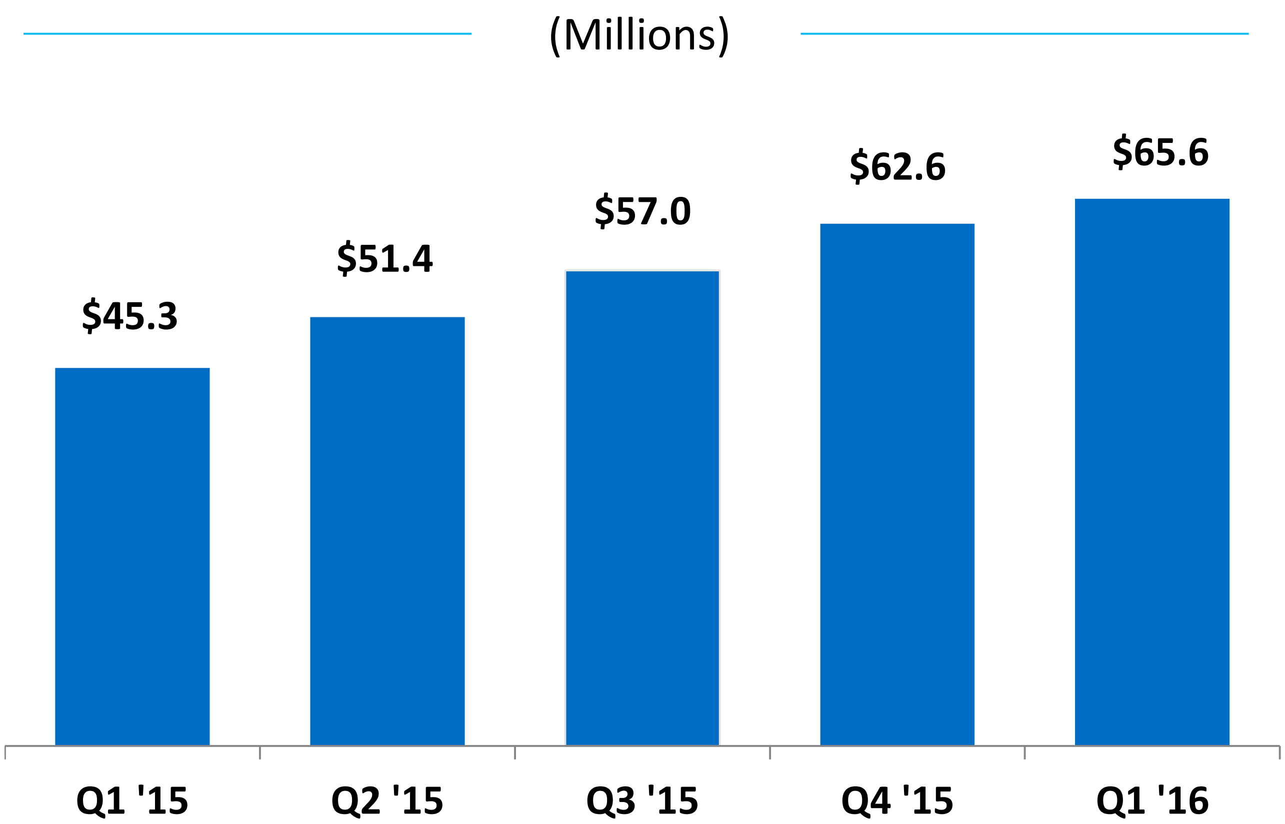
Operating Cash Flow improved to ($7.2) million[2] vs ($23.5) million a year ago

Registered Users
37 million

Retention Rate
123%[3]

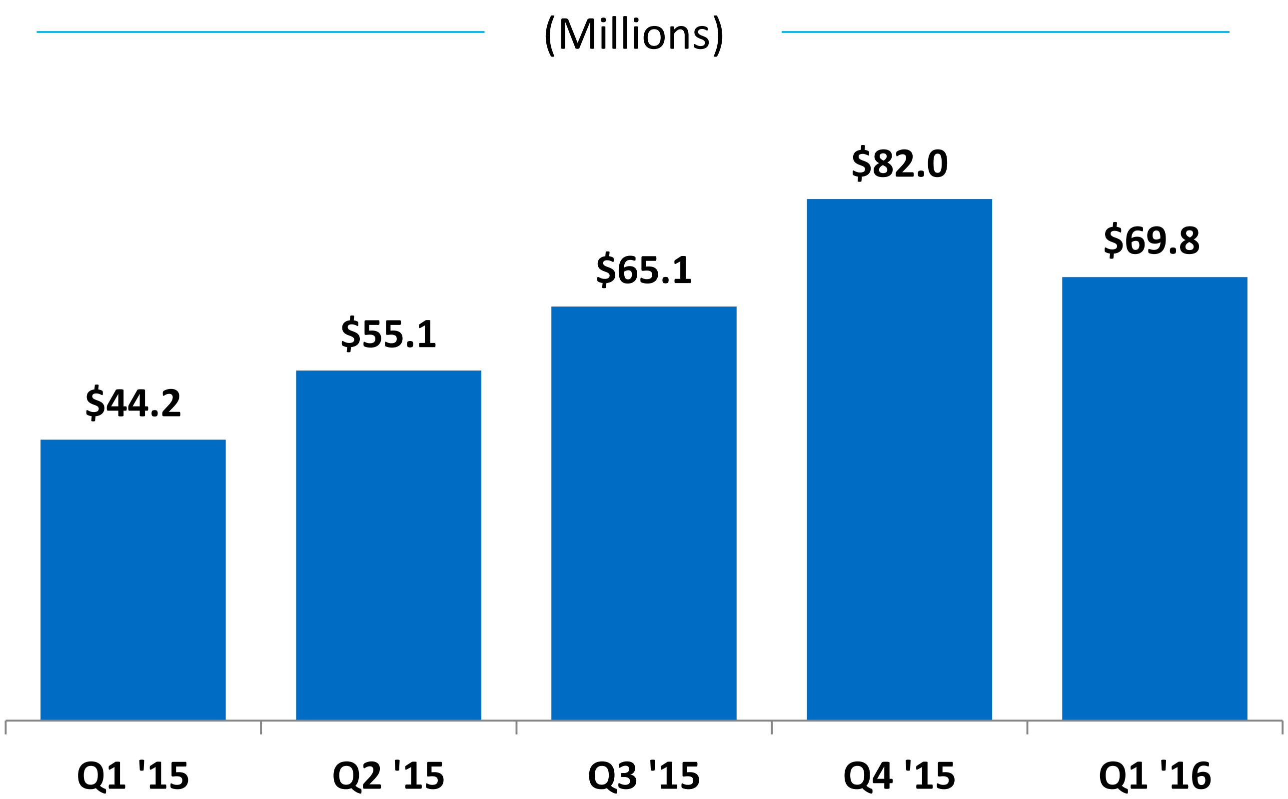
1. Operating Margin shown on a non-GAAP basis (a reconciliation to the GAAP basis can be found in the Appendix of this presentation)
2. Operating cash flow for Q1FY16 of $(7.2) million excludes $25 million in restricted cash related to a letter of credit for our Redwood City HQ.
3. Retention rate is defined as the net % of 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.

Revenue



Box Consulting revenue was approximately $1.9 million in Q1FY16, up 34% year over year

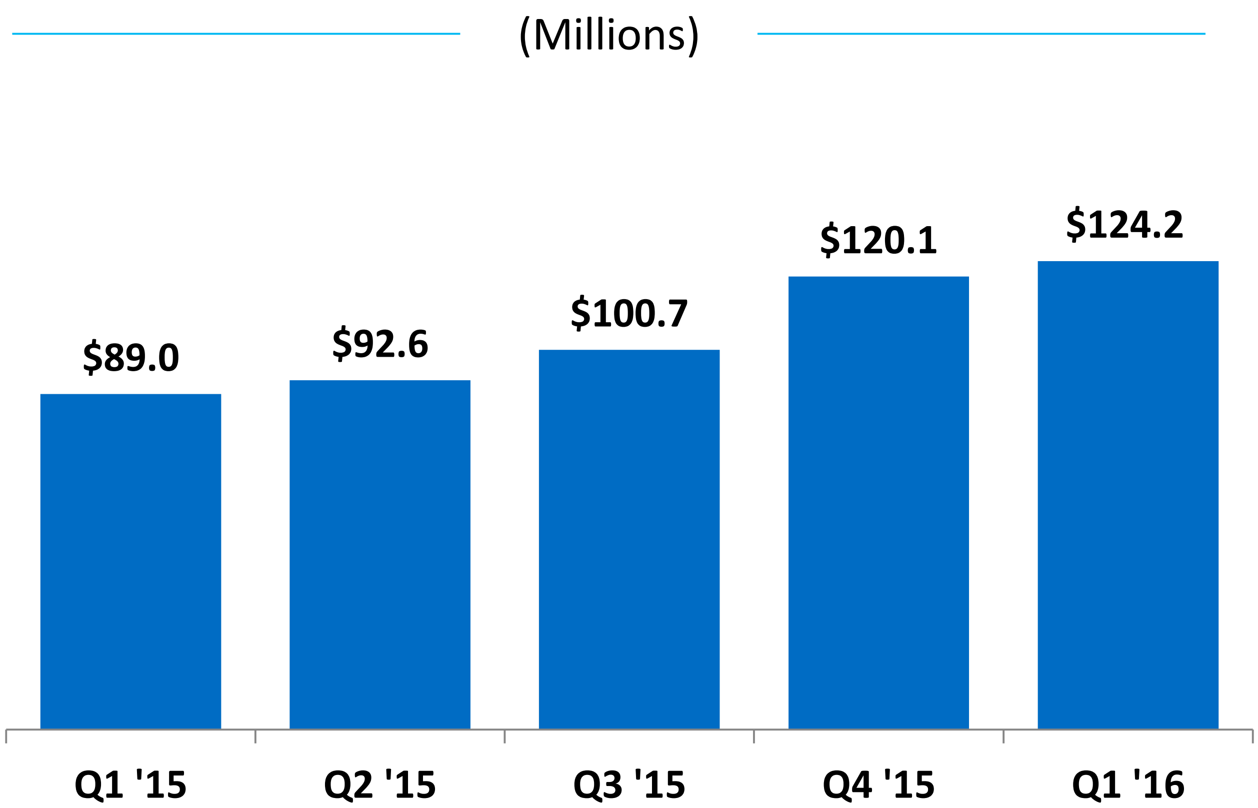
Billings



Strong year over year billings growth in Q1FY16 was driven by closing larger deals and generating longer average billings terms.

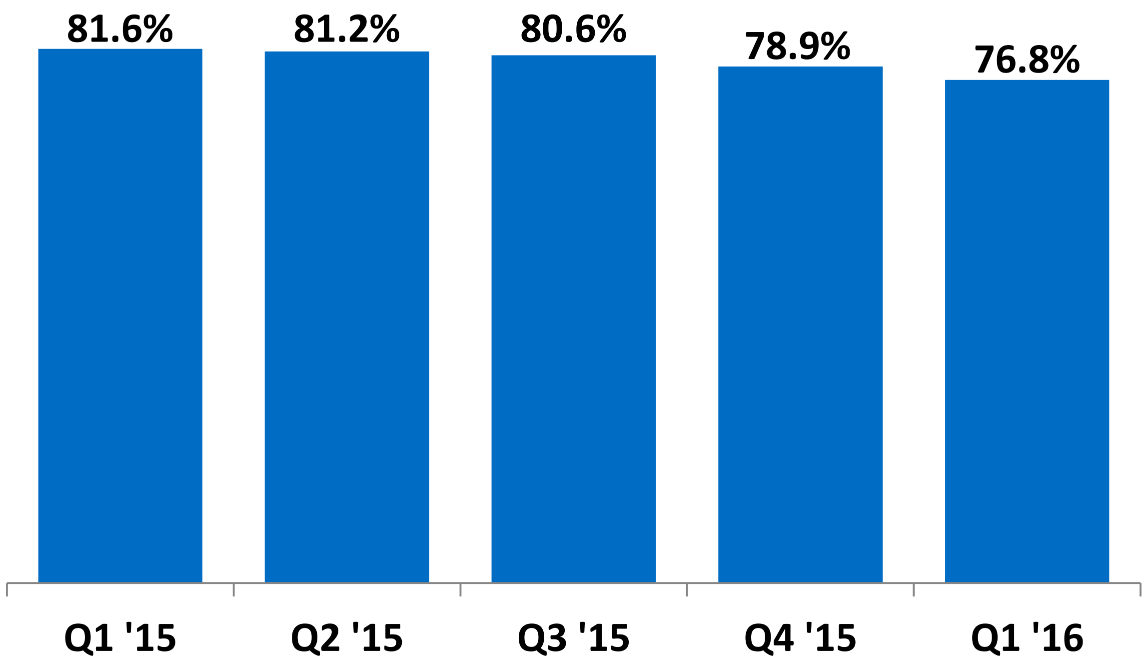
Note: Billings is a non-GAAP measure and is determined by adding the change in deferred revenue to GAAP revenue recognized during the quarter (a reconciliation to the GAAP revenue can be found in the Appendix of this presentation).

Deferred Revenue



Deferred revenue in Q1FY16 grew 40% from the year ago quarter.

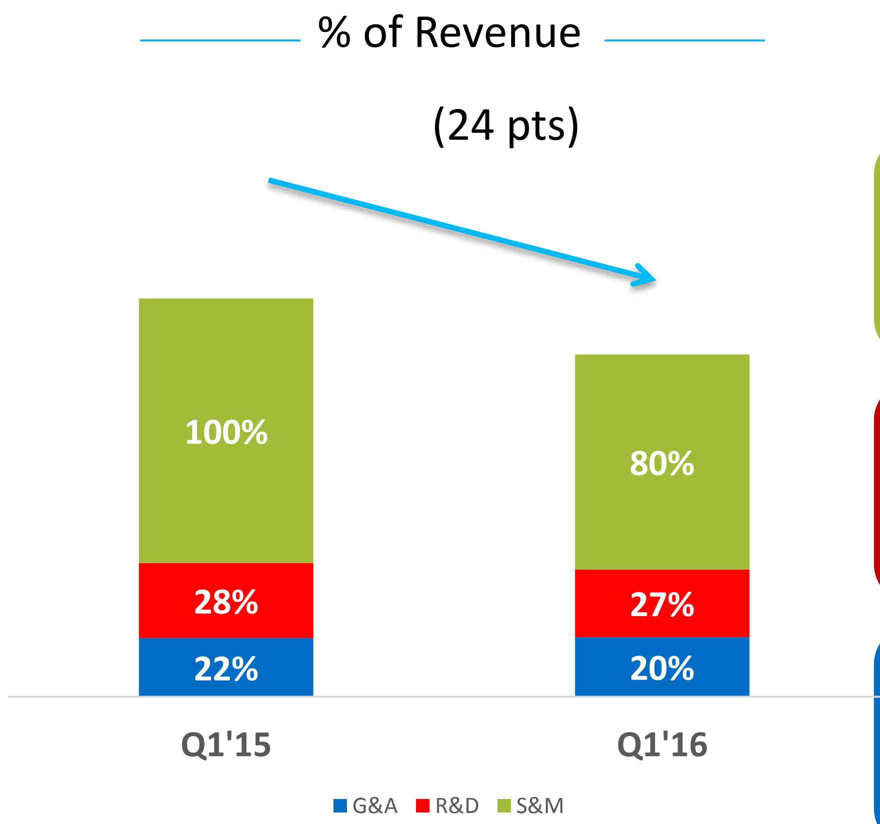
Non-GAAP Gross Margin



Non-GAAP gross margin decline reflects the increase in customer growth, data center investments and rent expense related to our new HQ.

Note: A reconciliation of Non-GAAP Gross Margin to GAAP Gross Margin can be found in the Appendix of this presentation).

Non-GAAP Operating Expenses



Sales & Marketing decreased 20 points YoY due to increased leverage in our sales model and focus on driving efficiency in our marketing spend.

Research & Development decreased slightly by 1 pt YoY as we continued to invest in new features and functionality.

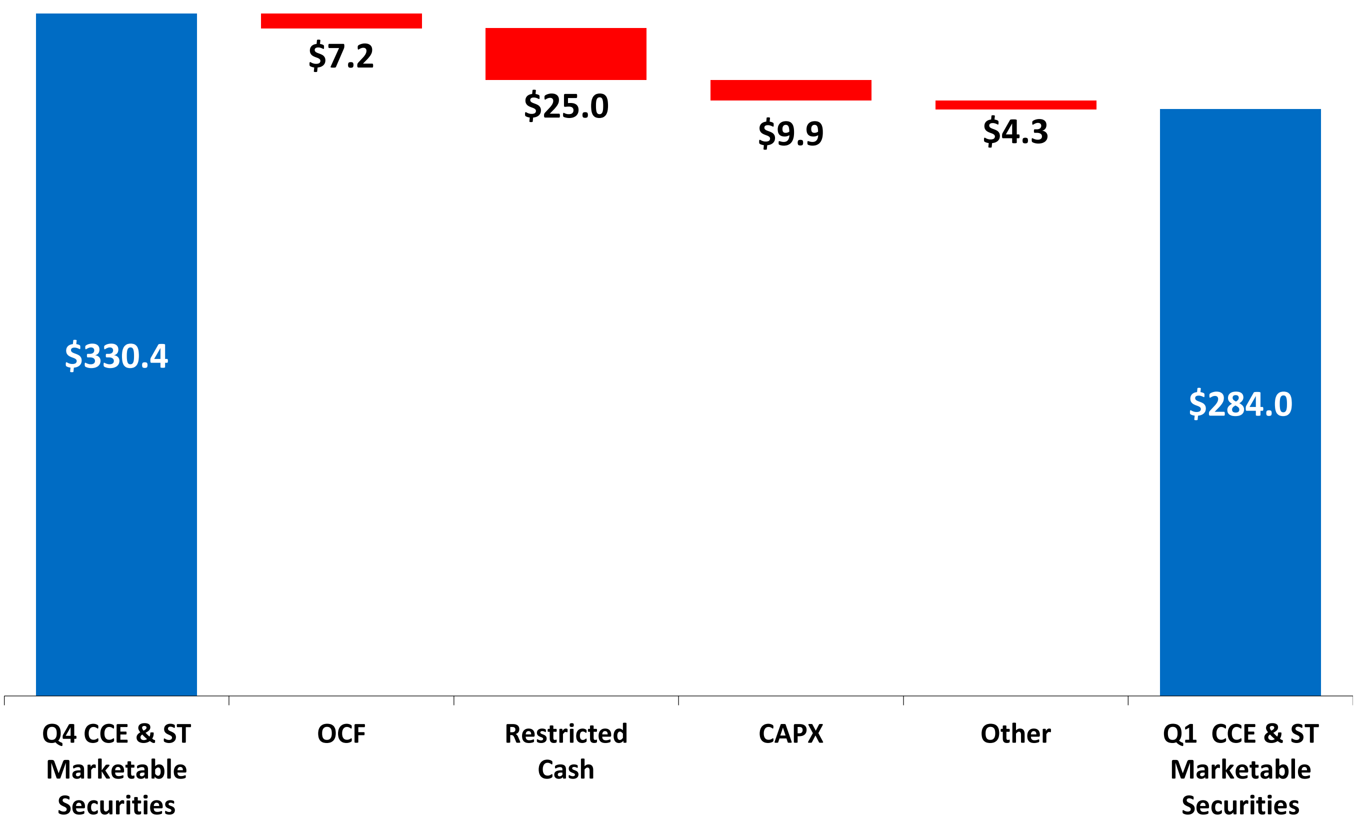
General & Admin. decreased 2 pts YoY as a result of lower legal expenses offset by costs associated with being a public company.

Non-GAAP operating margin improved to (50%) vs (69%) in the year ago quarter

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

Cash, Cash Equivalents and Short-Term Marketable Securities

(Millions)



- OCF of $7.2 million, excluding restricted cash, continued to show improvement
- Restricted cash of $25 million used to guarantee a letter of credit for Redwood City HQ
- $9.9 million of CAPX was driven by investments in data centers.
- Other was primarily related to taxes associated with vested RSUs.

Other Business Metrics

2K+ increase in Paying Customers vs. Q4

>51% Fortune 500

> 27% Global 2000

123% Retention Rate (1)

Net Expansion (2) ~27%

Full Churn ~4%

1. Retention rate is defined as the net % of 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.
2. Net expansion defined as the net increase in contract value from our existing customers.

Operating Model Scale (Non-GAAP)

	FY13	FY14	FY15	Q1FY15	Q1FY16
Gross Margin	78%	81%	80%	82%	77%
R&D as % of Revenue	47%	34%	20%	28%	27%
S&M as % of Revenue	166%	134%	91%	100%	80%
G&A as % of Revenue	37%	29%	23%	22%	20%
Operating Margin	(172)%	(117%)	(59%)	(69%)	(50%)
Free Cash Flow Margin	(172)%	(94%)	(57%)	(65%)	(26%)*

*Excludes $25 million in restricted cash used to secure a letter of credit for Redwood City HQ.

Note: All figures in the table above are presented on a non-GAAP basis. These non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. A reconciliation of GAAP measures to non-GAAP measures is contained in the Appendix.

Q2 ’16 and Full Year Guidance

F2Q16 Guidance					
	Revenue		Non-GAAP Operating Margin		Weight Average Diluted Shares Outstanding
	Low	High	Low	High	
	$ 69 million	$ 70 million	(51%)	(49%)	~ 120 million
YoY Growth	*34%*	*36%*			

FY 2016 Guidance					
	Revenue		Non-GAAP Operating Margin		Weight Average Diluted Shares Outstanding
	Low	High	Low	High	
	$ 286 million	$ 290 million	(51%)	(49%)	~ 122 million
YoY Growth	*32%*	*34%*			

Q2-Q4FY16 Impact of One-Time Costs Related to New Headquarters

- $35 million net cash outlays for tenant improvements. $10 million in Q2FY16 and remainder to occur in the back half of FY16.
- Data center and other capex expected to be 10-12% of revenue for remainder of fiscal year 2016.

In Closing

- Strong start to fiscal year 2016 adding more than 2,000 customers including Deloitte, HP, Nationwide Insurance, and Chipotle.
- Announced new features and functionality to core product including deeper integration with MSFT and Google, EKM and two acquisitions focusing on end point security and 3D model viewing and editing.
- Launched Box for Financial Services and announced important government relationships with the Department of Justice in the U.S. and the Government Digital Service in the U.K.
- Held Box Developer conference in April and announced Box Developer Edition to make it easier to deploy Box within Apps.
- Continued to drive operating scale and path to profitability.

Appendix

GAAP to Non-GAAP Reconciliation – Billings

($ in thousands)	**Q1FY15**	**Q2FY15**	**Q3FY15**	**Q4FY15**	**Q1FY16**
GAAP revenue	**$45,330**	**$51,423**	**$57,048**	**$62,639**	**$65,621**
Deferred revenue, end of period	$88,950	$92,594	$100,680	$120,057	$124,201
Less: deferred revenue, beginning of period	($90,072)	($88,950)	($92,594)	($100,680)	($120,057)
Billings	**$44,208**	**$55,067**	**$65,134**	**$82,016**	**$69,765**

GAAP to Non-GAAP Reconciliation – Billings (Cont'd)

($ in thousands)	FY13	FY14	FY15
GAAP revenue	**$58,797**	**$124,192**	**$216,440**
Deferred revenue, end of period	$40,099	$90,072	$120,057
Less: deferred revenue, beginning of period	($13,169)	($40,099)	($90,072)
Billings	**$85,727**	**$174,165**	**$246,425**

GAAP to Non-GAAP Reconciliation – Gross Margin

($ in thousands)	**Q1FY15**	*As a % of revenue*	**Q2FY15**	*As a % of revenue*	**Q3FY15**	*As a % of revenue*	**Q4FY15**	*As a % of revenue*	**Q1FY16**	*As a % of revenue*
GAAP gross margin	**$36,102**	***79.6%***	**$40,590**	***78.9%***	**$44,530**	***78.1%***	**$47,945**	***76.5%***	**$48,468**	***73.9%***
Add: stock-based compensation	$226		$404		$472		$390		$851	
Add: Intangible assets amortization	$653		$758		$966		$1,078		$1,107	
Non-GAAP gross margin	**$36,981**	***81.6%***	**$41,752**	***81.2%***	**$45,968**	***80.6%***	**$49,413**	***78.9%***	**$50,426**	***76.8%***

GAAP to Non-GAAP Reconciliation – Gross Margin (Cont'd)

($ in thousands)	**FY13**	*As a % of revenue*	**FY14**	*As a % of revenue*	**FY15**	*As a % of revenue*
GAAP gross margin	**$44,517**	***75.7%***	**$98,218**	***79.1%***	**$169,167**	***78.2%***
Add: stock-based compensation	$1,087		$450		$1,492	
Add: Intangible assets amortization	$-		$1,813		$3,455	
Non-GAAP gross margin	**$45,604**	***77.6%***	**$100,481**	***80.9%***	**$174,114**	***80.4%***

GAAP to Non-GAAP Reconciliation – Operating Expenses

($ in thousands)	**Q1FY15**	*As a % of revenue*	**Q1FY16**	*As a % of revenue*
GAAP research and development	**$14,898**	***33%***	**$23,134**	***35%***
Less: stock-based compensation	($2,008)		($5,263)	
Non-GAAP research and development	**$12,890**	***28%***	**$17,871**	***27%***
GAAP sales and marketing	**$47,440**	***105%***	**$56,495**	***86%***
Less: stock-based compensation	($2,065)		($4,283)	
Non-GAAP sales and marketing	**$45,375**	***100%***	**$52,212**	***80%***
GAAP general and administrative	**$11,546**	***25%***	**$15,472**	***24%***
Less: stock-based compensation	($1,453)		($2,318)	
Less: Intangible assets amortization	($42)		($39)	
Less: Amortization of capitalized legal settlement costs	$-		($186)	
Non-GAAP general and administrative	**$10,051**	***22%***	**$12,929**	***20%***

GAAP to Non-GAAP Reconciliation – Operating Expenses (Cont'd)

($ in thousands)	**FY13**	*As a % of revenue*	**FY14**	*As a % of revenue*	**FY15**	*As a % of revenue*
GAAP research and development	**$28,996**	***49%***	**$45,967**	***37%***	**$66,402**	***31%***
Less: stock-based compensation	($1,211)		($3,154)		($11,767)	
Non-GAAP research and development	**$27,785**	***47%***	**$42,813**	***34%***	**$42,868**	***20%***
GAAP sales and marketing	**$99,221**	***169%***	**$171,188**	***138%***	**$207,749**	***96%***
Less: stock-based compensation	($1,893)		($5,017)		($11,616)	
Non-GAAP sales and marketing	**$97,328**	***166%***	**$166,171**	***134%***	**$196,133**	***91%***
GAAP general and administrative	**$25,429**	***43%***	**$39,843**	***32%***	**$61,672**	***28%***
Less: stock-based compensation	($3,345)		($3,128)		($7,054)	
Less: Intangible assets amortization	($176)		($174)		($169)	
Less: Legal settlement	$-		$-		($3,900)	
Non-GAAP general and administrative	**$21,908**	***37%***	**$36,541**	***29%***	**$50,549**	***23%***

GAAP to Non-GAAP Reconciliation – Operating Margin

($ in thousands)	**Q1’15**	*As a % of revenue*	**Q1’16**	*As a % of revenue*
GAAP operating margin	**($37,782)**	***(83%)***	**($46,633)**	***(71%)***
Less: stock-based compensation	$5,752		$12,715	
Less: Intangible assets amortization	$695		$1,146	
Less: Amortization of capitalized legal settlement costs	$-		$186	
Non-GAAP operating margin	**($31,335)**	***(69%)***	**($32,586)**	***(50%)***

GAAP to Non-GAAP Reconciliation – Operating Margin (Cont'd)

($ in thousands)	**FY13**	*As a % of revenue*	**FY14**	*As a % of revenue*	**FY15**	*As a % of revenue*
GAAP operating margin	**($109,129)**	***(186%)***	**($158,780)**	***(128%)***	**($166,656)**	***(77%)***
Less: stock-based compensation	$7,536		$11,749		$31,929	
Less: Intangible assets amortization	$176		$1,987		$3,624	
Less: Legal settlement	$-		$-		$3,900	
Non-GAAP operating margin	**($101,417)**	***(172%)***	**($145,044)**	***(117%)***	**($127,203)**	***(59%)***

GAAP to Non-GAAP Reconciliation – Free Cash Flow

($ in thousands)	**Q1'15**	*As a % of revenue*	**Q1'16**	*As a % of revenue*
Net cash used in operating activities	**($23,468)**	***(52%)***	**($32,182)**	***(49%)***
Add: restricted cash used to guarantee a letter of credit for Redwood City HQ	$-		$25,000	
Less: purchases of property and equipment	($5,961)		($9,901)	
Less: payments of capital lease obligations	$-		($228)	
Free cash flow	**($29,429)**	***(65%)***	**($17,311)**	***(26%)***

GAAP to Non-GAAP Reconciliation – Free Cash Flow Margin (Cont'd)

($ in thousands)	**FY13**	*As a % of revenue*	**FY14**	*As a % of revenue*	**FY15**	*As a % of revenue*
Net cash used in operating activities	**($81,751)**	***(139%)***	**($91,769)**	***(74%)***	**($84,900)**	***(39%)***
Less: purchases of property and equipment	($19,499)		($24,424)		($38,681)	
Less: payments of capital lease obligations	$-		$-		($69)	
Free cash flow	**($101,250)**	***(172%)***	**($116,193)**	***(94%)***	**($123,650)**	***(57%)***