Q2 FY2016 Financial Results

September 9, 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 third quarter and full fiscal year 2016, as well as our expectations regarding net expansion, future positive cash flow and 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 Management 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 Quarterly Report on Form 10-Q (filed on June 12, 2015).

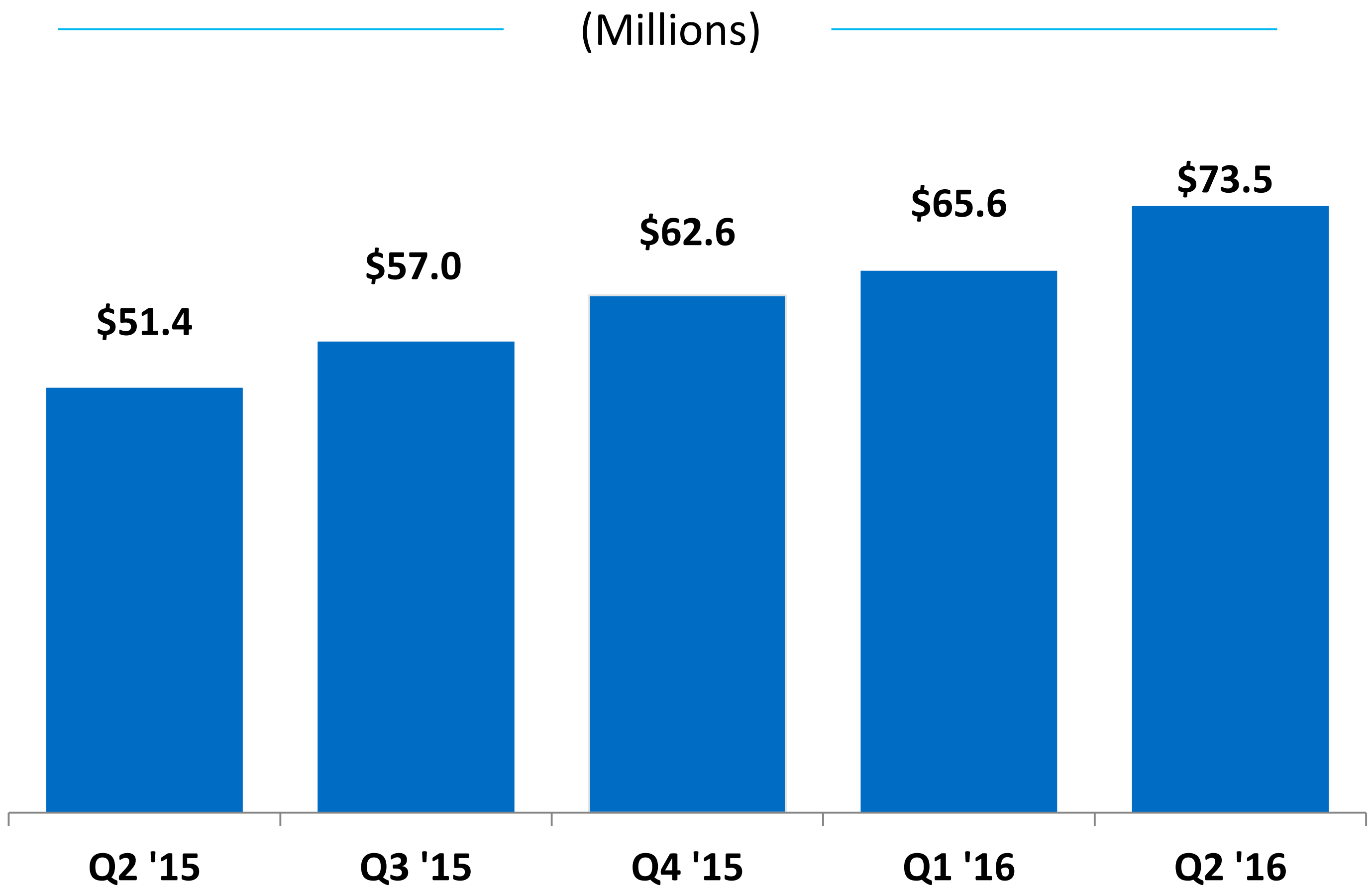
- You should not rely on any forward-looking statements, and we assume no obligation, nor do we intend, to update them. All information in this presentation is as of September 9, 2015.

Second Quarter Fiscal 2016 Highlights

- Surpassed 50,000 paying customers
- Revenue of $73.5 million, up 43% year over year
- Billings of $79.6 million, up 45% year over year
- Cash flow from operations of ($21.7) million vs. ($26.3) million a year ago
- Non-GAAP operating margin(1) of (45%) vs. (57%) a year ago
- Strong retention rate of 121%(2), net expansion rate(3) of 25% and low churn of 4%

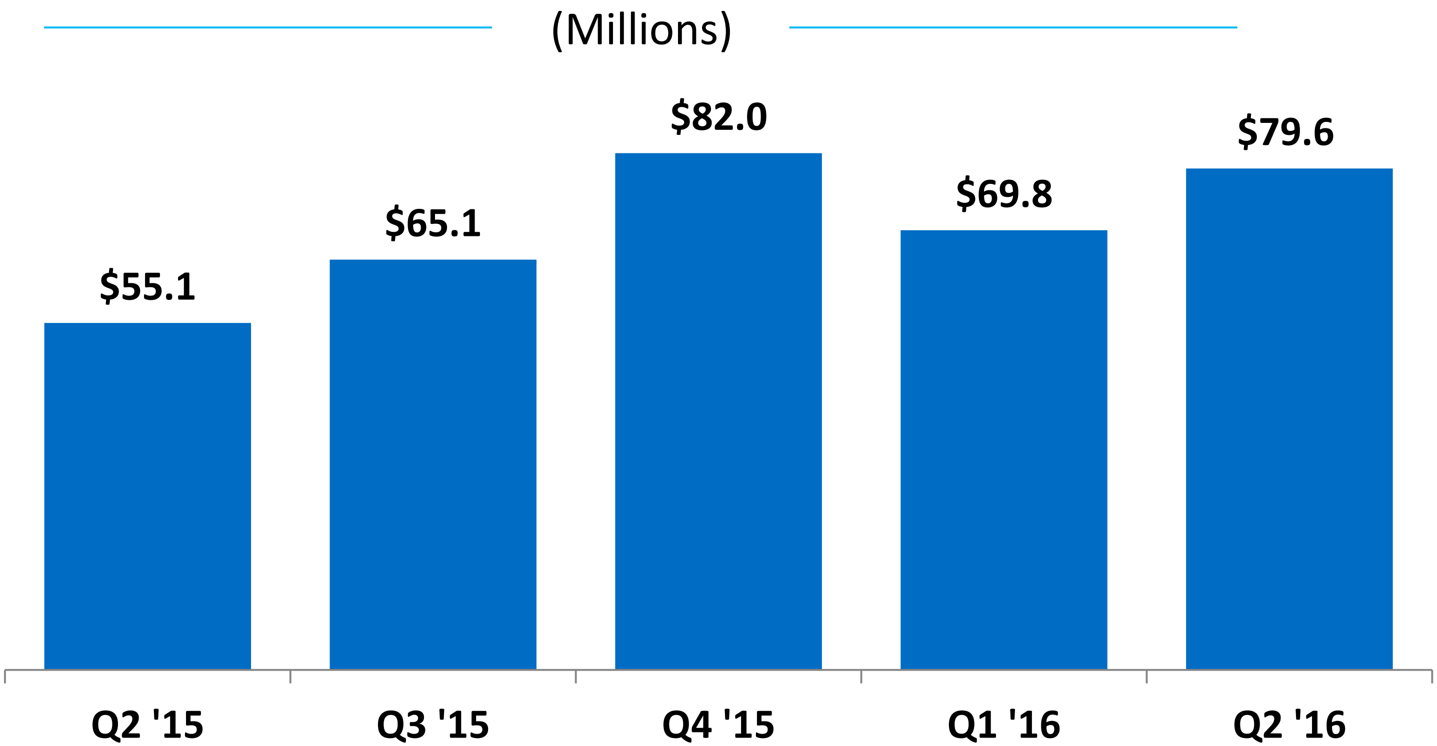
1. Operating Margin shown on a non-GAAP basis (a reconciliation to the GAAP basis can be found in the Appendix of this presentation)
2. Retention rate is defined as the net % of TAV retained from existing customers, including expansion. This metric is calculated by dividing current TAV of customers who 12 months ago had $5K+ in TAV by their TAV 12 months ago.
3. Net expansion defined as the net increase in contract value from our existing customers.

Revenue



Revenue growth of 43% year over year in Q2FY16.

Billings

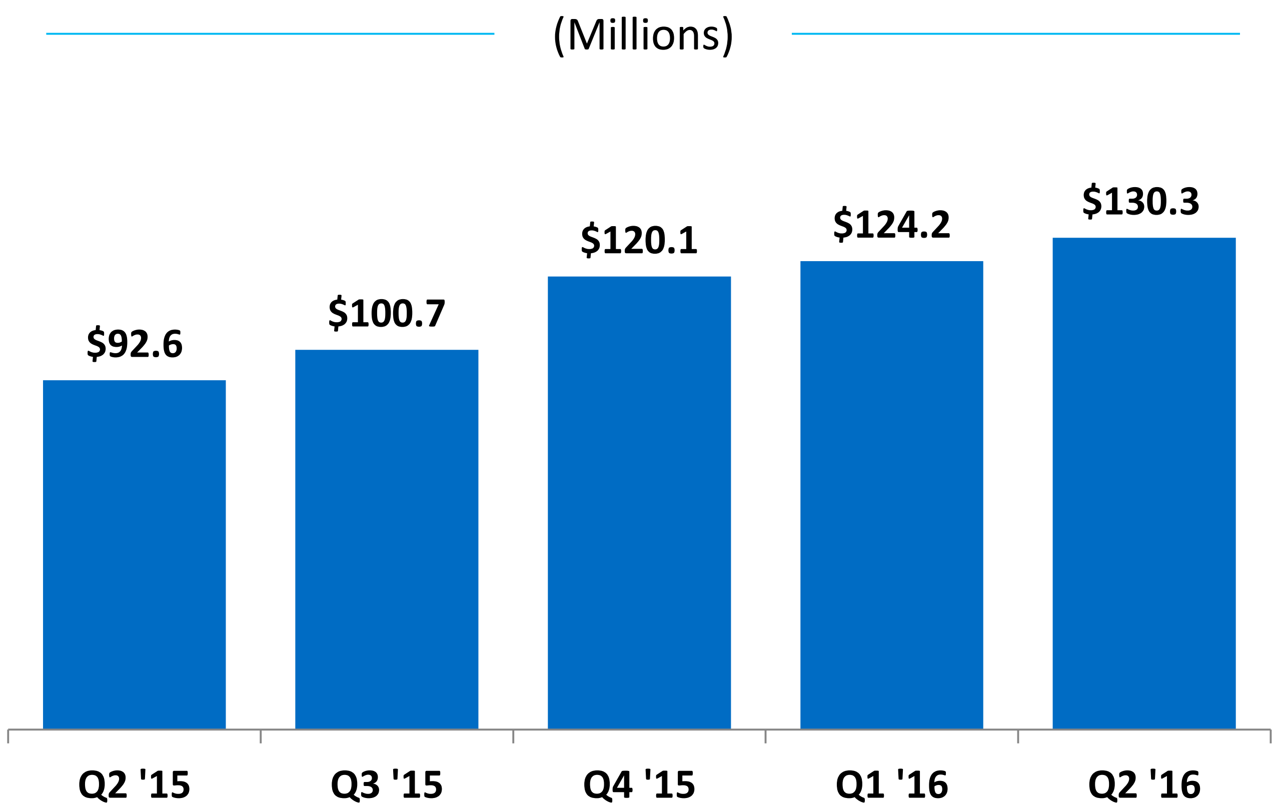


	Q2 '15	Q3 '15	Q4 '15	Q1 '16	Q2 '16
Unadjusted YoY Growth	32%	53%	33%	58%	45%
Normalized YoY Growth	37%	54%	37%	53%	45%

Billings growth of 45% year over year in Q2FY16

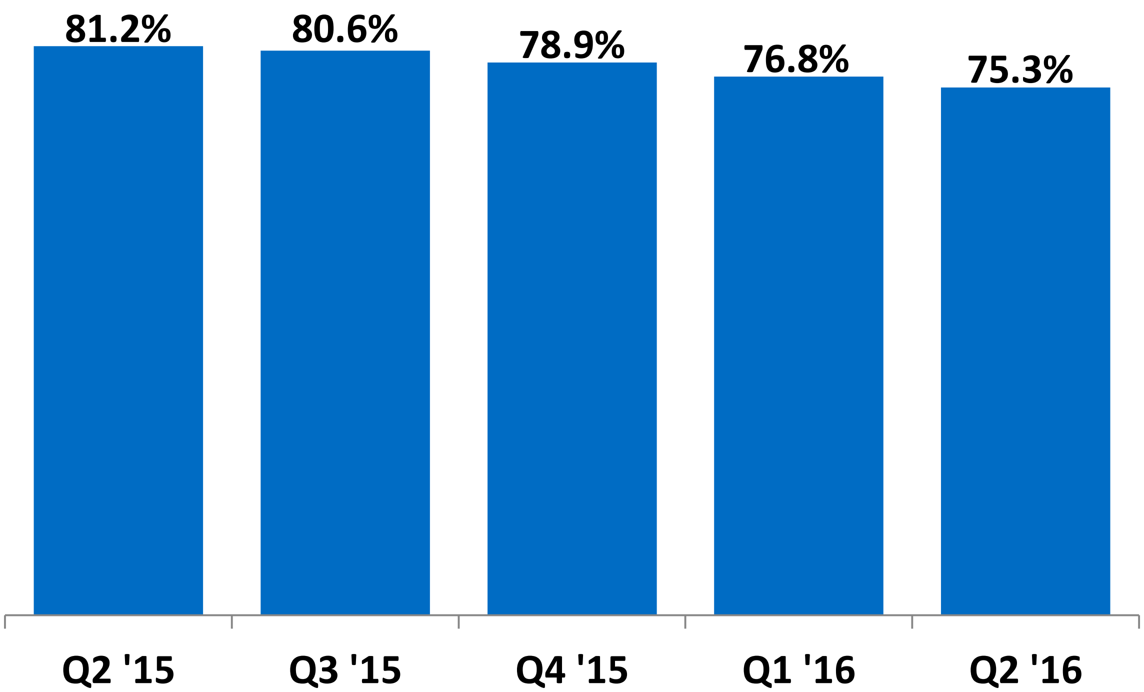
Note: Billings is a non-GAAP measure and is determined by adding the change in deferred revenue to GAAP revenue recognized during the quarter (a reconciliation to the GAAP revenue can be found in the Appendix of this presentation).
Normalized Billings Growth represents what the year-over-year billings growth rate would have been had the multi-year billing terms in our customer agreements in the current period been weighted the same as the multi-year billing terms in the period one year ago

Deferred Revenue



Deferred revenue growth of 41% year over year in Q2FY16

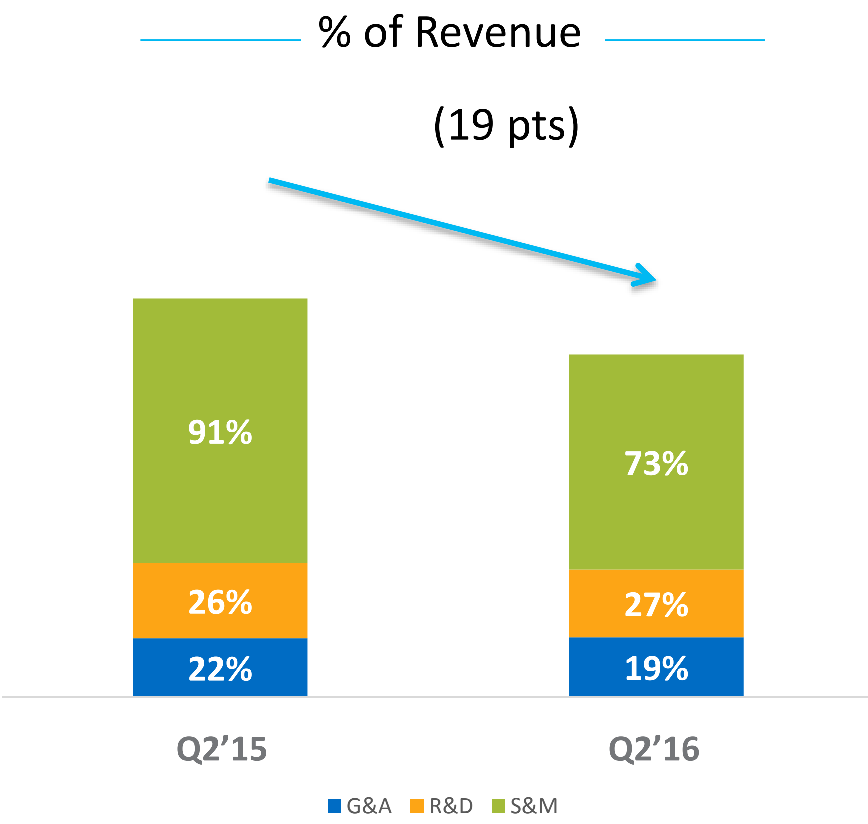
Non-GAAP Gross Margin



Non-GAAP gross margin decline reflects the increase in data center investments and Box Consulting headcount to support customer growth, 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 18 pts YoY due to increased leverage in our sales model and focus on driving efficiency in our marketing spend.

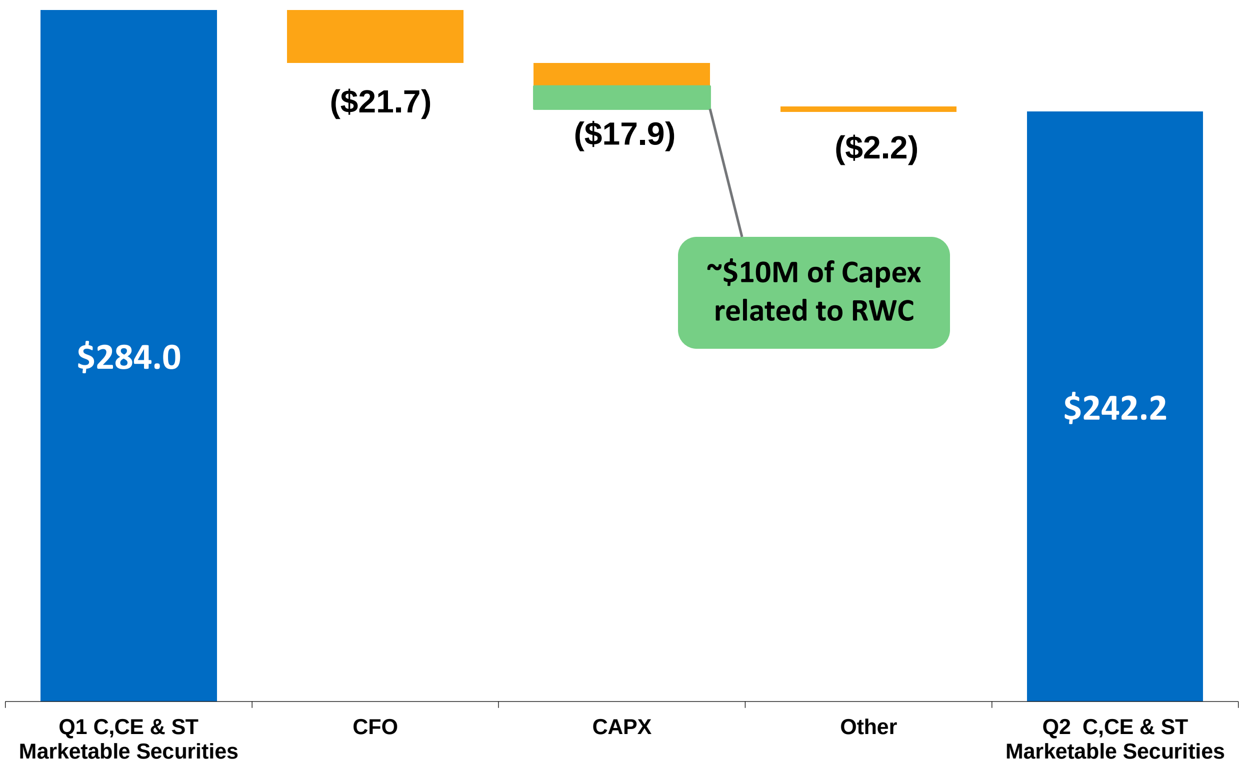
Research & Development increased by 1 pt YoY due to higher investments in new features and functionality.

General & Admin. decreased 3 pts YoY as a result of increased leverage from higher efficiency and scale and lower legal expenses.

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)



- Cash flow from operations (CFO) of negative $21.7 million, an improvement from negative $26.3 million a year ago driven by tighter working capital management.
- ~$10 million of $17.9 million in CAPX related to the build out of our new Redwood City Headquarters.
- "Other" consists primarily of taxes paid on RSUs

Q3 ’16 and Full Year Guidance Ranges

	F3Q16 Guidance				
	Revenue		Non-GAAP Operating Margin		Weighted Average Diluted Shares Outstanding
	Low	**High**	**Low**	**High**	
	\$ 76 million	\$ 77 million	(50%)	(49%)	~ 122 million
YoY Growth	*33%*	*35%*			

	FY 2016 Guidance				
	Revenue		Non-GAAP Operating Margin		Weighted Average Diluted Shares Outstanding
	Low	**High**	**Low**	**High**	
	\$ 295 million	\$ 297 million	(49%)	(47%)	~ 122 million
YoY Growth	*36%*	*37%*			

Cash Related Guidance

- Tenant improvement net cash spend in 2HFY16 of $25 million.
- Other CapEx for the remainder of fiscal year 2016 should be in the range of 10-12% of revenue.

In Closing

- Business momentum strong as organizations such as IBM, Airbnb, Cushman & Wakefield, Johnson and Johnson, Uber, and over 50,000 others leverage Box for secure content management and collaboration
- Continued to build out ecosystem with a major partnership with IBM
- Launched Box for Governance as an important add-on feature for highly regulated industries and had early progress with deployments of EKM
- Continued to drive operating scale and path to positive free cash flow

Appendix

GAAP to Non-GAAP Reconciliation – Billings

($ in thousands)	**Q2FY15**	**Q3FY15**	**Q4FY15**	**Q1FY16**	**Q2FY16**
GAAP revenue	**$51,423**	**$57,048**	**$62,639**	**$65,621**	**$73,450**
Deferred revenue, end of period	$92,594	$100,680	$120,057	$124,201	$130,349
Less: deferred revenue, beginning of period	($88,950)	($92,594)	($100,680)	($120,057)	($124,201)
Billings	**$55,067**	**$65,134**	**$82,016**	**$69,765**	**$79,598**

GAAP to Non-GAAP Reconciliation – Gross Margin

($ in thousands)	**Q2FY15**	*As a % of revenue*	**Q3FY15**	*As a % of revenue*	**Q4FY15**	*As a % of revenue*	**Q1FY16**	*As a % of revenue*	**Q2FY16**	*As a % of revenue*
GAAP gross margin	**$40,590**	***78.9%***	**$44,530**	***78.1%***	**$47,945**	***76.5%***	**$48,468**	***73.9%***	**$52,814**	***71.9%***
Add: stock-based compensation	$404		$472		$390		$851		$1,041	
Add: Intangible assets amortization	$758		$966		$1,078		$1,107		$1,472	
Non-GAAP gross margin	**$41,752**	***81.2%***	**$45,968**	***80.6%***	**$49,413**	***78.9%***	**$50,426**	***76.8%***	**$55,327**	***75.3%***

GAAP to Non-GAAP Reconciliation – Operating Expenses

($ in thousands)	**Q2FY15**	*As a % of revenue*	**Q2FY16**	*As a % of revenue*
GAAP research and development	**$16,345**	***32%***	**$26,453**	***36%***
Less: stock-based compensation	($3,005)		($6,303)	
Non-GAAP research and development	**$13,340**	***26%***	**$20,150**	***27%***
GAAP sales and marketing	**$49,657**	***96%***	**$58,460**	***80%***
Less: stock-based compensation	($3,119)		($4,742)	
Non-GAAP sales and marketing	**$46,538**	***91%***	**$53,718**	***73%***
GAAP general and administrative	**$12,875**	***25%***	**$17,675**	***24%***
Less: stock-based compensation	($1,551)		($2,642)	
Less: Intangible assets amortization	($43)		($39)	
Less: Accrued interest related to a legal verdict	$-		($569)	
Less: Amortization of capitalized legal verdict amount	$-		($223)	
Non-GAAP general and administrative	**$11,281**	***22%***	**$14,202**	***19%***

GAAP to Non-GAAP Reconciliation – Operating Margin

($ in thousands)	**Q2’15**	*As a % of revenue*	**Q2’16**	*As a % of revenue*
GAAP operating margin	**($38,287)**	***(74%)***	**($49,774)**	***(68%)***
Less: stock-based compensation	$8,079		$14,728	
Less: Intangible assets amortization	$801		$1,511	
Less: Accrued interest related to a legal verdict	$-		$569	
Less: Amortization of capitalized legal verdict amount	$-		$223	
Non-GAAP operating margin	**($29,407)**	***(57%)***	**($32,743)**	***(45%)***