Q3 FY2016 Financial Results

December 2, 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 (revenue, non-GAAP operating margin and weighted diluted outstanding share count) for the fourth quarter and full fiscal year 2016, our ability to achieve positive free cash flow, planned investments, planned product enhancements and our net expansion rates.

- 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; (9) actual or perceived security vulnerabilities in our services or any breaches of our security controls; and (10) our ability to realize the expected benefits of our 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 our most recent Quarterly Report on Form 10-Q (filed on September 11, 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 December 2, 2015.

Third Quarter Fiscal 2016 Financial Highlights

$78.7M
Revenue

38%
YoY Growth

$89.4M
Billings

37%
YoY Growth

Operating Cash Flow improved to ($17.3M) vs. ($19.6M) a year ago

Non-GAAP Operating Margin[1] improved by 12 points to (48%) vs. (60%) a year ago

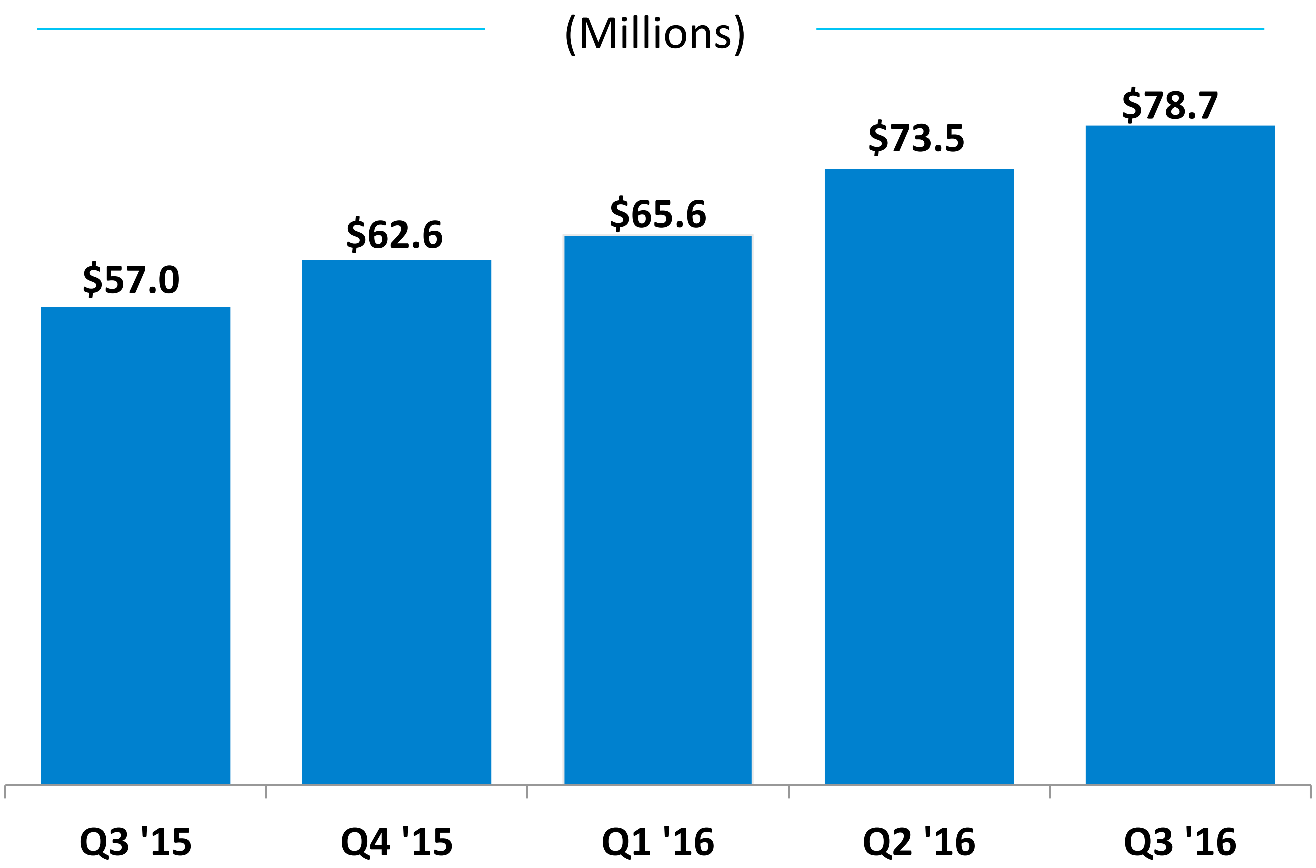
Retention Rate
119%[2]

Net Expansion Rate
23%[3]

Churn Rate
Less than 4%

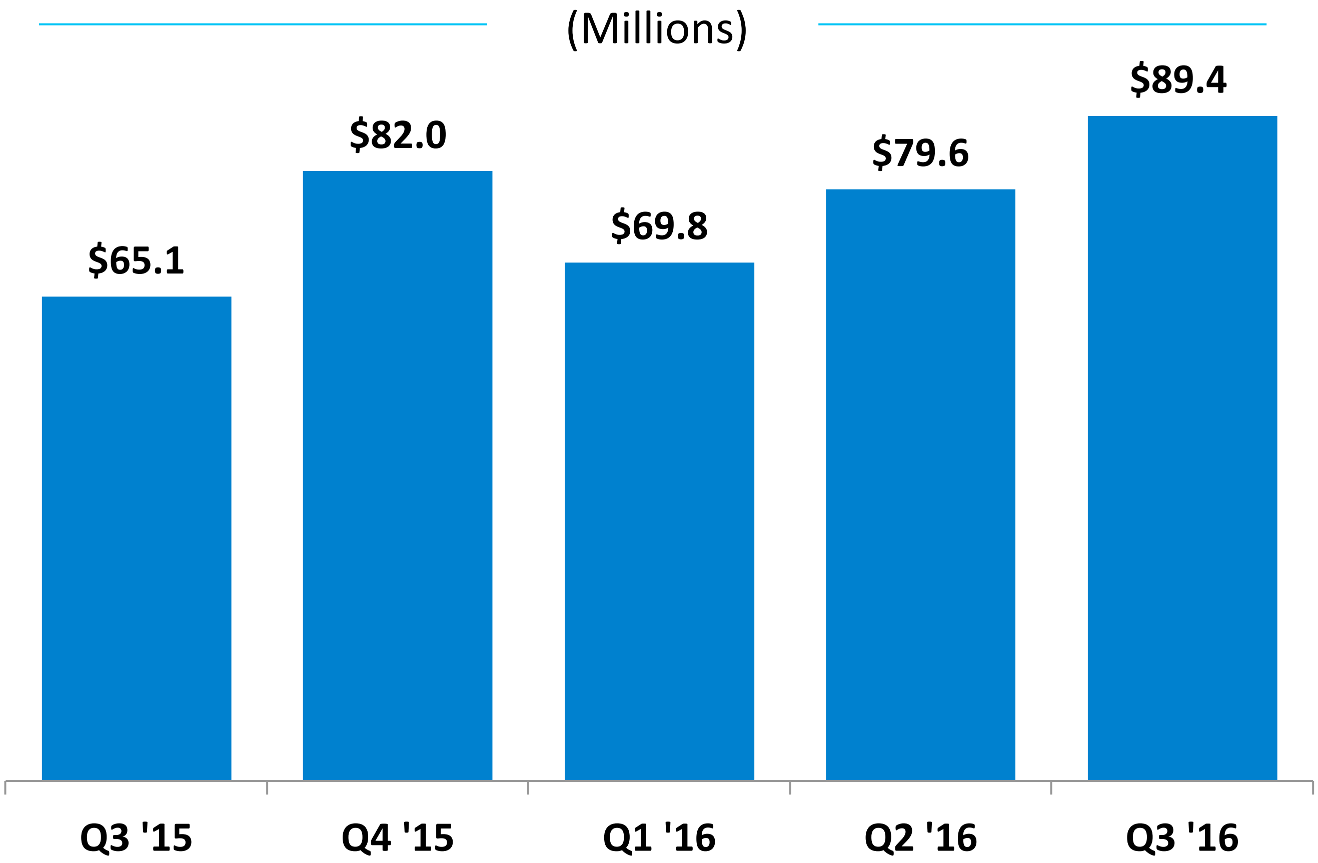
1. Operating Margin shown on a non-GAAP basis (a reconciliation to the GAAP basis can be found in the Appendix of this presentation)
2. Retention rate is defined as the net % of TAV retained from existing customers, including expansion. This metric is calculated by dividing current TAV of customers who 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 38% year over year in Q3FY16.

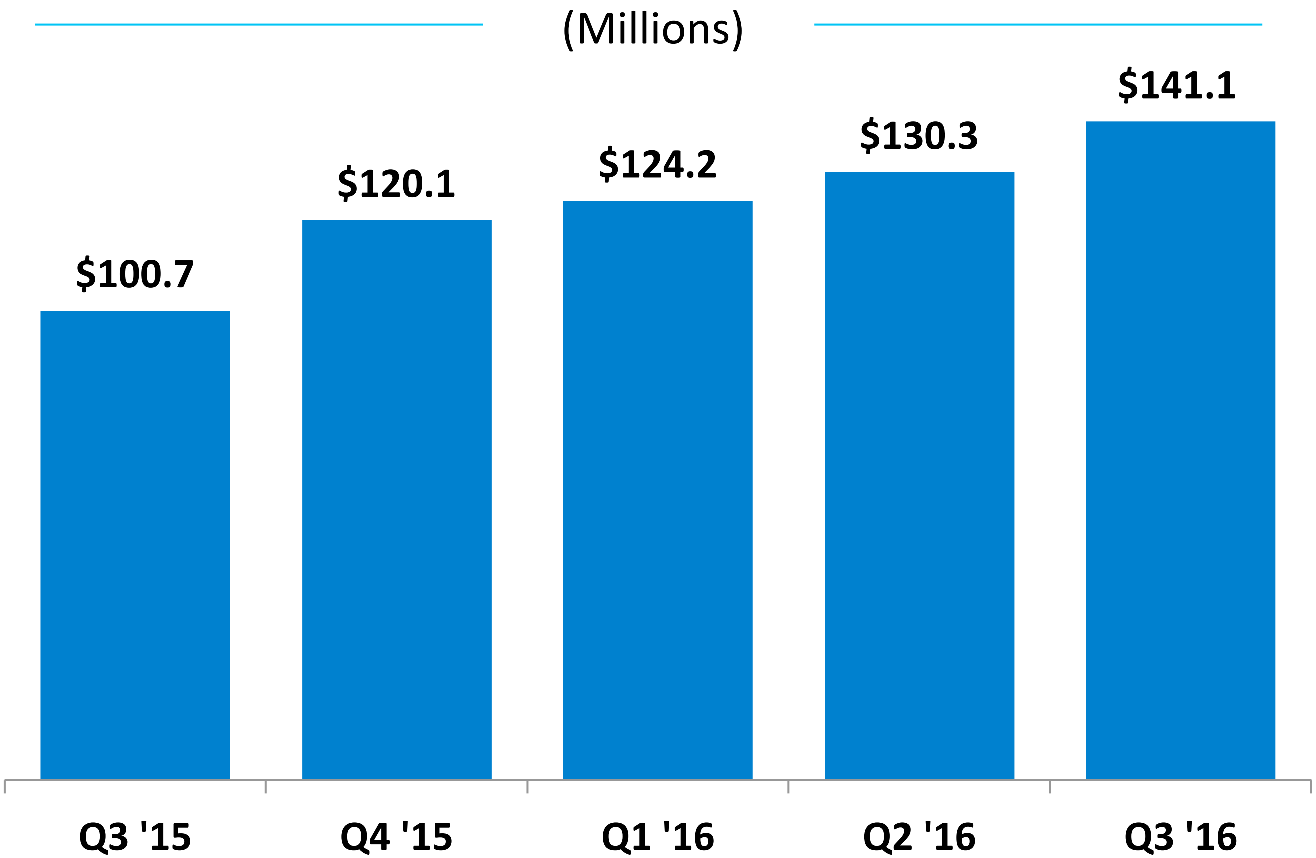
Billings



Billings growth of 37% year over year in Q3FY16.

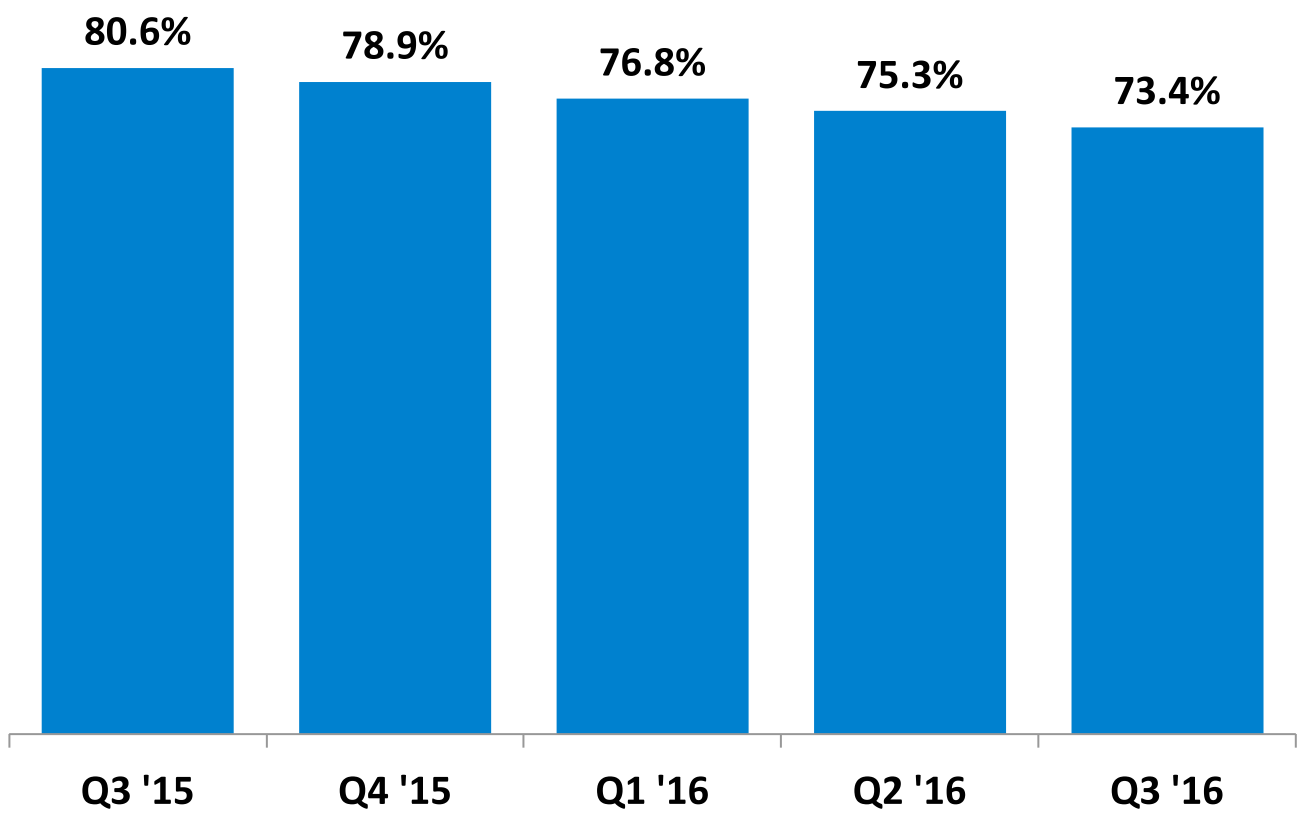
Note: Billings is a non-GAAP measure and is determined by adding the change in deferred revenue to GAAP revenue recognized during the quarter (a reconciliation to the GAAP revenue can be found in the Appendix of this presentation).

Deferred Revenue



Deferred revenue growth of 40% year over year in Q3FY16.

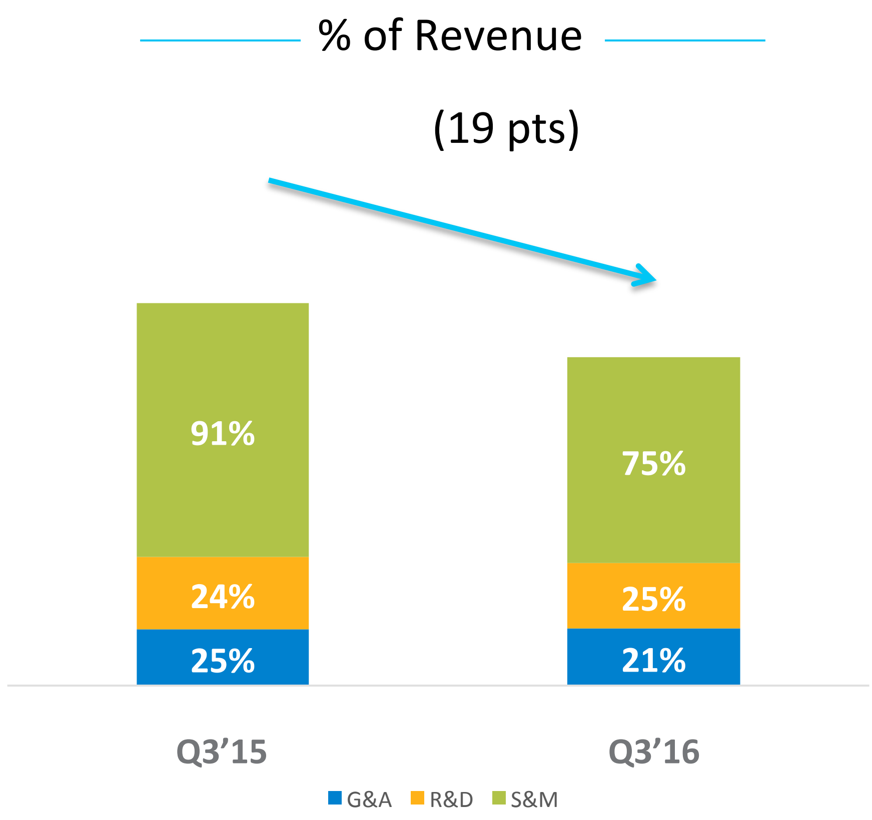
Non-GAAP Gross Margin



Expected decline driven by investments in data center infrastructure and Box Consulting team, and temporarily higher rent expenses on two locations.

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



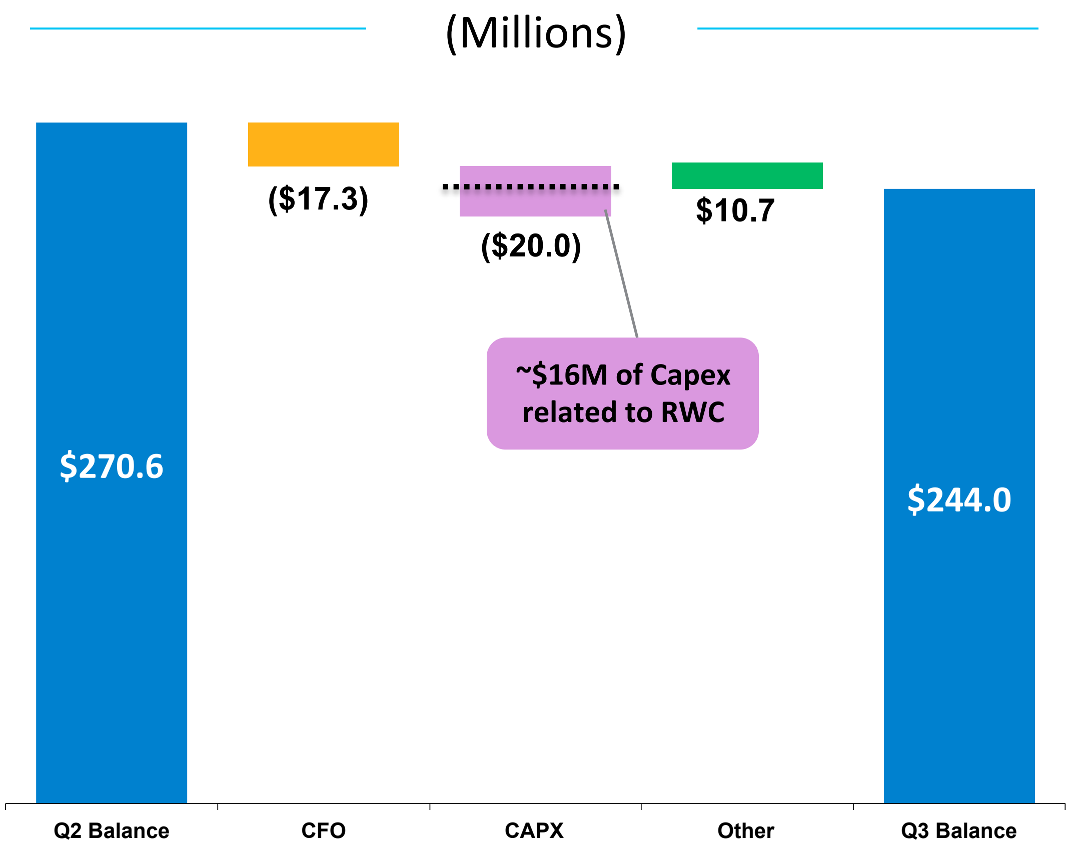
Sales & Marketing down 16 percentage pts YoY, demonstrating leverage in model; includes BoxWorks expenses.

Research & Development up 1 percentage pt YoY due to investments in new features and functionality to further leadership position.

General & Admin. down 4 percentage pts YoY due to efficiency improvements 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 & Equivalents, Marketable Securities, & Restricted Cash



- Cash from operations ($17.3M) compared to ($19.6M) a year ago.
- ~$16M of $20M CAPX related to new HQ build.
- "Other" primarily consists of proceeds from employee stock purchase plan (cash from financing).

Note: Balances above include $28.4 million and $29.1 million in restricted cash for Q2FY16 and Q3FY16, respectively.

Q4 ’16 and Full Year Guidance Ranges

	F4Q16 Guidance				
	Revenue		Non-GAAP Operating Margin		Weighted Average Diluted Shares Outstanding
	Low	High	Low	High	
	$ 81 million	$ 82 million	(44%)	(43%)	~ 123 million
YoY Growth	*29%*	*31%*			

	FY 2016 Guidance			
	Revenue		Non-GAAP Operating Margin	Weighted Average Diluted Shares Outstanding
	Low	High		
	$299 million	$ 300 million	~ (46%)	~ 121 million
YoY Growth	*38%*	*39%*		

Cash Related Guidance

- Facilities-related net cash spend of $23 million over next two quarters; ~$18 million in Q4FY16 and ~$5M in Q1FY17.
- Other CapEx in Q4FY16 should be in the range of 5-6% of revenue.

In Closing

- Added or expanded deployments with leading enterprises like Amgen, Sally Beauty Holdings, Southwest Airlines; now over 54K other customers leveraging Box for secure content management and collaboration.
- Significant progress with IBM partnership including launch of first set of joint solutions for faster transitions to the cloud, easier external collaboration, and ability to digitize content.
- Box Governance, Enterprise Key Management, and Box Platform further strengthening customer retention.
- Delivering operating leverage on path to becoming positive free cash flow in the quarter ending January 2017.

Appendix

GAAP to Non-GAAP Reconciliation – Billings

($ in thousands)	**Q3FY15**	**Q4FY15**	**Q1FY16**	**Q2FY16**	**Q3FY16**
GAAP revenue	**$57,048**	**$62,639**	**$65,621**	**$73,450**	**$78,651**
Deferred revenue, end of period	$100,680	$120,057	$124,201	$130,349	$141,147
Less: deferred revenue, beginning of period	($92,594)	($100,680)	($120,057)	($124,201)	($130,349)
Billings	**$65,134**	**$82,016**	**$69,765**	**$79,598**	**$89,449**

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

($ in thousands)	**Q3FY14**	**Q4FY14**	**Q1FY15**	**Q2FY15**
GAAP revenue	**$33,585**	**$38,829**	**$45,330**	**$51,423**
Deferred revenue, end of period	$67,431	$90,072	$88,950	$92,594
Less: deferred revenue, beginning of period	($58,372)	($67,431)	($90,072)	($88,950)
Billings	**$42,644**	**$61,470**	**$44,208**	**$55,067**

GAAP to Non-GAAP Reconciliation – Gross Margin

($ in thousands)	**Q3FY15**	*As a % of revenue*	**Q4FY15**	*As a % of revenue*	**Q1FY16**	*As a % of revenue*	**Q2FY16**	*As a % of revenue*	**Q3FY16**	*As a % of revenue*
GAAP gross margin	**$44,530**	***78.1%***	**$47,945**	***76.5%***	**$48,468**	***73.9%***	**$52,814**	***71.9%***	**$55,021**	***70.0%***
Add: stock-based compensation	$472		$390		$851		$1,041		$1,272	
Add: Intangible assets amortization	$966		$1,078		$1,107		$1,472		$1,431	
Non-GAAP gross margin	**$45,968**	***80.6%***	**$49,413**	***78.9%***	**$50,426**	***76.8%***	**$55,327**	***75.3%***	**$57,724**	***73.4%***

GAAP to Non-GAAP Reconciliation – Operating Expenses

($ in thousands)	**Q3FY15**	*As a % of revenue*	**Q2FY16**	*As a % of revenue*	**Q3FY16**	*As a % of revenue*
GAAP research and development	**$17,172**	***30%***	**$26,453**	***36%***	**$26,324**	***33%***
Less: stock-based compensation	($3,207)		($6,303)		($6,455)	
Non-GAAP research and development	**$13,965**	***24%***	**$20,150**	***27%***	**$19,869**	***25%***
GAAP sales and marketing	**$55,257**	***97%***	**$58,460**	***80%***	**$63,972**	***81%***
Less: stock-based compensation	($3,122)		($4,742)		($5,005)	
Non-GAAP sales and marketing	**$52,135**	***91%***	**$53,718**	***73%***	**$58,967**	***75%***
GAAP general and administrative	**$16,855**	***30%***	**$17,675**	***24%***	**$19,757**	***25%***
Less: stock-based compensation	($1,712)		($2,642)		($2,672)	
Less: Intangible assets amortization	($43)		($39)		($39)	
Less: Expenses related to a legal verdict	($1,000)		($792)		($299)	
Non-GAAP general and administrative	**$14,100**	***25%***	**$14,202**	***19%***	**$16,747**	***21%***

GAAP to Non-GAAP Reconciliation – Operating Margin

($ in thousands)	**Q3FY15**	*As a % of revenue*	**Q2FY16**	*As a % of revenue*	**Q3FY16**	*As a % of revenue*
GAAP operating margin	**($44,754)**	***(78%)***	**($49,774)**	***(68%)***	**($55,032)**	***(70%)***
Less: stock-based compensation	$8,513		$14,728		$15,404	
Less: Intangible assets amortization	$1,009		$1,511		$1,470	
Less: Expenses related to a legal verdict	$1,000		$792		$299	
Non-GAAP operating margin	**($34,232)**	***(60%)***	**($32,743)**	***(45%)***	**($37,859)**	***(48%)***