Q4 and FY16 Financial Results

March 9, 2016
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 (including revenue, billings, non-GAAP operating margin, non-GAAP earnings (loss) per share, and weighted diluted outstanding share count) for the first quarter and full fiscal year 2017, 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 December 14, 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 March 9, 2016.
The Leading Enterprise Content Management Platform

• Sustained strong revenue growth
• ~95% recurring revenue, SaaS product
• 57,000 customers, 59% of Fortune 500
• Significant new products (Governance, KeySafe, Platform)
• Focus on positive FCF & Op Margin improvement
• Key alliances with IBM, Microsoft, Apple
• 1,350+ Employees, HQ in Redwood City, CA
Business Today is Changing

- Employees are working in new ways
- Every business process is collaborative
- Digital is transforming every industry
- New security threats emerging every day
Box is a Content Management Platform for the Modern Enterprise

- Built for cloud and mobile
- Connects to all your business apps
- Centralized security controls
- Comes with unlimited storage for users
Box Transforms Work Across All Industries

**CPG**
Utilized across 22,000 employees for streamlining digital-marketing workflows, collaborating with internal and external parties on campaigns

**Financial Services**
Built a cloud-based loan process service on Box Platform, dramatically reducing loan approval time and going fully paperless

**Industrial**
Uses Box as the global content layer for 150,000 employees, replacing legacy file systems and content management software

**Life Sciences**
Leverages Box for secure collaboration across 26,000 employees, including regulated content shared with external physicians and healthcare providers

**Tech**
Selected Box as the global standard for internal and external file sharing and mobile access to content for 160,000+ employees
Inflection Point in Growth and Innovation
Box Expanding its Content Management Platform to the Masses

Business to Employee
10+ Years of Enterprise Innovation
New Products Provide Upsell Opportunities

Enterprise Key Management
Governance
Data Retention Management
Enterprise Content Management

Expands Addressable Market to Hundreds of Millions of Potential New Users

Enterprise File Sync and Share (EFSS)

2005  2014-2015  2015 on...
Q4 and FY16 Financial Results
## Financial Highlights

**Strong Top Line Growth and Progress Towards Profitability**

### Q4FY16

- **Revenue:** $85.0M, 36% YoY growth
- **Billings:** $130.2M, 59% YoY growth
- **Churn:** 3%, Very low churn
- **Expansion Rate:** **20%**

### FY16

- **Revenue:** $303M, 40% YoY growth
- **Billings:** $369M, 50% YoY growth
- **Retention Rate:** **117%**
- **Non-GAAP Op. Margin:** improved by 14 points to (37%) vs. (51%) a year ago

### Notes:

1. Net expansion defined as the net increase in contract value from our existing customers.
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. Operating Margin shown on a non-GAAP basis (a reconciliation to the GAAP basis can be found in the Appendix of this presentation).
Strong Top Line Growth in Q4FY2016

Revenue ($M)

Q4 '15: $62.6
Q1 '16: $65.6
Q2 '16: $73.5
Q3 '16: $78.7
Q4 '16: $85.0

Growth: 36% YoY growth

Billings ($M)

Q4 '15: $82.0
Q1 '16: $69.8
Q2 '16: $79.6
Q3 '16: $89.4
Q4 '16: $130.2

Growth: 59% YoY growth
Significant Growth in Deferred Revenue & Backlog

Deferred Revenue ($M)

- Q4 '15: $120.1
- Q1 '16: $124.2
- Q2 '16: $130.3
- Q3 '16: $141.1
- Q4 '16: $186.4

Note: 55% YoY growth in Q4FY16

Backlog ($M)

- FY2015: $134.0
- FY2016: $184.8

Note: 38% YoY growth in FY16

Deferred Revenue & Backlog defined as committed contracts that have not yet been billed.
Non-GAAP Gross Margin
Impacted by Costs of HQ Move and Data Center Investments

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 and Margin
Improvements from Scale and Efficiency Drove Op Margin Improvements

- **G&A** improved 6 percentage pts YoY due to efficiency improvements.
- **R&D** was flat YoY, even including new Governance, KeySafe and Platform products.
- **S&M** improved 15 percentage pts YoY, demonstrating leverage in model.

Non-GAAP op margin inflection point due to leverage in the business model with narrowing losses on a dollar basis and end of significant HQ move costs.

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 $4.9M, which includes $6.8M in TI reimbursements, compared to ($15.6M) a year ago.
- ~$20M of Capex related to RWC
- "Other" primarily consists of proceeds from employee stock purchase plan (cash from financing).

Note: Balances above include $29.1 million and $28 million in restricted cash for Q3FY16 and Q4FY16, respectively.
Q1 and Fiscal Year 2017 Guidance Ranges

<table>
<thead>
<tr>
<th></th>
<th>Q1 FY17 Guidance</th>
<th></th>
<th>FY 2017 Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revenue</td>
<td>Non-GAAP EPS</td>
<td>Weighted Average Diluted Shares</td>
</tr>
<tr>
<td><strong>Low</strong></td>
<td>$ 88 million</td>
<td><strong>Low</strong></td>
<td>~ 124 million</td>
</tr>
<tr>
<td><strong>High</strong></td>
<td>$ 89 million</td>
<td><strong>High</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>($0.24)</td>
<td>($0.23)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Weighted Average Diluted Shares</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Outstanding</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>~ 127 million</td>
</tr>
</tbody>
</table>

Revenue

Non-GAAP EPS

Weighted Average Diluted Shares Outstanding
Appendix
## GAAP to Non-GAAP Reconciliation – Billings

<table>
<thead>
<tr>
<th></th>
<th>Q4FY15</th>
<th>Q1FY16</th>
<th>Q2FY16</th>
<th>Q3FY16</th>
<th>Q4FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GAAP revenue</strong></td>
<td>$62,639</td>
<td>$65,621</td>
<td>$73,450</td>
<td>$78,651</td>
<td>$84,982</td>
</tr>
<tr>
<td><strong>Deferred revenue, end of period</strong></td>
<td>$120,057</td>
<td>$124,201</td>
<td>$130,349</td>
<td>$141,147</td>
<td>$186,413</td>
</tr>
<tr>
<td><strong>Less: deferred revenue, beginning of period</strong></td>
<td>($100,680)</td>
<td>($120,057)</td>
<td>($124,201)</td>
<td>($130,349)</td>
<td>($141,147)</td>
</tr>
<tr>
<td><strong>Billings</strong></td>
<td>$82,016</td>
<td>$69,765</td>
<td>$79,598</td>
<td>$89,449</td>
<td>$130,248</td>
</tr>
</tbody>
</table>
## GAAP to Non-GAAP Reconciliation – Gross Margin

<table>
<thead>
<tr>
<th>($ in thousands)</th>
<th>Q4FY15</th>
<th>As a % of revenue</th>
<th>Q1FY16</th>
<th>As a % of revenue</th>
<th>Q2FY16</th>
<th>As a % of revenue</th>
<th>Q3FY16</th>
<th>As a % of revenue</th>
<th>Q4FY16</th>
<th>As a % of revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP gross margin</td>
<td>$47,945</td>
<td>76.5%</td>
<td>$48,468</td>
<td>73.9%</td>
<td>$52,814</td>
<td>71.9%</td>
<td>$55,021</td>
<td>70.0%</td>
<td>$59,301</td>
<td>69.8%</td>
</tr>
<tr>
<td>Add: stock-based compensation</td>
<td>$390</td>
<td></td>
<td>$851</td>
<td></td>
<td>$1,041</td>
<td></td>
<td>$1,272</td>
<td></td>
<td>$1,500</td>
<td></td>
</tr>
<tr>
<td>Add: Intangible assets amortization</td>
<td>$1,078</td>
<td></td>
<td>$1,107</td>
<td></td>
<td>$1,472</td>
<td></td>
<td>$1,431</td>
<td></td>
<td>$1,433</td>
<td></td>
</tr>
<tr>
<td>Non-GAAP gross margin</td>
<td>$49,413</td>
<td>78.9%</td>
<td>$50,426</td>
<td>76.8%</td>
<td>$55,327</td>
<td>75.3%</td>
<td>$57,724</td>
<td>73.4%</td>
<td>$62,234</td>
<td>73.2%</td>
</tr>
</tbody>
</table>
### GAAP to Non-GAAP Reconciliation – Operating Expenses

<table>
<thead>
<tr>
<th>($ in thousands)</th>
<th>Q4FY15</th>
<th>As a % of revenue</th>
<th>Q3FY16</th>
<th>As a % of revenue</th>
<th>Q4FY16</th>
<th>As a % of revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GAAP research and development</strong></td>
<td>$17,987</td>
<td>29%</td>
<td>$26,324</td>
<td>33%</td>
<td>$26,589</td>
<td>31%</td>
</tr>
<tr>
<td>Less: stock-based compensation</td>
<td>($3,547)</td>
<td></td>
<td>($6,455)</td>
<td></td>
<td>($6,675)</td>
<td></td>
</tr>
<tr>
<td><strong>Non-GAAP research and development</strong></td>
<td>$14,440</td>
<td>23%</td>
<td>$19,869</td>
<td>25%</td>
<td>$19,914</td>
<td>23%</td>
</tr>
<tr>
<td><strong>GAAP sales and marketing</strong></td>
<td>$55,395</td>
<td>88%</td>
<td>$63,972</td>
<td>81%</td>
<td>$63,257</td>
<td>74%</td>
</tr>
<tr>
<td>Less: stock-based compensation</td>
<td>($3,310)</td>
<td></td>
<td>($5,005)</td>
<td></td>
<td>($5,500)</td>
<td></td>
</tr>
<tr>
<td><strong>Non-GAAP sales and marketing</strong></td>
<td>$52,085</td>
<td>83%</td>
<td>$58,967</td>
<td>75%</td>
<td>$57,757</td>
<td>68%</td>
</tr>
<tr>
<td><strong>GAAP general and administrative</strong></td>
<td>$20,396</td>
<td>33%</td>
<td>$19,757</td>
<td>25%</td>
<td>$19,019</td>
<td>22%</td>
</tr>
<tr>
<td>Less: stock-based compensation</td>
<td>($2,338)</td>
<td></td>
<td>($2,672)</td>
<td></td>
<td>($2,982)</td>
<td></td>
</tr>
<tr>
<td>Less: Intangible assets amortization</td>
<td>($41)</td>
<td></td>
<td>($39)</td>
<td></td>
<td>($37)</td>
<td></td>
</tr>
<tr>
<td>Less: Expenses related to a legal verdict</td>
<td>($2,900)</td>
<td></td>
<td>($299)</td>
<td></td>
<td>($309)</td>
<td></td>
</tr>
<tr>
<td><strong>Non-GAAP general and administrative</strong></td>
<td>$15,117</td>
<td>24%</td>
<td>$16,747</td>
<td>21%</td>
<td>$15,691</td>
<td>18%</td>
</tr>
</tbody>
</table>
### GAAP to Non-GAAP Reconciliation – Operating Margin

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<th>Q4FY16</th>
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</thead>
<tbody>
<tr>
<td>GAAP operating margin</td>
<td>($45,833)</td>
<td>(73%)</td>
<td>($55,032)</td>
<td>(70%)</td>
<td>($49,564)</td>
<td>(58%)</td>
</tr>
<tr>
<td>Less: stock-based compensation</td>
<td>$9,585</td>
<td></td>
<td>$15,404</td>
<td></td>
<td>$16,657</td>
<td></td>
</tr>
<tr>
<td>Less: Intangible assets amortization</td>
<td>$1,119</td>
<td></td>
<td>$1,470</td>
<td></td>
<td>$1,470</td>
<td></td>
</tr>
<tr>
<td>Less: Expenses related to a legal verdict</td>
<td>$2,900</td>
<td></td>
<td>$299</td>
<td></td>
<td>$309</td>
<td></td>
</tr>
<tr>
<td>Non-GAAP operating margin</td>
<td>($32,229)</td>
<td>(51%)</td>
<td>($37,859)</td>
<td>(48%)</td>
<td>($31,128)</td>
<td>(37%)</td>
</tr>
</tbody>
</table>