



# BOX

Expectation relative to market segment

## Track

Technology Segment	Ticker	Exchange	Bloomberg	Analyst
Enterprise Content Management	BOX	NYSE	NH NUC <GO>	Barbara Peck Bpeck@NucleusResearch.com Evelyn McMullen Emcmullen@NucleusResearch.com

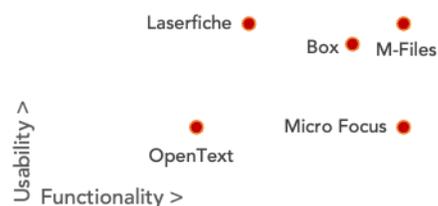
Hedge fund Starboard Value LP is said to be considering a seat challenge to the Box Board, generating a boost in Box’s stock price. Box is expected to grow from additional functionality and greater interoperability.

Price 02/22/21 \$19.30  
52 week range \$8.64 - 22.09

### COMPANY

Box is a comprehensive cloud content management (CCM) platform that allows users to work across a variety of content types, devices, apps, and services on-demand both on-site and remotely. The platform includes functionality for collaboration, workflow, security, governance, and compliance. The vendor also has an integrations network of more than 1,500 providers, allowing users to work across familiar applications while maintaining Box as a central content core.

### MARKET POSITION



### MARKET

The Enterprise Content Management (ECM) space has realized a significant increase in value as organizations have adapted to an indefinite shift to work from home (WFH). This created an immediate need for secure, accessible content management and collaboration solutions at the forefront of business requirements. As many organizations remain remote permanently or take on hybrid approaches, the digitization of content management processes will remain critical to business operations going forward. Demand for ECM solutions that maximize efficiency, productivity, and direct value to users will continue to dominate the market. Nucleus expects that single-purpose vendors and those without the ability to integrate with existing business software will either be acquired by full-suite providers or struggle to survive as they face pressure to provide customers with a wide breadth of functionality.

### RELATIVE SOLUTION COST

M-Files	100%
Box	100%
Laserfiche	91%
OpenText	91%
Micro Focus	80%

Relative cost to a customer based on typical mid-sized deployments during the past 6 months.

### CUSTOMER PERCEPTION

> 95 Positive

Analyst estimate based on feedback from customers and prospects during the past 6 months

### COMPETITION

Box competes with other mature single purpose ECM providers, such as M-Files, Laserfiche, OpenText and Micro Focus (MFGP). Leaders in the space are responding to user demand for content integration into core business processes, as well as comprehensive security and records

Nucleus Research is an independent research firm that provides research services to both vendors and consumers of technology. Investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report.

management, and automated taxonomy. Additionally, the ability to provide customers with flexible, hybrid deployments has become a top priority for vendors looking to increase their customer base. The cloud-based delivery of the Box platform, along with its intuitive user interface accelerates adoption and reduces the time to value of deployment. The vendor also provides customers with broad functionality, granular security, and responsive support which has allowed it to maintain its market position over the course of 2020. Box's wide network of integrations has also allowed it to differentiate from competitors, allowing users to continue using core business applications with added efficiency. Box's ability to compete against vendors with CCM as a standard platform offering will define its growth and future.

#### OUTLOOK

As telecommuting is predicted to be a permanent reality for most businesses, they are assessing the long-term value of their technology investments. Even as some organizations resume in-person operations, the prevalence of hybrid approaches will maintain the need for solutions that increase cohesion of content management processes and collaboration among employees, regardless of location.

Box's existing widespread use in the enterprise space has helped the vendor bolster its market positioning amid economic downturn in the past year. The recent acquisition of SignRequest gives Box a native e-signature solution it needed to remain competitive. Nucleus expects Box to experience continued growth as demand for its add-on products, Box Shield and Box Relay, increases its pursuit of greater functionality. The vendor's partnerships with popular remote work solutions such as Zoom, Slack, Microsoft Teams and Microsoft office, and G Suite, have positioned it to gain new customers looking for full interoperability of their enterprise systems.