

Box Craters On Billings

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On Wednesday after the market closed, Box announced **first-quarter earnings** that topped analyst expectations but billings came up short and sent shares tumbling in the post market session. The company announced an adjusted first quarter loss of 18 cents per share on \$90.2 million in revenues while analysts were looking for a loss 24 cents per share on \$88.7 million in revenues. The company also announced billings for the quarter that came in at \$75.9 million while analysts were looking for \$84.1 million and with this miss is why shares are taking a dive. Currently analysts have an average price target of \$18.67.

Looking at the chart you will see that shares fell in the post market session to lows of \$10.57 after closing the day at \$12.81 representing a 17% drop in price. Shares are looking to open Thursday around the \$11.50 which is an important key level and if that holds we could see a bounce back up to the \$12 level followed by the 200-day moving average currently sitting at \$12.44. If it doesn't hold that level then we could see shares dip to support at \$11 followed by the \$10 level. Shares on the macro scale have been performing better over the past few months as shares were able to bounce off \$9 with a double bottom and work their way back up to the 200-day moving average where they struggled to make it over. Look for shares to be active today with increased volatility and range as more traders will be looking to take advantage of the big post market move.

CEO Comments

First quarter revenue was strong at \$90 million, representing 37% growth year-over-year. We also continued to drive operational efficiency, with GAAP and non-GAAP EPS improving by 9 and 10 cents, respectively, year-over-year," said Aaron Levie, co-founder and CEO of Box. "We won more than 5,000 new customers and added or expanded deployments with leading enterprises like Airbnb, Brooks Brothers and The Whirlpool Corporation (NYSE: **WHR**). We also introduced Box Zones, achieved FedRAMP certification and launched strategic partnerships with Adobe, Cognizant and others, continuing to expand our addressable market.

In the first quarter, we achieved a marked improvement in cash flow from operations of negative \$4.2 million and, excluding a payment related to a litigation settlement, would have achieved near breakeven cash flow from operations of negative \$500,000," said Dylan Smith, co-founder and CFO of Box. "We are confident in our growth opportunity, driven by our product differentiation and expanding market, and

we remain committed to achieving positive free cash flow in the fourth quarter of this fiscal year.

BOX Profile

Box, Inc. provides cloud-based mobile optimized enterprise content collaboration platform that enables organizations of various sizes to manage their enterprise content from anywhere. The company's platform enables users to collaborate on content internally and with external parties, automate content-driven business processes, develop custom applications, and implement data protection, security, and compliance features. Box, Inc. offers its solution in 22 languages. It serves healthcare and life sciences, financial services, legal services, media and entertainment, retail, education, energy, and government industries. The company was formerly known as Box.net, Inc. and changed its name to Box, Inc. in November 2011. Box, Inc. was founded in 2005 and is headquartered in Redwood City, California