



Dropbox

Company Presentation

February 2020

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This presentation contains forward-looking statements. These statements may relate to, but are not limited to, expectations of future results of operations or financial performance of Dropbox, Inc. (“Dropbox,” “we,” “us,” or similar terms), certain key financial and operating metrics, capital expenditures, plans for growth and future operations, technological capabilities, benefits from new product features, acquisitions and strategic relationships, as well as assumptions relating to the foregoing. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “could,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “intend,” “potential,” “would,” “continue,” “ongoing” or the negative of these terms or other comparable terminology. You should not put undue reliance on any forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved, if at all.

Forward-looking statements are based on information available at the time those statements are made or management’s good faith beliefs and assumptions as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in, or suggested by, the forward-looking statements. In light of these risks and uncertainties, the events and circumstances contemplated by the forward-looking statements made in this presentation may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements. These risks and uncertainties are described in greater detail under the heading “Risk Factors” in our quarterly report on Form 10-Q for the fiscal quarter ended September 30, 2019 that we filed with the Securities and Exchange Commission (the “SEC”) on November 8, 2019, and include, but are not limited to, our ability to retain and upgrade paying users and increase our recurring revenue; our ability to attract new users or convert registered users to paying users; our future financial performance, including trends in revenue, cost of revenue, gross profit or gross margin, operating expenses, paying users, and free cash flow; our ability to achieve or maintain profitability; the demand for our platform or for content collaboration solutions in general; possible harm caused by significant disruption of service or loss or unauthorized access to users’ content; our ability to effectively interoperate our platform with others; our ability to successfully integrate acquired businesses; our ability to continue to release, gain customer acceptance of, and provide support for, additional product features and new and improved versions of our services; our ability to realize benefits from strategic partnerships; and our ability to compete successfully in competitive markets. These factors could cause actual results, performance or achievement to differ materially and adversely from those anticipated or implied in the forward-looking statements. Additional information will be made available in our annual report on Form 10-K for the year ended December 31, 2019 and in other future reports that we may file with the SEC from time to time, which could cause actual results to vary from expectations. Except as required by law, Dropbox does not undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

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Keeping files in sync

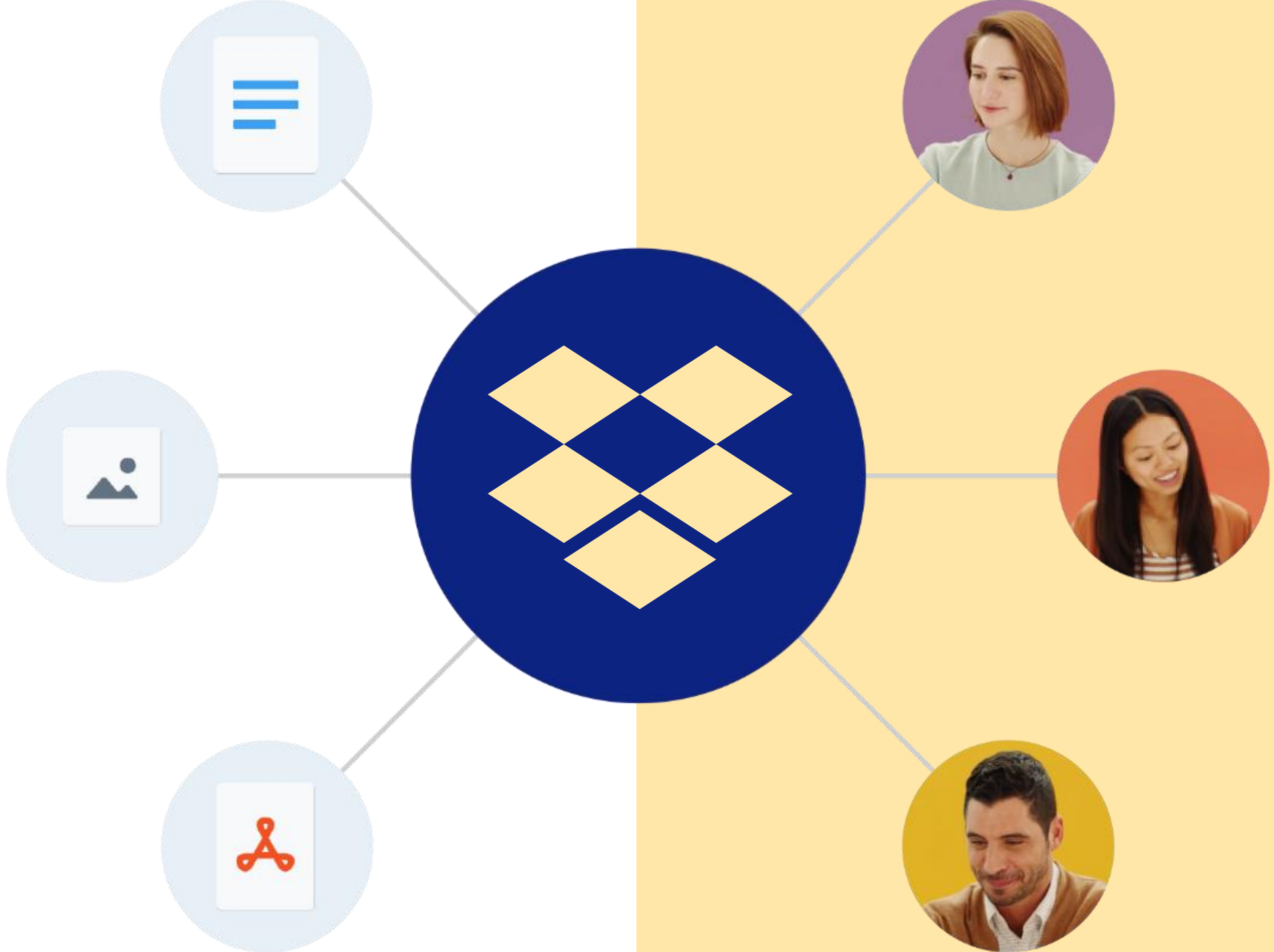
Keeping teams in sync

Cloud storage
2007

Smart Workspace
Today

Backup & sync
File sharing
Shared folders

Content management
Collaborative apps
Professional sharing
Project management
Document workflow



Dropbox today

We're a business software company that defies traditional boundaries

We're a smart workspace for the world's digital content

We have a rare combination of virality, scale, and cash generation

We have a long runway for growth

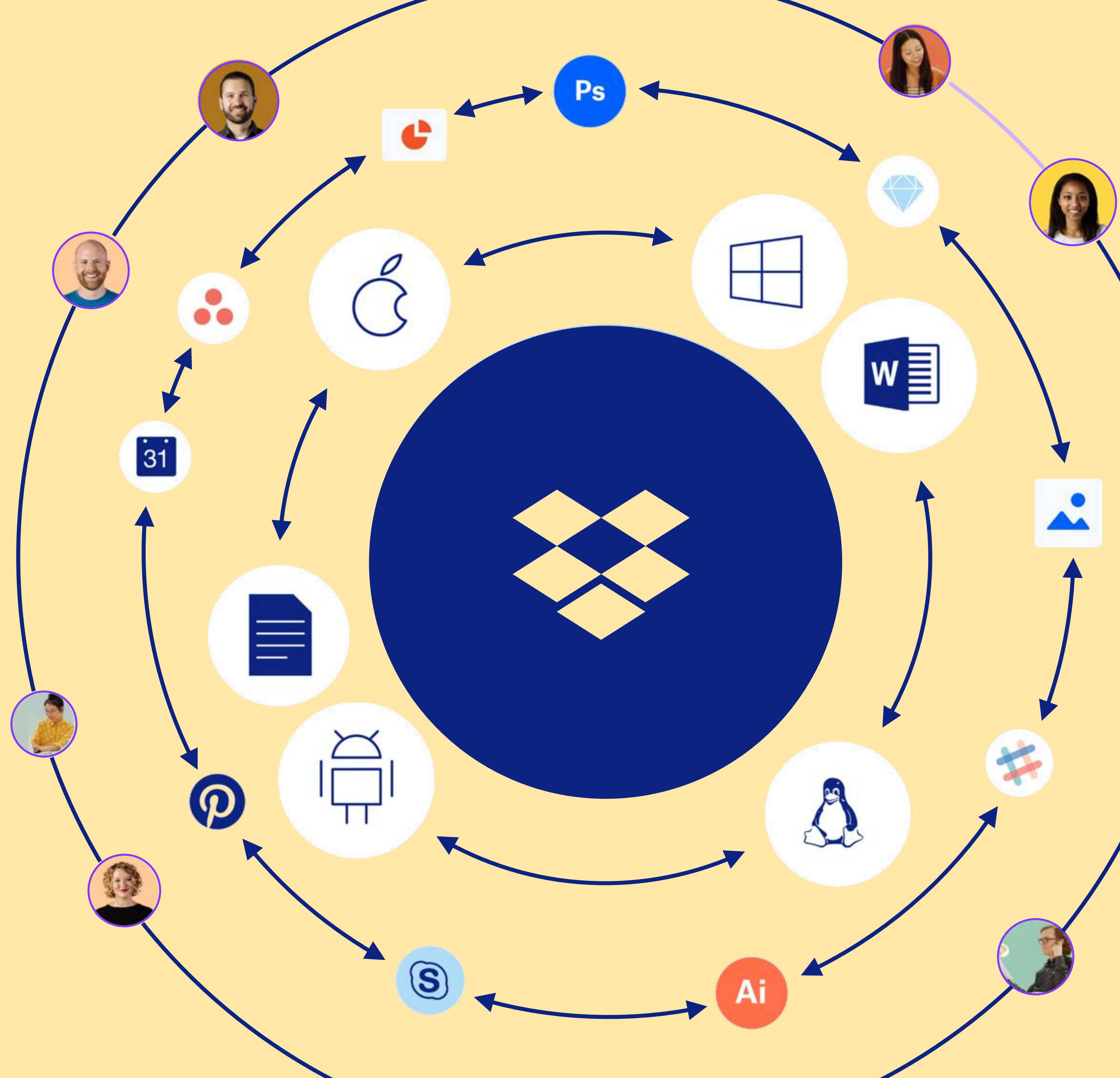
Global collaboration platform at scale

600M+
registered users

550B+
pieces of content

14.3M
paying users

80%
of subscribers use us for work



Dropbox is building the world's first smart workspace

A unified workspace that organizes your content, connects your SaaS tools, and brings teams together

The screenshot shows a Dropbox workspace for 'Package Design'. On the left is a dark sidebar with navigation options: Pepo Studio Inc., Angela Zhang, and Starred Folders (Warehouse, Package Design, Shipping, Materials, Resources). The main content area features a search bar, a title 'Package Design', and a message: 'We've narrowed our new package designs down to three final options. Please review all three pinned files below.' Below this are three pinned items: 'Production.gslides', 'Box Samples', and 'Materials.pdf' (highlighted with a blue border). A task list includes: 'Present concepts to marketing @Angela Zhang' (checked), 'Approve production schedule @Daniel Smith', and 'Final concept selection by June 4'. A table below shows workspace contents: 7 folders and 5 files. The table has columns for Name and Modified. Files listed include 'Package Dimensions.gsheet' (2:34 PM), 'Earth-Friendly Materials' (1:04 PM), and 'Box Samples' (1:04 PM). On the right, a card for 'Materials.pdf' (7.2 MB, modified 5 hours ago) is shown with a comment thread: '@Angela Zhang Thanks for sharing! Option #2 is my...' and 'Let's make sure we can get this in production before...'. An 'Activity' section at the bottom right shows: 'Daniel Smith shared in Zoom' (3 hours ago), 'Jay Singh shared in #package-design' (3 hours ago), and 'William Jackson opened' (2 hours ago).

Search in Package Design

Package Design

We've narrowed our new package designs down to three final options. Please review all three pinned files below.

- Present concepts to marketing @Angela Zhang
- Approve production schedule @Daniel Smith
- Final concept selection by June 4

Updated just now by Angela Z

7 folders, 5 files

Name	Modified
Package Dimensions.gsheet	2:34 PM
Earth-Friendly Materials	1:04 PM
Box Samples	1:04 PM
Most Recent articles	1:04 PM

Pepo Studio Inc. > Package Design

Materials.pdf
7.2 MB • Modified 5 hours ago

Write a comment

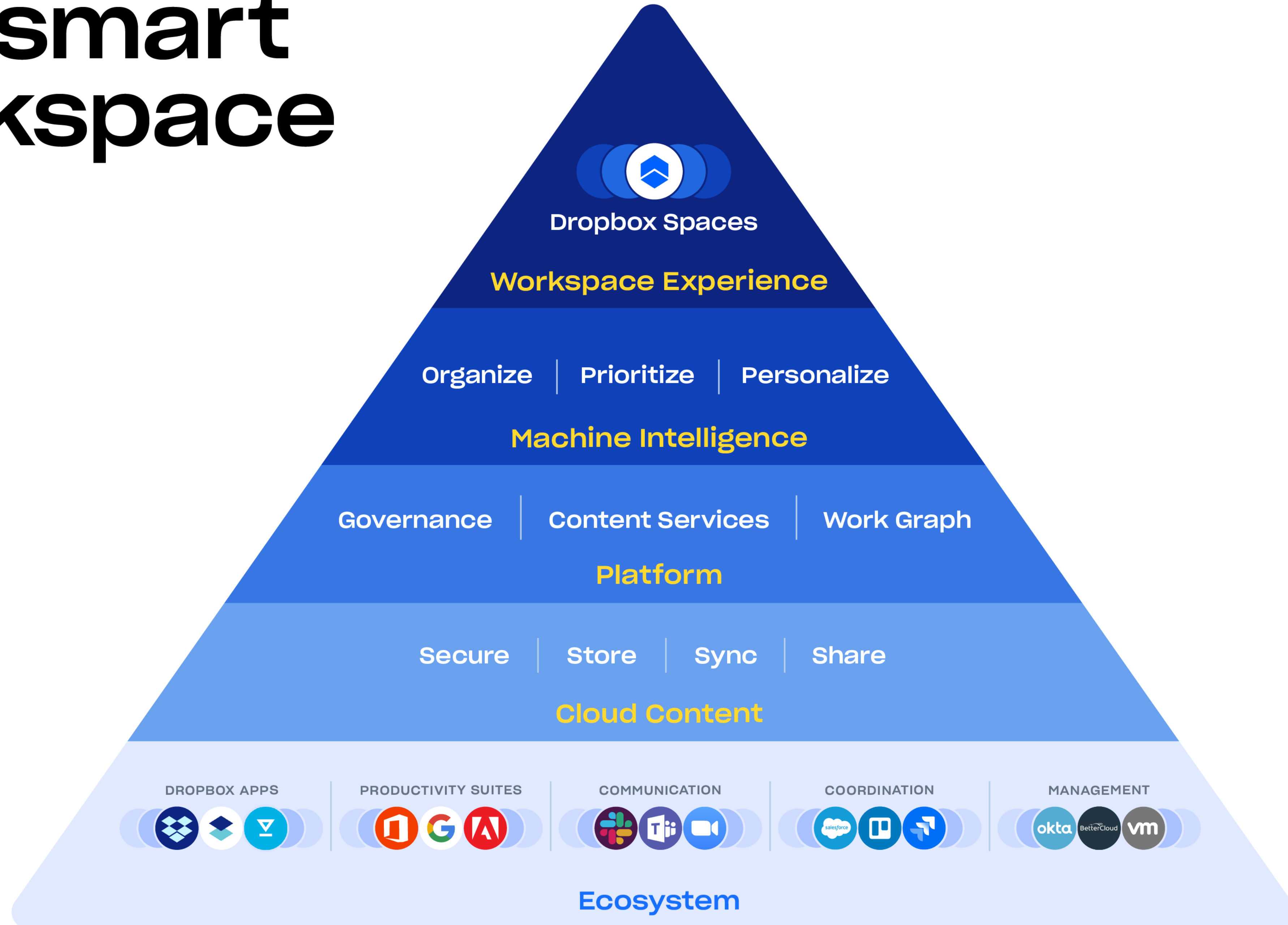
@Angela Zhang Thanks for sharing! Option #2 is my...

Let's make sure we can get this in production before...

Activity

- Daniel Smith shared in **Zoom** 3 hours ago
- Jay Singh shared in **#package-design** 3 hours ago
- William Jackson opened 2 hours ago

The smart workspace



Reinventing the software playbook

Traditional playbook

What sets Dropbox apart

Designed for IT

vs.

Designed for users

Top-down distribution

vs.

Bottom-up adoption

Walled garden

vs.

Open ecosystem

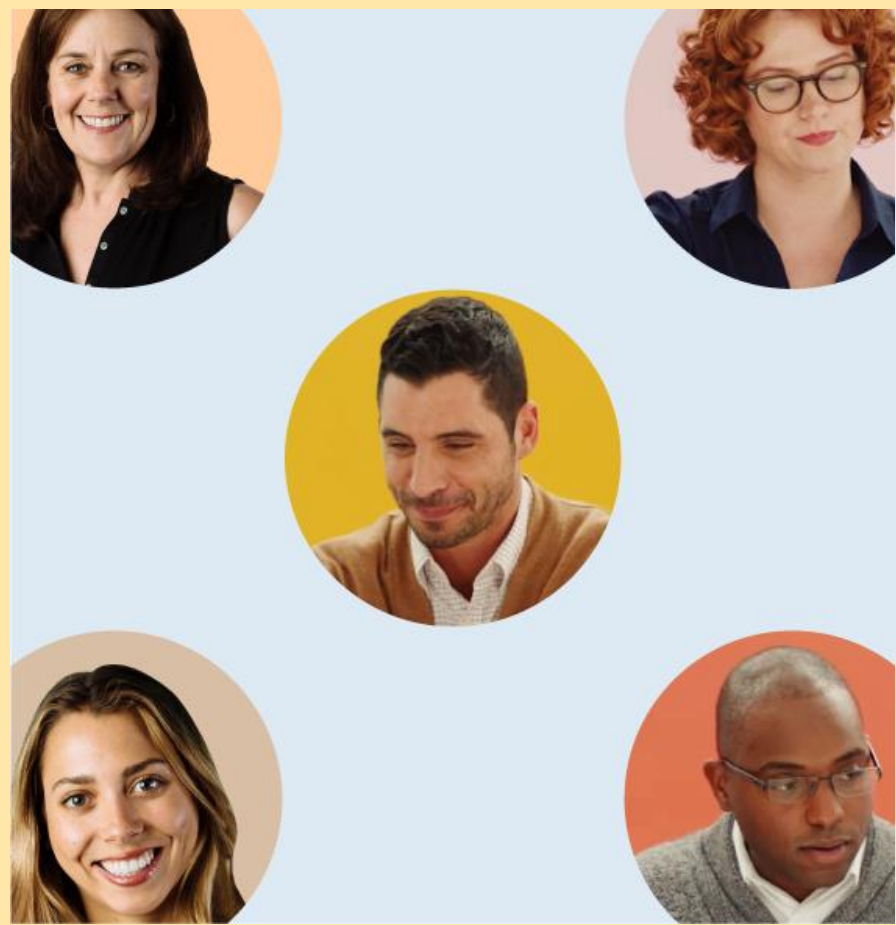
Rip-and-replace

vs.

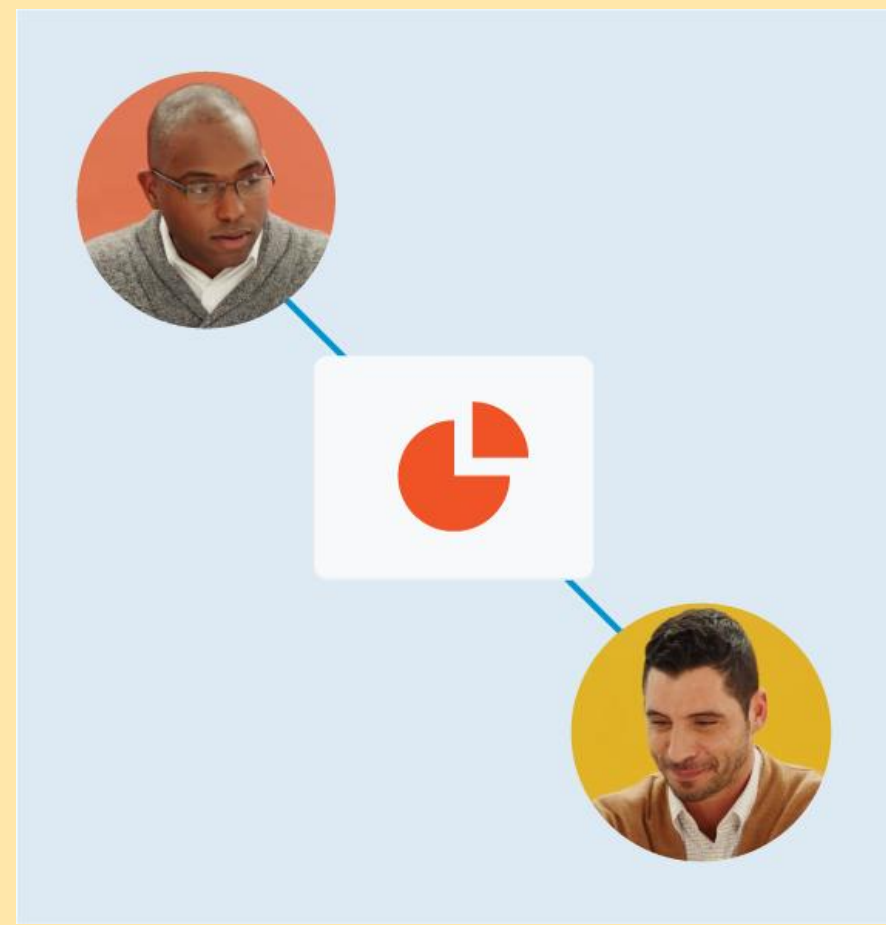
Live side-by-side

Efficient Go-to-Market

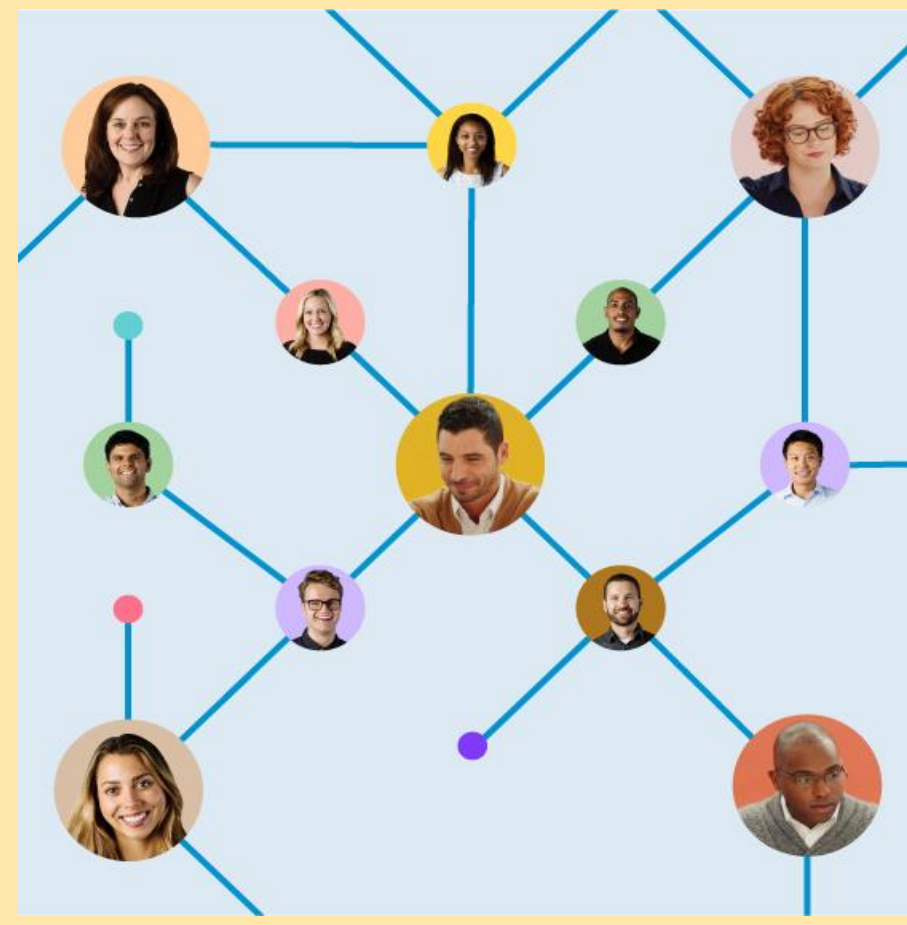
Self-serve
“land”



Starts with massive user adoption



Land within companies



Expand within companies

Targeted outbound
“expand”



Full deployment

Open ecosystem



50B+
API calls /month

75%
of teams linked
to a third-party
app

750K+
registered
developers

Hybrid infrastructure: Scale, Agility, & Innovation



Legend for infrastructure types:

- Core DC (Large blue circle)
- POP (Small blue circle)
- Public DC (Blue cube)

Growth drivers

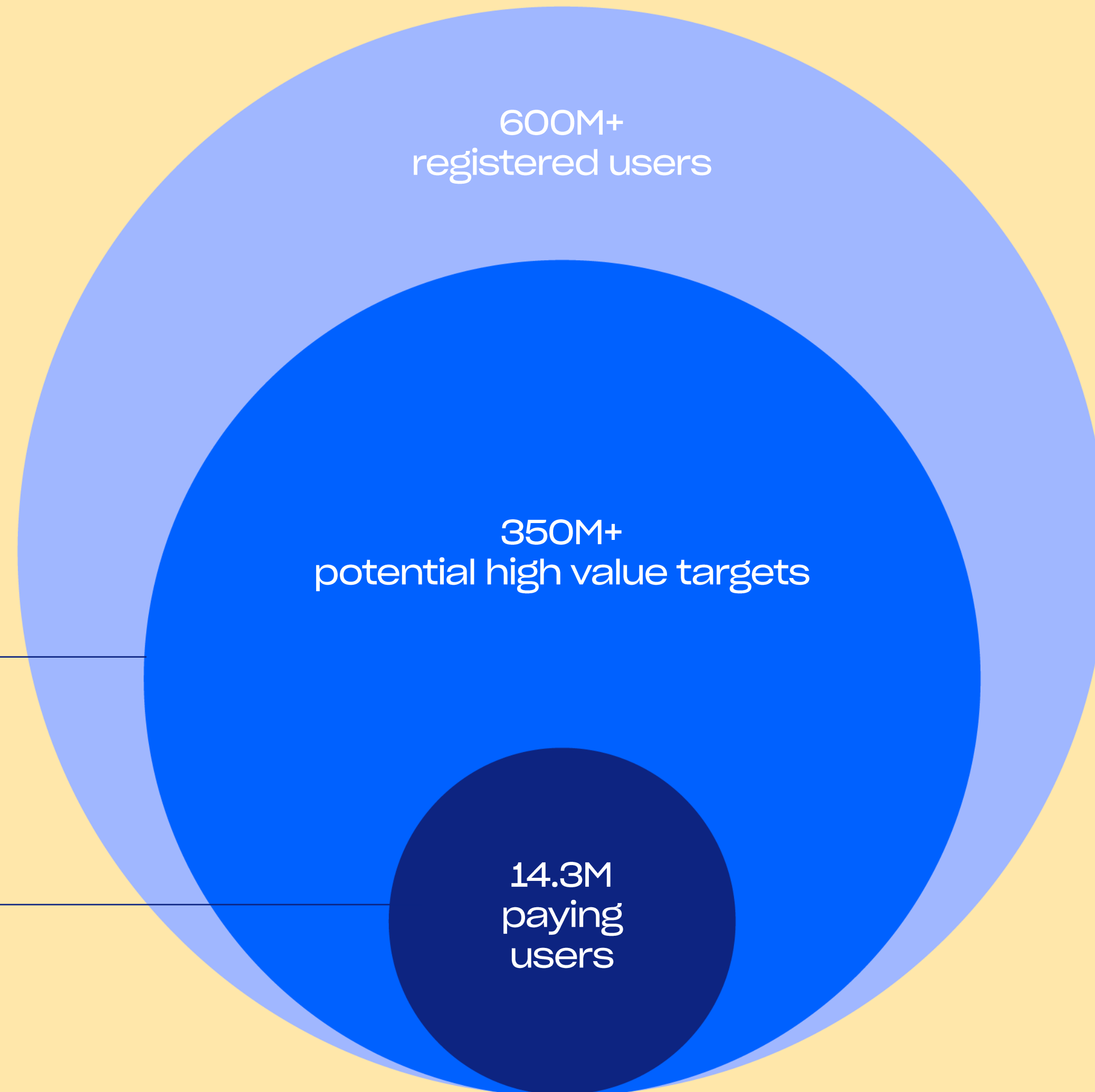
Execute

Convert

Drive registered users to become paying users on Individual and Team plans

Upsell

Prompt existing paying users to upgrade to premium plans or purchase additional licenses



Innovate

New product experiences
Leverage scale and user insights to enhance existing products and drive adoption of new ones

Expand ecosystem
Grow thriving ecosystem to put Dropbox at the center of users' lives

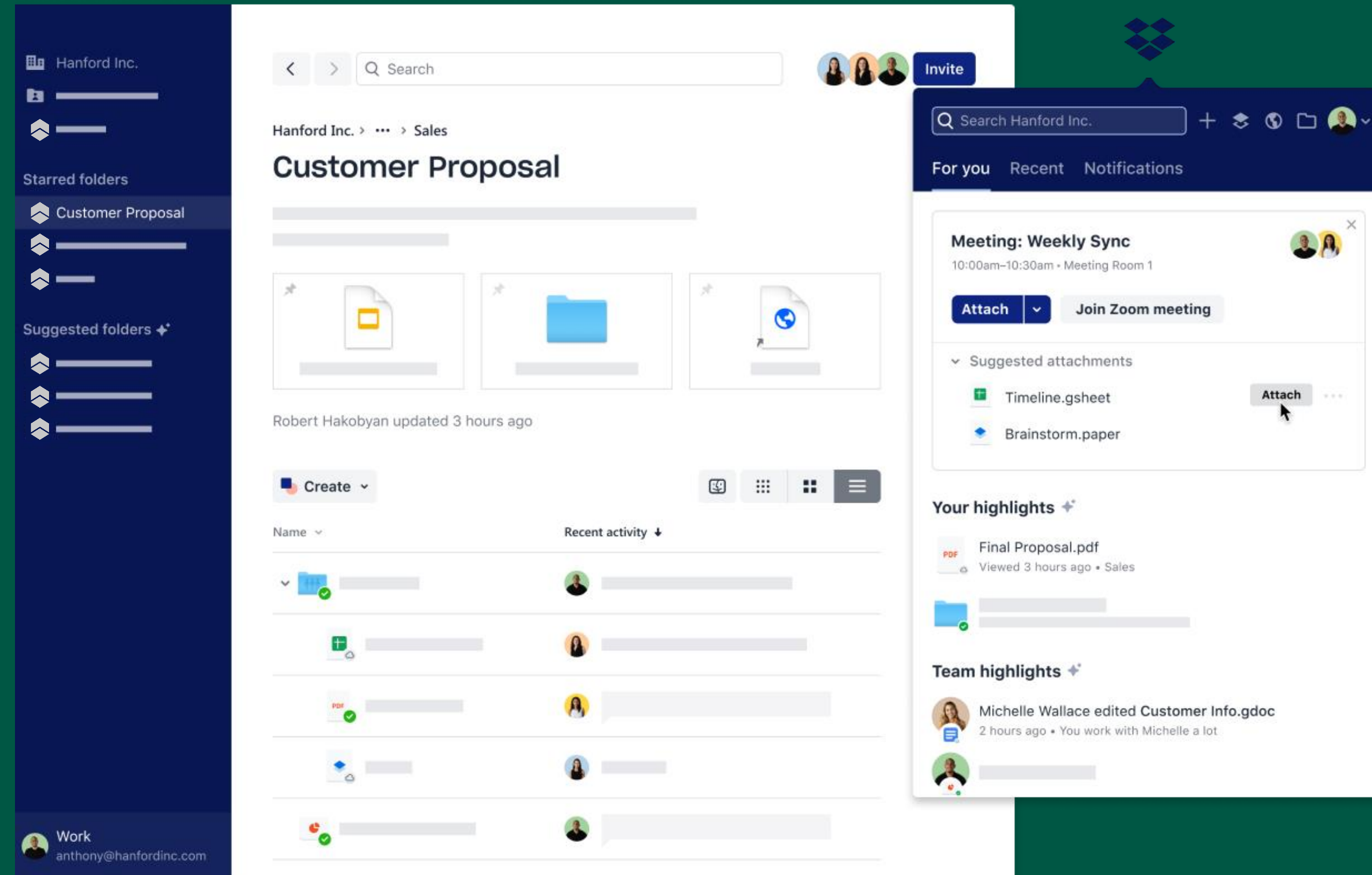
Product highlights

The New Dropbox

Brings together cloud content and traditional files in one place

Brings tools together by integrating with best-of-breed apps

Brings people together by transforming folders into rich workspaces



DBXi: Machine Intelligence in Action

Surfaces and suggests relevant content

Personalizes search based on activity

Rich text and image search

The screenshot displays the Microsoft Teams interface for a meeting titled "Meeting: Weekly Sync" scheduled for 10:00am-10:30am in Meeting Room 1. The interface includes a search bar at the top with the text "Search Hanford Inc." and navigation tabs for "For you", "Recent", and "Notifications". Below the meeting card, there are buttons for "Attach" and "Join Zoom meeting". A section titled "Suggested attachments" lists two files: "Timeline.gsheet" and "Brainstorm.paper", each with an "Attach" button and a menu icon. Below this, there are sections for "Your highlights" and "Team highlights". The "Your highlights" section shows a PDF file named "Final Proposal.pdf" viewed 3 hours ago by the Sales department. The "Team highlights" section shows a notification that Michelle Wallace edited a document named "Customer Info.gdoc" 2 hours ago, with a note that the user works with Michelle frequently.

Dropbox Spaces

Add context to content with descriptions and to-dos

Track progress on shared work with notifications

Create, view, and resolve comments

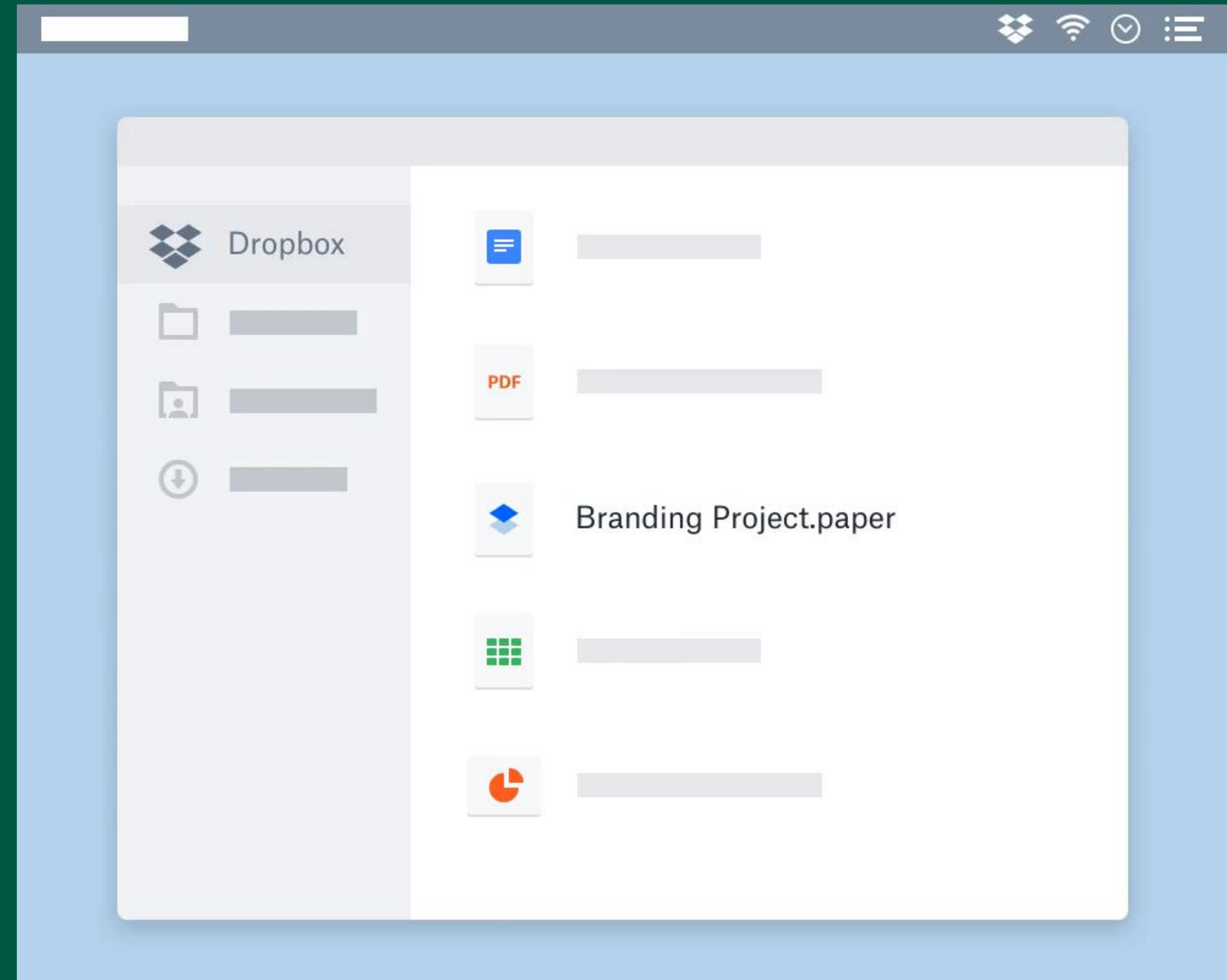
The screenshot displays the Dropbox Spaces interface for a workspace named 'Customer Proposal' under 'Hanford Inc. > Projects > 2020'. The interface includes a left sidebar with navigation options like 'Starred folders' and 'Suggested for you'. The main content area shows a list of files: 'Final proposal.gslides', 'Presentation assets', and 'Trello.web'. A notification from Daniel Smith indicates an update 2 minutes ago. A 'Create' button is visible at the bottom of the file list. A task list is overlaid on the interface, containing two items: 'Leadership approval' (checked) and 'Share final proposal with customer @Angela Zhang' (unchecked). A comment thread is also visible, showing a comment from a user: 'Sounds good. I'll follow up with the vendor tomorrow and get back to you in more detail!'. The comment is part of a thread with 2 other members.



Paper now lives in the filesystem, next to Google & Office docs

Create, store, and access Paper docs from Dropbox

More discoverable to new users

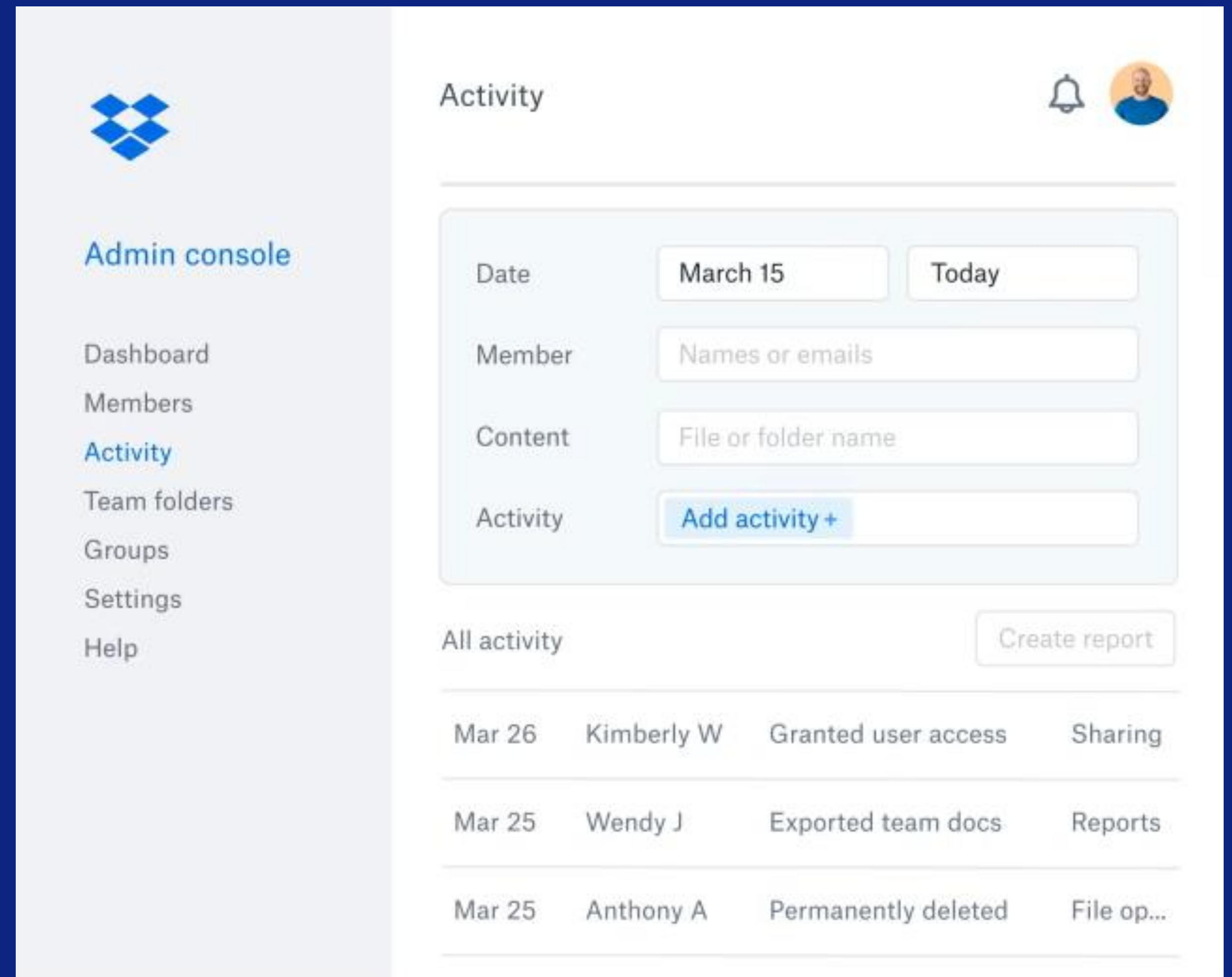


Dropbox AdminX

Multi-team administration

Enhances security

Empowers IT to extract value from data



The screenshot displays the Dropbox AdminX interface. On the left is a navigation sidebar with the Dropbox logo at the top, followed by 'Admin console' (highlighted in blue), and a list of menu items: Dashboard, Members, Activity (highlighted in blue), Team folders, Groups, Settings, and Help. The main content area is titled 'Activity' and includes a notification bell icon and a user profile picture. Below the title is a search and filter section with four input fields: 'Date' (with 'March 15' and 'Today' buttons), 'Member' (with 'Names or emails' placeholder), 'Content' (with 'File or folder name' placeholder), and 'Activity' (with an 'Add activity +' button). A 'Create report' button is located to the right of the 'All activity' label. The activity list below shows three entries:

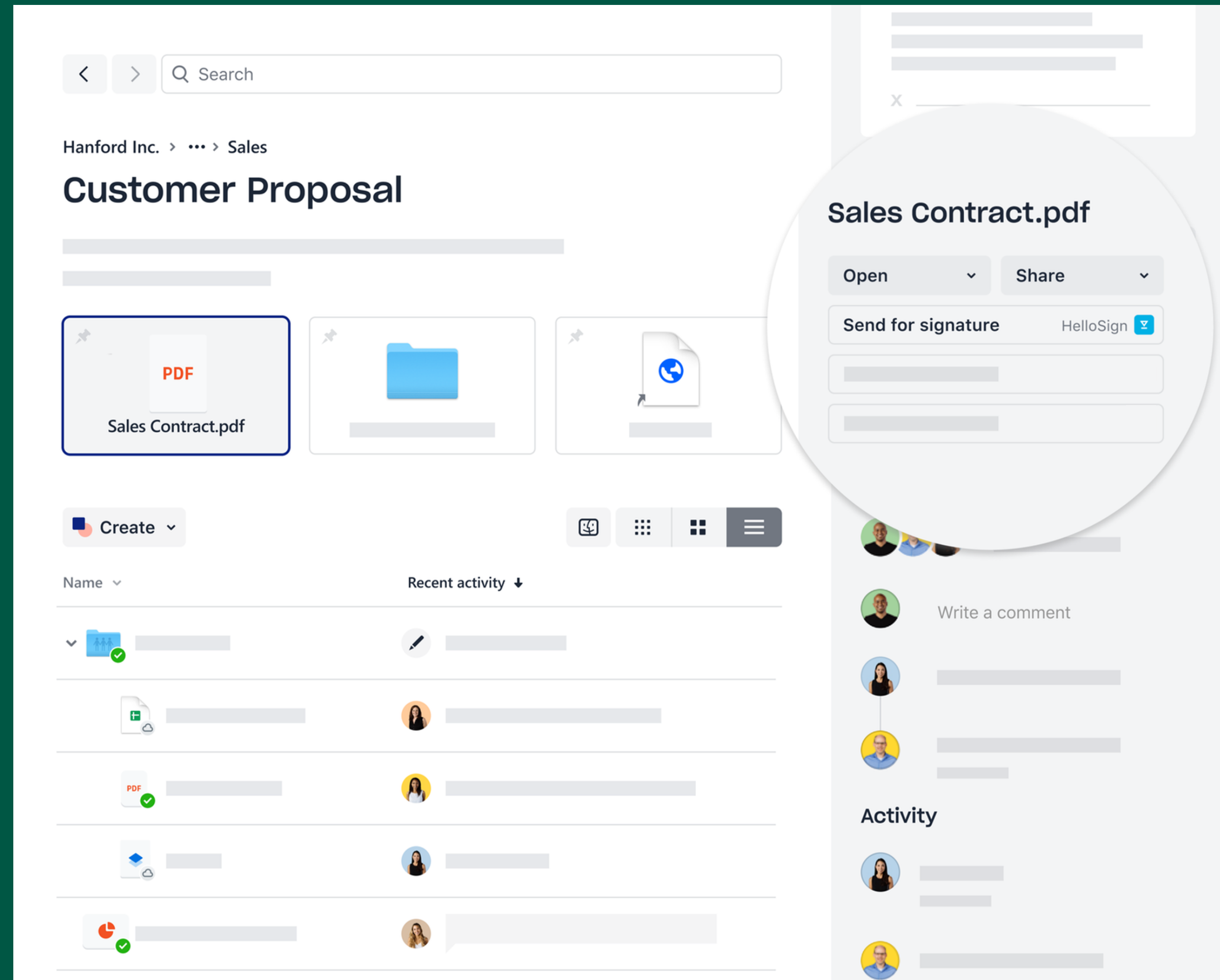
Date	Member	Content	Activity
Mar 26	Kimberly W	Granted user access	Sharing
Mar 25	Wendy J	Exported team docs	Reports
Mar 25	Anthony A	Permanently deleted	File op...

HelloSign integration

Easily sign docs from within Dropbox

HelloSign functionality surfaced intelligently based on file-types

Best-in-class integration



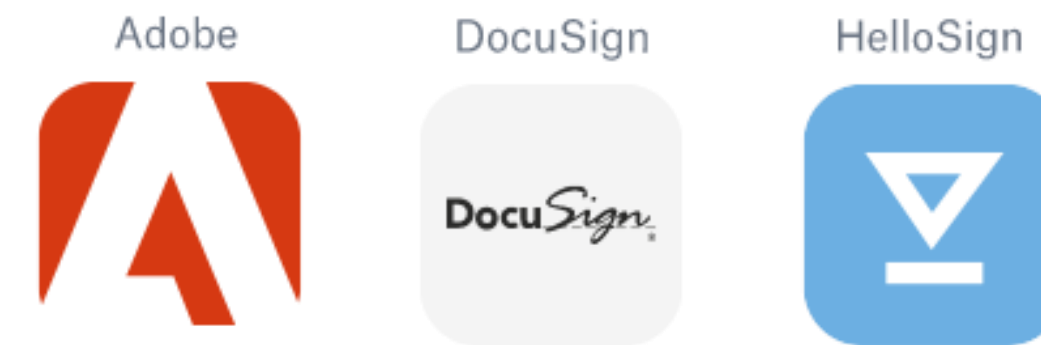
Extensions

Seamlessly initiate and manage workflows

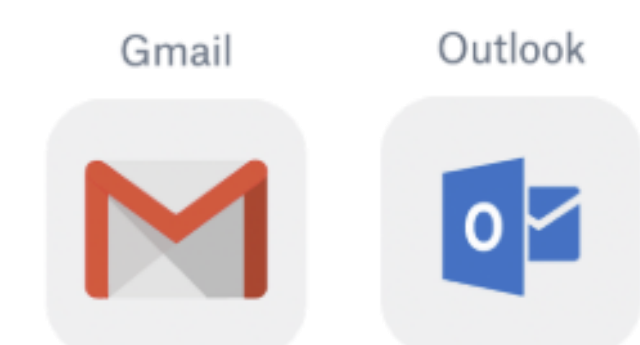
Bridge siloed tools to reduce toggling

Allow users to choose their preferred apps

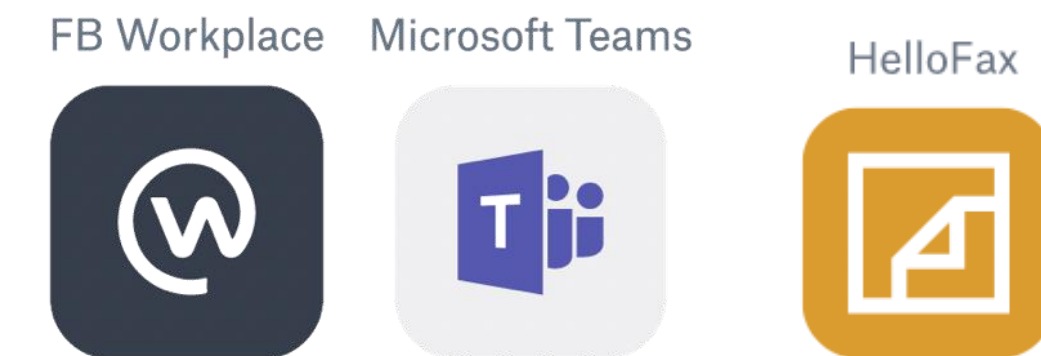
Request eSignatures



Send emails



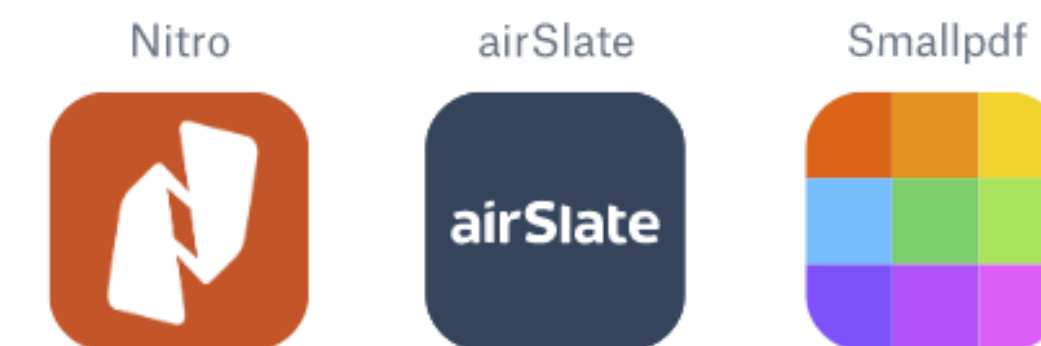
Send files and faxes to teammates



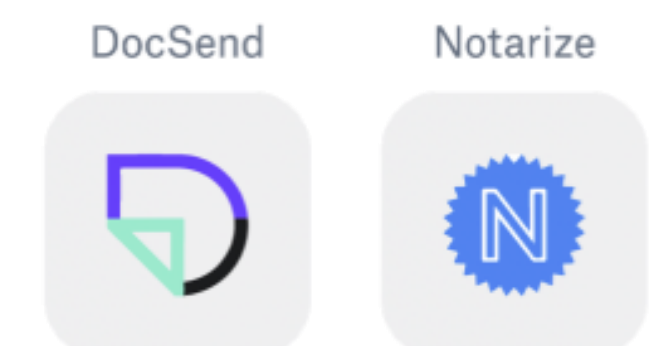
Add files to chat messages



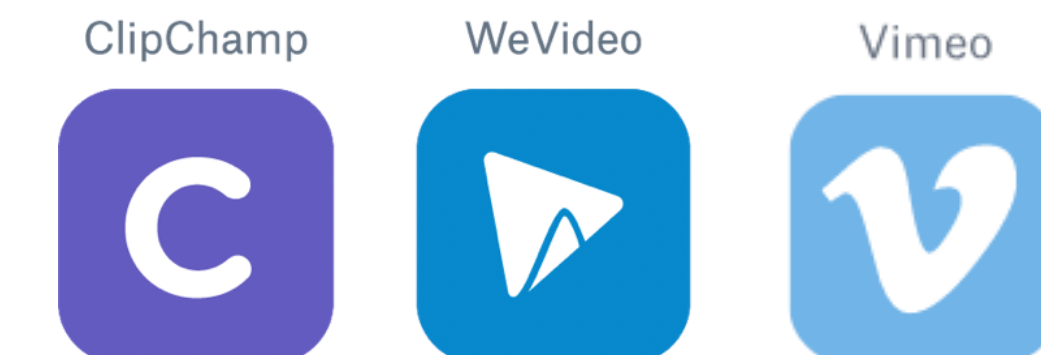
Edit PDFs



Manage document workflows



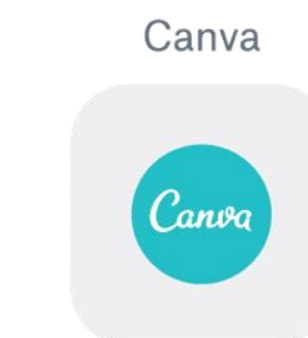
Edit and comment on video content



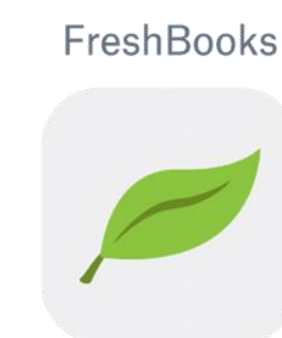
View, edit, and adjust images



Create designs



Submit expenses



Dropbox Transfer

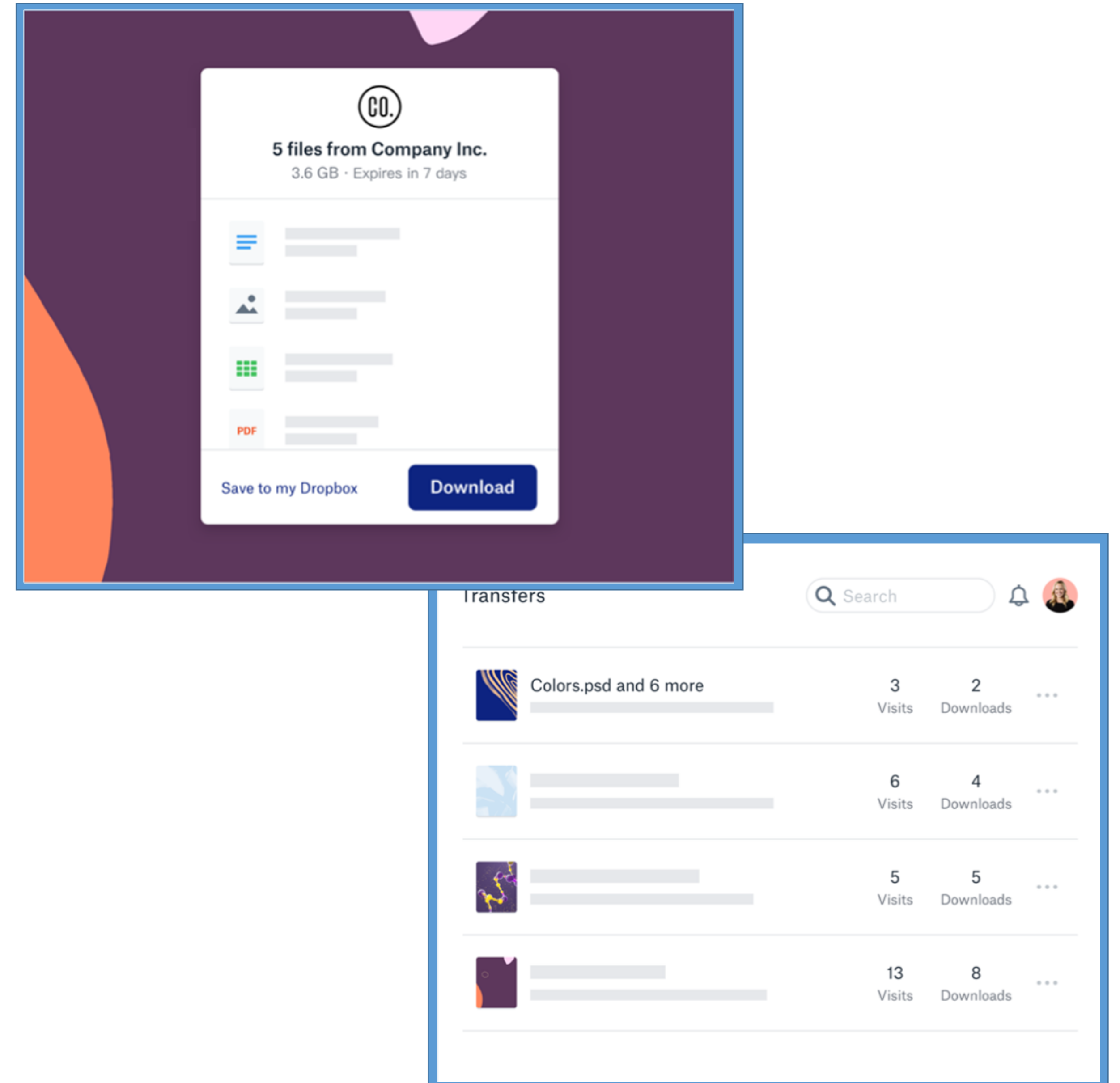
Easily and securely share large files and folders

Recipients can view, download, and comment on Transfers

Senders receive analytics and real-time notifications around file activity

Note: Size of Transfers varies based on Dropbox plan: Basic (100MB), Plus & Standard (2GB), Professional, Advanced, Enterprise, and Education (100GB).

Note: Transfers are automatically set to expire after 7 days, but Professional, Advanced, Enterprise, and Education users have the option to set the transfer to expire in 7, 30, 60, or 90 days.



Deep integration partners



Google


Adobe

zoom

 slack

 Microsoft

 **ATLASSIAN**

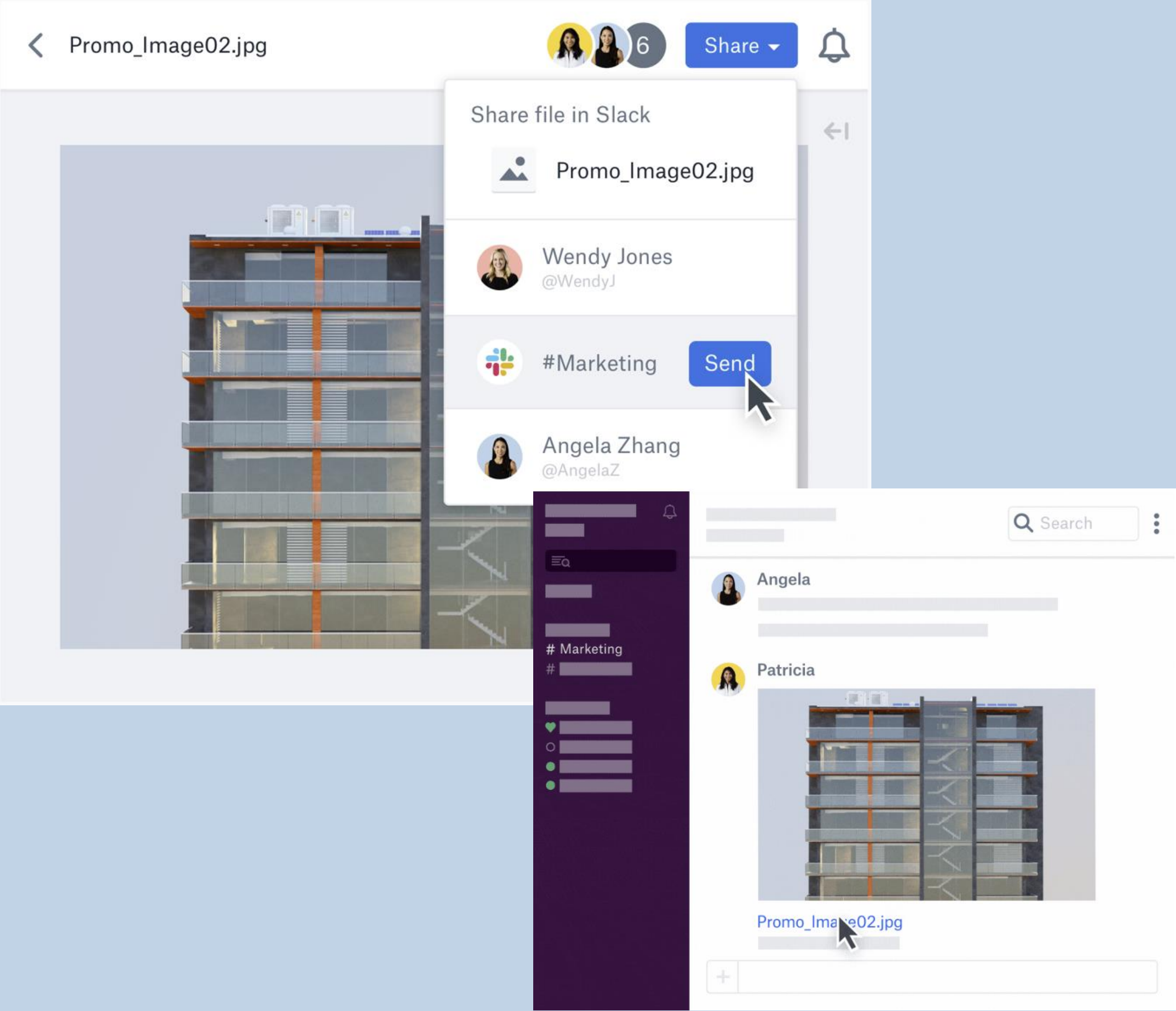
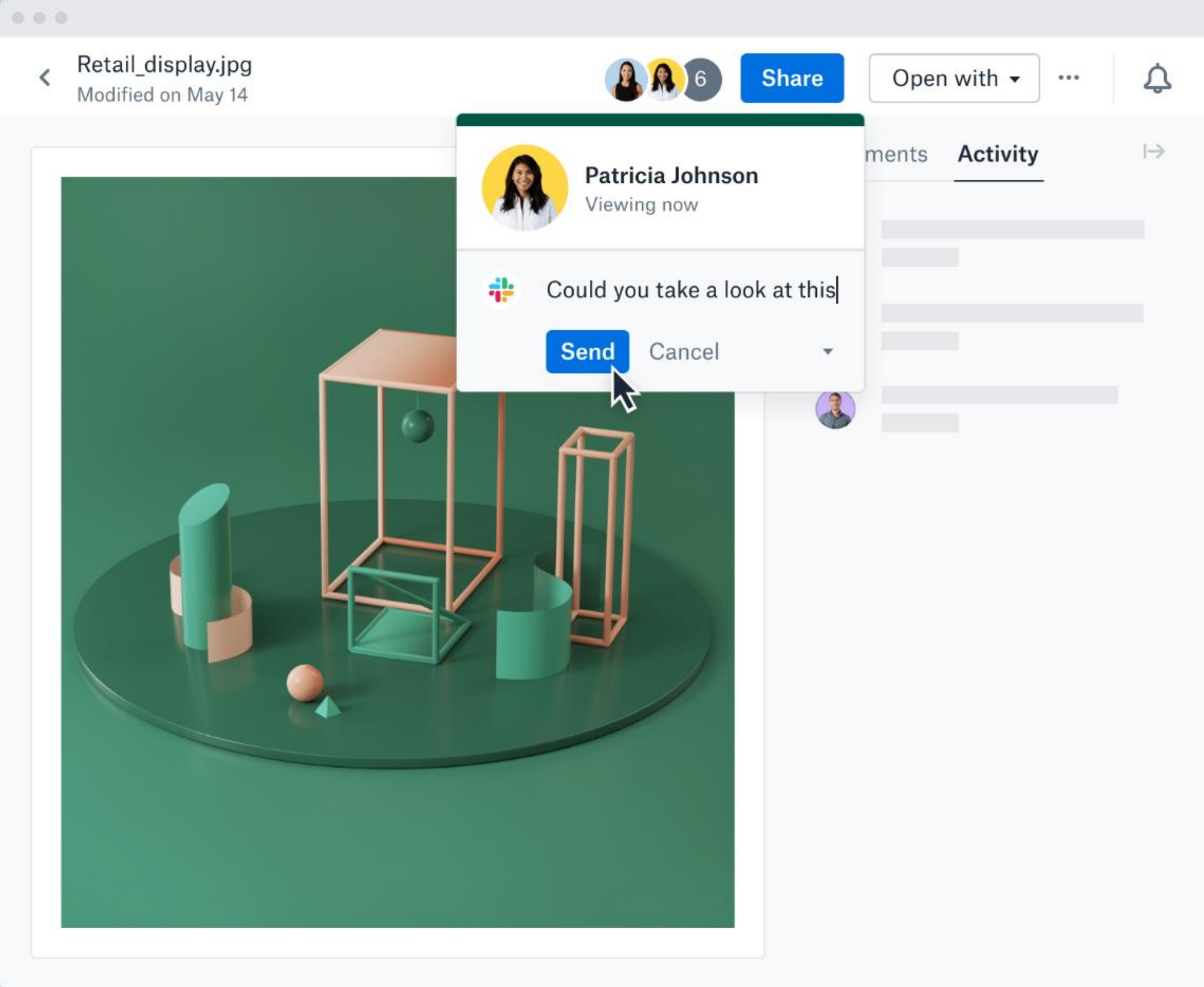
 BetterCloud

 salesforce

Slack integration

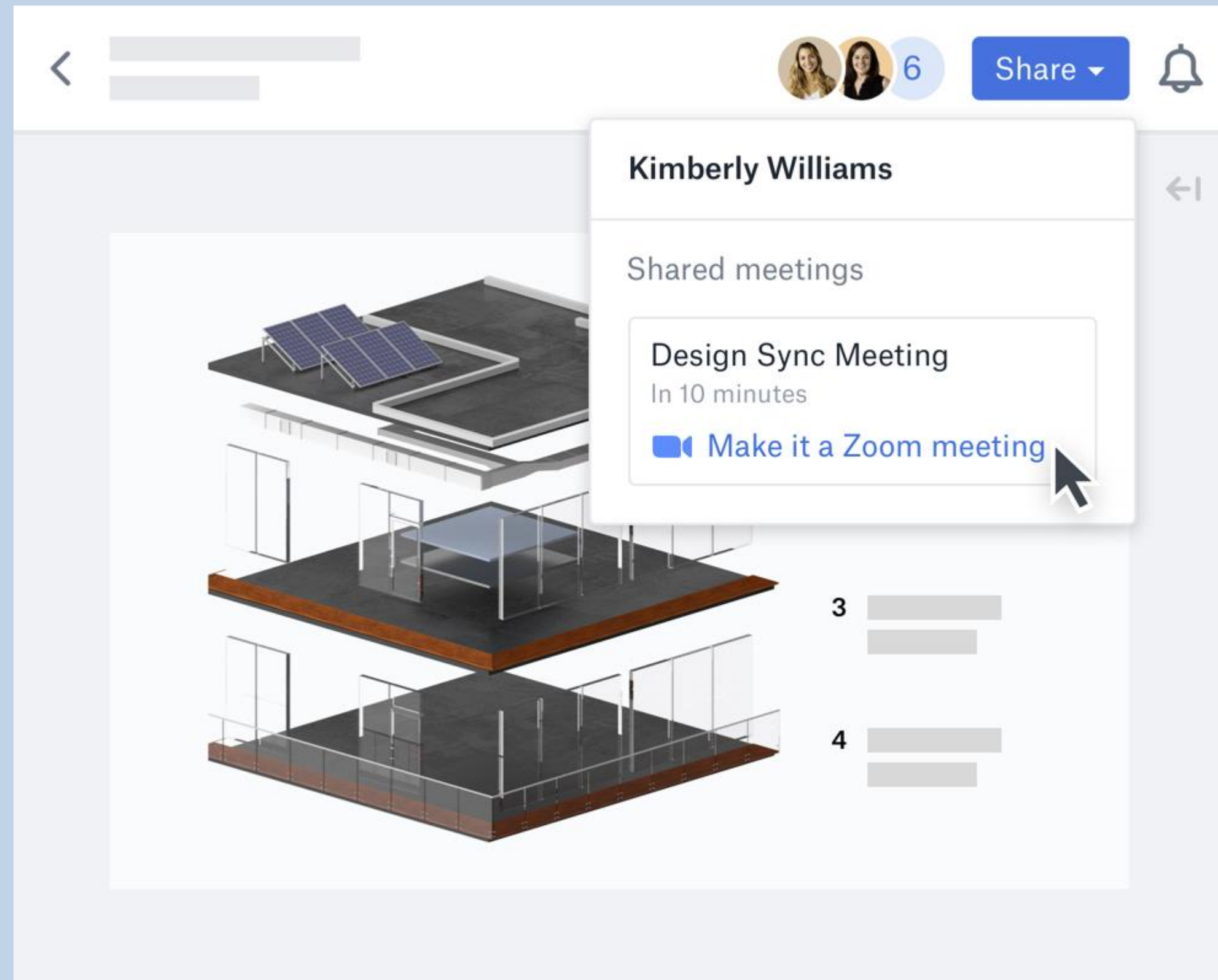
Start Slack conversations from Dropbox

Share content to Slack from Dropbox

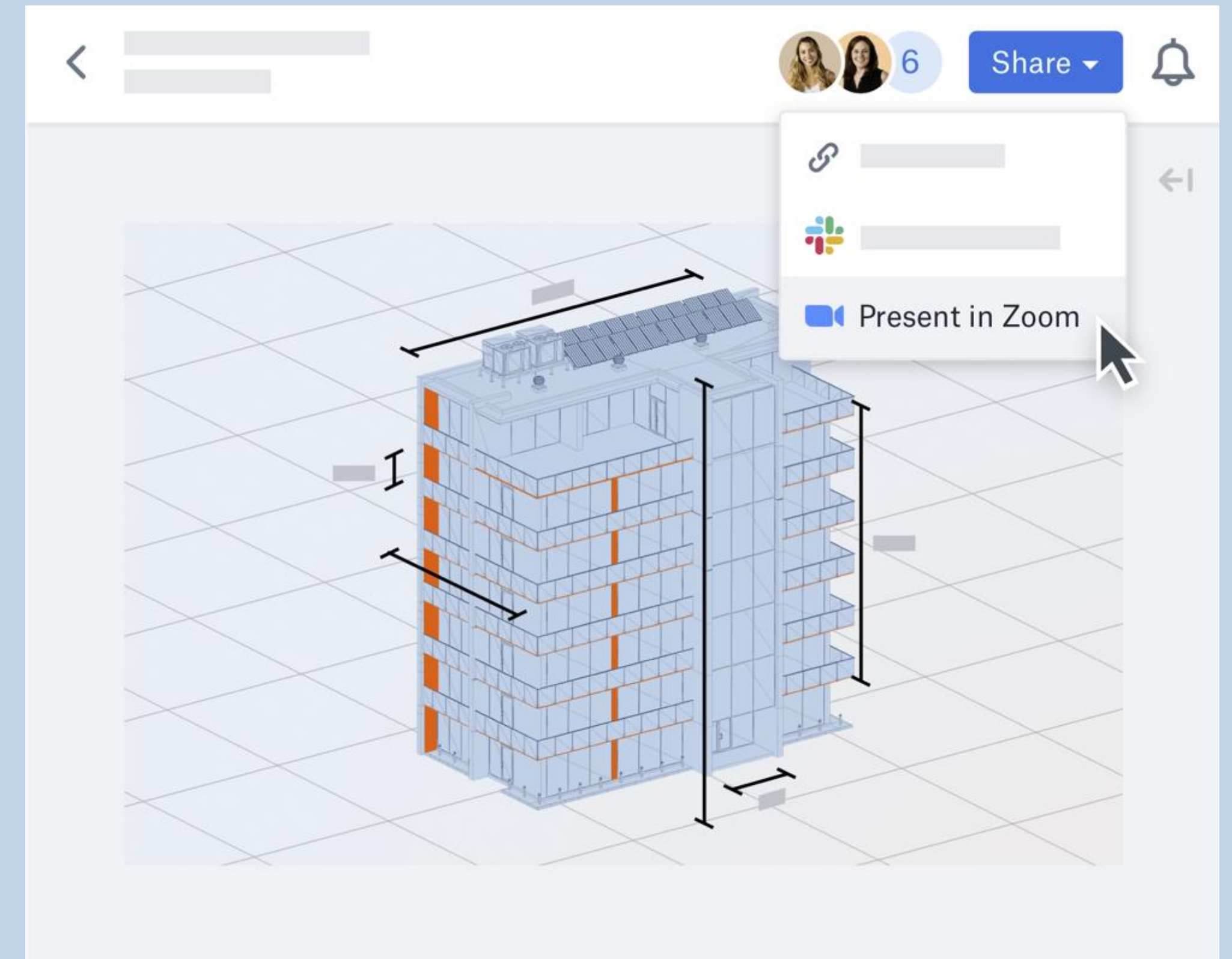


Zoom integration

Start Zoom meetings from Dropbox



Present Dropbox content via Zoom



Data protection & orchestration



Automated workflows for account capture, onboarding, & offboarding

Data loss prevention

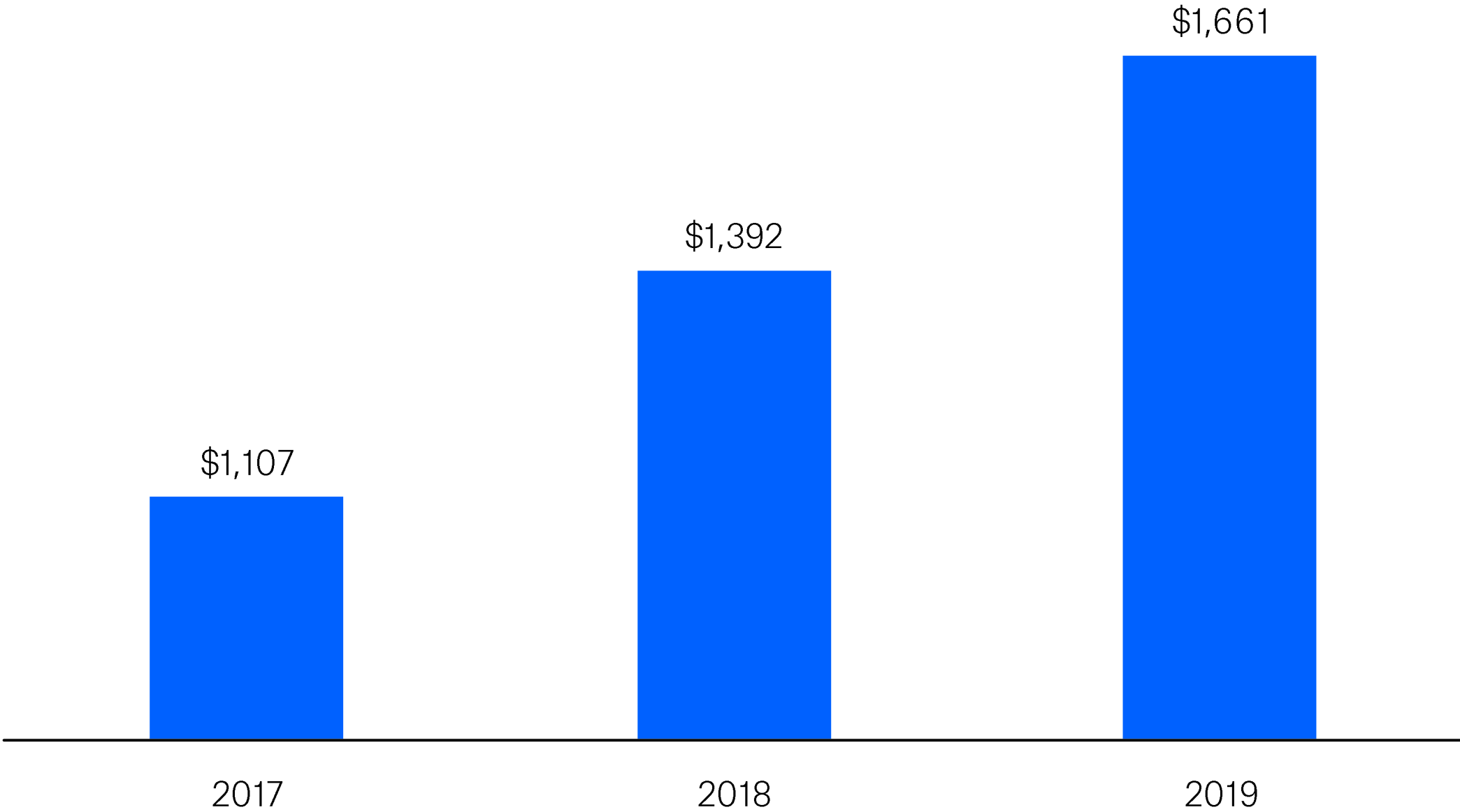
New add-on SKU to be sold by DBX

Financial highlights

Financial highlights

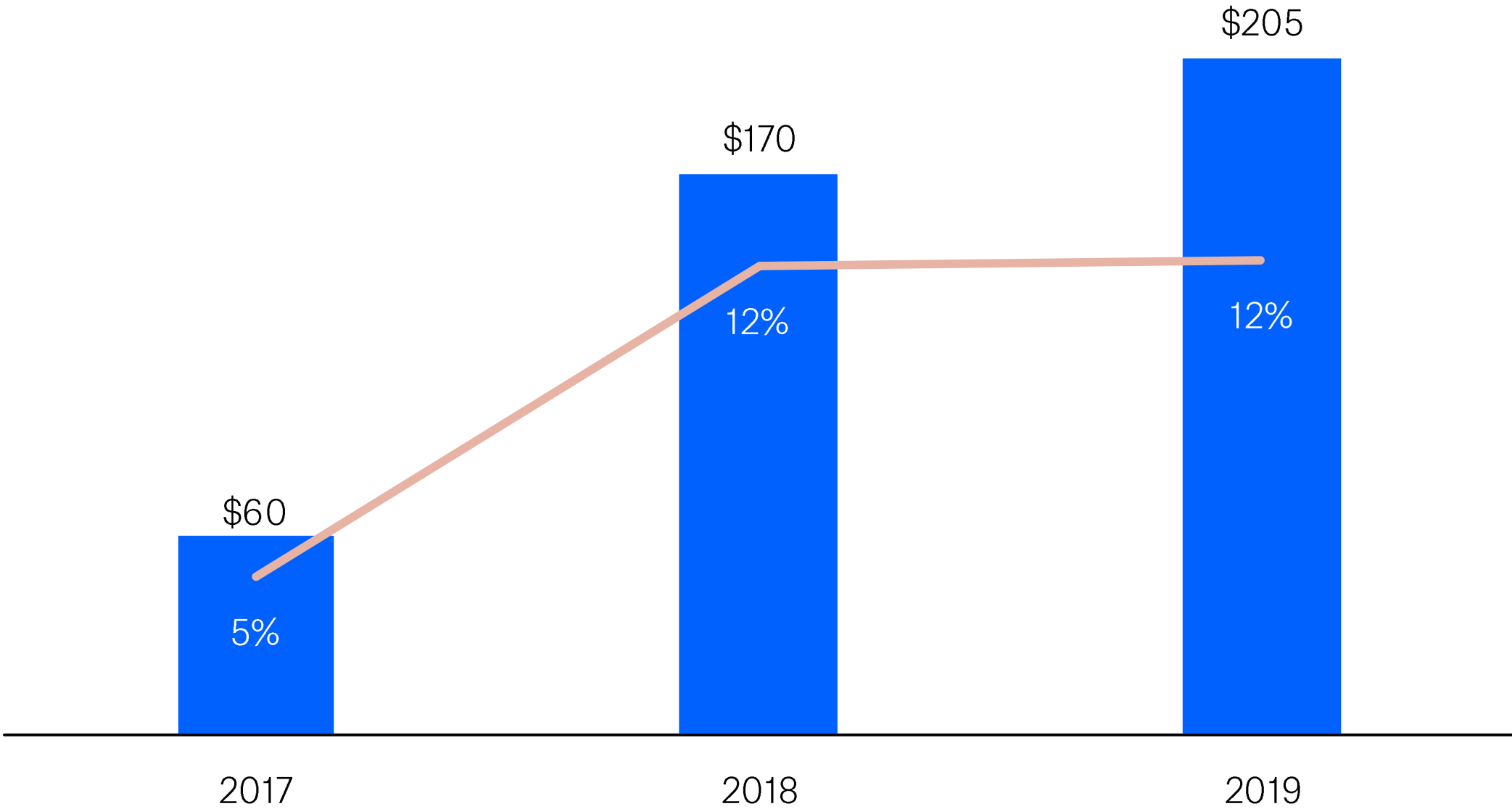
Revenue (\$M)

19% YoY growth in 2019



Operating income (\$M)

■ Non-GAAP operating income
— Non-GAAP operating margin

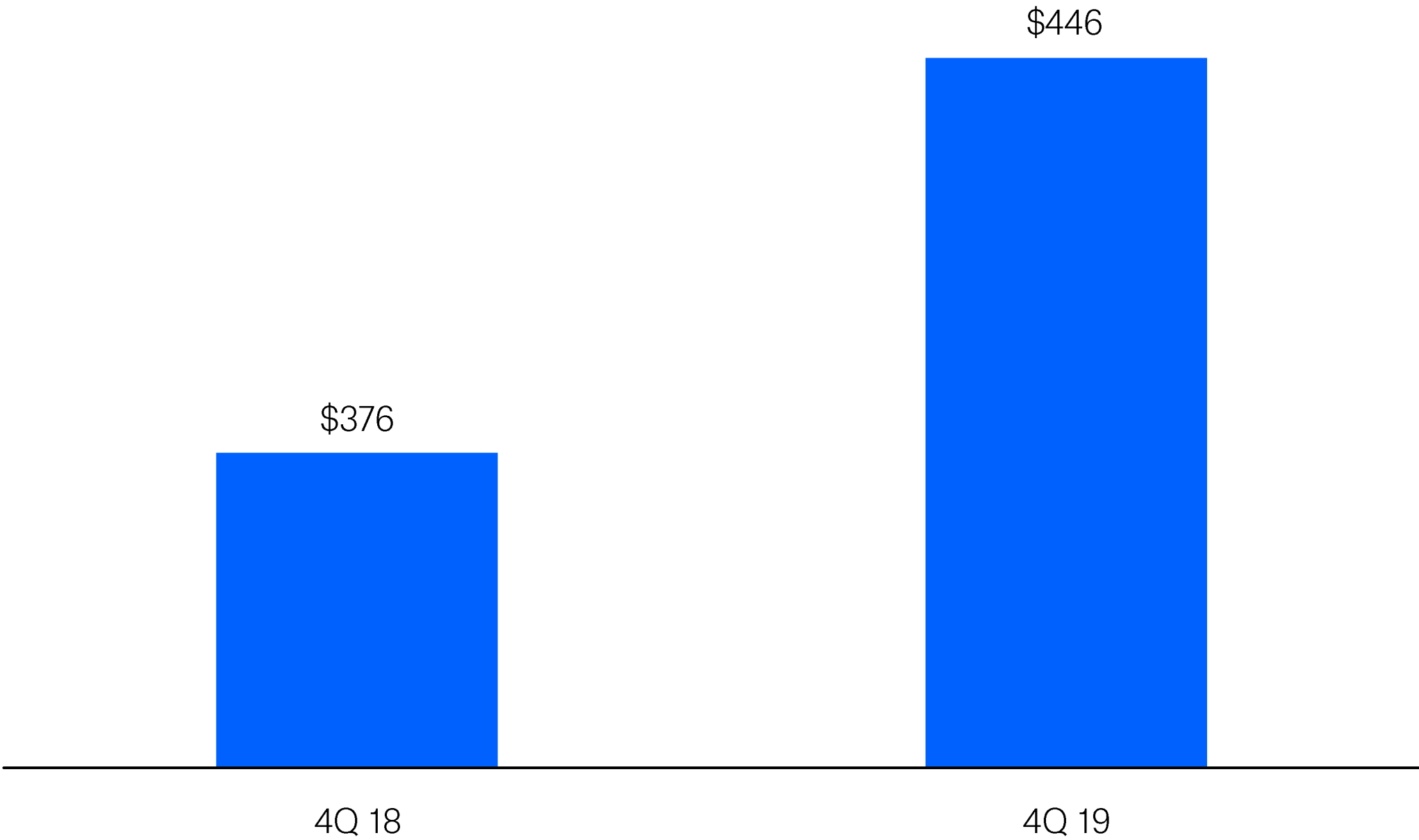


Figures presented are non-GAAP and exclude stock-based compensation expense and certain non-recurring adjustments. See appendix for non-GAAP reconciliation.

Financial highlights

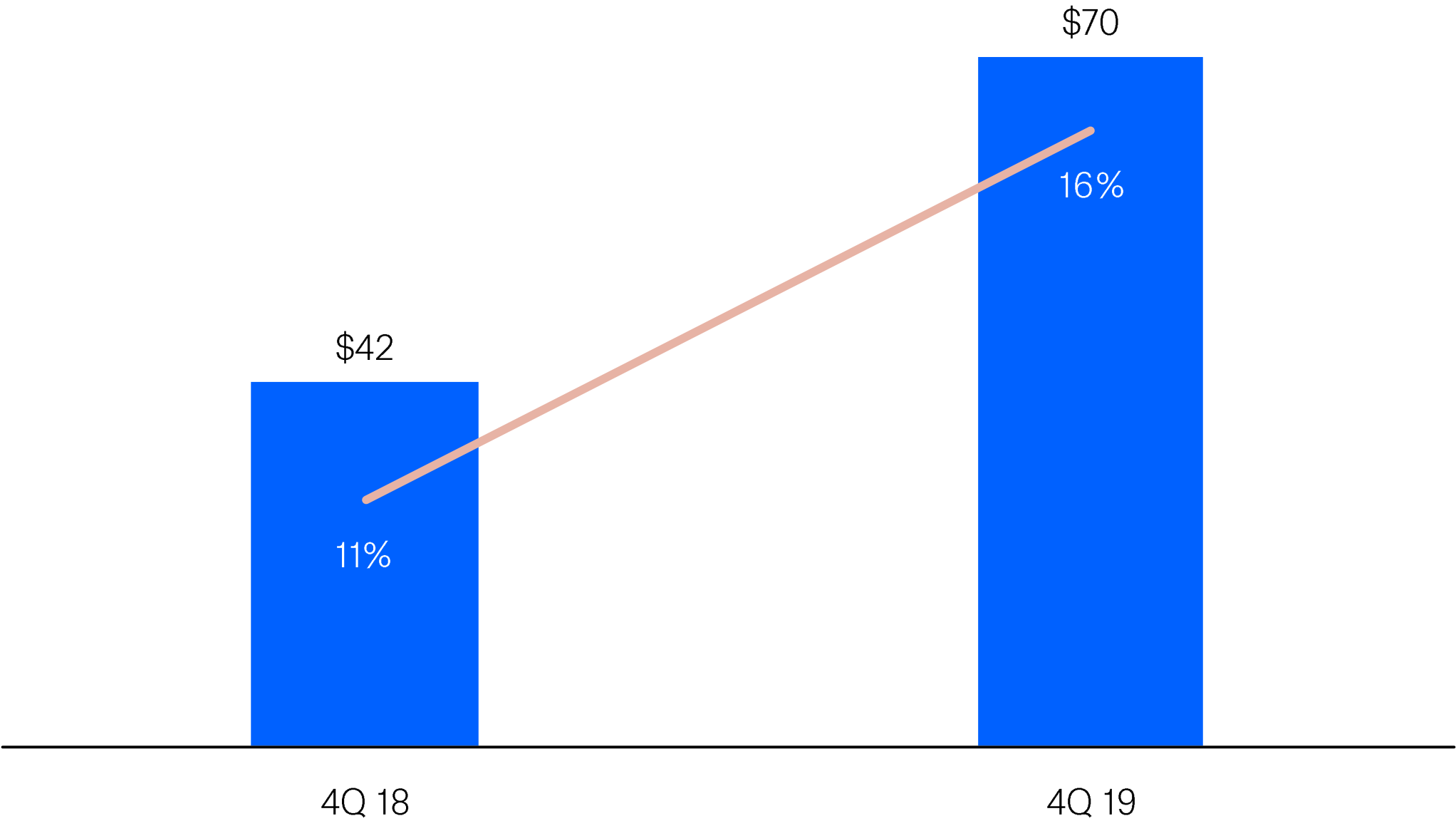
Revenue (\$M)

19% YoY growth in Q4'19



Operating income (\$M)

- Non-GAAP operating income
- Non-GAAP operating margin



Figures presented are non-GAAP and exclude stock-based compensation expense, amortization of acquired intangibles, and HelloSign acquisition-related expenses. See appendix for non-GAAP reconciliation.

Target model

Non-GAAP	2019	Long-term target
Gross margin	76%	78-80%
R&D expense as % of revenue	30%	23-25%
S&M expense as % of revenue	23%	18-20%
G&A expense as % of revenue	11%	8-10%
Operating margin	12%	28-30%
Annual Free Cash Flow	\$392M	\$1B+

Appendix

Dropbox subscription plans

Individuals



Teams



Basic	Plus	Professional	Standard	Advanced	Enterprise
Free	\$11.99 / month \$119.88 / year	\$19.99 / month \$199.00 / year	\$15.00 / user / month \$150.00 / user / year <i>3 users minimum</i>	\$25.00 / user / month \$240.00 / user / year <i>3 users minimum</i>	Negotiated pricing
		Everything in Plus	Everything in Professional	Everything in Standard	Everything in Advanced
	Smart Sync Dropbox Rewind Dropbox Transfer* Full text search Remote device wipe Priority email support 30 day version history	Enhanced Smart Sync Auto OCR Premium previews Watermarking Time-based comments Shared link controls 180 day version history	Team folders Admin console Granular permissions Active directory connector Enables HIPAA compliance Unlimited API access**	Business hours phone support Single sign-on integration (SSO) Audit logs Device approvals Tiered admin roles	24/7 phone support Enterprise mobility management (EMM) Network control Domain insights and analytics
2GB of storage	2TB storage	3TB storage	5TB storage	As much storage as needed	As much storage as needed

*Size of Dropbox Transfer varies based on Dropbox plan: Basic (100MB), Plus & Standard (2GB), Professional, Advanced, and Enterprise (100GB).

**Teams have unlimited API access to productivity and security partners but may be subject to a cap on API calls to data transport partners.

HelloSign subscription plans

HELLOSIGN

HELLOSIGN API

Free	Pro	Business	Enterprise*	Bronze	Silver	Gold	Enterprise***
1 user 3 docs / mo	\$15 / mo 1 user 1 template	\$10 / user Minimum 5 users Starts at 5 templates	\$30 / user Minimum 5 users Unlimited templates	\$99 / mo 50 API calls 5 templates	\$249 / mo 150 API calls 15 templates	\$449 / mo 450 API calls Unlimited templates	Negotiated pricing 1,000+ API calls Unlimited templates
	Everything in Free	Everything in Pro	Everything in Business		Everything in Bronze	Everything in Silver	Everything in Gold
Audit trail Notifications	2-factor auth Template links Decline to sign	Custom branding In-person signing Team features	Signer attachments Advanced signing Advanced reporting Team management Master account billing HIPAA (w/ BAA) CRM/CPQ Integration**	Test mode Decline to sign Optional signers Audit trail Notifications	Embedded signing Embedded requesting Single foreign language	Multi-foreign languages Advanced signing Custom branding Signer attachments Bulk send	Embedded templates White labeling Data deletion HIPAA (w/ BAA)

Unlimited document storage in HelloSign or
Prebuilt storage integrations with Dropbox and several others

Unlimited document storage in HelloSign

*Additional **Enterprise+** plan available with advanced functionality

**Salesforce SalesCloud, Salesforce CPQ and Oracle CPQ add-ons available at an additional \$5 / \$15 / \$15 / user per month respectively

***Higher volume API plans with advanced functionality available

HelloWorks subscription plans

SMB		Mid Market			ENT
HW Free	HW 150	HW 250	HW 450	HW 1K+	
\$0 / mo Up to 100 txns* / mo	\$299 / mo Up to 150 txns* / mo	\$399 / mo Up to 250 txns* / mo	\$699 / mo Up to 450 txns* / mo	Negotiated Pricing Starts at 1,000 txns* / mo	
Unlimited Users/Teams Unlimited Workflows Unlimited Participants HelloWorks Portal API Access Shareable Links Conditional Logic	Everything in Free Company Branding SMS Authentication	“	” “	”	Everything in Mid Market Delegated Authentication
Unlimited Storage	Unlimited Storage	Unlimited Storage	Unlimited Storage	Unlimited Storage	Unlimited Storage

**Any time a workflow is launched (or sent out) for completion a single (1) "Transaction" (txn) is created*

HelloFax subscription plans

Free	Home Office	Professional	Small Business	Enterprise*
1 user 5 pages	\$9.99 / mo 5 users 300 pages / mo	\$19.99 / mo 10 users 500 pages / mo	\$39.99 / mo 20 users 1,000 pages / mo	Negotiated pricing 20+ users Starts at 2,000 pages / mo
	Everything in Free	Everything in Home Office	Everything in Professional	Everything in Small Business
Single fax line** Int'l coverage Edit & sign	Email to fax Receive faxes Multi-recipient faxes API access***			

Unlimited document storage in HelloFax or
Prebuilt storage integrations with Dropbox and several others

*Higher volume plans available with advanced features

**Additional fax lines available for \$4.99 / month

***API access available for an add-on fee of \$2 / month per line and \$0.05 / page with a \$100 minimum monthly fee

Non-GAAP reconciliation

	Twelve months ended		
	2017	2018	2019
Loss from operations - GAAP	\$ (113.7)	\$ (494.0)	\$ (80.5)
Stock-based compensation	164.6	650.1	261.2
Donation of common stock to the Dropbox Foundation	9.4	-	-
Employer payroll taxes related to the release of two-tier RSUs	-	13.9	-
Acquisition-related and other expenses	-	-	15.9
Amortization of acquired intangible assets	-	-	8.4
Income from operations - Non-GAAP	\$ 60.3	\$ 170.0	\$ 205.0

Non-GAAP reconciliation

	Three months ended	
	December 31, 2018	December 31, 2019
Loss from operations - GAAP	\$ (12.0)	\$ (6.6)
Stock-based compensation	53.5	69.3
Acquisition-related and other expenses	-	4.5
Amortization of acquired intangible assets	-	2.3
Income from operations - Non-GAAP	<u>\$ 41.5</u>	<u>\$ 69.5</u>



Dropbox