Dropbox, Inc. Announces $1.0 Billion Convertible Notes Offering

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SAN FRANCISCO--(BUSINESS WIRE)--Nov. 9, 2026-- Dropbox, Inc. (“Dropbox”) (NASDAQ: DBX) today announced its intention to offer, subject to market conditions and other factors, $1.0 billion aggregate principal amount of convertible senior notes due 2031 (the “Notes”) in a private placement to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the “Act”). Dropbox also expects to grant the initial purchasers of the Notes a 13-day option to purchase up to an additional $150.0 million aggregate principal amount of the Notes.

The Notes will be senior, unsecured obligations of Dropbox, and interest will be payable semi-annually in arrears. Upon conversion, Dropbox will pay cash up to the aggregate principal amount of Notes to be converted and pay or deliver, as the case may be, cash, shares of Dropbox’s Class A common stock (“Class A common stock”) or a combination of cash and shares of Class A common stock, at Dropbox’s election, in respect of the remainder, if any, of Dropbox’s conversion obligation in excess of the aggregate principal amount of Notes being converted. The interest rate, conversion rate, and other terms of the Notes are to be determined upon pricing of the offering.

Dropbox intends to use a portion of the net proceeds of the offering of the Notes to pay the cost of the convertible note hedge transactions described below (after such cost is partially offset by the proceeds to Dropbox from the warrant transactions described below) and to repurchase approximately $175.0 million of the Class A common stock from institutional investors through one of the initial purchasers of the Notes or their affiliates, as Dropbox’s agent, concurrently with the pricing of the Notes. Dropbox expects to use the remaining proceeds from the offering, together with cash on hand, for the repayment of at least $750.0 million aggregate principal amount of outstanding borrowings under its term loan facility.

In connection with the pricing of the Notes, Dropbox expects to enter into privately negotiated convertible note hedge and warrant transactions with one or more of the initial purchasers or their affiliates and/or other financial institutions (the “option counterparties”). The convertible note hedge transactions are expected generally to offset the potential dilution to the Class A common stock upon any conversion of the Notes and/or reduce any cash payments Dropbox is required to make in excess of the principal amount of converted Notes, as the case may be. The warrant transactions would separately have a dilutive effect to the extent that the market value per share of the Class A common stock exceeds the strike price of any warrants unless, subject to the terms of the warrant transactions, Dropbox elects to cash settle instead of net share settle the warrants. If the initial purchasers exercise their option to purchase additional Notes, Dropbox expects to enter into additional convertible note hedge and additional warrant transactions relating to the additional Notes.

Dropbox has been advised that, in connection with establishing their initial hedges of the convertible note hedge and warrant transactions, the option counterparties or their respective affiliates expect to purchase shares of the Class A common stock and/or enter into various derivative transactions with respect to the Class A common stock concurrently with, or shortly after, the pricing of the Notes. This activity could increase (or reduce the size of any decrease in) the market price of the Class A common stock or the Notes at that time. In addition, Dropbox has been advised that the option counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to the Class A common stock and/or by purchasing or selling shares of the Class A common stock or other securities of Dropbox in secondary market transactions following the pricing of the Notes and prior to the maturity of the Notes (and are likely to do so during any observation period related to a conversion of the Notes, in connection with any redemption, fundamental change repurchase of the Notes and, to the extent Dropbox unwinds a corresponding portion of the convertible note hedge and warrant transactions, following any other repurchase of the Notes or if Dropbox otherwise unwinds all or a portion of the convertible note hedge and/or warrant transactions). This activity could also cause or avoid an increase or a decrease in the market price of the Class A common stock or the Notes, which could affect the ability of noteholders to convert the Notes and, to the extent the activity occurs during any observation period related to a conversion of the Notes, it could affect the amount of cash and the number and value of the shares of the Class A common stock, if any, that noteholders will receive upon conversion of the Notes.

This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these securities and shall not constitute an offer, solicitation, or sale in any jurisdiction in which such offer, solicitation, or sale is unlawful. The convertible note hedge transactions, warrant transactions, Notes and the shares of Class A common stock issuable upon conversion of the Notes, if any, have not been, and will not be, registered under the Act or the securities laws of any other jurisdiction, and unless so registered, may not be offered or sold in the United States except pursuant to an applicable exemption from the registration requirements of the Act and applicable state laws.

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Media:
Pamela Hill
press@dropbox.com

Investors:
Sarah Schubach
IR@dropbox.com

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