



Dropbox

Company Presentation

November 2019

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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 June 30, 2019 that we filed with the Securities and Exchange Commission (the “SEC”) on August 9, 2019, and include, but are not limited to, our ability to retain and upgrade paying users; 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 quarterly report on Form 10-Q for the quarter ended September 30, 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.

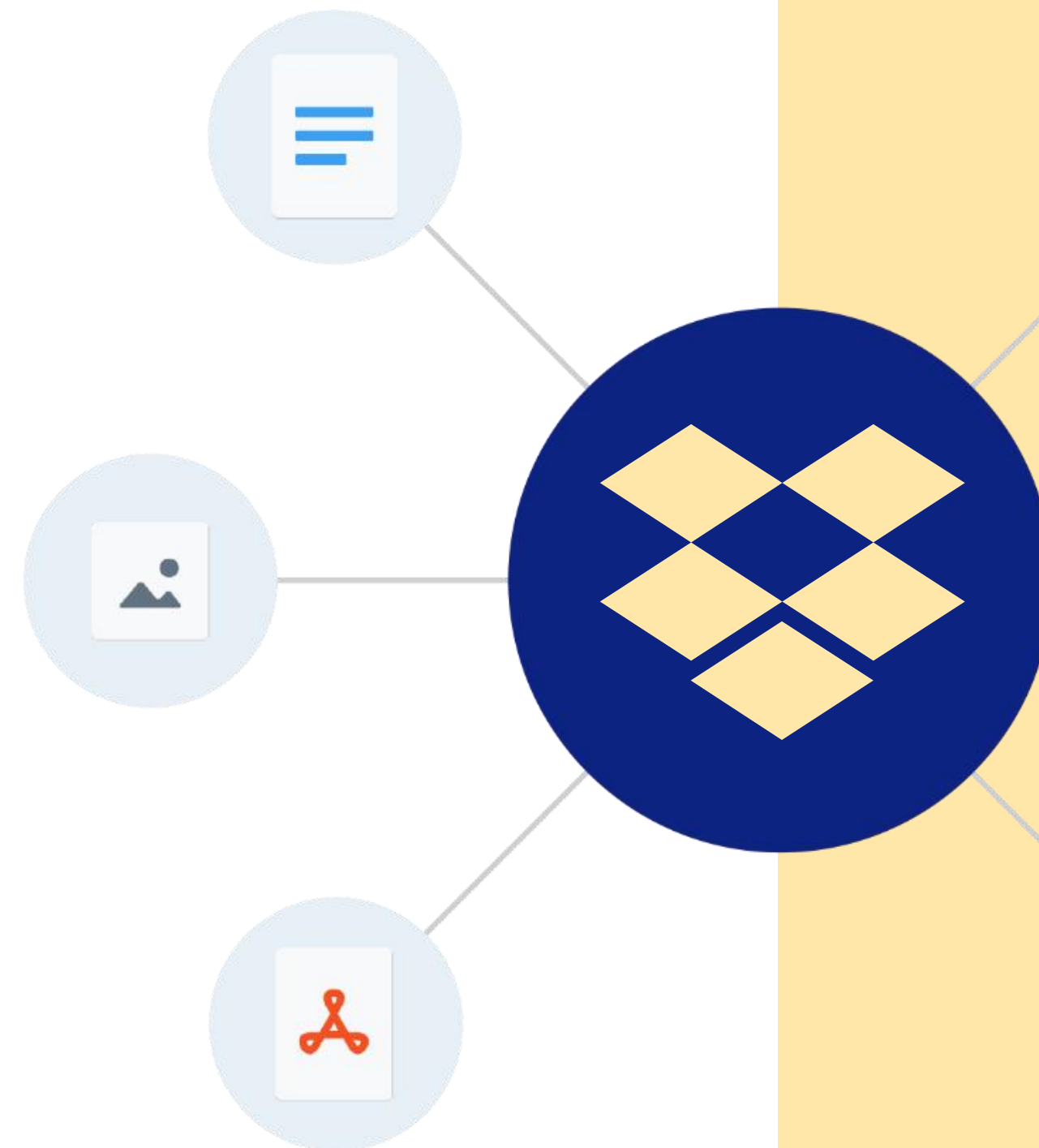
In addition to financial information presented in accordance with U.S. generally accepted accounting principles (“GAAP”), this presentation includes certain non-GAAP financial measures, including non-GAAP operating income and non-GAAP operating margin. These non-GAAP measures are presented for supplemental informational purposes only and should not be considered a substitute for financial information presented in accordance with GAAP. These non-GAAP measures have limitations as analytical tools, and they should not be considered in isolation or as a substitute for analysis of other GAAP financial measures. The non-GAAP measures Dropbox uses may differ from the non-GAAP measures used by other companies. A reconciliation of these measures to the most directly comparable GAAP measures is included at the end of this presentation.

This presentation also contains statistical data, estimates and forecasts that are based on independent industry publications or other publicly available information, as well as other information based on our internal sources. This information may be based on many assumptions and limitations, and you are cautioned not to give undue weight to such information. We have not independently verified the accuracy or completeness of the data contained in the industry publications and other publicly available information. Dropbox does not undertake to update such data after the date of this presentation.

Keeping files in sync

Cloud storage
2007

Backup & sync
File sharing
Shared folders



Keeping teams in sync

Smart Workspace
Today

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

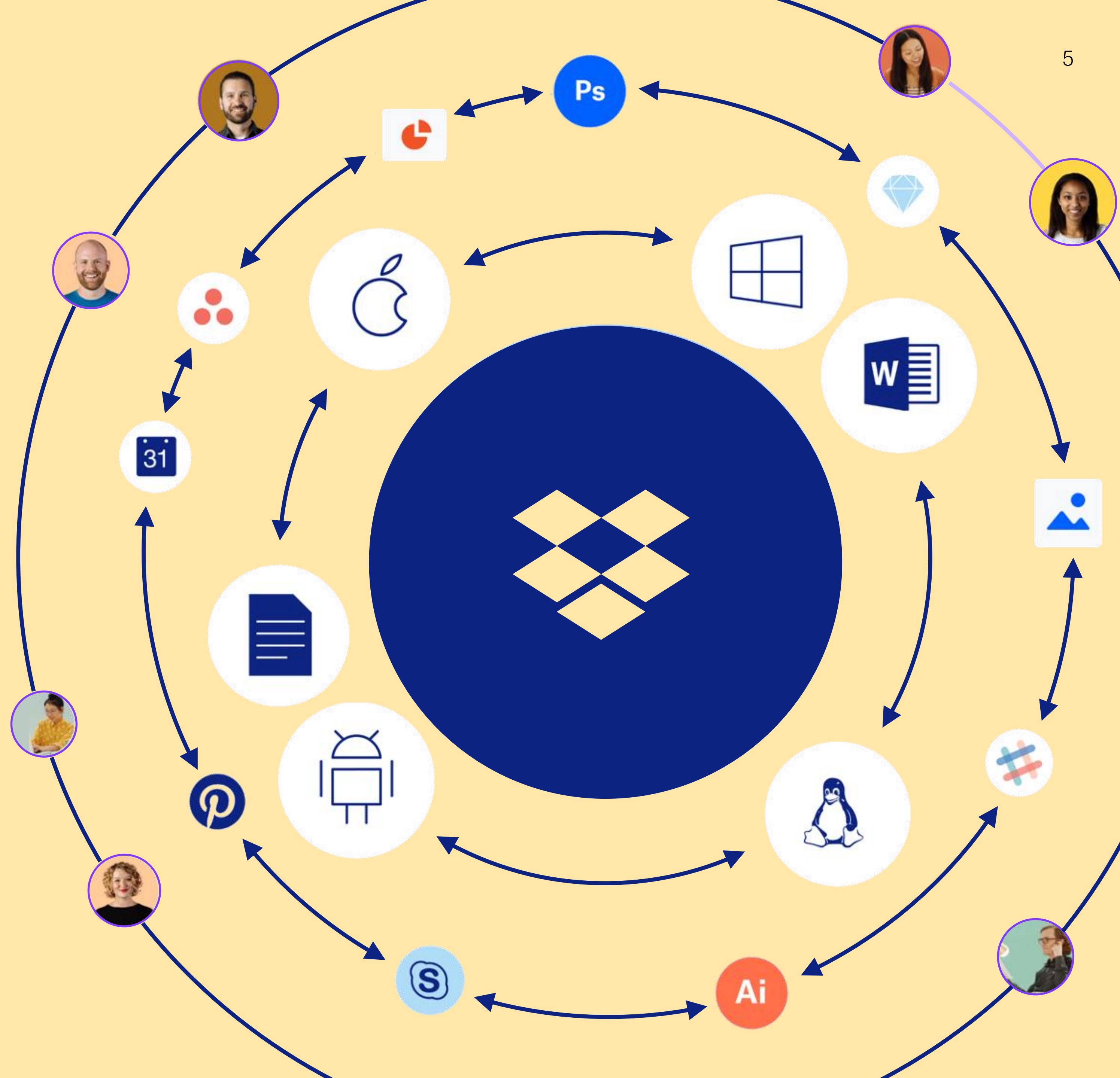
Global collaboration
platform at scale

600M+
registered users

550B+
pieces of content

14M
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


<


>


 Pepo Studio Inc.


 Angela Zhang


Starred Folders


 Warehouse

 Package Design

 Shipping

 Materials

 Resources

 Pepo Studio Inc.
zhang@...dioinc.com

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




 Production.gslides









 Box Samples



 Materials.pdf

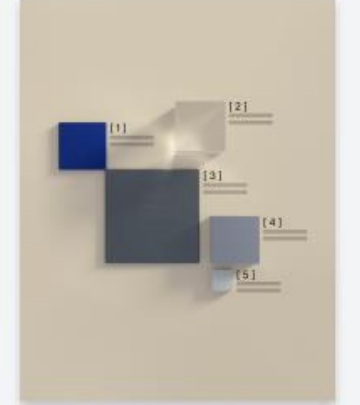
Updated just now by Angela Z

7 folders, 5 files




Create   




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


 Pepo Studio Inc. >  Package Design





Materials.pdf
7.2 MB • Modified 5 hours ago

 3


  


 Write a comment


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

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

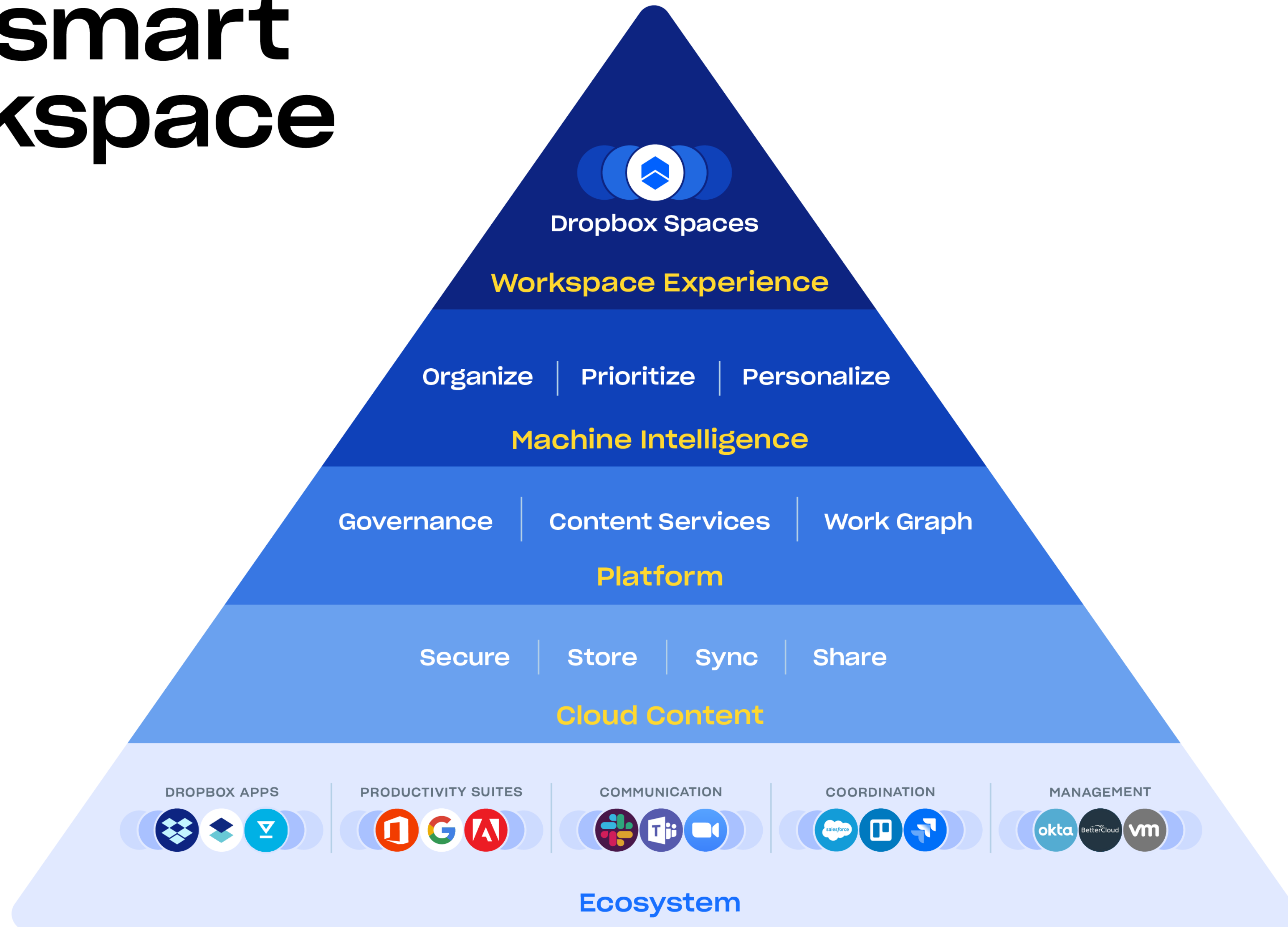
Activity

 Daniel Smith shared in **Zoom**
3 hours ago · Zoom

 Jay Singh shared in **#package-design**
3 hours ago · Slack

 William Jackson opened
2 hours ago

The smart workspace



Reinventing the software playbook

Traditional playbook

Designed for IT

Top-down distribution

Walled garden

Rip-and-replace

What sets Dropbox apart

vs. Designed for users

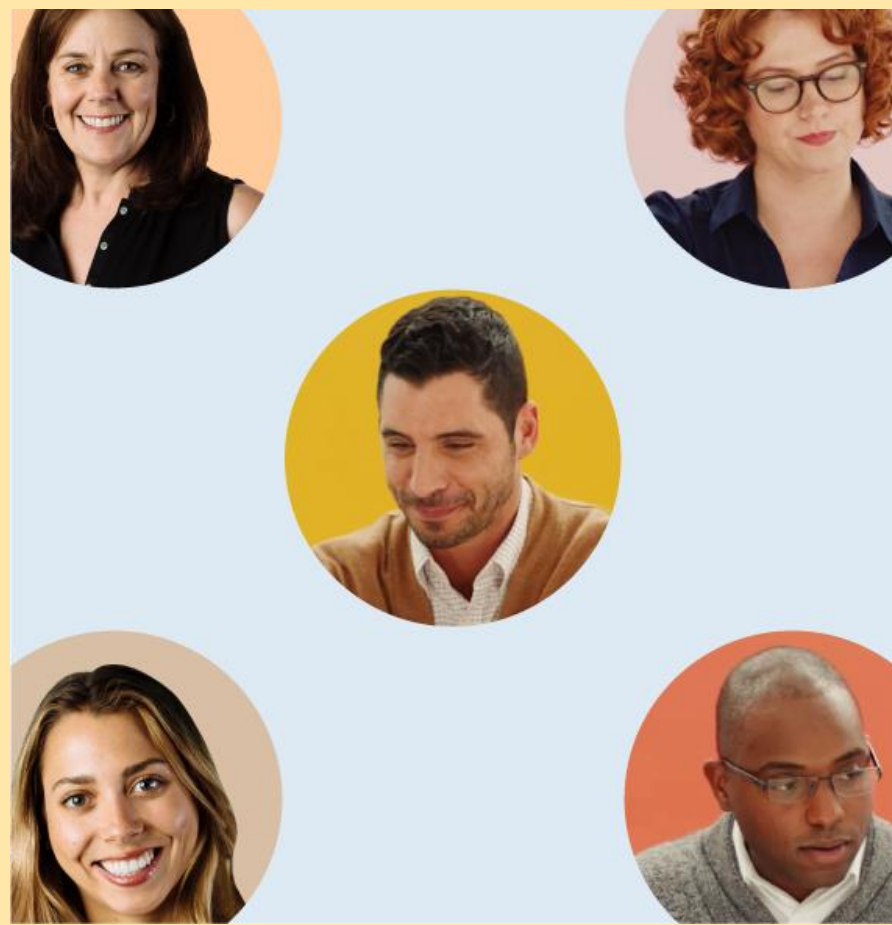
vs. Bottom-up adoption

vs. Open ecosystem

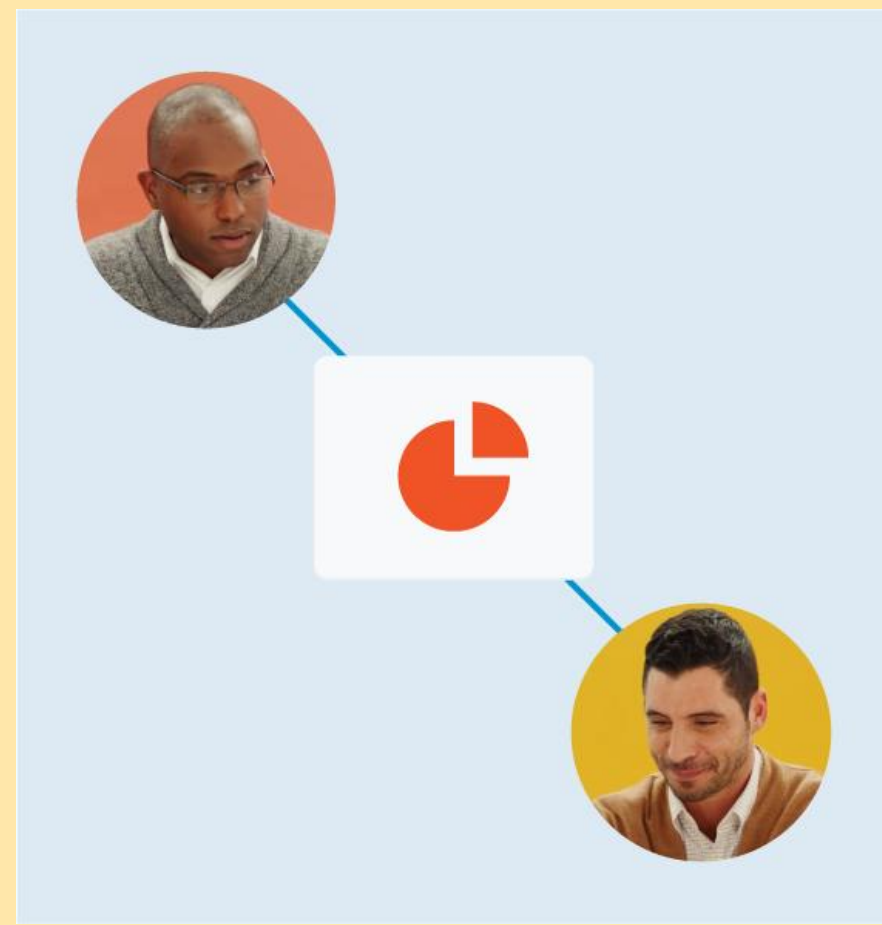
vs. Live side-by-side

Efficient Go-to-Market

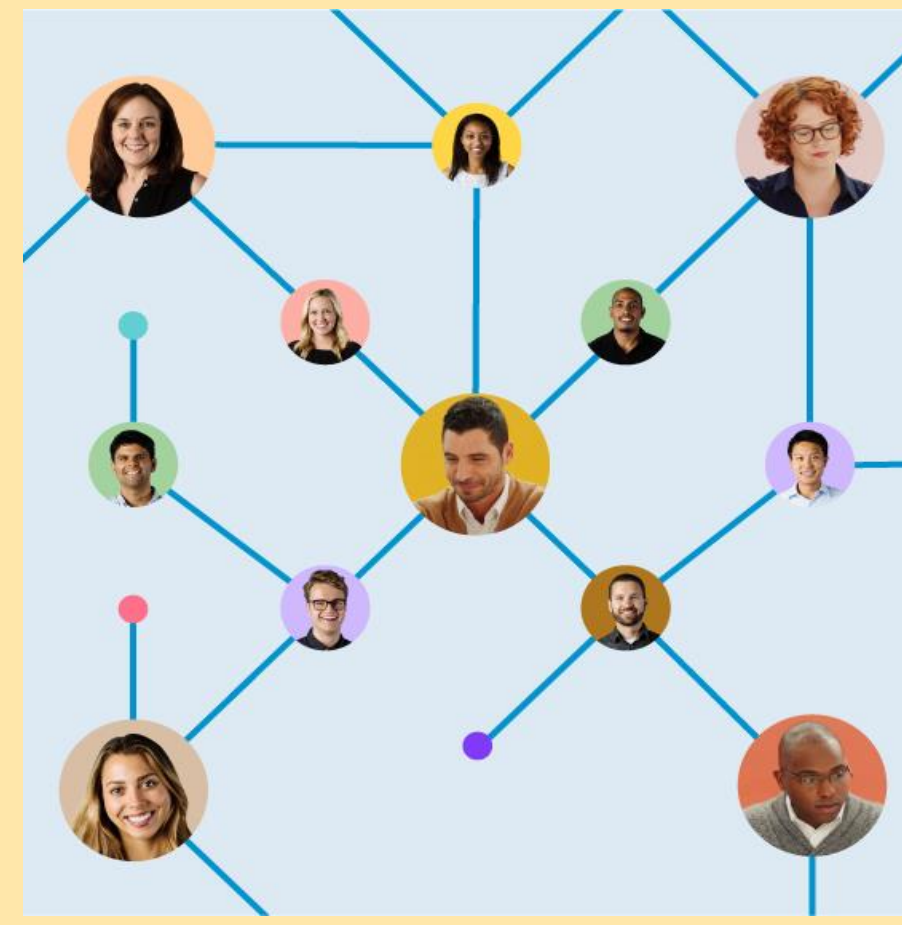
Self-serve “land”



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

500K+
registered
developers

Hybrid infrastructure: Scale, Agility, & Innovation



Growth drivers

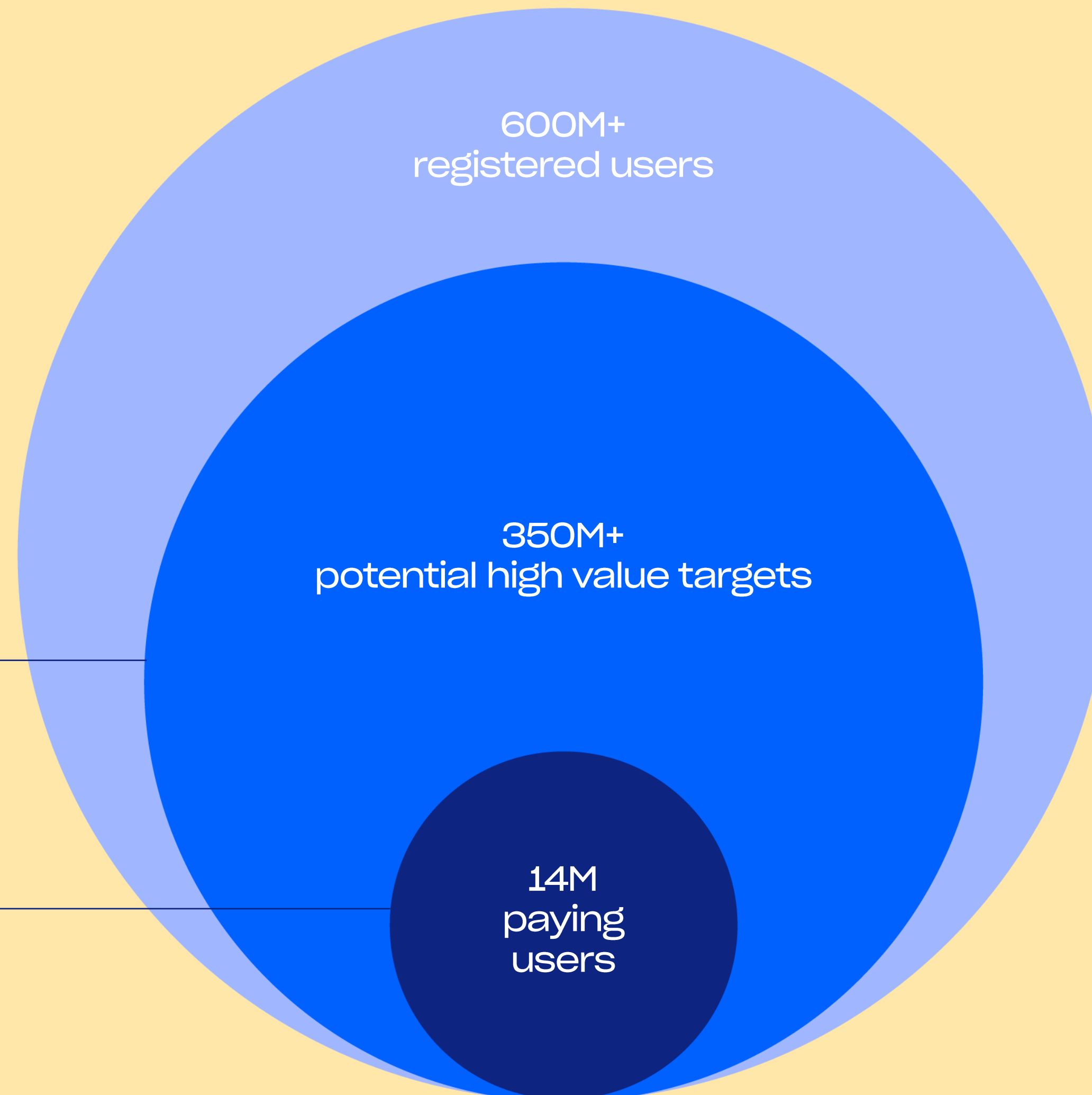
Execute

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

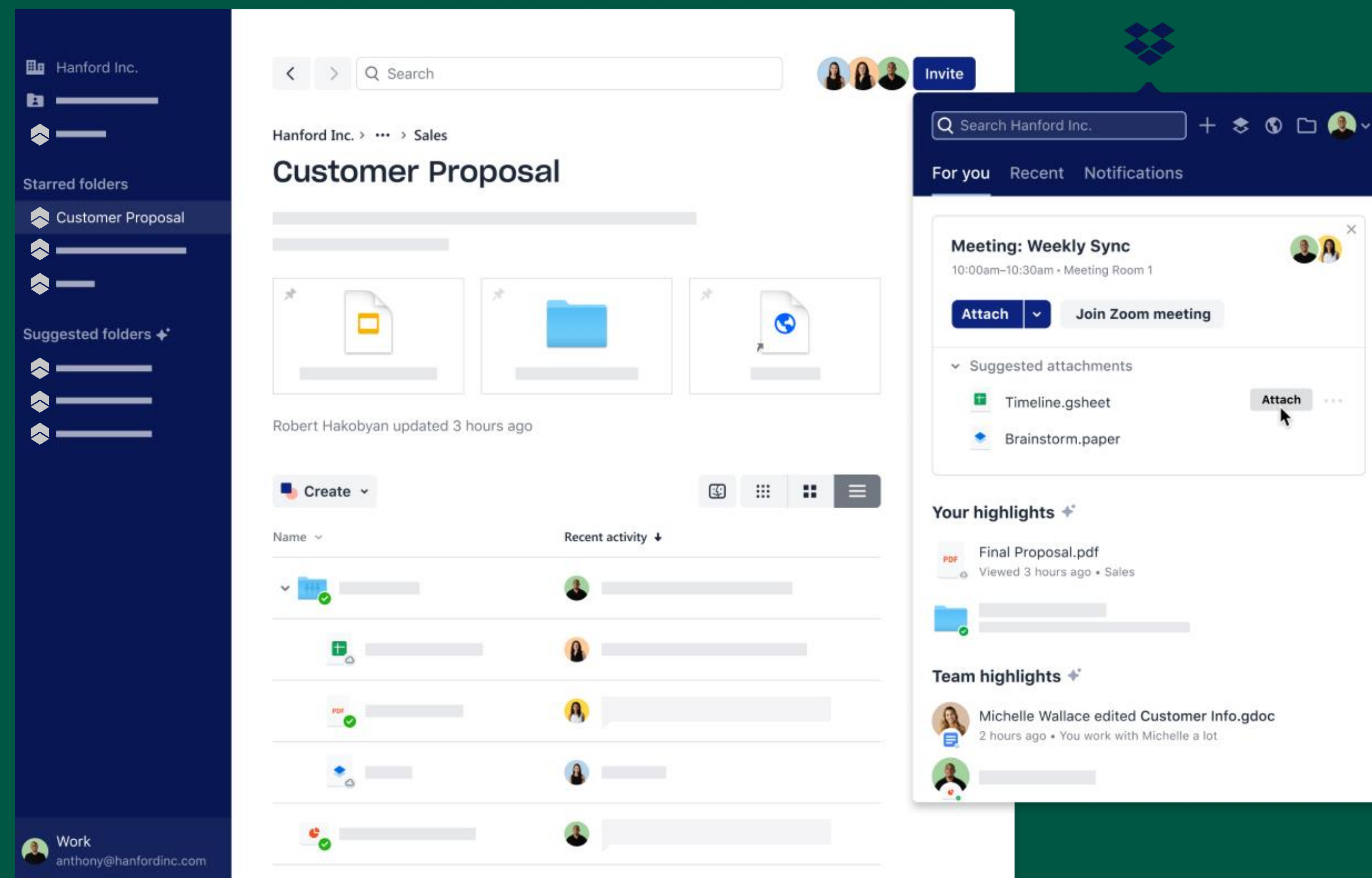
Product highlights

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

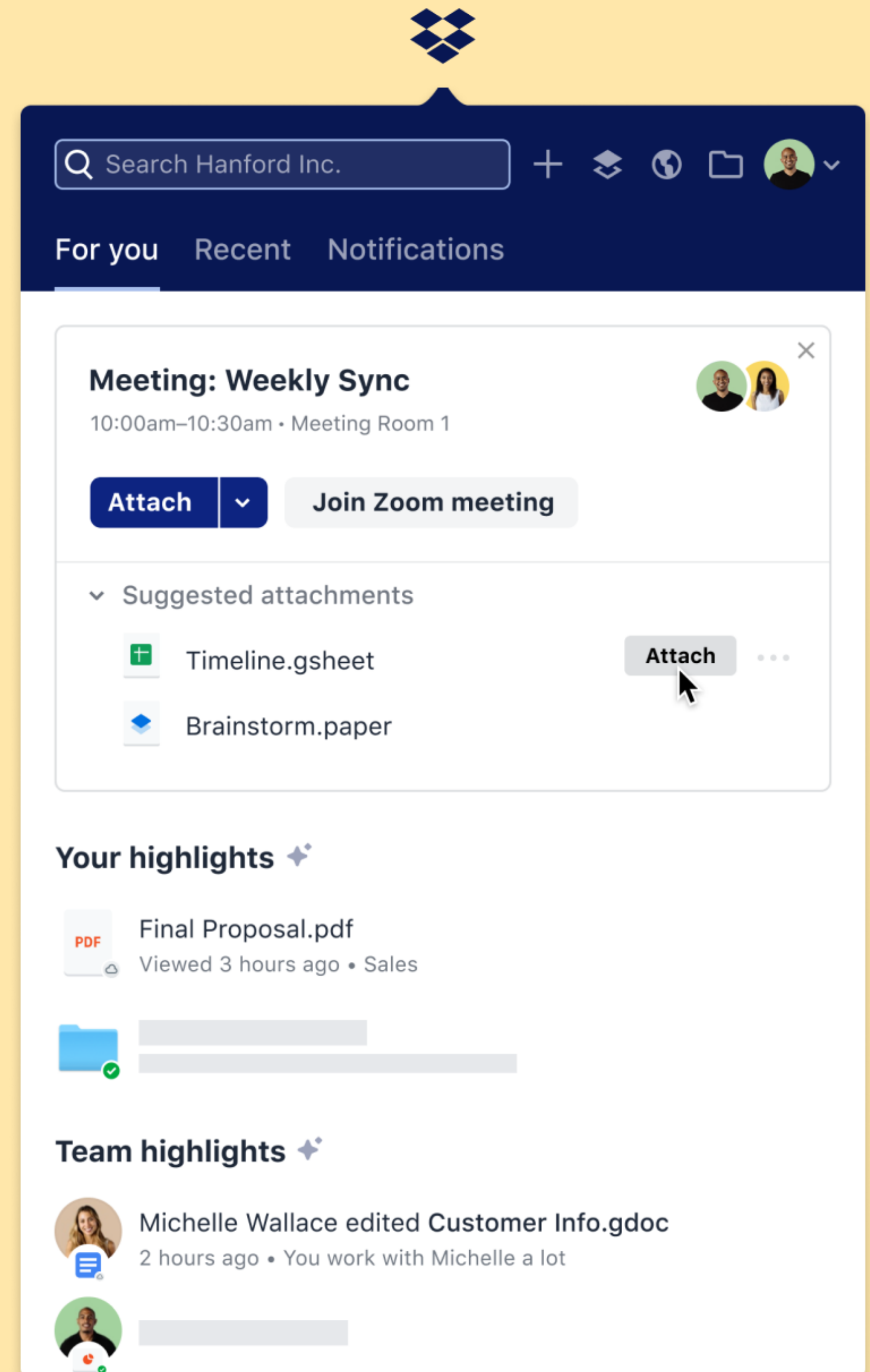


DBXi: Machine Intelligence in Action

Surfaces and suggests relevant content

Personalizes search based on activity

Rich text and image search



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 space named 'Customer Proposal' within the 'Hanford Inc.' workspace. The interface includes a 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 'Create' button is visible at the bottom of the file list. A modal window is open over the file list, showing a checklist with two items: 'Leadership approval' (checked) and 'Share final proposal with customer @Angela Zhang' (unchecked). Another modal window is open over the bottom right, showing a list of recent activity with a comment: 'Sounds good. I'll follow up with the vendor tomorrow and get back to you in more detail!'. The interface also features a search bar at the top and a 'Write a comment' section on the right.

Hanford Inc. > Projects > 2020 > Customer Proposal

Leadership approval ☒ Share final proposal with customer @Angela Zhang ☐

Final proposal.gslides Presentation assets Trello.web

Daniel Smith updated 2 minutes ago

Create

Name Recent activity

Reference.pptx Sounds good. I'll follow up... 2 minutes ago

You, Angela Zhang & 2 other members

Write a comment

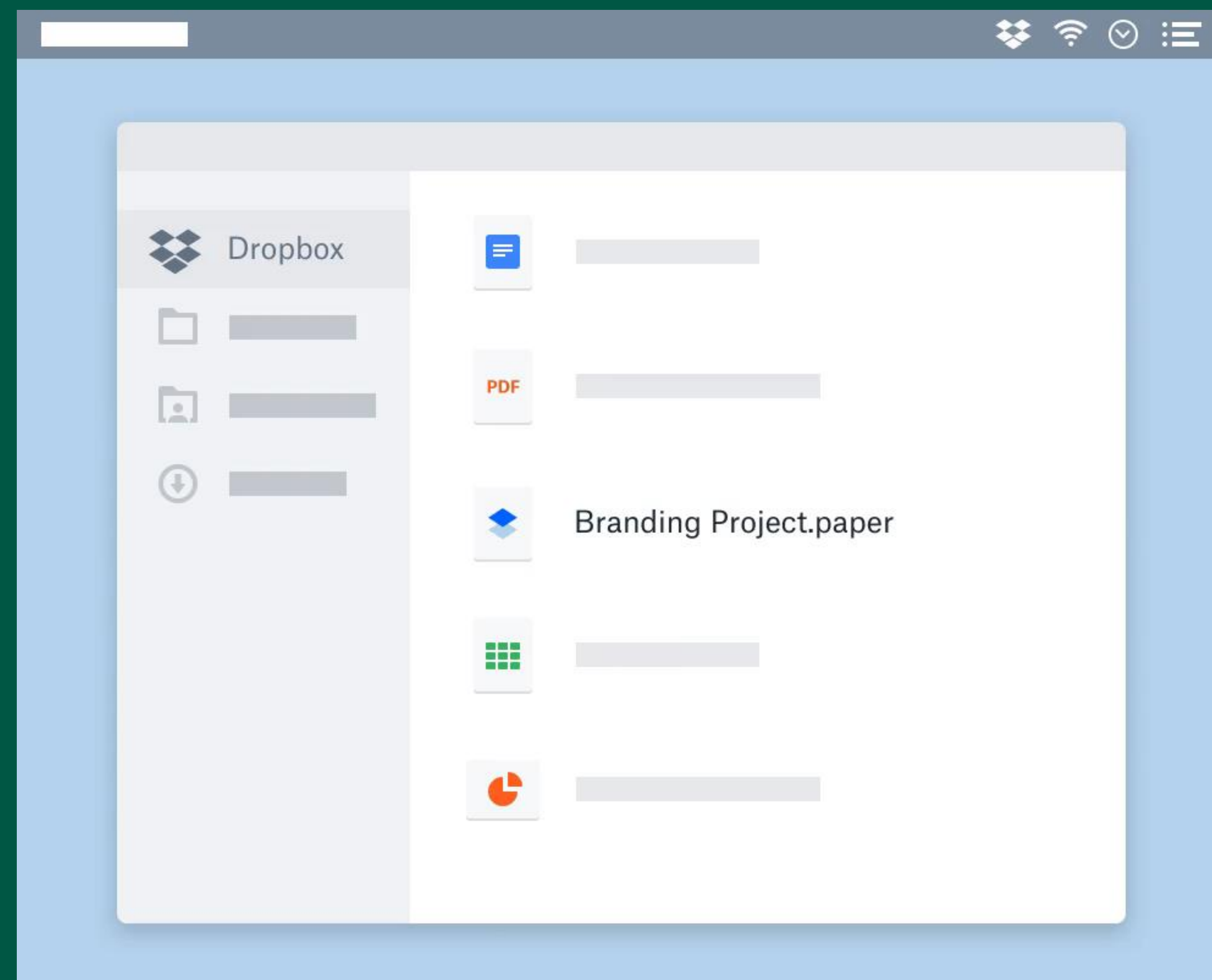
Sounds good. I'll follow up with the vendor tomorrow and get back to you in more detail!



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

Create, store, and access Paper docs from Dropbox

More discoverable to new users

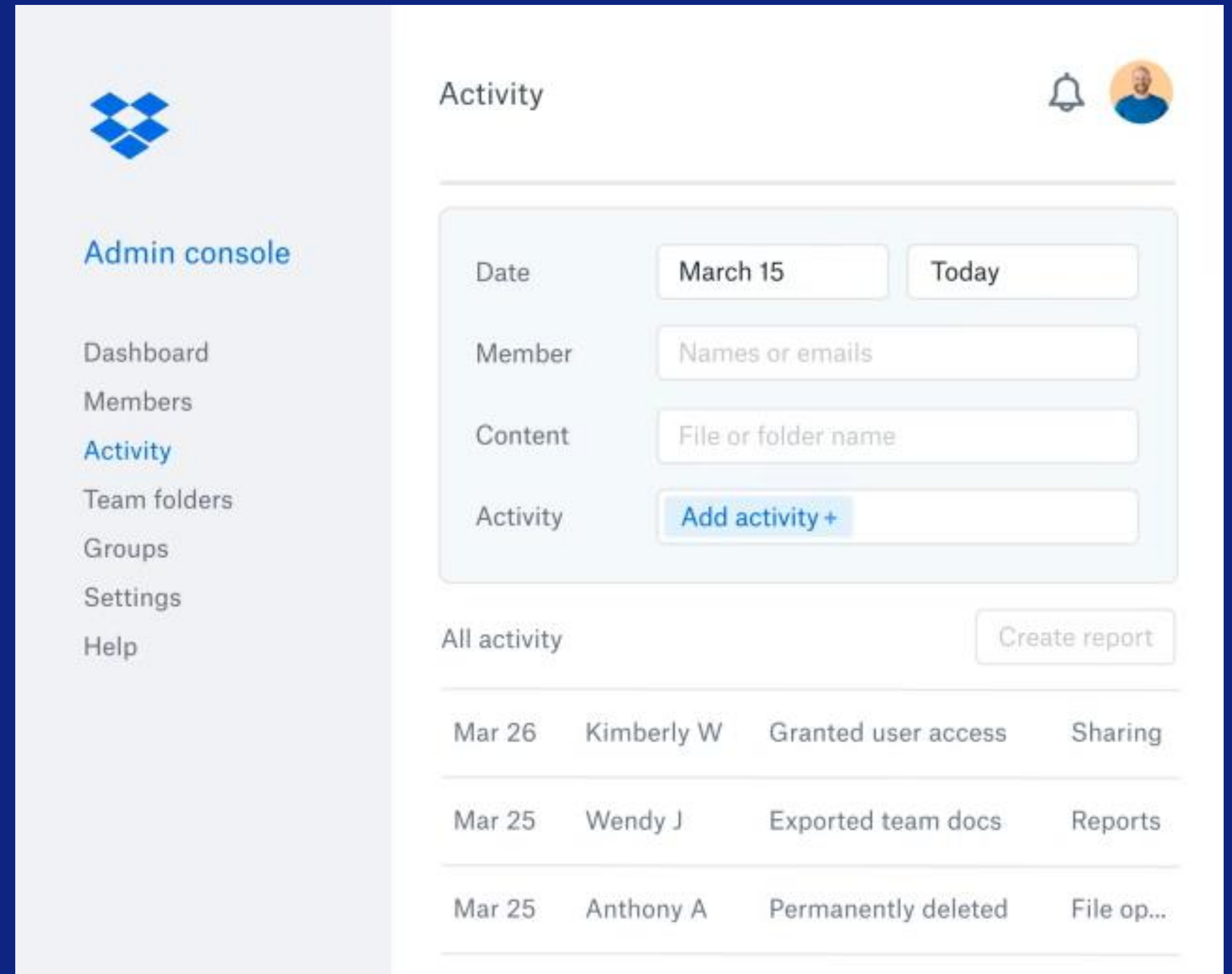


Dropbox AdminX

Multi-team administration

Enhances security

Empowers IT to extract value from data



The screenshot displays the Dropbox AdminX interface. On the left is a sidebar with the Dropbox logo and a menu including 'Admin console' (highlighted), 'Dashboard', 'Members', 'Activity', 'Team folders', 'Groups', 'Settings', and 'Help'. The main content area is titled 'Activity' and features a notification bell and a user profile icon. Below the title is a search filter box with fields for 'Date' (set to 'March 15'), 'Member' (placeholder 'Names or emails'), 'Content' (placeholder 'File or folder name'), 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:

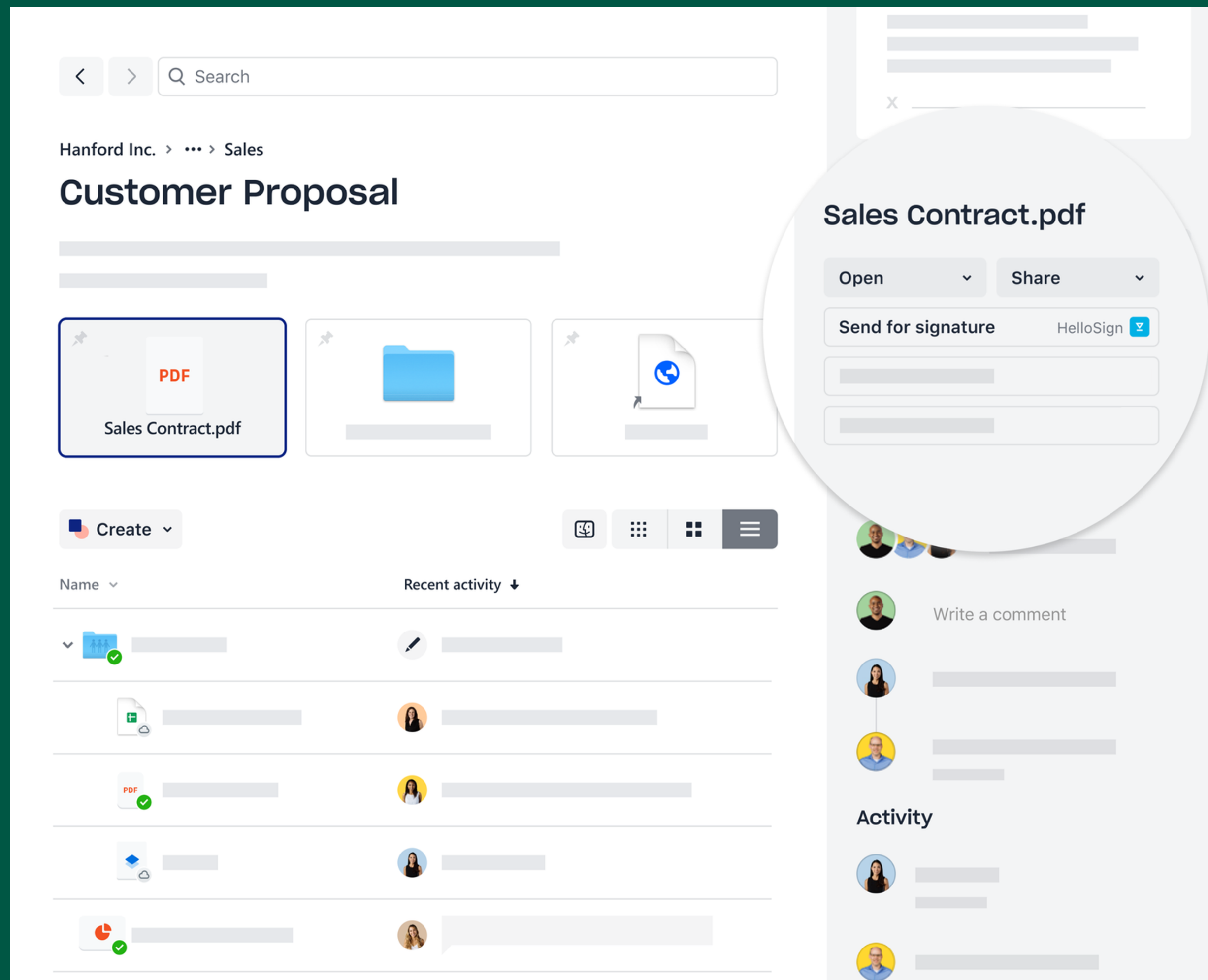
Date	Member	Content	Activity
Mar 26	Kimberly W	Granted user access	Sharing
Mar 25	Wendy J	Exported team docs	Reports
Mar 25	Anthony A	Permanently deleted	File op...

HelloSign integration

Easily sign docs from within Dropbox

HelloSign functionality surfaced intelligently based on file-types

Best-in-class integration



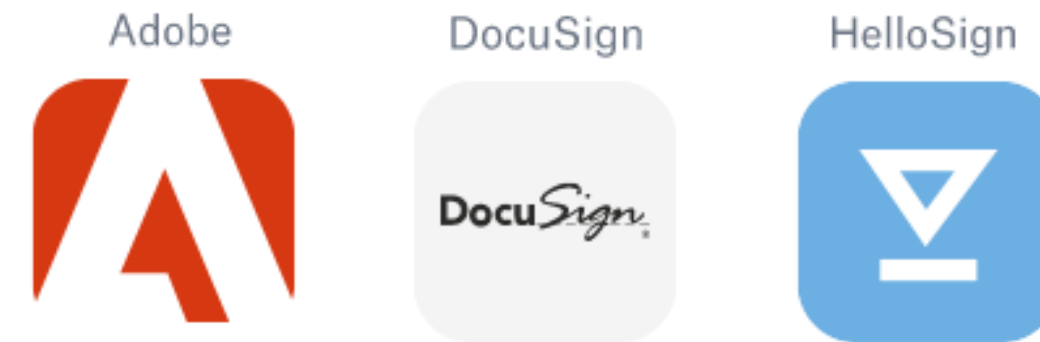
Extensions

Seamlessly initiate and manage workflows

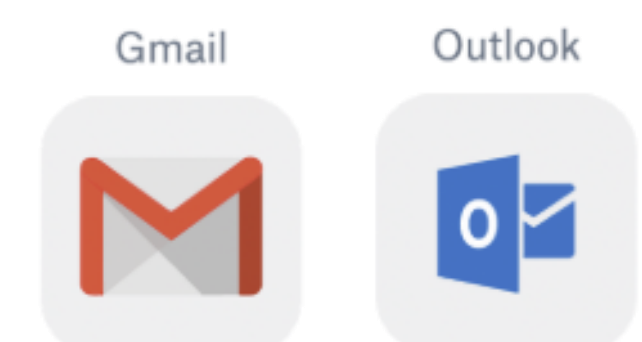
Bridge siloed tools to reduce toggling

Allow users to choose their preferred apps

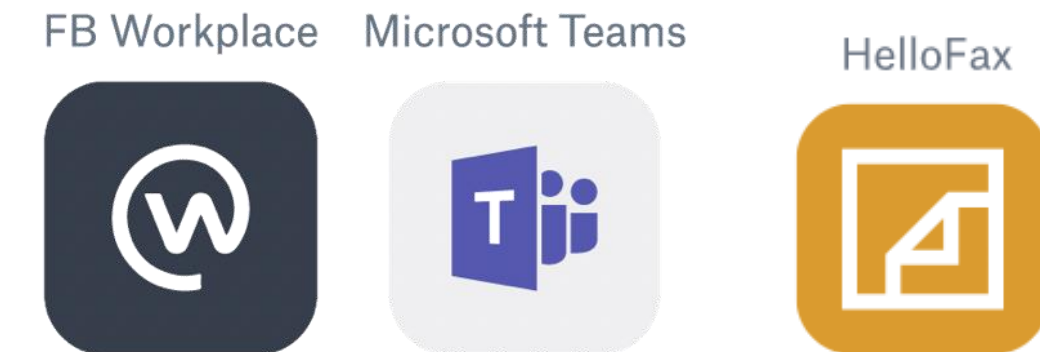
Request eSignatures



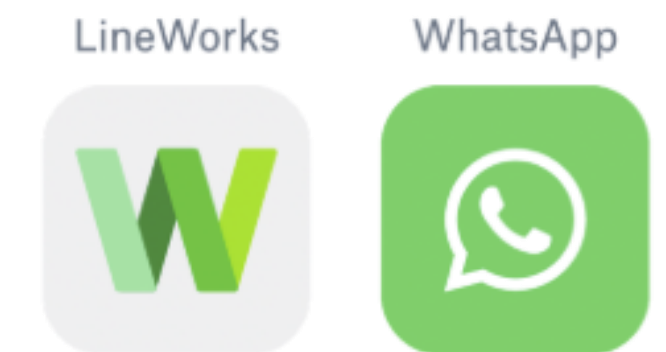
Send emails



Send files and faxes to teammates



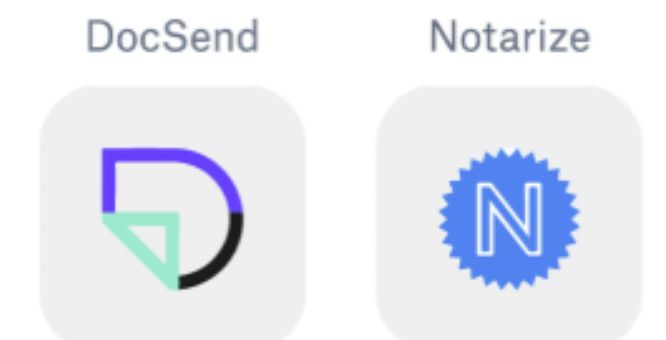
Add files to chat messages



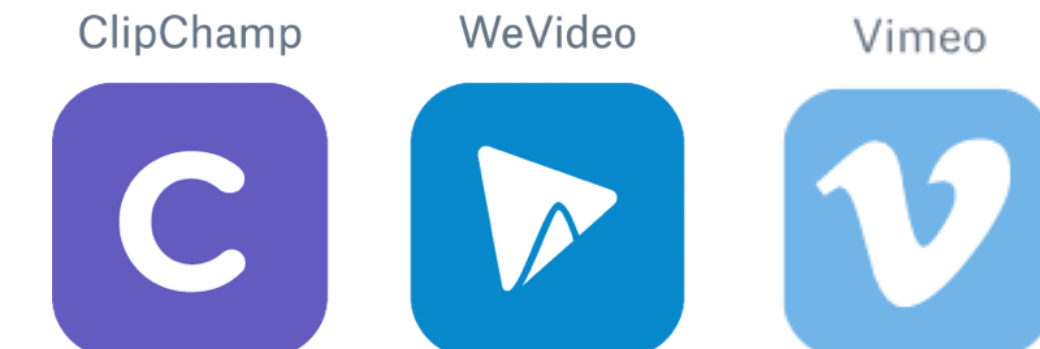
Edit PDFs



Manage document workflows



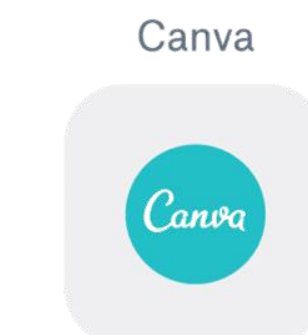
Edit and comment on video content



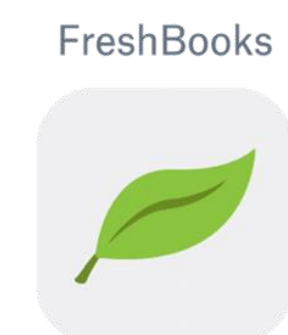
View, edit, and adjust images



Create designs



Submit expenses



Dropbox Transfer

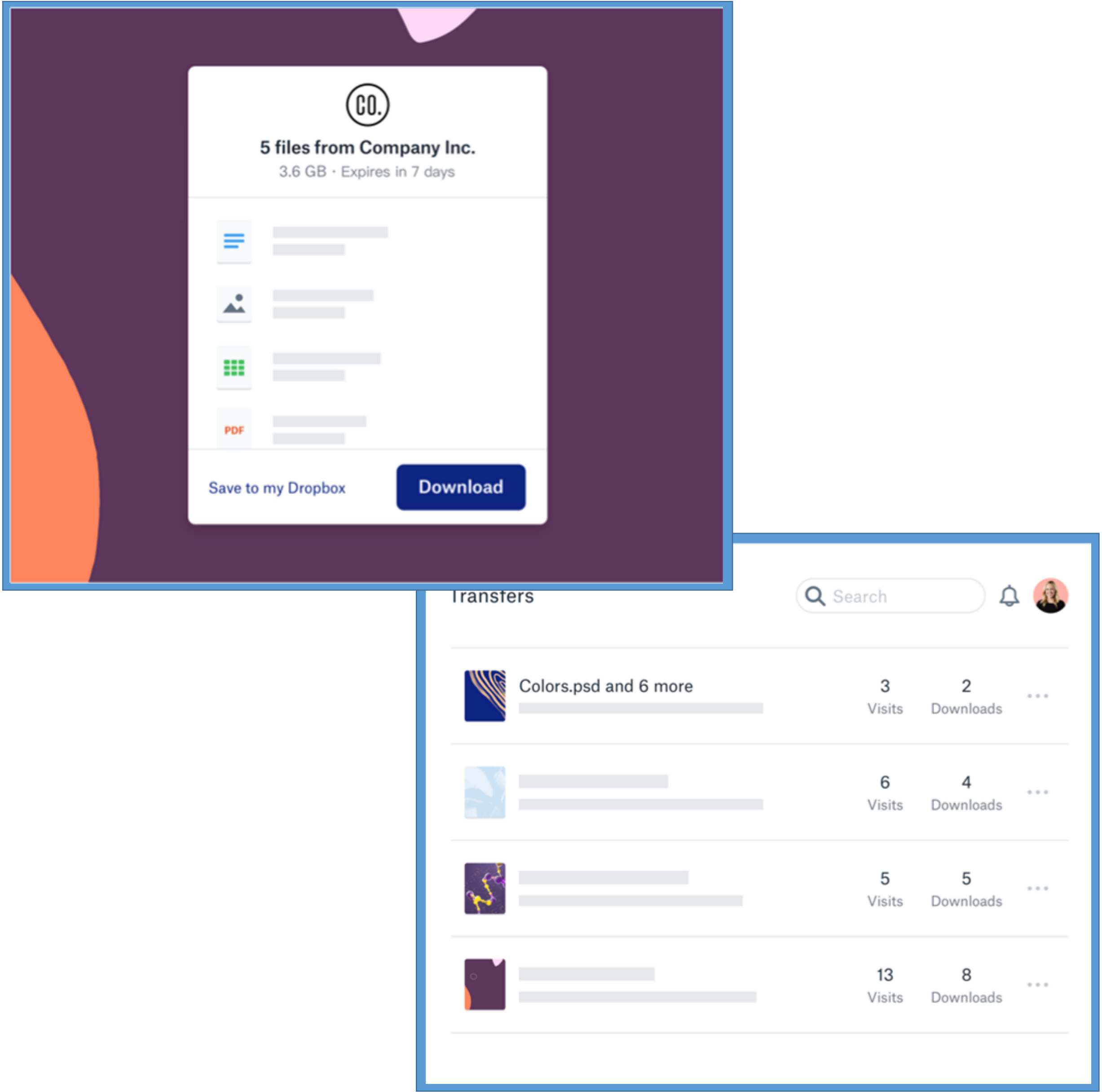
Easily and securely share large files and folders

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

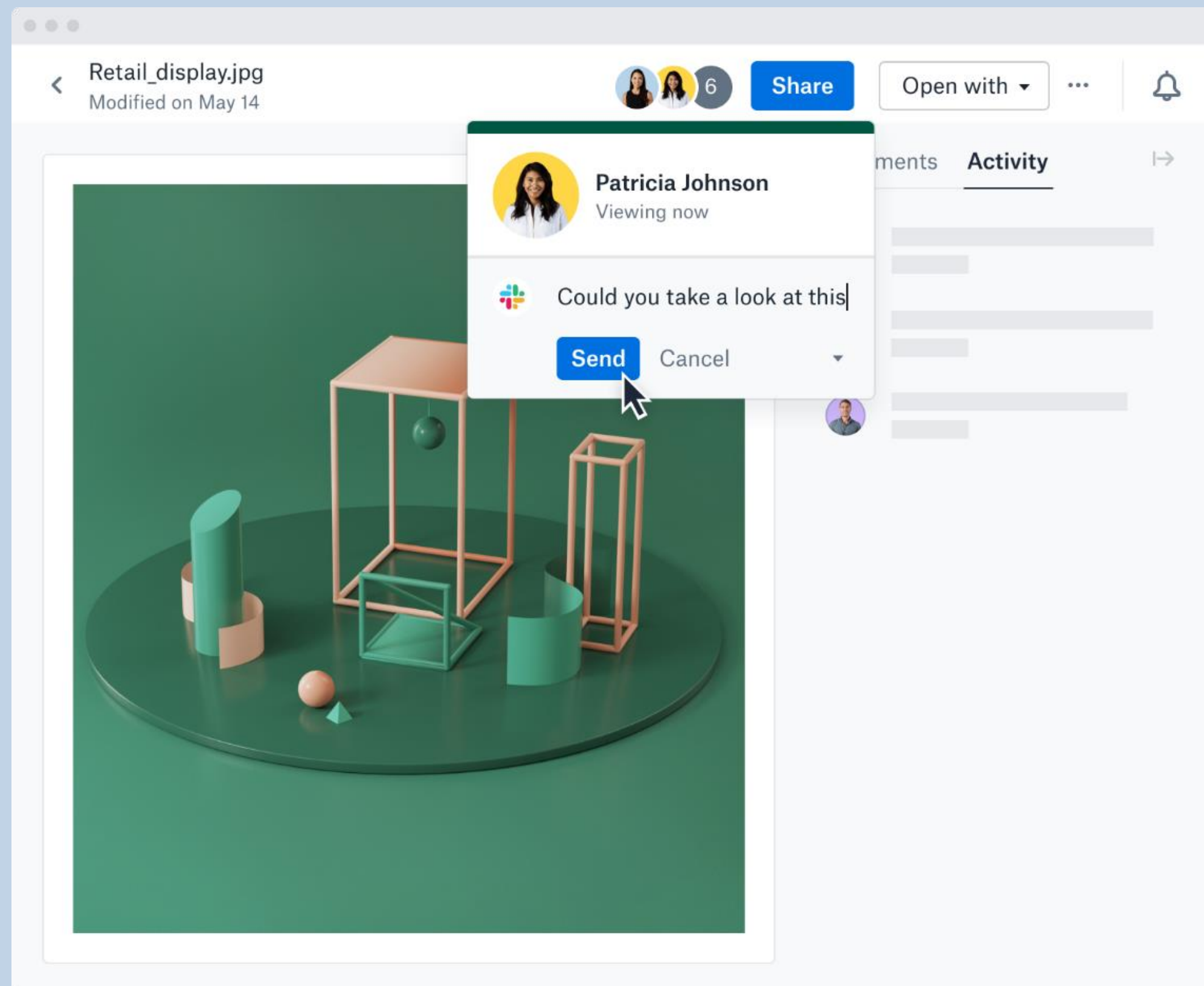
 **ATLASSIAN**

 BetterCloud

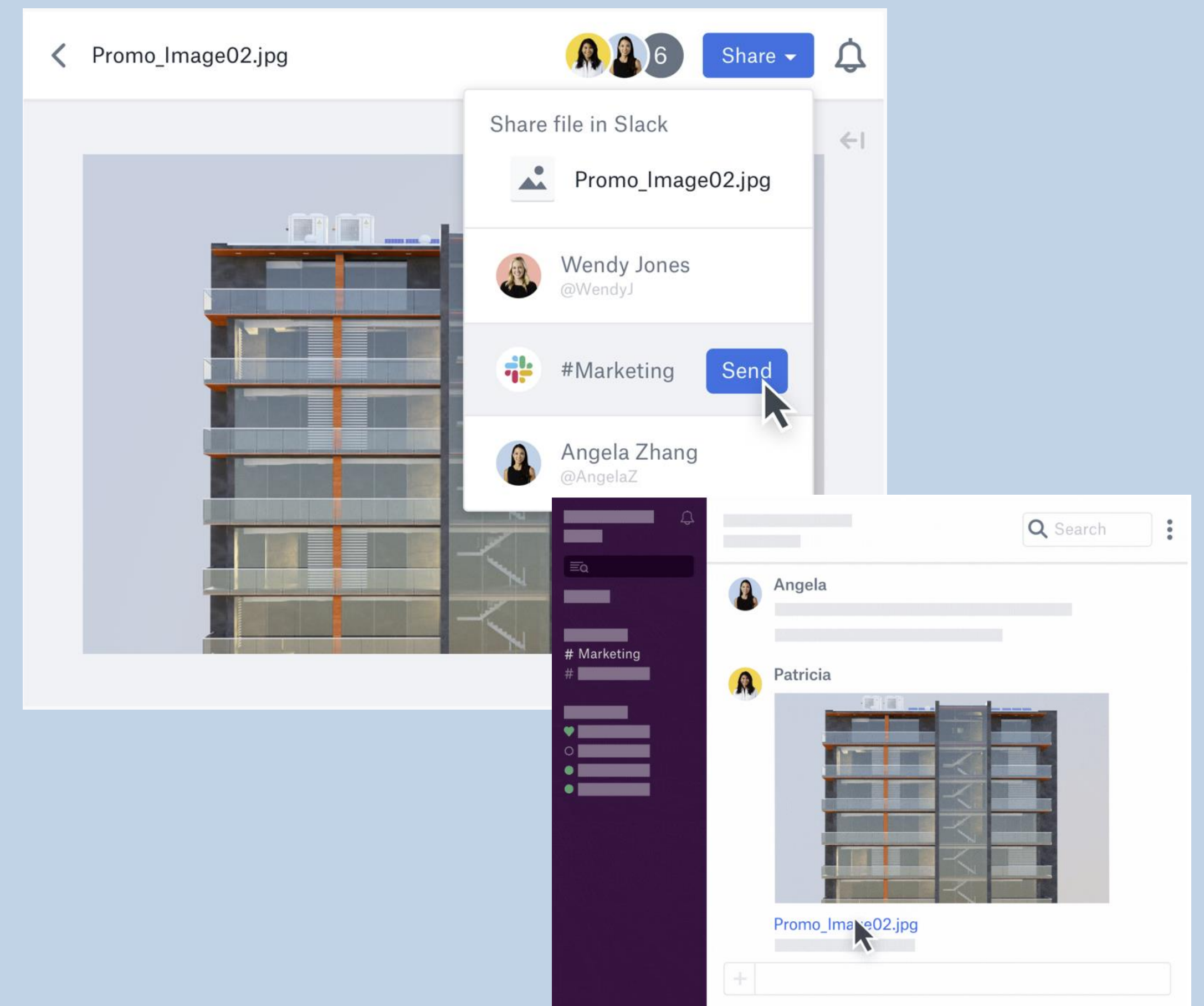
 salesforce

Slack integration

Start Slack conversations from Dropbox

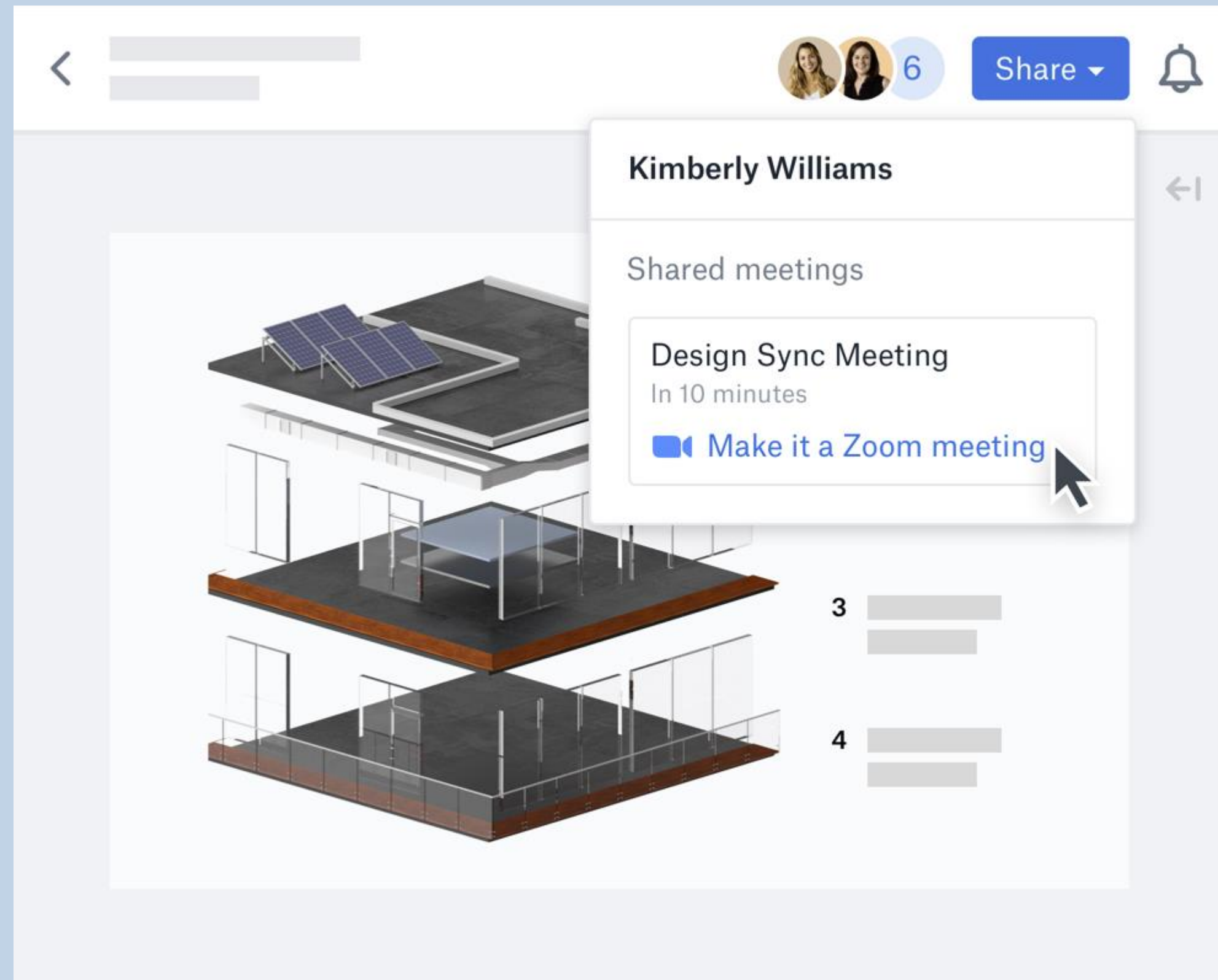


Share content to Slack from Dropbox

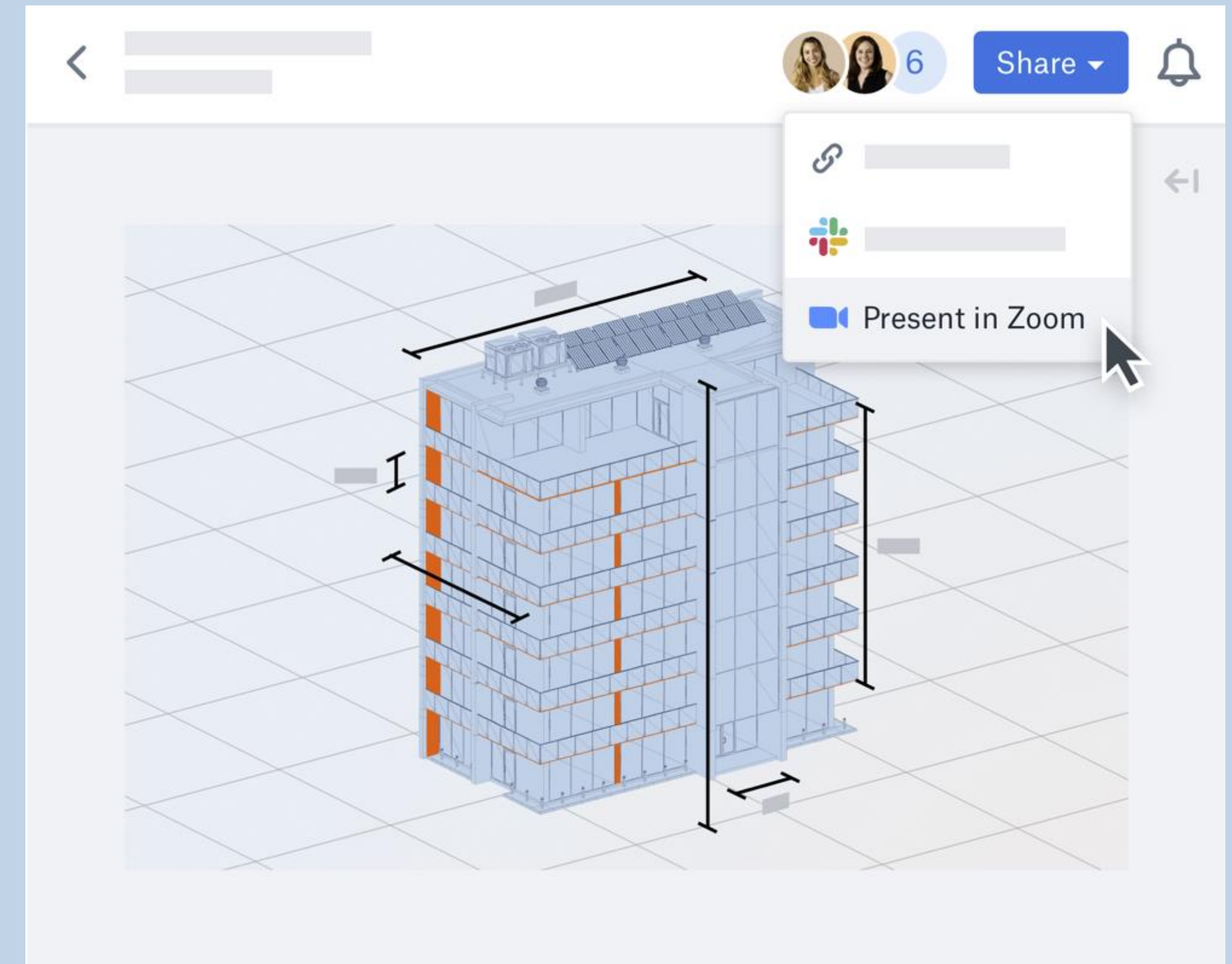


Zoom integration

Start Zoom meetings from Dropbox



Present Dropbox content via Zoom



Data protection & orchestration



Automated workflows for account capture, onboarding, & offboarding

Data loss prevention

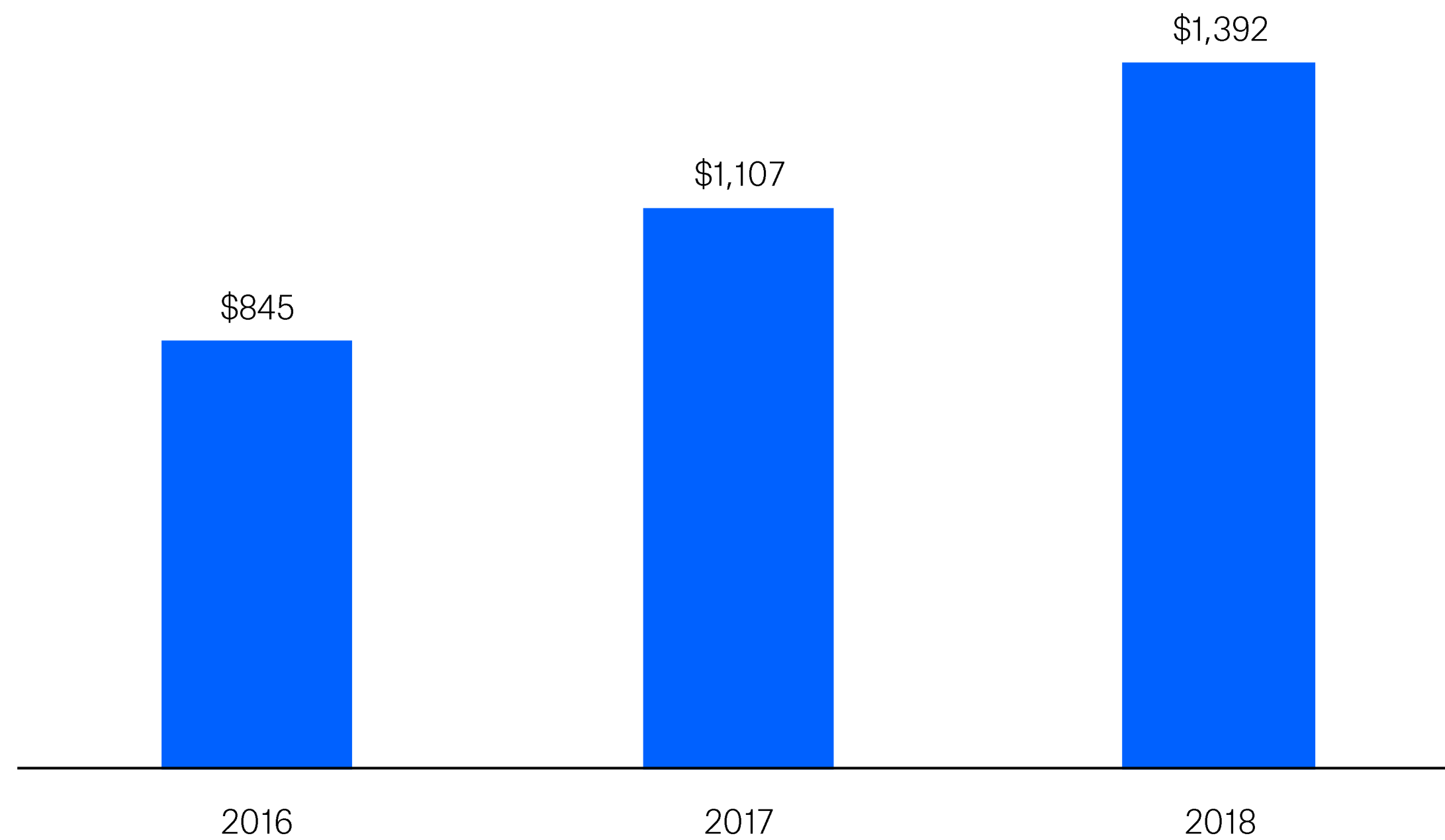
New add-on SKU to be sold by DBX

Financial highlights

Financial highlights

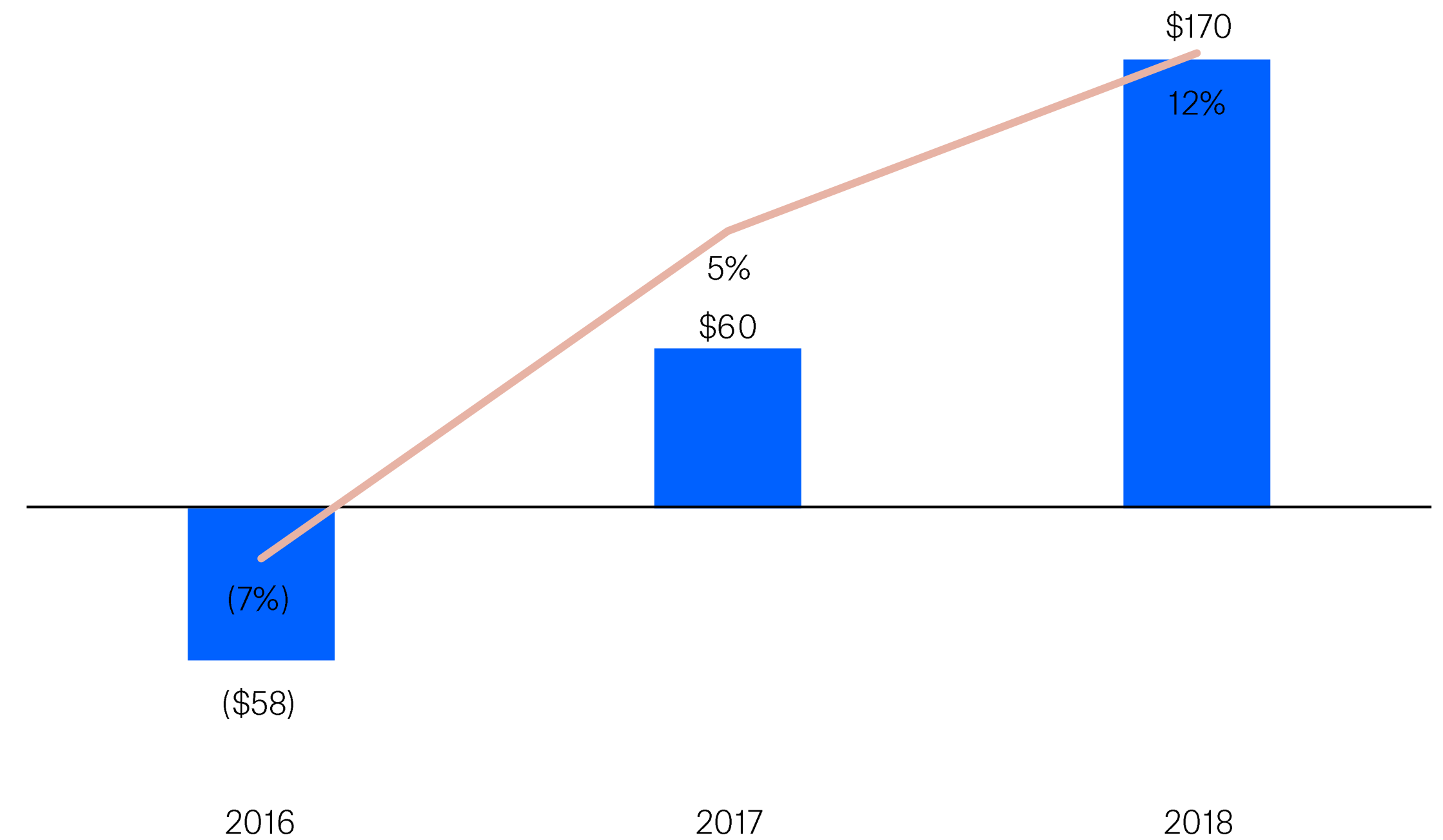
Revenue (\$M)

26% YoY growth in 2018



Operating income (loss) (\$M)

■ Non-GAAP operating income (loss)
— Non-GAAP operating margin

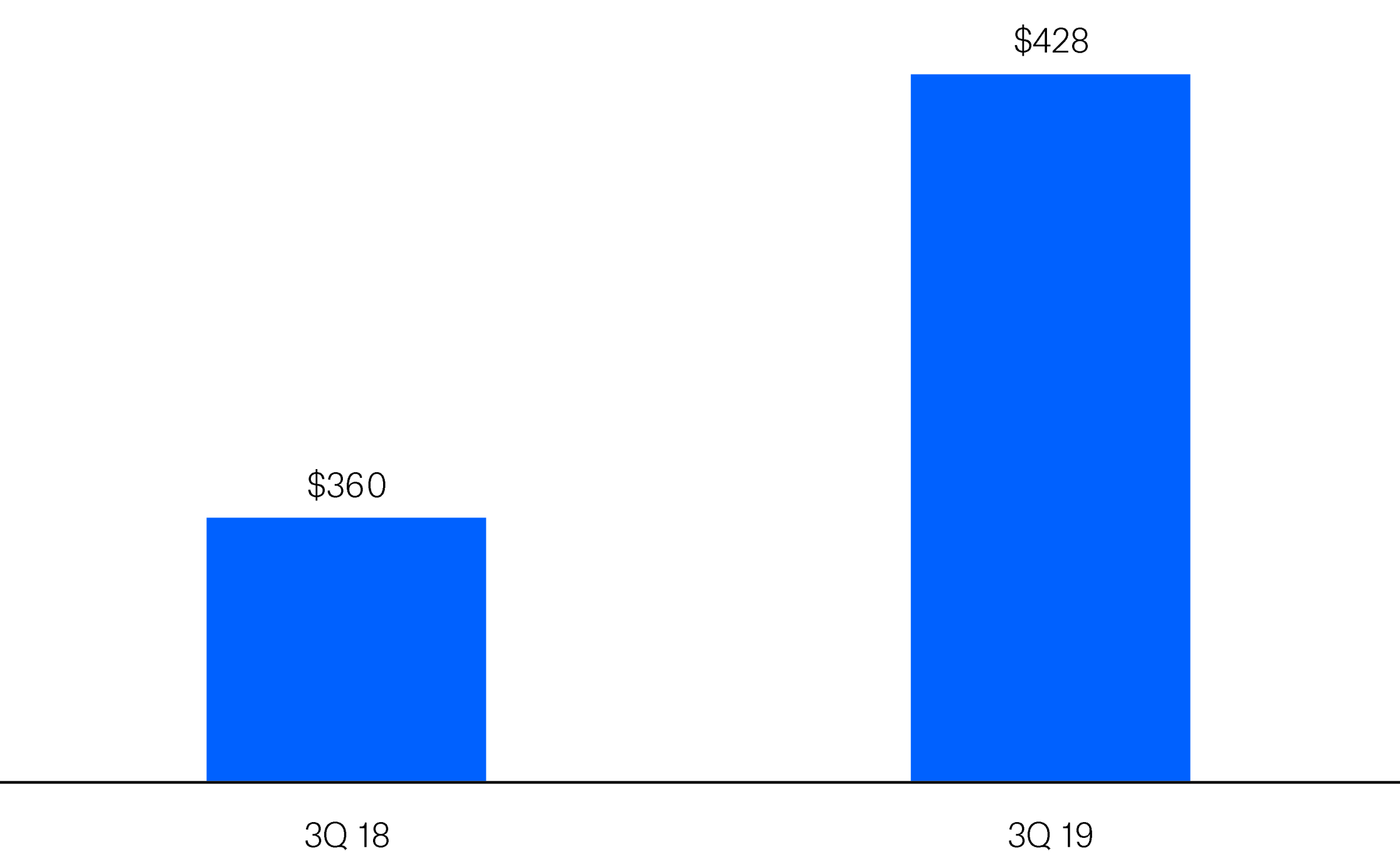


Figures presented are non-GAAP and exclude stock-based compensation expense and certain non-recurring adjustments. See appendix for non-GAAP reconciliation.

Financial highlights

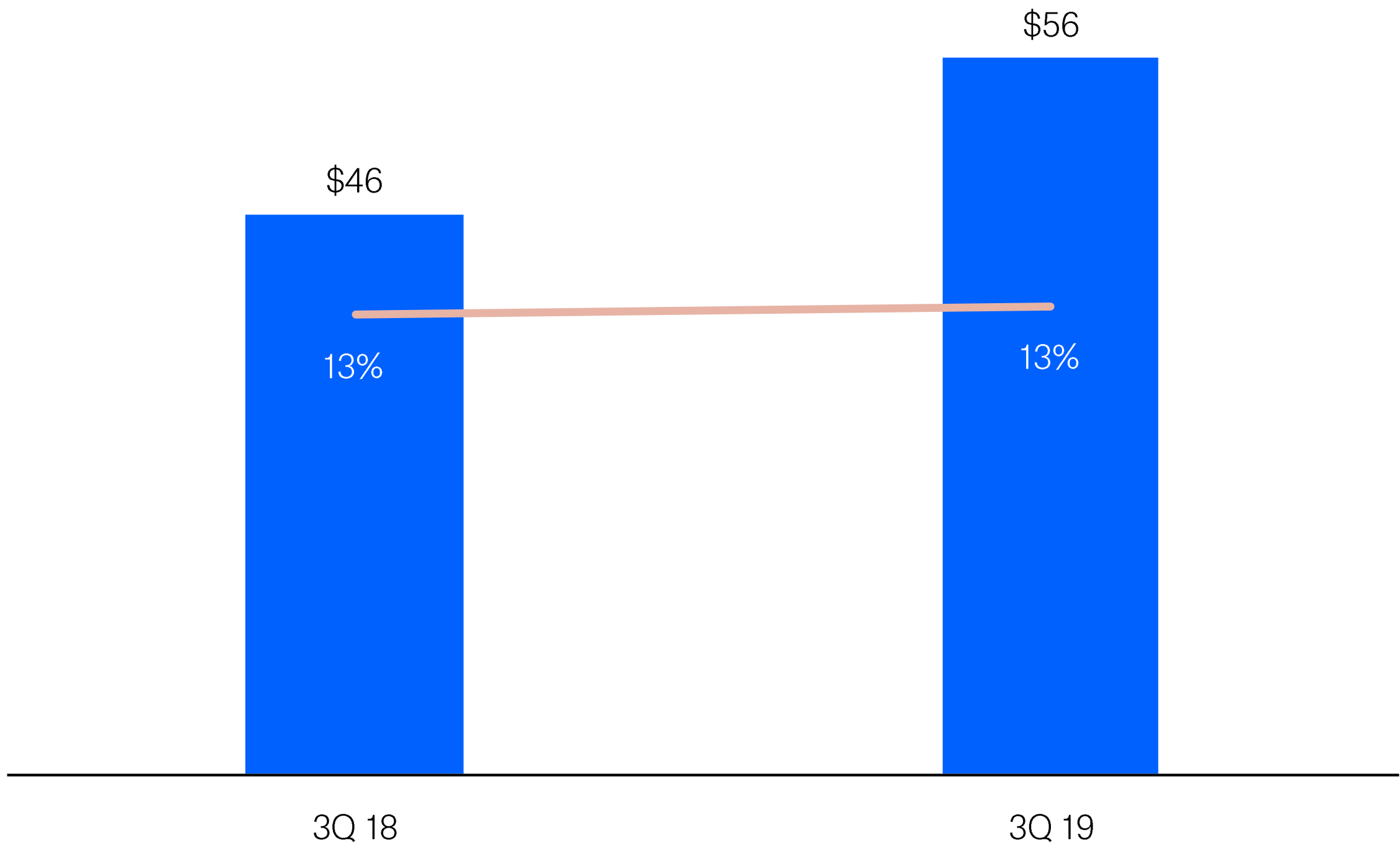
Revenue (\$M)

19% YoY growth in Q3'19



Operating income (\$M)



- Non-GAAP operating income (loss)
- 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.

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

*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

**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		
	2016	2017	2018
Loss from operations - GAAP	\$ (193.5)	\$ (113.7)	\$ (494.0)
Stock-based compensation	147.6	164.6	650.1
Release of non-income based tax reserve	(12.4)	-	-
Donation of common stock to the Dropbox Foundation	-	9.4	-
Employer payroll taxes related to the release of two-tier RSUs	-	-	13.9
Income (loss) from operations - Non-GAAP	<u>\$ (58.3)</u>	<u>\$ 60.3</u>	<u>\$ 170.0</u>

Non-GAAP reconciliation

	Three months ended	
	September 30, 2018	September 30, 2019
Loss from operations - GAAP	\$ (8.9)	\$ (18.6)
Stock-based compensation	55.0	68.2
Acquisition-related and other expenses	-	4.0
Amortization of acquired intangible assets	-	2.4
Income from operations - Non-GAAP	<u>\$ 46.1</u>	<u>\$ 56.0</u>



Dropbox