

# Financial Results & Investor Presentation

Q2 2025



# Safe Harbor Statement

This presentation contains forward-looking statements. These statements may relate to, but are not limited to, plans for growth, technological capabilities and new features and products and the long-term financial targets of Dropbox, Inc. ("Dropbox," "we," "us," or similar terms), 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 March 31, 2025 that we filed with the Securities and Exchange Commission (the "SEC") on May 9, 2025, and include, but are not limited to, the impact to our financial results, business operations, the business of our customers, suppliers, partners and the economy as a result of general macro economic, political and market uncertainty, as well as the potential for a more permanent global shift to remote work; 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, costs of revenue, gross profit or gross margin, operating expenses, paying users, and free cash flow, including, in all respects, with respect to any future targets described herein; our ability to maintain profitability; our liability for any unauthorized access to our data or our users' content, including through privacy and data security breaches, significant disruption of service on our platform or loss of content, particularly from any potential disruptions in the supply chain for hardware necessary to offer our services; any decline in demand for our platform or for content collaboration solutions in general; changes in the interoperability of our platform across devices, operating systems, and third-party applications that we do not control; competition in our markets; our ability to respond to rapid technological changes, extend our platform, develop new features or products, or gain market acceptance for such new features or products, our ability to manage our growth or plan for future growth; our acquisition of other businesses and the potential of such acquisitions to require significant management attention, disrupt our business, or dilute stockholder value; our ability to attract and retain key personnel and highly qualified personnel; our capital allocation plans with respect to our stock repurchase program and other investments; and the dual class structure of our common stock and its effect of concentrating voting control with certain stockholders who held our capital stock prior to the completion of our initial public offering. 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 available 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 gross margin, non-GAAP operating income, non-GAAP operating expenses (including research and development, sales and marketing and general and administrative), non-GAAP operating margin, free cash flow, non-GAAP earnings per share, and unlevered free cash flow. These non-GAAP measures are presented for supplemental informational purposes only and have limitations as analytical tools; as such, these non-GAAP measures should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. The non-GAAP measures Dropbox uses may differ from the non-GAAP measures used by other companies.

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.

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**\$2.533 billion**

TTM<sup>1</sup> revenue

**\$893M**

TTM FCF<sup>2</sup>

**83.1%**

TTM Non-GAAP gross margin<sup>4</sup>

**39.0%**

TTM Non-GAAP operating margin<sup>4</sup>

**18.13M**

Paying users<sup>3</sup>

**22.3%**

TTM Non-GAAP EPS Growth<sup>4</sup>

(1) TTM: Trailing Twelve Months

(2) FCF: Free Cash Flow, defined as Operating Cash Flow less Capital Expenditures, is a Non-GAAP financial measure. See Appendix for a reconciliation to the most directly comparable GAAP measure.

(3) Paying users as of 6/30/2025

(4) Non-GAAP financial measure. See Appendix for a reconciliation to the most directly comparable GAAP measure.

# Investment Highlights



01 Scaled platform driven by our core File, Sync, and Share product offering

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02 Subscription-based, recurring revenue model

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03 Loyal users with a high retention profile

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04 High margin business supported by self-serve model

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05 Strong free cash flow conversion

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06 Self-funded investments for high-growth opportunities

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07 Consistent capital return to shareholders



# Business Overview

DROPBOX MISSION

**Design a more  
enlightened way  
of working**



DROPBOX TODAY

# Our Journey

WHERE WE STARTED

## Dropbox Launches in 2008

- Multi-device usage and universal file sharing in its infancy
- Migration to online cloud storage begins
- Flagship product: File, Sync, and Share

DROPBOX TODAY

## File, Sync, and Share

- A leader in the \$12bn content sharing and collaboration applications category<sup>1</sup>
- Large-scale infrastructure to support 700m+ registered users and 18.13m paying customers
- Collaborative working tools and advanced security features

DROPBOX TOMORROW

## Organize and Secure All Cloud Content

- Dropbox evolves from syncing your files to organizing all your cloud content
- The proliferation of SaaS tools and content platforms has created new challenges for end users around finding, organizing, securing, and sharing content
- Solving for fragmented content experiences in a cloud-first workplace
- Leveraging AI to solve for cloud content organization, security, real-time suggestions, knowledge management, and data insights

<sup>(1)</sup> Content Sharing and Collaboration applications are classified as applications that enable users to store, synchronize, and share file-based content and folders across designated devices, people, and applications.



## A workplace for digital collaboration



### Secure

Secure, streamlined content management with robust scalable solutions



### Organize

Enhances where and how you work with seamless integrations and intuitive content organizations



### Share

Effortless sharing and collaboration across teams and external partners



DROPBOX TODAY

## File Sync and Share (FSS) Plans

### FOR BUSINESS TEAMS

#### Standard

\$18.00 / user / month

\$180.00 / user / year

3 users minimum

5TB of storage (pooled)

#### Advanced

\$30.00 / user / month

\$288.00 / user / year

3 users minimum

15TB of storage (pooled)

#### Enterprise

Negotiated pricing

As much storage as needed

### FOR INDIVIDUALS

#### Basic

Free

2GB of storage

#### Simple<sup>1</sup>

\$6.99 / month

500GB of storage (pooled)

#### Plus

\$11.99 / month

\$119.88 / year

2TB of storage

#### Professional

\$19.99 / month

\$198.96 / year

3TB of storage

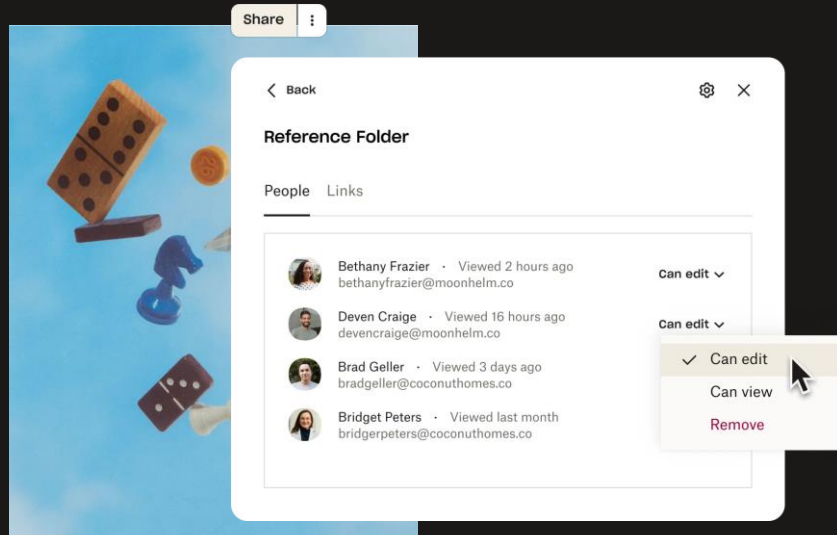
(1) Only available to purchase via mobile channel and in select regions



Secure

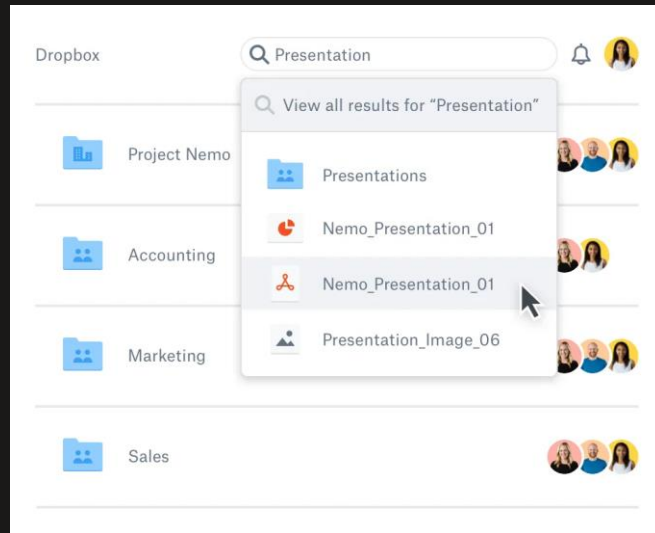
Our robust security features protect proprietary information and provide peace of mind to customers as they build relationships with their own teams, clients, and partners.

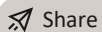
- Compliance for Files and Data
- Two-factor Authentication
- Device Approval and Management
- File Permissions and Locking
- Version History and File Recovery



We make file organization effortless and intuitive with easy-to-use folder structures and seamless integrations, allowing customers to quickly find what they need so they can get more time to focus more on high-value work.

- File naming, sorting, tagging, and starring
- Smart-search
- Automatic file backup and sync
- Microsoft co-authoring
- PDF annotation

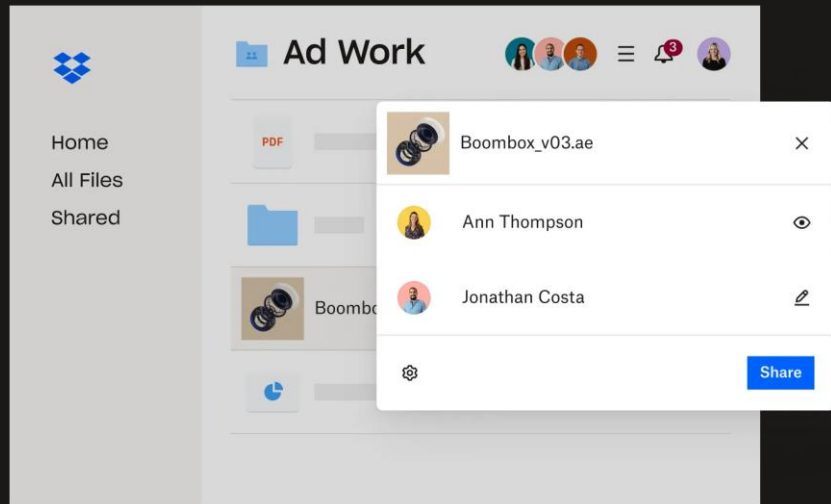




Share

Sharing is key to growth, so we've focused on creating a simple and efficient experience for sending large files, managing access, tracking document activity, and syncing edits in real-time, helping teams work together more effectively.

- Advanced sharing controls
- Assign to-dos
- Large file sharing and file transfer
- Digital watermarking
- Password protection
- Folder permission management



## Dropbox DocSend

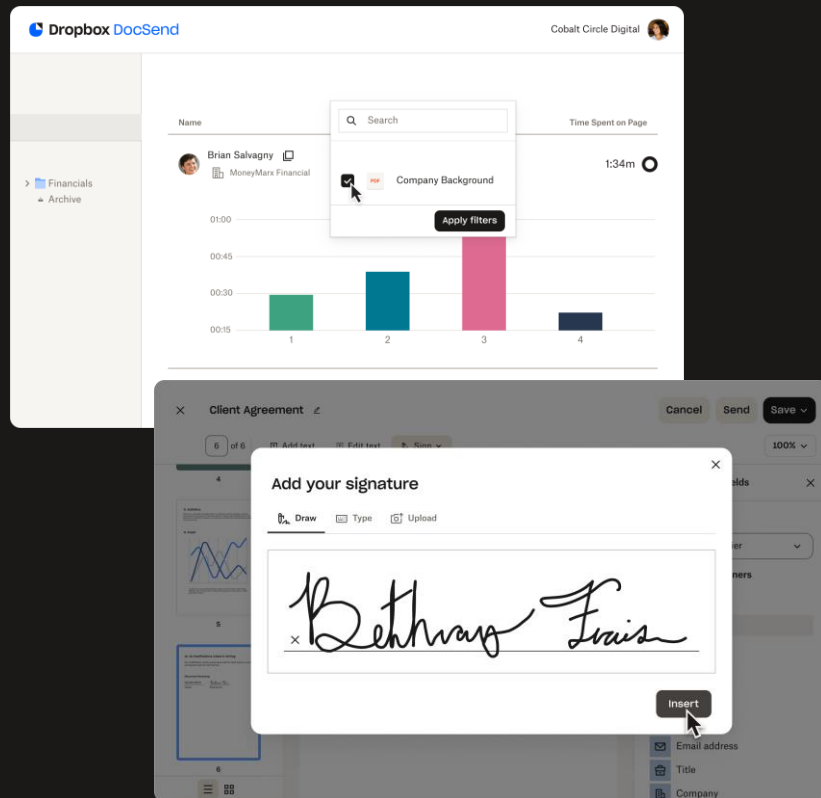
DocSend gives teams a single, scalable deal platform that maximizes file sharing security and minimizes file viewing friction all while delivering instant alerts that track engagement with documents. We remain focused on making execution faster, data-driven, and more secure.

- Secure sharing
- Document analytics
- Video analytics
- Dynamic watermarking
- Advanced data rooms
- Secure client portals
- eSignature
- One-click NDA

## Dropbox Sign

Sign makes agreements easy with simple and secure eSignatures. With Sign, anyone can set up a document for signature, eSign, and track the agreement process for their most important documents

- Standalone or integrated into Dropbox FSS
- Unlimited signatures
- Tamper-proof documents
- AES 256-bit encryption
- Signer fields with data validation
- Template links
- Audit trail
- 22 languages





DROPBOX TODAY

## Scaled User Base

Q2'25 USER METRICS

700M+

Registered Users

18.13M

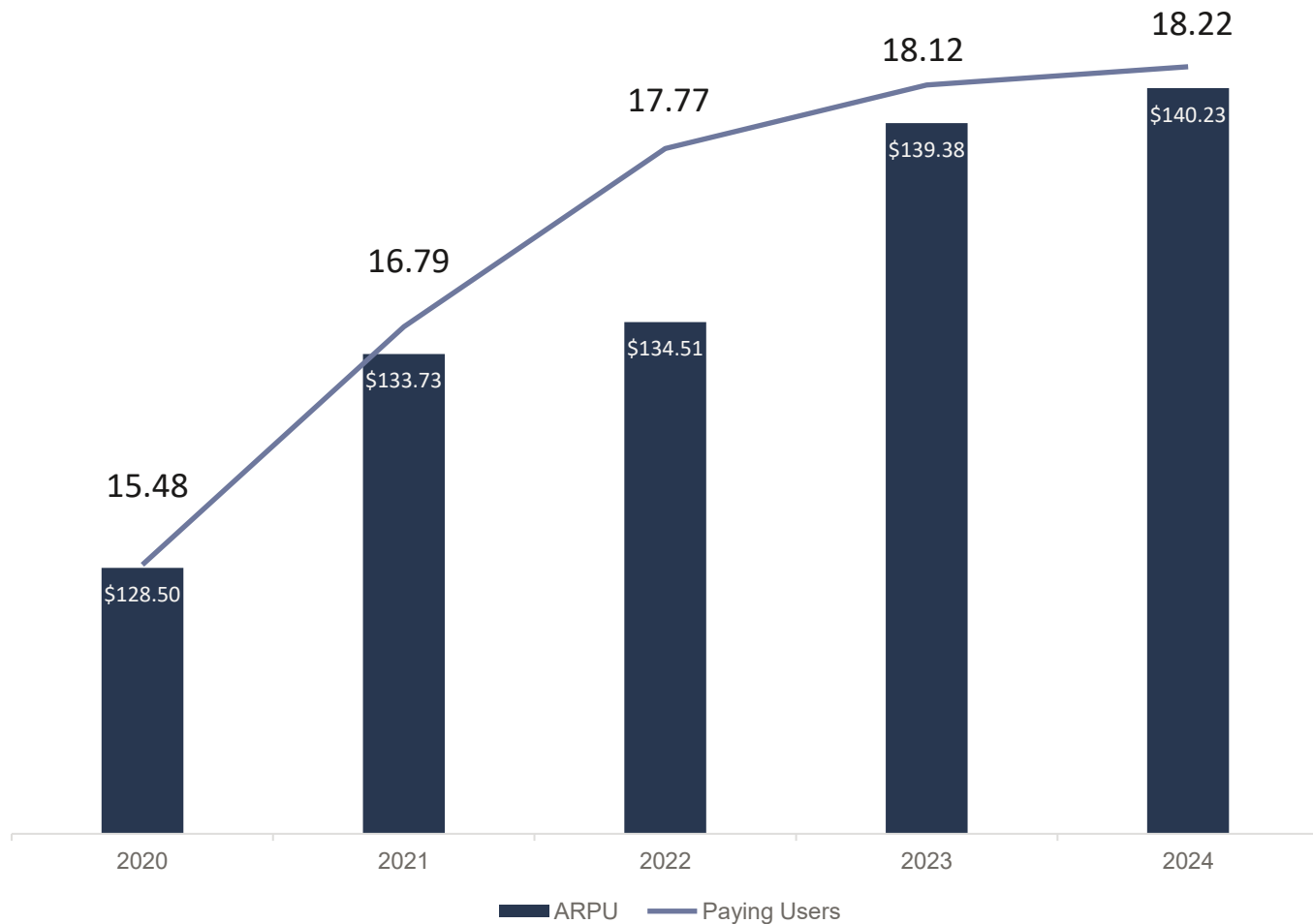
Paying Users

\$138.32

ARPU

~575K

Paying Teams



## Globally recognized brand in 180 countries

**57%**

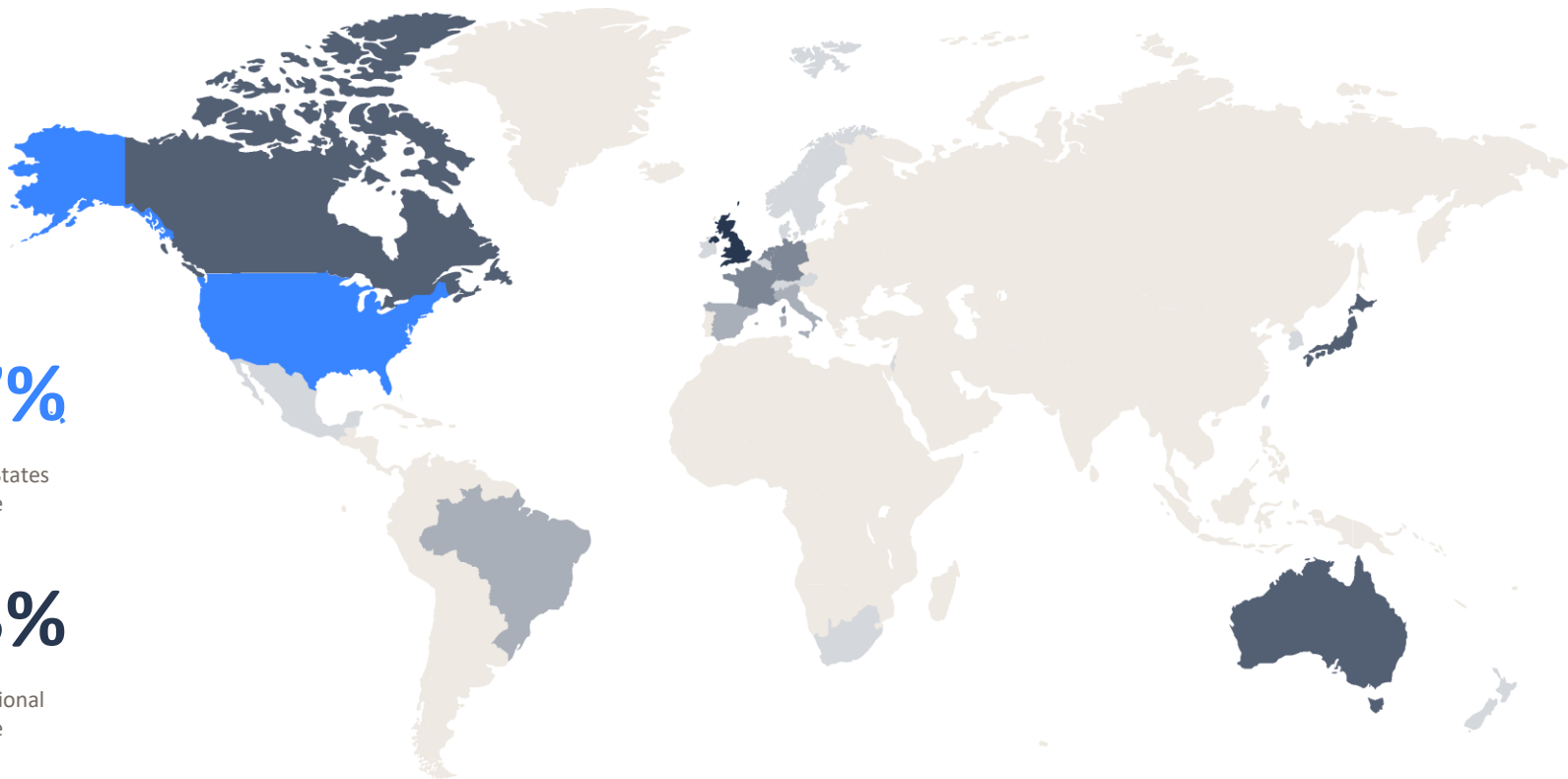
Q2'25  
United States  
Revenue

**43%**

Q2'25  
International  
Revenue

more revenue

less revenue

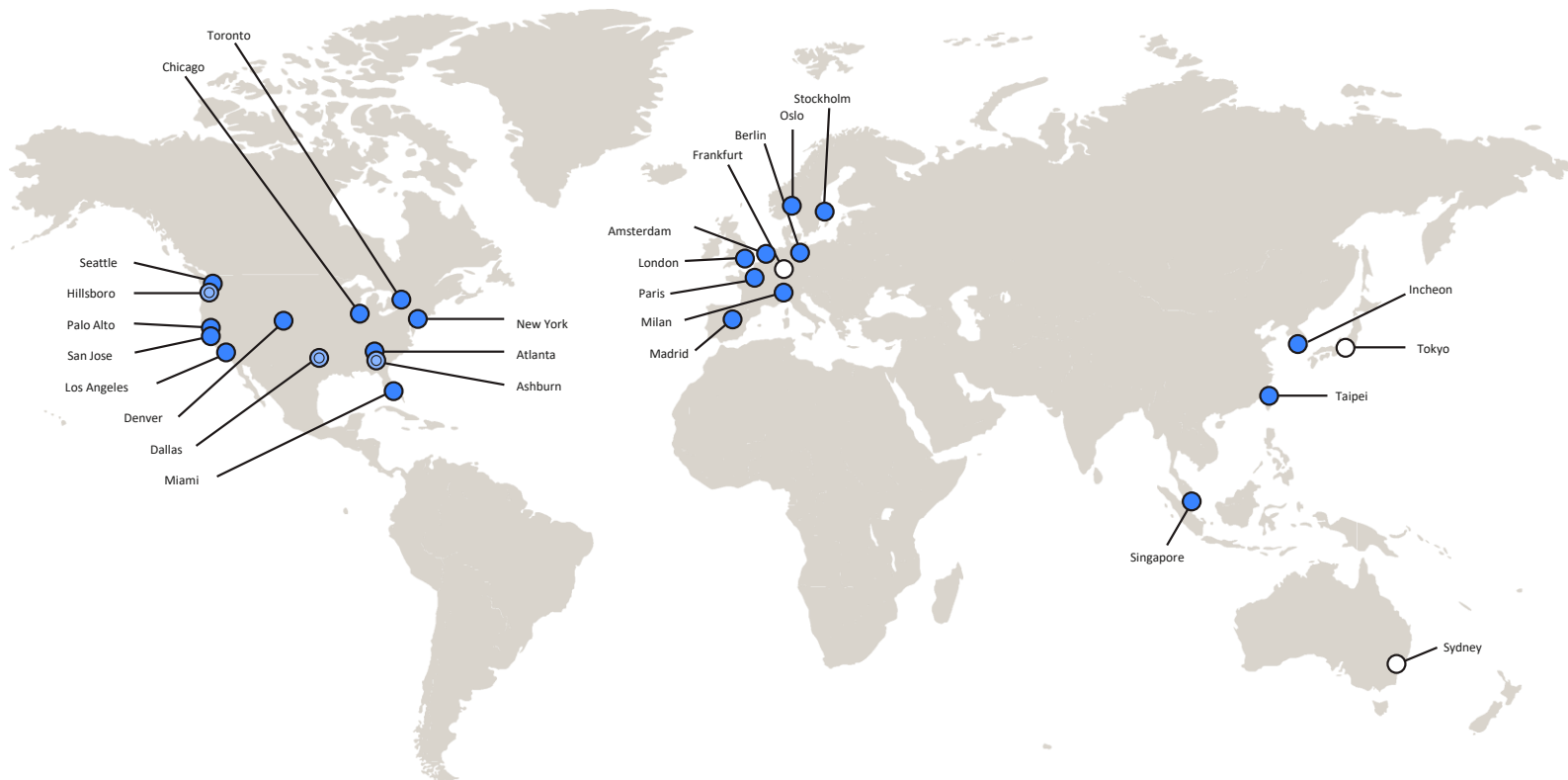


## Served by scaled infrastructure

Core Data Center

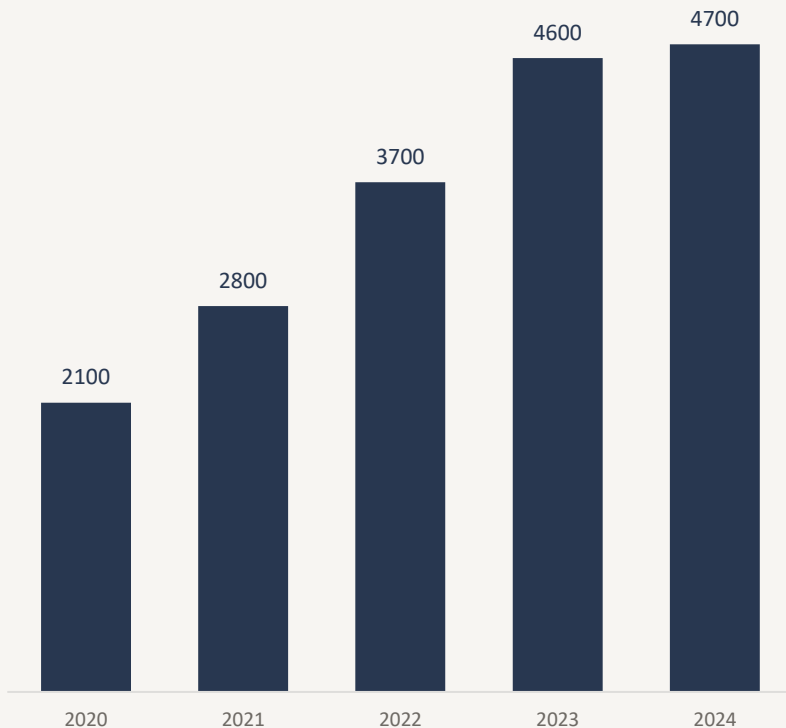
Network Point of Presence (POP)

Public Data Center



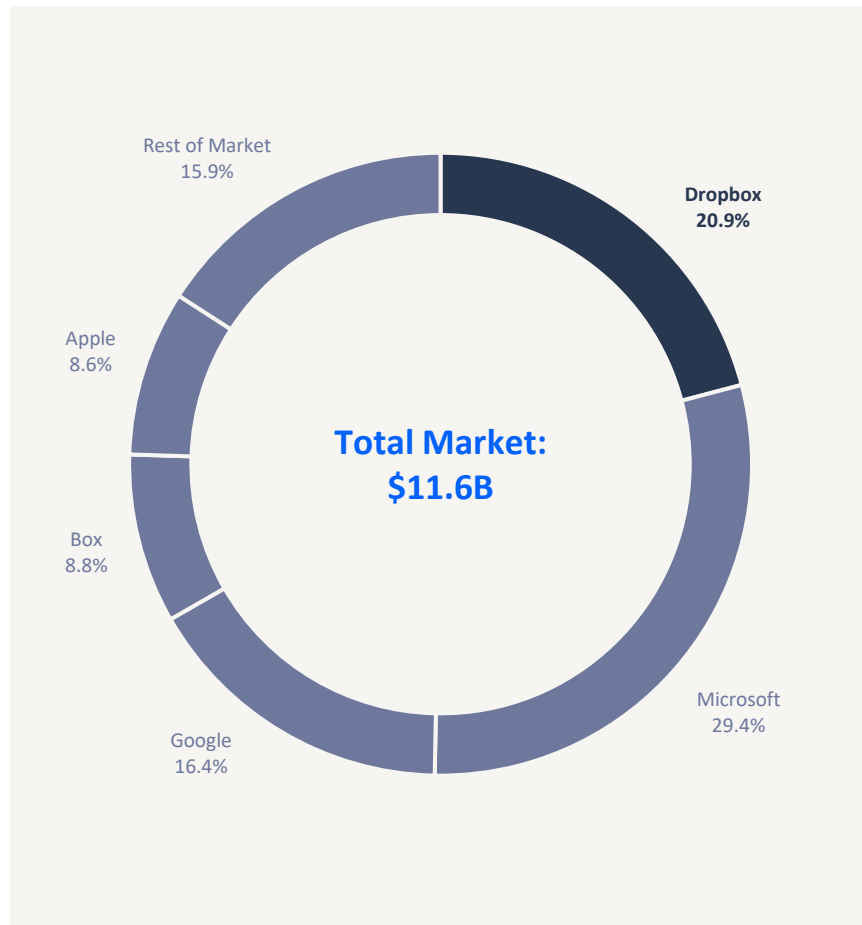
# Securing and organizing 1T+ pieces of content

Total Customer Storage (Petabytes)<sup>1</sup>



(1) Petabytes are rounded to the nearest hundred

# Our FSS business: A category leader



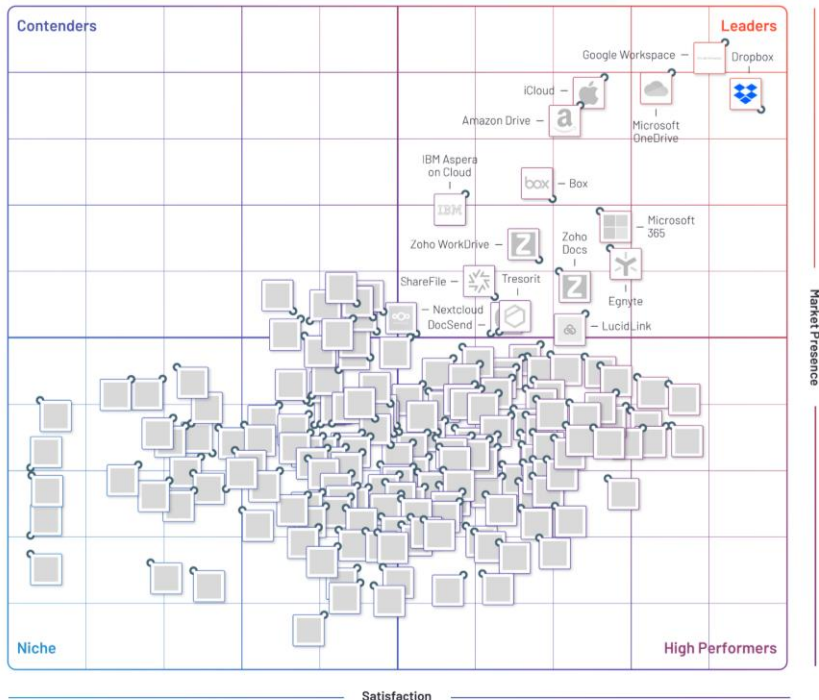
(1) Source: IDC, May 2024

(2) Content Sharing and Collaboration applications are classified as applications that enable users to store, synchronize, and share file-based content and folders across designated devices, people, and applications.

# Ranked by G2 as a leader in customer satisfaction and market presence

## Cloud Content Collaboration Software: All

G2 Grid® for Cloud Content Collaboration | Fall 2024



# Growth Drivers

File, Sync, Share



## Activate

Drive top-of-funnel engagement through increased sharing and signup activity

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## Convert

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

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## Upsell

Prompt existing users to upgrade to premium plans, additional licenses and add-ons, and new product experiences such as Dash

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## Retain

Enhance the core sync experience with a focus on performance and reliability

# Why customers choose Dropbox



Ease of use



Security



Seamless Collaboration



Speed and Reliability



Neutral Platform



Storage Capacity

Ausolan.



“Ausolan's added value comes from the professionalism of our staff and the differentiation of our services. Dropbox plays a key role in the technological infrastructure we need to meet that goal, helping us to work faster and better, in both our internal and external processes. We know how important it is to complete our work on time and to the highest quality for our clients. And during the pandemic, that would not have been possible without Dropbox.”

— Ausolan



“We can't imagine doing any of this without Dropbox... We just wouldn't be able to stay organized the way we do now—it's completely integrated into our workflow.”

—DeMuro Das



# Forces impacting the Landscape

## Cloud Content Collaboration



- Rise of comprehensive platform ecosystems
- Teams seek multi-cloud networking solutions and ways to search and organize their cloud content
- Content modernization and a shift to public cloud solutions will be a sustaining growth factor with the share of public cloud solutions growing from 77.9% in 2023 to 87.3% in 2028<sup>1</sup>

## Software Proliferation



- Knowledge workers seek efficiency and organization as they continue to adopt additional software tools
- As of May, 2023, The average number of applications a knowledge worker used was 11, compared to six applications in 2019<sup>2</sup>
- More than two-thirds of workers say they waste up to 60 minutes at work navigating between apps, and 68 percent of workers toggle between apps up to 10 times an hour<sup>3</sup>

## Security & Compliance



- Material driver of user adoption and customer purchase decisions
- Growing significance as teams adopt new tools and look to AI-enabled solutions.
- 72% of security executives have increased their risk management investment in AI governance and 67% say GenAI increases their cyber attack vector<sup>4</sup>

## Artificial Intelligence



- OpenAI's ChatGPT release triggered industry-wide development of LLMs
- Platforms integrate AI and ML for enhanced content management, search, and collaboration
- Early stages of long-term implementation
- More Than 80% of Enterprises Will Have Used Generative AI APIs or Deployed Generative AI-Enabled Applications by 2026<sup>5</sup>

(1) Source: IDC, Worldwide Content Services Applications Forecast, 2024–2028, May 2024

(2) Source: Gartner, Digital Workers Struggle to Find the Information Needed to Effectively Perform Their Jobs

(3) Source: RingCentral, From Workplace Chaos to Zen

(4) Source: PWC, 2025 Global Digital Trust Insights

(5) Source: Gartner, 2023 Gartner Hype Cycle for Generative AI

ANNOUNCED OCTOBER 15TH, 2024

# Dash for Business

Find anything.  
Protect everything.

Dropbox Dash for Business combines universal search and organization with content access control. Find, organize, share, and secure content across all your apps effortlessly—so you can focus on the work that matters most.





# Unlock the power of your data

Centralize company data and enable teams to work smarter, faster, and more securely. Dash combines AI-powered search, organization, and content control to save time and boost efficiency.

## Find

**AI-powered universal search** helps teams find content quickly, saving time for more valuable work. New advanced search features now include ability to search for image, video, and audio files.

## Secure

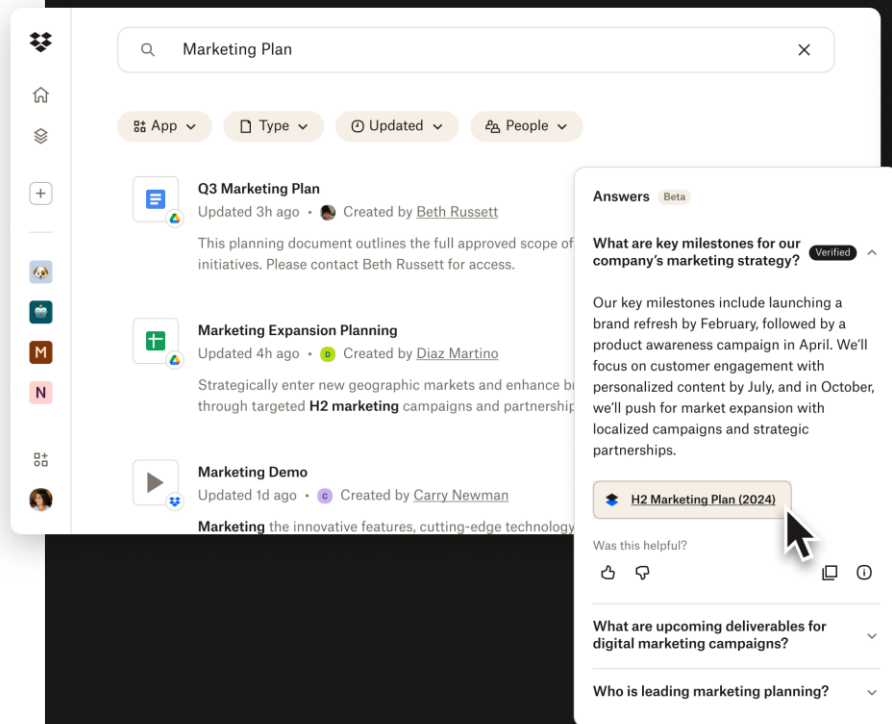
**Protect and Control** content governance tools enable teams to manage access permissions and prevent unauthorized sharing across all platforms in seconds.

## Create

**Suite of AI writing tools** enables users to query content and generate actionable summaries. Dash writing tools draft emails, briefs, proposals, and reports using content from strategy docs, budgets, and more—eliminating hours of manual compiling.

## Organize & Share

**Stacks are shareable content** collections that can include files, apps, links, and more. They simplify organizing and sharing to improve team alignment, with detailed permissions for secure internal and external access.





# Your company will **feel** **the impact** daily



## Save money, save time

Enlist AI to take over low-value tasks and free up time for employees to do more work that impacts the business.

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## Speed decision-making

Give employees all the company information and knowledge they need to make better informed business outcomes.

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## Protect and control your cloud data

Helps to ensure that employees and external partners see only the right content, and that sensitive company data isn't surfaced unintentionally.  
Our data access governance tools helps keep your company data secure.

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## Establish a source of truth

Always be in control of the latest company data and content with a centralized platform.

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## Provide a consistent experience

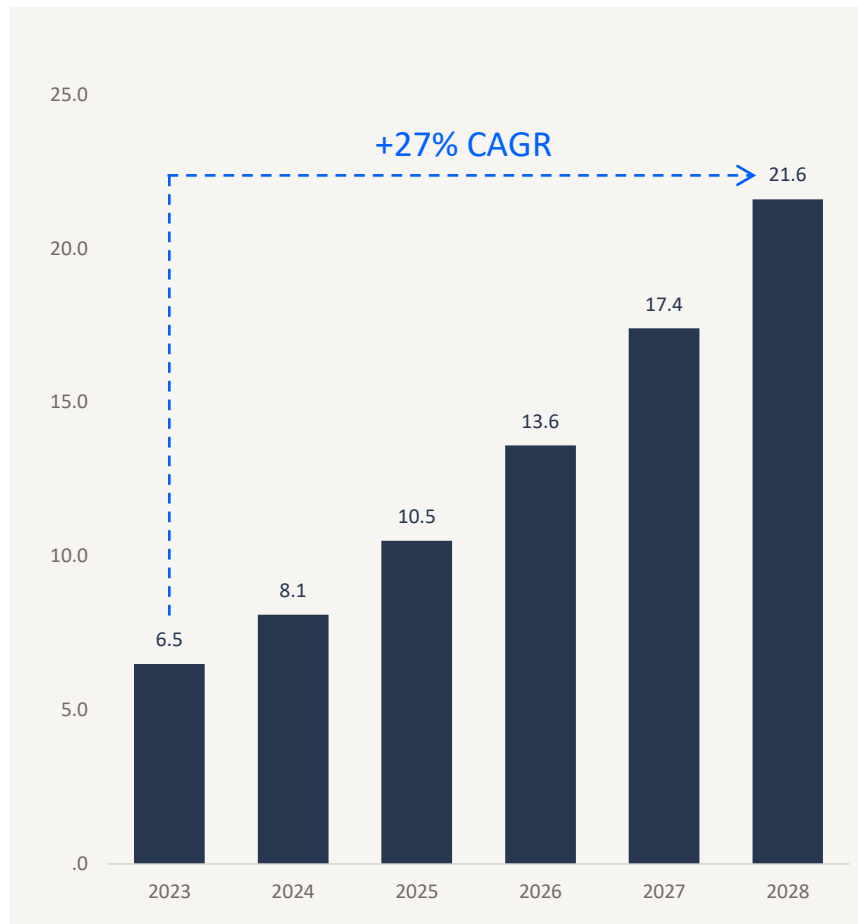
Create a cohesive internal culture by giving all team members a unified starting point for their workday.

# Worldwide Search and Knowledge Discovery Software\* TAM

Category tailwind for

**Dash for Business:**

AI-powered universal search



Note: \$ USD in Billions

Source: IDC, Worldwide Search and Knowledge Discovery Software Forecast, 2024–2028

\*Search and knowledge discovery software is software that can find, locate, and provide answers, products, or information for users.



# Our Go-To-Market Approach

## PRODUCTS



### Core FSS

Lead with a **self-serve** sales motion, complement with managed sales

- Ease of use
- Low onboarding friction
- Platform neutrality
- Viral expansion

### Dropbox Dash for Business

Lead with **managed sales**

- Target installed base of Teams customers
- SMBs between 100 - 1000 employees
- Expand to include self-serve motion

## KEY INDUSTRIES

### Professional Services



### Technology



### Manufacturing



### Media



### AEC

(Architecture, Engineering, Construction)



## OTHER DISTRIBUTION CHANNELS

- Distributors
- Direct Market Resellers
- Value-Added Resellers
- System Integrators
- Managed Service Providers
- Independent Software Vendors (ISVs)
- OEMs/Telcos

Our Go-To-Market Approach

# Dropbox Dash for Business



## Cross-sell

Create an integrated and bundled experience within our existing install base of 575k paying teams customers



## Create Standalone Purchasing Options

Add net new (non-FSS) users to the Dropbox ecosystem by selling standalone licenses of Dash for Business



## Develop Self-serve Motion

Build Dash for self-serve teams to reach the broader SMB market and individuals



## Feature Innovation

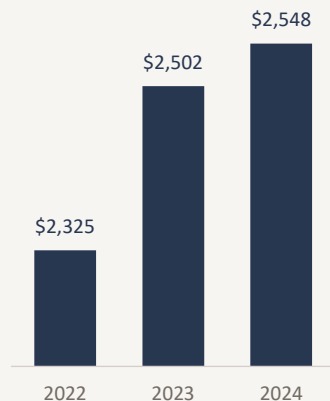
Enhance the Dash user experience by leveraging user feedback, improving existing features, and introducing new functionalities



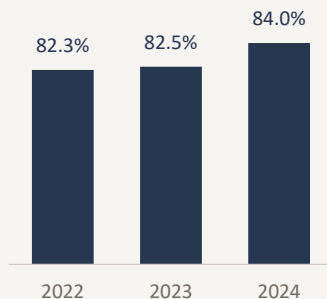
# Financial Highlights

## Strong performance at scale

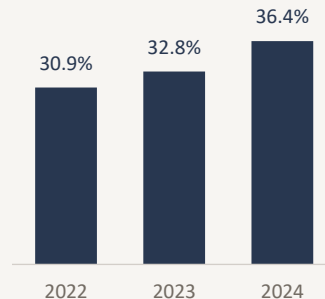
Revenue (as reported)  
(\$M)<sup>(1)</sup>



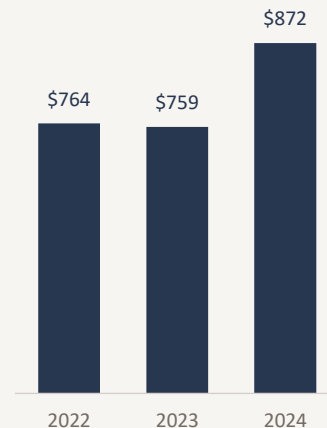
Non-GAAP  
Gross Margin<sup>(1)(2)</sup>



Non-GAAP  
Operating Margin<sup>(1)(2)</sup>



Free Cash Flow  
(\$M)<sup>(1)(2)(3)(4)(5)</sup>



(1) Graphs presented in this illustration are not drawn to precise scale relative to each other.

(2) Non-GAAP gross margin and non-GAAP operating margin exclude stock-based compensation expense and certain non-recurring adjustments. See appendix for non-GAAP reconciliation.

(3) Free cash flow is GAAP net cash provided by operating activities less capital expenditures. See appendix for non-GAAP reconciliation.

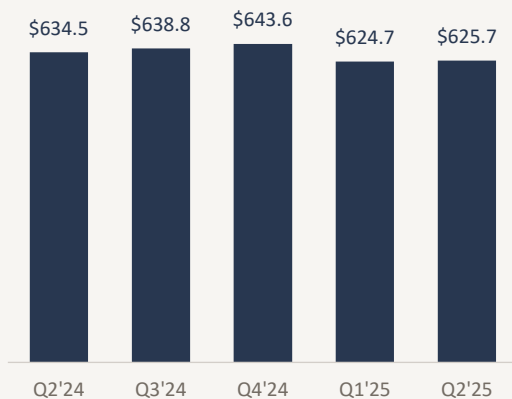
(4) Free cash flow in 2023 is inclusive of payments of ~\$39M related to the reduction in force and ~\$28M for the termination of a part of real estate lease in San Francisco

(5) Free cash flow in 2024 is inclusive of payments of ~\$52M related to the reduction in force and ~\$15M for the termination of a part of real estate lease in San Francisco

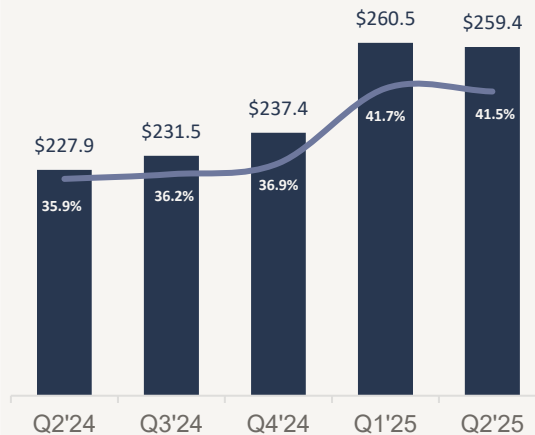


## QUARTERLY PERFORMANCE

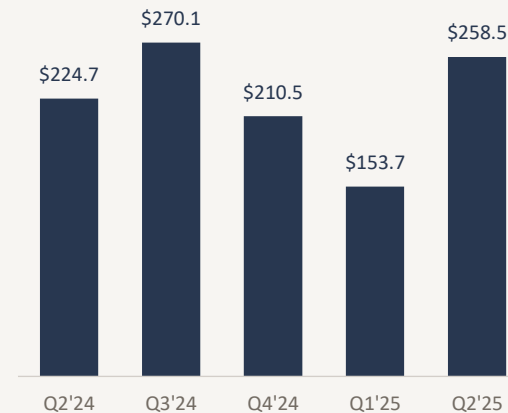
Revenue (as reported)  
(\$M)<sup>(1)(8)</sup>



Non-GAAP Operating Income (\$M)<sup>(2)</sup>  
Non-GAAP Operating Margin<sup>(2)</sup>



Free Cash Flow(\$M)<sup>(3)(4)(5)(6)(7)</sup>



(1) Graphs presented in this illustration are not drawn to precise scale relative to each other.

(2) Non-GAAP operating margin excludes stock-based compensation expense and certain non-recurring adjustments. See appendix for non-GAAP reconciliation.

(3) Free cash flow is GAAP net cash provided by operating activities less capital expenditures. See appendix for non-GAAP reconciliation.

(4) Free cash flow in Q2'24 is inclusive of ~\$15M for the termination of a part of real estate lease in San Francisco

(5) Free cash flow in Q4'24 is inclusive of ~\$52M from the reduction in force, primarily consisting of severance, pro-rata bonuses, employee benefits and related costs.

(6) Free cash flow in Q1'25 is inclusive of ~\$36M for the termination of a part of real estate lease in San Francisco, \$21M of interest payments related to our December 2024 term loan transaction, and ~\$10M from the reduction in force, primarily consisting of severance, pro-rata bonuses, employee benefits and related costs.

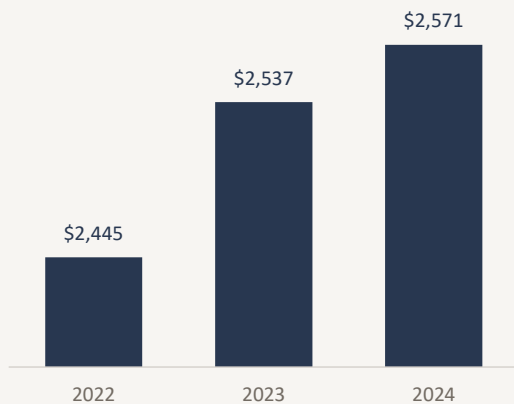
(7) Free cash flow in Q2'25 is inclusive of \$18M of interest payments related to our December 2024 term loan transaction

(8) Q2'25 revenue includes a 140 basis point headwind to year-over-year growth from the decision to significantly reduce investment in FormSwift.

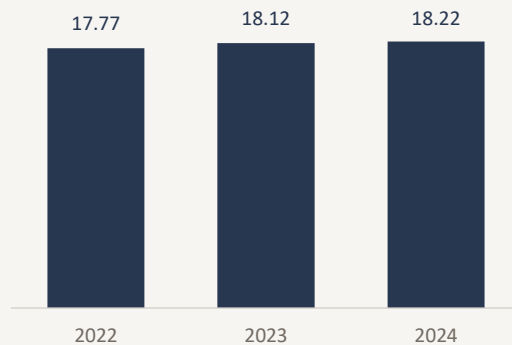


## ANNUAL KEY METRICS

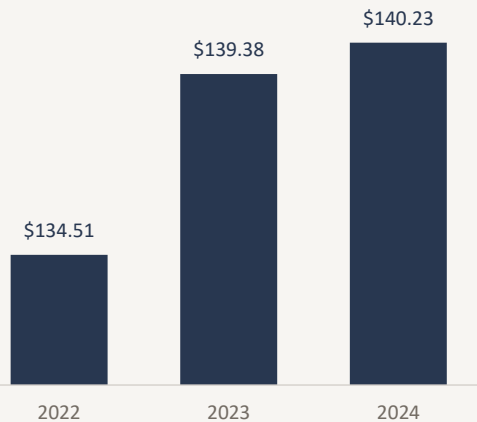
Constant Currency ARR (\$M)<sup>(1)(2)</sup>



Paying Users (M)<sup>(1)</sup>



ARPU (\$) <sup>(1)</sup>



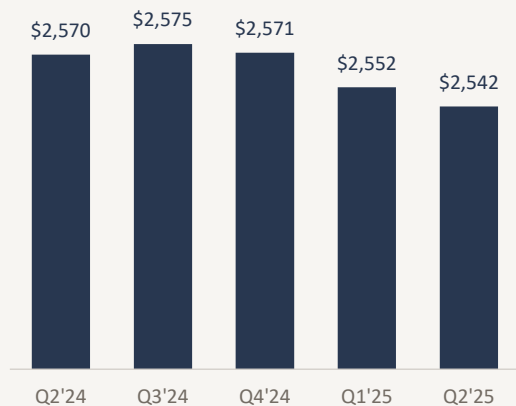
(1) Graphs presented in this illustration are not drawn to precise scale relative to each other.

(2) Total ARR for 2022, 2023, and 2024 are revaluated using exchange rates set at the beginning of fiscal 2025.

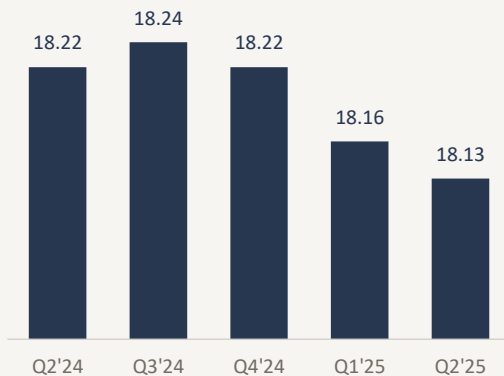


## QUARTERLY KEY METRICS

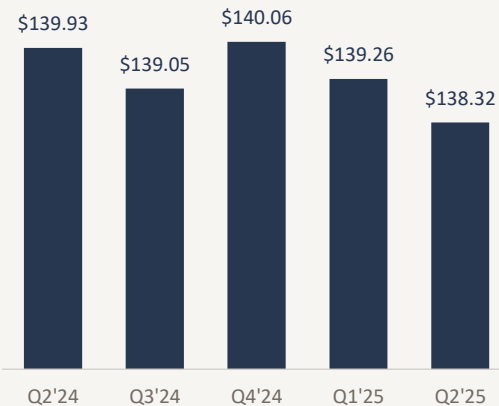
Constant Currency ARR (\$M)<sup>(1)(2)</sup>



Paying Users (M)<sup>(1)</sup>



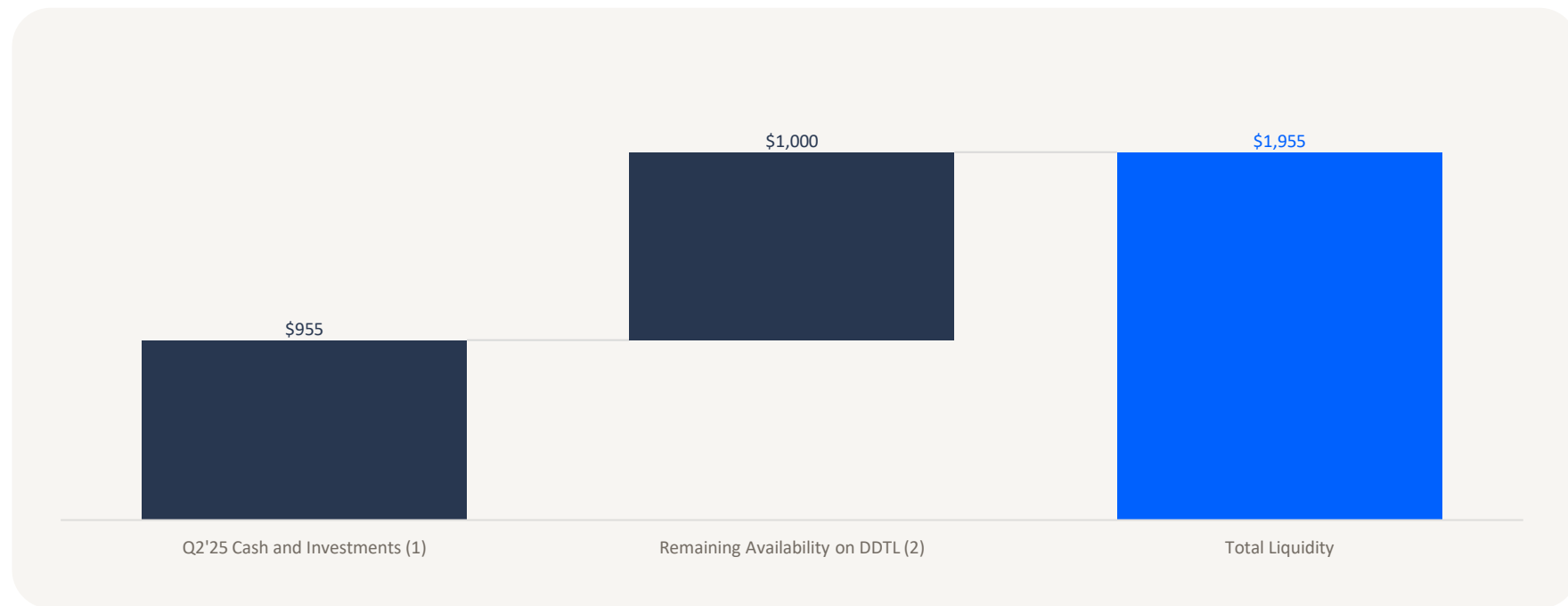
ARPU (\$) <sup>(1)</sup>



(1) Graphs presented in this illustration are not drawn to precise scale relative to each other.

(2) Total ARR for 2024 are revaluated using exchange rates set at the beginning of fiscal 2025.

## \$1.96 billion available liquidity

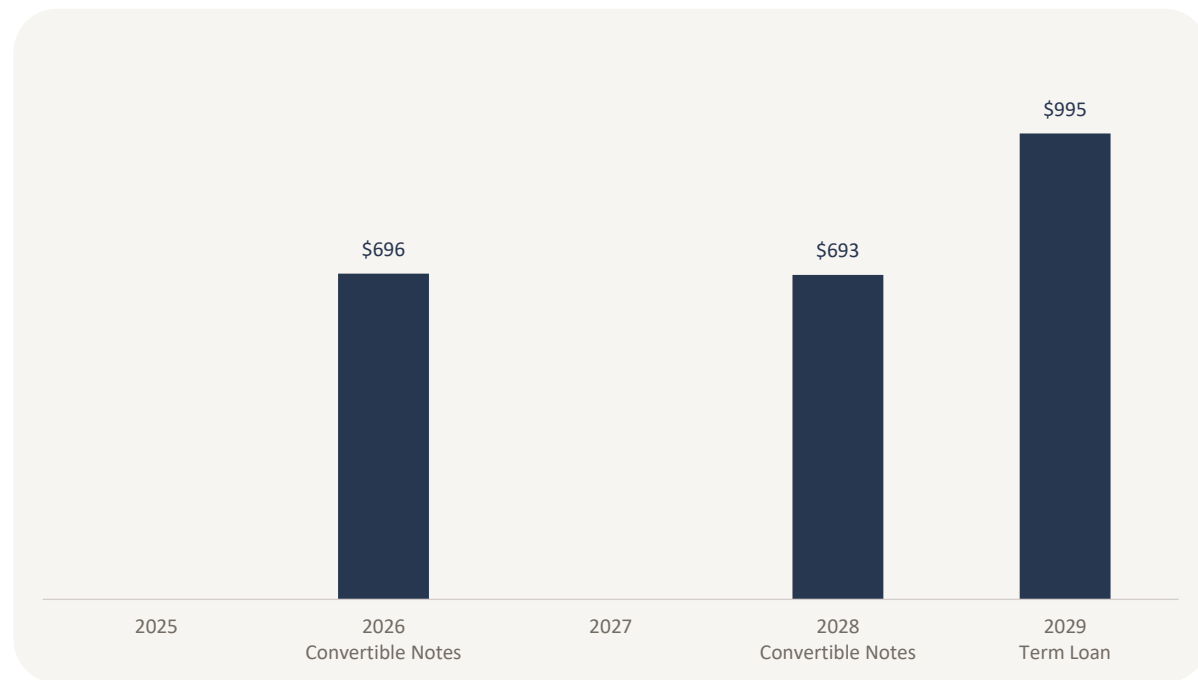


Note: Amounts shown in USD in Millions (\$M)

(1) Cash and Investments includes cash and cash equivalents and short term investments

(2) DDTL: Delayed Draw Term Loan.

## DEBT MATURITIES



Note: Amounts shown in USD in Millions (\$M)

(1) Includes total debt and finance leases

(2) Includes total debt and finance leases less cash and cash equivalents and short term investments

(3) Adjusted EBITDA is a Non-GAAP measures that includes certain adjustments to GAAP Net Income. See Appendix for Non-GAAP reconciliation.

### Convertible Notes

### Maturity

\$696M  
(0% Coupon)

2026

\$693M  
(0% Coupon)

2028

### Term Loan

### Maturity

\$995M  
(SOFR + 3.75%)

2029

Additional \$1.0B accessible via delayed draw  
(1% ticking fee)

### Leverage Ratios

Gross Debt<sup>(1)</sup> \$2.7 billion

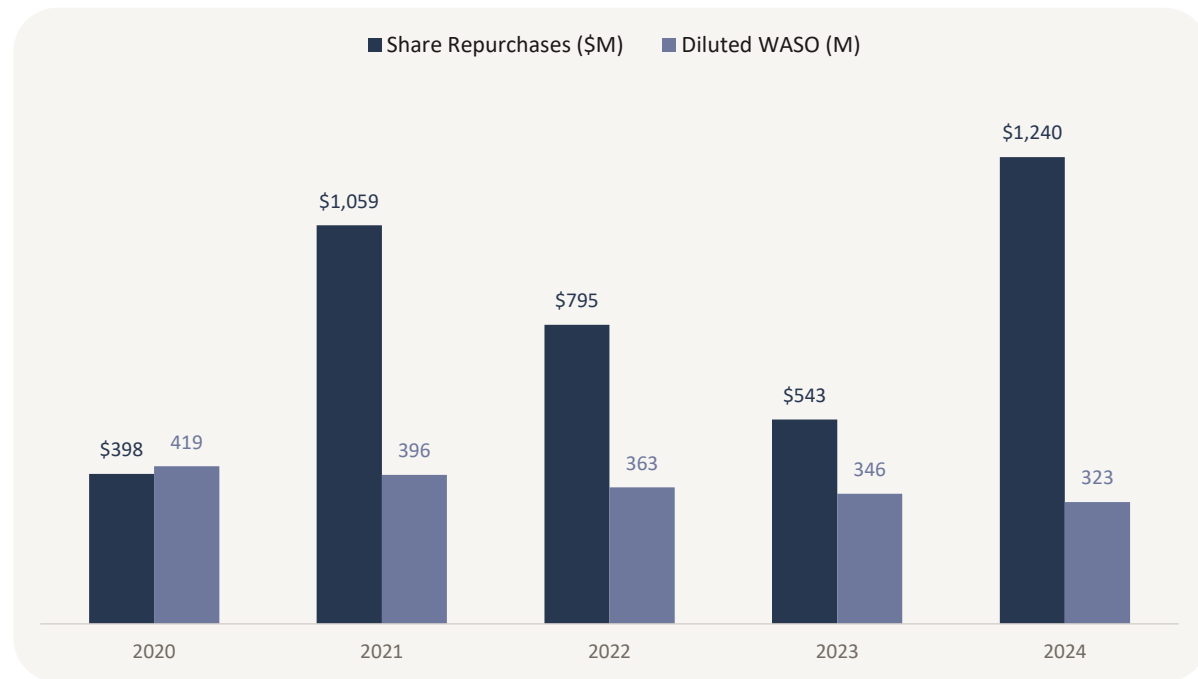
Net Debt<sup>(2)</sup> \$1.8 billion

TTM Gross Debt / Adj.  
EBITDA<sup>(3)</sup> 2.4x

TTM Net Debt / Adj.  
EBITDA 1.6x



## SHARE REPURCHASE SUMMARY



Note Amounts shown in USD in Millions (\$M)  
WASO: Weighted Average Shares Outstanding, shown in millions (M)

### Share Repurchase Program

- In FY'24, The Company repurchased approximately 50M shares for ~\$1.2B
- On December 11, 2024, the Board of Directors authorized the repurchase of an additional \$1.2 billion of Class A common stock
- As of June 30, 2025 the Company had approximately \$470M available under the current Board authorization

### FY'25 Share Repurchase Activity

- In Q2'25, the Company repurchased approximately 14M shares for ~\$400M

|   | Q3 2025     | FISCAL 2025       |
|---|-------------|-------------------|
| GAAP Revenue  | \$622-625   | \$2,490-\$2,500   |
| Constant Currency Revenue                             | \$619-622   | \$2,488-\$2,498   |
| Non-GAAP Gross Margin                                 |             | ~82.0%            |
| Non-GAAP Operating Margin                             | ~37.0%      | ~39.0%            |
| Unlevered Free Cash Flow <sup>(1) (2)</sup>           |             | at or above \$970 |
| Capital Expenditures                                  |             | \$25-\$30         |
| Payments related to reduction in force <sup>(2)</sup> |             | ~\$13             |
| Lease buyout <sup>(3)</sup>                           |             | \$36              |
| Diluted weighted average shares outstanding           | 269M – 274M | 276M – 281M       |

(1) We define unlevered free cash flow as GAAP net cash provided by operating activities less capital expenditures of approximately \$25-\$30 million and also exclude the impact of interest payments associated with our December 2024 credit agreement, net of their associated tax benefit

(2) Includes payments related to severance, benefits, and other related items.

(3) Includes lease buyout payment related to a portion of our San Francisco office.

Note Amounts shown in USD in Millions (\$M)



# Appendix

## Non-GAAP reconciliation

|  | TWELVE MONTHS ENDED |          |          |
|--|---------------------|----------|----------|
|  | 2022                | 2023     | 2024     |
| Income from operations - GAAP              | \$ 181.3            | \$ 538.7 | \$ 486.2 |
| Stock-based compensation                   | 330.7               | 338.0    | 346.5    |
| Acquisition-related and other expenses     | 18.0                | 30.9     | 21.7     |
| Amortization of acquired intangible assets | 13.8                | 28.2     | 25.8     |
| Net loss (gain) on real estate assets      | 175.2               | (155.2)  | 0.1      |
| Workforce reduction expense                | —                   | 39.3     | 47.2     |
| Income from operations - Non-GAAP          | \$ 719.0            | \$ 819.9 | \$ 927.5 |
| Non-GAAP operating margin                  | 30.9 %              | 32.8 %   | 36.4 %   |

Note: Amounts shown in USD in Millions (\$M)

Note: % are rounded for presentation purposes



## Non-GAAP reconciliation

|  | THREE MONTHS ENDED |                    |                   |                |               |  |
|--|--------------------|--------------------|-------------------|----------------|---------------|--|
|  | JUNE 30, 2024      | SEPTEMBER 30, 2024 | DECEMBER 31, 2024 | MARCH 31, 2025 | JUNE 30, 2025 |  |
| Income from operations - GAAP              | \$ 127.0           | \$ 127.8           | \$ 87.9           | \$ 183.8       | \$ 168.4      |  |
| Stock-based compensation                   | 90.5               | 92.3               | 85.7              | 67.1           | 77.7          |  |
| Acquisition-related and other expenses     | 4.6                | 4.4                | 9.7               | 1.4            | 3.7           |  |
| Amortization of acquired intangible assets | 5.8                | 7.0                | 6.8               | 5.9            | 5.8           |  |
| Net loss on real estate assets             | —                  | —                  | 0.1               | —              | 2.6           |  |
| Workforce reduction expense                | —                  | —                  | 47.2              | 2.3            | 1.2           |  |
| Income from operations - Non-GAAP          | \$ 227.9           | \$ 231.5           | \$ 237.4          | \$ 260.5       | \$ 259.4      |  |
| Non-GAAP operating margin                  | 35.9 %             | 36.2 %             | 36.9 %            | 41.7 %         | 41.5 %        |  |

Note: Amounts shown in USD in Millions (\$M)

Note: % are rounded for presentation purposes

## Non-GAAP reconciliation

|  | THREE MONTHS ENDED |                    |                   |                 |                 |  |
|--|--------------------|--------------------|-------------------|-----------------|-----------------|--|
|  | JUNE 30, 2024      | SEPTEMBER 30, 2024 | DECEMBER 31, 2024 | MARCH 31, 2025  | JUNE 30, 2025   |  |
| <b>Net income - GAAP</b>                           | \$ 110.5           | \$ 106.7           | \$ 102.8          | \$ 150.3        | \$ 125.6        |  |
| <b>Stock-based compensation</b>                    | 90.5               | 92.3               | 85.7              | 67.1            | 77.7            |  |
| <b>Acquisition-related and other expenses</b>      | 4.6                | 4.4                | 9.7               | 1.4             | 3.7             |  |
| <b>Amortization of acquired intangible assets</b>  | 5.8                | 7.0                | 6.8               | 5.9             | 5.8             |  |
| <b>Net loss on real estate assets</b>              | —                  | —                  | 0.1               | —               | 2.6             |  |
| <b>Workforce reduction expense</b>                 | —                  | —                  | 47.2              | 2.3             | 1.2             |  |
| <b>Net loss on equity investments</b>              | —                  | —                  | 0.2               | 0.5             | —               |  |
| <b>Income tax effects of Non-GAAP adjustments</b>  | (17.3)             | (20.0)             | (29.9)            | (20.4)          | (18.9)          |  |
| <b>Net income - Non-GAAP</b>                       | <b>\$ 194.1</b>    | <b>\$ 190.4</b>    | <b>\$ 222.6</b>   | <b>\$ 207.1</b> | <b>\$ 197.7</b> |  |
| <b>GAAP Basic EPS</b>                              | \$ 0.34            | \$ 0.34            | \$ 0.34           | \$ 0.52         | \$ 0.46         |  |
| <b>Non-GAAP Basic EPS</b>                          | \$ 0.60            | \$ 0.61            | \$ 0.74           | \$ 0.71         | \$ 0.73         |  |
| <b>Basic weighted average shares outstanding</b>   | 322.4              | 314.5              | 301.5             | 290.3           | 272.4           |  |
| <b>GAAP Diluted EPS</b>                            | \$ 0.34            | \$ 0.34            | \$ 0.34           | \$ 0.51         | \$ 0.45         |  |
| <b>Non-GAAP Diluted EPS</b>                        | \$ 0.60            | \$ 0.60            | \$ 0.73           | \$ 0.70         | \$ 0.71         |  |
| <b>Diluted weighted average shares outstanding</b> | 323.7              | 316.4              | 306.8             | 295.7           | 276.7           |  |

Note: Amounts shown in USD in Millions (\$M)

## Non-GAAP reconciliation

|   | THREE MONTHS ENDED |                    |                   |                 |                 |
|---|--------------------|--------------------|-------------------|-----------------|-----------------|
|   | JUNE 30, 2023      | SEPTEMBER 30, 2023 | DECEMBER 31, 2023 | MARCH 31, 2024  | JUNE 30, 2024   |
| Net income - GAAP                           | \$ 43.2            | \$ 114.1           | \$ 227.3          | \$ 132.3        | \$ 110.5        |
| Stock-based compensation                    | 95.3               | 83.8               | 82.9              | 78.0            | 90.5            |
| Acquisition-related and other expenses      | 14.6               | 4.6                | 4.3               | 3.0             | 4.6             |
| Amortization of acquired intangible assets  | 7.0                | 7.1                | 7.1               | 6.2             | 5.8             |
| Net loss (gain) on real estate assets       | 2.2                | —                  | (157.4)           | —               | —               |
| Workforce reduction expense                 | 37.5               | 1.4                | 0.4               | —               | —               |
| Income tax effects of Non-GAAP adjustments  | (25.8)             | (16.9)             | 6.2               | (22.8)          | (17.3)          |
| <b>Net income - Non-GAAP</b>                | <b>\$ 174.0</b>    | <b>\$ 194.1</b>    | <b>\$ 170.8</b>   | <b>\$ 196.7</b> | <b>\$ 194.1</b> |
| GAAP Basic EPS                              | \$ 0.13            | \$ 0.34            | \$ 0.67           | \$ 0.40         | \$ 0.34         |
| Non-GAAP Basic EPS                          | \$ 0.51            | \$ 0.57            | \$ 0.51           | \$ 0.59         | \$ 0.60         |
| Basic weighted average shares outstanding   | 341.4              | 339.2              | 337.5             | 334.8           | 322.4           |
| GAAP Diluted EPS                            | \$ 0.13            | \$ 0.33            | \$ 0.66           | \$ 0.39         | \$ 0.34         |
| Non-GAAP Diluted EPS                        | \$ 0.51            | \$ 0.56            | \$ 0.50           | \$ 0.58         | \$ 0.60         |
| Diluted weighted average shares outstanding | 343.8              | 346.0              | 343.9             | 340.7           | 323.7           |

Note: Amounts shown in USD in Millions (\$M)



## Free cash flow & Unlevered free cash flow reconciliation

|   | TWELVE MONTHS ENDED |        |      |        |      |        |
|---|---------------------|--------|------|--------|------|--------|
|   | 2022                |        | 2023 |        | 2024 |        |
| Net Cash provided by operating activities                         | \$                  | 797.3  | \$   | 783.7  | \$   | 894.1  |
| Capital expenditures  |                     | (33.8) |      | (24.3) |      | (22.5) |
| Free cash flow  | \$                  | 763.5  | \$   | 759.4  | \$   | 871.6  |
| Cash paid for interest on debt, net of the associated tax benefit |                     | —      |      | —      |      | —      |
| Unlevered free cash flow  | \$                  | 763.5  | \$   | 759.4  | \$   | 871.6  |



## Free cash flow & Unlevered free cash flow reconciliation

|   | THREE MONTHS ENDED |                    |                   |                |               |
|---|--------------------|--------------------|-------------------|----------------|---------------|
|   | JUNE 30, 2024      | SEPTEMBER 30, 2024 | DECEMBER 31, 2024 | MARCH 31, 2025 | JUNE 30, 2025 |
| Net Cash provided by operating activities                         | \$ 230.6           | \$ 274.2           | \$ 213.8          | \$ 153.8       | \$ 260.5      |
| Capital expenditures  | (5.9)              | (4.1)              | (3.3)             | (0.1)          | (2.0)         |
| Free cash flow  | \$ 224.7           | \$ 270.1           | \$ 210.5          | \$ 153.7       | \$ 258.5      |
| Cash paid for interest on debt, net of the associated tax benefit | —                  | —                  | —                 | 20.7           | 17.9          |
| Unlevered free cash flow  | \$ 224.7           | \$ 270.1           | \$ 210.5          | \$ 174.4       | \$ 276.4      |



# Non-GAAP reconciliation

THREE MONTHS ENDED JUNE 30, 2025

|  | GAAP     | STOCK BASED<br>COMPENSATION | ACQUISITION-<br>RELATED AND<br>OTHER EXPENSES | AMORTIZATION<br>OF ACQUIRED<br>INTANGIBLE<br>ASSETS | NET LOSS ON<br>REAL ESTATE<br>ASSETS | WORKFORCE<br>REDUCTION<br>EXPENSE | NON-GAAP |
|--|----------|-----------------------------|---|---|--------------------------------------|-----------------------------------|----------|
| <b>Gross profit</b>                          | \$ 502.0 | \$ 5.6                      | \$ 1.9  | \$ 4.9  | \$ —                                 | \$ 0.1                            | \$ 514.5 |
| <i>Gross margin</i>                          | 80 %     | 1 %                         | — %   | 1 %   | — %                                  | — %                               | 82 %     |
| <b>Research and development</b>              | 184.4    | (53.8)                      | (1.5)   | —   | —                                    | (0.7)                             | 128.4    |
| <i>Research and development margin</i>       | 29 %     | (9)%                        | — %   | — %   | — %                                  | — %                               | 21 %     |
| <b>Sales and marketing</b>                   | 87.8     | (5.7)                       | —   | (0.9)   | —                                    | (0.3)                             | 80.9     |
| <i>Sales and marketing margin</i>            | 14 %     | (1)%                        | — %   | — %   | — %                                  | — %                               | 13 %     |
| <b>General and administrative</b>            | 58.8     | (12.6)                      | (0.3)   | —   | —                                    | (0.1)                             | 45.8     |
| <i>General and administrative margin</i>     | 9 %      | (2)%                        | — %   | — %   | — %                                  | — %                               | 7 %      |
| <b>Net loss on real estate assets</b>        | 2.6      | —                           | —   | —   | (2.6)                                | —                                 | —        |
| <i>Net loss on real estate assets margin</i> | — %      | — %                         | — %   | — %   | — %                                  | — %                               | — %      |
| <b>Income from operations</b>                | 168.4    | 77.7                        | 3.7   | 5.8   | 2.6                                  | 1.2                               | 259.4    |
| <i>Operating margin</i>                      | 27 %     | 12 %                        | 1 %   | 1 %   | — %                                  | — %                               | 42 %     |

Note: Amounts shown in USD in Millions (\$M)

Note: % are rounded for presentation purposes



# Non-GAAP reconciliation

THREE MONTHS ENDED JUNE 30, 2024

|  | GAAP     | STOCK BASED<br>COMPENSATION | ACQUISITION-<br>RELATED AND<br>OTHER EXPENSES | AMORTIZATION<br>OF ACQUIRED<br>INTANGIBLE<br>ASSETS | NON-GAAP |
|--|----------|-----------------------------|---|---|----------|
| <b>Gross profit</b>                      | \$ 527.5 | \$ 6.0                      | \$ —  | \$ 2.8  | \$ 536.3 |
| <i>Gross margin</i>                      | 83 %     | 1 %                         | — %   | — %   | 85 %     |
| <b>Research and development</b>          | 227.1    | (64.2)                      | (3.3)   | —   | 159.6    |
| <i>Research and development margin</i>   | 36%      | (10)%                       | (1)%  | — %   | 25%      |
| <b>Sales and marketing</b>               | 112.5    | (6.2)                       | —   | (3.0)   | 103.3    |
| <i>Sales and marketing margin</i>        | 18%      | (1)%                        | — %   | — %   | 16%      |
| <b>General and administrative</b>        | 60.9     | (14.1)                      | (1.3)   | —   | 45.5     |
| <i>General and administrative margin</i> | 10%      | (2)%                        | — %   | — %   | 7%       |
| <b>Income from operations</b>            | 127.0    | 90.5                        | 4.6   | 5.8   | 227.9    |
| <i>Operating margin</i>                  | 20 %     | 14 %                        | 1 %   | 1 %   | 36 %     |

Note: Amounts shown in USD in Millions (\$M)

Note: % are rounded for presentation purposes



# Non-GAAP reconciliation

## TRAILING TWELVE MONTHS ENDED

June 30, 2025

|  |           |                |
|--|-----------|----------------|
| <b>Net Income - GAAP</b>               | <b>\$</b> | <b>485.4</b>   |
| Other (income) / expense, net          |           | (5.8)          |
| Interest (income) / expense, net       |           | 31.3           |
| Tax provision                          |           | 57.0           |
| Depreciation & Amortization            |           | 150.6          |
| <b>EBITDA - Non-GAAP</b>               | <b>\$</b> | <b>718.5</b>   |
| Stock-based compensation               |           | 322.8          |
| Acquisition-related and other expenses |           | 19.2           |
| Net (gain) loss on real estate assets  |           | 2.7            |
| Workforce reduction expense            |           | 50.7           |
| <b>Adjusted EBITDA - Non-GAAP</b>      | <b>\$</b> | <b>1,113.9</b> |

Note: Amounts shown in USD in Millions (\$M)