

Dropbox

Company Presentation
November 2022

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 June 30, 2022 that we filed with the Securities and Exchange Commission (the “SEC”) on August 5, 2022, 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 macro economic uncertainty, the COVID-19 pandemic and related public health measures, 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; our history of net losses and 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 that may result from the COVID-19 pandemic; 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 and free cash flow. 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.

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Business Overview

Dropbox Today

Leader in file sync and share

Smart workspace for digital content collaboration

Addressing individual and team workflows

Leveraging virality and scale in go-to-market

Balanced growth and cash flow generation model

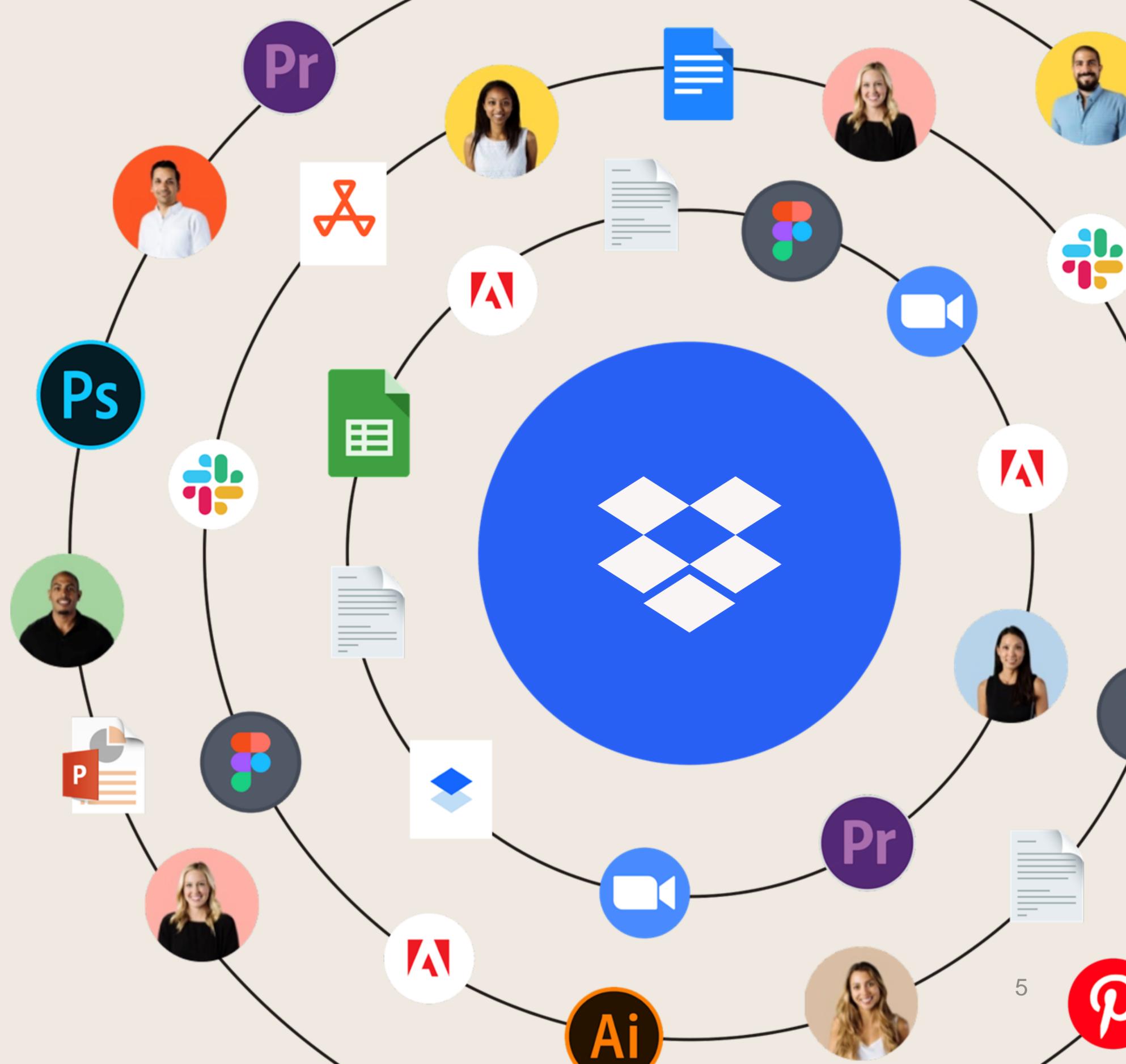
Global Collaboration Platform at Scale*

700M+
registered users

800B+
pieces of content

17.55M
paying users

*Data as of 9/30/22



Keeping Files in Sync

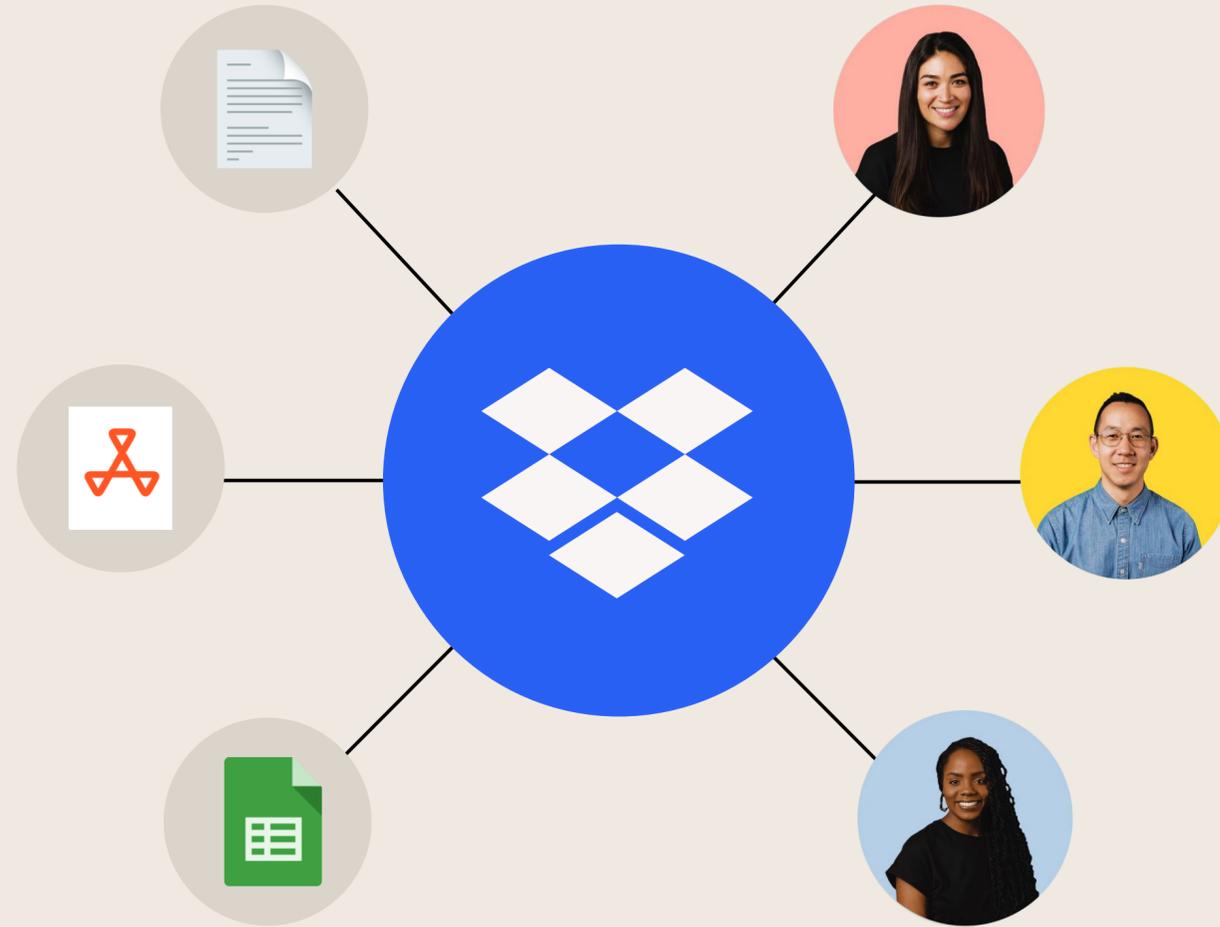
Keeping Teams in Sync

Cloud storage

2007

Backup & sync

File sync and sharing



Beyond FSS

Today

Team collaboration

Content management

Professional sharing

Secure sharing and analytics

Project management

eSignature

Content backup

Our Product Portfolio



Individuals

Teams



Basic

Standard

Dropbox Sign

Personal

Plus

Advanced

Dropbox Sign API

Standard

Family

Enterprise

Dropbox Forms

Advanced

Professional

Dropbox Fax

Enterprise

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

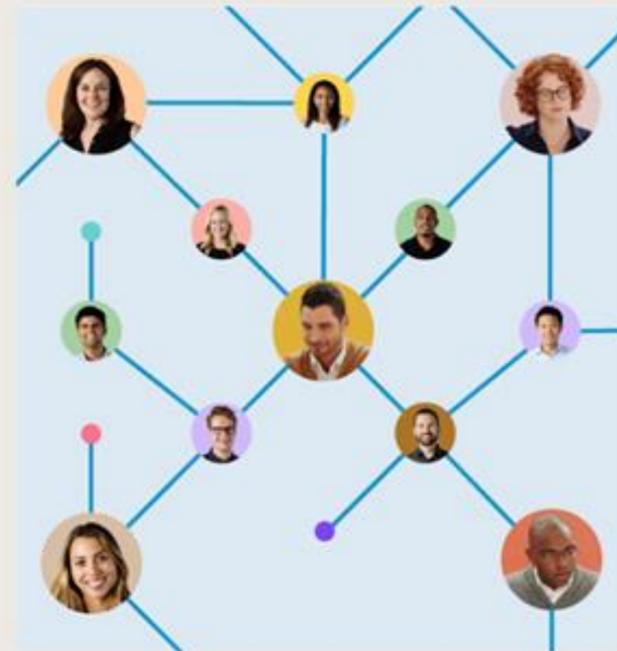
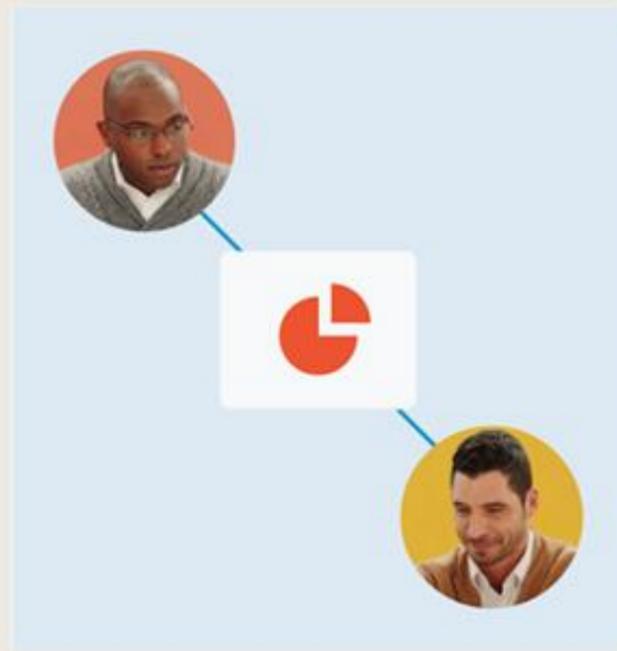
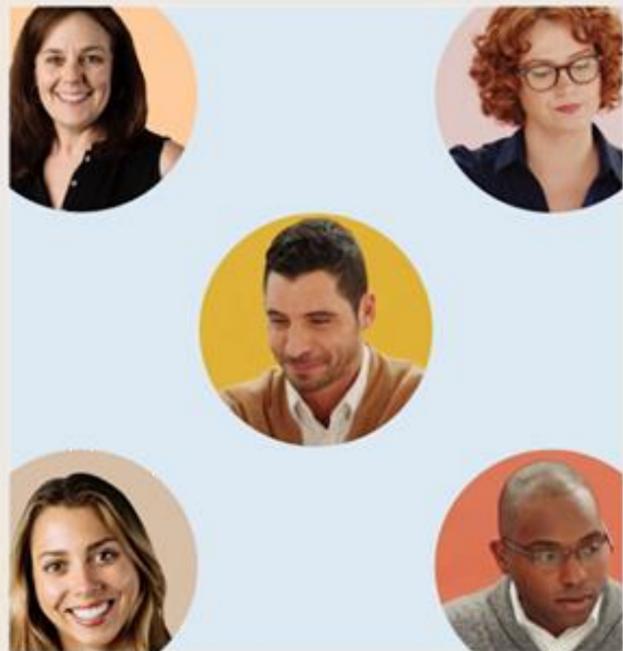
Efficient Go-to-Market

Land

Adopt organically

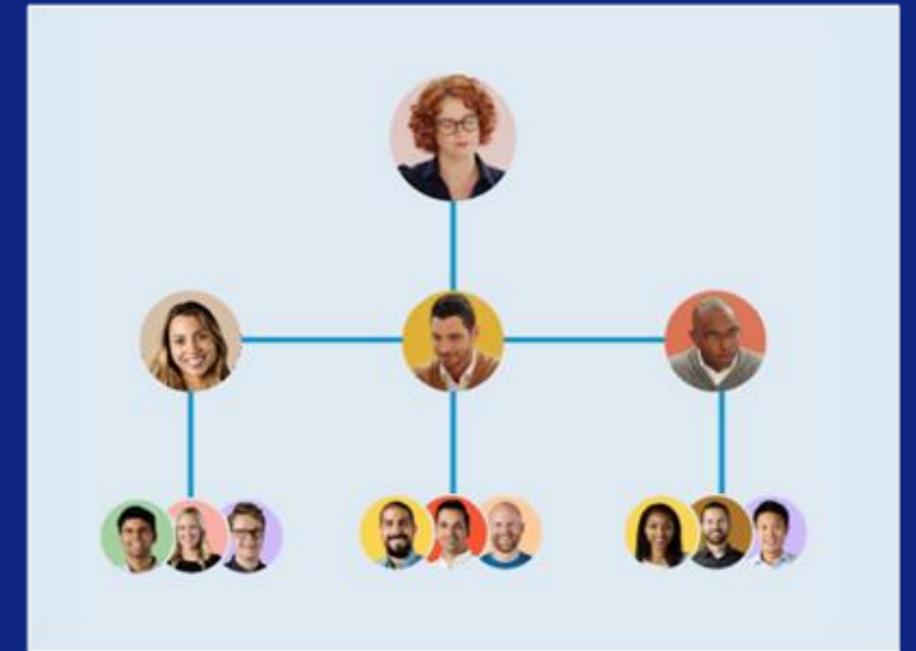
Land within companies

Expand within companies



Expand

Deploy fully



Growth Drivers

Execute

Convert and Retain

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

Upsell

Prompt existing users to upgrade to premium plans or purchase additional licenses and add-ons

Innovate

New product experiences

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

Expand into workflows

Invest in integrations and native capabilities to enable more workflows beyond FSS

New Features Help Organize Digital Content

Dropbox introduces new tools to easily automate and maintain an organized file system

Keeping digital content organized across work and home has become **increasingly complex**

Introducing features such as:

- Automated folders & dashboards
- Multi-file organize
- Naming conventions
- Tagging
- Document conversion



Product Experiences

Dropbox is developing new product experiences for distributed teams and creatives



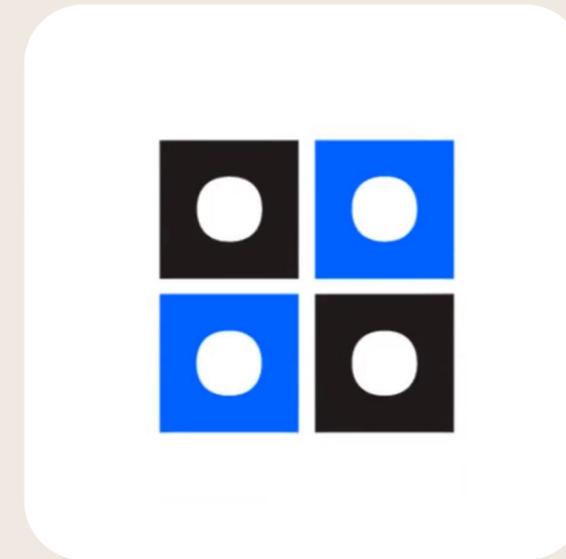
Capture

An all-in-one visual communication tool that helps team members share their work and ideas asynchronously



Replay

A video collaboration tool that makes it easier to collect, manage, and respond to feedback, all in one place

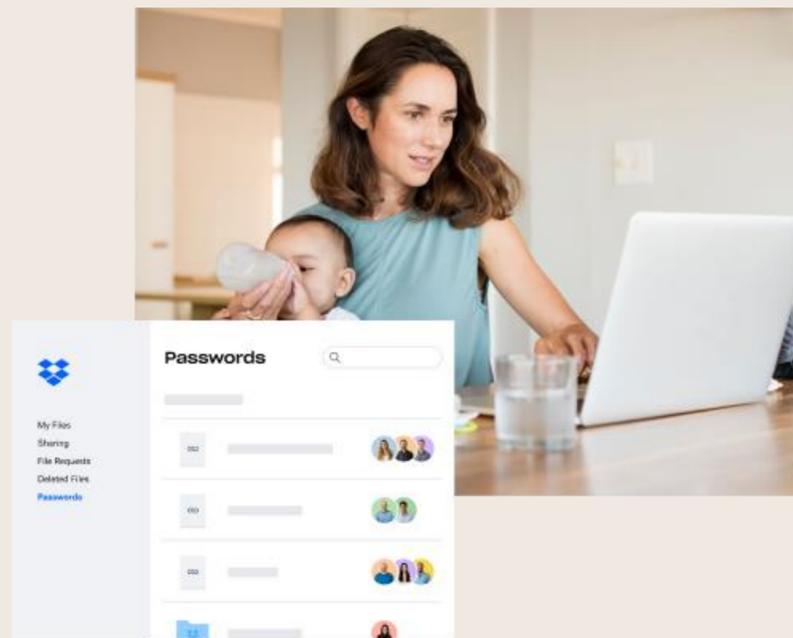


Shop

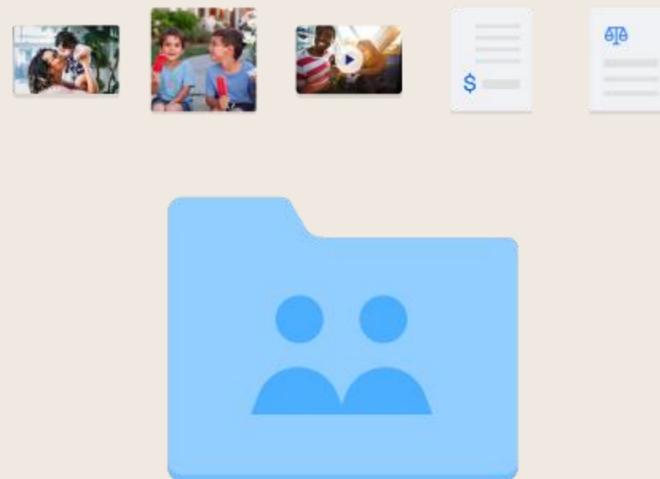
A platform to sell digital content creations that users store in their Dropbox

Dropbox Family Plan

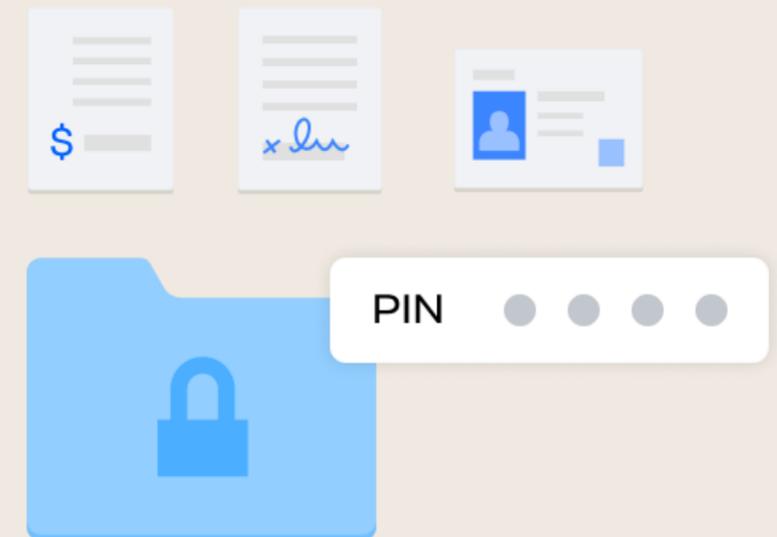
- Organize, centralize and protect your Family content
- Enhanced privacy and security features



Manage what matters most



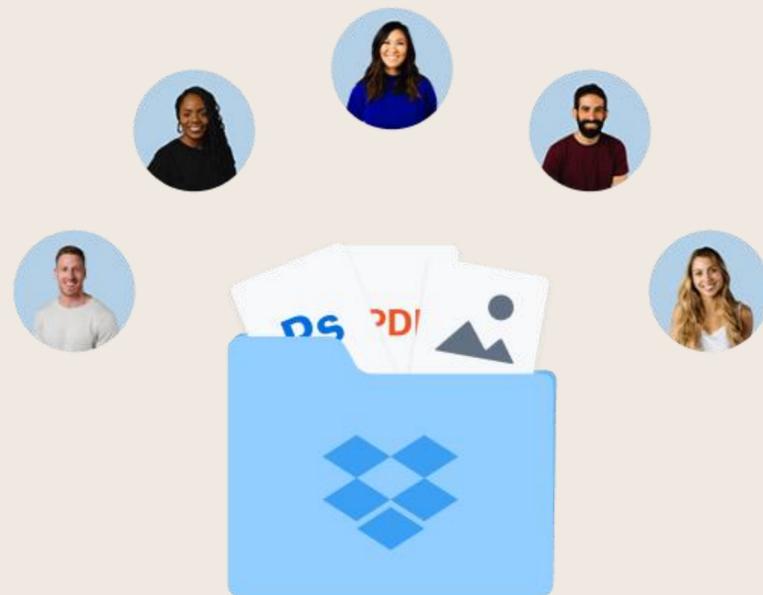
Keep your family connected



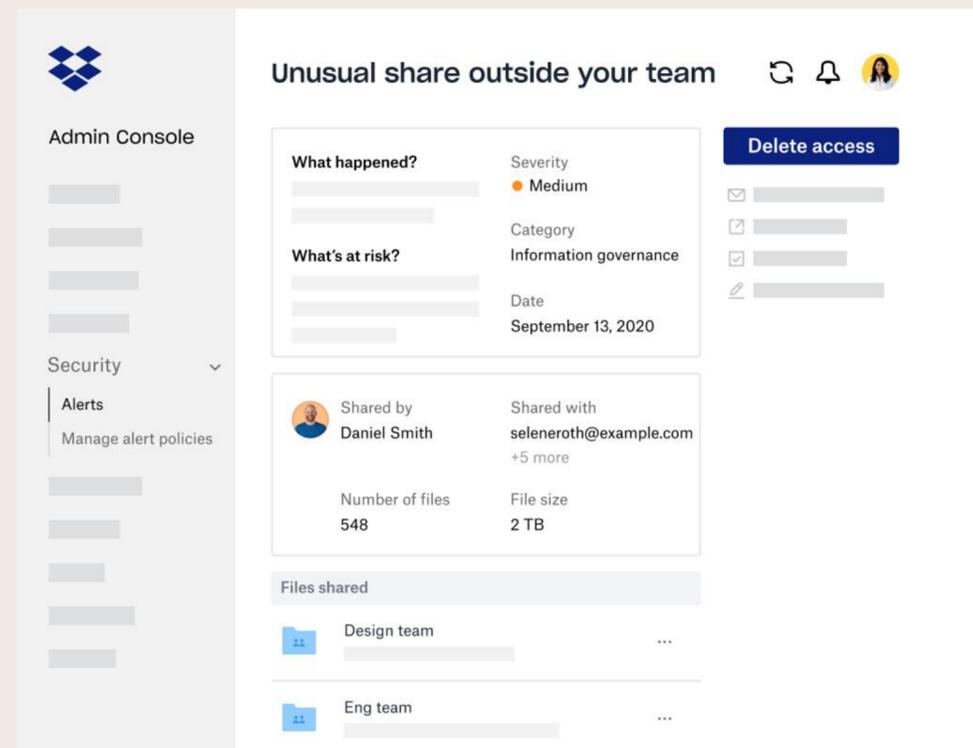
Keep sensitive info safe

Dropbox Business

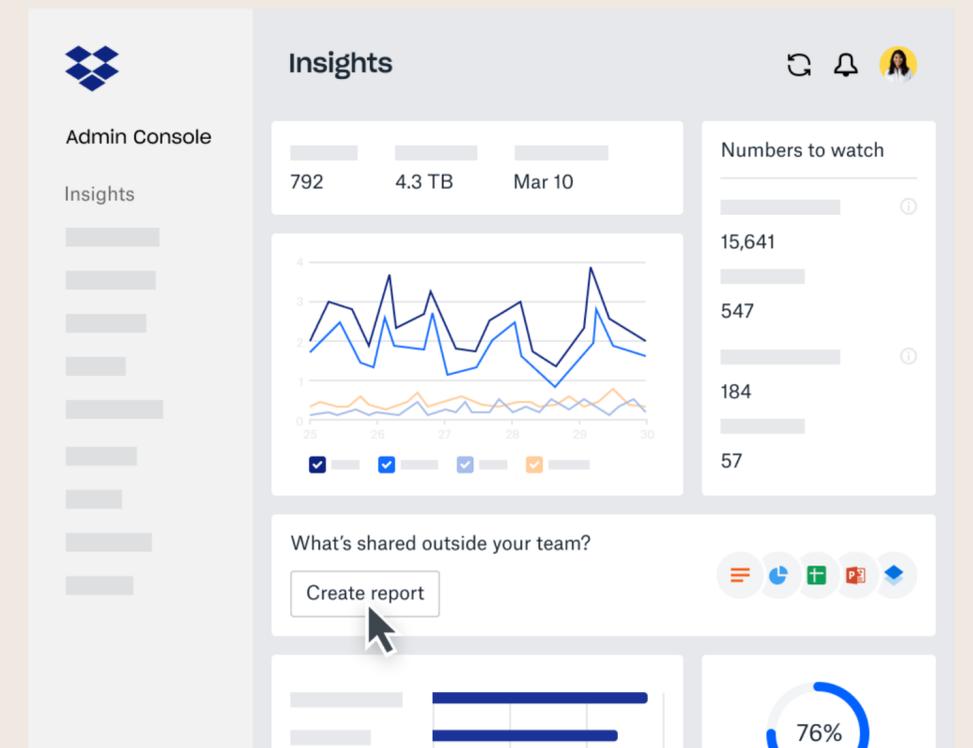
- Organize and centralize content around the needs of your team
- Collaborate in shared workspaces and streamline workflows
- Secure company data through visibility into content access and sharing



Shared team workspace



Data governance and audit logs



Advanced security alerts & notifications

Dropbox Business Teams Expansion

- Dropbox now has over 600K paid plans for business teams (“Teams plans”)
- Making it even easier to invite people to join your team
- Team admins & members can now easily invite collaborators to join the team after sharing content with them



Invite people to your Dropbox team

Invite them to Hanford Inc. Dropbox, so they don't have to ask you each time they need access to files or more storage.

-  **Ann Thompson**
athompson@hanfordinc.com
 - @hanfordinc.com email match
 - Your team has shared 7 folders with them
 - Your team has worked with them since Aug 3, 2020
-  **Jay**
jay@hanfordinc.com
 - @hanfordinc.com email match
 - Your team has shared 7 folders with them
 - Your team has worked with them since Aug 3, 2020
-  **Zoe**
zoe@cobaltcircle.co
 - Your team has shared 7 folders with them
 - Your team has worked with them since Aug 3, 2020

You'll be charged for **1 more person**, and your new monthly total is **\$150.00**. Watch for an email with all the details.



Request an invite for athompson@hanfordinc.com to join your Dropbox team

Invite them to Hanford Inc. Dropbox, so they don't have to ask you each time they need access to files or more storage.

-  **Ann Thompson**
athompson@hanfordinc.com

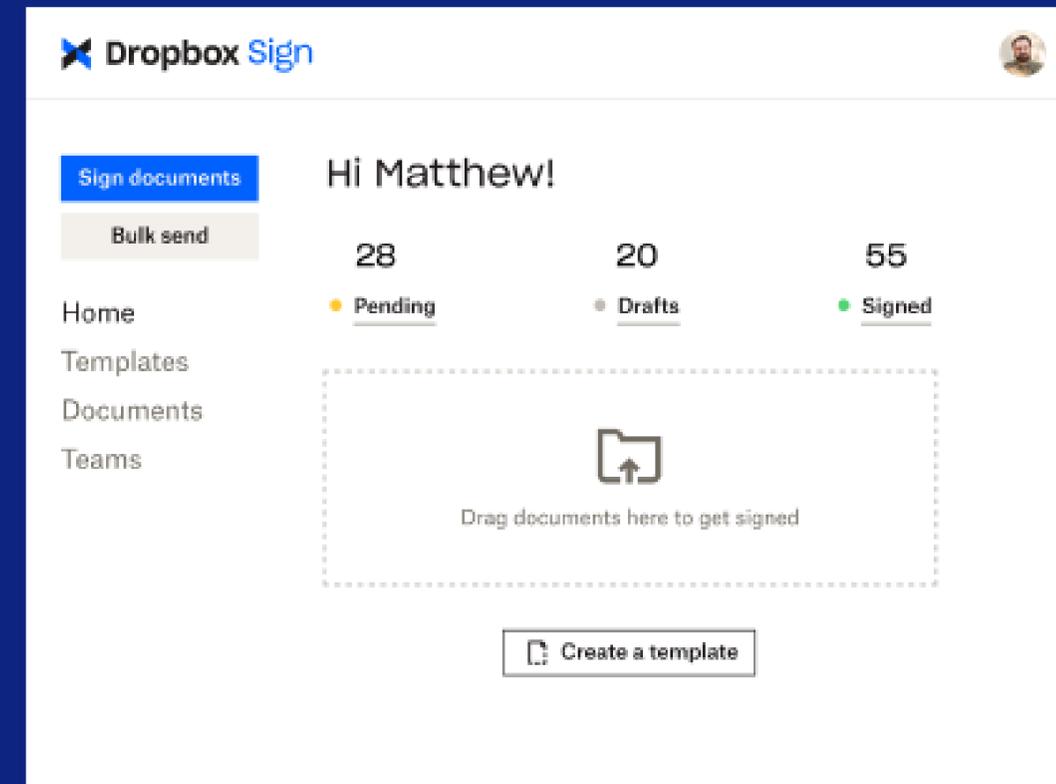
Your requests will be sent to admins for approval.

~35%
of paying users are on
Teams plans

Dropbox Sign Update



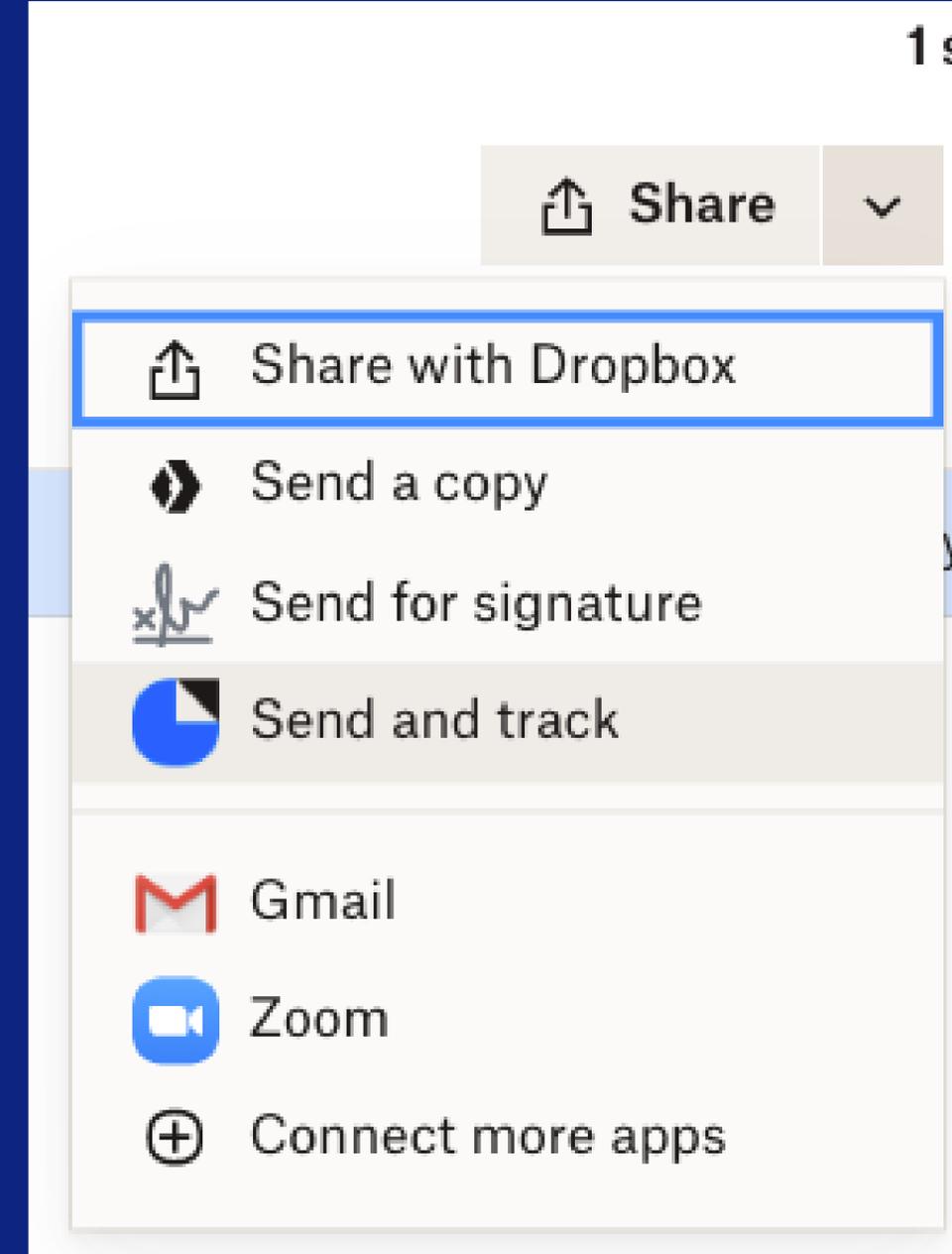
- Dropbox Sign now integrates with HubSpot
- Dropbox Forms included in Standard and Advanced Sign Plans
- Dropbox Sign now integrates with Microsoft SharePoint
- Launched new OpenAPI experience to try Sign API without writing a single line of code
- Introduced paid premium support
- Dropbox Sign is available in 21 additional languages



DocSend Update



- DocSend is a full suite of self-serve products to manage document sharing and analytics through real-time controls and insights for:
 - Virtual data rooms for fundraising
 - M&A
 - Sales and marketing
 - Investor relations
- DocSend launched DocSend Dashboard Analytics
- Launched DocSend Advanced Video Analytics in October
- Began testing DocSend-powered analytics as a freemium experience to Dropbox individual users

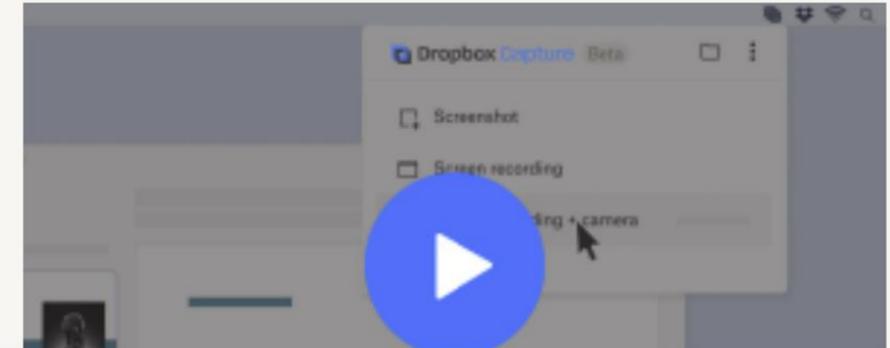


Capture Update



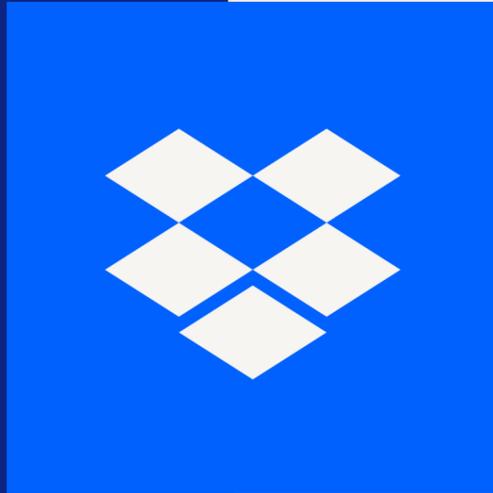
- In October Capture was released to all users
- Capture is now available across all Dropbox plans
 - Includes premium features for Professional and Teams plans, like editing for videos of any length and the ability to record in 4K up to the plan's storage limit
 - For Basic, Plus, Family Plan - users get up to two hours of recording time at 1080p and editing for videos under 5 minutes
- Our Capture users are creating over 100K+ Captures each month

A few tips for you to get started with Capture:



-  Screen recording + camera [Try it!](#)
-  Screen recording
-  Screenshot
-  Audio recording
-  Camera

Deep Integration Partners



Google

slack

ATLASSIAN

BetterCloud

Adobe

zoom

Microsoft

salesforce

Environmental, Social, and Governance

Dropbox published its **first ESG Impact Report in October**, which shares data for 2021.



Environmental

Dropbox is committed to fighting global warming and reducing our carbon footprint. We're always looking at ways we can make a difference in our day-to-day business practices, and have set meaningful sustainability goals that we plan to accomplish by 2030.



Social

Our DEI initiatives, workforce development programs, and ethical business practices all play a role in driving Social Responsibility at Dropbox. In addition, we also empower our employees to give back by providing paid volunteer time off, matching donations, and making product donations to nonprofits, through our Dropbox for Good program.



Governance

We're committed to maintaining an independent and diverse board of directors. Since 2019, we've added five directors who are women or members of underrepresented communities to our board.

Financial Highlights

Financial Highlights

Predictable and balanced financial model

Investing for continued revenue growth

Driving strong operating leverage

Significant share repurchases

Dropbox Financial Strategy: Maintaining LT Margin Targets



80%-82%

Non-GAAP
Gross Margin

\$1 Bn

Free Cash Flow
by 2024

30%-32%

Non-GAAP
Operating Margin

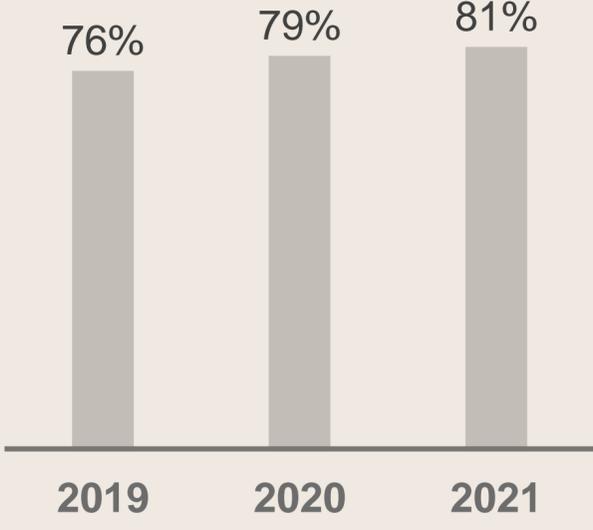
Strong Performance at Scale



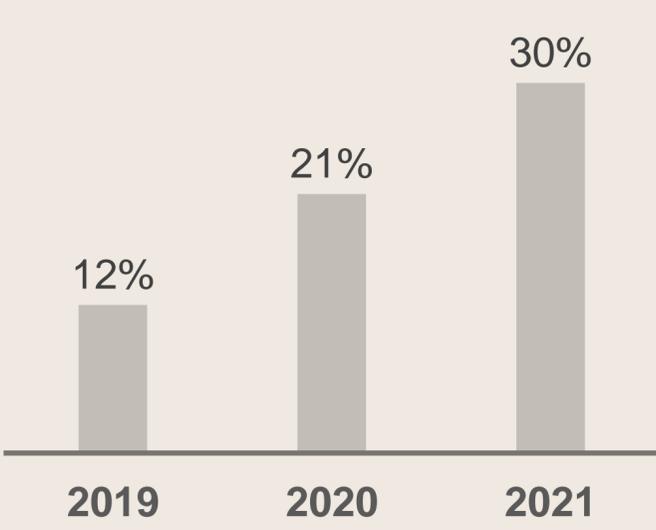
Revenue (\$M)



Free Cash Flow (\$M)



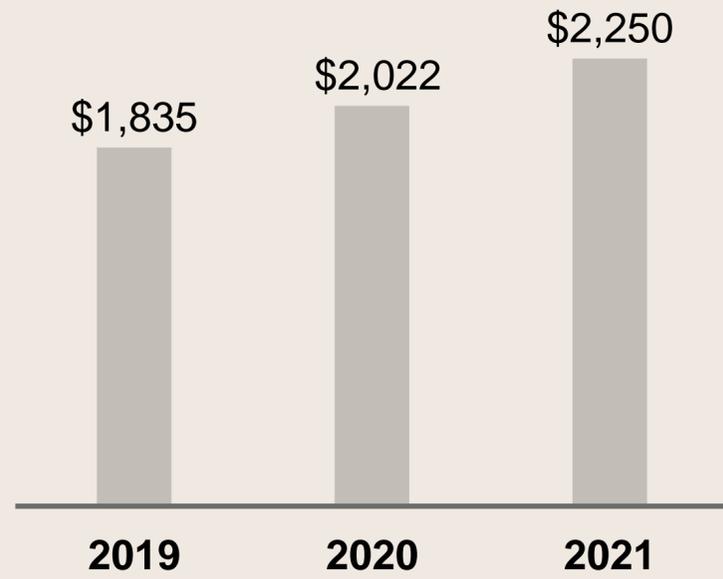
Non-GAAP
Gross Margin



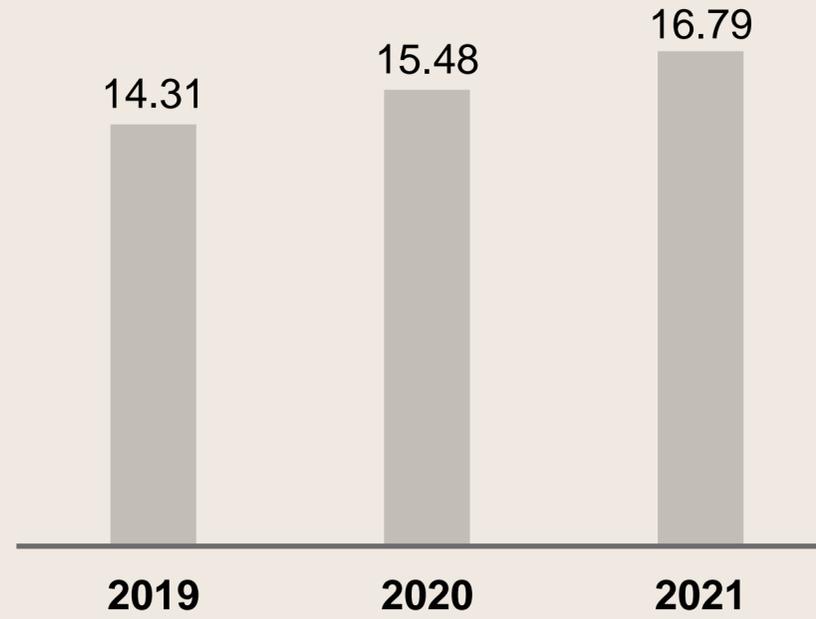
Non-GAAP
Operating Margin

*Note: Non-GAAP gross margin and non-GAAP operating margin exclude stock-based compensation expense and certain non-recurring adjustments. Free cash flow is GAAP net cash provided by operating activities less capital expenditures. See appendix for non-GAAP reconciliation.

Key Metrics



CC ARR (\$M)

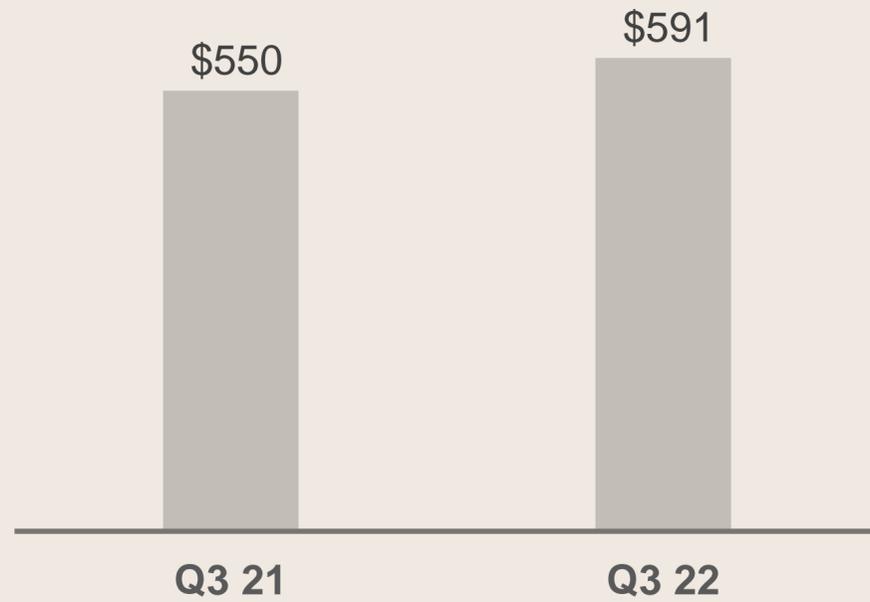


Paying Users (MM)

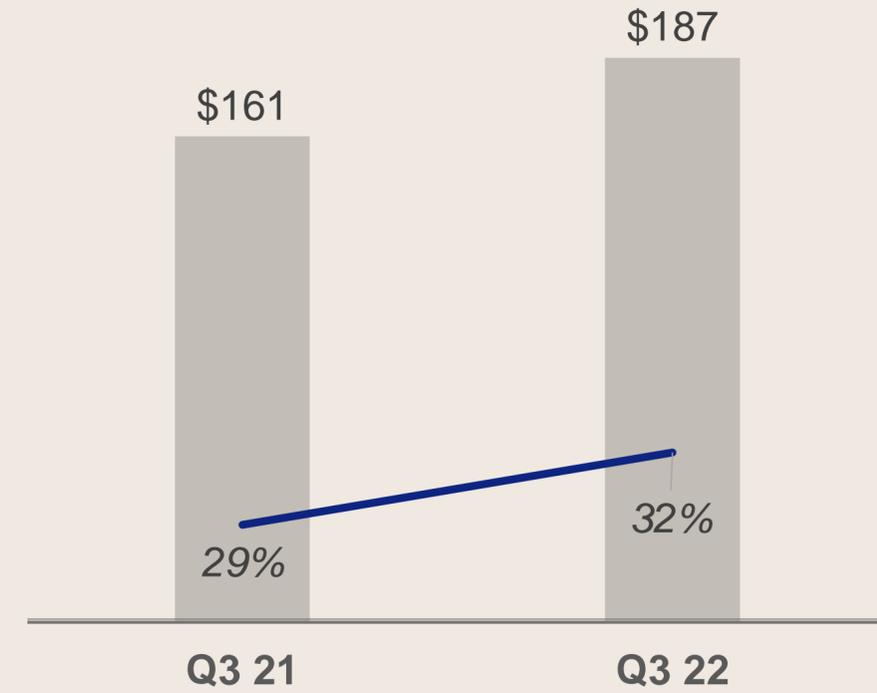


ARPU (\$)

Q3'22 Financial Highlights



Revenue (\$M)



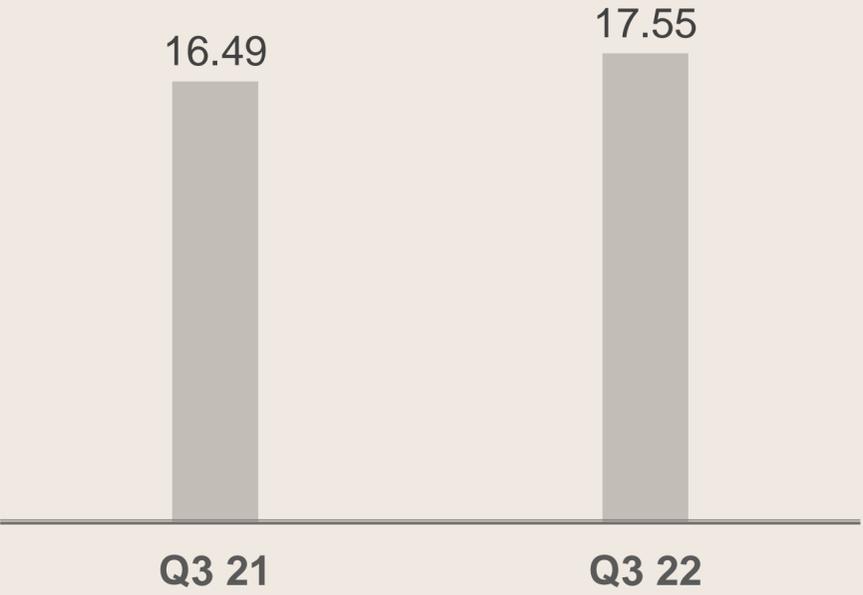
— Non-GAAP operating margin

Operating Income (\$M)

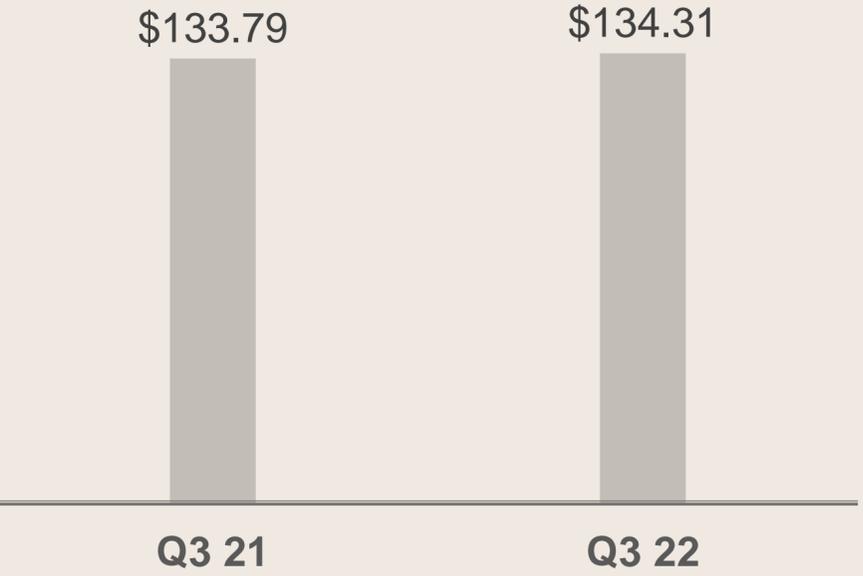
Q3'22 Financial Highlights



CC ARR (\$M)



Paying Users (M)



ARPU (\$)

Operating Leverage



Proprietary Infrastructure



Virtual First



Workforce Optimization

Long-Term Target Model

Non-GAAP	2019	2020	2021	Long-term target
Gross Margin	76%	79%	81%	80 - 82%
R&D expense as % of revenue	30%	28%	25%	23– 25%
S&M expense as % of revenue	23%	20%	18%	18 – 20%
G&A expense as % of revenue	11%	10%	8%	8 – 10%
Operating margin	12%	21%	30%	30 – 32%
Annual Free Cash Flow	\$392M	\$491M	\$708M	\$1B+

*Note: Margins and expenses exclude stock-based compensation expense and certain non-recurring adjustments. Free cash flow is GAAP net cash provided by operating activities less capital expenditures. See appendix for non-GAAP reconciliation. 29

Appendix

Non-GAAP reconciliation

	Twelve Months Ended		
	2019	2020	2021
Income (loss) from operations - GAAP	\$ (80.5)	\$ (277.0)	\$ 274.4
Stock-based compensation	261.2	261.5	287.1
Acquisition-related and other expenses	15.9	16.9	26.8
Amortization of acquired intangible assets	8.4	9.5	13.1
Impairment related to real estate assets	—	398.2	31.3
Workforce reduction expense	—	—	14.3
Income from operations - Non-GAAP	\$ 205.0	\$ 409.1	\$ 647.0
<i>Non-GAAP operating margin</i>	<i>12.3%</i>	<i>21.4%</i>	<i>30.0%</i>

Non-GAAP reconciliation

	Three Months Ended	
	September 30, 2021	September 30, 2022
Income from operations - GAAP	\$ 77.3	\$ 89.3
Stock-based compensation	72.8	86.1
Acquisition-related and other expenses	6.8	4.1
Amortization of acquired intangible assets	3.5	3.2
Impairment related to real estate assets	—	4.0
Workforce reduction expense	0.6	—
Income from operations - Non-GAAP	\$ 161.0	\$ 186.7
<i>Non-GAAP operating margin</i>	29.3%	31.6%

Free cash flow reconciliation

	Twelve Months Ended		
	2019	2020	2021
Net Cash provided by operating activities	\$ 528.5	\$ 570.8	\$ 729.8
Capital expenditures	(136.1)	(80.1)	(22.1)
Free cash flow	\$ 392.4	\$ 490.7	\$ 707.7

Non-GAAP reconciliation

	Three Months Ended September 30, 2022					
	GAAP	Stock based compensation	Acquisition-related and other expenses	Amortization of acquired intangible assets	Impairment related to real estate assets	Non-GAAP
Gross profit	\$ 481.3	\$ 6.4	\$ —	\$ 2.0	\$ —	\$ 489.7
<i>Gross margin</i>	81 %	1 %	—	—	—	83 %
Research and development	227.6	(60.6)	(1.4)	—	—	165.6
<i>Research and development margin</i>	39 %	(10)%	—	—	—	28 %
Sales and marketing	103.6	(6.0)	(1.7)	(1.2)	—	94.7
<i>Sales and marketing margin</i>	18 %	(1)%	—	—	—	16 %
General and administrative	56.8	(13.1)	(1.0)	—	—	42.7
<i>General and administrative margin</i>	10 %	(2)%	—	—	—	7 %
Impairment related to real estate assets	4.0	—	—	—	(4.0)	—
<i>Impairment related to real estate assets margin</i>	1 %	— %	—	—	(1)%	— %
Income from operations	89.3	86.1	4.1	3.2	4.0	186.7
<i>Operating margin</i>	15 %	15 %	1 %	1 %	1 %	32 %

Non-GAAP reconciliation

	Three Months Ended September 30, 2021					
	GAAP	Stock based compensation	Acquisition-related and other expenses	Amortization of acquired intangible assets	Workforce reduction expense	Non-GAAP
Gross profit	\$ 438.2	\$ 6.0	\$ —	\$ 1.6	\$ —	\$ 445.8
<i>Gross margin</i>	80 %	1 %	— %	— %	— %	81 %
Research and development	187.3	(48.7)	(5.1)	—	(0.1)	133.4
<i>Research and development margin</i>	34%	(9%)	(1%)	—%	—%	24 %
Sales and marketing	115.7	(5.9)	(1.7)	(1.9)	(0.4)	105.8
<i>Sales and marketing margin</i>	21%	(1%)	—%	—%	—%	20 %
General and administrative	57.9	(12.2)	—	—	(0.1)	45.6
<i>General and administrative margin</i>	11%	(2%)	—%	—%	—%	9 %
Income from operations	77.3	72.8	6.8	3.5	0.6	161.0
<i>Operating margin</i>	14 %	13 %	1 %	1 %	— %	29 %

Note: % are rounded for presentation purposes

Non-GAAP reconciliation

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<i>Operating margin</i>	14 %	13 %	1 %	1 %	— %	29 %

Note: % are rounded for presentation purposes

Dropbox subscription plans

Personal

Business

Basic	Plus	Family	Professional	Pro + eSign	Standard + DocSend	Standard	Advanced	Enterprise
Free	\$11.99 / month \$119.88 / year	\$19.99 / month \$203.88 / year	\$19.99 / month \$199.00 / year	\$31.99 / month \$299.88 / year	\$83 / user / month \$600 / user / year <i>3 users minimum</i>	\$18.00 / user / month \$180.00 / user / year <i>3 users minimum</i>	\$30.00 / user / month \$288.00 / user / year <i>3 users minimum</i>	Negotiated pricing
Dropbox Transfer* Dropbox Paper Computer Backup File requests 30 day version history HelloSign eSignatures Passwords Capture	Everything in Basic and Backup** Passwords Vault* Dropbox Rewind Smart Sync and Smart Sync Auto-Evict Full text search Priority email support Capture	Everything in Plus Up to 6 users Family Room folder Capture	Everything in Plus Auto OCR Image search Watermarking Shared link controls Branded sharing 180 day version history Premium previews Time-based comments Viewer history Traffic and insights Capture	Everything in Plus 5 templates for commonly signed documents Tamper-proofing Audit trail that tracks and time-stamps actions Built in data validation 180 day version history Branded watermarking Live chat support Advanced sharing controls Capture	Everything in Standard Real-time document analytics Multiple documents with a single link Passcodes and email verification Approved viewer and domain lists Capture	Everything in Basic External sharing reporting Dropbox Passwords Dropbox Backup Dropbox Rewind Smart Sync and Smart Sync Auto-Evict Auto OCR, Image and full text search Watermarking Shared link controls Branded sharing 180 day version history Team folders Admin console Granular permissions Enables HIPAA compliance Unlimited API access** Priority email + live chat Capture	Everything in Standard 1-year Extended version history Ransomware detection & recovery Premium previews Time-based comments Viewer history Single sign-on integration (SSO) Audit logs Device approvals Tiered admin roles Business hours phone support Capture	Everything in Advanced Enterprise mobility management (EMM) Network control Domain insights and account capture 24/7 phone support and advanced training Capture
2GB of storage	2TB storage	2TB storage	3TB storage	3TB storage; Send unlimited documents for signature	5TB storage	5TB storage	As much storage as needed	As much storage as needed

*Vault is only available in Plus, Family, and Professional. *Size of Dropbox Transfer varies based on Dropbox plan: Basic (100MB), Plus, Family, & Standard (2GB), Professional, Advanced, and Enterprise (100GB). Professional, Advanced, and Enterprise plans also receive advanced Transfer functionality.

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

