



Dropbox

Company Presentation
November 2020

Safe harbor Statement

This presentation contains forward-looking statements. These statements may relate to, but are not limited to, Dropbox, Inc.'s ("Dropbox," "we," "us," or similar terms) plans for growth, technological capabilities and new features and products, and long-term financial targets, as well as assumptions relating to the foregoing. 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, 2020 that we filed with the Securities and Exchange Commission (the "SEC") on August 7, 2020, and include, but are not limited to, our ability to realize anticipated benefits to our business from our shift to a Virtual First work model as well as impacts to our financial results and business operations as a result of this shift; the impacts to our financial results, business operations, the business of our customers, suppliers, partners and the economy as a result of 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, in particular paying users impacted by the COVID-19 pandemic, and increase our recurring revenue; our ability to attract new users or convert registered users to paying users, in particular prospective paying users financially impacted by the COVID-19 pandemic; 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 history of net losses and 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, particularly from any potential disruptions in the supply chain for hardware necessary to offer our services that may result from the COVID-19 pandemic, 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, particularly in light of potential disruptions to the productivity of our employees that may result from our shift to a Virtual First work model; our ability to manage our growth or plan for future growth; 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; our ability to realize benefits from strategic partnerships; our ability to compete successfully in competitive markets; 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 made available in our quarterly report on Form 10-Q for the quarter ended September 30, 2020 and in other 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 expenses (including research and development, sales and marketing and general and administrative), non-GAAP operating income, 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. A reconciliation of these measures to the most directly comparable GAAP measures is included at the end of this presentation. A reconciliation of our forward-looking guidance for non-GAAP operating margin with our forward-looking GAAP operating margin, forward-looking guidance for non-GAAP operating expenses with our forward-looking GAAP operating expenses and forward-looking guidance for non-GAAP gross margin with our forward-looking GAAP gross margin is not available without unreasonable efforts as the quantification of stock-based compensation expense, which is excluded from our non-GAAP operating and gross margins and operating expenses and will have a significant impact on our GAAP operating and gross margins and operating expenses, requires additional inputs that are difficult to predict and subject to change. Our forward-looking guidance for non-GAAP operating and gross margins and operating expenses also excludes the following expenses related to the acquisition of HelloSign: the unpaid portion of the purchase price for certain executives that is being earned over three years if they remain employed in the total amount of \$28 million; and amortization of acquired intangible assets, which are subject to valuation efforts.

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

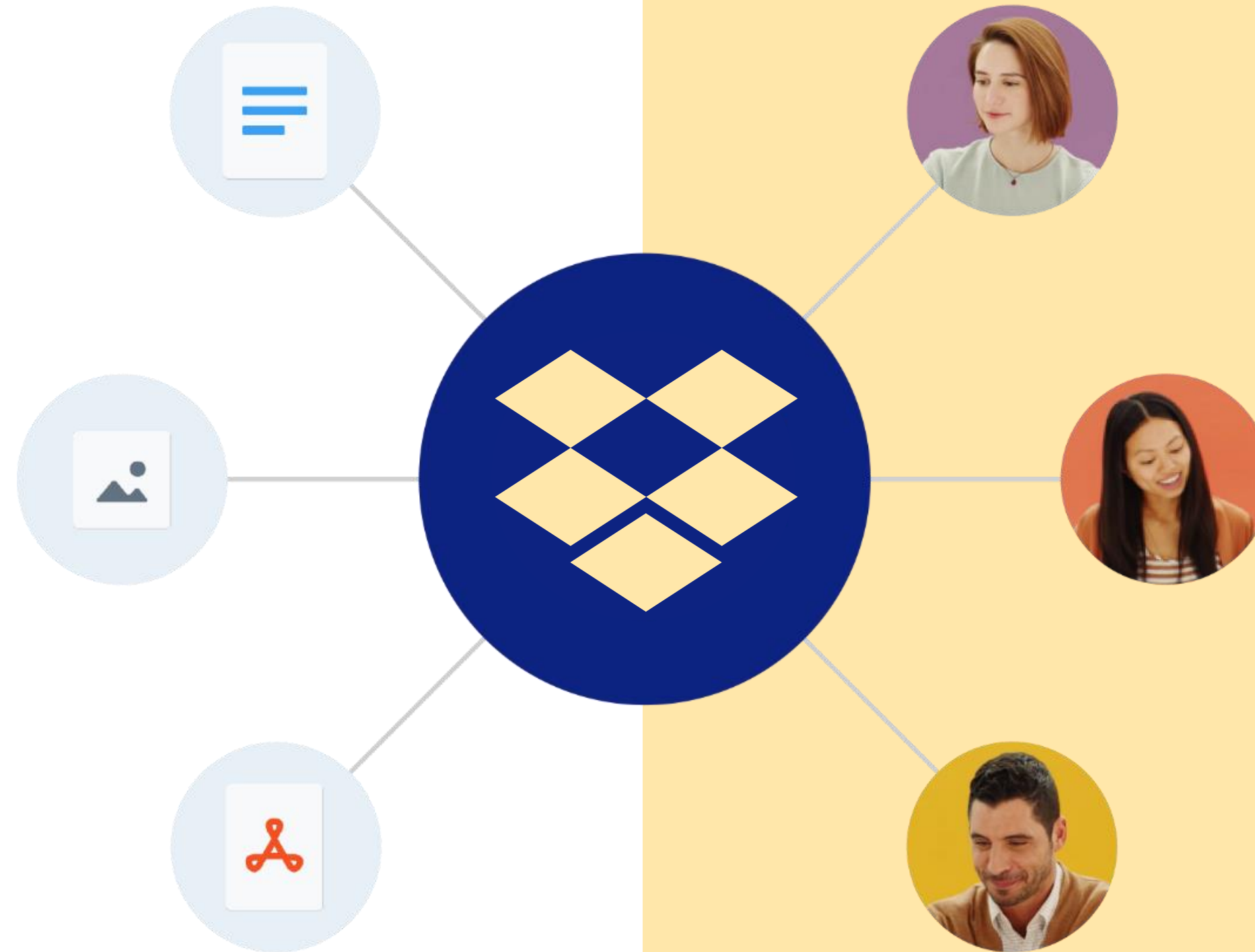
Keeping teams in sync

Cloud storage
2007

Smart Workspace
Today

Backup & sync
File sharing
Shared folders

Content management
Collaborative apps
Professional sharing
Project management
eSignature
Personal Privacy
Content Backup



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+

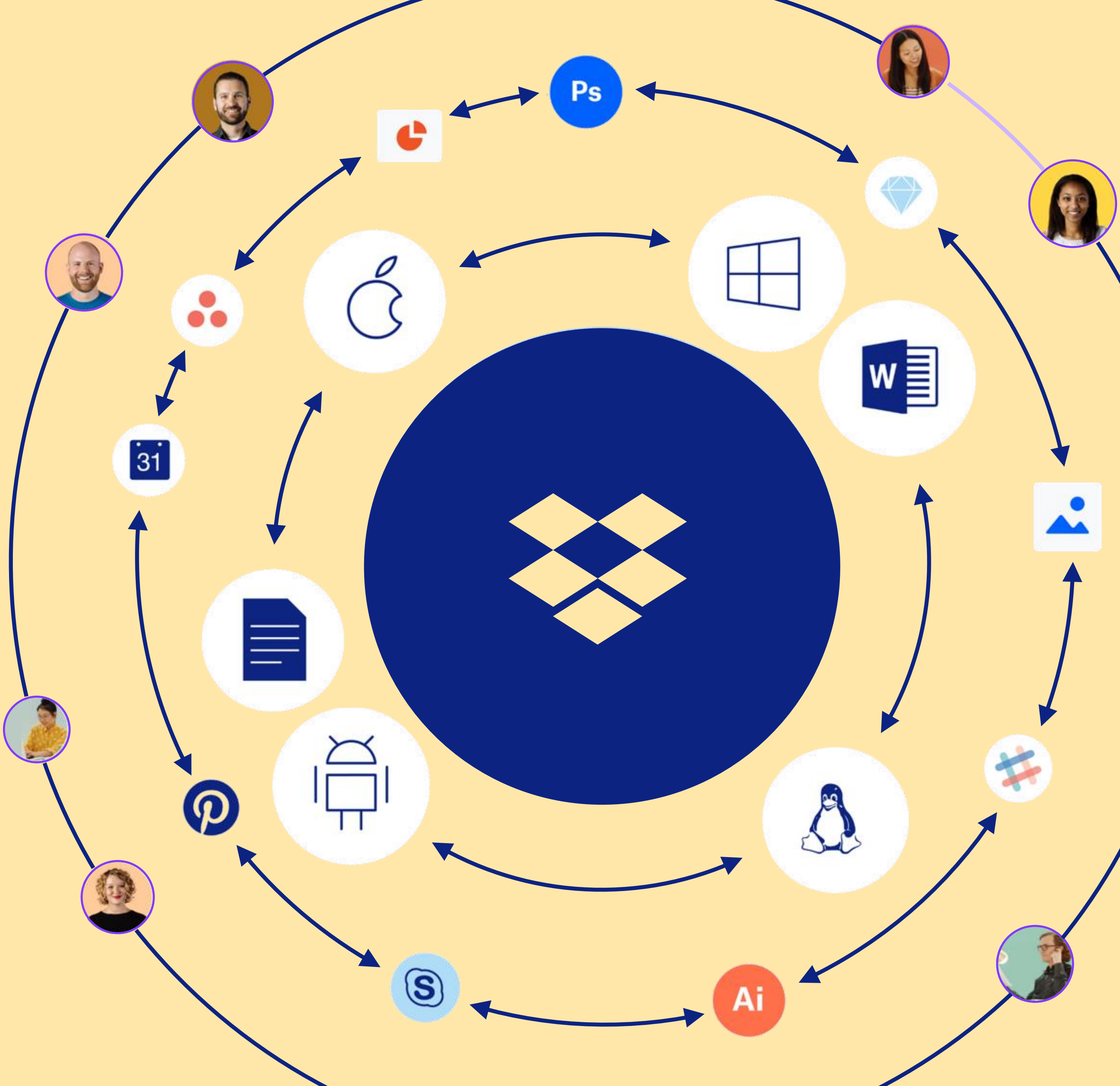
pieces of content

15.25M

paying users

80%

of subscribers use us for work



Reinventing the software playbook

Traditional playbook

What sets Dropbox apart

Designed for IT

vs.

Designed for users

Top-down distribution

vs.

Bottom-up adoption

Walled garden

vs.

Open ecosystem

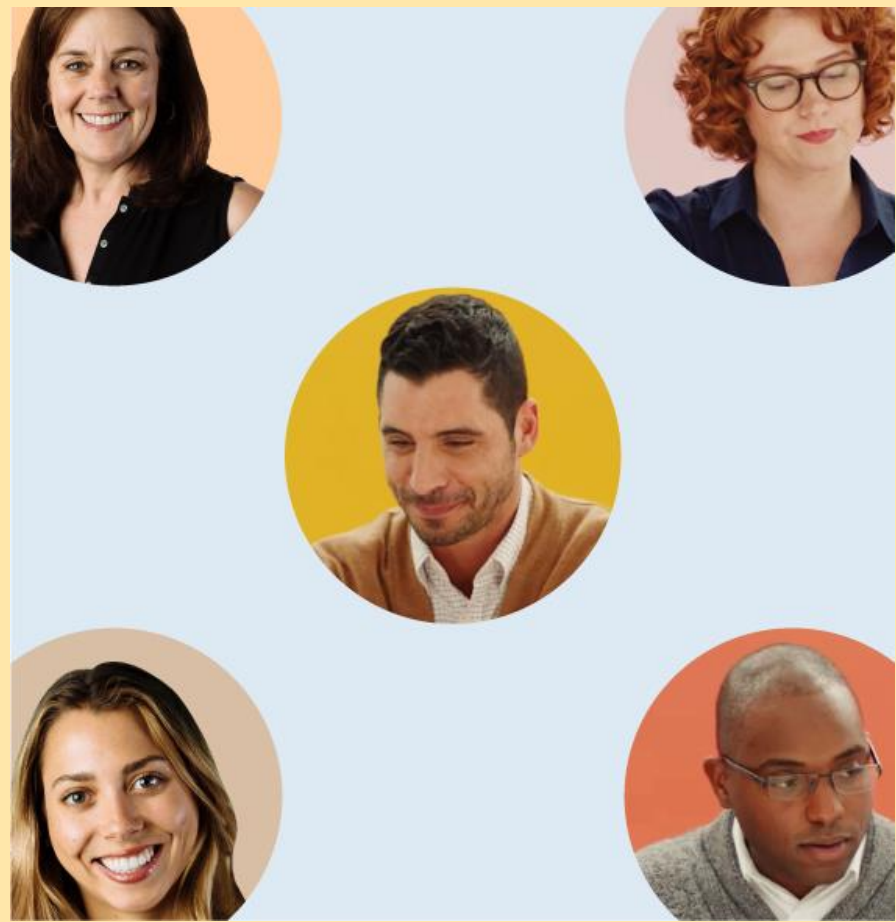
Rip-and-replace

vs.

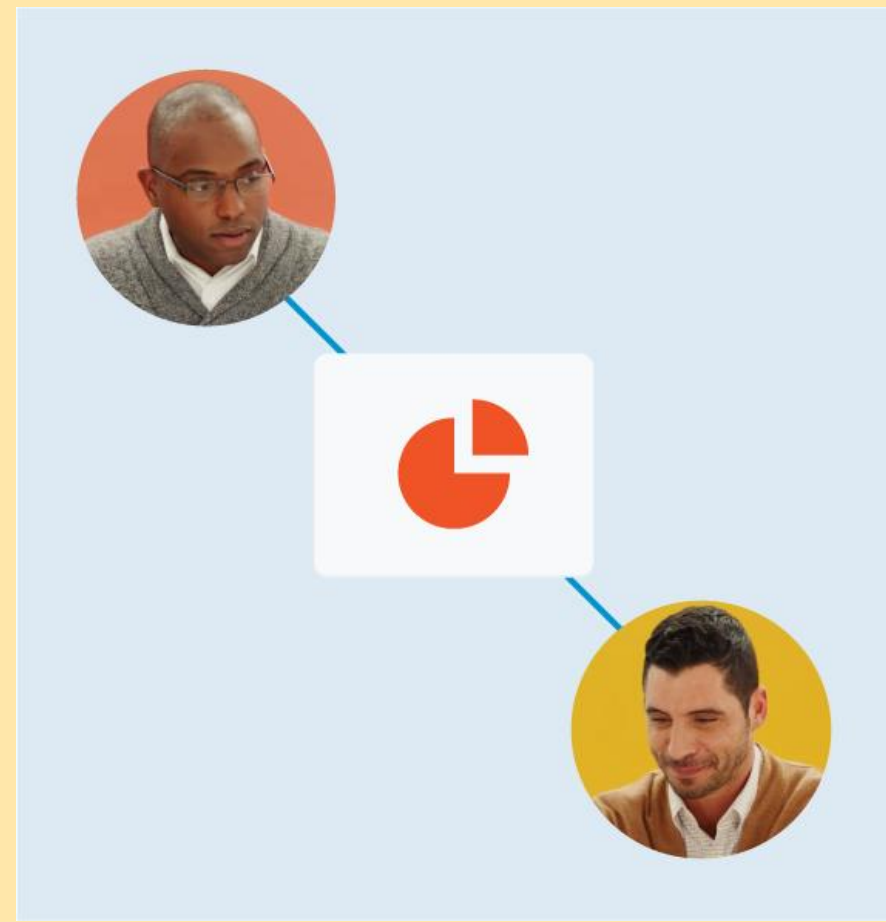
Live side-by-side

Efficient Go-to-Market

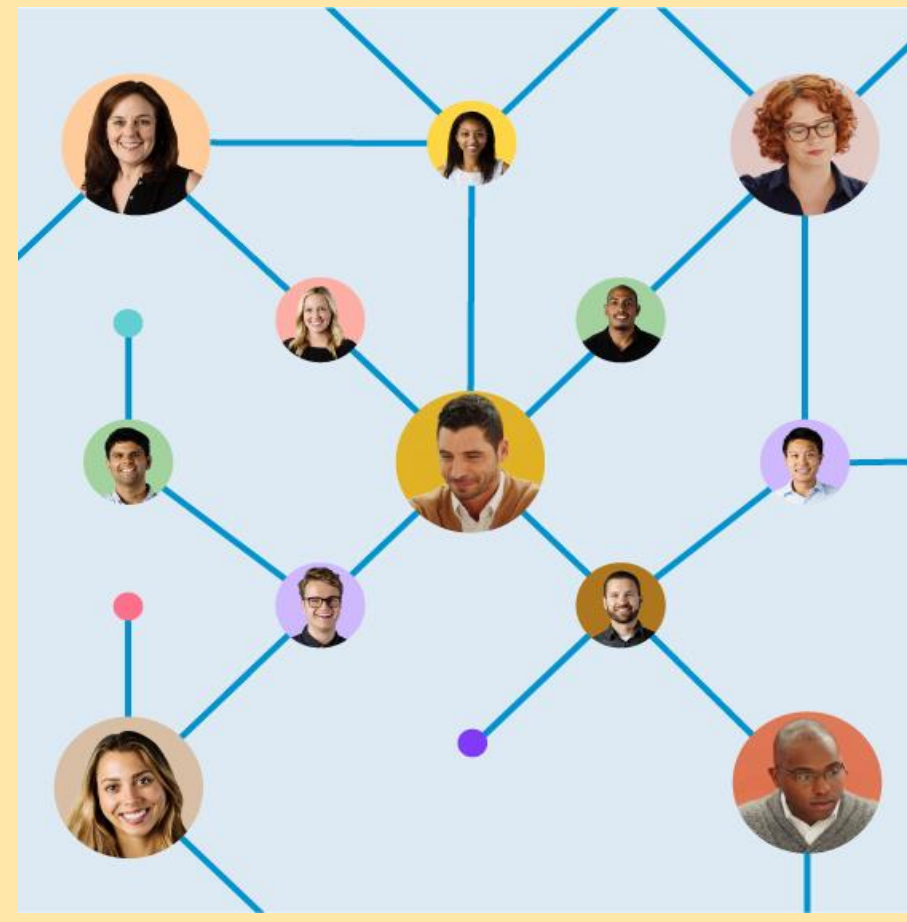
Self-serve
“land”



Starts with massive user adoption

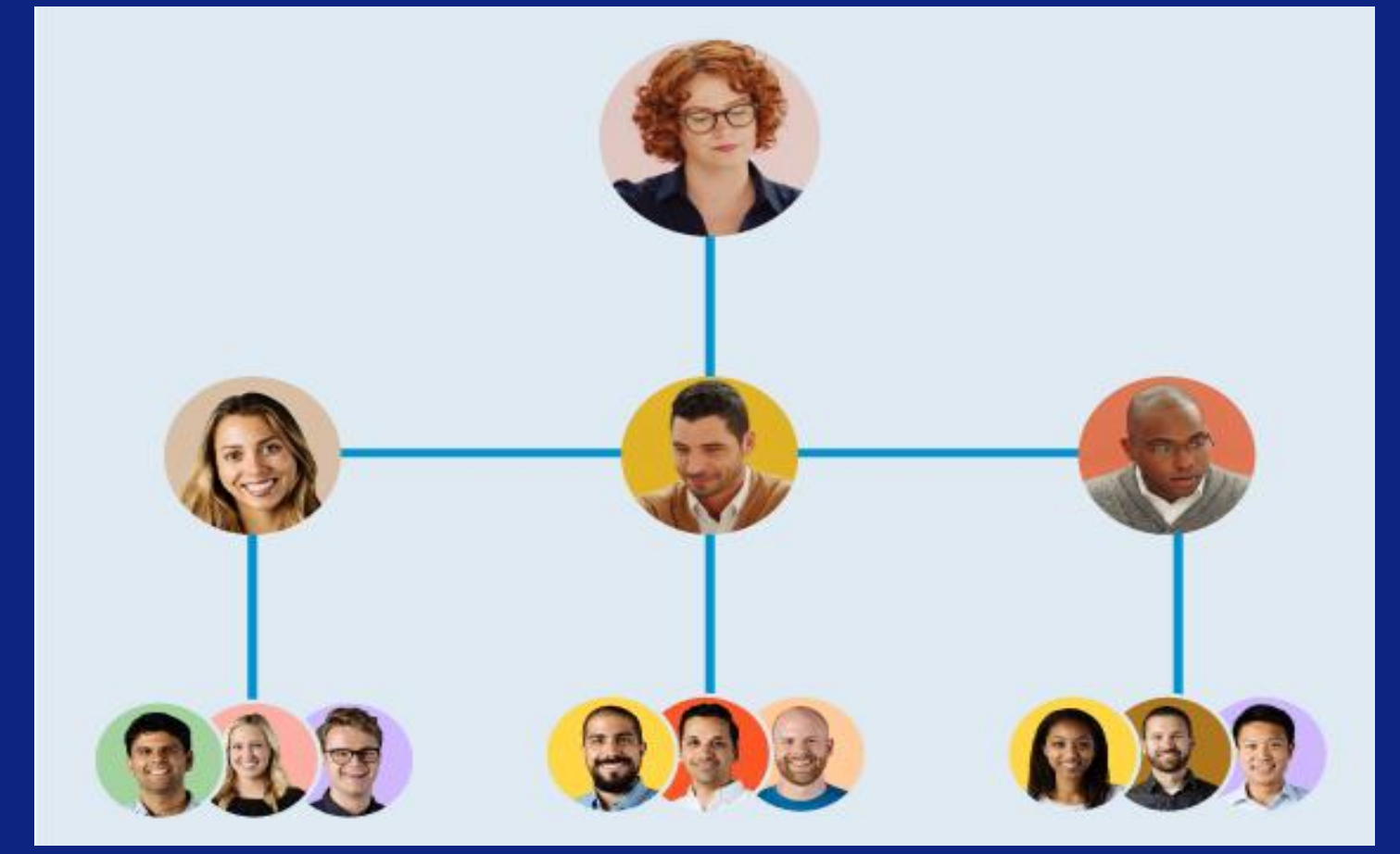


Land within companies



Expand within companies

Targeted outbound
“expand”



Full deployment

Open ecosystem



60B+
API calls /month

85%
of active, paid
Dropbox teams
have linked a
third-party app

1M+
registered
developers

Hybrid infrastructure: Scale, Agility, & Innovation



Legend for infrastructure types:

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

Growth Drivers

Execute

Convert

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

Upsell

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

Innovate

New product experiences

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

Expand ecosystem

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

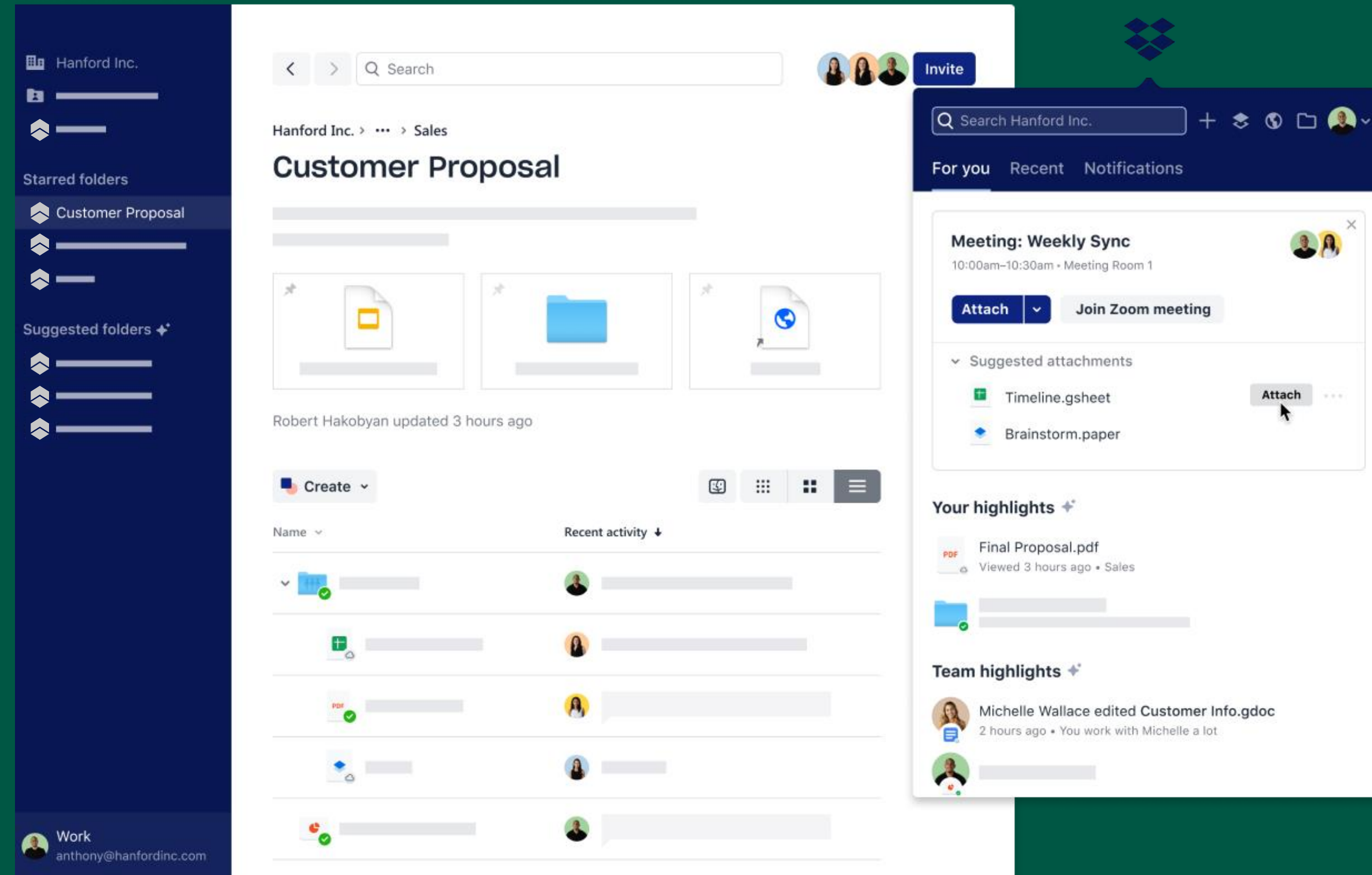
Product updates

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



Dropbox Transfer

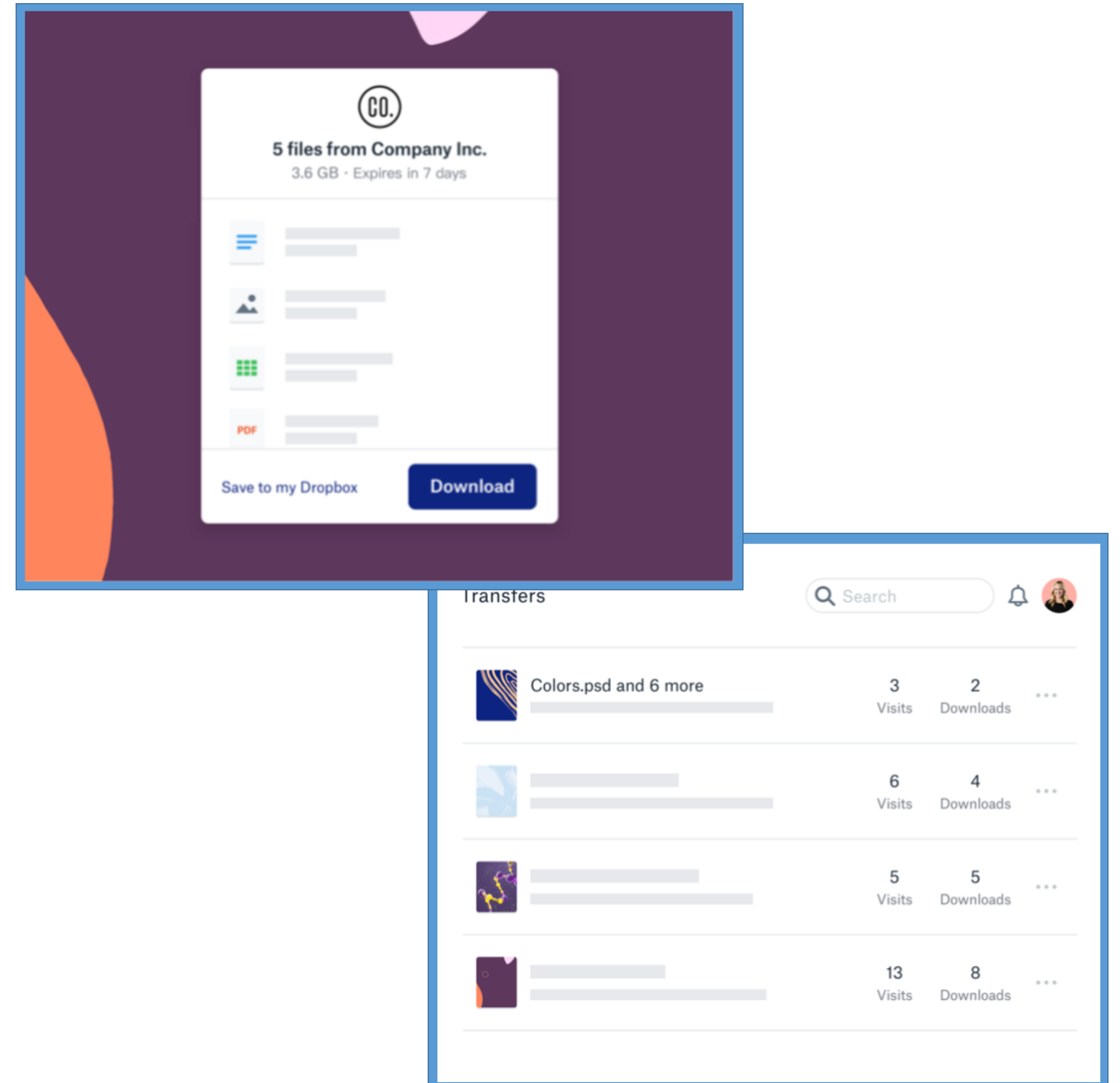
Easily and securely share large files and folders

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.

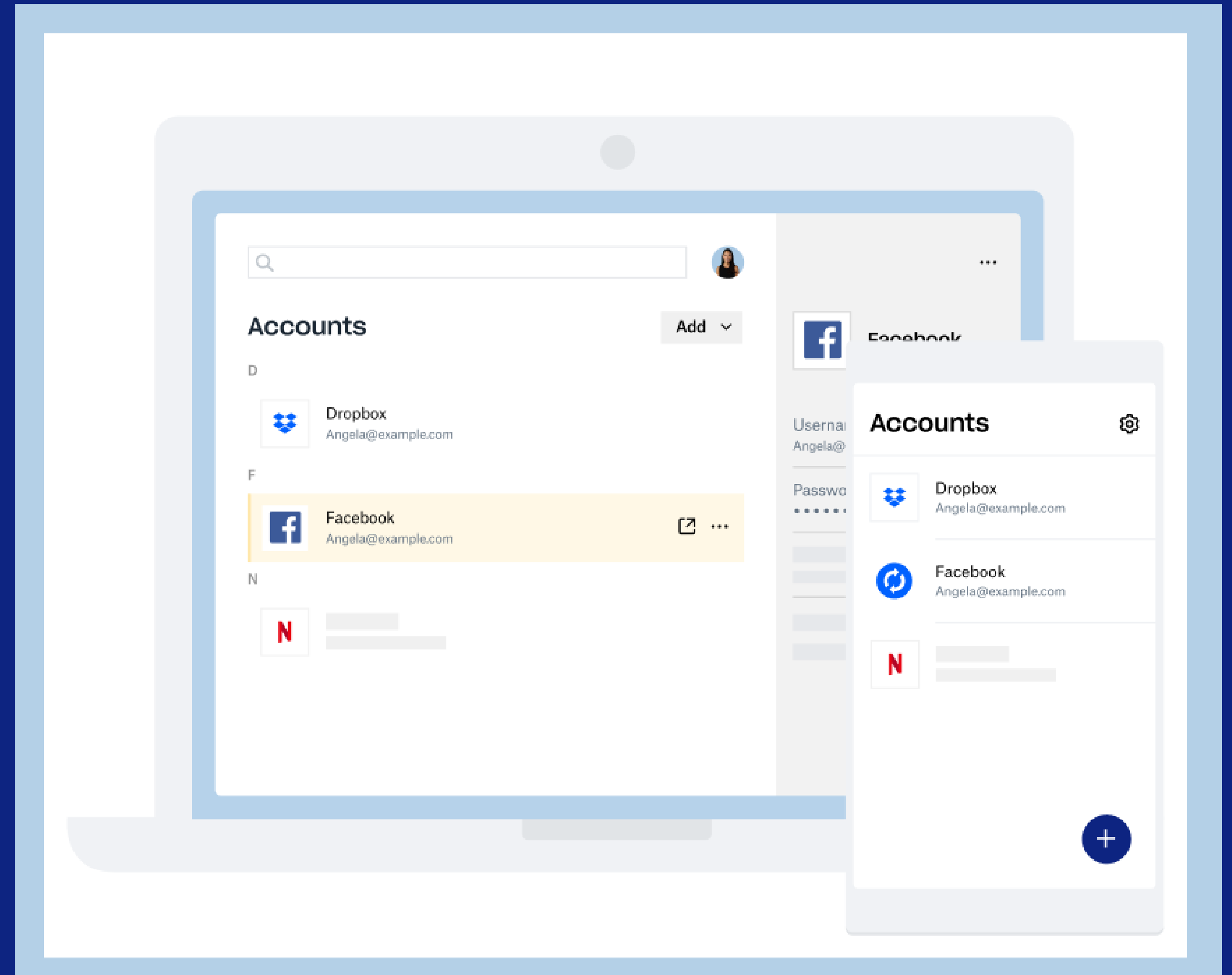


Dropbox Passwords

Store and sync passwords across all devices

Easily sign in from anywhere

Zero-knowledge encryption keeps users' data secure

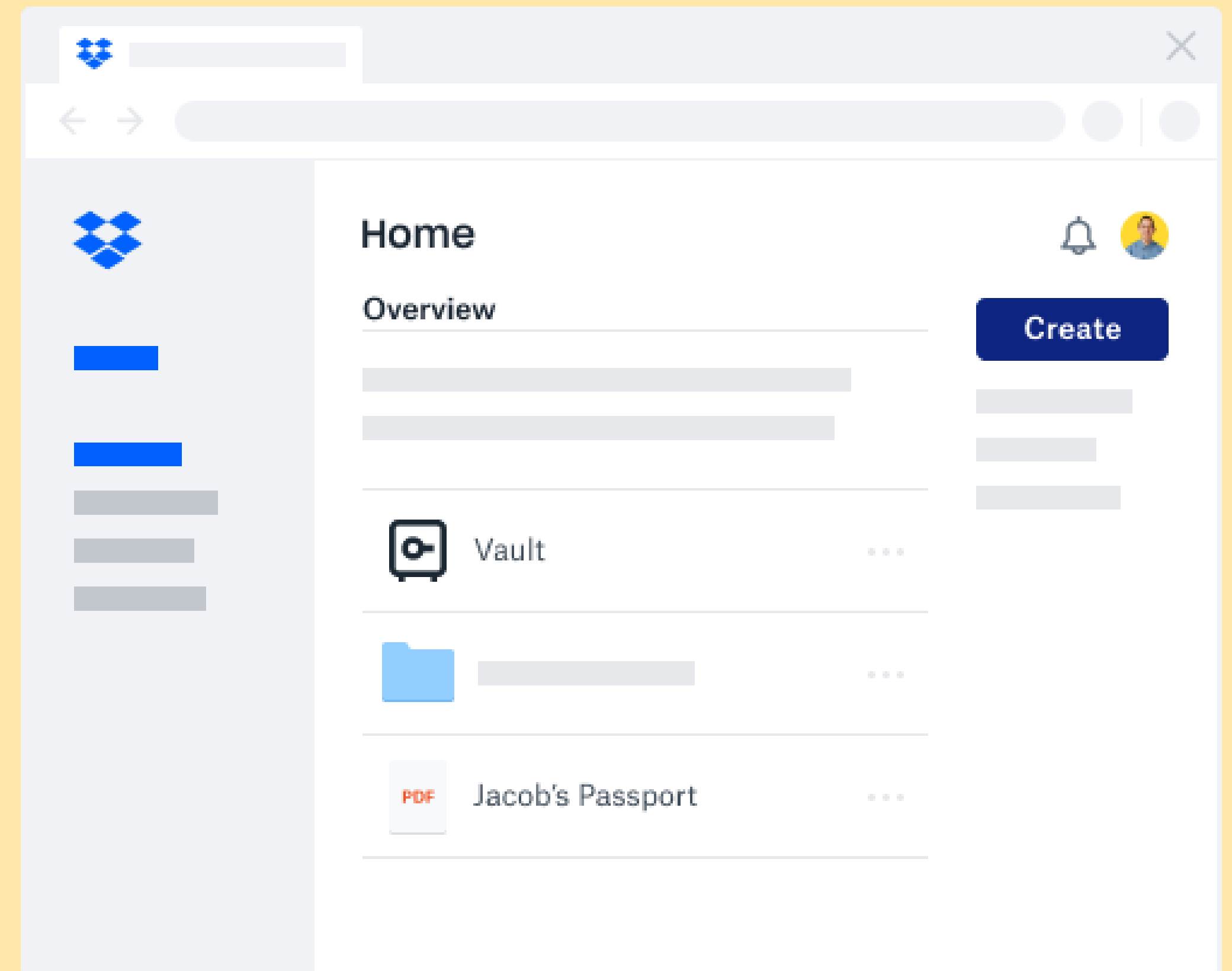


Dropbox Vault

Securely store passports, tax documents,
and financial statements

PIN code provides extra layer of security

Designate trusted friends and family
access to your Vault

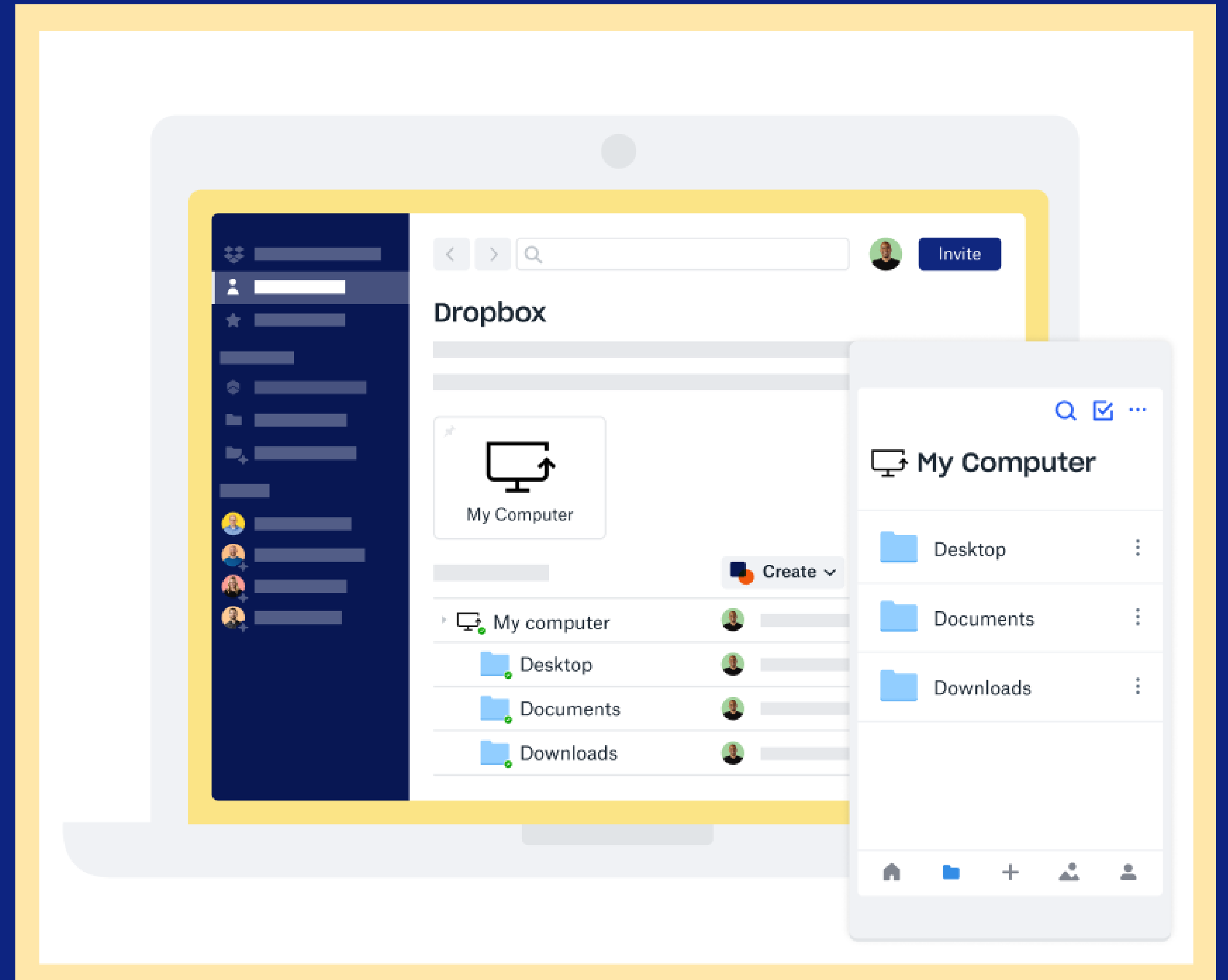


Computer Backup

Automatically back-up folders on a PC or Mac

Content is continuously synced between the cloud and a hard drive

Easily access all your content from within Dropbox

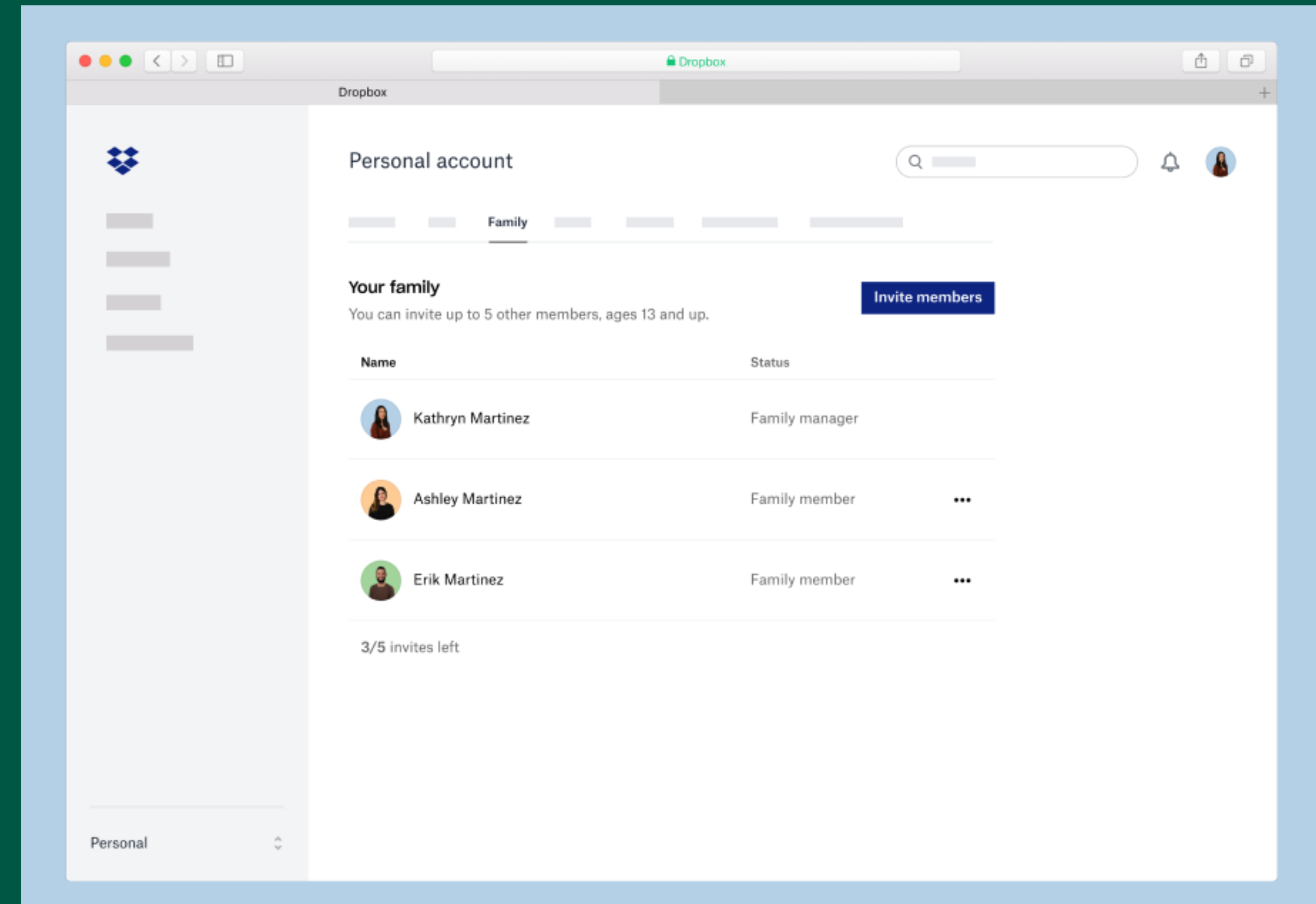


Dropbox Family

Keep your family's digital lives connected

Create both shared and personal spaces

Support up to 6 members in one plan

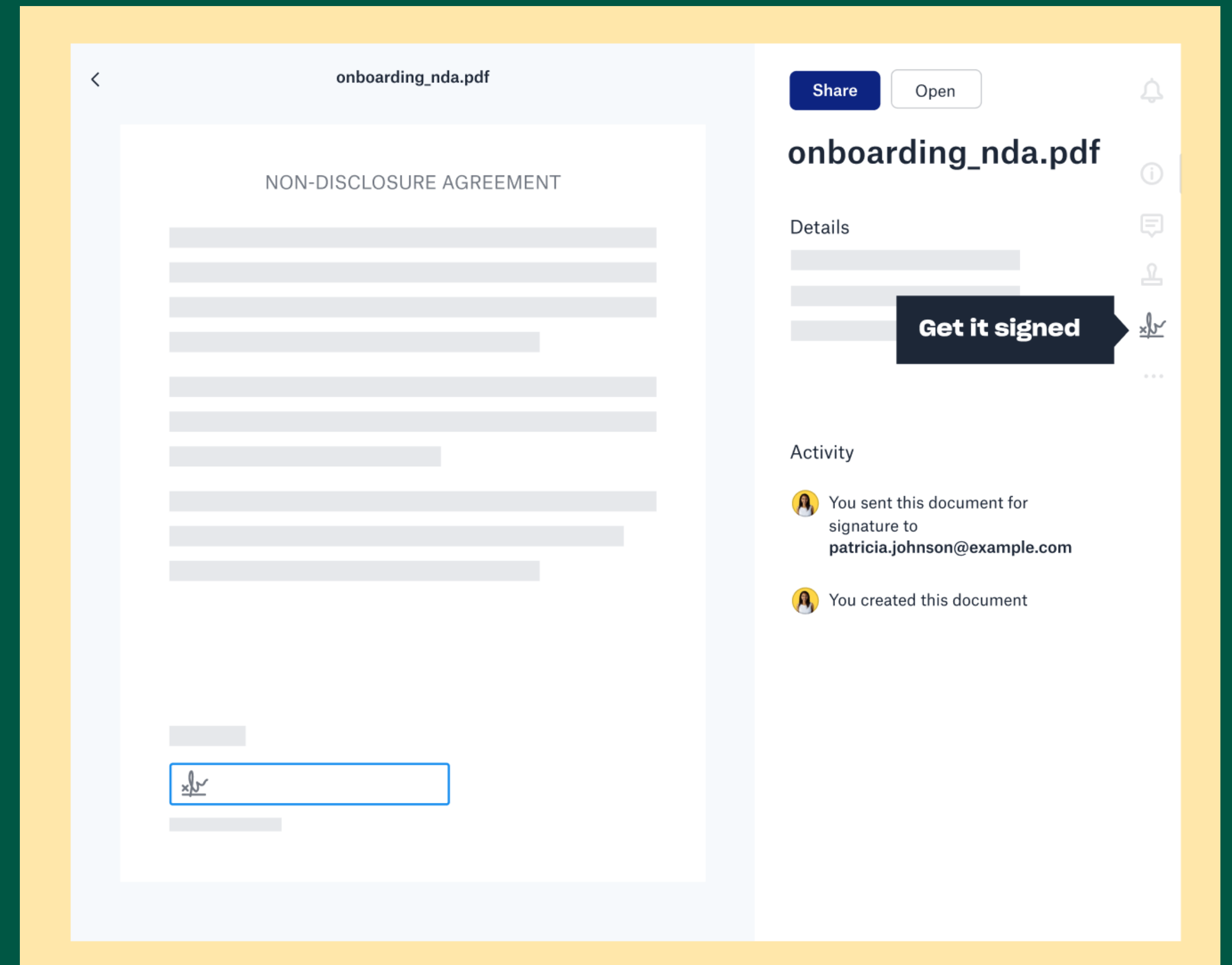


HelloSign Native Integration

Sign, send, and receive documents all without ever leaving Dropbox

Manage an entire end-to-end workflow within Dropbox

HelloSign is now the primary eSignature tool for Dropbox users



Add-ons



Extended Version History

Automated workflows for account capture, onboarding, & off boarding

Data loss prevention

Recover any file deleted or changed in the last 10 years

Offered with or without legal holds

Data Migration

Quickly migrate files from local or cloud storage into Dropbox Business

Insightful analytics & comprehensive reporting

Creative Tools

Secure and easy large file transfers

Preview capability for large files

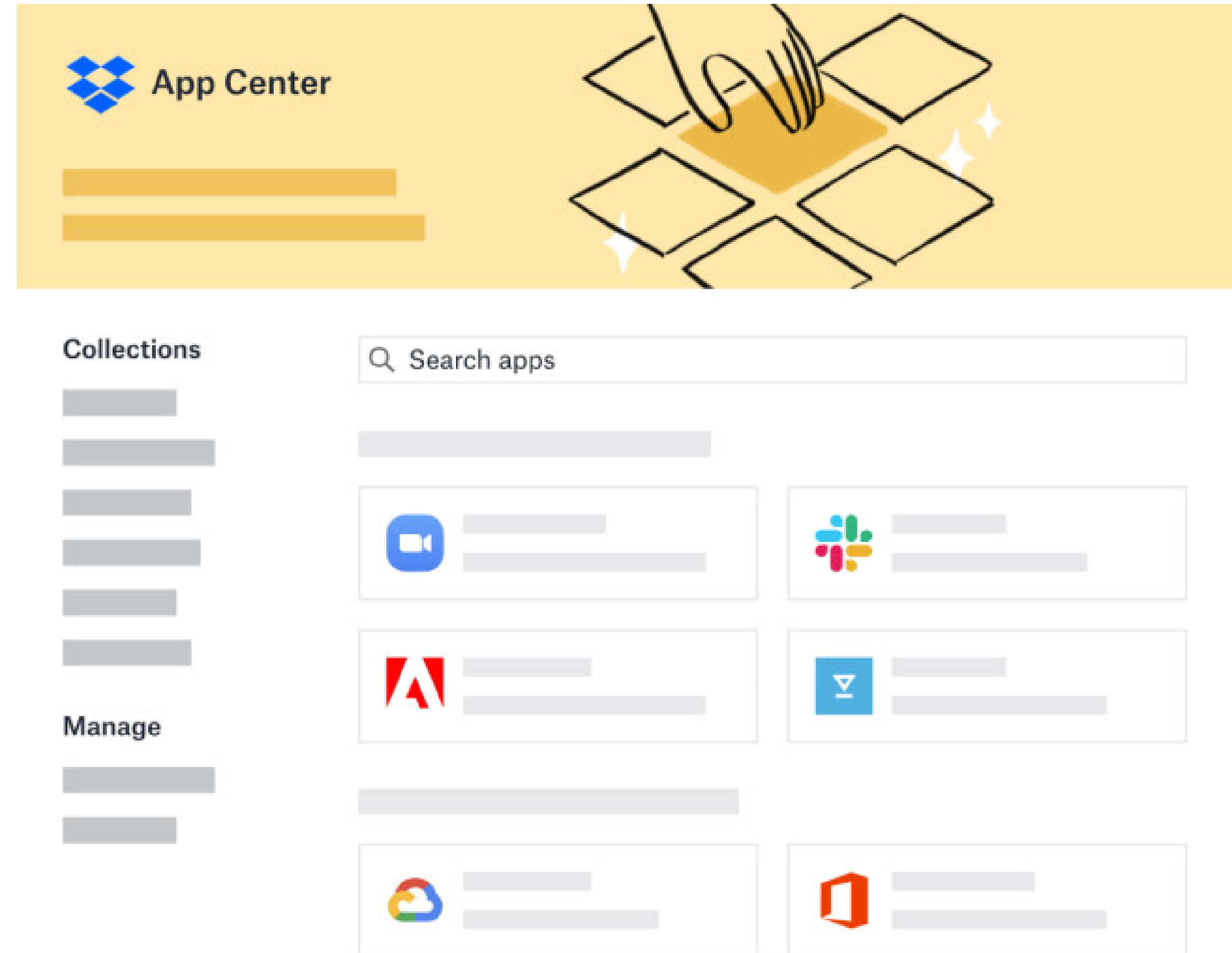
Integration with Adobe Creative Cloud

Drobox App Center

Discover and connect apps to your Dropbox account

Over 40+ apps to choose from across a range of categories

Creates a more engaging and higher-value experience with Dropbox



Deep integration partners



Google


Adobe

zoom

 slack

 Microsoft

 **ATLASSIAN**

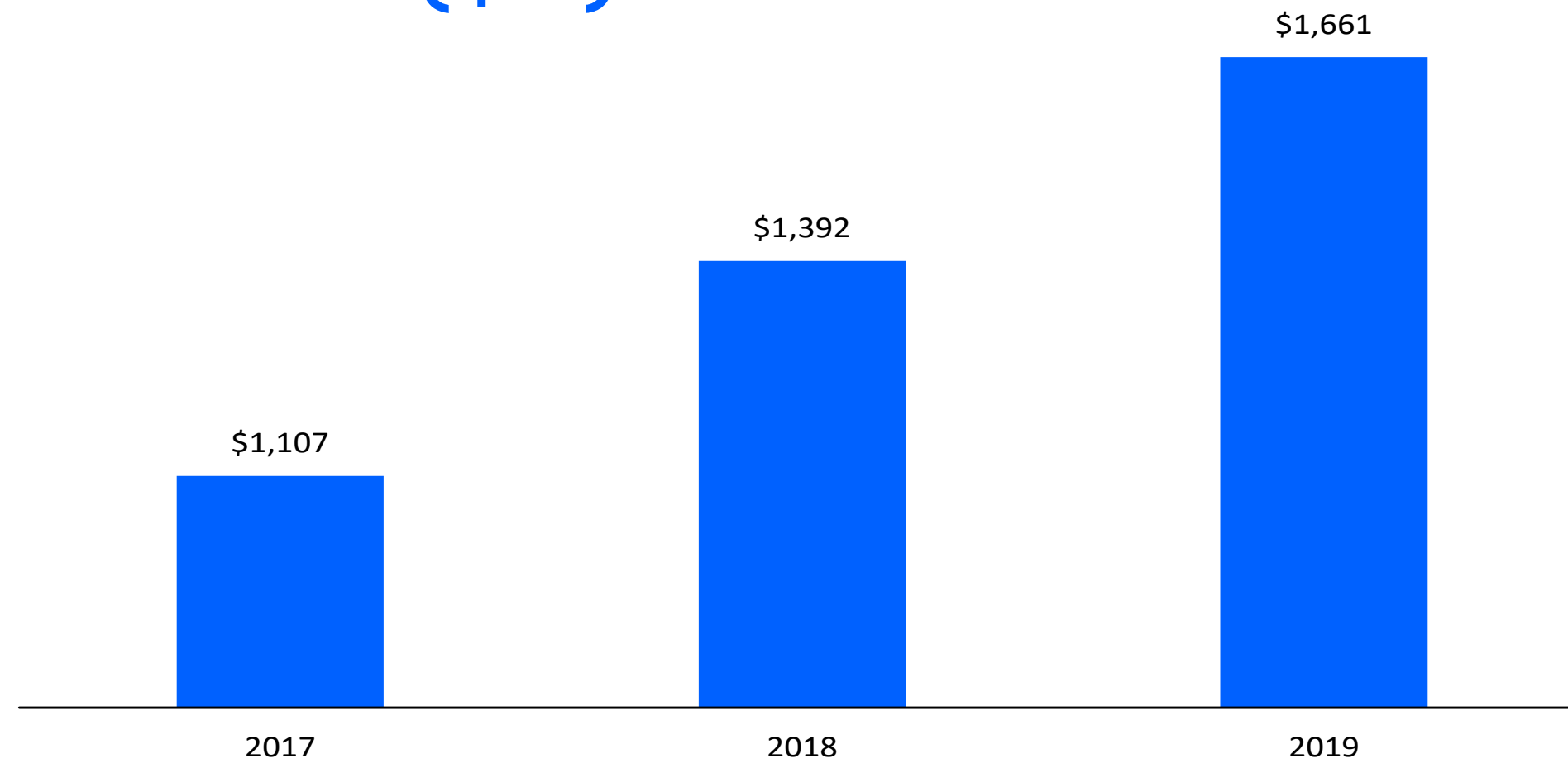
 BetterCloud

 salesforce

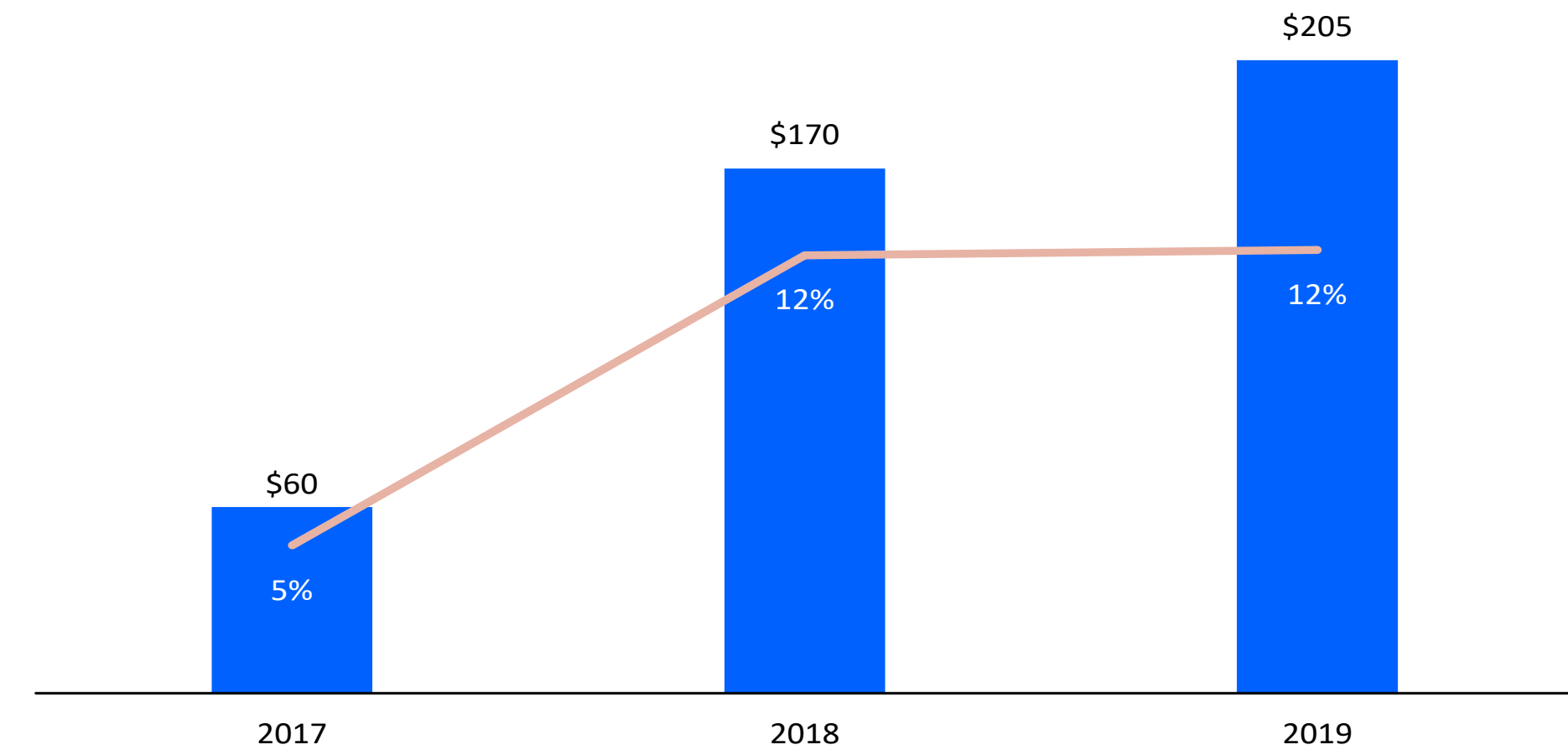
Financial highlights

Financial highlights

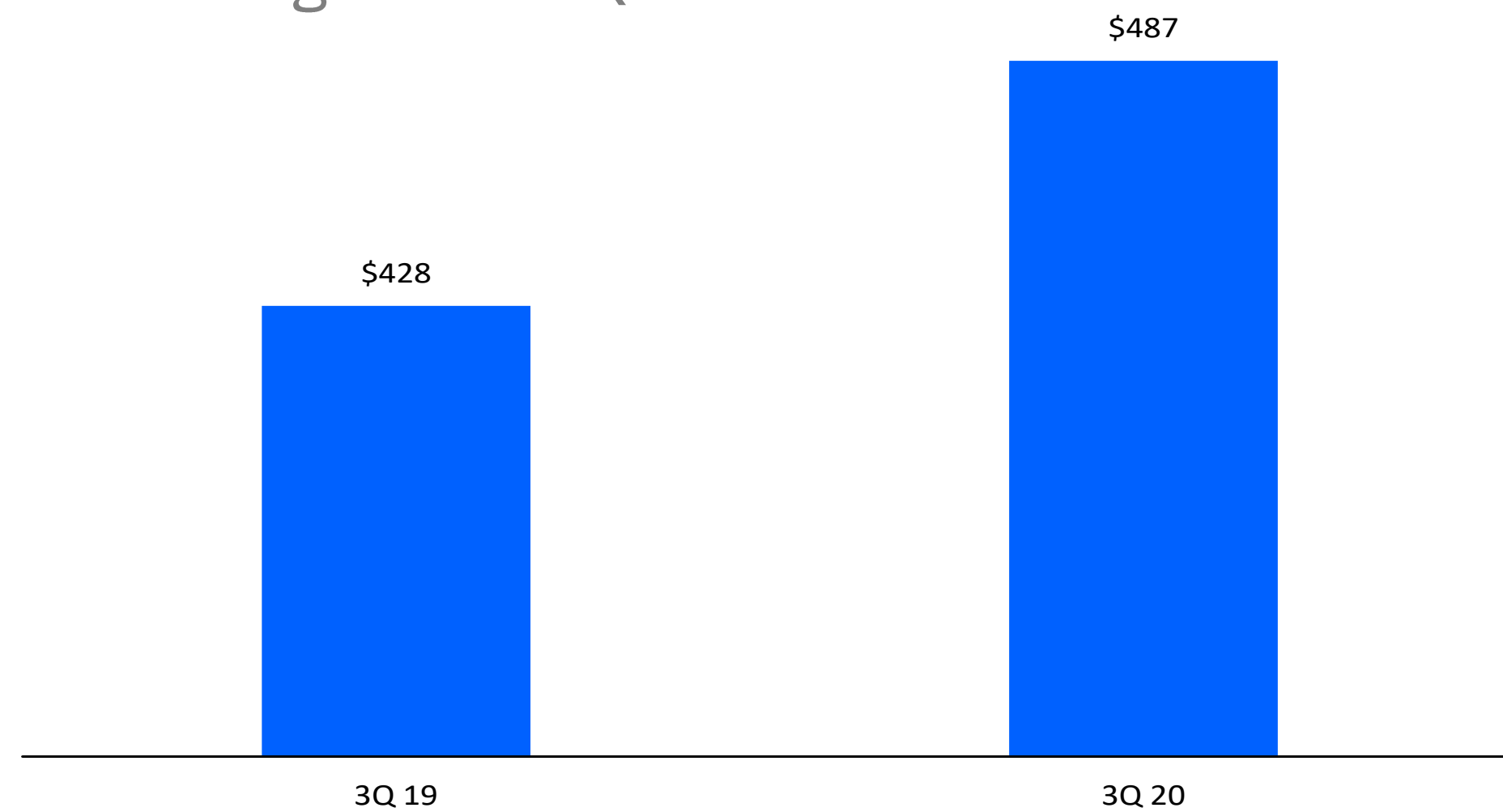
Revenue (\$M)



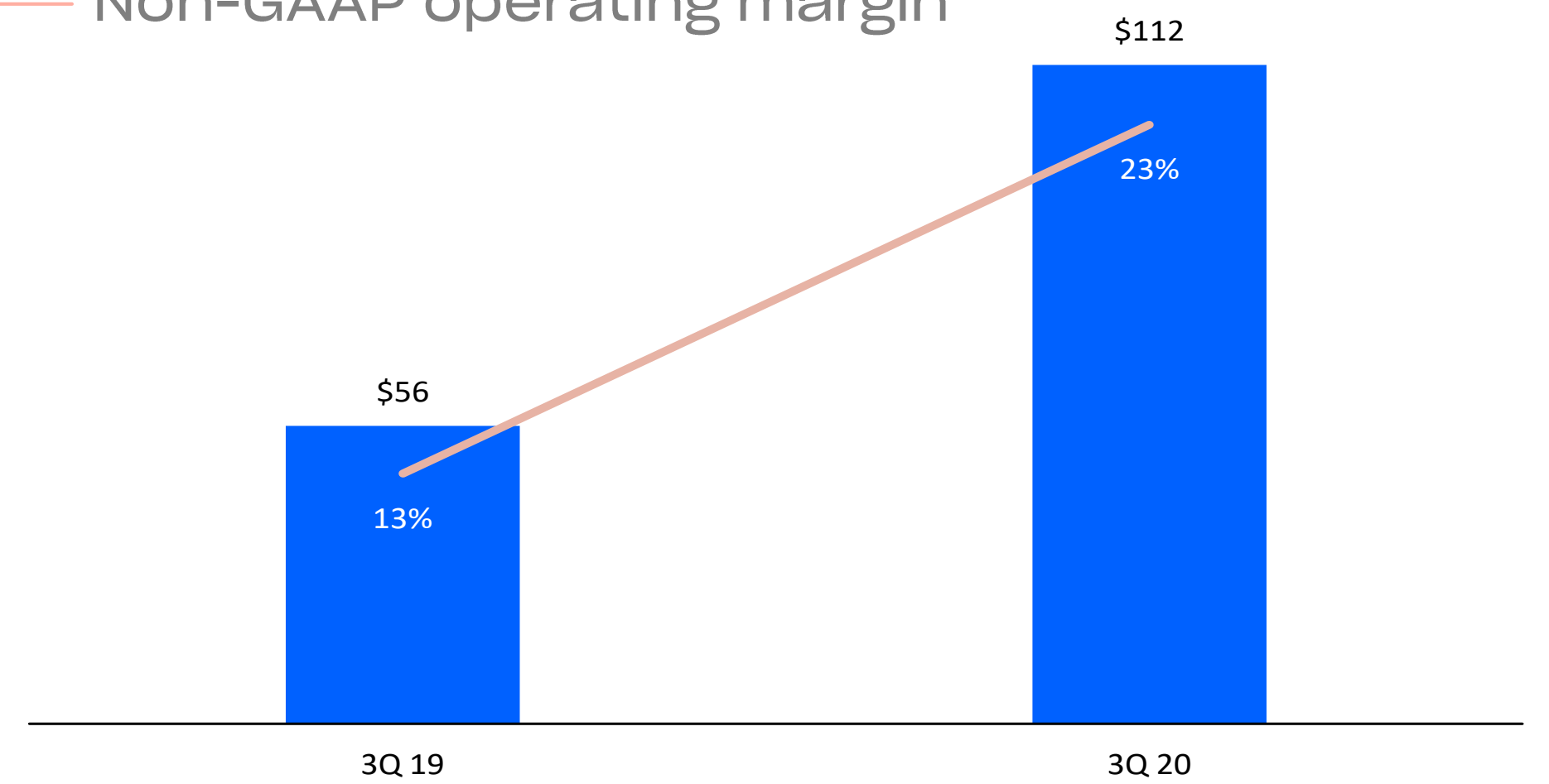
Operating income (\$M)



14% YoY growth in Q3'20



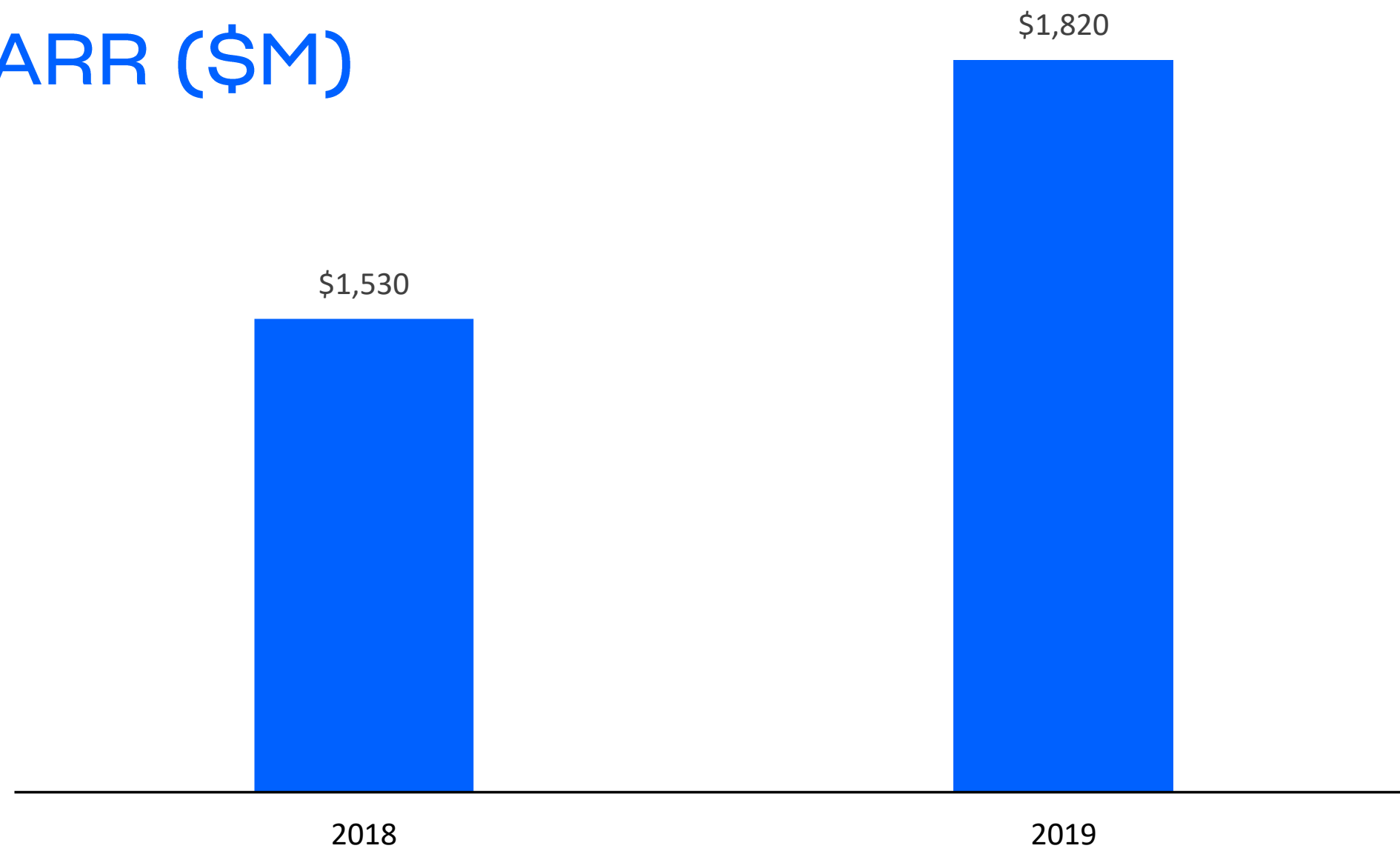
■ Non-GAAP operating income
— Non-GAAP operating margin



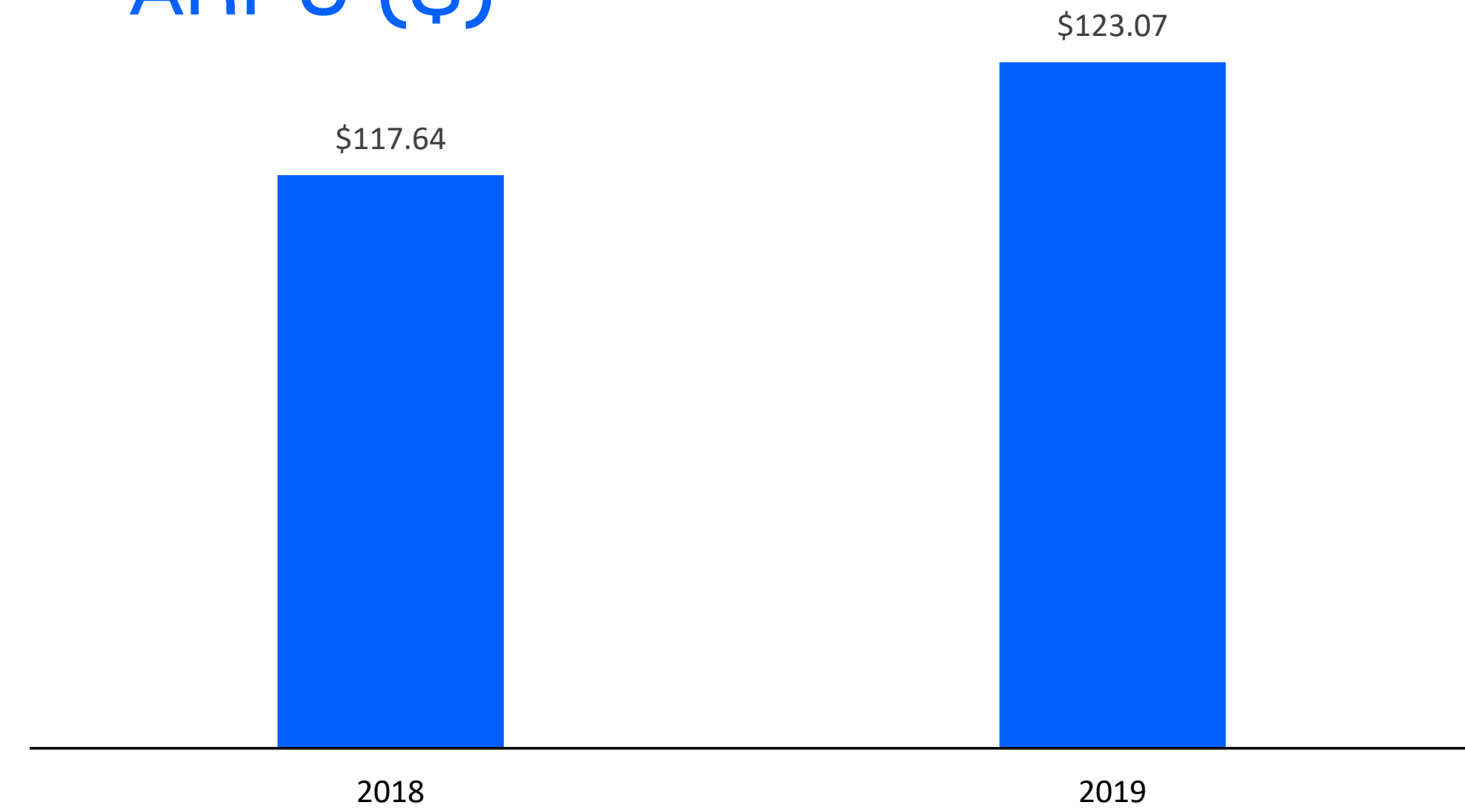
Figures presented are non-GAAP and exclude stock-based compensation expense and certain non-recurring adjustments. See appendix for non-GAAP reconciliation.

Financial highlights

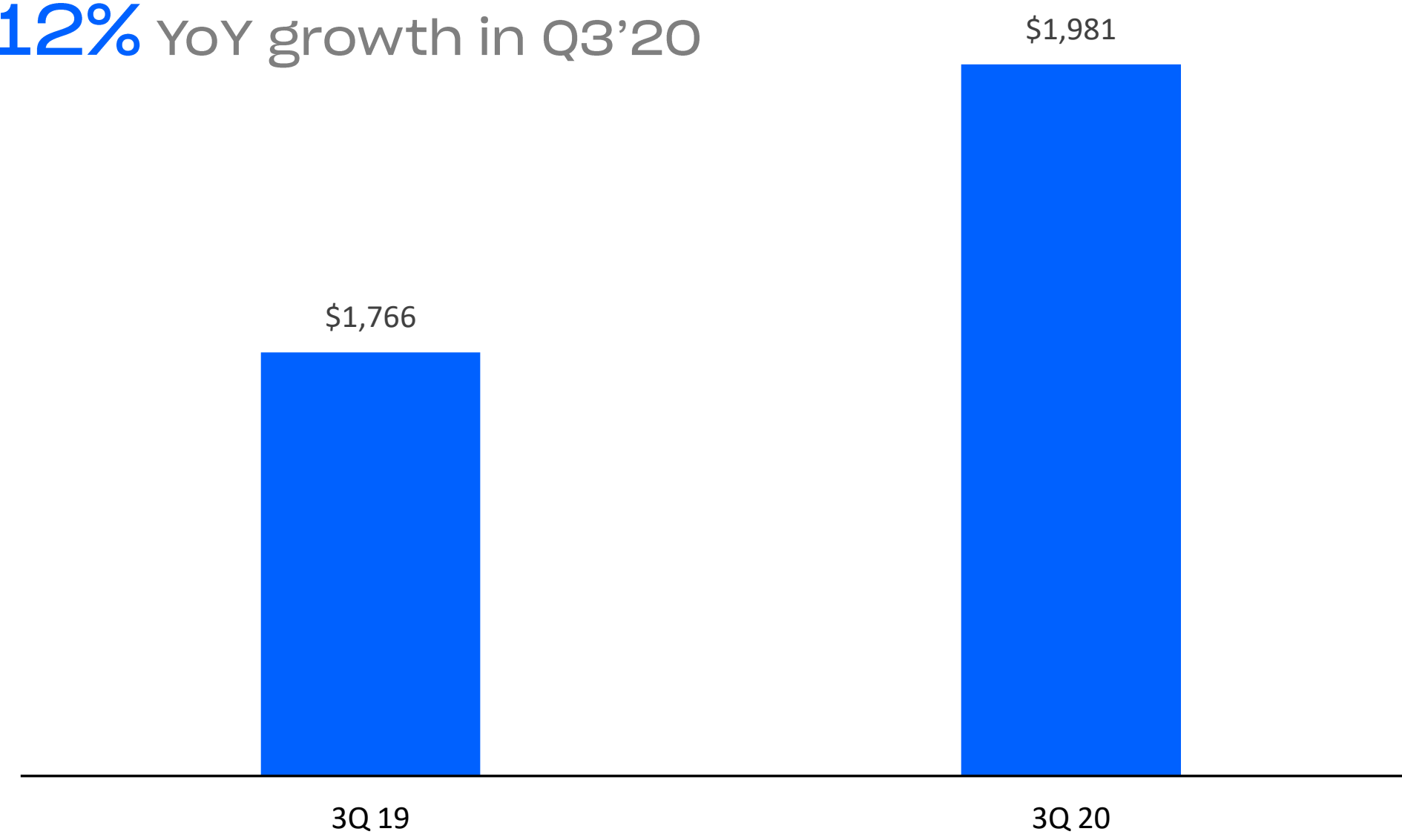
ARR (\$M)



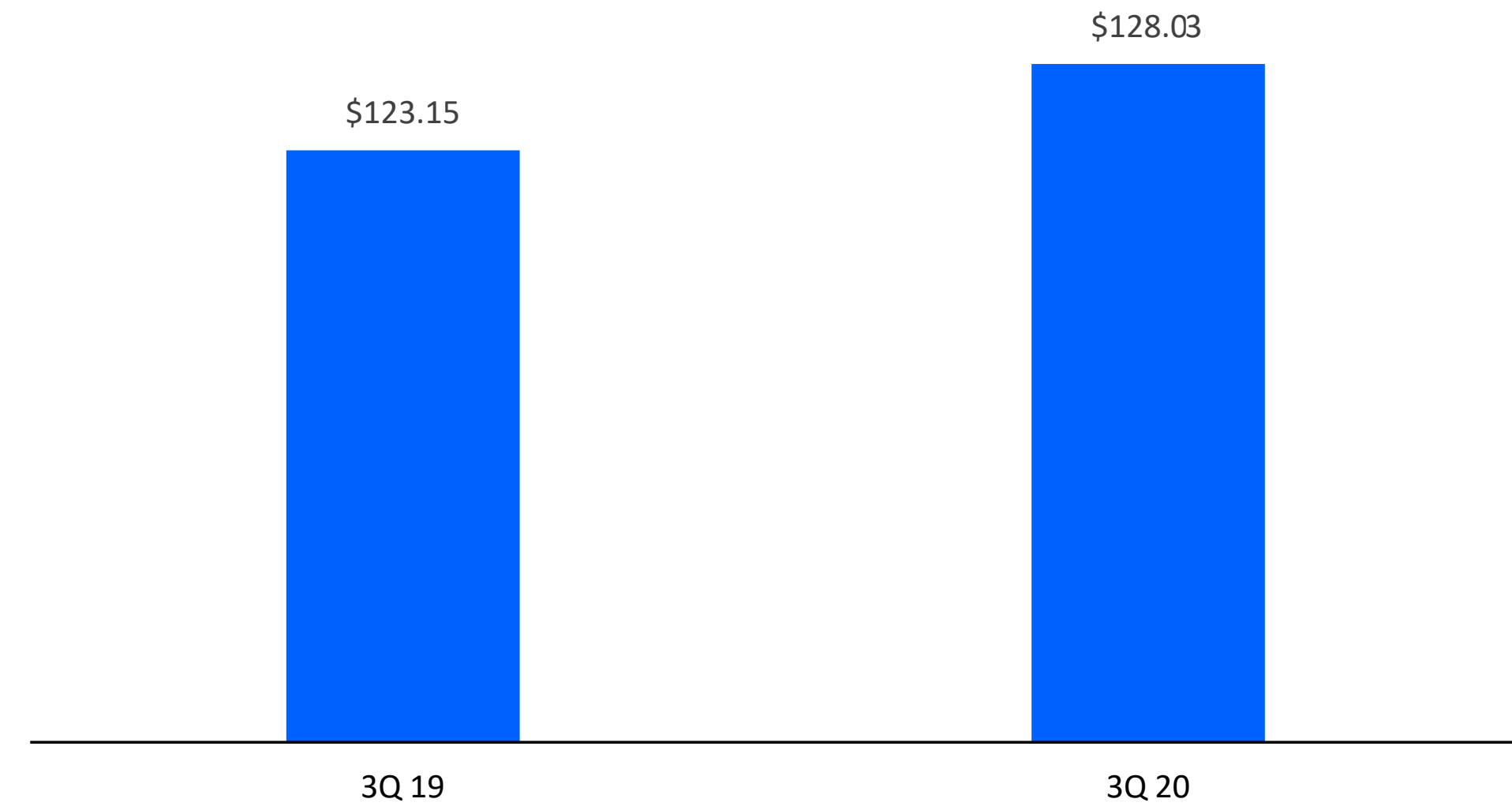
ARPU (\$)



12% YoY growth in Q3'20



3.9% YoY growth in Q3'20



Target model

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

Note: Margin framework excludes stock-based compensation expense and certain non-recurring adjustments. See appendix for non-GAAP reconciliation.

Appendix

Dropbox subscription plans

	Personal			Business			
	Basic	Plus	Family	Professional	Standard	Advanced	Enterprise
Free		\$11.99 / month \$119.88 / year	\$19.99 / month \$203.88 / year	\$19.99 / month \$199.00 / year	\$15.00 / user / month \$150.00 / user / year <i>3 users minimum</i>	\$25.00 / user / month \$240.00 / user / year <i>3 users minimum</i>	Negotiated pricing
Dropbox Transfer*	Everything in Basic	Everything in Plus	Everything in Plus	Everything in Plus	Everything in Basic	Everything in Standard	Everything in Advanced
Dropbox Paper							
Computer Backup	Passwords	Up to 6 users		Auto OCR	Dropbox Rewind	Premium previews	Enterprise mobility management (EMM)
File requests	Vault*	Family Room folder		Image search	Smart Sync and Smart Sync Auto-Evict	Time-based comments	Network control
30 day version history	Dropbox Rewind			Watermarking	Auto OCR, Image and full text search	Viewer history	Domain insights and account capture
HelloSign eSignatures	Smart Sync and Smart Sync Auto-Evict			Shared link controls	Watermarking	Single sign-on integration (SSO)	24/7 phone support and advanced training
	Full text search			Branded sharing	Shared link controls	Audit logs	
	Priority email support			180 day version history	Branded sharing	Device approvals	
				Premium previews	180 day version history	Tiered admin roles	
				Time-based comments	Team folders	Business hours phone support	
				Viewer history	Admin console		
				Traffic and insights	Granular permissions		
					Active directory connector		
					Enables HIPAA compliance		
					Unlimited API access**		
					Priority email + live chat		
2GB of storage	2TB storage	2TB storage	3TB 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.

HelloSign subscription plans



HELLOSIGN				HELLOSIGN API			
Free	Essentials	Business	Enterprise*	Bronze	Silver	Gold	Enterprise***
\$0 1 user 3 docs / mo	\$15 / mo 1 user 5 templates Unlimited Requests	\$8 / user / mo Minimum 5 users Starts at 5 templates Unlimited Requests	\$24 / user / mo Minimum 5 users Unlimited templates Unlimited Requests	\$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
Audit trail Notifications	Everything in Free 2-factor auth Template links Decline to sign	Everything in Pro Custom branding In-person signing Team features	Everything in Business 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	Everything in Bronze Embedded signing Embedded requesting Single foreign language	Everything in Silver Multi-foreign languages Advanced signing Custom branding Signer attachments Bulk send	Everything in Gold 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			

†Prices are shown as price per month when paid annually

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

**Salesforce SalesCloud, Salesforce CPQ and Oracle CPQ add-ons available at an additional \$4 / \$12 / \$12 / 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		
	2017	2018	2019
Loss from operations - GAAP	\$ (113.7)	\$ (494.0)	\$ (80.5)
Stock-based compensation	164.6	650.1	261.2
Donation of common stock to the Dropbox Foundation	9.4	-	-
Employer payroll taxes related to the release of two-tier RSUs	-	13.9	-
Acquisition-related and other expenses	-	-	15.9
Amortization of acquired intangible assets	-	-	8.4
Income from operations - Non-GAAP	\$ 60.3	\$ 170.0	\$ 205.0

Non-GAAP reconciliation

	Twelve months ended - 2019				
	GAAP	Stock-based compensation	Acquisition-related and other expenses	Amortization of acquired intangible assets	Non-GAAP
Gross profit	\$ 1,250.3	\$ 15.8	\$ -	\$ 3.4	\$ 1,269.5
<i>Gross margin</i>	75%	1%	0%	0%	76%
Research and development	662.1	(147.6)	(14.5)	-	500.0
<i>Research and development margin</i>	40%	-9%	-1%	0%	30%
Sales and marketing	423.3	(31.4)	-	(5.0)	386.9
<i>Sales and marketing margin</i>	26%	-2%	0%	0%	23%
General and administrative	245.4	(66.4)	(1.4)	-	177.6
<i>General and administrative margin</i>	15%	-4%	0%	0%	11%
Income (loss) from operations	(80.5)	261.2	15.9	8.4	205.0
<i>Operating margin</i>	-5%	16%	1%	1%	12%

Non-GAAP reconciliation

Twelve months ended - 2019

Net cash provided by operating activities	\$	528.5
Capital expenditures		(136.1)
Free cash flow	\$	392.4

Non-GAAP reconciliation

	Three months ended	
	September 30, 2019	September 30, 2020
Income (Loss) from operations - GAAP	\$ (18.6)	\$ 30.0
Stock-based compensation	68.2	75.7
Acquisition-related and other expenses	4.0	4.1
Amortization of acquired intangible assets	2.4	2.4
Income from operations - Non-GAAP	\$ 56.0	\$ 112.2



Dropbox