



Dropbox

Company Presentation
May 2021

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 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 annual report on Form 10-K for the fiscal year ended December 31, 2021 that we filed with the Securities and Exchange Commission (the “SEC”) on February 19, 2021, 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, 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 achieve or 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, 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 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.

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.

All third-party logos appearing in this presentation are trademarks or registered trademarks of their respective holders. Any such appearance does not necessarily imply any affiliation with or endorsement of Dropbox.

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*

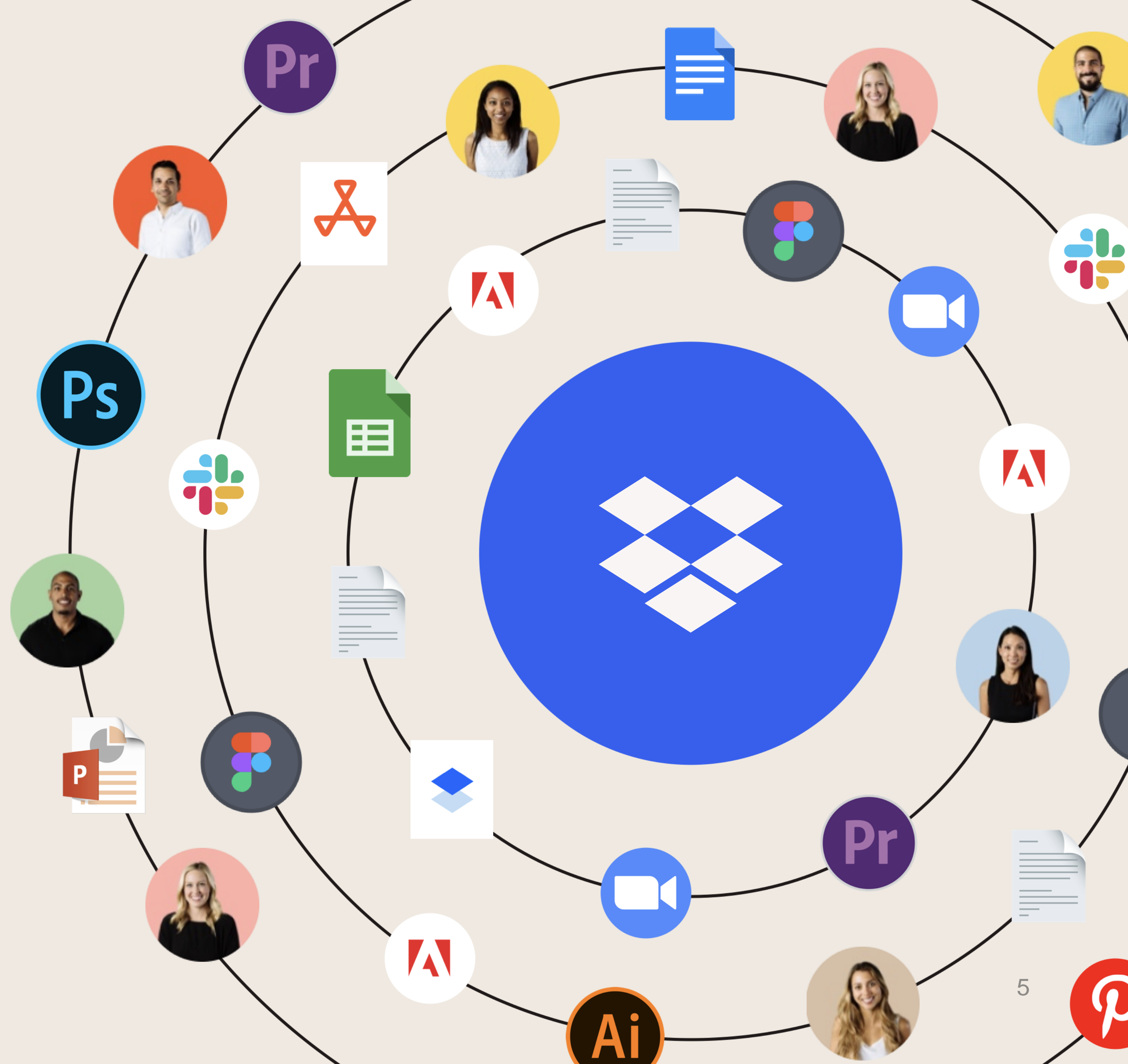
700M+
registered users

550B+
pieces of content

15.83M
paying users

80%
of subscribers use us for work

*Data as of 3/31/21



Keeping Files in Sync

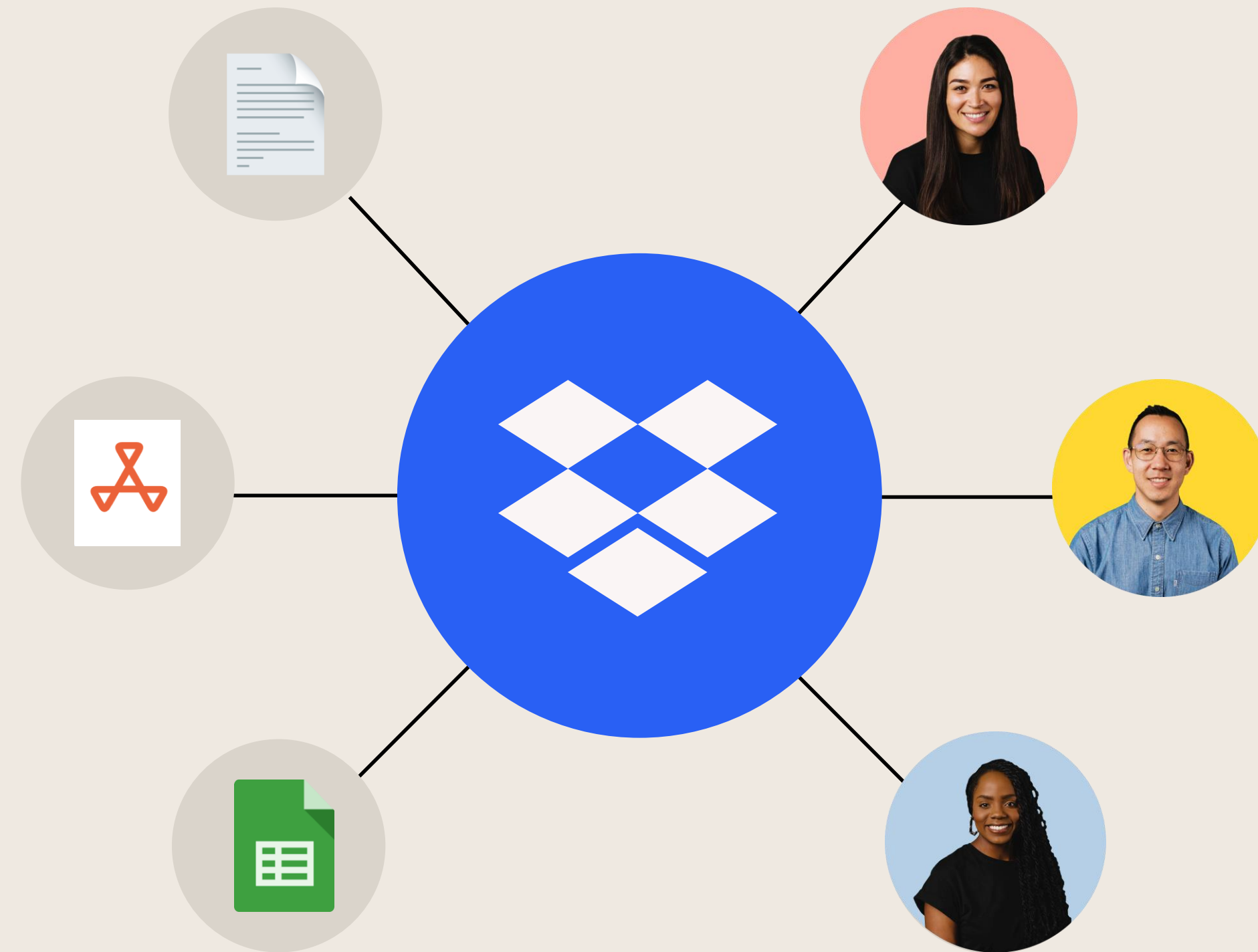
Keeping Teams in Sync

Cloud storage

2007

Backup & sync

File sync and sharing



Smart Workspace

Today

Team collaboration

Content management

Professional sharing

Secure sharing and analytics

Project management

eSignature

Personal privacy

Content backup

Our Product Portfolio



Individuals

Teams

Basic

Family

Plus

Standard

Professional

Advanced

Enterprise



HelloSign

HelloSign API

HelloWorks

HelloFax



Personal

Standard

Advanced

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

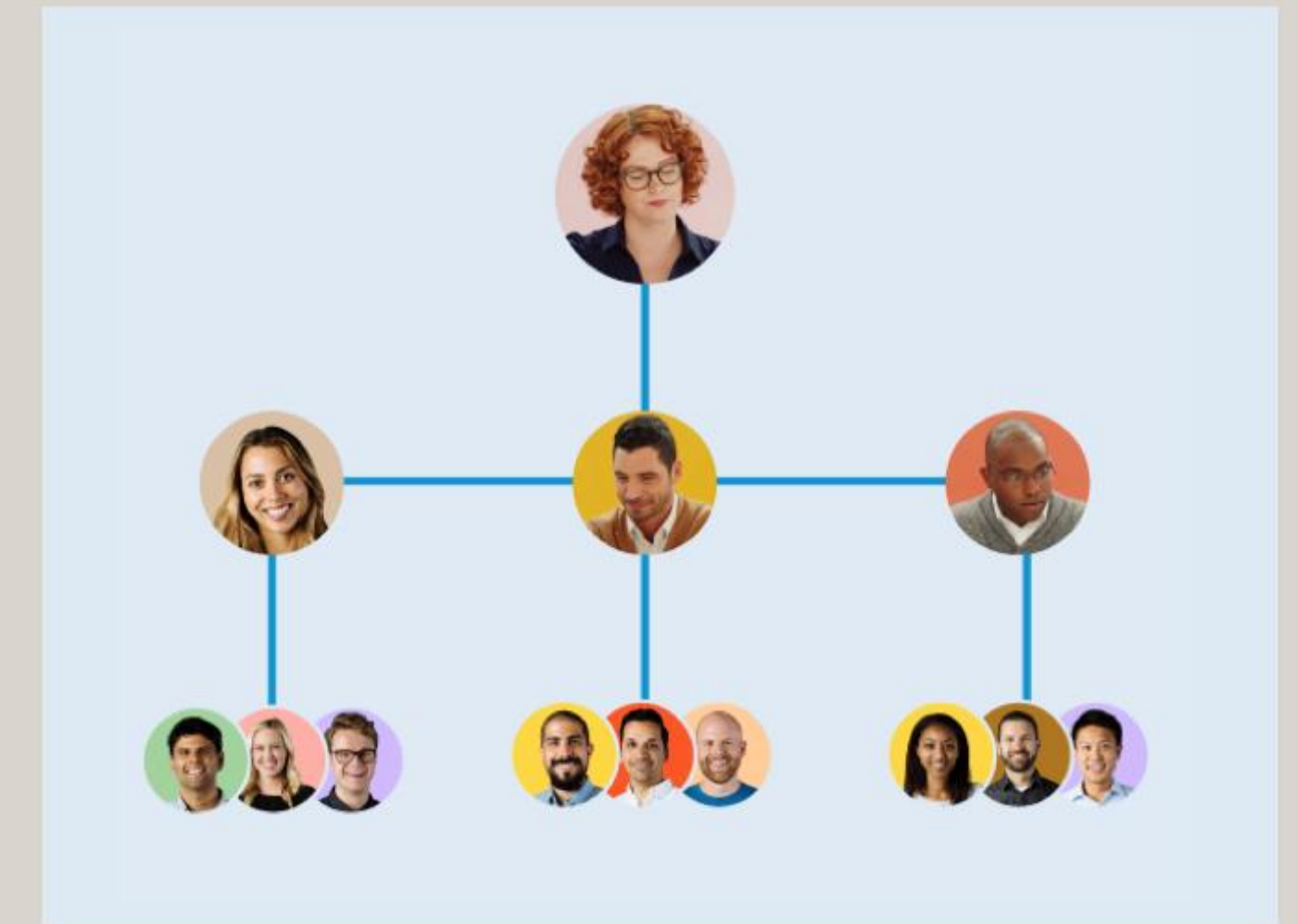
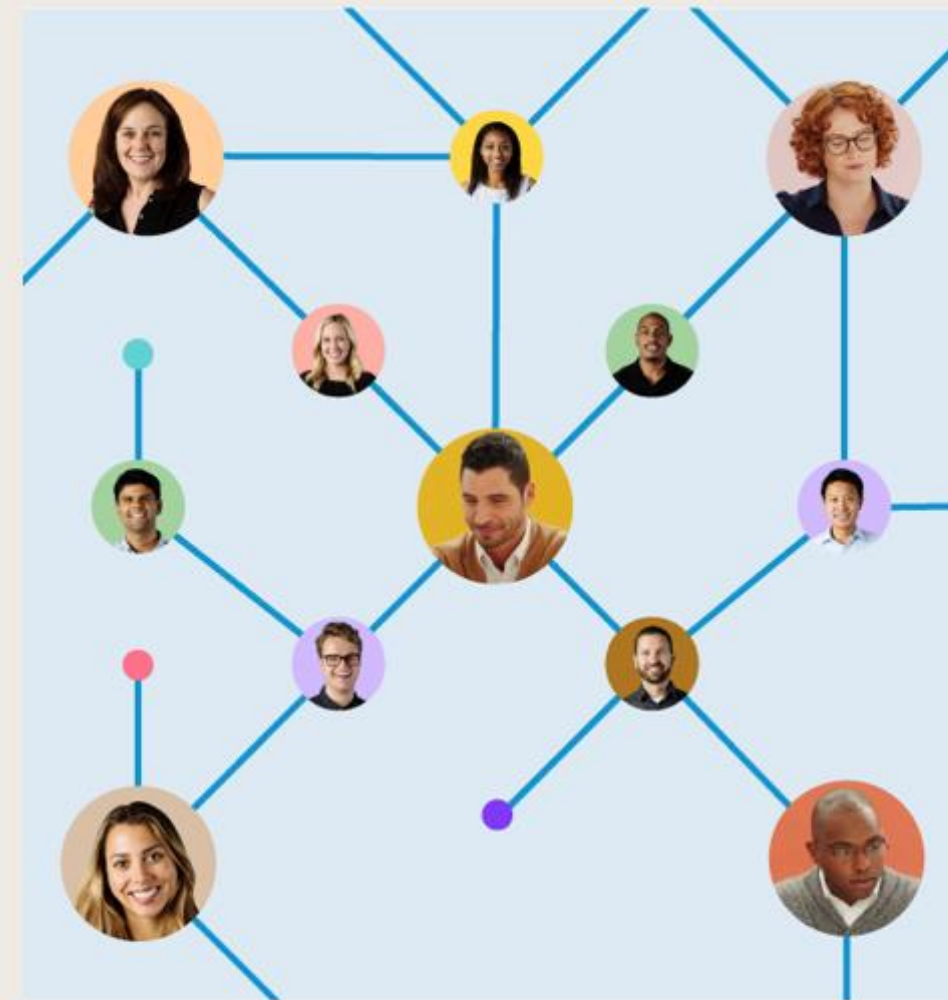
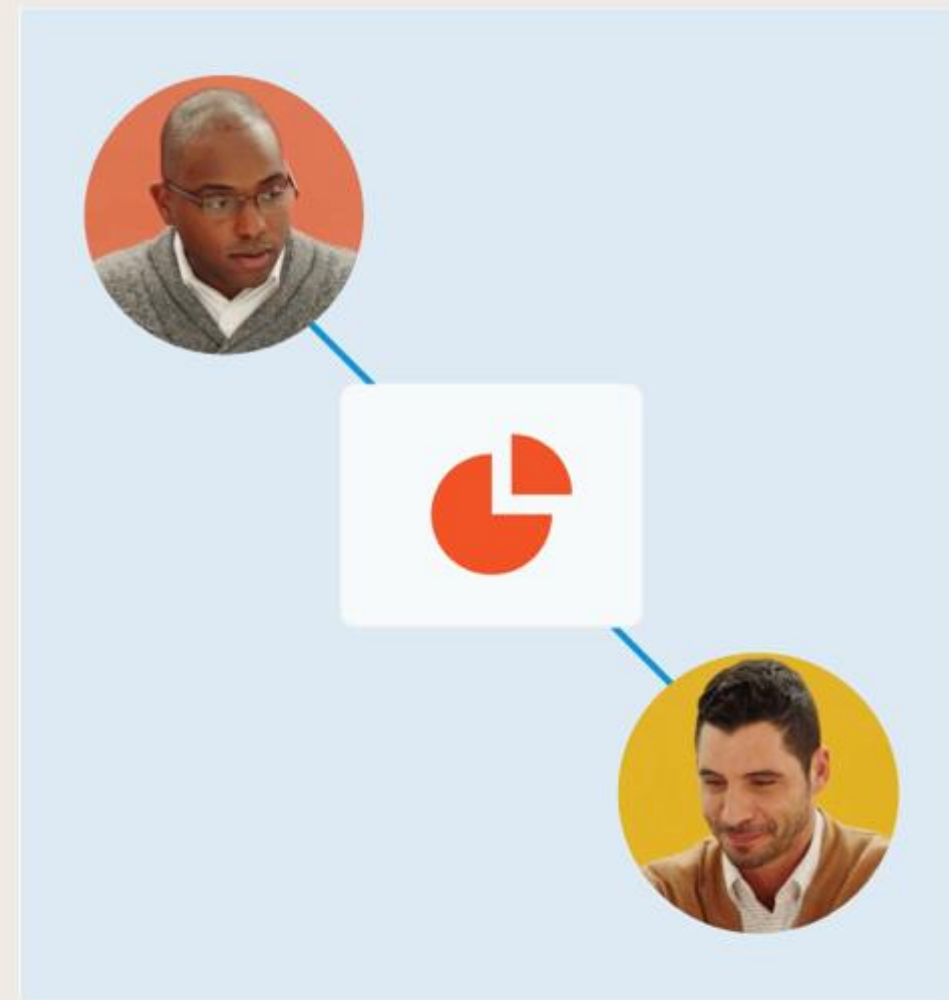
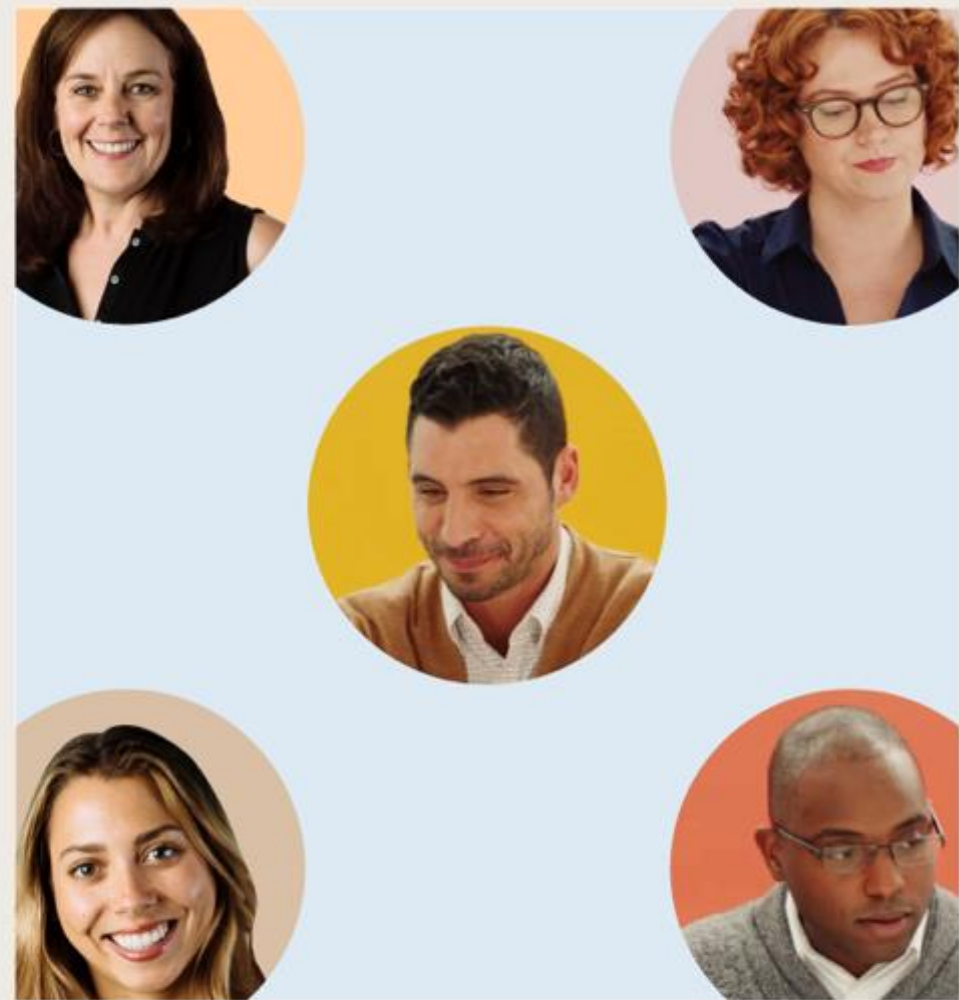
Adopt organically

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

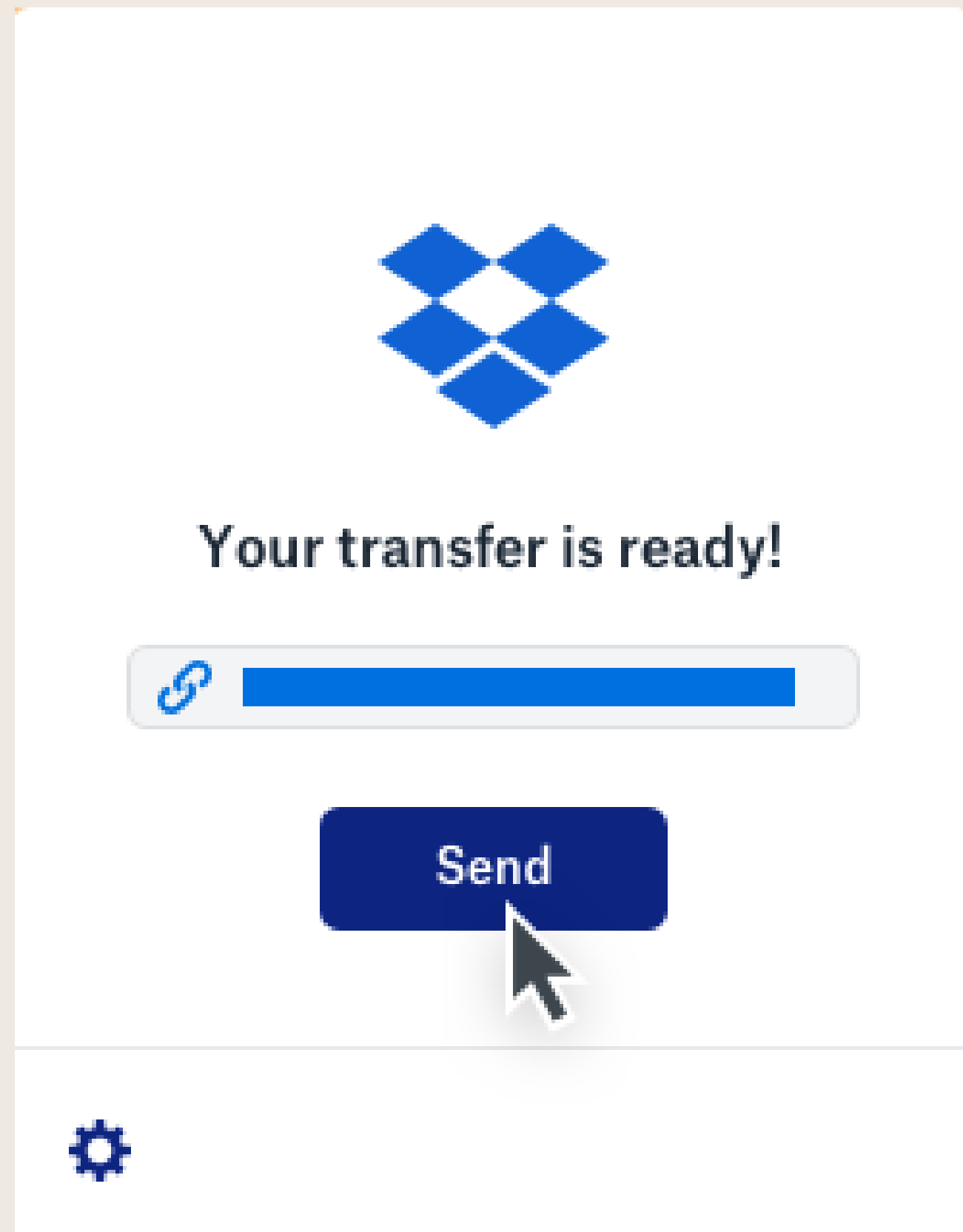
Leverage scale and user insights to enhance existing products and drive adoption of new ones

Expand into workflows

Invest in integrations and native capabilities to enable more workflows

New Products and Features

Transfer

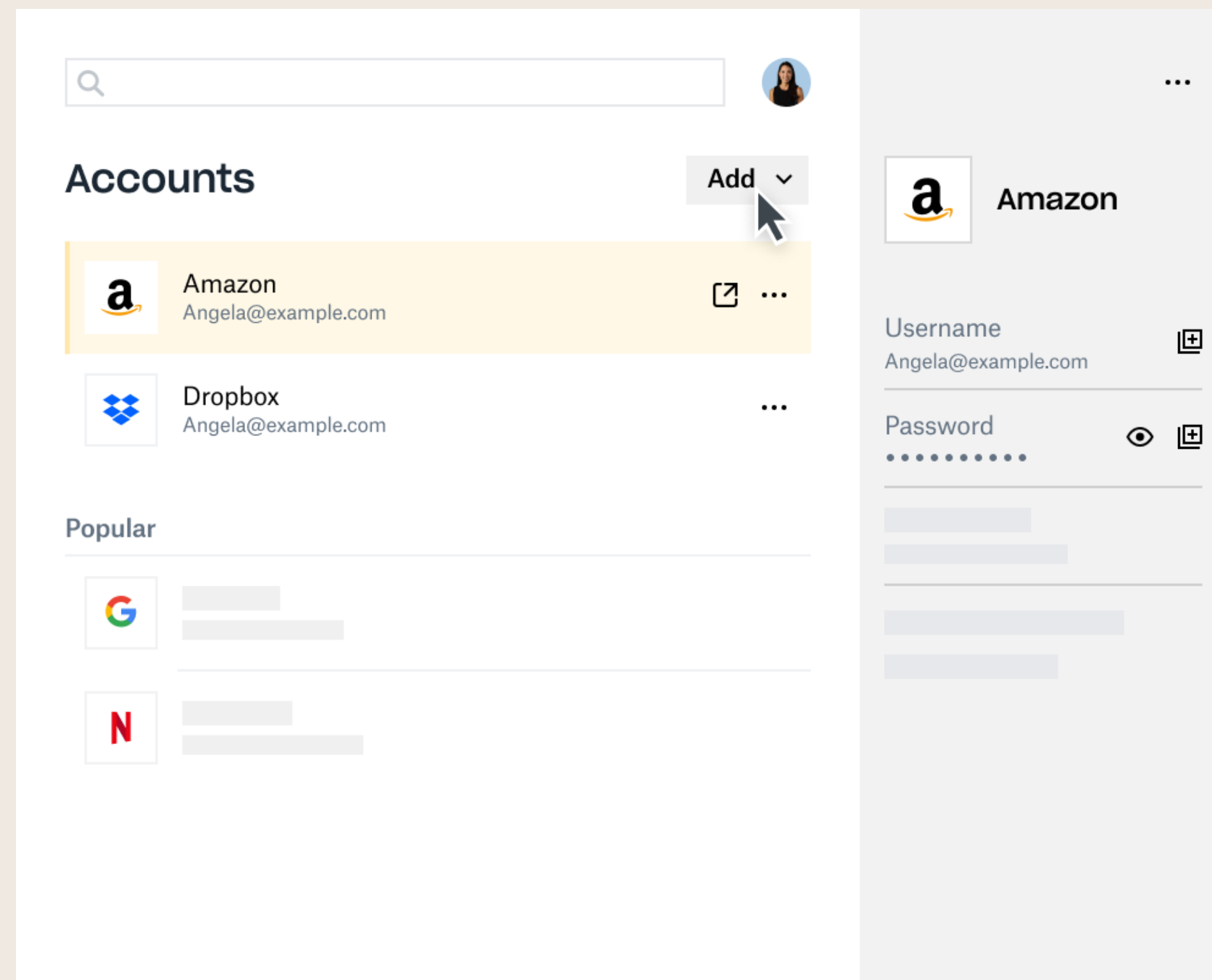


Vault

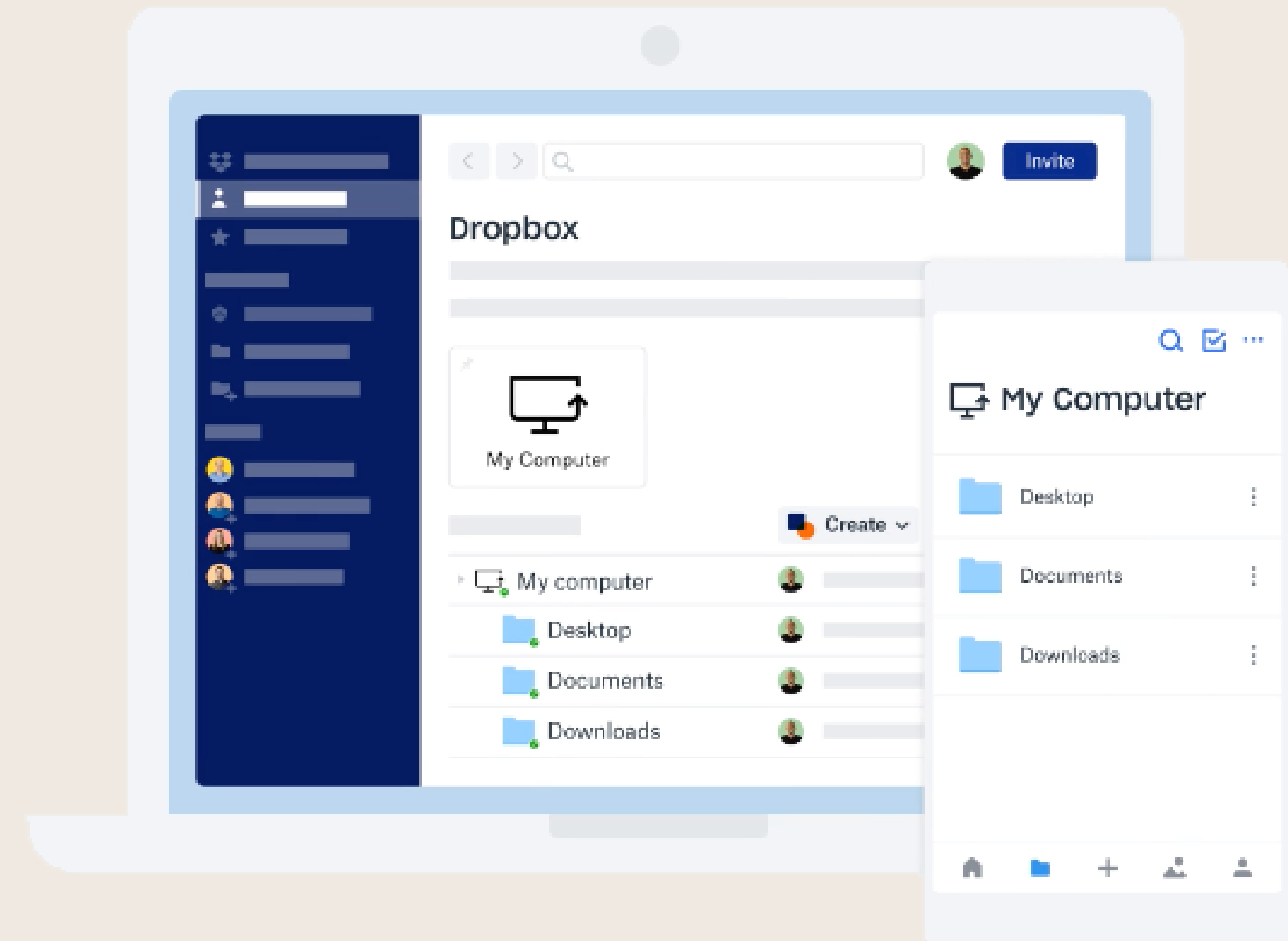


New Products and Features

Passwords



Backup



Growing Portfolio of Add-on Products for Teams

Advanced Team and Content Controls

- Automated workflows for account capture, onboarding & off-boarding
 - Data Loss Prevention
-

Data Governance

- Recover any files deleted or changed in the last 10 years
 - Offered with or without Legal Hold capability
-

Data Migration

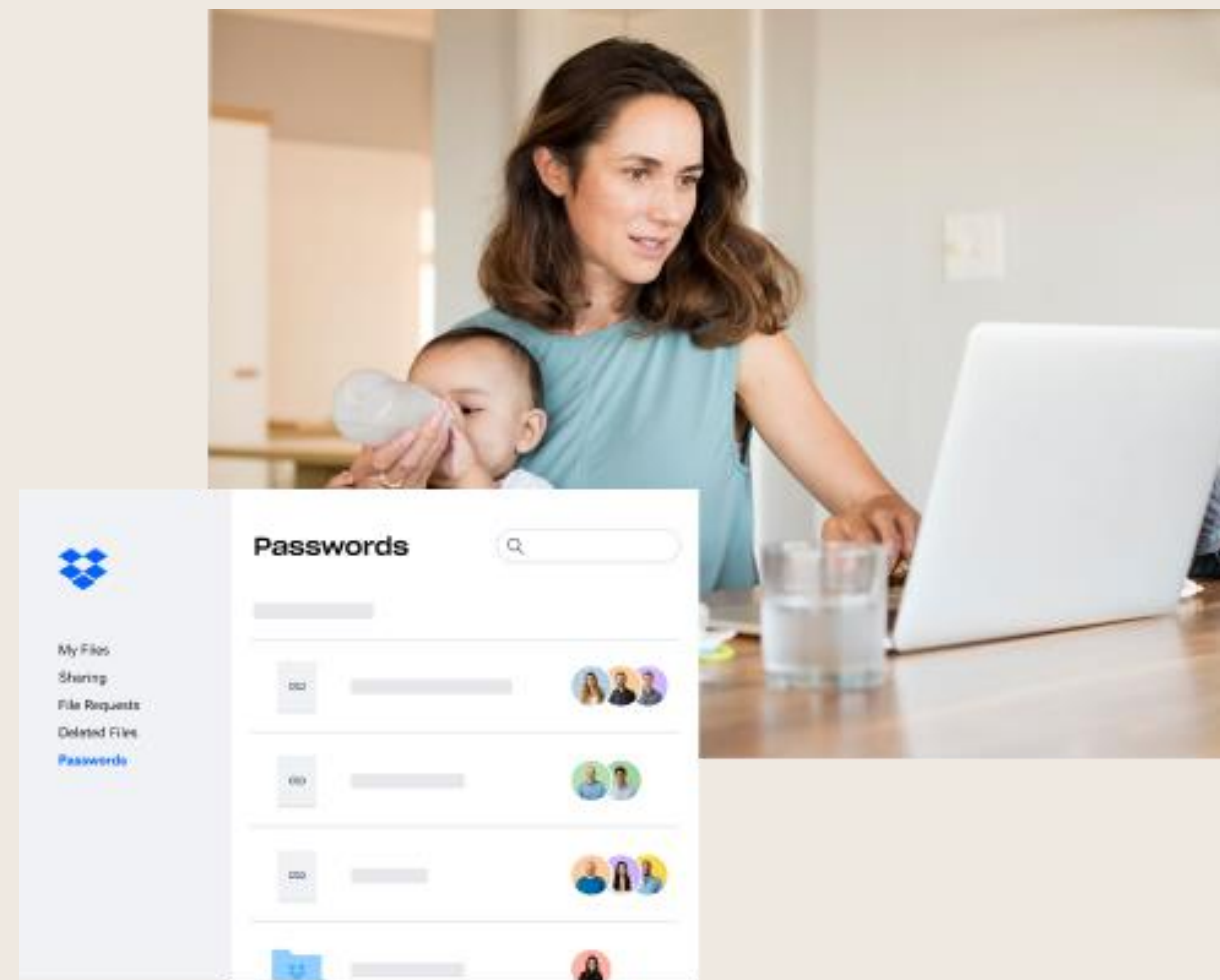
- Quickly migrate files from local or cloud storage into Dropbox Business
 - Insightful analytics & comprehensive reporting
-

Creative Tools

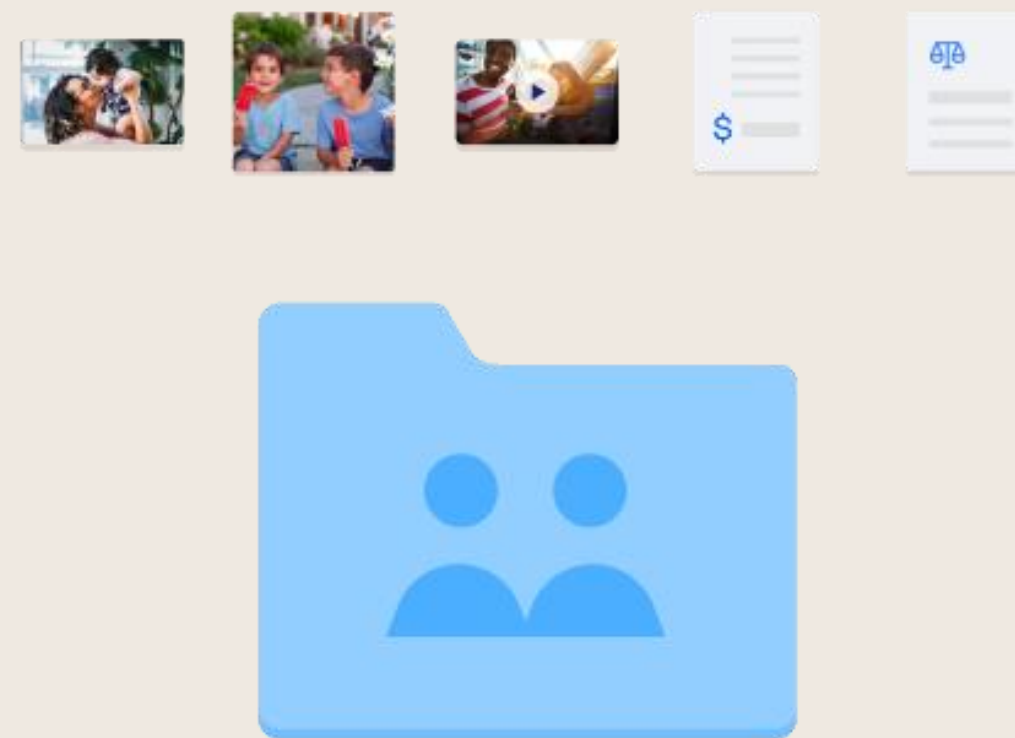
- Secure and easy large file previews and transfers
 - Review and aggregate frame-based commenting for large videos
 - Integration with Adobe Creative Cloud
-

Dropbox Family

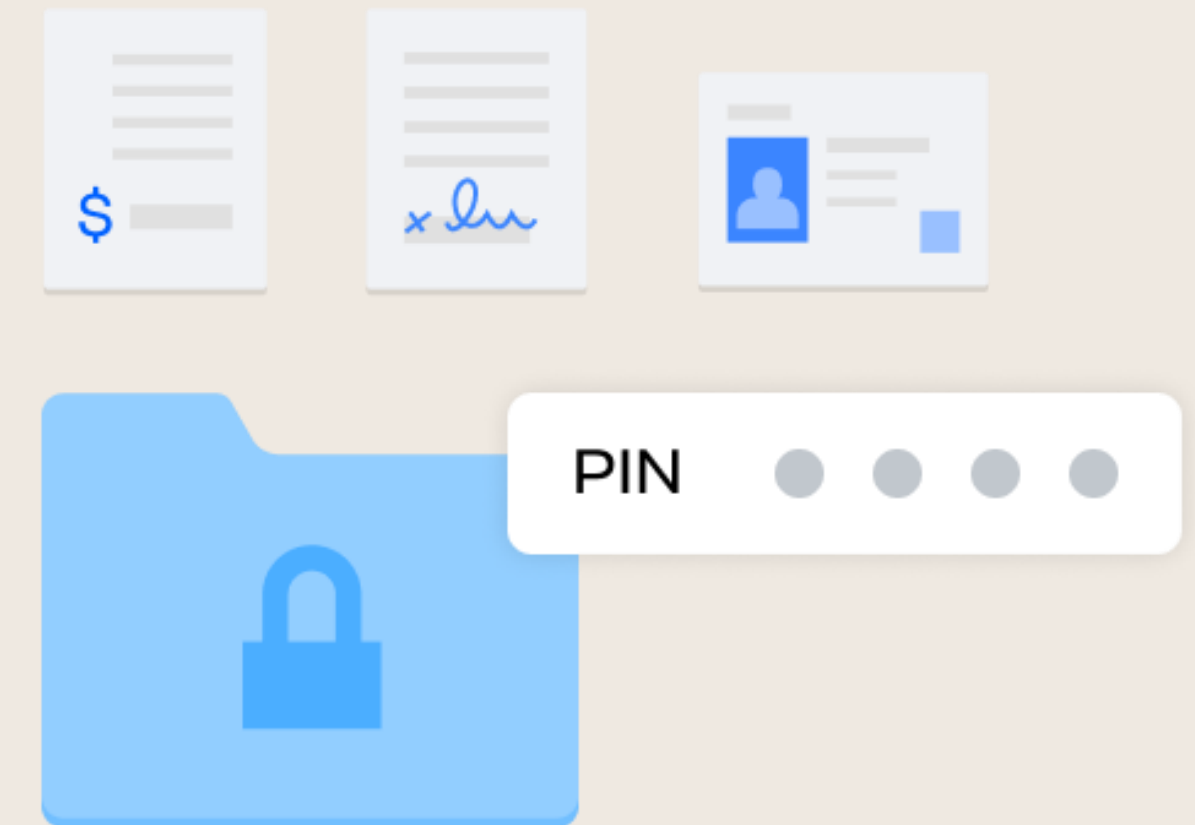
- Organize, centralize and protect your Family content
- Enhanced privacy and security features



Manage what matters most



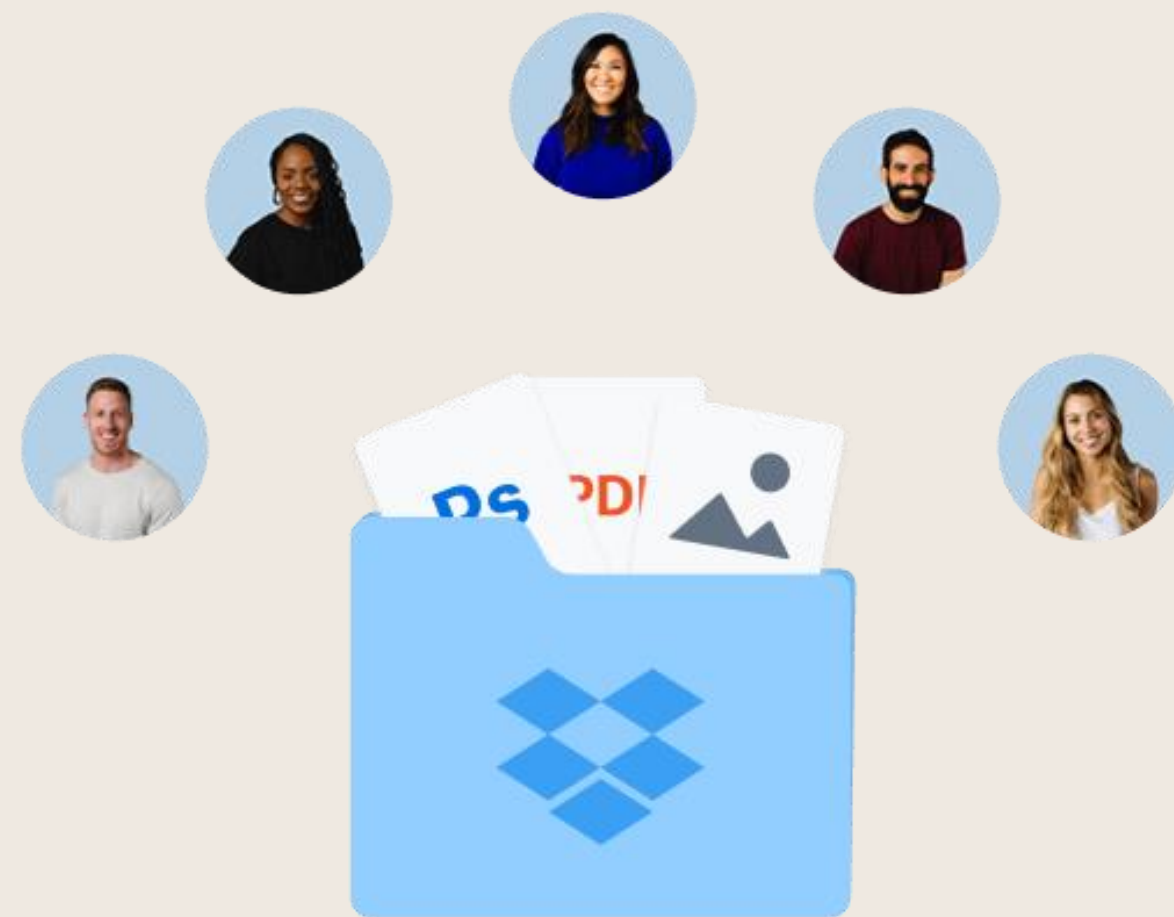
Keep your family connected



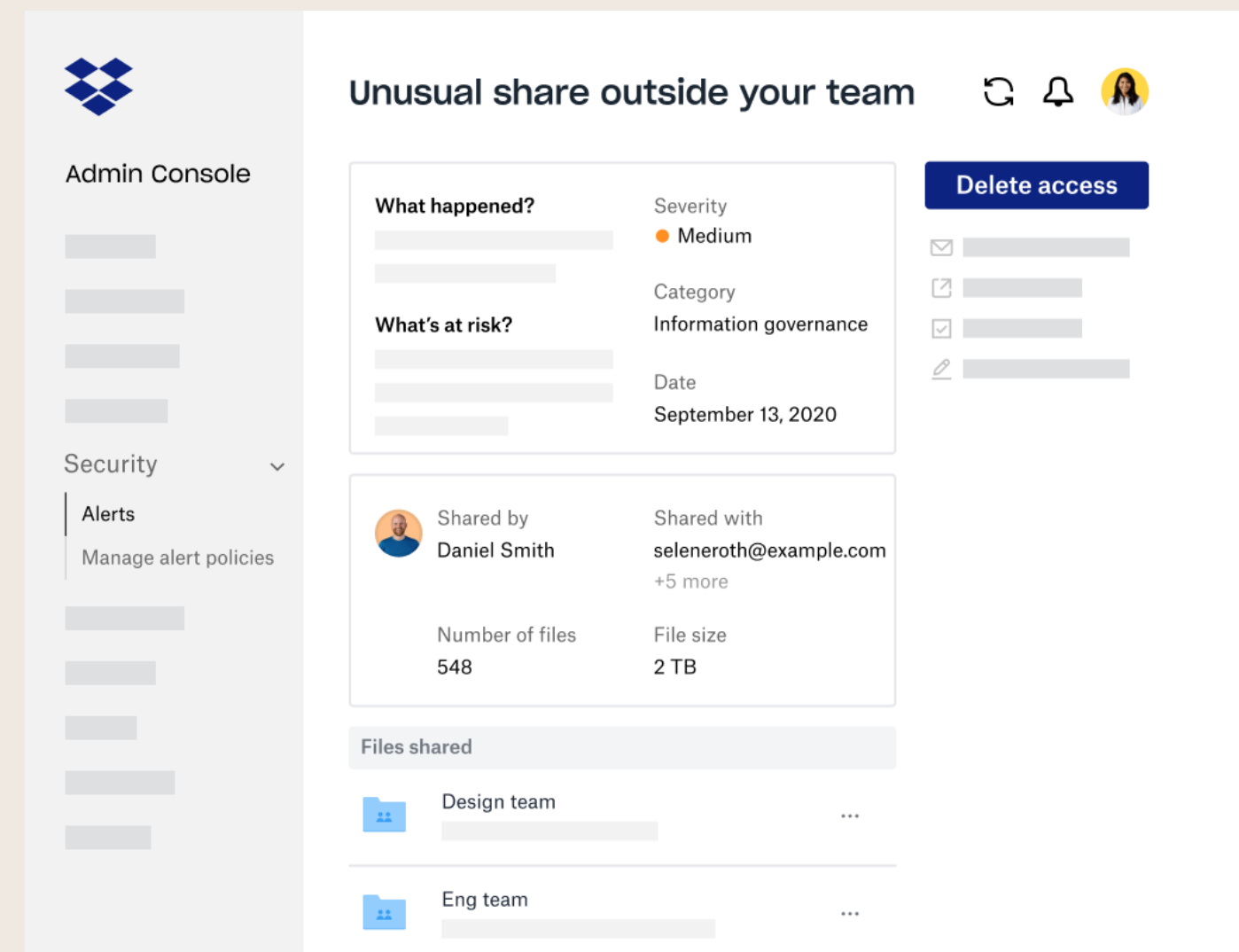
Keep sensitive info safe

Dropbox Business

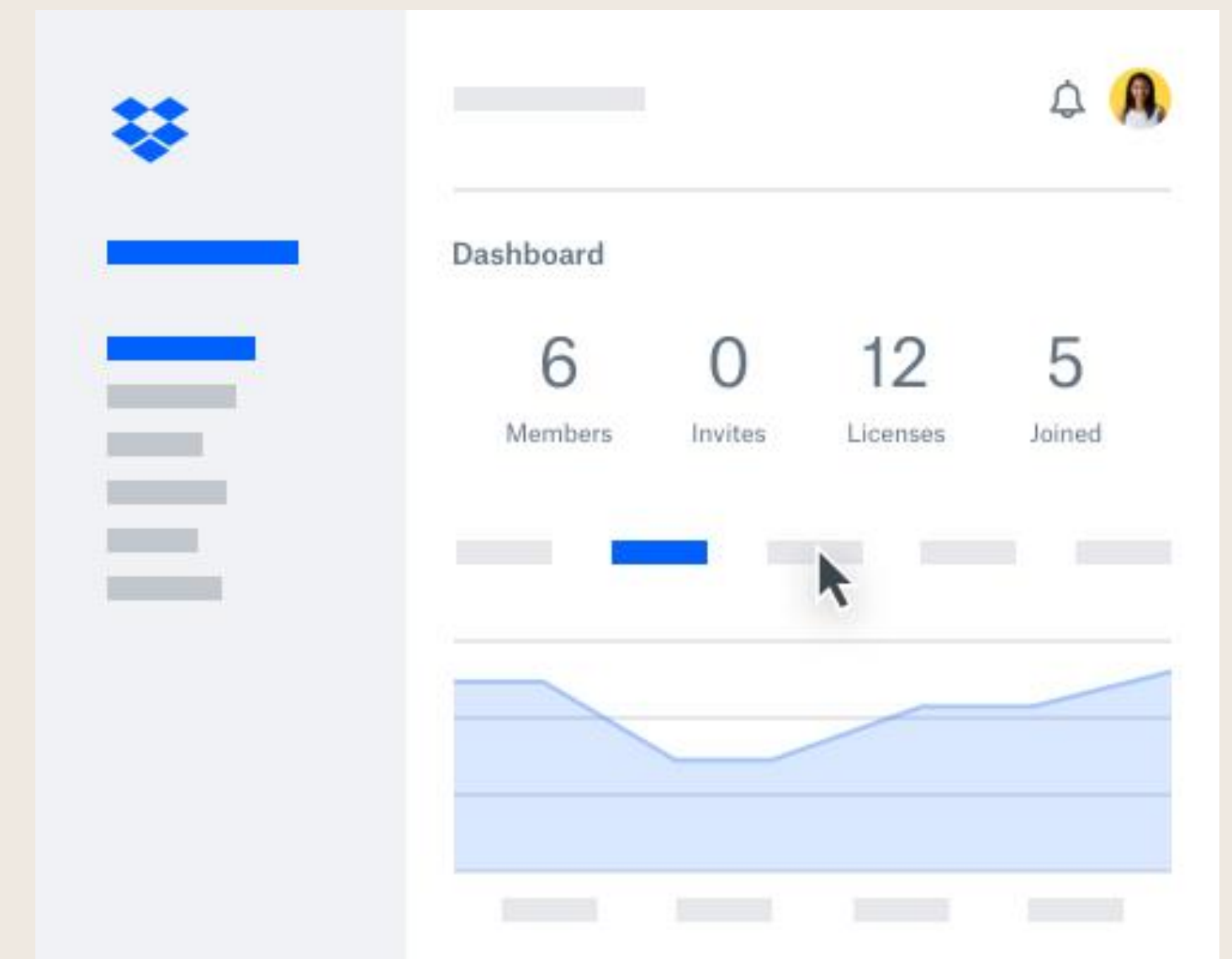
- Organize and centralize content around the needs of your team
- Collaborate in shared workspaces and streamline workflows
- Secure company data through visibility into content access and sharing



Shared team workspace



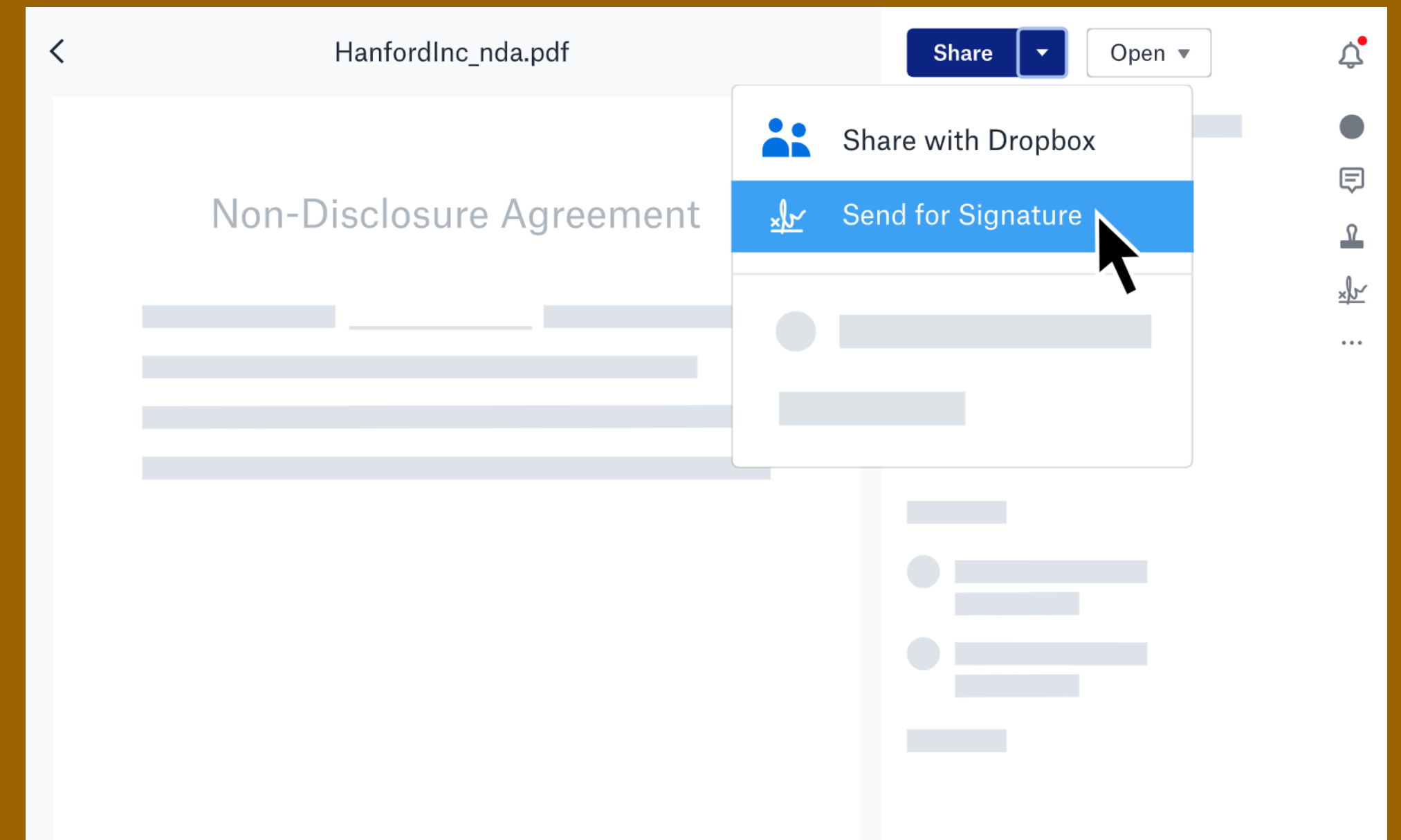
Data governance and audit logs



Team management & centralized billing

HelloSign Update

- Native integration in Dropbox
- 70%+ growth in end-user signature requests
- 60%+ growth in API transactions
- Launched in 21 additional languages
- Increasing cross-sell velocity



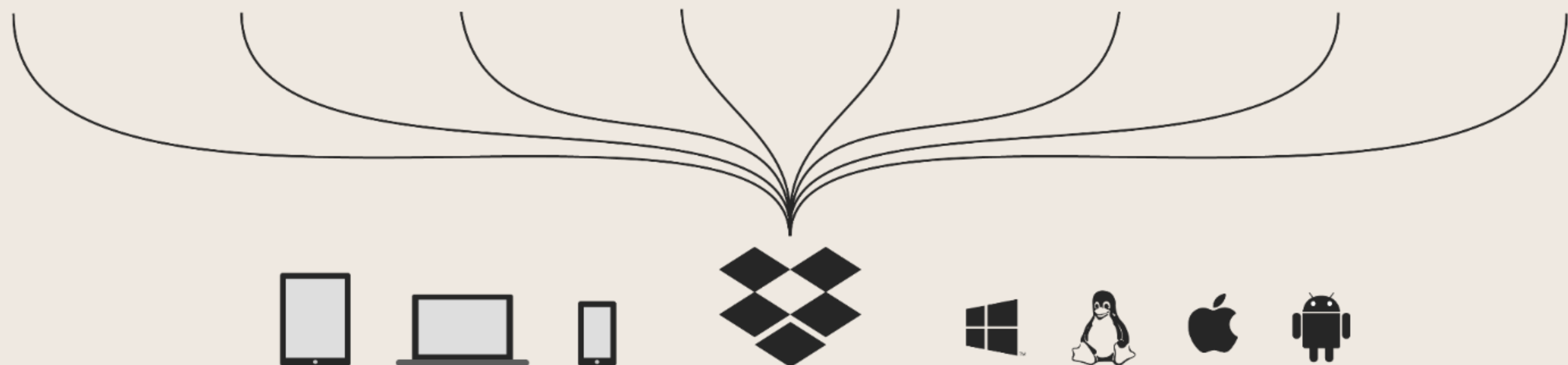
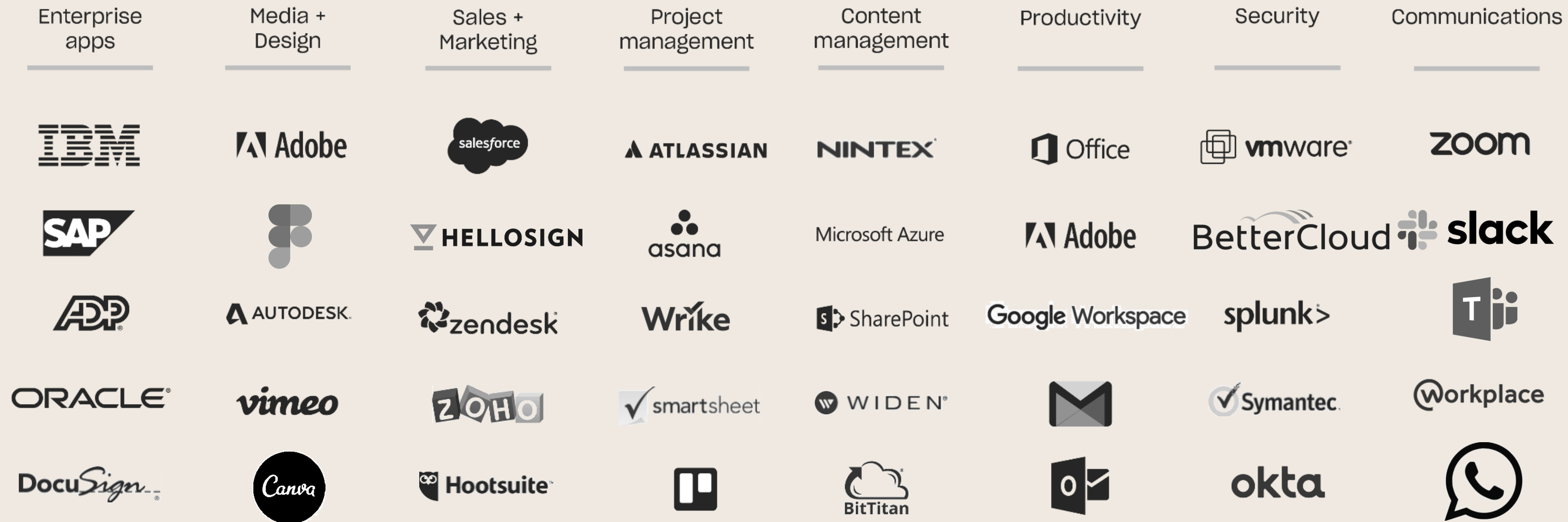
*Note: Growth rates reflect 2019-2020 period

DocSend Update



- DocSend is a secure self-serve document sharing and analytics product
- Current use cases revolve around content sharing and virtual data rooms for fundraising, M&A, sales and marketing, and investor relations
- Similar go to market strategy to Dropbox leveraging self-serve business
- Full suite of self-serve products to manage end-to-end document workflow: creation, sharing, signature

Open ecosystem



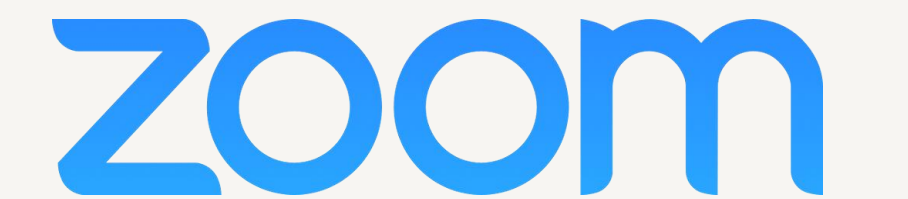
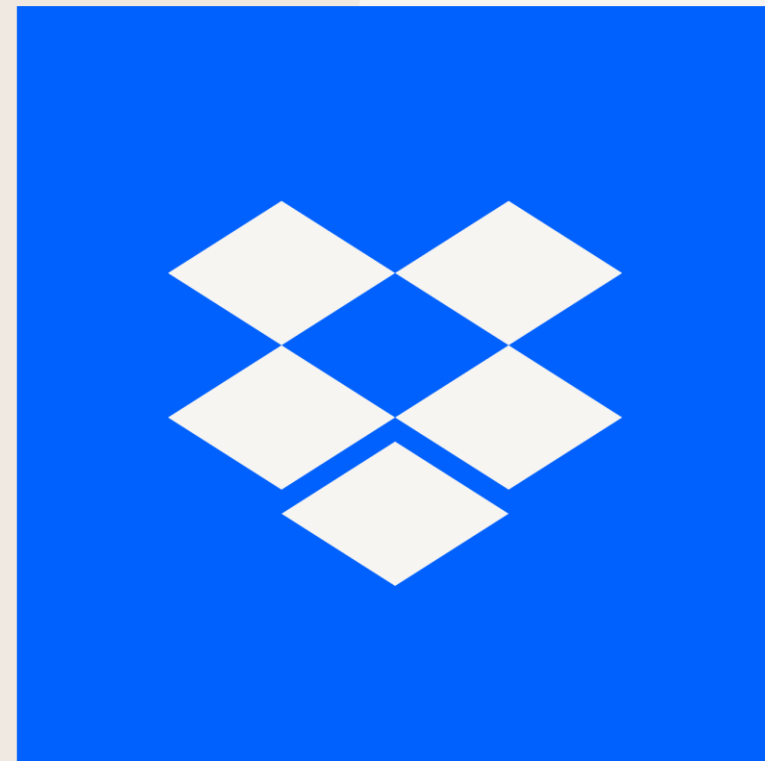
60B+
API calls /month

1M+
registered developers

35%
more spent each month by
integration MAUs (iMAUs)
compared to non-iMAUs

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

Deep Integration Partners



Financial Highlights

Financial Highlights

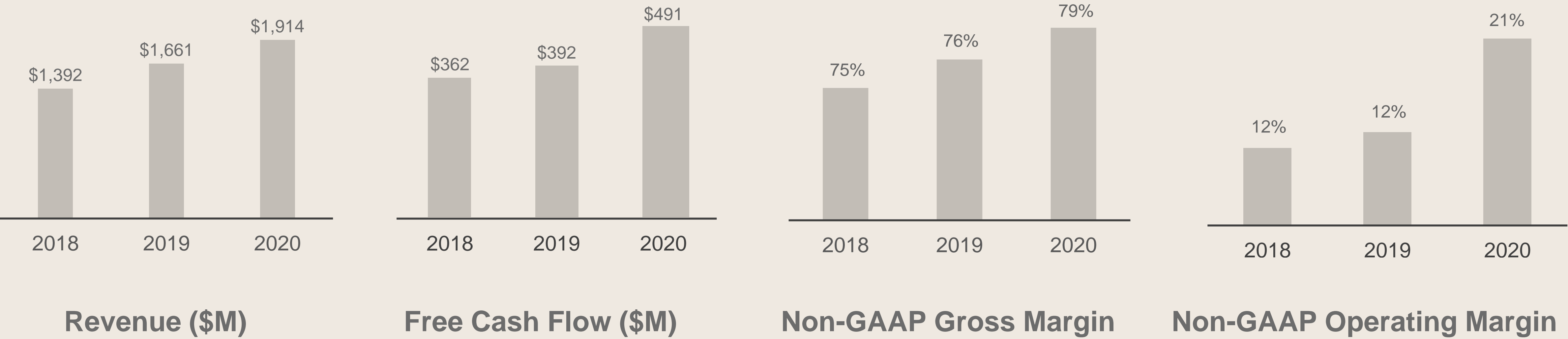
Significant revenue and cash flow scale

Predictable and balanced financial model

Investing for continued revenue growth

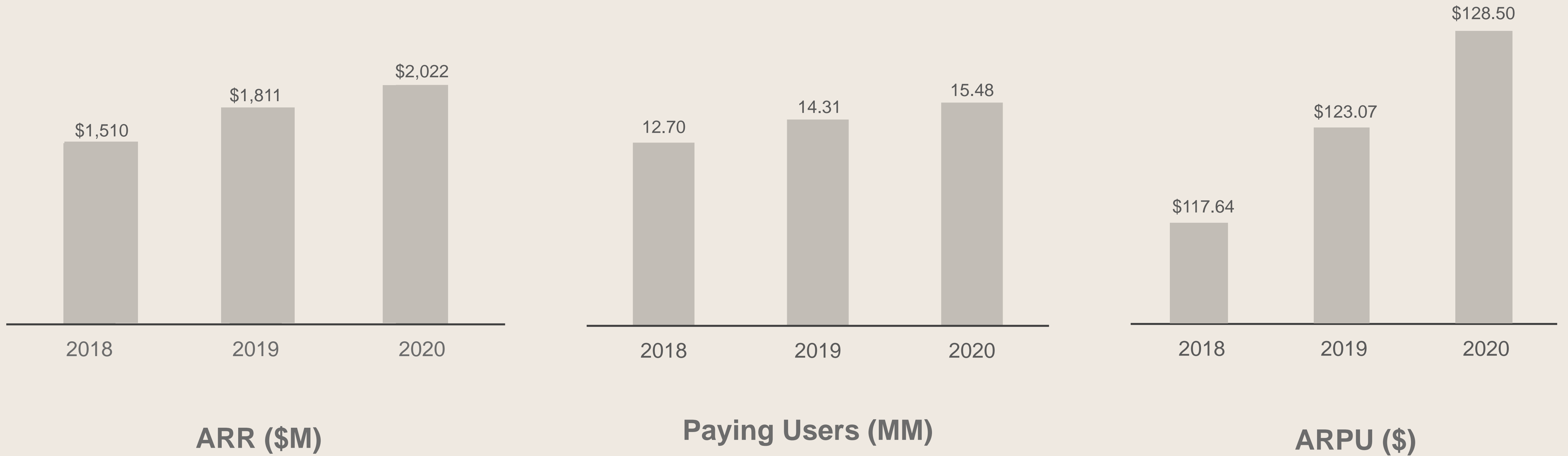
Driving for strong operating leverage

Strong Performance at Scale

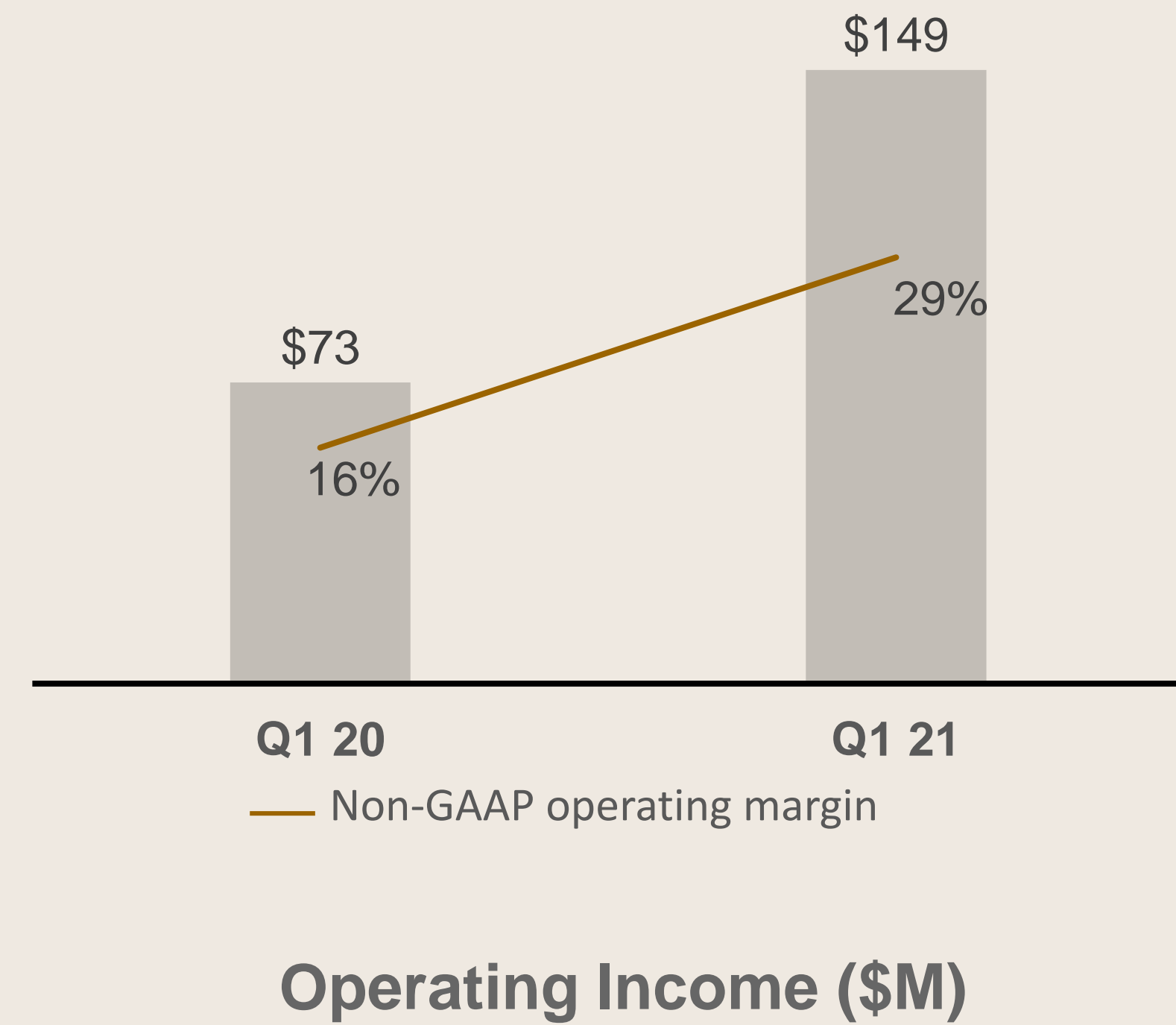
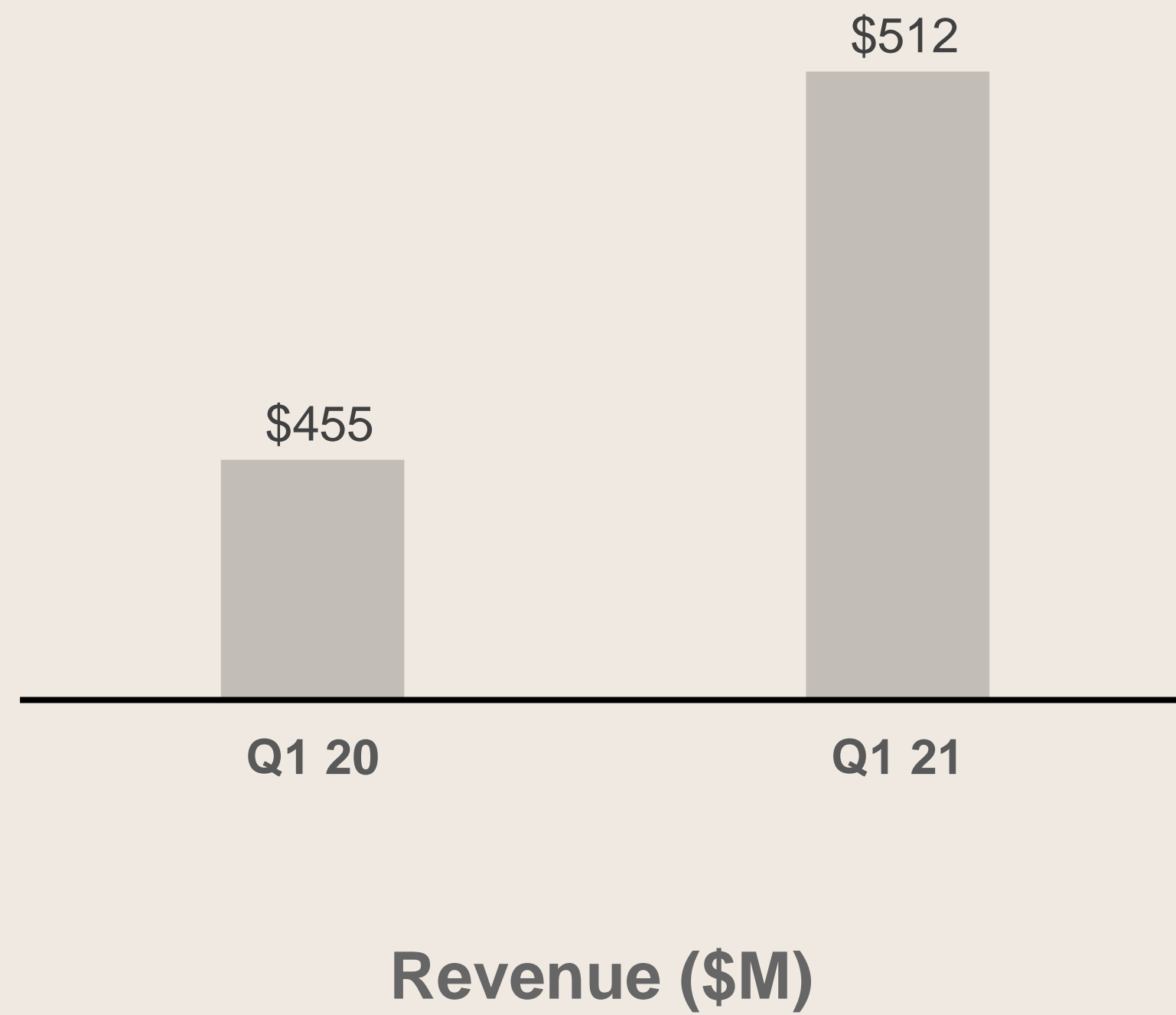


*Note: Non-GAAP gross margin and non-GAAP operating margin exclude stock-based compensation expense and certain non-recurring adjustments. Free cash flow is GAAP net cash provided by operating activities less capital expenditures. See appendix for non-GAAP reconciliation.

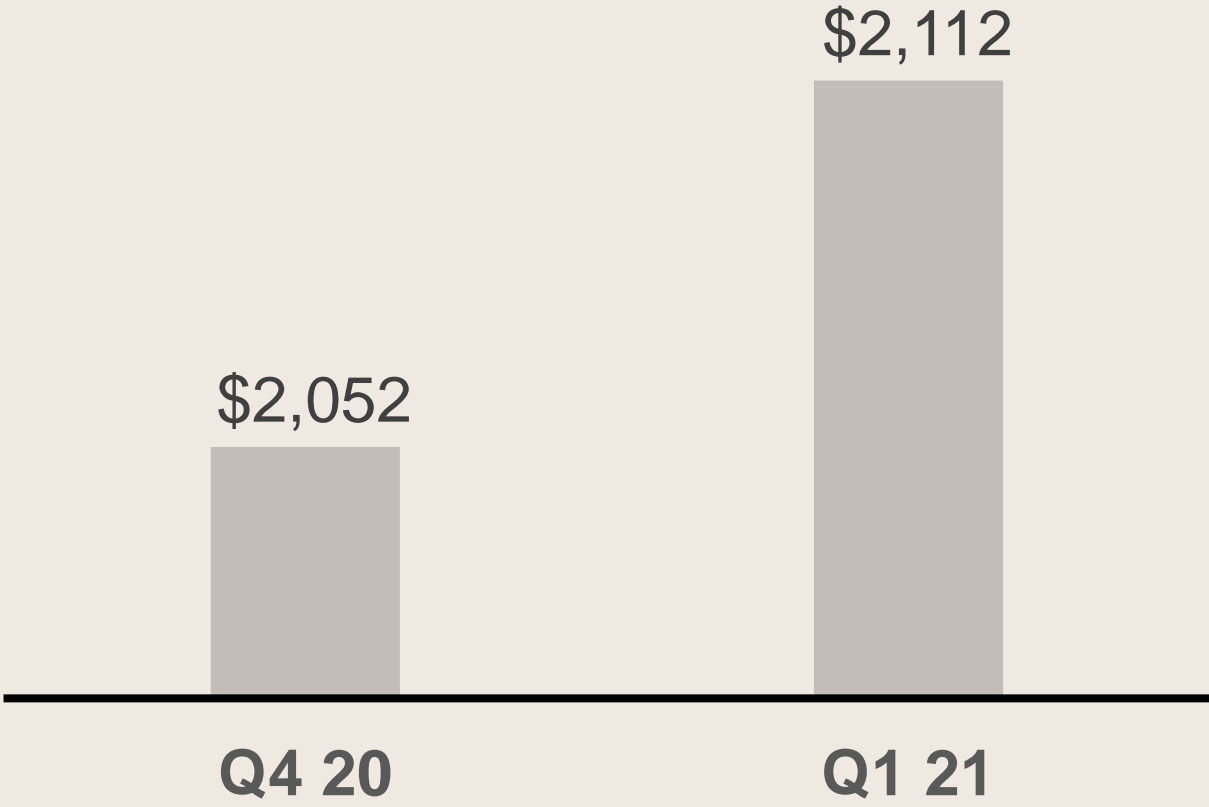
Key Metrics



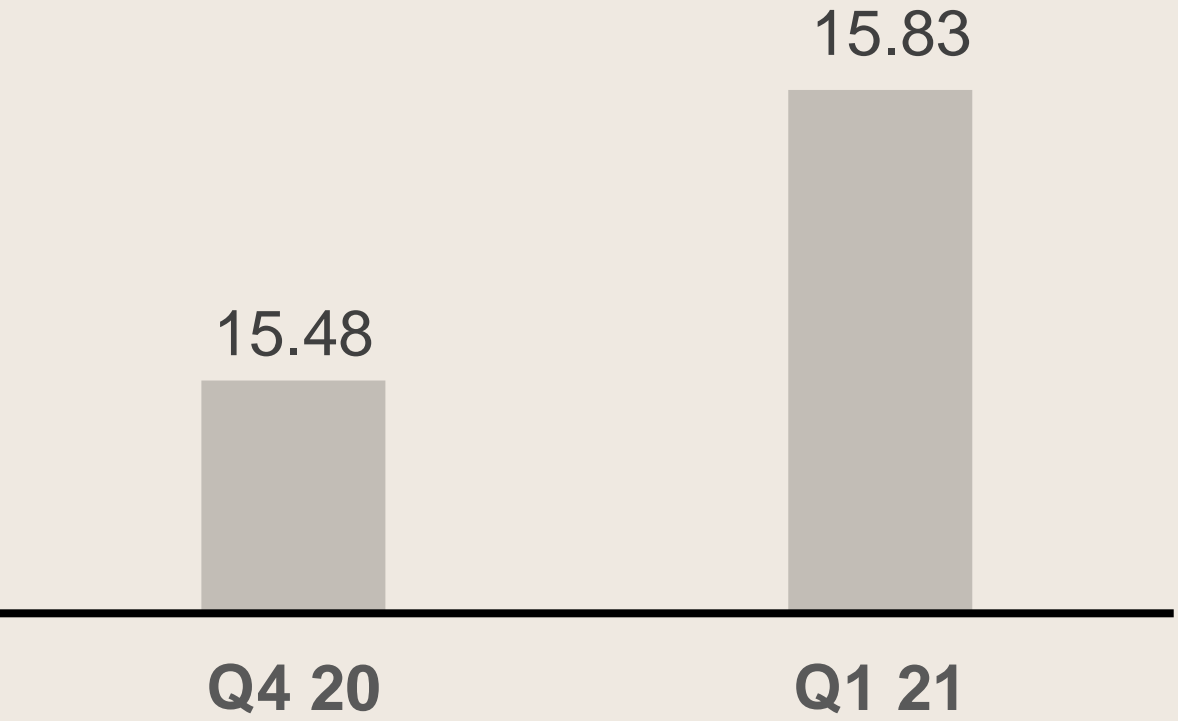
Q1'21 Financial Highlights



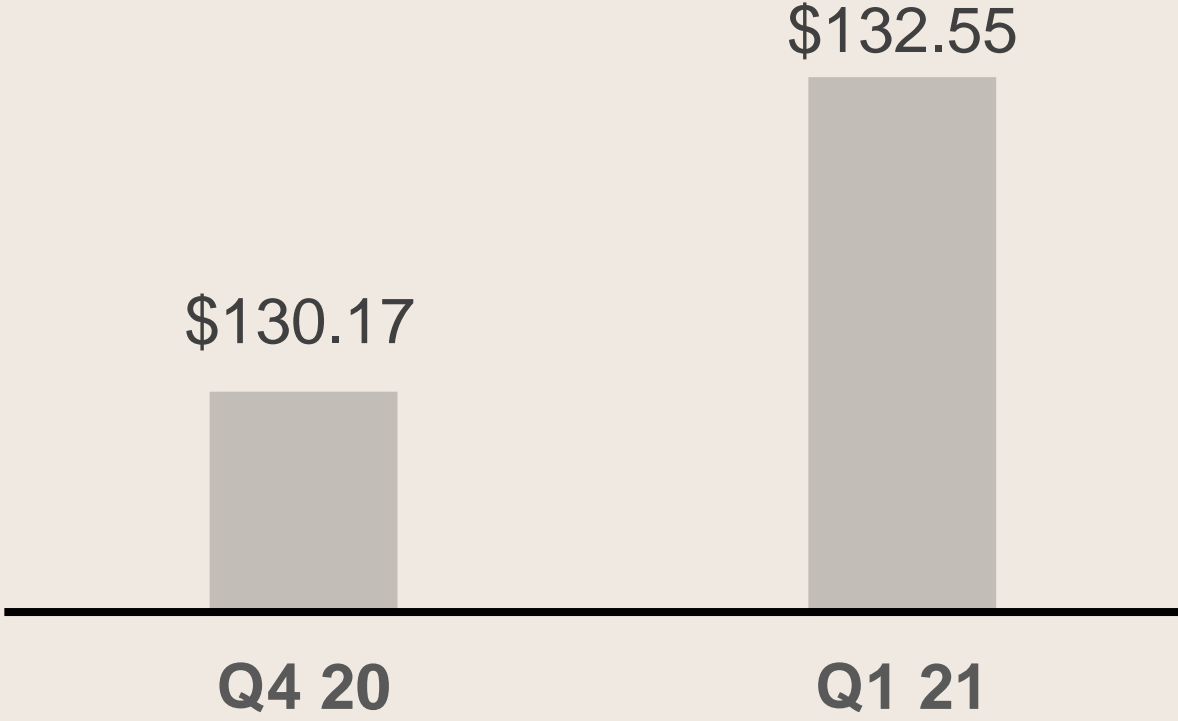
Q1'21 Financial Highlights



ARR (\$M)



Paying Users (M)

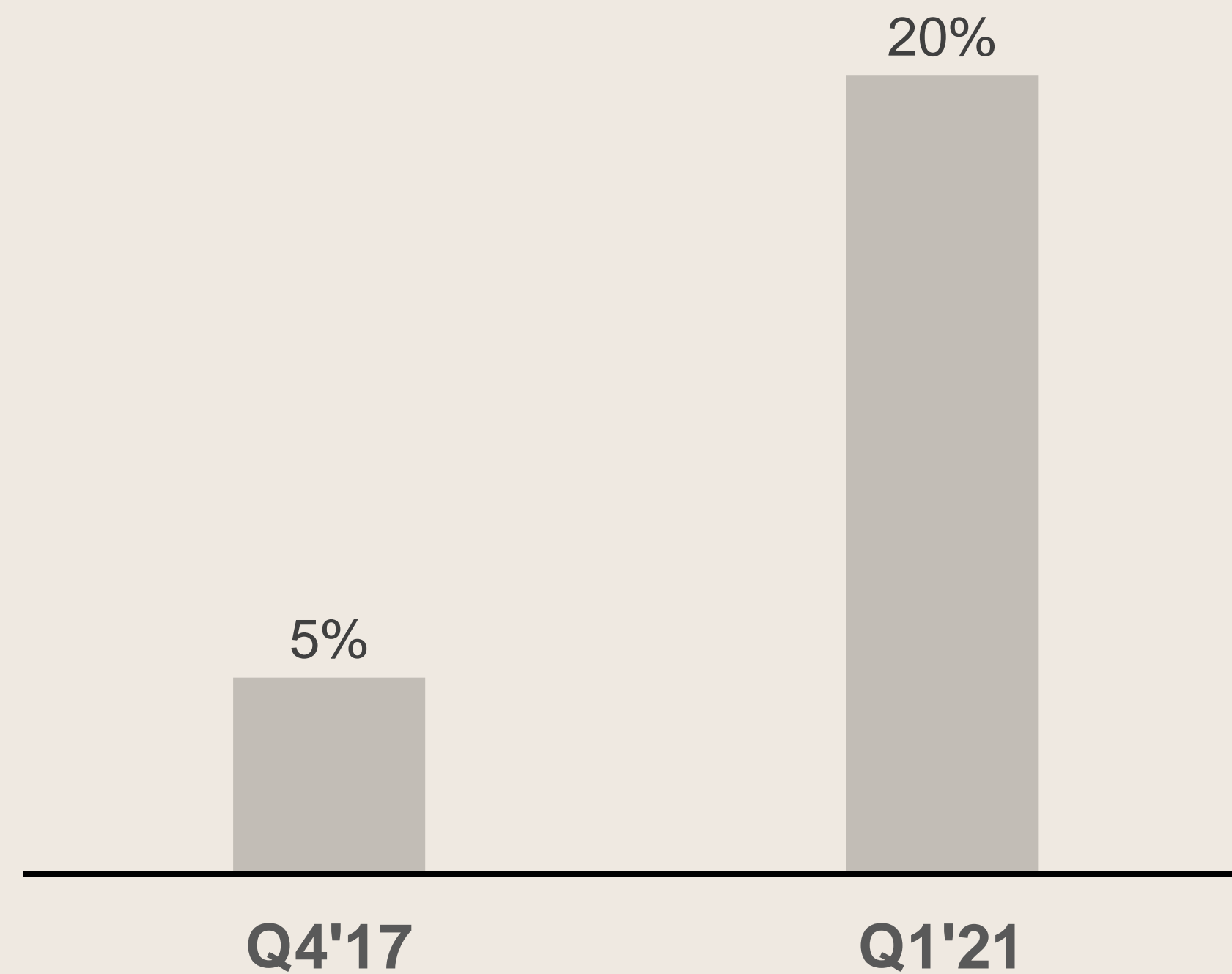


ARPU (\$)

Current period exchange rate applied to Q4'20 ARR to show constant currency ARR growth

Mix-shift to Premium Plans

% Paying Users on Premium Plans



4x

Increase in the attach rate of users to premium plans

*Note: Figures exclude HelloSign. Premium plans refer to Dropbox Professional and Dropbox Advanced.

Operating Leverage



Proprietary Infrastructure



Virtual First



Workforce Optimization

Target Model

Non-GAAP	2019	2020	Long-term target
Gross Margin	76%	79%	78 - 80%
R&D expense as % of revenue	30%	28%	23– 25%
S&M expense as % of revenue	23%	20%	18 – 20%
G&A expense as % of revenue	11%	10%	8 – 10%
Operating margin	12%	21%	28 – 30%
Annual Free Cash Flow	\$392M	\$491M	\$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.

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	Time-based comments	Network control	
30 day version history	Dropbox Rewind		Watermarking	Auto-Evict	Viewer history	Domain insights and account capture	
HelloSign eSignatures	Smart Sync and Smart Sync		Shared link controls	Auto OCR, Image and full text search	Single sign-on integration (SSO)	24/7 phone support and advanced training	
Passwords	Auto-Evict		Branded sharing	Watermarking	Audit logs		
	Full text search		180 day version history	Shared link controls	Device approvals		
	Priority email support		Premium previews	Branded sharing	Tiered admin roles		
			Time-based comments	180 day version history	Business hours phone support		
			Viewer history	Team folders			
			Traffic and insights	Admin console			
				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



FREE	ESSENTIAL	STANDARD	PREMIUM
\$0	\$15 / user / mo	\$25 / user / mo	\$40 / user / mo
1 user	1 user	Minimum 2 users	Minimum 5 users
0 Templates	5 Templates	15 Templates	Unlimited Templates
3 req / mo	Unlimited reqs	Unlimited reqs	Unlimited reqs
Audit Trail Notification Signer fields <i>and more....</i>	Includes Free Data validation Multiple languages Tamper-proofing Template Links <i>and more....</i>	Includes Ess. Branding Bulk send Salesforce integration ^{\$} SMS auth. <i>and more....</i>	Includes Std. Adv. signing tools Adv. signer fields Adv. reporting Multi-teams ^{\$} <i>and more....</i>

Plans include unlimited document storage in HelloSign or Prebuilt storage integrations with Dropbox and several others



FREE	ESSENTIAL	STANDARD	PREMIUM
Build & Test our API for Free	\$75 / mo	\$250 / mo	\$400 / mo
	5 Templates	15 Templates	Unlimited Templates
	Starts 50 reqs / mo*	Starts 100 reqs / mo*	Starts 100 reqs / mo*
	API dashboard Audit trail Data validation SDKs in 6 languages Signer fields <i>and more....</i>	Includes Ess. Branding Bulk send Embedded signing Signer attachments <i>and more....</i>	Includes Std. Adv. signing tools Adv. signer fields Embedded templates White labeling ^{\$} <i>and more....</i>

Plans include unlimited document storage in HelloSign

^{\$} Additional cost add-on

* Higher API volume tiers available, up to 300K per month

DocSend Subscription Plans



Personal

For individuals who want secure sharing and document insights

\$10 /mo /per user billed annually
\$15 /mo /per user billed monthly

Standard

For business teams that need best-in-class document sharing and team management

\$45 / month per user billed annually
\$65 / month per user billed monthly

Advanced

For deal management professionals that need advanced security or integrations

Includes 3 users
\$150 / month billed annually
Add'l users \$60/ month
\$250 / month billed monthly
Add'l users \$60/ month

Enterprise

For larger teams

Plans start at \$5,000

Document Analytics



Basic Document Security

(Require email, Redirect downloading, Expiration & Passwords)



Spaces

—



Mail Merge Links

—



eSignature

—



Integrations *

Basics Only

Basics plus add-ons available

Basics plus add-ons available



Advanced Security Features

(1-Click NDA, Watermarking, Allowed viewer list, email auth.)

—

—



Advanced Spaces Features

(Folders, Granular Space Permission)

—

—



Campaign Links

—

—



(SSO) Integration

—

—

Add-on



Sub-Team Permissions

—

—

Add-on



Storage

10 GB / user

50 GB / user

50 GB / user

50 GB / user

Upload large documents

2 GB

2 GB

2 GB

2 GB

*Integrations note that Basics only includes Dropbox, Gmail, and Outlook. Add-ons available for additional cost

Definitions

Total Annual Recurring Revenue, (“Total ARR” or “ARR”) – represents the amount of revenue that we expect to recur, enables measurement of the progress of our business initiatives, and serves as an indicator of future growth. We calculate Total ARR as the number of users who have active paid licenses for access to our platform as of the end of the period, multiplied by their annualized subscription price to our platform. We adjust the exchange rates used to calculate Total ARR on an annual basis at the beginning of each fiscal year.

Average Revenue per Paying User, (“ARPU”) – is defined as our revenue for the period presented divided by the average paying users during the same period. For interim periods, we use annualized revenue, which is calculated by dividing the revenue for the particular period by the number of days in that period and multiplying this value by 365 days. Average paying users are calculated based on adding the number of paying users as of the beginning of the period to the number of paying users as of the end of the period, and then dividing by two.

Paying Users – are defined as the number of users who have active paid licenses for access to our platform as of the end of the period. One person would count as multiple paying users if the person had more than one active license. For example, a 50-person Dropbox Business team would count as 50 paying users, and an individual Dropbox Plus user would count as one paying user. If that individual Dropbox Plus user was also part of the 50-person Dropbox Business team, we would count the individual as two paying users.

Non-GAAP reconciliation

	Three Months Ended	
	March 31, 2020	March 31, 2021
Income from operations - GAAP	\$ 26.8	\$ 42.5
Stock-based compensation	39.8	67.9
Acquisition-related and other expenses	4.2	5.7
Amortization of acquired intangible assets	2.3	2.40
Impairment related to real estate assets	—	17.3
Workforce reduction expense	—	12.8
Income from operations - Non-GAAP	\$ 73.1	\$ 148.6
<i>Non-GAAP operating margin</i>	<i>16.1 %</i>	<i>29.1 %</i>

Non-GAAP reconciliation

	Twelve Months Ended		
	<u>December 31, 2018</u>	<u>December 31, 2019</u>	<u>December 31, 2020</u>
Net Cash provided by operating activities	\$ 425.4	\$ 528.5	\$ 570.8
Capital expenditures	(63.0)	(136.1)	(80.1)
Free cash flow	<u>\$ 362.4</u>	<u>\$ 392.4</u>	<u>\$ 490.7</u>

Non-GAAP reconciliation

	Twelve Months Ended - 2020					
	GAAP	Stock based compensation	Acquisition-related and other expenses	Amortization of acquired intangible assets	Impairment related to real estate assets	Non-GAAP
Gross profit	\$ 1,499.3	\$ 17.1	\$ —	\$ 3.9	\$ —	\$ 1,520.3
<i>Gross margin</i>	78.3 %	0.9 %	—	0.2 %	—	79.4 %
Research and development	727.5	(174.1)	(16.8)	—	—	536.6
<i>Research and development margin</i>	38.0 %	(9.1%)	(0.9%)	—	—	28.0 %
Sales and marketing	422.8	(33.7)	—	(5.6)	—	383.5
<i>Sales and marketing margin</i>	22.1 %	(1.8%)	—	(0.3%)	—	20.0 %
General and administrative	227.8	(36.6)	(0.1)	—	—	191.1
<i>General and administrative margin</i>	11.9 %	(1.9%)	—	—	—	10.0 %
Impairment related to real estate assets	398.2	—	—	—	(398.2)	—
<i>Impairment related to real estate assets margin</i>	20.8 %	—	—	—	(20.8%)	— %
Income (loss) from operations	(277.0)	261.5	16.9	9.5	398.2	409.1
<i>Operating margin</i>	(14.5%)	13.7 %	0.9 %	0.5 %	20.8 %	21.4 %

Note: % may not foot due to rounding

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>	75.3 %	1.0 %	—	0.2 %	76.4 %
Research and development	662.1	(147.6)	(14.5)	—	500.0
<i>Research and development margin</i>	39.9 %	(8.9%)	(0.9%)	—	30.1 %
Sales and marketing	423.3	(31.4)	—	(5.0)	386.9
<i>Sales and marketing margin</i>	25.5 %	(1.9%)	—	(0.3%)	23.3 %
General and administrative	245.4	(66.4)	(1.4)	—	177.6
<i>General and administrative margin</i>	14.8 %	(4.0%)	(0.1%)	—	10.7 %
Income (loss) from operations	(80.5)	261.2	15.9	8.4	205.0
<i>Operating margin</i>	(4.8%)	15.7 %	1.0 %	0.5 %	12.3 %

Note: % may not foot due to rounding

Non-GAAP reconciliation

	Twelve Months Ended - 2018			
	GAAP	Stock based compensation	Employer payroll related to the release of two-tier RSUs	Non-GAAP
Gross profit	\$ 997.0	\$ 47.0	\$ 1.1	\$ 1,045.1
<i>Gross margin</i>	71.6 %	3.4 %	0.1 %	75.1 %
Research and development	768.2	(368.2)	(8.3)	391.7
<i>Research and development margin</i>	55.2 %	(26.5%)	(0.6%)	28.1 %
Sales and marketing	439.6	(94.3)	(2.2)	343.1
<i>Sales and marketing margin</i>	31.6 %	(6.7%)	(0.2)%	24.7 %
General and administrative	283.2	(140.6)	(2.3)	140.3
<i>General and administrative margin</i>	20.3 %	(10.0%)	(0.2%)	10.1 %
Income (loss) from operations	(494.0)	650.1	13.9	170.0
<i>Operating margin</i>	(35.5%)	46.7 %	1.0 %	12.2 %

Note: % may not foot due to rounding



Dropbox