

Dropbox Q2 2018 and Fiscal 2018 Guidance

As of May 10, 2018

(In millions, except percentages)

	Q2 2018	Fiscal 2018
Revenue	\$328 - \$331	\$1,343 - \$1,355
Non-GAAP operating margin ⁽¹⁾	9% - 10%	9% - 10%
Free cash flow ⁽²⁾⁽³⁾		\$340 - \$350

⁽¹⁾ A reconciliation of our forward-looking guidance for non-GAAP operating margin with our forward-looking GAAP operating margin is not available without unreasonable efforts as the quantification of stock-based compensation expense, which is excluded from our non-GAAP operating margin and will have a significant impact on our GAAP operating margin, requires additional inputs that are difficult to predict and subject to change

⁽²⁾ We define free cash flow as GAAP net cash provided by operating activities less capital expenditures

⁽³⁾ We estimate 2018 capital expenditures to be approximately \$80 - \$90 million, inclusive of capital expenditures related to the buildout of our new corporate headquarters in San Francisco, CA

Forward-Looking Statements

These supplemental investor materials contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding Dropbox's future financial performance and guidance for Q2 2018 and FY 2018. Dropbox has based these forward-looking statements on its current expectations and projections about future events and financial trends that the Company believes may affect its business, financial condition and results of operations. These forward-looking statements speak only as of the date these supplemental investor materials are first posted to Dropbox's investor relations website and are subject to risks, uncertainties, and assumptions. Further information on risks that could affect Dropbox's results is included in our filings with the Securities and Exchange Commission (SEC), including our prospectus filed pursuant to Rule 424(b) under the Securities Act of 1933, as amended, on March 23, 2018. Additional information will be made available in our quarterly report on Form 10-Q and other future reports that we may file with the SEC from time to time, which could cause actual results to vary from expectations. If the risks materialize or assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. Dropbox assumes no obligation to, and does not currently intend to, update any such forward-looking statements after the date these supplemental investor materials are first posted to Dropbox's investor relations website, except as required by applicable law.

Additional information on our non-GAAP measures is included in our earnings release, which was furnished with our Form 8-K filed with the SEC on May 10, 2018.