



Dropbox

Company Presentation
August 2021

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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*

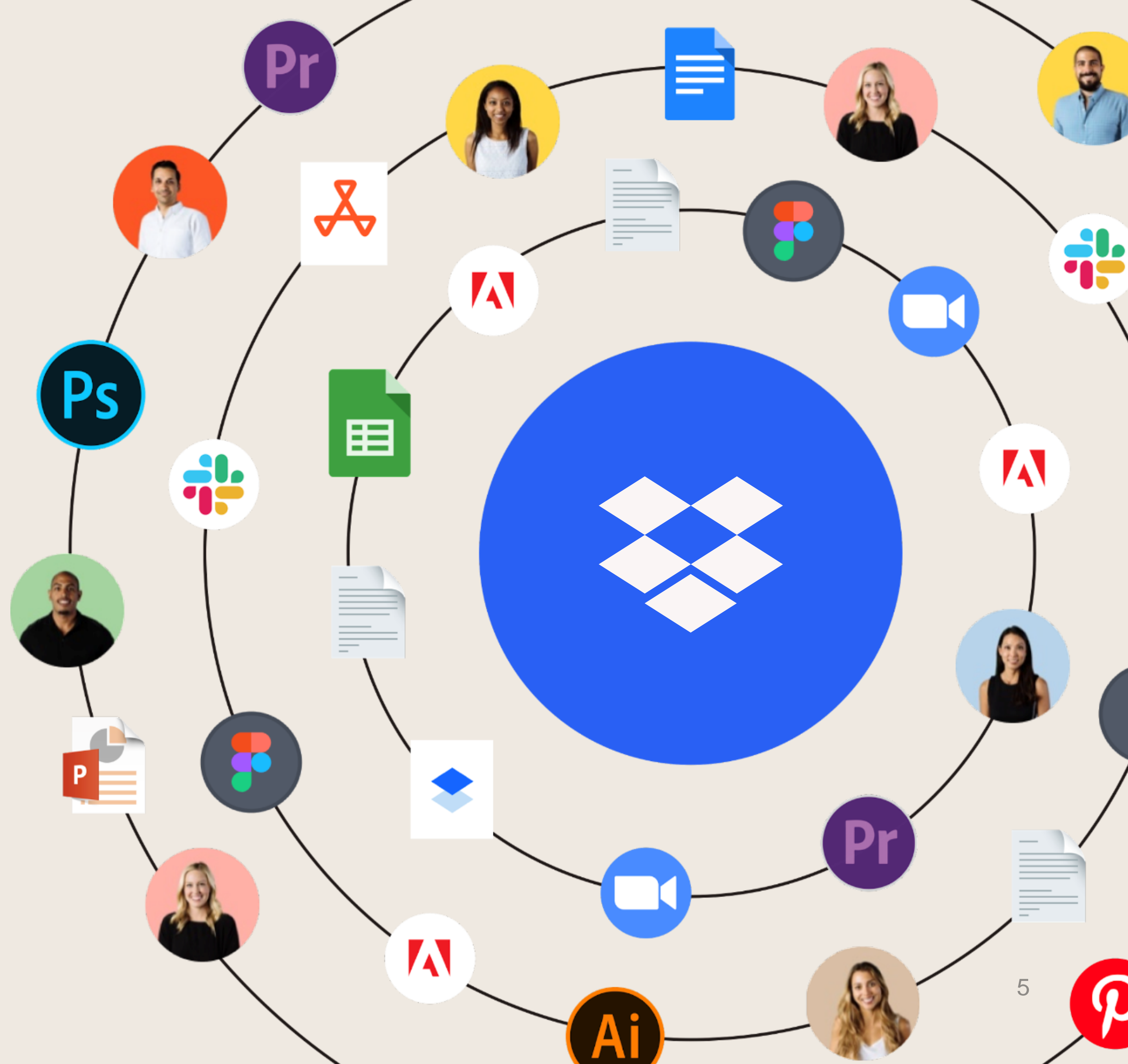
700M+
registered users

550B+
pieces of content

16.14M
paying users

80%
of subscribers use us for work

*Data as of 6/30/21



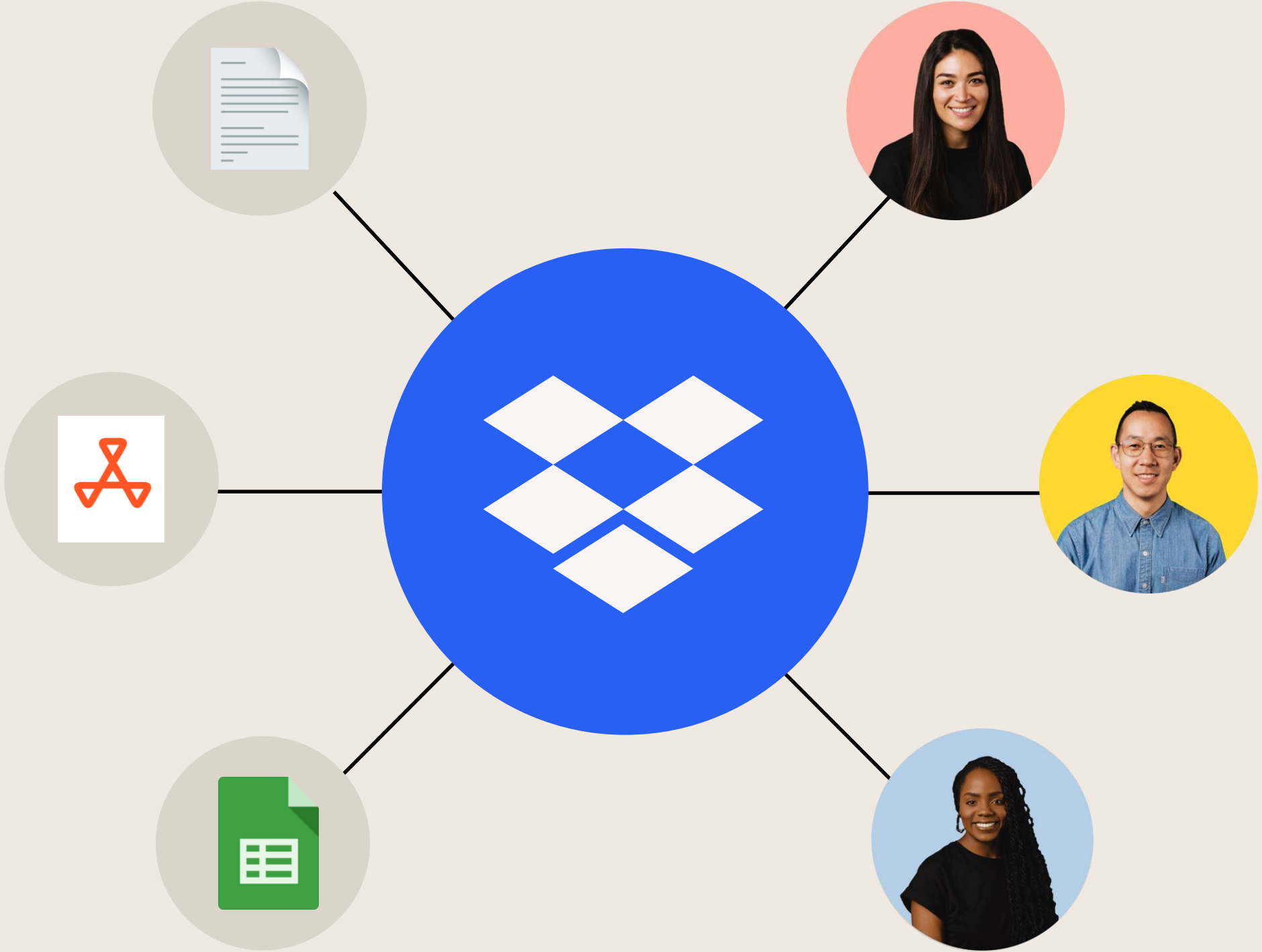
Keeping Files in Sync

Cloud storage

2007

Backup & sync

File sync and sharing



Keeping Teams in Sync

Smart Workspace

Today

Team collaboration

Content management

Professional sharing

Secure sharing and analytics

Project management

eSignature

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

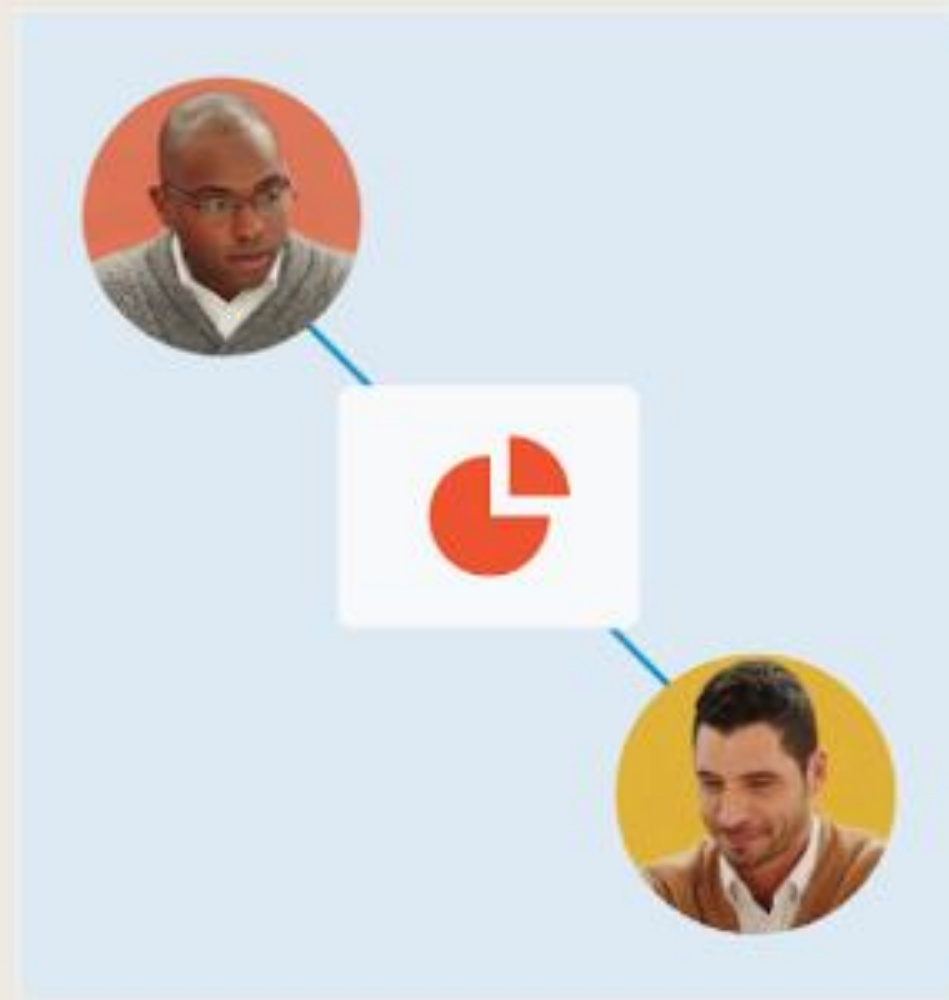
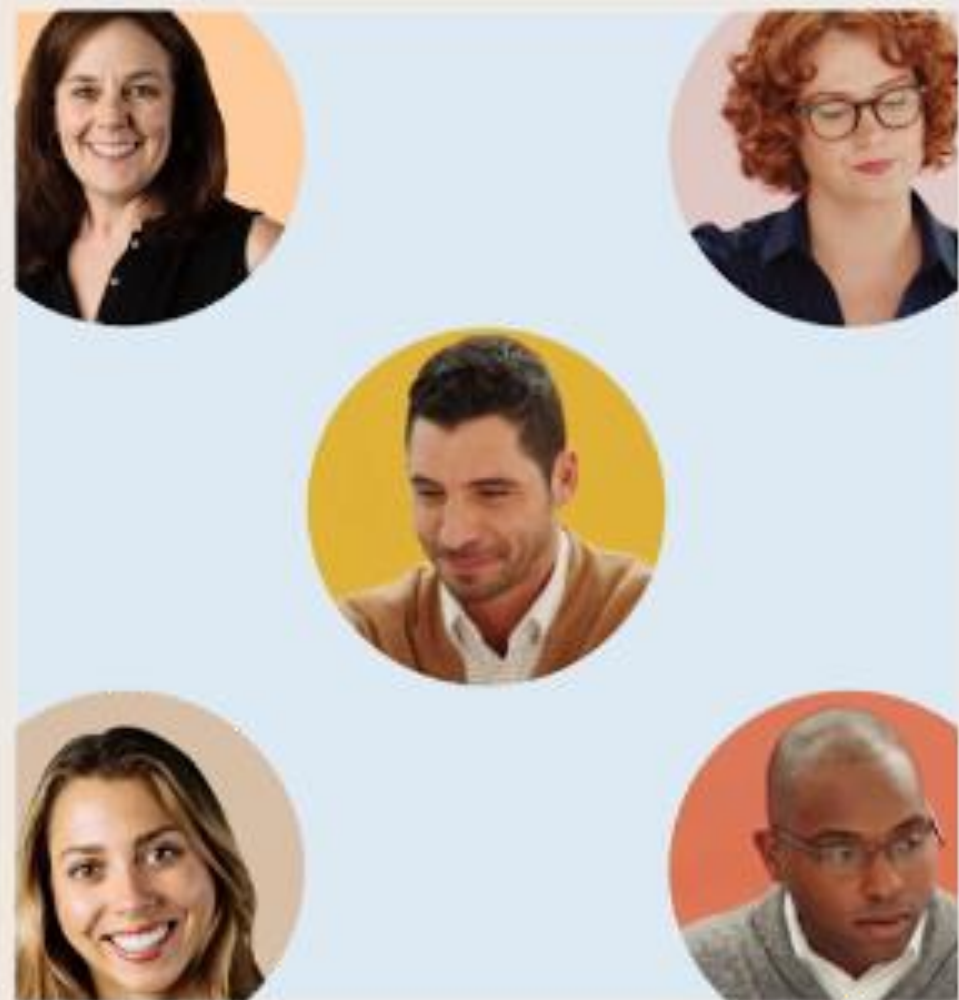
Efficient Go-to-Market

Land

Adopt organically

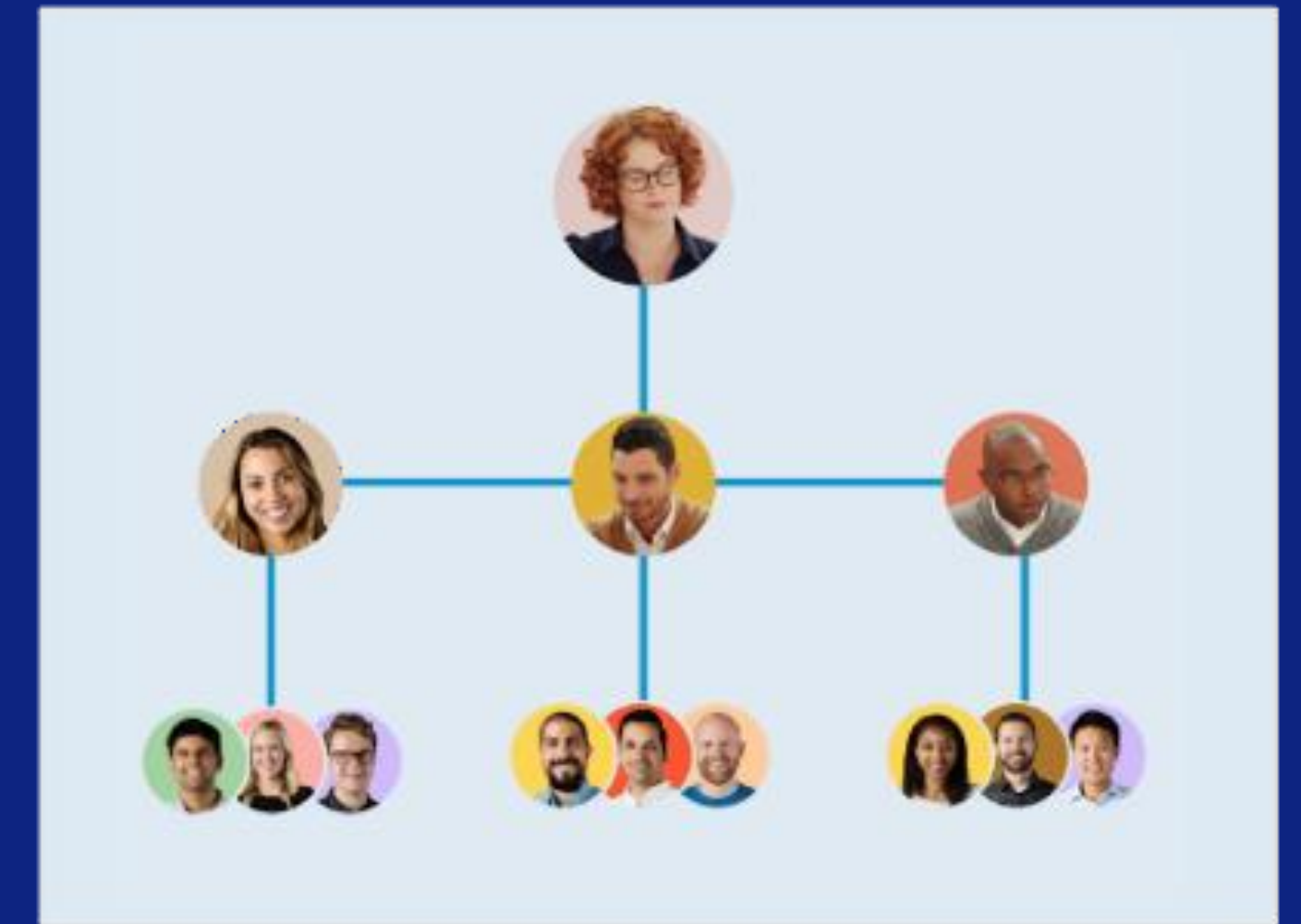
Land within companies

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

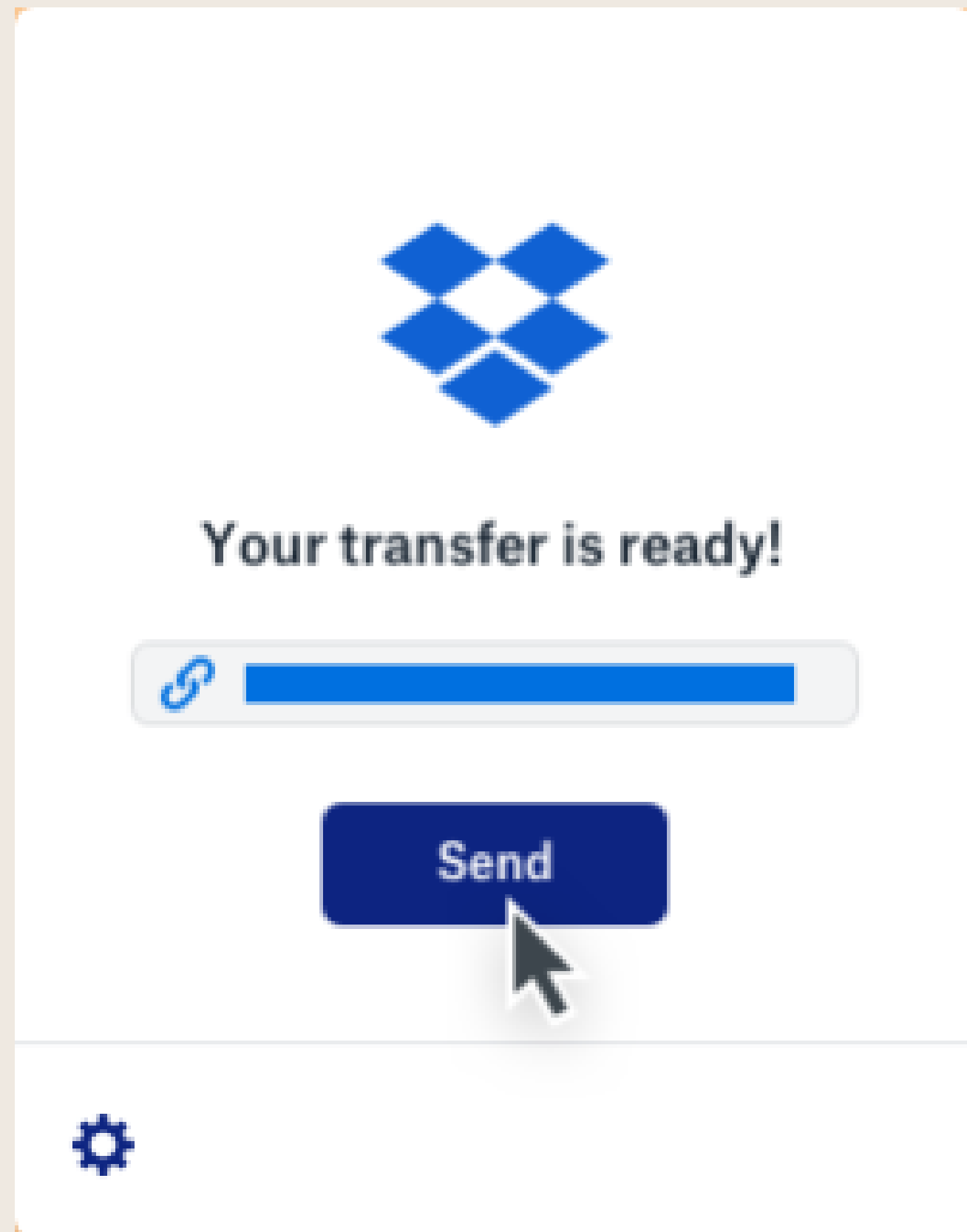
Leverage scale and user insights to enhance existing products and drive adoption of new ones

Expand into workflows

Invest in integrations and native capabilities to enable more workflows

New Products and Features

Transfer

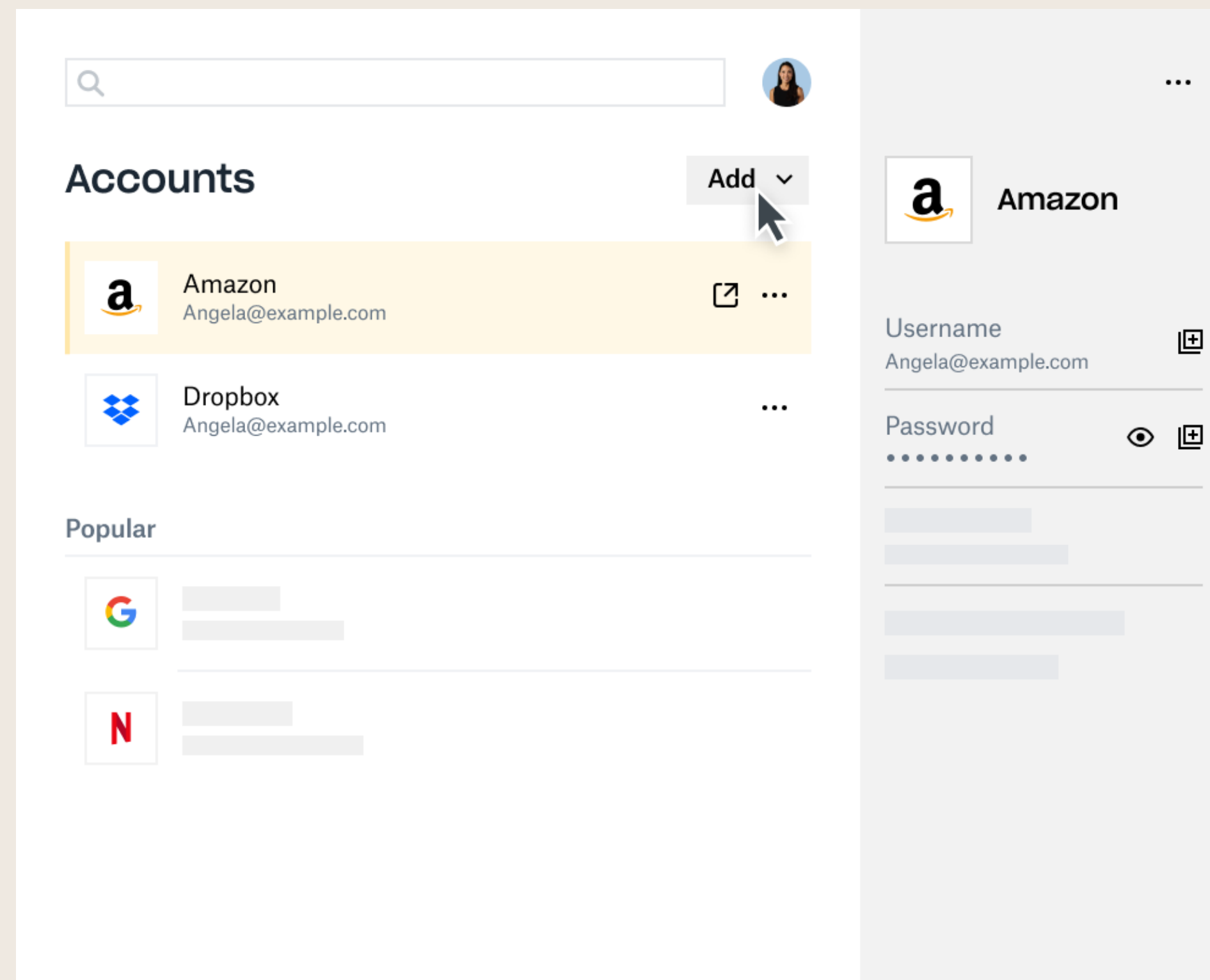


Vault

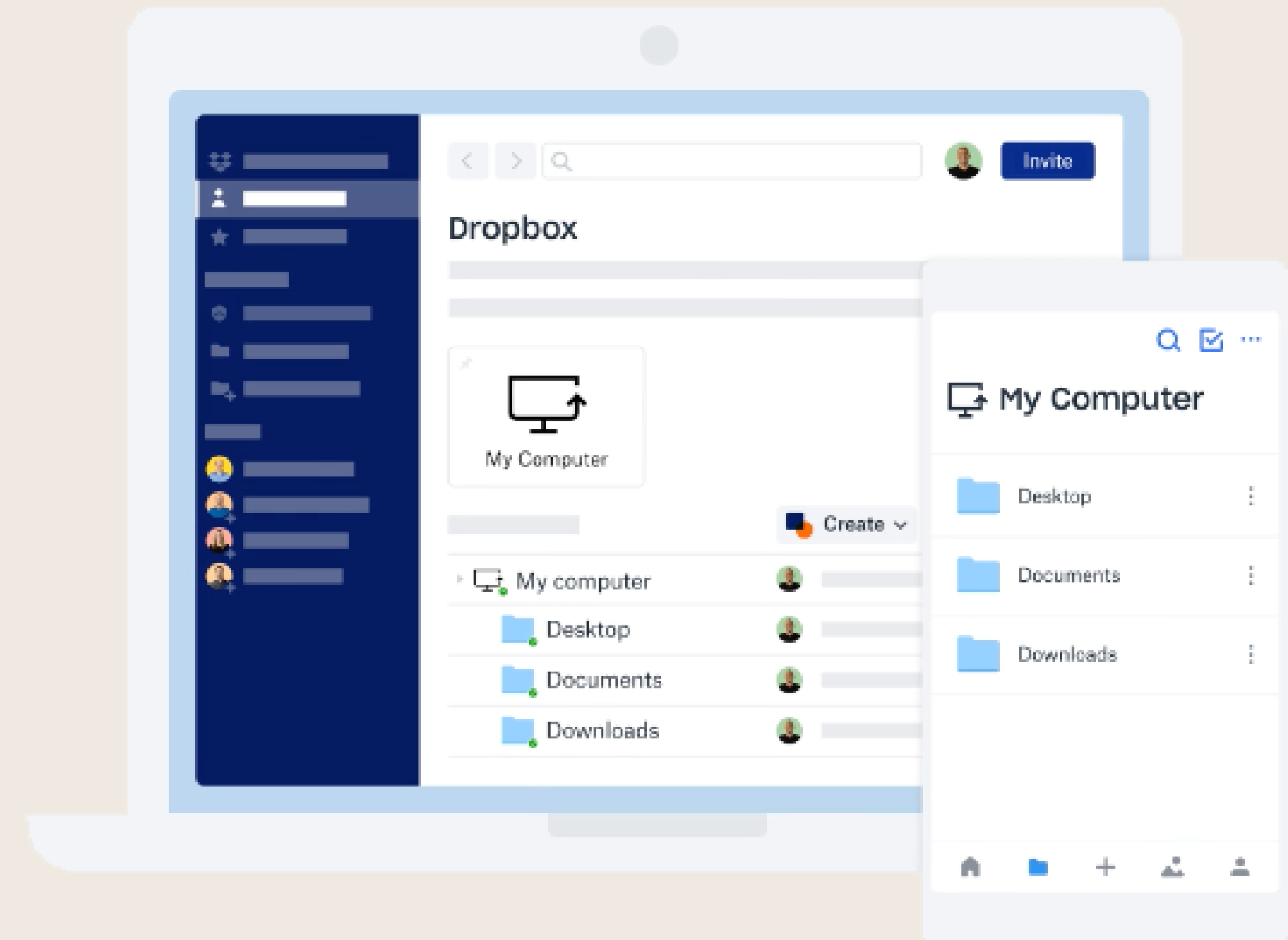


New Products and Features

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

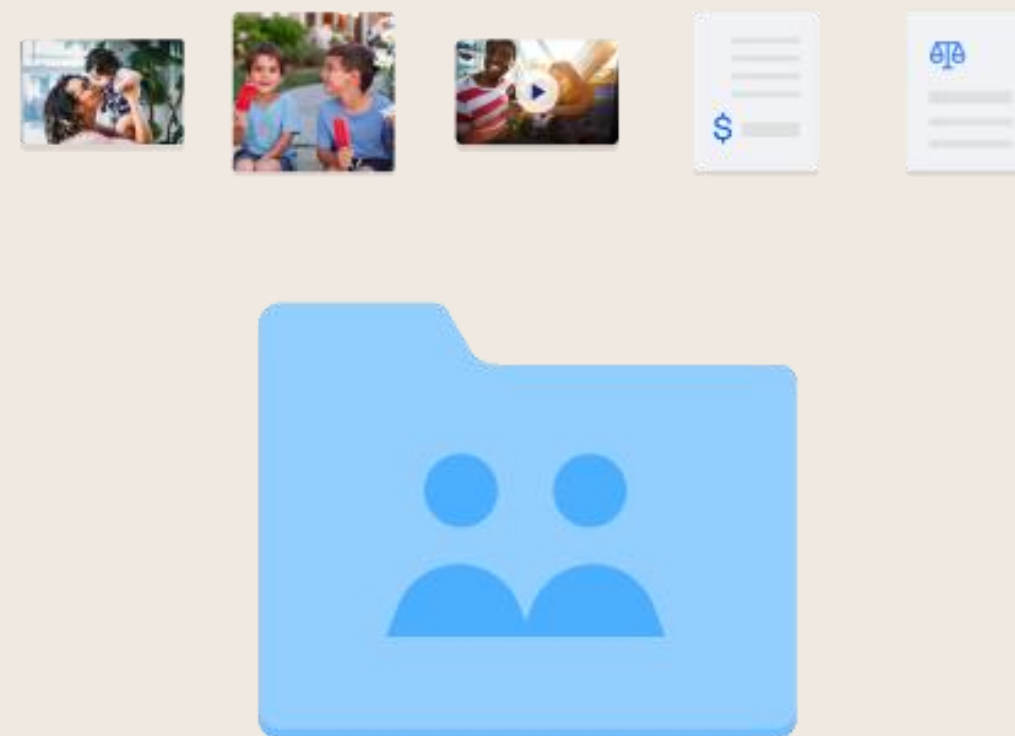
- Secure and easy large file previews and transfers
 - Review and aggregate frame-based commenting for large videos
 - Integration with Adobe Creative Cloud
-

Dropbox Family Plan

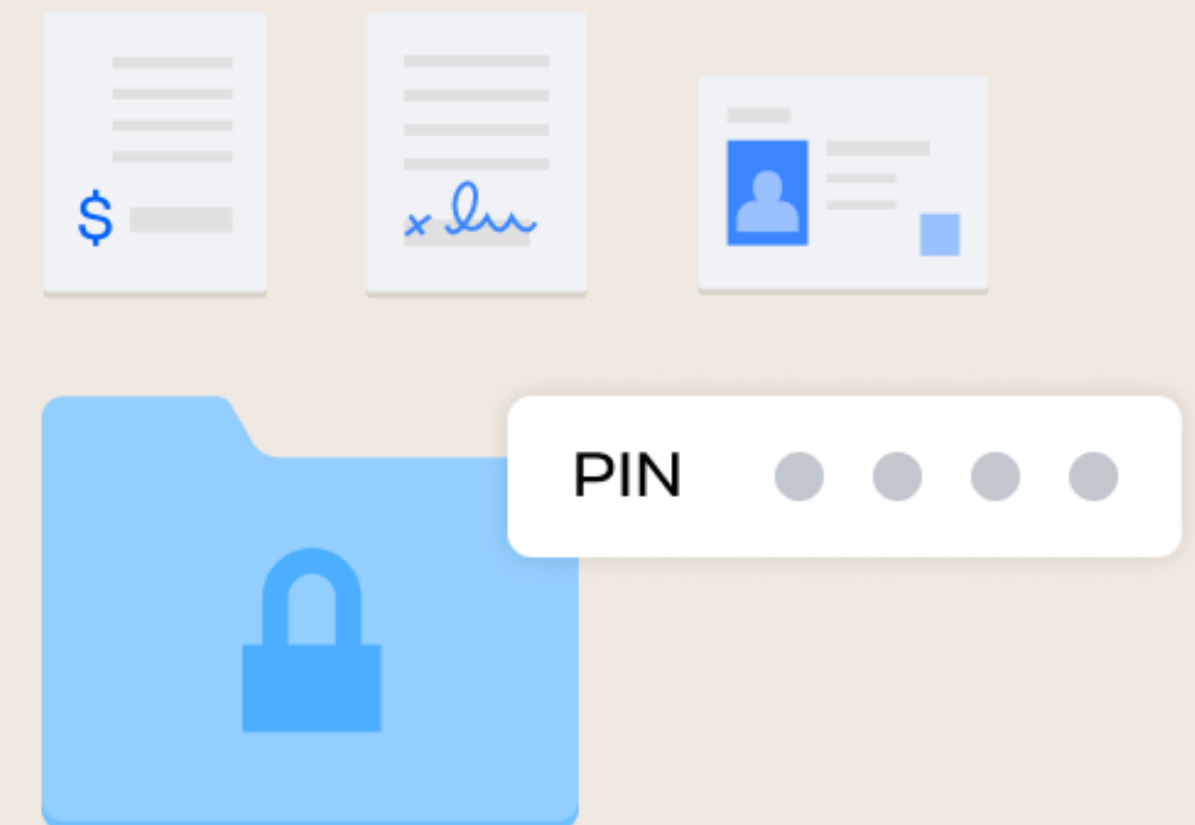
- Organize, centralize and protect your Family content
- Enhanced privacy and security features



Manage what matters most



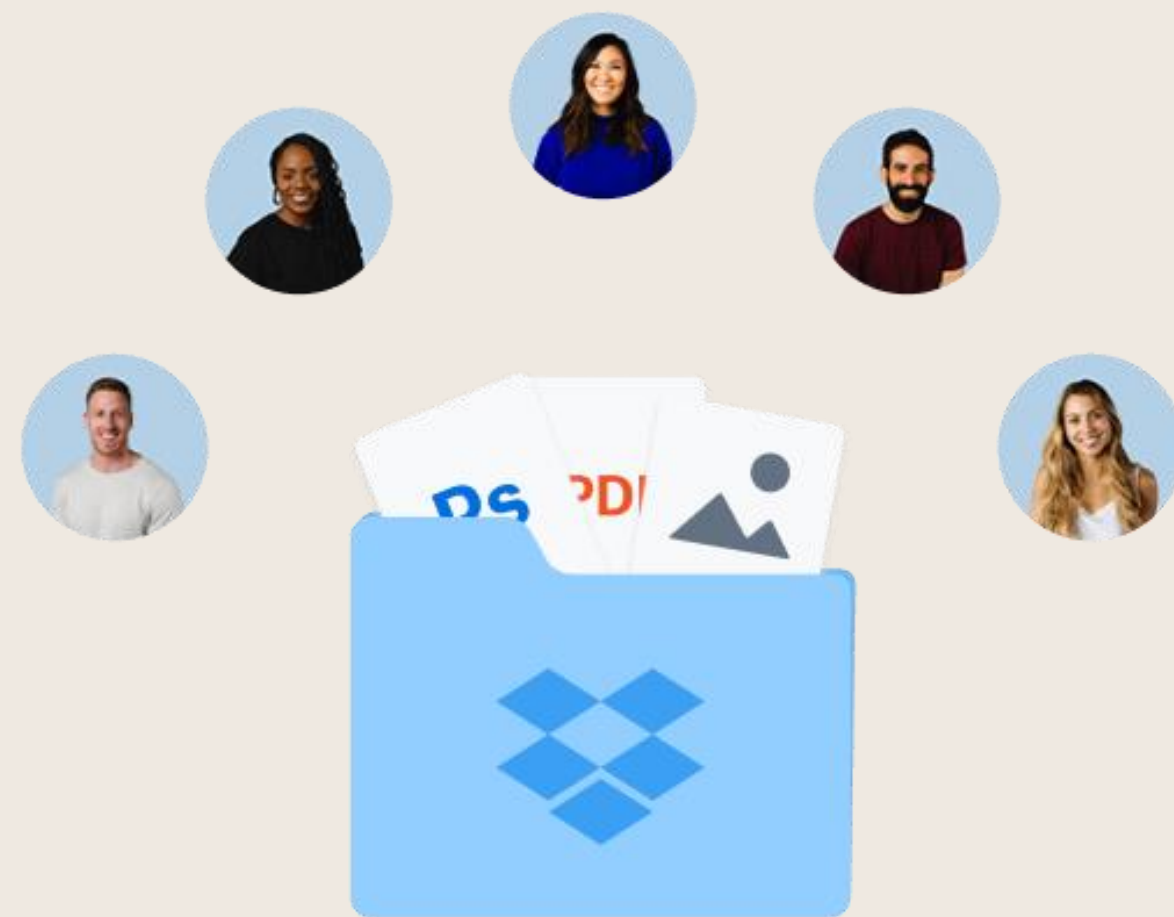
Keep your family connected



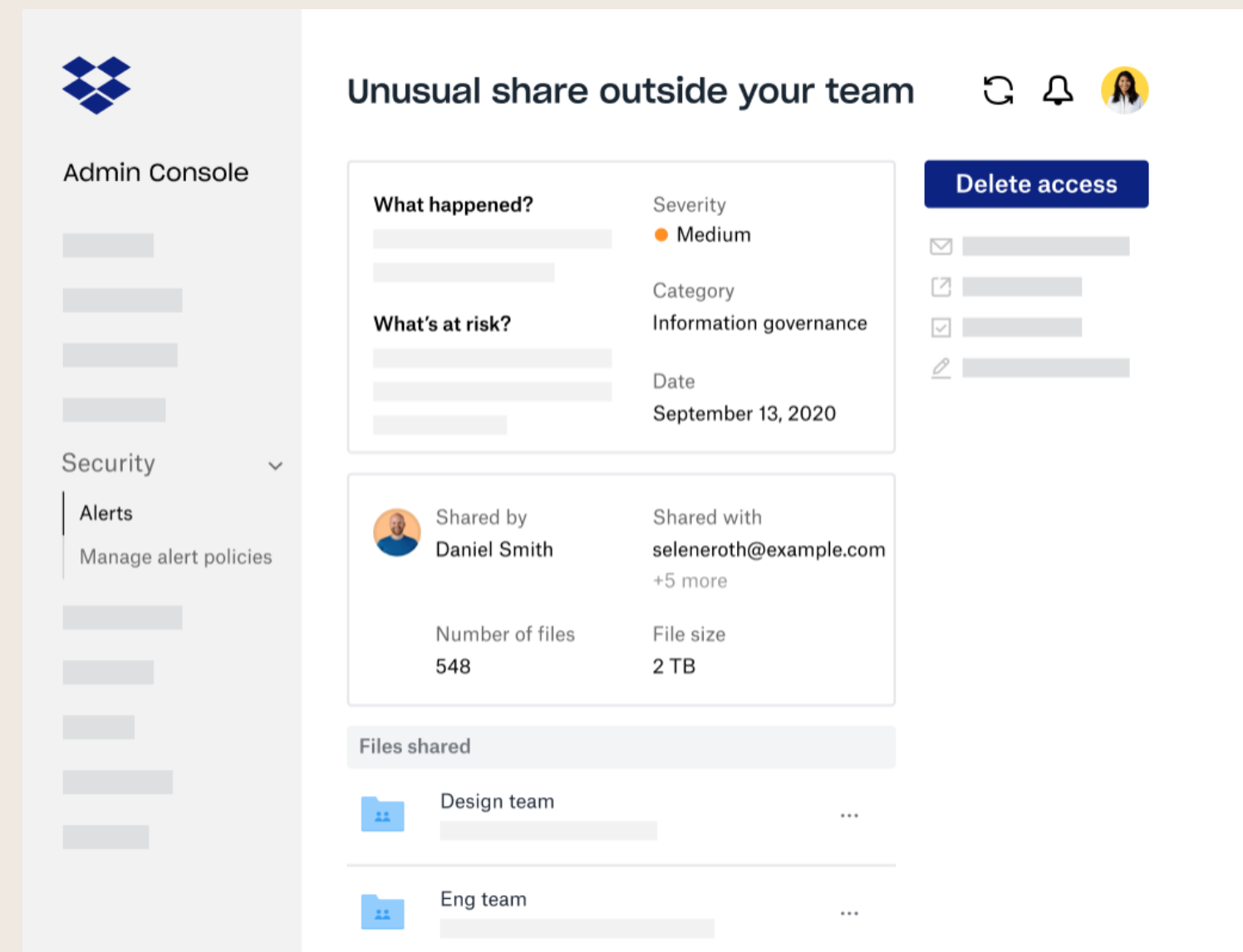
Keep sensitive info safe

Dropbox Business

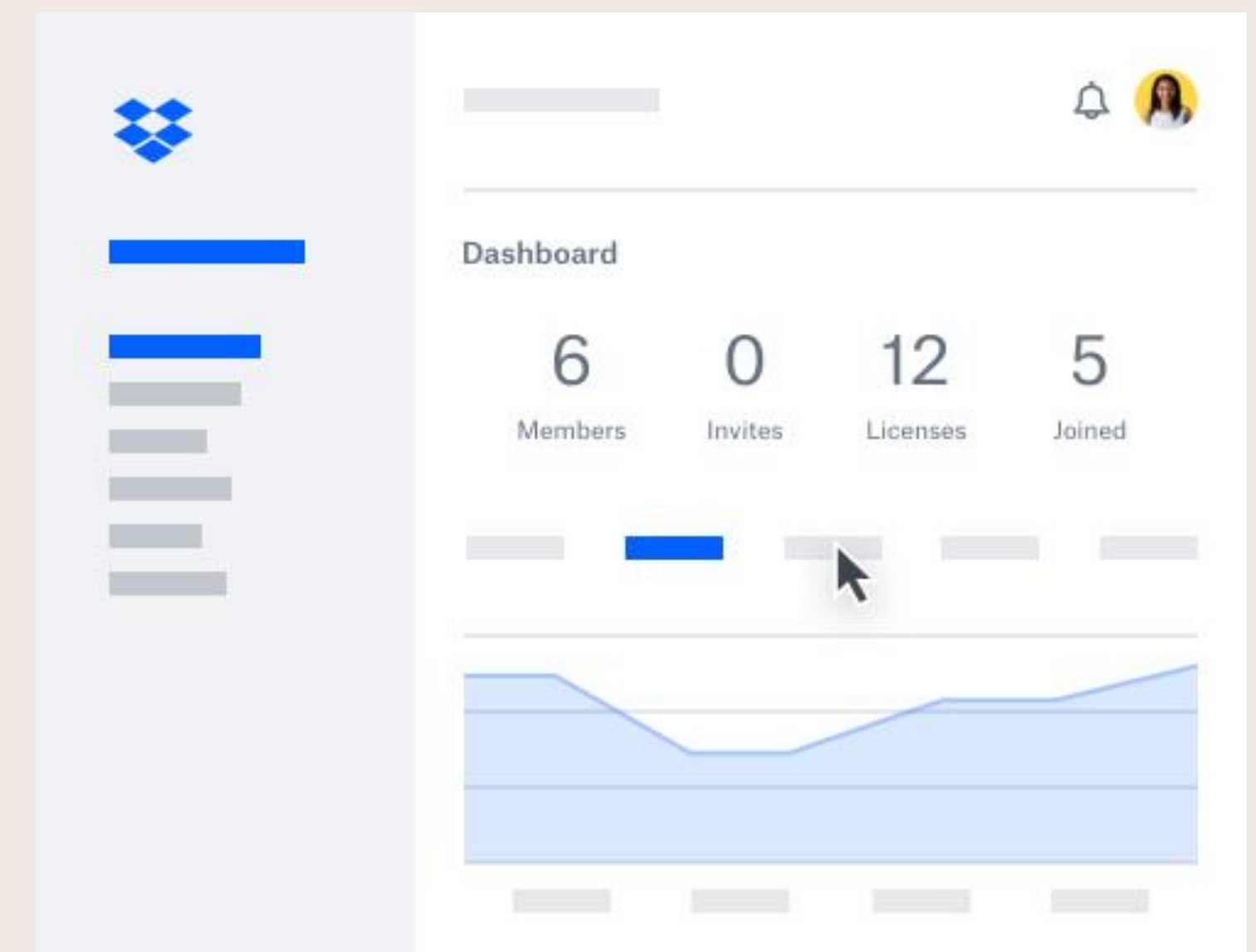
- Organize and centralize content around the needs of your team
- Collaborate in shared workspaces and streamline workflows
- Secure company data through visibility into content access and sharing



Shared team workspace



Data governance and audit logs

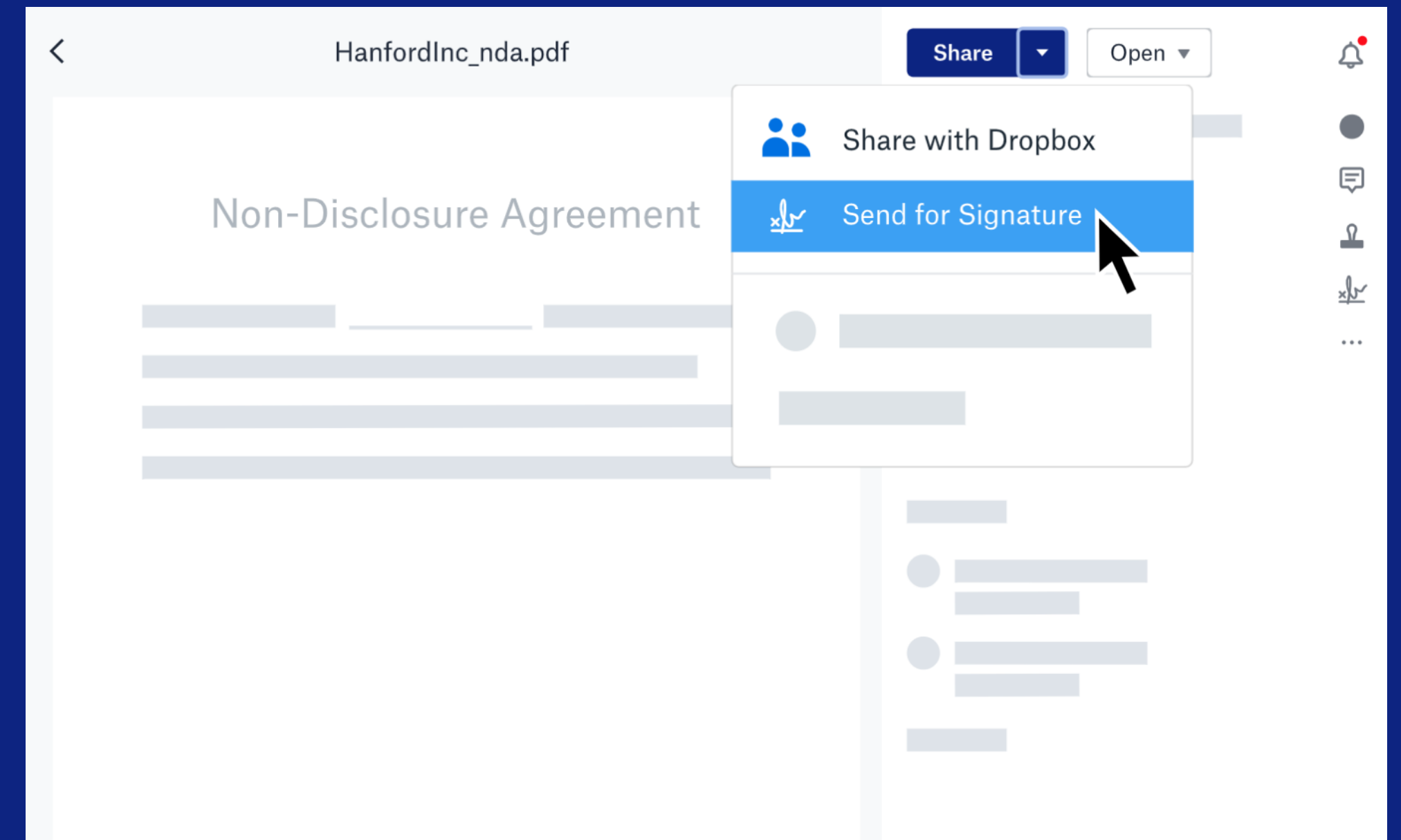


Team management & centralized billing

HelloSign Update



- Native integration in Dropbox
- 75%+ growth in end-user signature requests
- 60%+ growth in API transactions
- Available in 21 additional languages
- Increasing cross-sell velocity



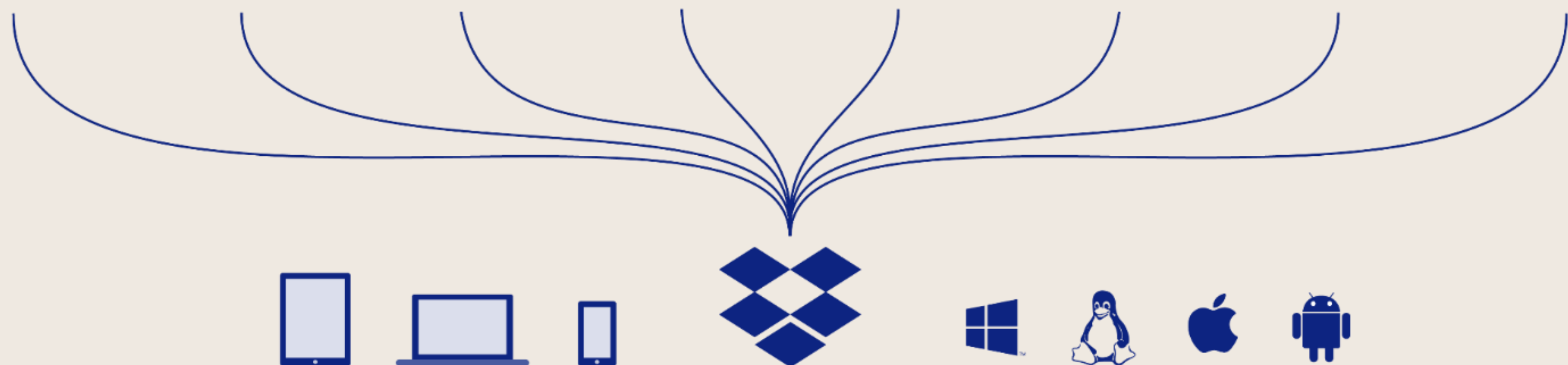
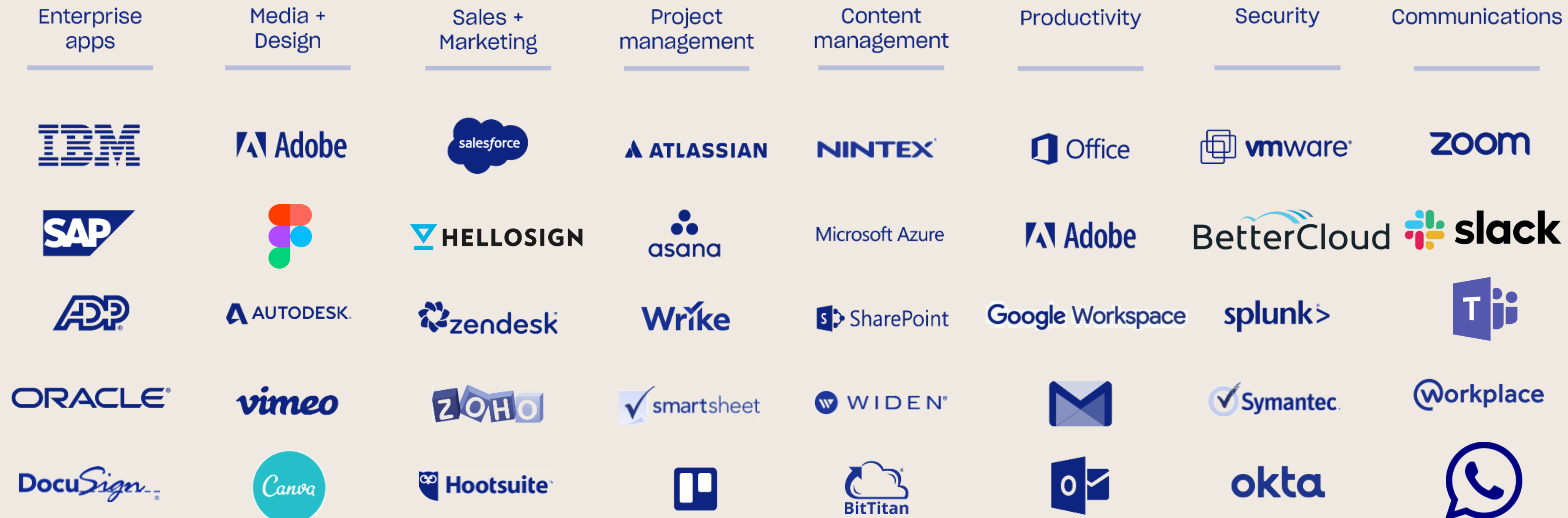
*Note: Growth rates reflect Q2 2021 versus the year ago period

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 by Dropbox users who are active on integrations at least monthly, compared to those who are not.

85%

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

* Note: As of August, 2021 18

Deep Integration Partners



Google

slack

ATLASSIAN

BetterCloud

Adobe

zoom

Microsoft

salesforce

Environmental, Social, and Governance



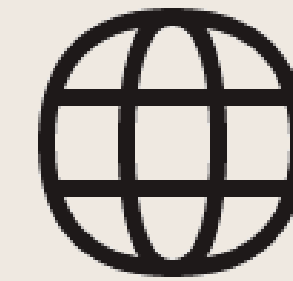
Environmental

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 four directors who are women or members of underrepresented communities to our board.

Financial Highlights

Financial Highlights

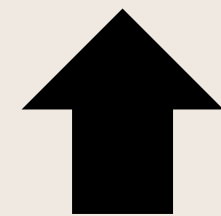
Significant revenue and cash flow scale

Predictable and balanced financial model

Investing for continued revenue growth

Driving for strong operating leverage

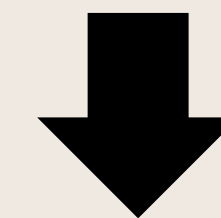
Dropbox Financial Strategy: Achieving LT Model by 2024



28-30%
Non-GAAP
Operating Margin

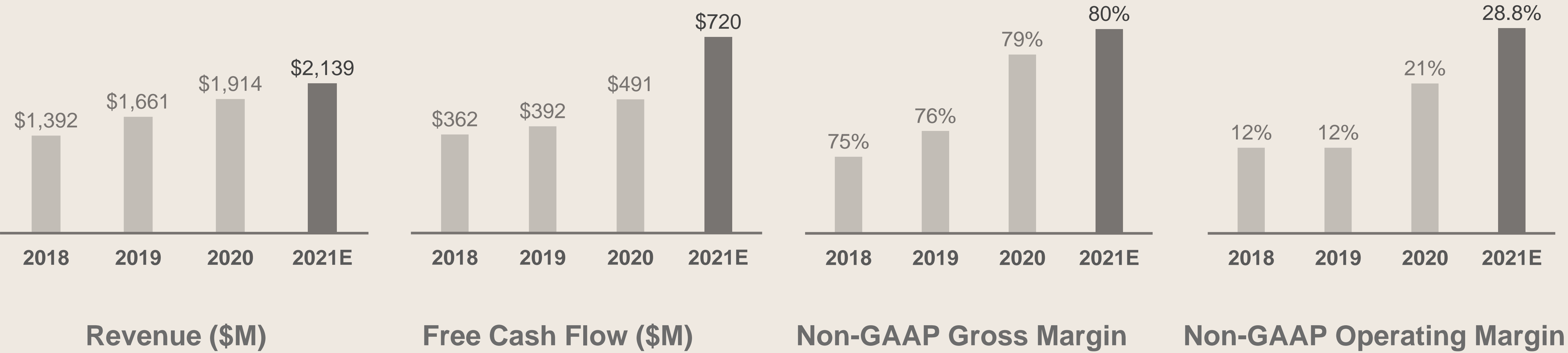
\$1 Bn

Free Cash Flow



Reducing total
share count

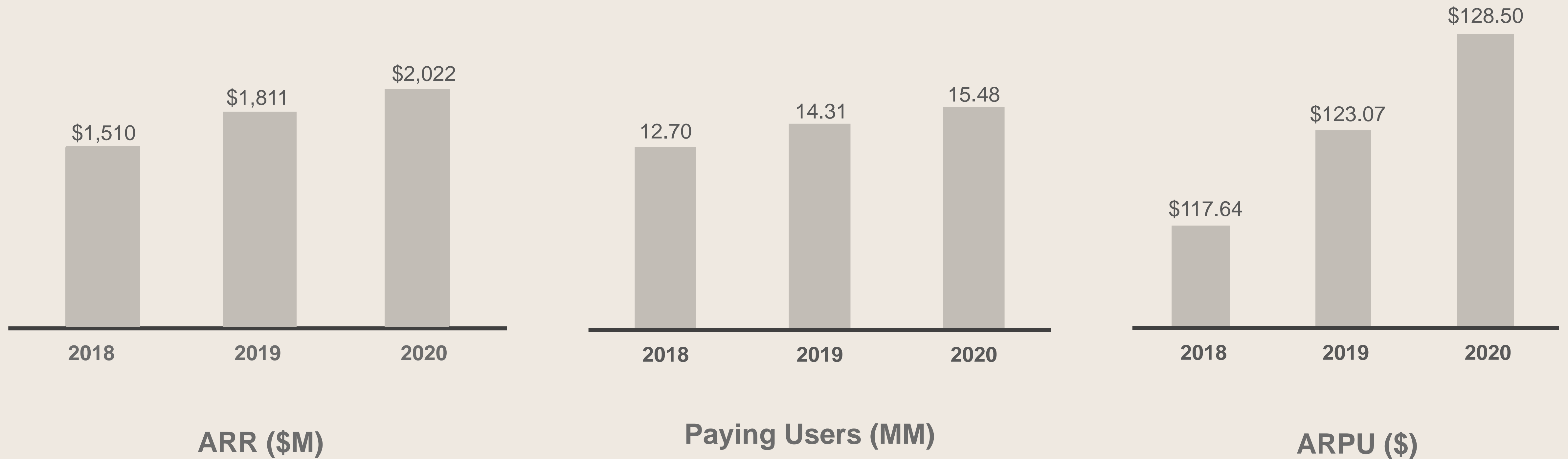
Strong Performance at Scale



*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.

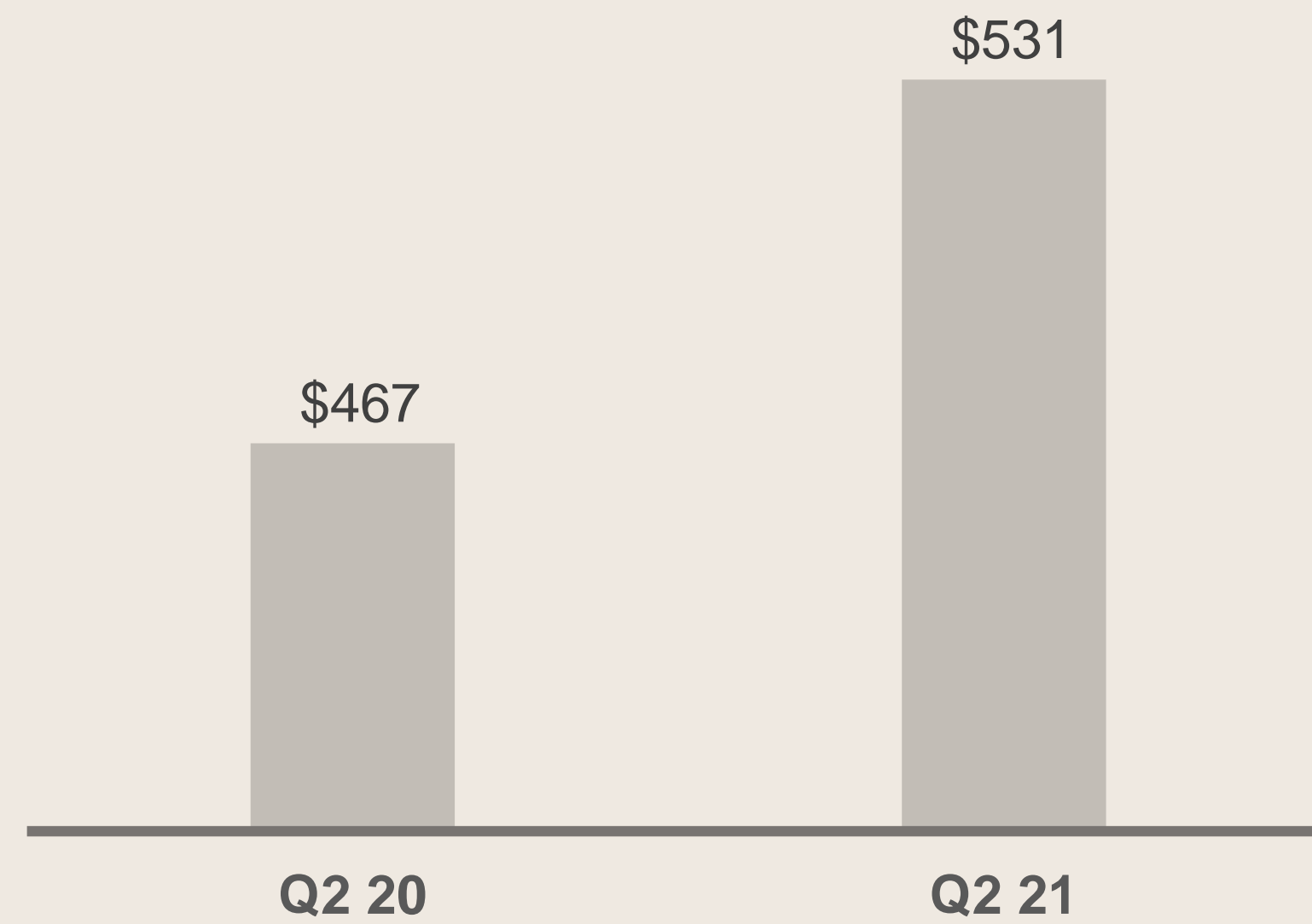
* 2021E based off the midpoint of company guidance

Key Metrics

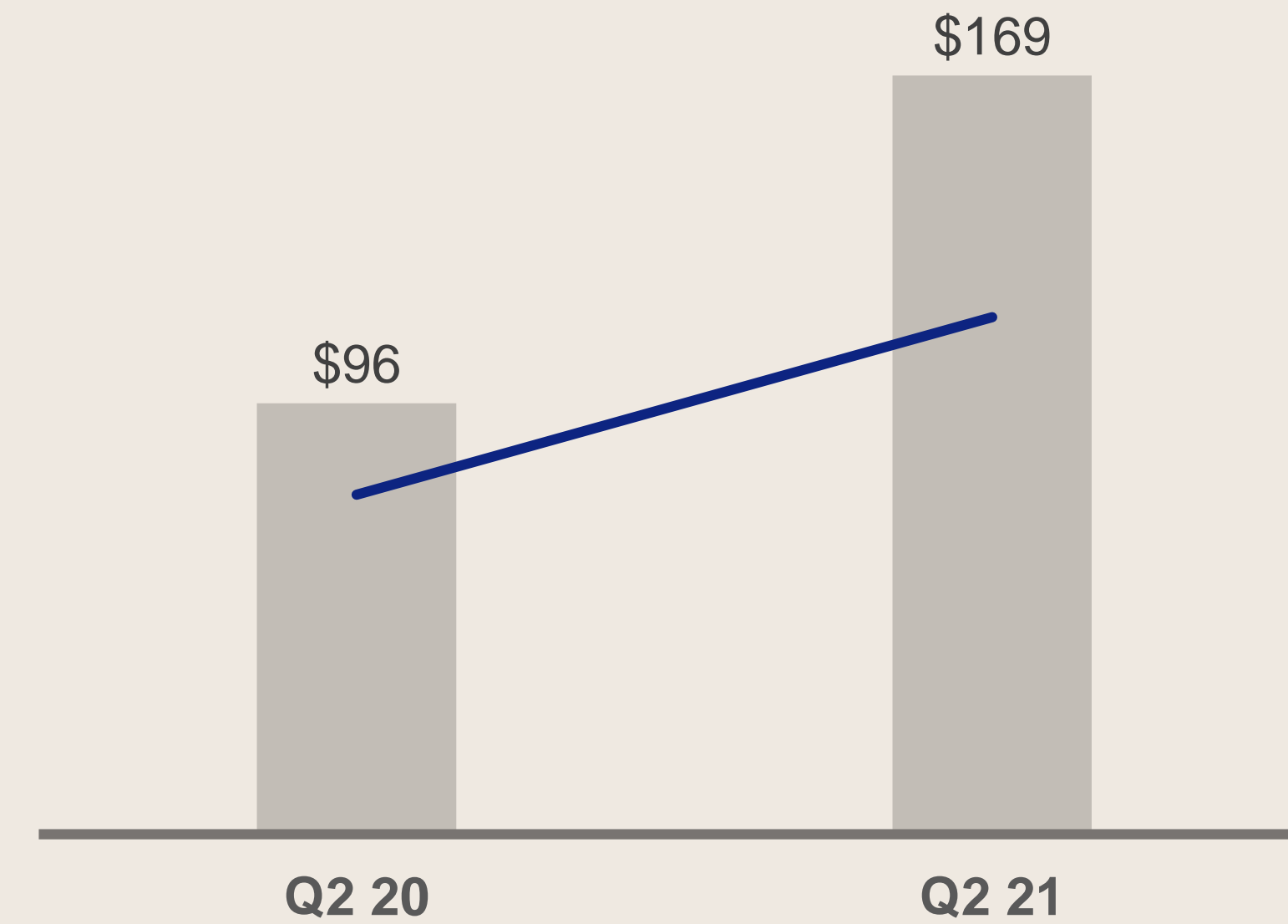


For information on how we define each of these key metrics, see appendix.

Q2'21 Financial Highlights



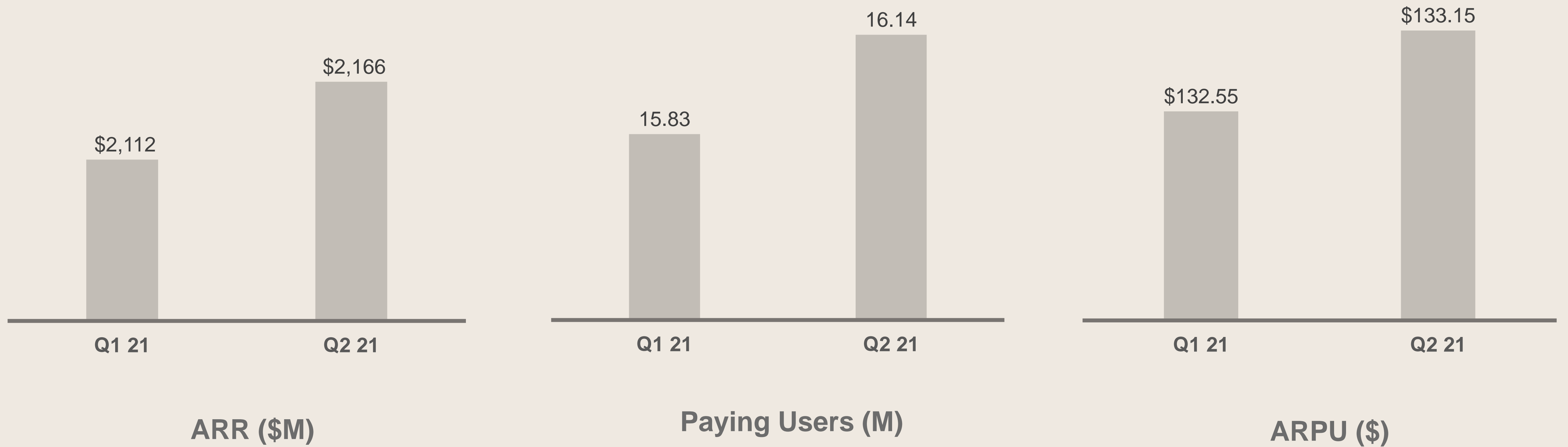
Revenue (\$M)



— Non-GAAP operating margin

Operating Income (\$M)

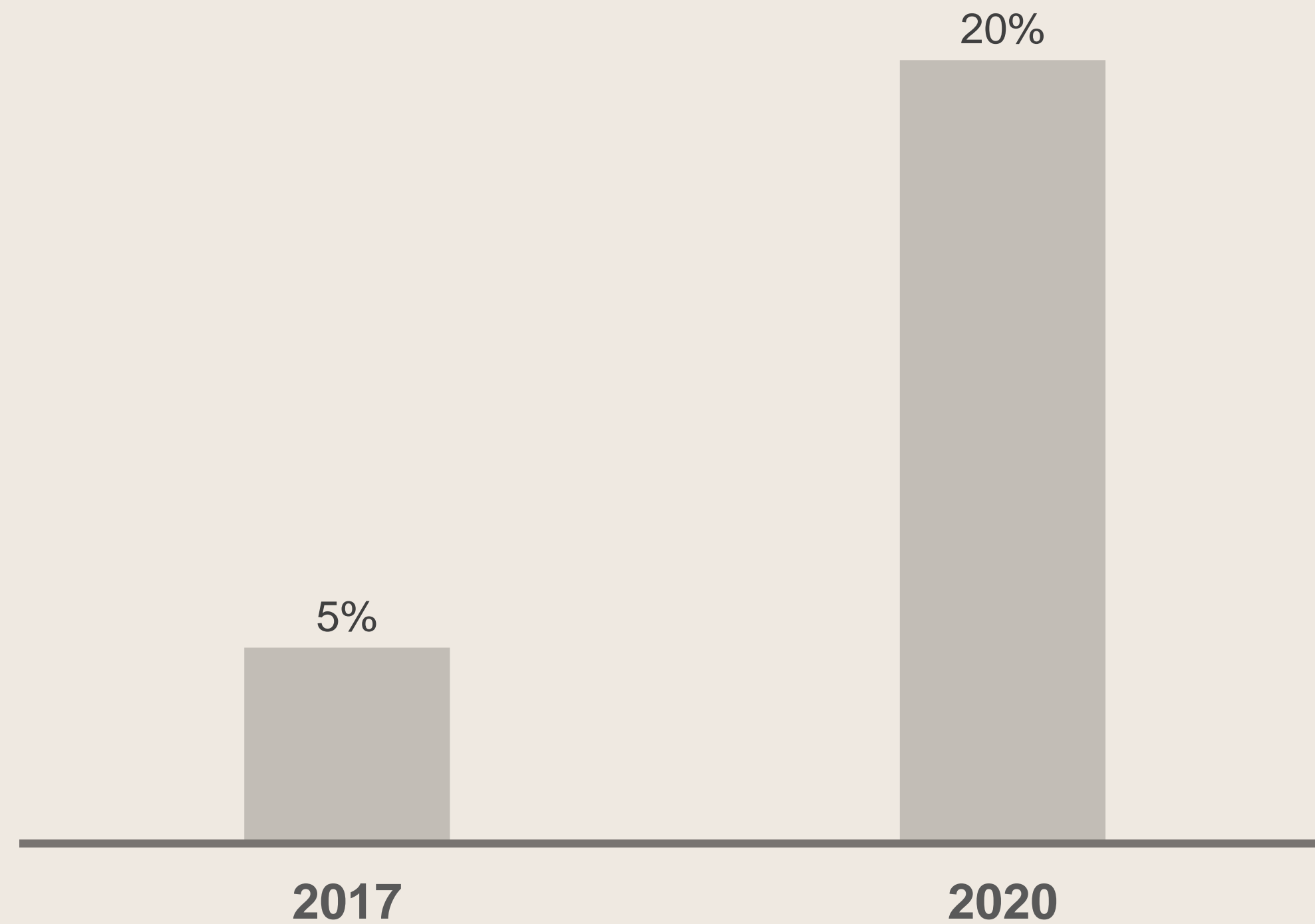
Q2'21 Financial Highlights



*Note: For information on how we define each of these key metrics, see appendix.

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+

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	
Passwords	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



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	
	June 30, 2020	June 30, 2021
Income from operations - GAAP	\$ 12.8	\$ 84.4
Stock-based compensation	76.6	73.9
Acquisition-related and other expenses	4.4	6.7
Amortization of acquired intangible assets	2.4	3.5
Workforce reduction expense	—	0.9
Income from operations - Non-GAAP	<u>\$ 96.2</u>	<u>\$ 169.4</u>
<i>Non-GAAP operating margin</i>	<i>20.6%</i>	<i>31.9%</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	\$ 362.4	\$ 392.4	\$ 490.7

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

Non-GAAP reconciliation

	Twelve Months Ended		
	2018	2019	2020
Loss from operations - GAAP	\$ (494.0)	\$ (80.5)	\$ (277.0)
Stock-based compensation	650.1	261.2	261.5
Employer payroll taxes related to the release of two- teir RSUs	13.9	—	—
Acquisition-related and other expenses	—	15.9	16.9
Amortization of acquired intangible assets	—	8.4	9.5
Impairment related to real estate assets	—	—	398.2
Income from operations - Non-GAAP	\$ 170.0	\$ 205.0	\$ 409.1



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