

# Dropbox

**Company Presentation**  
2018

# Safe harbor statement

This presentation contains forward-looking statements. These statements may relate to, but are not limited to, expectations of future results of operations or financial performance of Dropbox, Inc. (“Dropbox,” “we,” “us,” or similar terms), certain key financial and operating metrics, capital expenditures, plans for growth and future operations, technological capabilities, and strategic relationships, 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.

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prospectus filed pursuant to Rule 424(b) under the Securities Act of 1933, as amended, on March 23, 2018 and in our quarterly report on Form 10-Q that we filed with the Securities and Exchange Commission (the “SEC”) on May 11, 2018, and include, but are not limited to, our ability to retain and upgrade paying users; our ability to attract new users or convert registered users to paying users; 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 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 or loss or unauthorized access to users’ content; our ability to effectively interoperate our platform with others; and our ability to compete successfully in competitive markets. 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 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 operating income and non-GAAP operating margin. These non-GAAP measures are presented for supplemental informational purposes only and should not be considered a substitute for financial information presented in

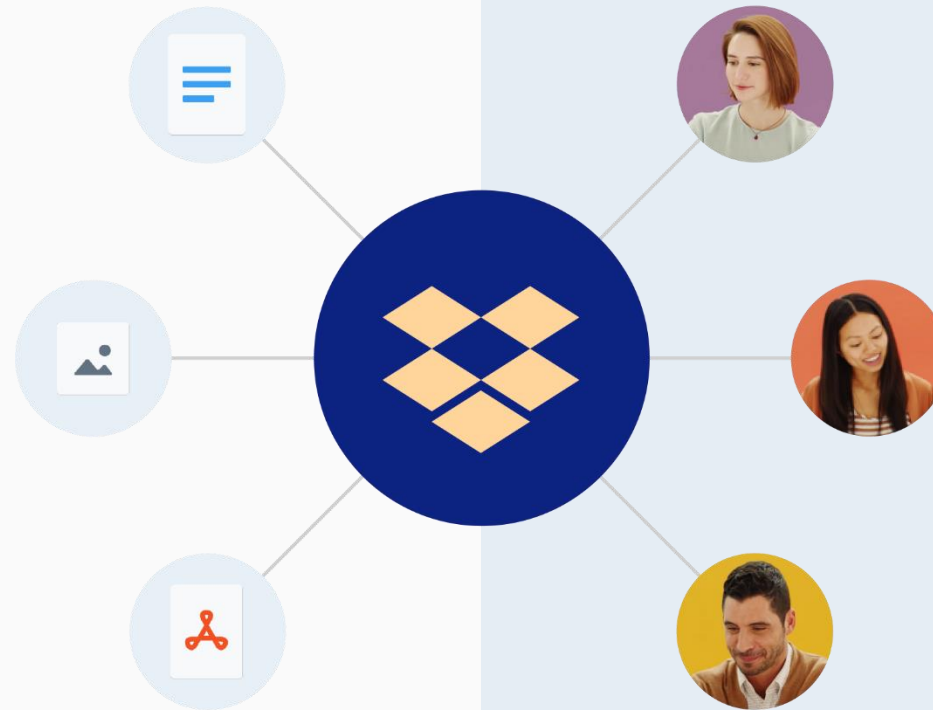
accordance with GAAP. These non-GAAP measures have limitations as analytical tools, and they should not be considered in isolation or as a substitute for analysis of other GAAP financial measures. The non-GAAP measures Dropbox uses may differ from the non-GAAP measures used by other companies. A reconciliation of these measures to the most directly comparable GAAP measures is included at the end of this presentation.

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

Backup & sync  
Photo sharing  
Shared folders



## Team collaboration Today

Content management  
Collaborative apps  
Professional sharing  
Project management

# Dropbox today

**We're a business software company that defies traditional boundaries**

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**We're a living workspace for the world's digital content**

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**We have a rare combination of virality, scale, and cash generation**

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**We have a long runway for growth**

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# Operating at scale

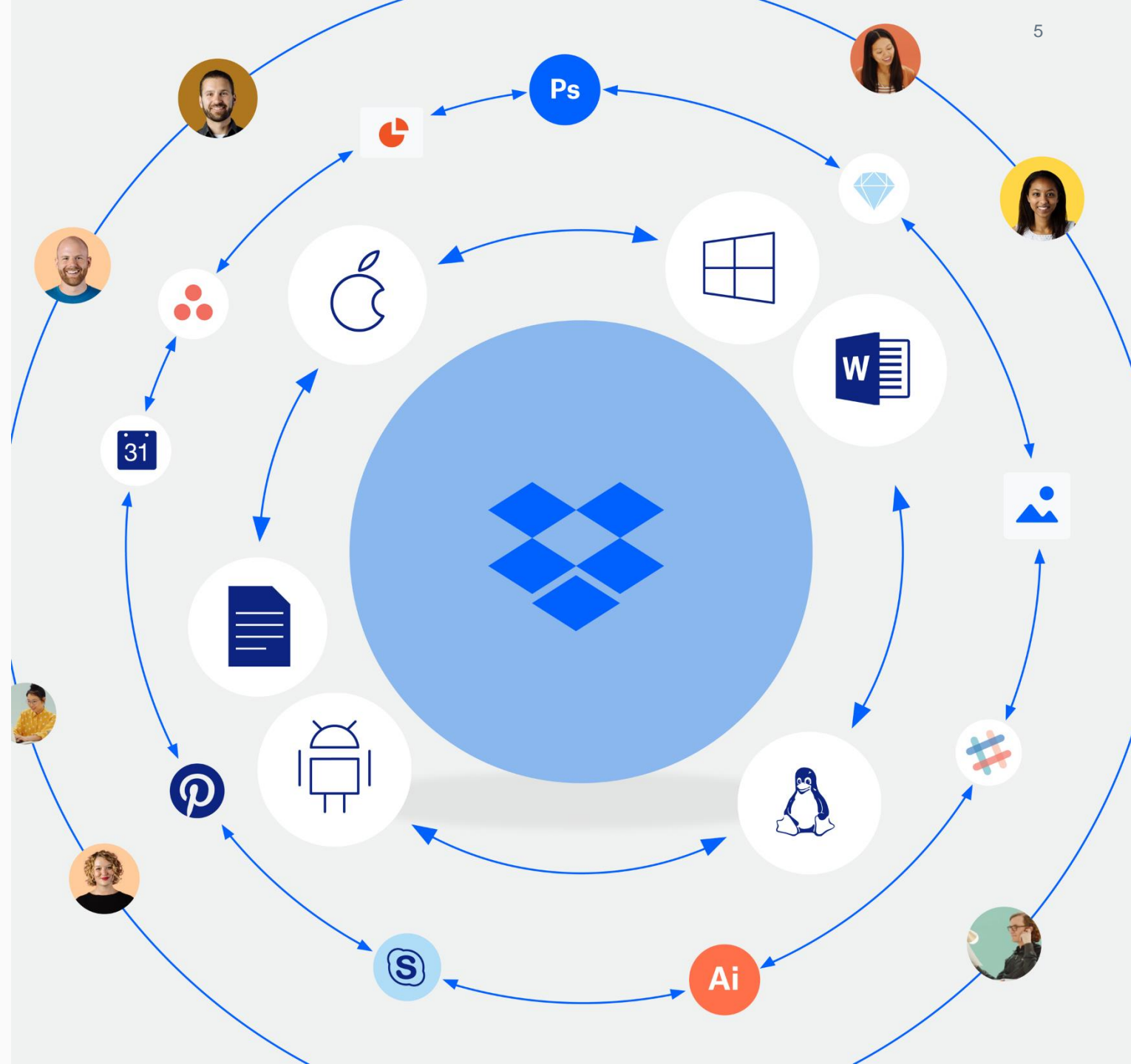
500M+ registered users

Global brand with presence across  
180+ countries

11.5M paying users

80%+ of subscribers use us for work

Over an **exabyte**  
(1,000,000,000 GB) of content



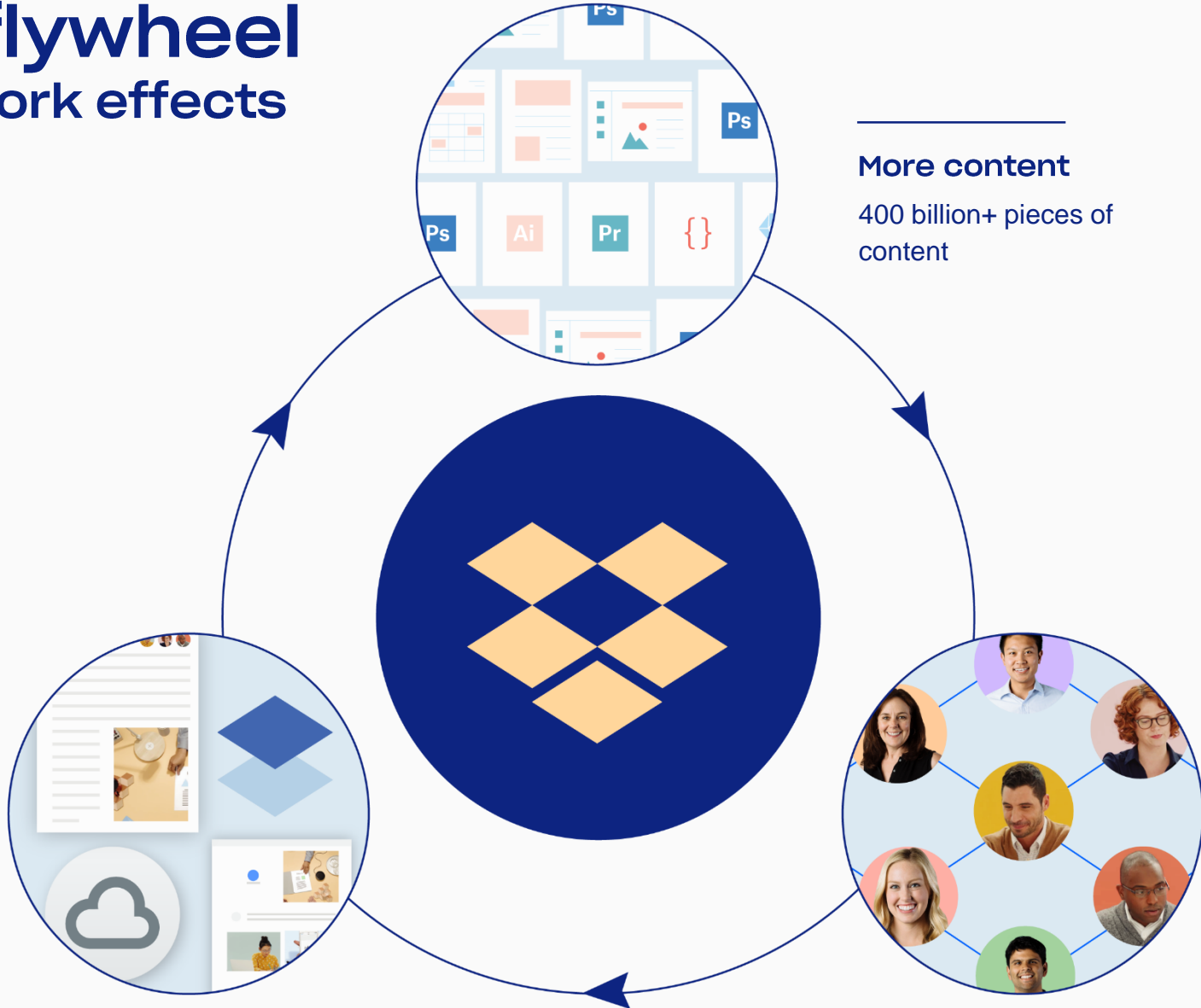
# Dropbox flywheel

## Powerful network effects

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### New product experiences

Dropbox Business, Paper, Showcase, Smart Sync...



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### More content

400 billion+ pieces of content

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### Bigger sharing network

4.5 billion+ sharing connections

# Our opportunity

Collaboration + productivity

Content collaboration  
Paper

File collaboration  
Smart Sync, Showcase

Sharing network  
+ content



IDC Worldwide File Synchronization and Sharing Software Forecast, 2016 – 2020; IDC Worldwide Collaborative Applications Forecast, 2017 – 2021; IDC Worldwide Enterprise Content Management Software Forecast, 2017 – 2021; IDC Worldwide Project and Portfolio Management Forecast, 2017 – 2021; IDC Worldwide Storage for Public and Private Cloud, 2016 – 2020.

# 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

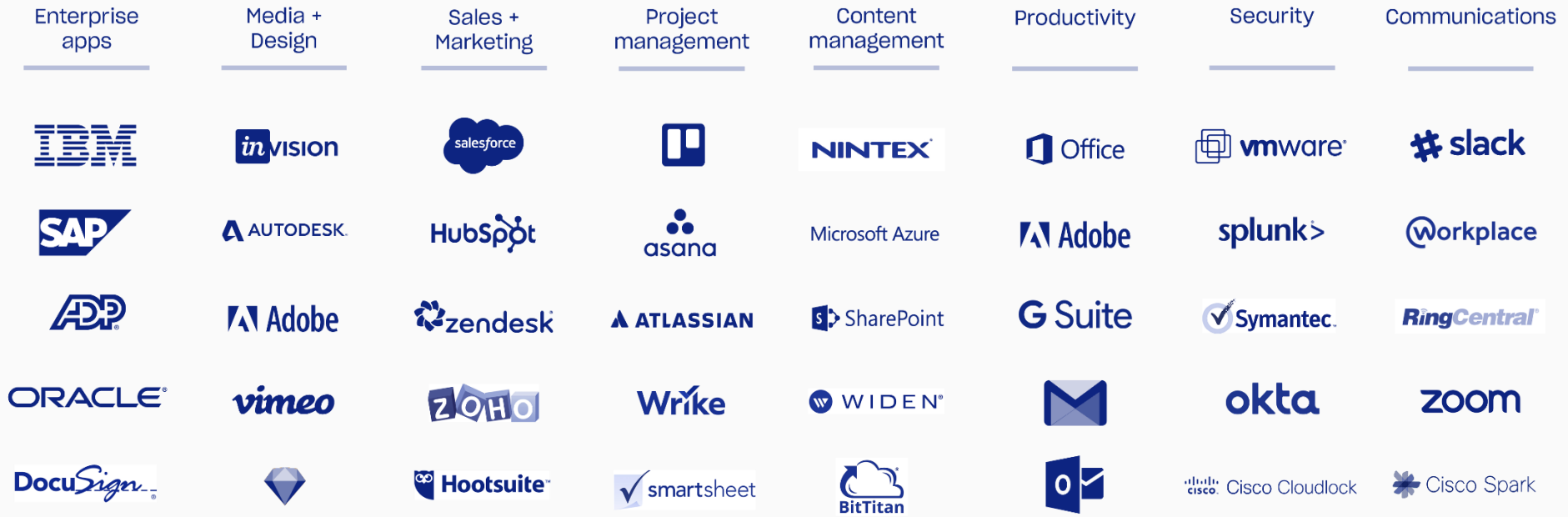
Rip-and-replace

vs.

Live side-by-side



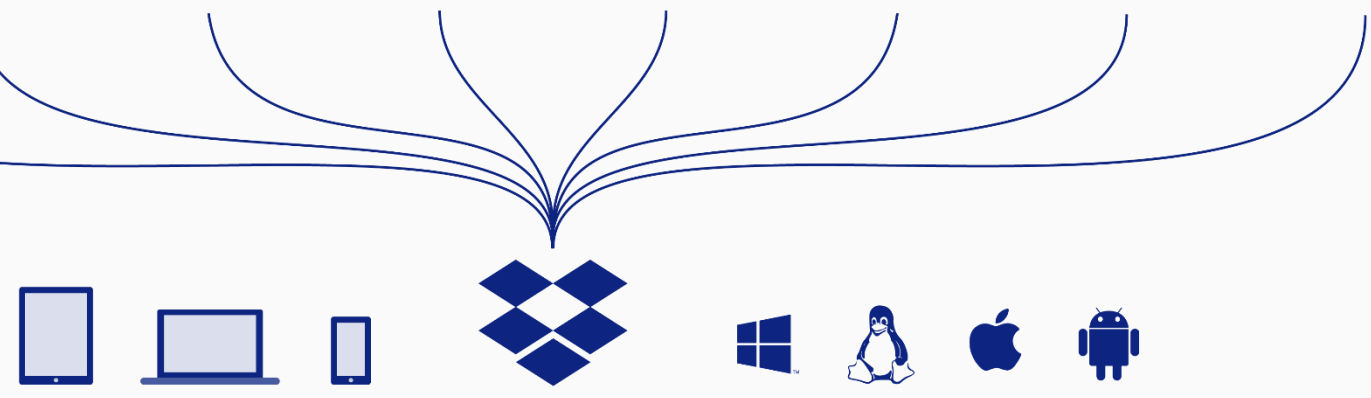
# Open ecosystem



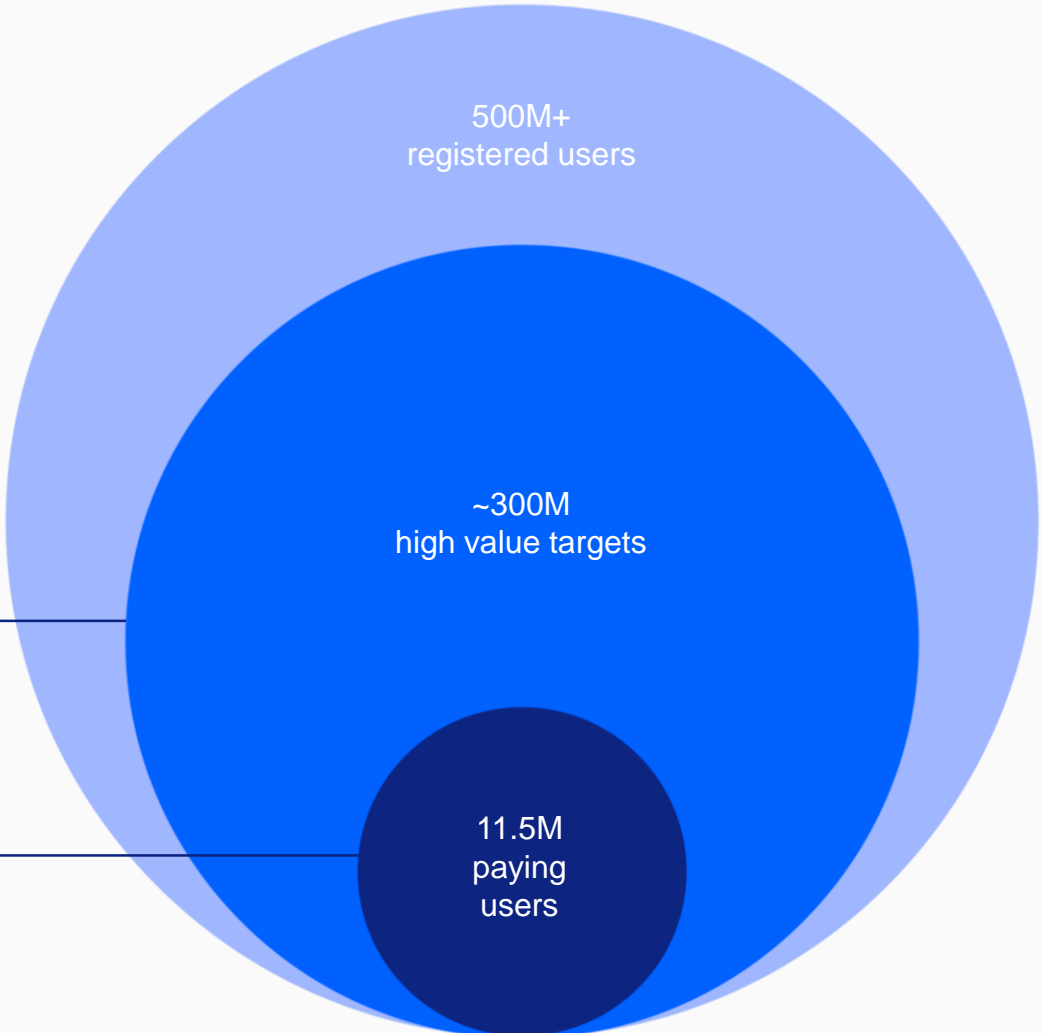
50B+  
API calls /month

75%  
of teams linked  
to a third-party app

500K+  
registered  
developers



# 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

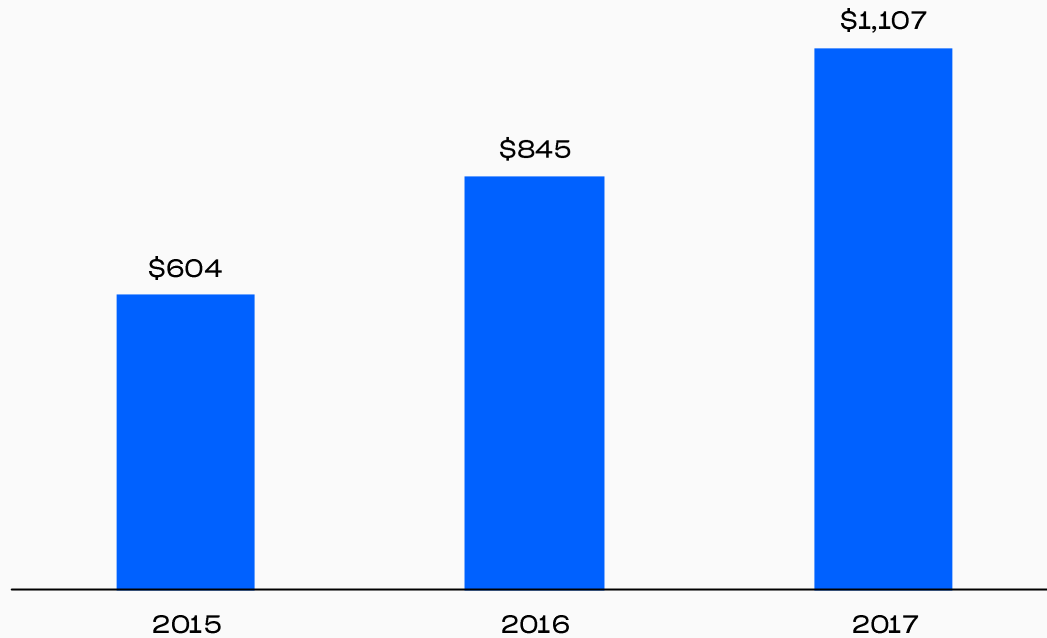
### Innovate

- 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

# Financial highlights

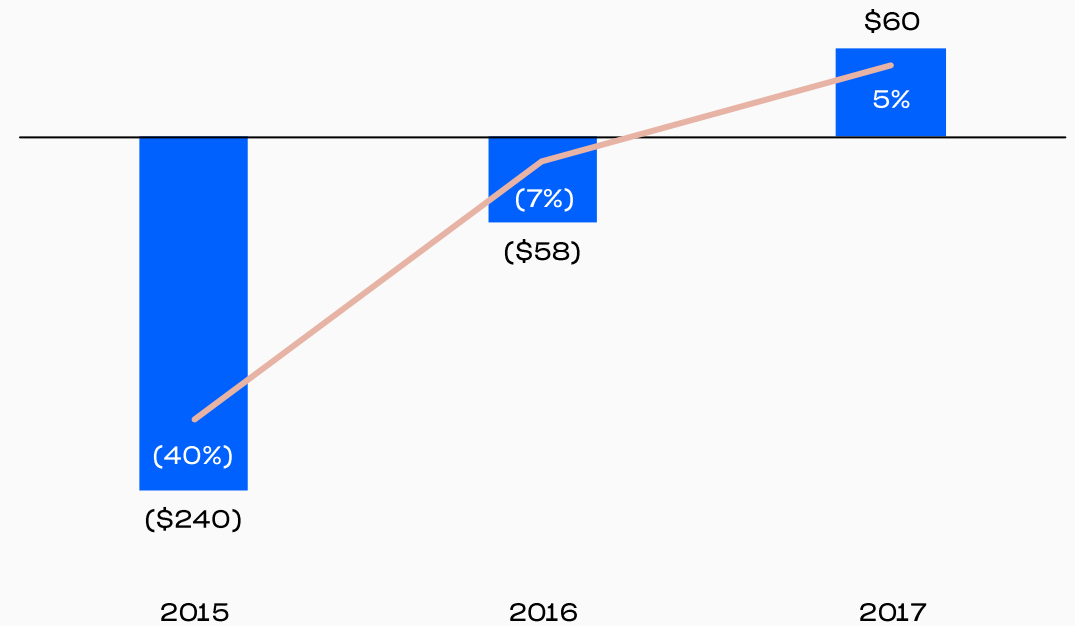
## Revenue (\$M)

**31%** YoY growth in 2017



## Operating income (\$M)

■ Non-GAAP operating income (loss)  
— Non-GAAP operating margin

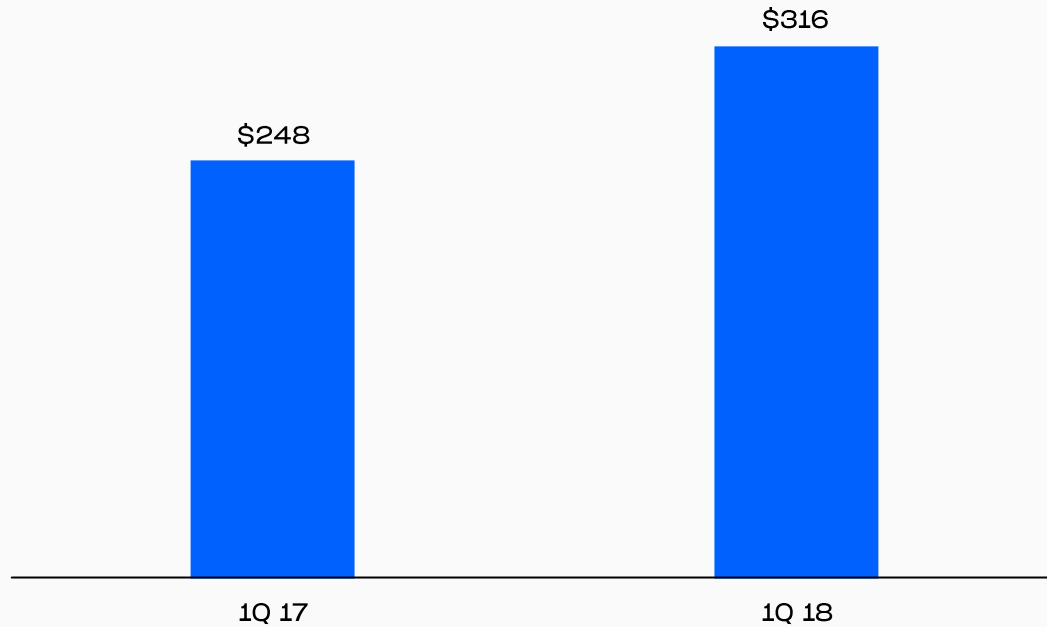


Figures presented are non-GAAP and exclude stock-based compensation expense and other non-recurring adjustments. See Non-GAAP reconciliation.

# Financial highlights

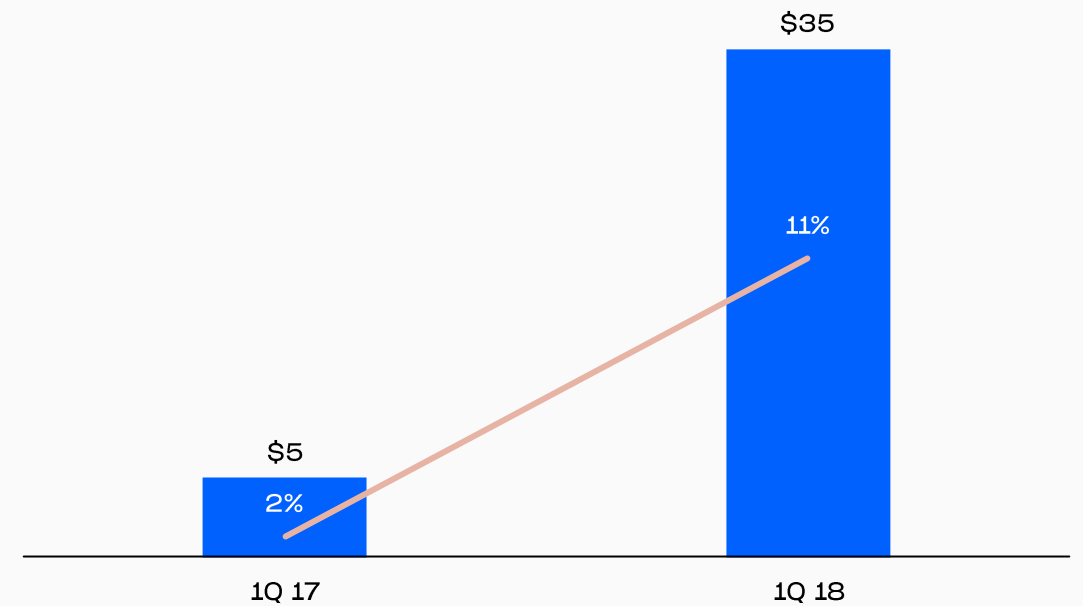
## Revenue (\$M)

**28%** YoY growth in Q1 2018



## Operating income (\$M)

■ Non-GAAP operating income (loss)  
— Non-GAAP operating margin



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# Our subscription plans

## Individuals



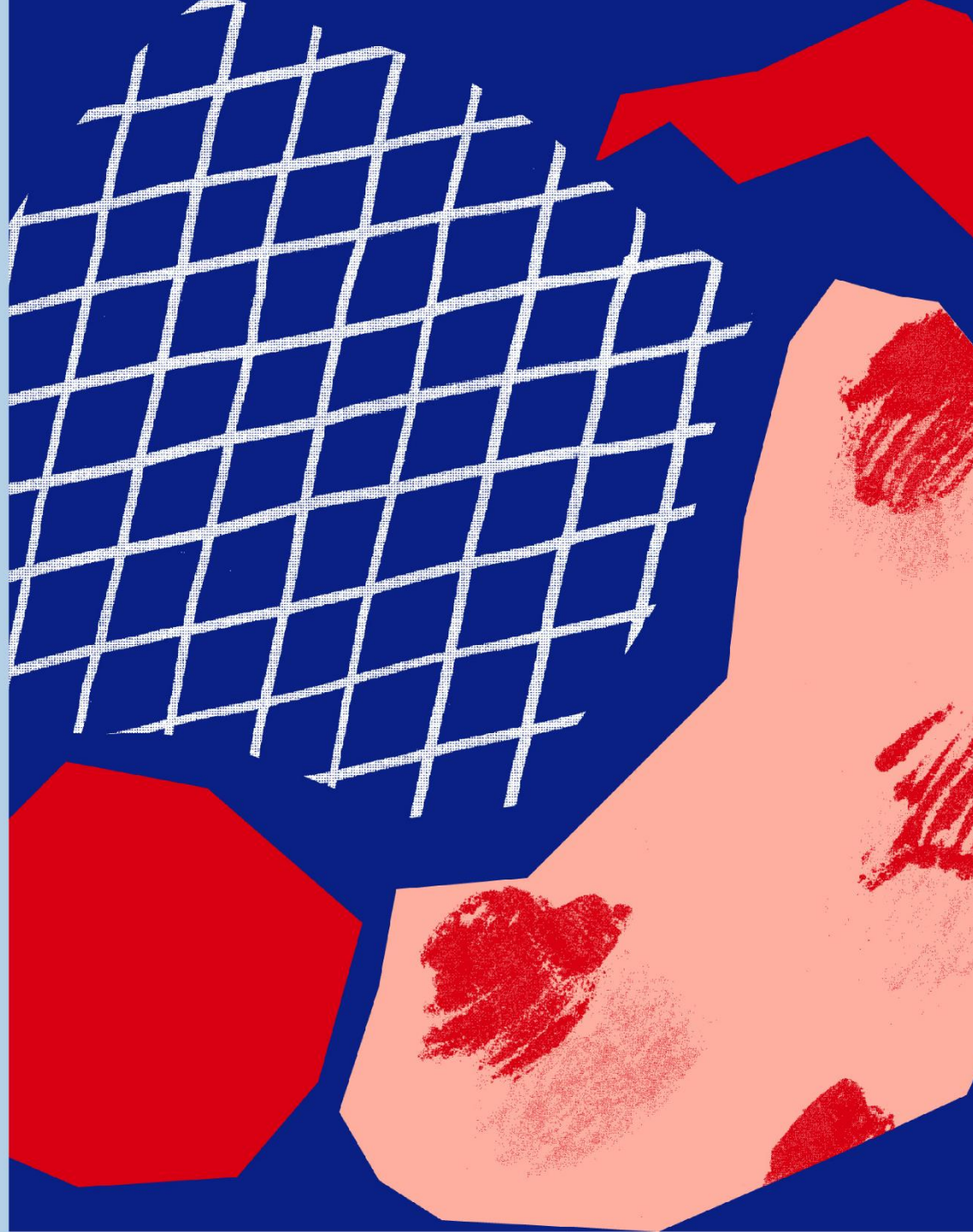
## Teams



Basic	Plus	Professional	Standard	Advanced	Enterprise
Free	\$9.99 / month \$99.00 / year	\$19.99 / month \$199.00 / year	\$15.00 / month \$150.00 / year	\$25.00 / month \$240.00 / year	Negotiated pricing
		<b>Everything in Plus</b>	<b>Everything in Professional</b>	<b>Everything in Standard</b>	<b>Everything in Advanced</b>
	Priority email support Remote device wipe Offline Access on mobile 30 day file recovery	Priority chat support Share controls Full-text search 120 day file recovery	Team folders Admin console Granular permissions Active directory connector Enables HIPAA compliance Unlimited API access*	Business hours phone support Single sign-on integration (SSO) Audit logs Device approvals Tiered admin roles	24/7 phone support Enterprise mobility management (EMM) Network control Domain insights and analytics
		Showcase		Showcase	Showcase
2GB of storage	1TB storage	1TB storage	2TB storage	As much storage as needed	As much storage as needed

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

# Appendix



# Non-GAAP reconciliation

	2015	December 31, 2016	2017
Loss from operations - GAAP	\$ (306.2)	\$ (193.5)	\$ (113.7)
Stock-based compensation	66.1	147.6	164.6
Release of non-income based tax reserve	-	(12.4)	-
Equity-based charitable contribution	-	-	9.4
Income (loss) from operations - Non-GAAP	<u>\$ (240.1)</u>	<u>\$ (58.3)</u>	<u>\$ 60.3</u>

# Non-GAAP reconciliation

	Three months ended	
	March 31, 2017	March 31, 2018
Loss from operations - GAAP	\$ (33.4)	\$ (465.9)
Stock-based compensation	38.8	486.5
Employer payroll taxes related to the release of two-tier RSUs	-	13.9
Income from operations - Non-GAAP	<u>\$ 5.4</u>	<u>\$ 34.5</u>