

Dropbox

Company Presentation

November 2019

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, benefits from new product features, acquisitions 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.

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, 2019 that we filed with the Securities and Exchange Commission (the “SEC”) on August 9, 2019, 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; 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; our ability to realize benefits from strategic partnerships; 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 our quarterly report on Form 10-Q for the quarter ended September 30, 2019 and 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

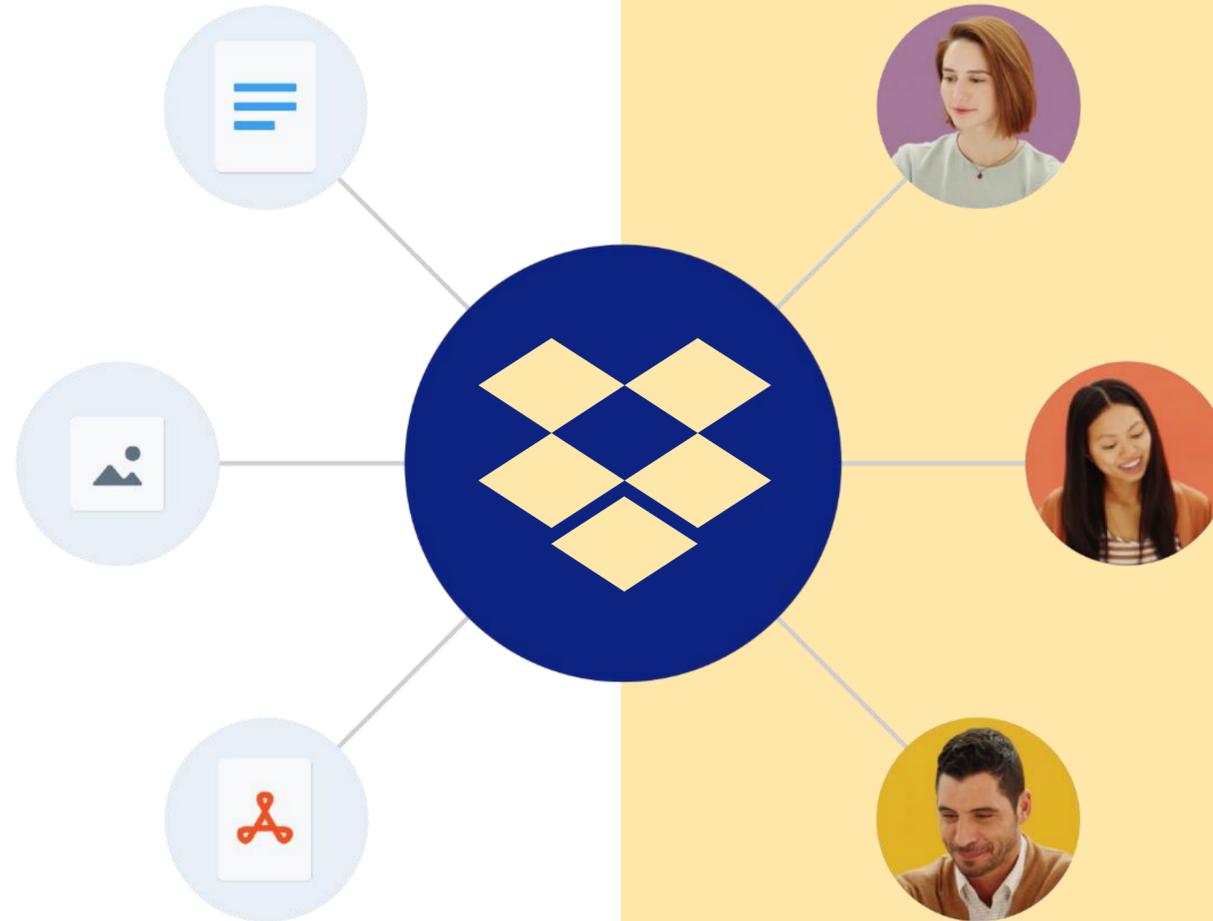
Keeping teams in sync

Cloud storage
2007

Smart Workspace
Today

Backup & sync
File sharing
Shared folders

Content management
Collaborative apps
Professional sharing
Project management
Document workflow



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

14M
paying users

80%
of subscribers use us for work

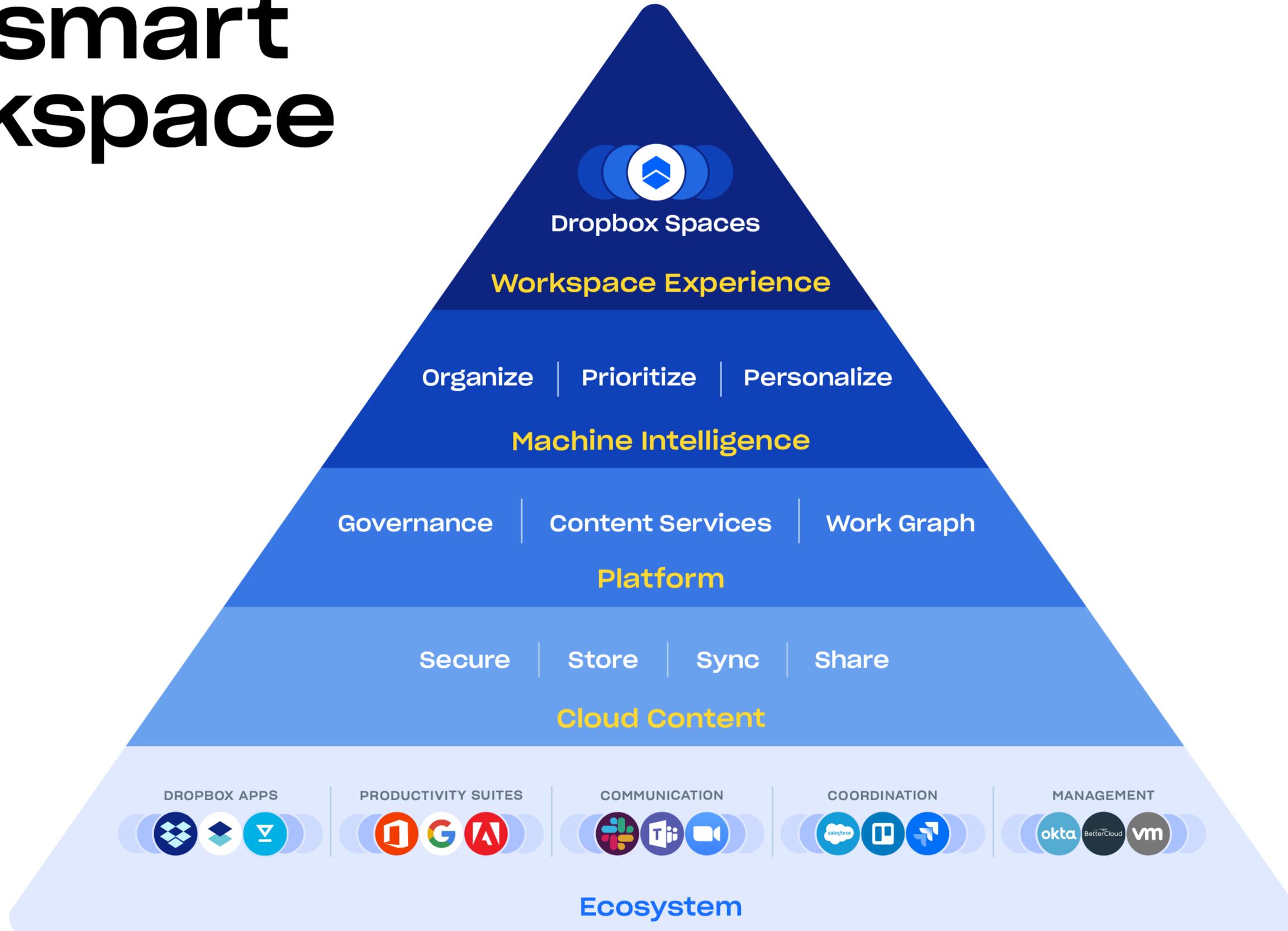


Dropbox is building the world's first smart workspace

A unified workspace that organizes your content, connects your SaaS tools, and brings teams together

The screenshot shows a Dropbox workspace for 'Package Design'. On the left is a dark sidebar with navigation options: Pepo Studio Inc., Angela Zhang, and Starred Folders (Warehouse, Package Design, Shipping, Materials, Resources). The main content area has a search bar and a title 'Package Design'. Below the title is a text update: 'We've narrowed our new package designs down to three final options. Please review all three pinned files below.' This is followed by a checklist with three items: 'Present concepts to marketing @Angela Zhang' (checked), 'Approve production schedule @Daniel Smith', and 'Final concept selection by June 4'. Three file cards are shown: 'Production.gslides', 'Box Samples', and 'Materials.pdf' (highlighted with a blue border). Below the files is a table listing workspace contents: '7 folders, 5 files'. The table has columns for 'Name' and 'Modified'. The entries are: 'Package Dimensions.gsheet' (2:34 PM), 'Earth-Friendly Materials' (1:04 PM), and 'Box Samples' (1:04 PM). At the bottom of the table is a breadcrumb: 'Pepo Studio Inc. > Package Design'. On the right side of the workspace, there is a card for the 'Materials.pdf' file (7.2 MB, Modified 5 hours ago) with a comment section. The comment section shows 3 users, a 'Write a comment' prompt, and two comments: '@Angela Zhang Thanks for sharing! Option #2 is my...' and 'Let's make sure we can get this in production before...'. Below the comments is an 'Activity' section showing recent events: 'Daniel Smith shared in Zoom' (3 hours ago), 'Jay Singh shared in #package-design' (3 hours ago), and 'William Jackson opened' (2 hours ago).

The smart workspace



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

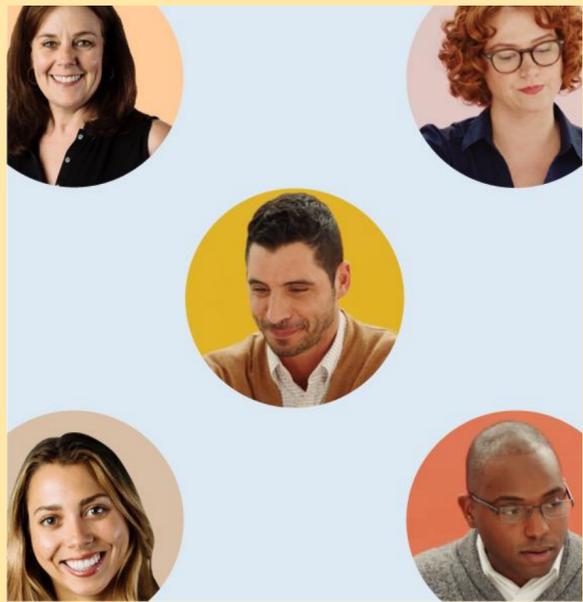
Rip-and-replace

vs.

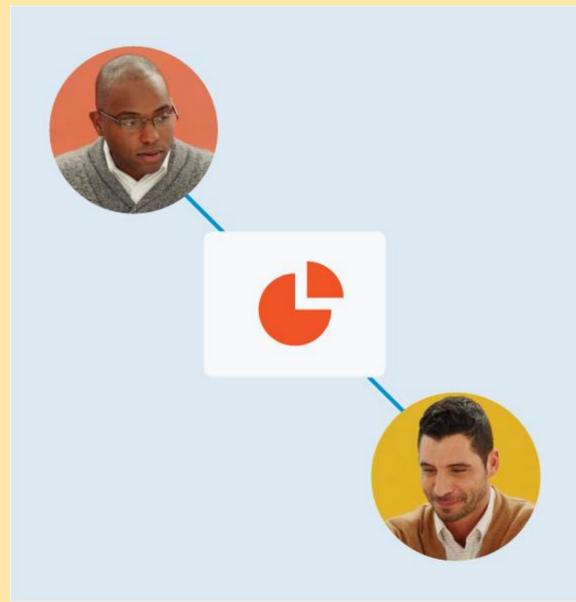
Live side-by-side

Efficient Go-to-Market

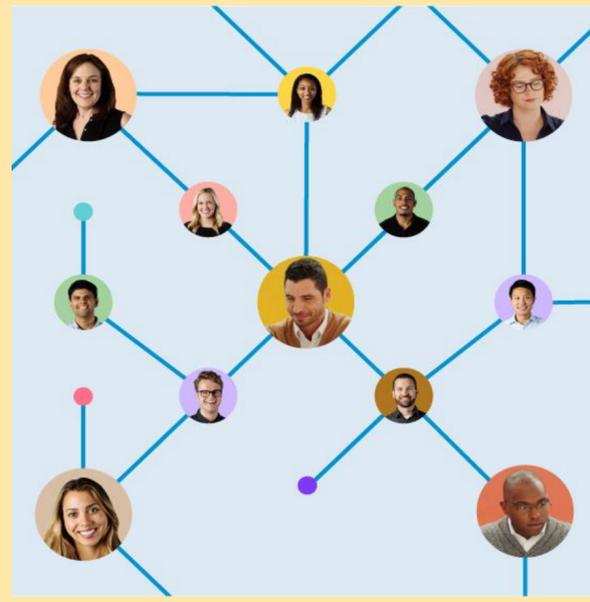
Self-serve “land”



Starts with massive user adoption

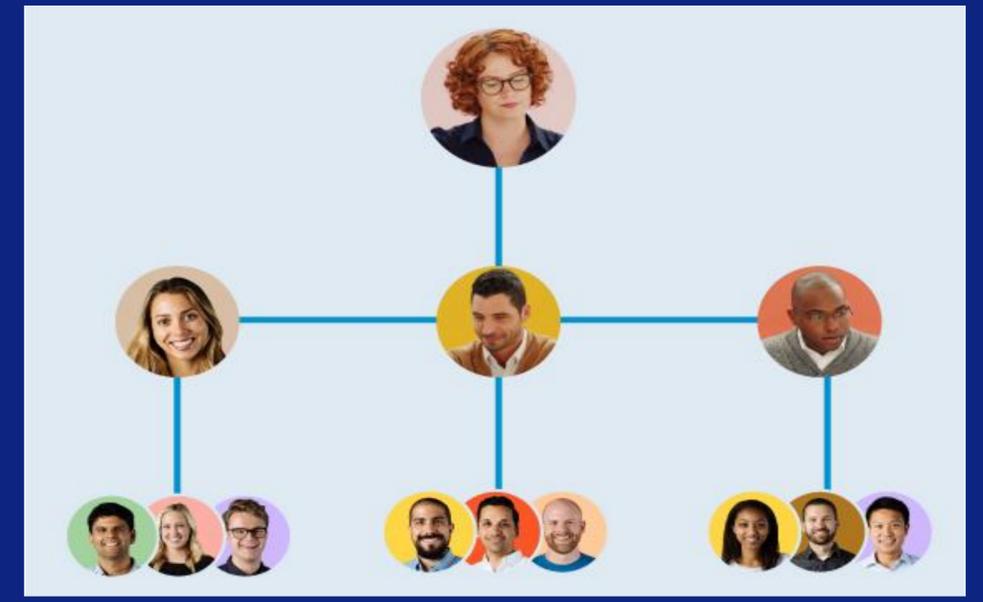


Land within companies



Expand within companies

Targeted outbound “expand”



Full deployment

Open ecosystem



50B+
API calls /month

75%
of teams linked to a third-party app

500K+
registered developers

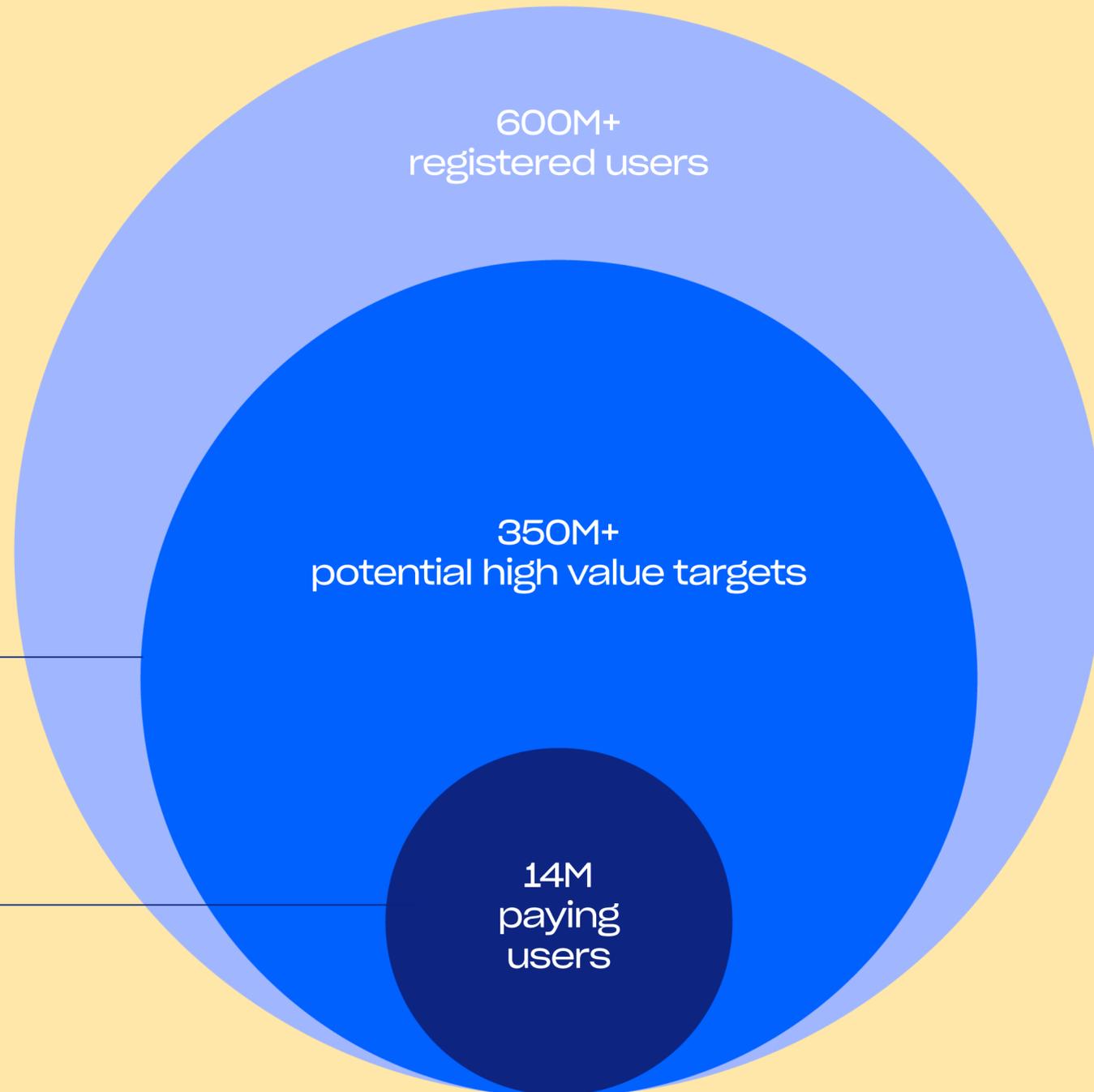
Hybrid infrastructure: Scale, Agility, & Innovation



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 highlights

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

The screenshot displays the new Dropbox workspace interface for a folder named "Customer Proposal" within the "Sales" folder of "Hanford Inc.". The interface is divided into several sections:

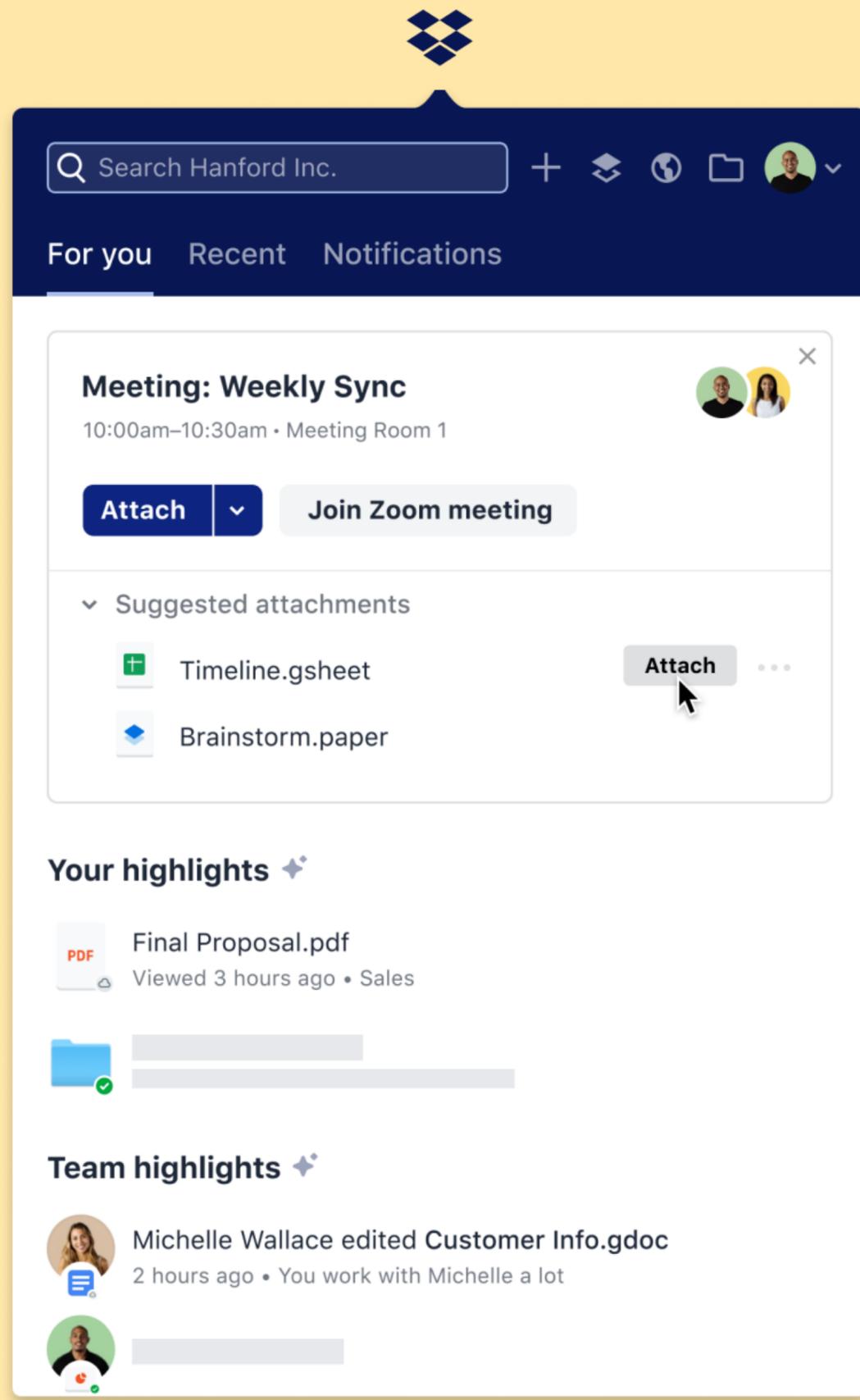
- Left Sidebar:** Shows the organization structure with "Hanford Inc." at the top, followed by "Sales" and "Customer Proposal" (starred). Below are "Suggested folders" with three placeholder icons.
- Main Content Area:** Features a search bar, an "Invite" button, and the breadcrumb "Hanford Inc. > Sales > Customer Proposal". It displays three file thumbnails: a document, a folder, and a document with a cloud icon. Below the thumbnails, it states "Robert Hakobyan updated 3 hours ago". A "Create" button and a grid view toggle are visible.
- Activity Feed:** A table with columns "Name" and "Recent activity" showing a list of team members and their recent actions.
- Right Panel:** Contains a search bar for "Hanford Inc.", tabs for "For you", "Recent", and "Notifications", and a "Meeting: Weekly Sync" card with "Attach" and "Join Zoom meeting" buttons. Below are "Suggested attachments" (Timeline.gsheet, Brainstorm.paper) and "Your highlights" (Final Proposal.pdf).
- Bottom Left:** A user profile card for "Work" (anthony@hanfordinc.com).

DBXi: Machine Intelligence in Action

Surfaces and suggests relevant content

Personalizes search based on activity

Rich text and image search



Dropbox Spaces

Add context to content with descriptions and to-dos

Track progress on shared work with notifications

Create, view, and resolve comments

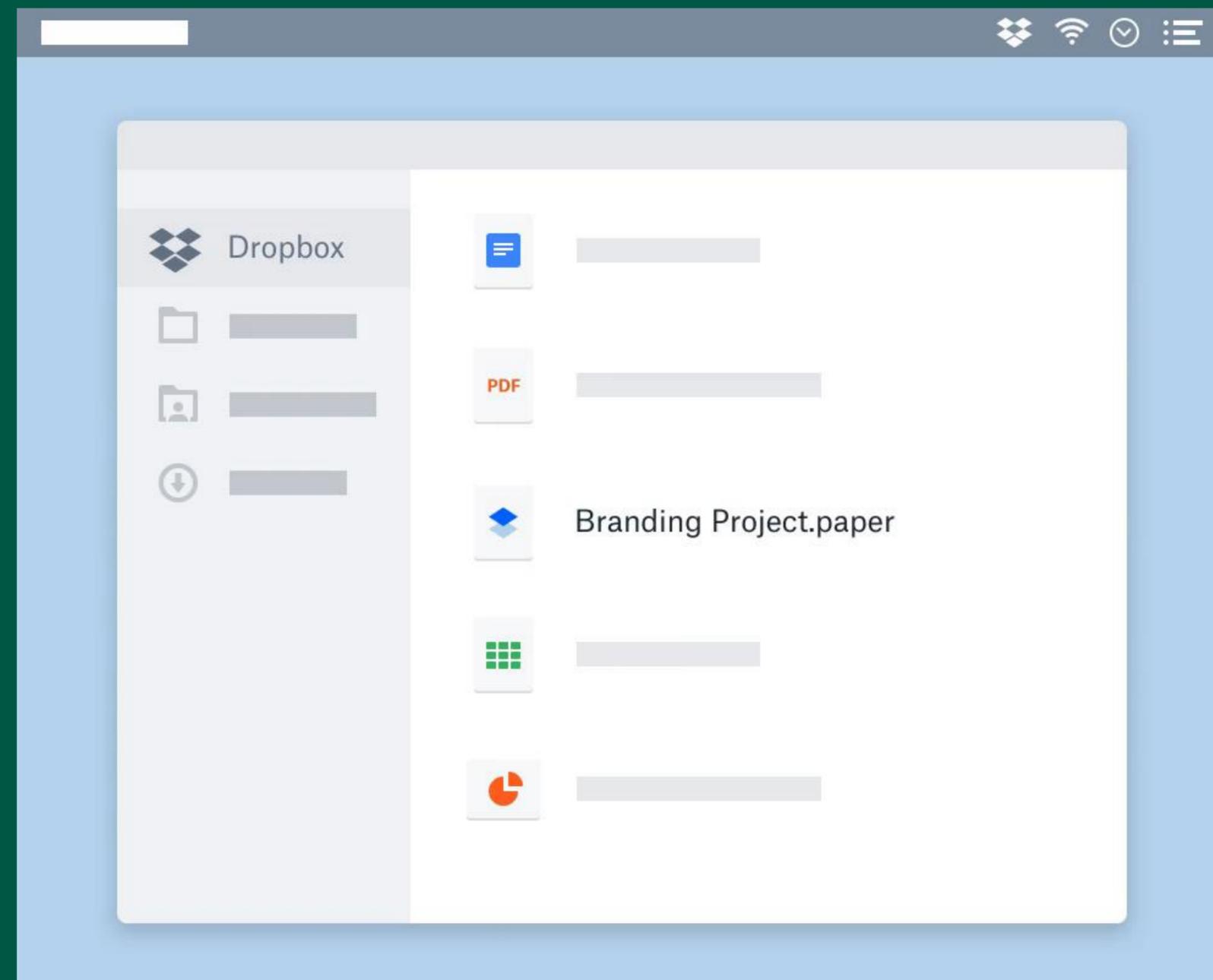
The screenshot displays a Dropbox Space interface for a project named "Customer Proposal" under the organization "Hanford Inc." The interface includes a left sidebar with navigation options like "Starred folders" and "Suggested for you". The main content area shows a breadcrumb trail "Hanford Inc. > Projects > 2020 > Customer Proposal" and a title "Customer Proposal". A task list is visible with items: "Leadership approval" (checked) and "Share final proposal with customer @Angela Zhang" (unchecked). Below the tasks are three file thumbnails: "Final proposal.gslides", "Presentation assets", and "Trello.web". A notification states "Daniel Smith updated 2 minutes ago". At the bottom, a "Recent activity" section shows a file "Reference.pptx" with a green checkmark and a comment: "Sounds good. I'll follow up..." from a user, dated "2 minutes ago". On the right, a comment thread shows a header "You, Angela Zhang & 2 other members" and a comment: "Write a comment" followed by "Sounds good. I'll follow up with the vendor tomorrow and get back to you in more detail!".



Paper now lives in the filesystem, next to Google & Office docs

Create, store, and access Paper docs from Dropbox

More discoverable to new users



Dropbox AdminX

Multi-team administration

Enhances security

Empowers IT to extract value from data

Activity

Admin console

Dashboard

Members

Activity

Team folders

Groups

Settings

Help

Date: March 15, Today

Member: Names or emails

Content: File or folder name

Activity: Add activity +

All activity Create report

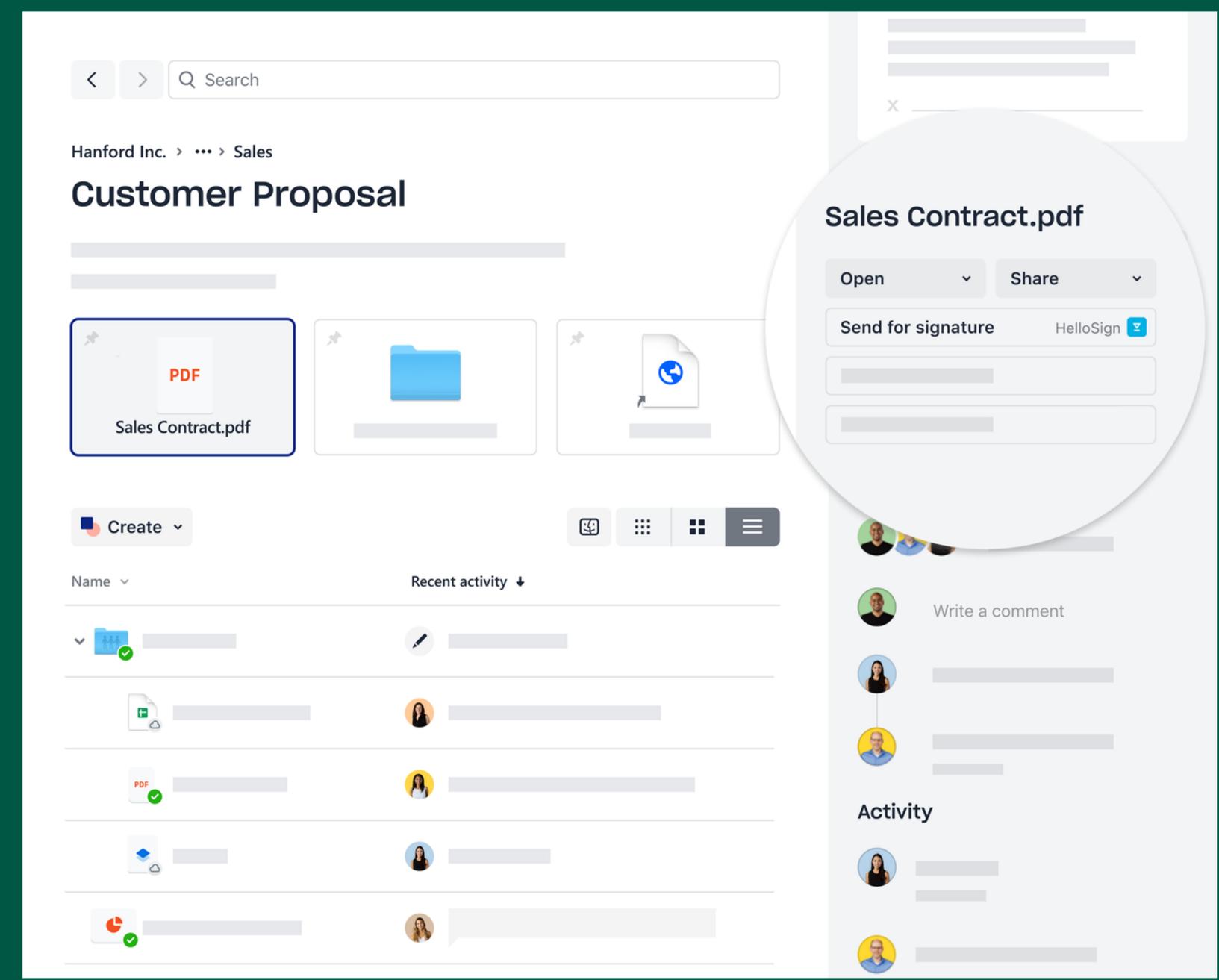
Mar 26	Kimberly W	Granted user access	Sharing
Mar 25	Wendy J	Exported team docs	Reports
Mar 25	Anthony A	Permanently deleted	File op...

HelloSign integration

Easily sign docs from within Dropbox

HelloSign functionality surfaced intelligently based on file-types

Best-in-class integration



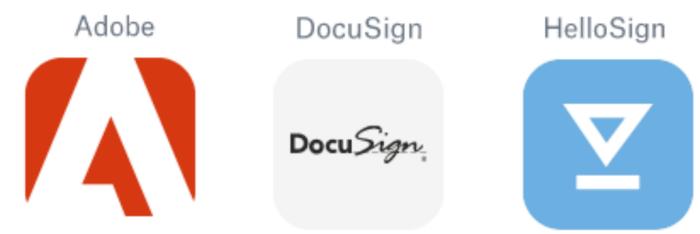
Extensions

Seamlessly initiate and manage workflows

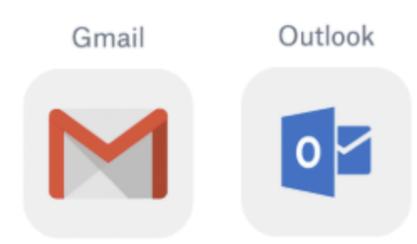
Bridge siloed tools to reduce toggling

Allow users to choose their preferred apps

Request eSignatures



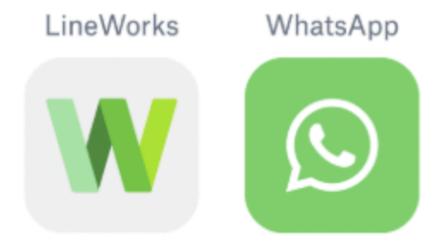
Send emails



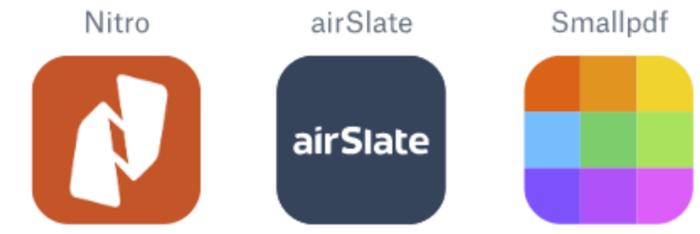
Send files and faxes to teammates



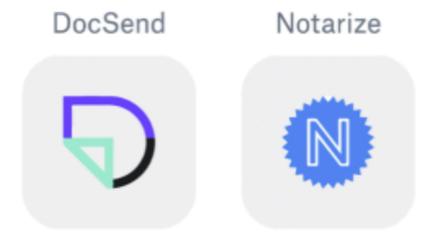
Add files to chat messages



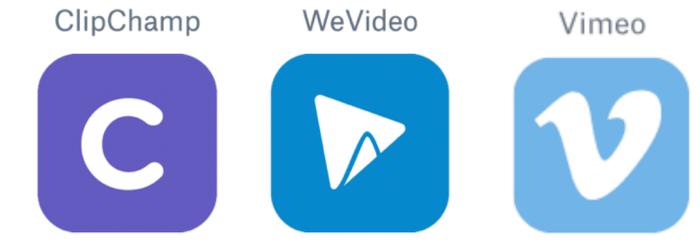
Edit PDFs



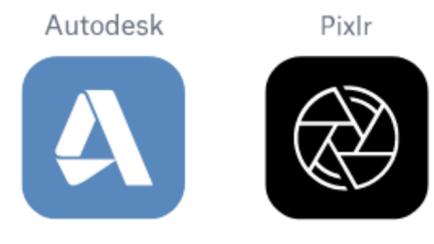
Manage document workflows



Edit and comment on video content



View, edit, and adjust images



Create designs



Submit expenses



Dropbox Transfer

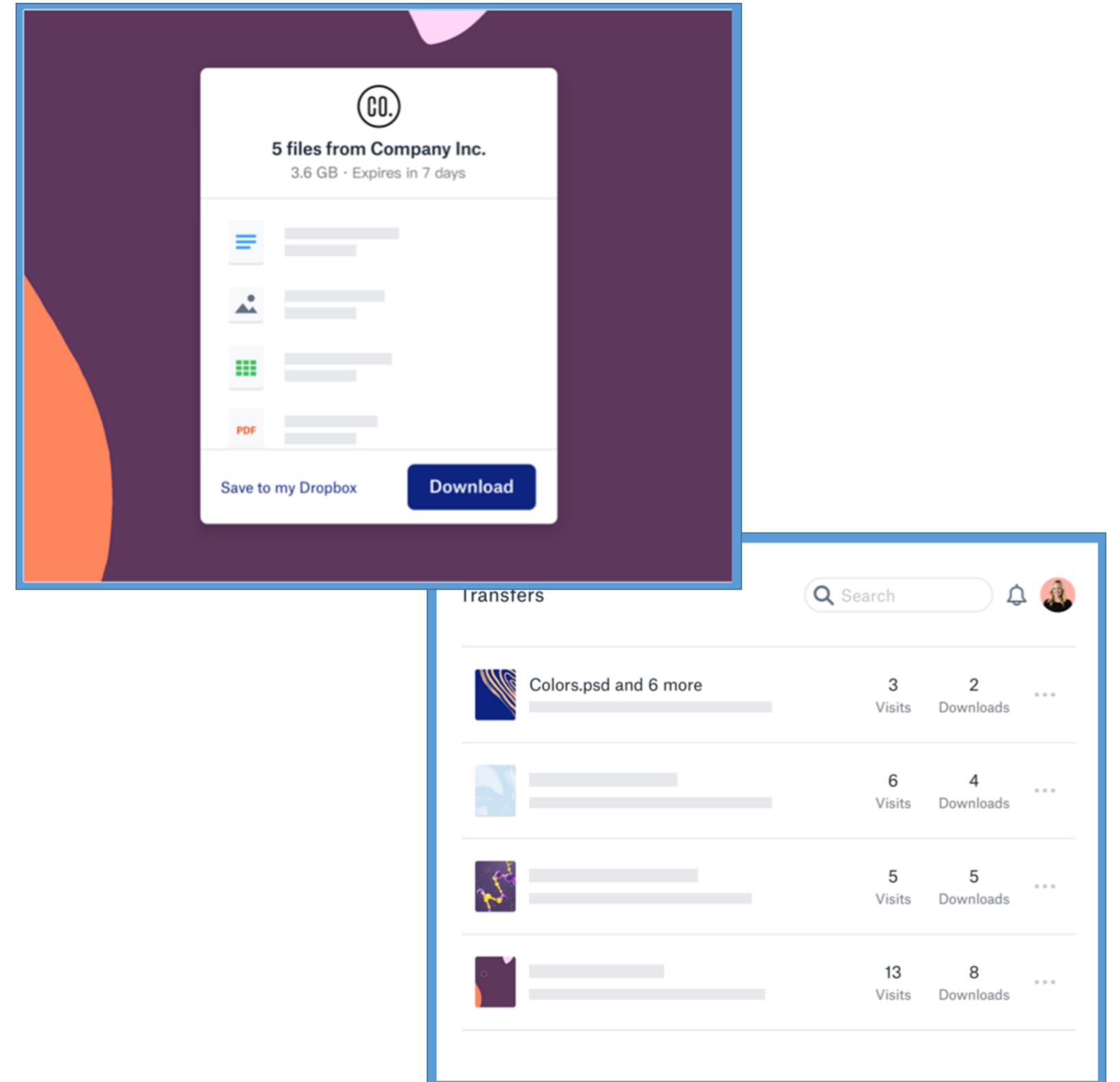
Easily and securely share large files and folders

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.

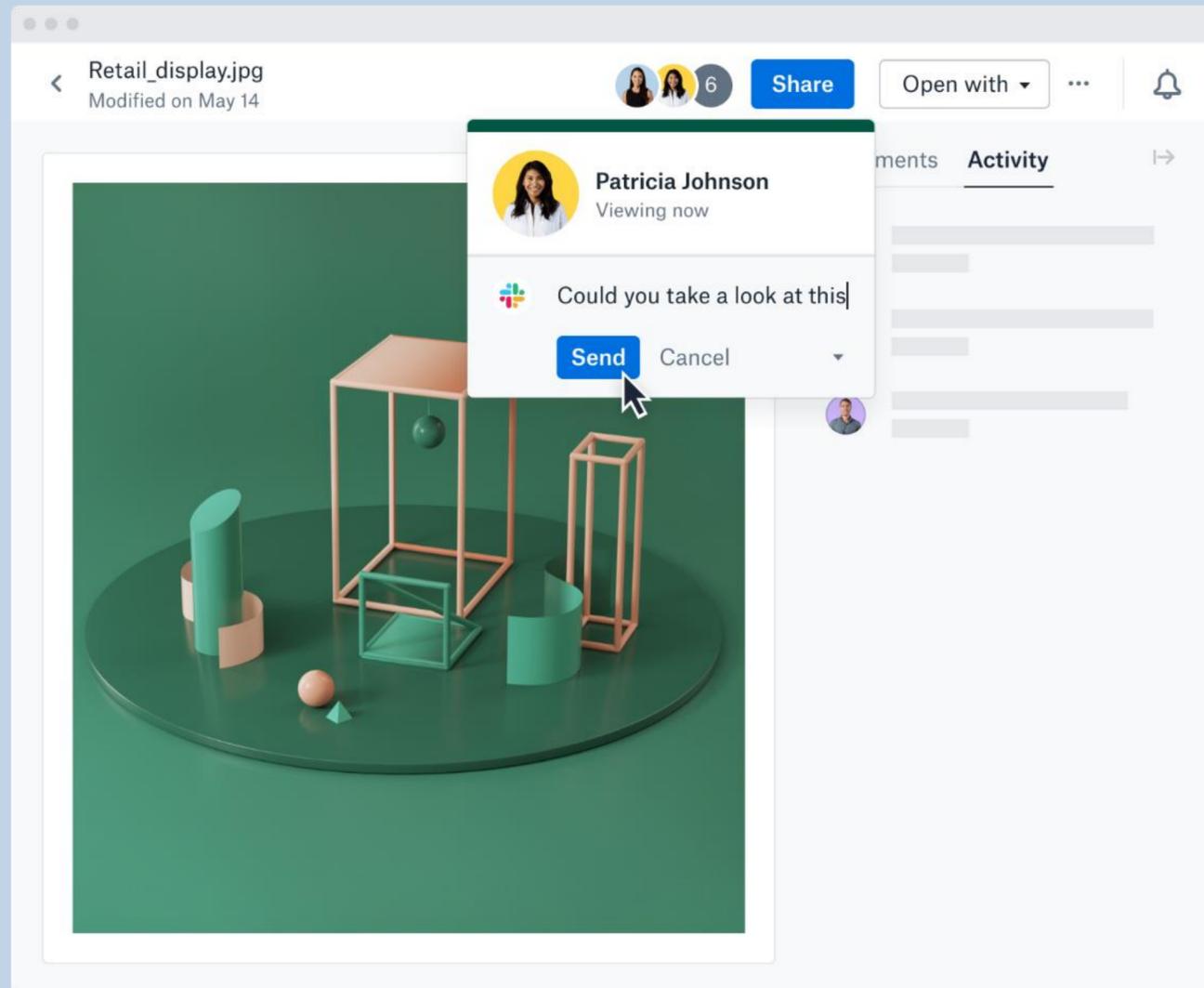


Deep integration partners

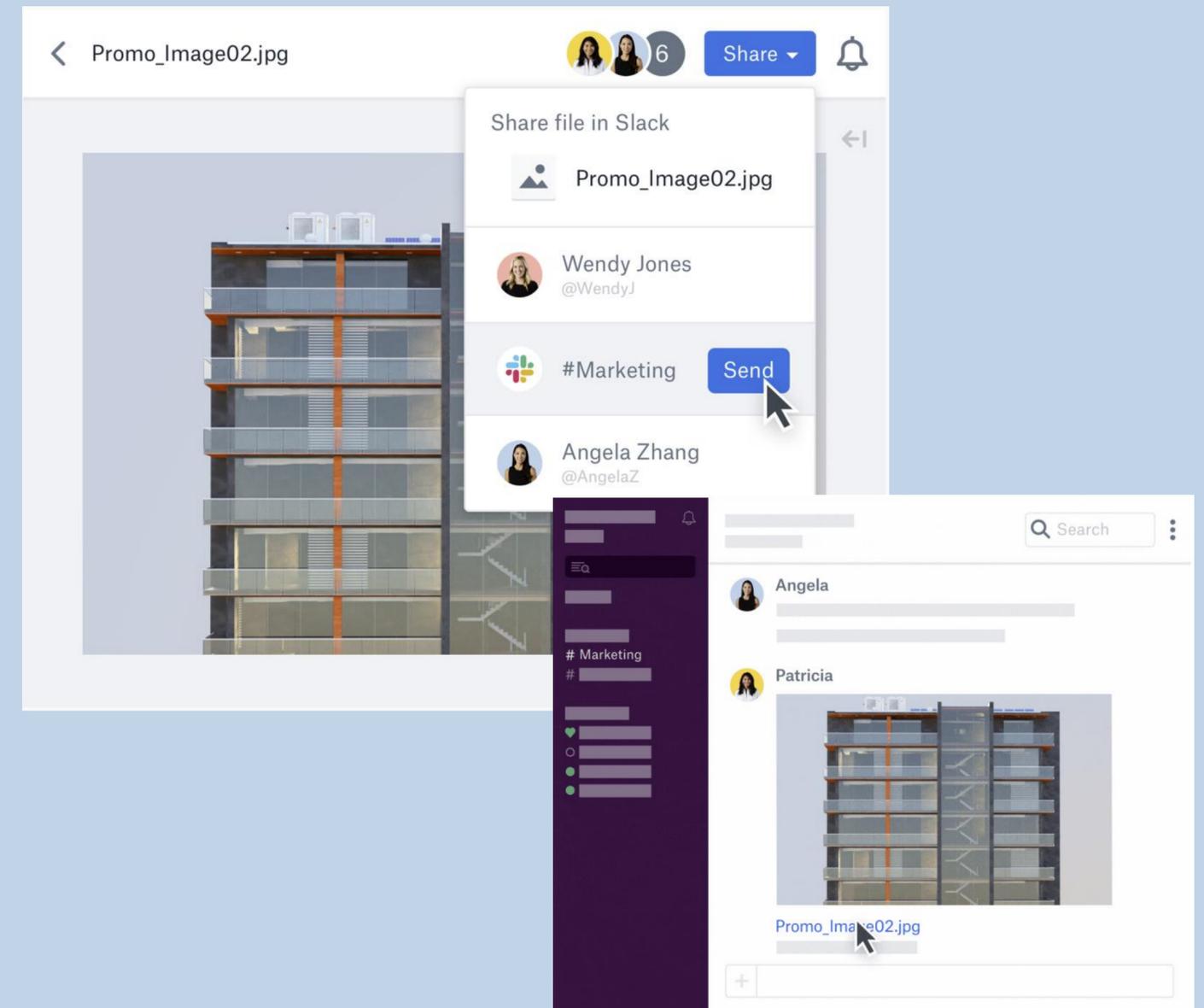


Slack integration

Start Slack conversations from Dropbox

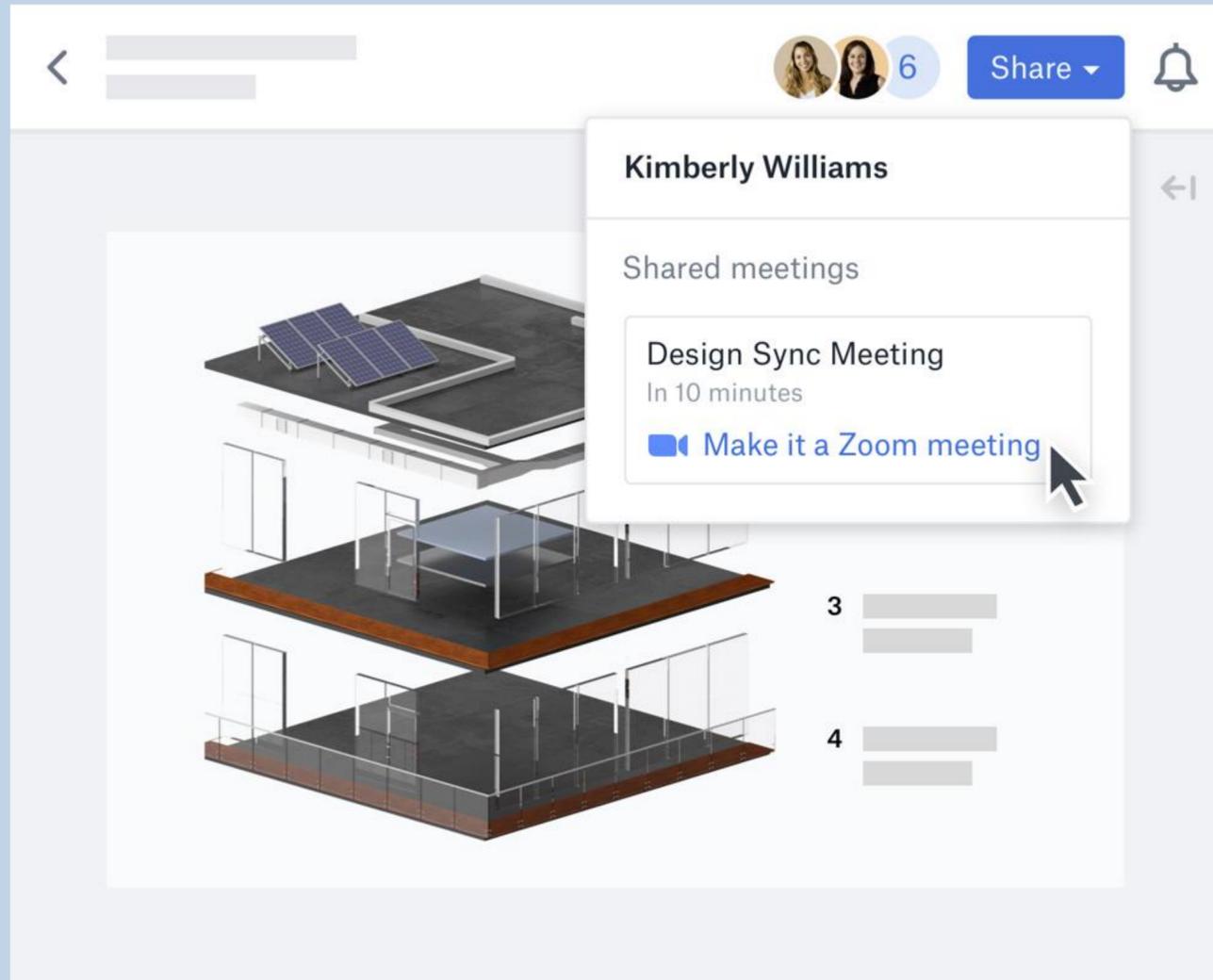


Share content to Slack from Dropbox

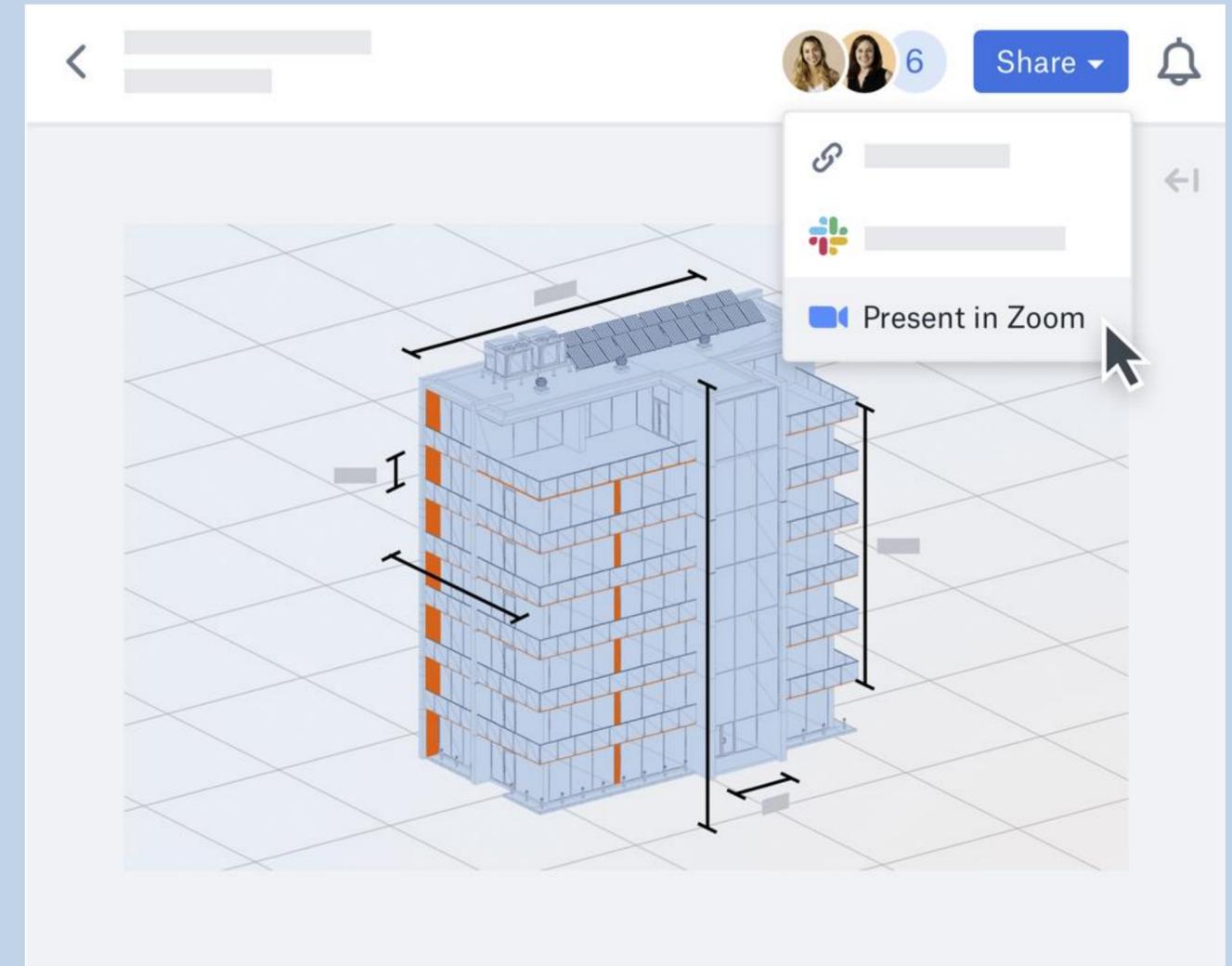


Zoom integration

Start Zoom meetings from Dropbox



Present Dropbox content via Zoom



Data protection & orchestration



Automated workflows for account capture, onboarding, & offboarding

Data loss prevention

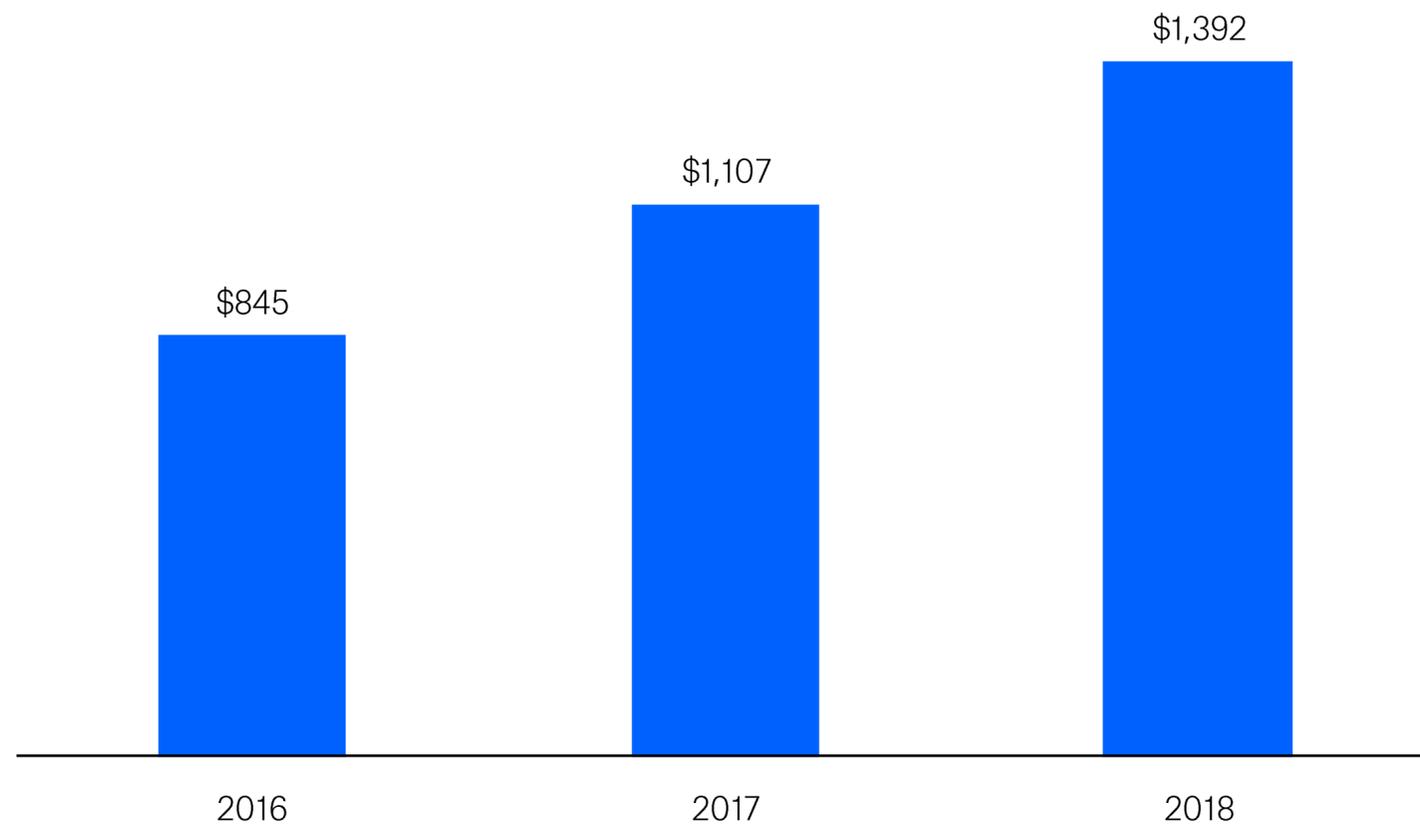
New add-on SKU to be sold by DBX

Financial highlights

Financial highlights

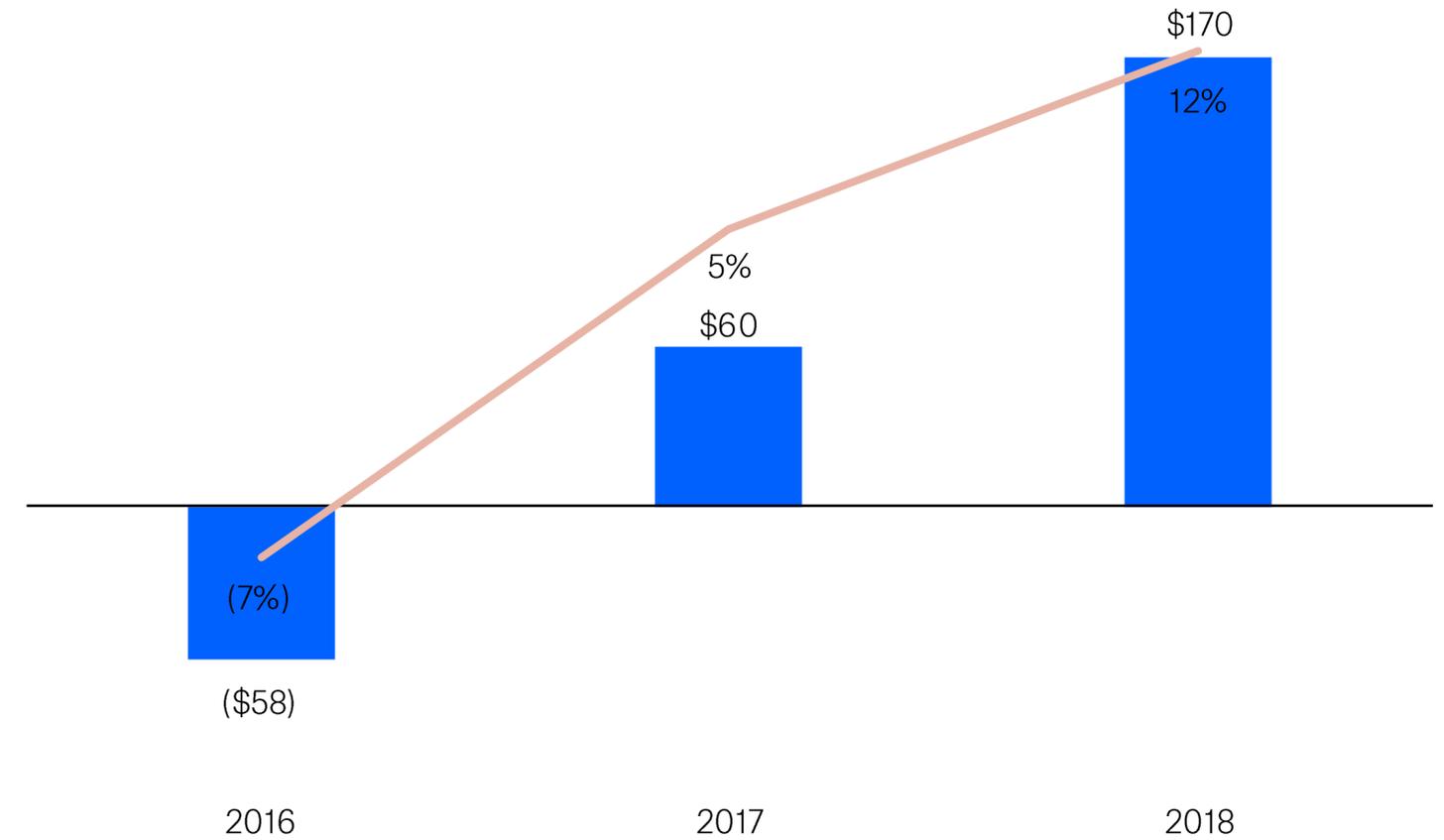
Revenue (\$M)

26% YoY growth in 2018



Operating income (loss) (\$M)

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

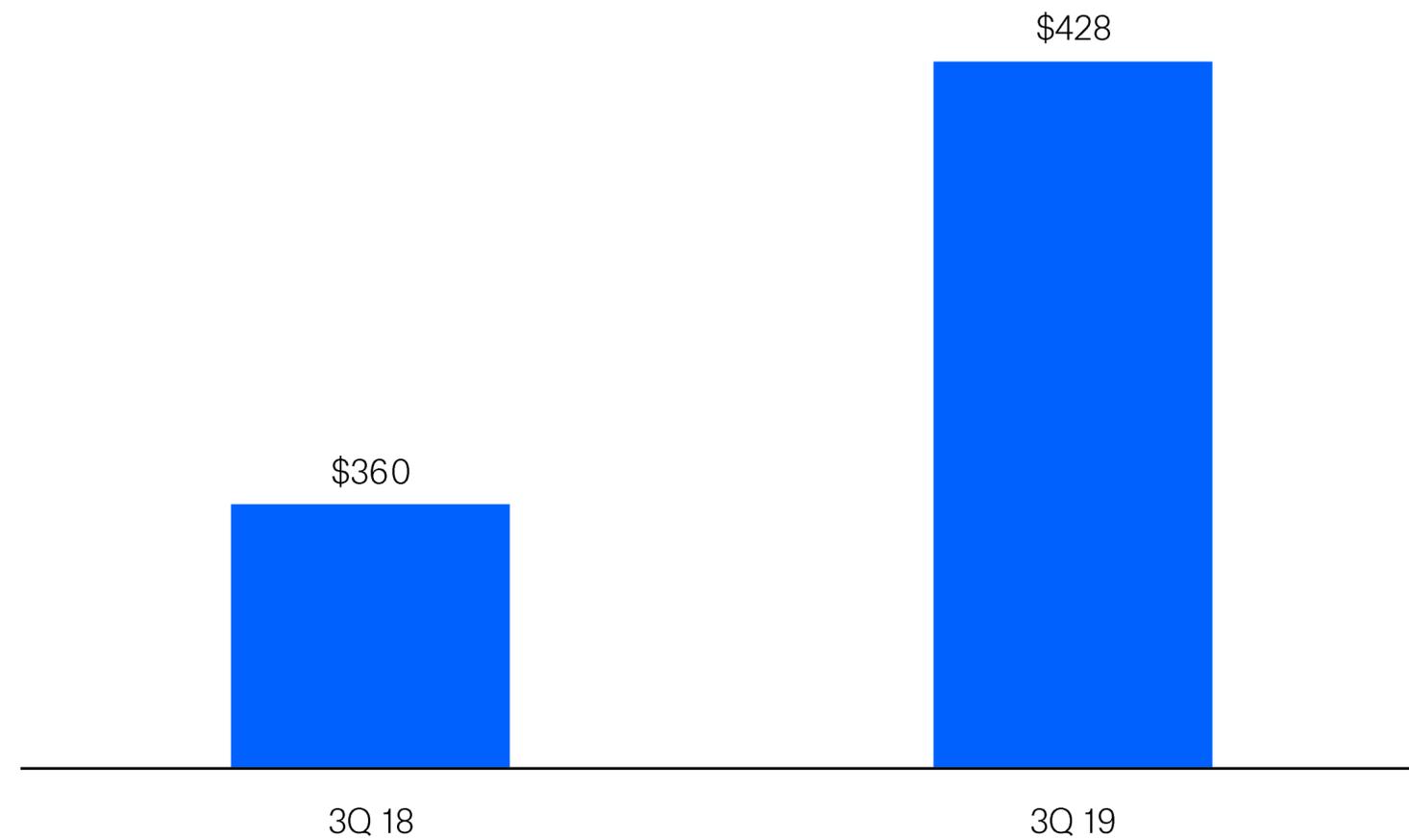


Figures presented are non-GAAP and exclude stock-based compensation expense and certain non-recurring adjustments. See appendix for non-GAAP reconciliation.

Financial highlights

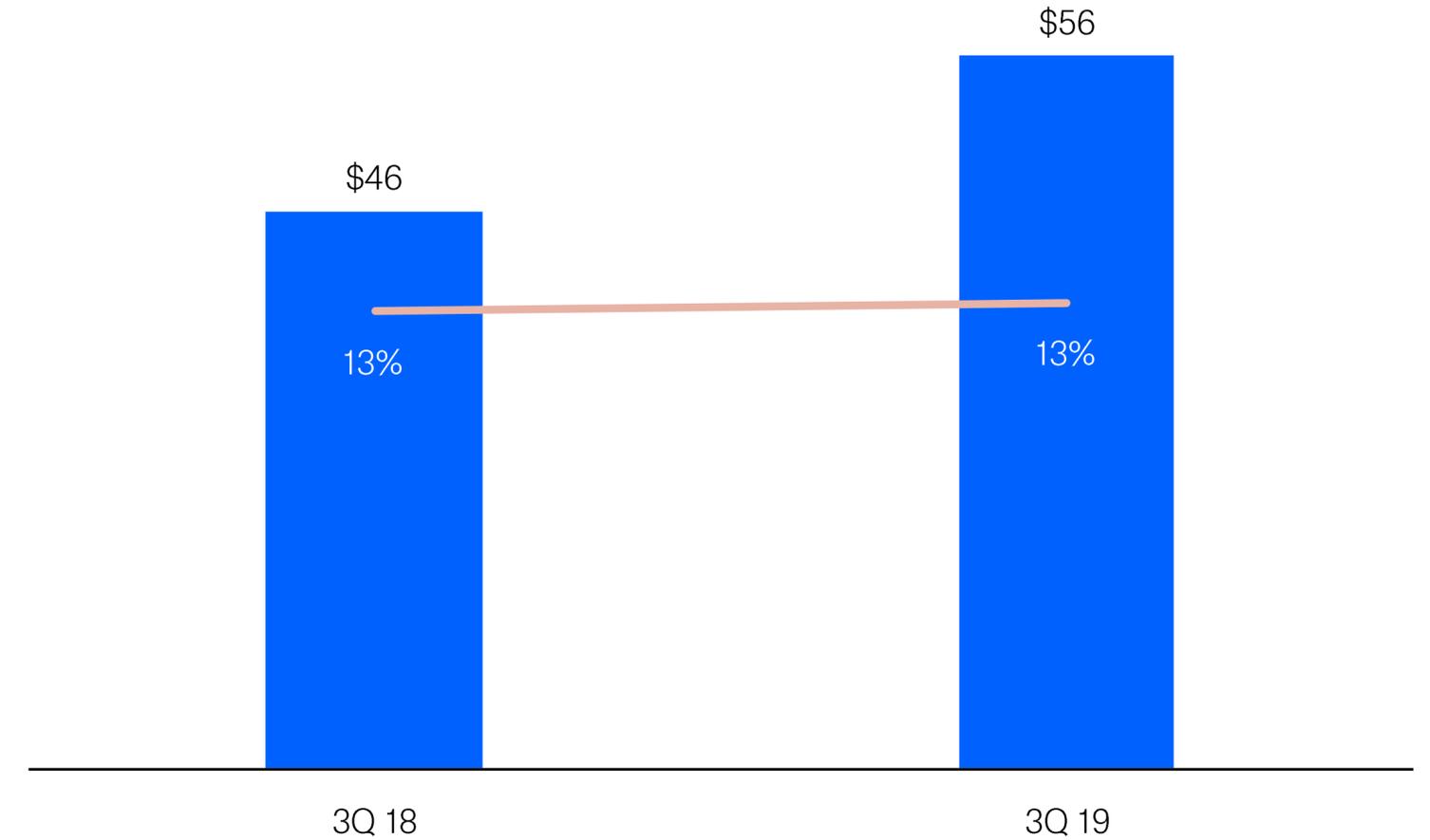
Revenue (\$M)

19% YoY growth in Q3'19



Operating income (\$M)

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



Figures presented are non-GAAP and exclude stock-based compensation expense, amortization of acquired intangibles, and HelloSign acquisition-related expenses. See appendix for non-GAAP reconciliation.

Appendix

Dropbox subscription plans

Individuals



Teams



Basic	Plus	Professional	Standard	Advanced	Enterprise
Free	\$11.99 / month \$119.88 / year	\$19.99 / month \$199.00 / year	\$15.00 / month \$150.00 / year	\$25.00 / month \$240.00 / year	Negotiated pricing
	Smart Sync Dropbox Rewind Full text search Remote device wipe Priority email support 30 day version history	Everything in Plus Enhanced Smart Sync Auto OCR Premium previews Watermarking Time-based comments Shared link controls 180 day version history	Everything in Professional Team folders Admin console Granular permissions Active directory connector Enables HIPAA compliance Unlimited API access*	Everything in Standard Business hours phone support Single sign-on integration (SSO) Audit logs Device approvals Tiered admin roles	Everything in Advanced 24/7 phone support Enterprise mobility management (EMM) Network control Domain insights and analytics
		Showcase		Showcase	Showcase
2GB of storage	2TB storage	3TB storage	3TB 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.

HelloSign subscription plans

HELLOSIGN

HELLOSIGN API

Free	Pro	Business	Enterprise*	Bronze	Silver	Gold	Enterprise***
1 user 3 docs / mo	\$15 / mo 1 user 1 template	\$10 / user Minimum 5 users Starts at 5 templates	\$30 / user Minimum 5 users Unlimited templates	\$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
	Everything in Free	Everything in Pro	Everything in Business		Everything in Bronze	Everything in Silver	Everything in Gold
Audit trail Notifications	2-factor auth Template links Decline to sign	Custom branding In-person signing Team features	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	Embedded signing Embedded requesting Single foreign language	Multi-foreign languages Advanced signing Custom branding Signer attachments Bulk send	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

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

**Salesforce SalesCloud, Salesforce CPQ and Oracle CPQ add-ons available at an additional \$5 / \$15 / \$15 / 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	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

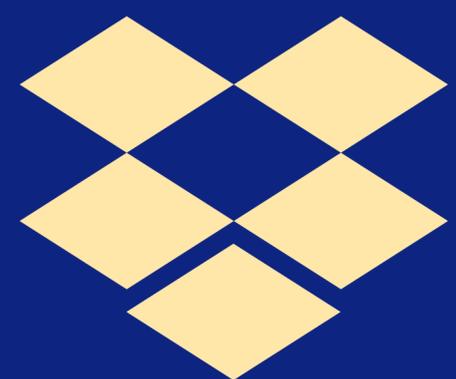
***API access available for an add-on fee of \$2 / month per line and \$0.05 / page with a \$100 minimum monthly fee

Non-GAAP reconciliation

	Twelve months ended		
	2016	2017	2018
Loss from operations - GAAP	\$ (193.5)	\$ (113.7)	\$ (494.0)
Stock-based compensation	147.6	164.6	650.1
Release of non-income based tax reserve	(12.4)	-	-
Donation of common stock to the Dropbox Foundation	-	9.4	-
Employer payroll taxes related to the release of two-tier RSUs	-	-	13.9
Income (loss) from operations - Non-GAAP	\$ (58.3)	\$ 60.3	\$ 170.0

Non-GAAP reconciliation

	Three months ended	
	September 30, 2018	September 30, 2019
Loss from operations - GAAP	\$ (8.9)	\$ (18.6)
Stock-based compensation	55.0	68.2
Acquisition-related and other expenses	-	4.0
Amortization of acquired intangible assets	-	2.4
Income from operations - Non-GAAP	<u>\$ 46.1</u>	<u>\$ 56.0</u>



Dropbox