

Dropbox

Company Presentation
August 2023

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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 the 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 quarterly report on Form 10-Q for the fiscal quarter ended March 31, 2023 that we filed with the Securities and Exchange Commission (the “SEC”) on May 9, 2023, and include, but are not limited to, the impact to our financial results, business operations, the business of our customers, suppliers, partners and the economy as a result of general macro economic, political and market uncertainty, as well as the potential for a more permanent global shift to remote work; our ability to retain and upgrade paying users, and increase our recurring revenue; our ability to attract new users or convert registered users to paying users; our future financial performance, including trends in revenue, costs of revenue, gross profit or gross margin, operating expenses, paying users, and free cash flow, including, in all respects, with respect to any future targets described herein; our ability to achieve and 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; 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, 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.

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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

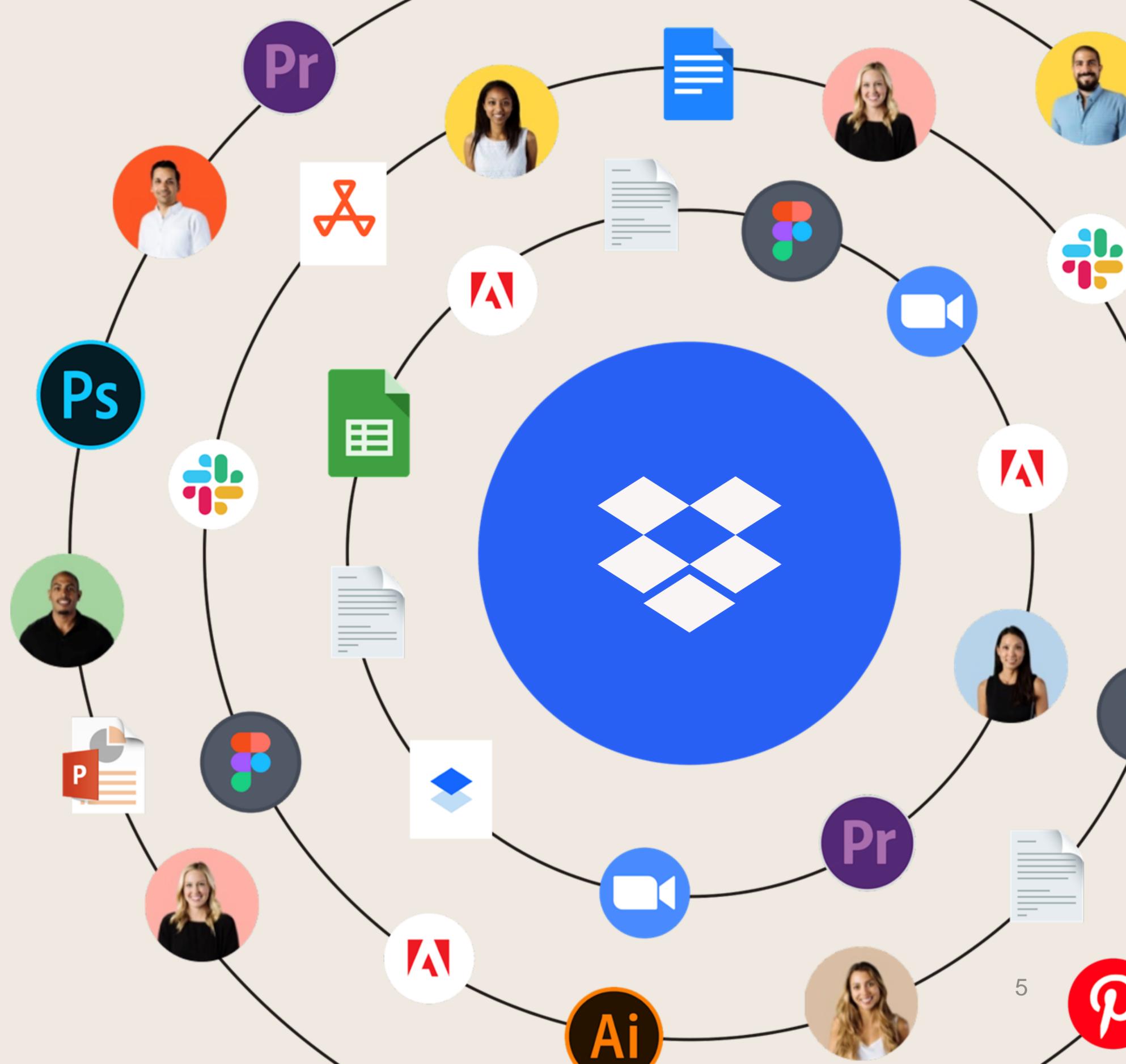
Global Collaboration Platform at Scale*

700M+
registered users

800B+
pieces of content

18.04M
paying users

*Data as of 6/30/2023



Keeping Files in Sync

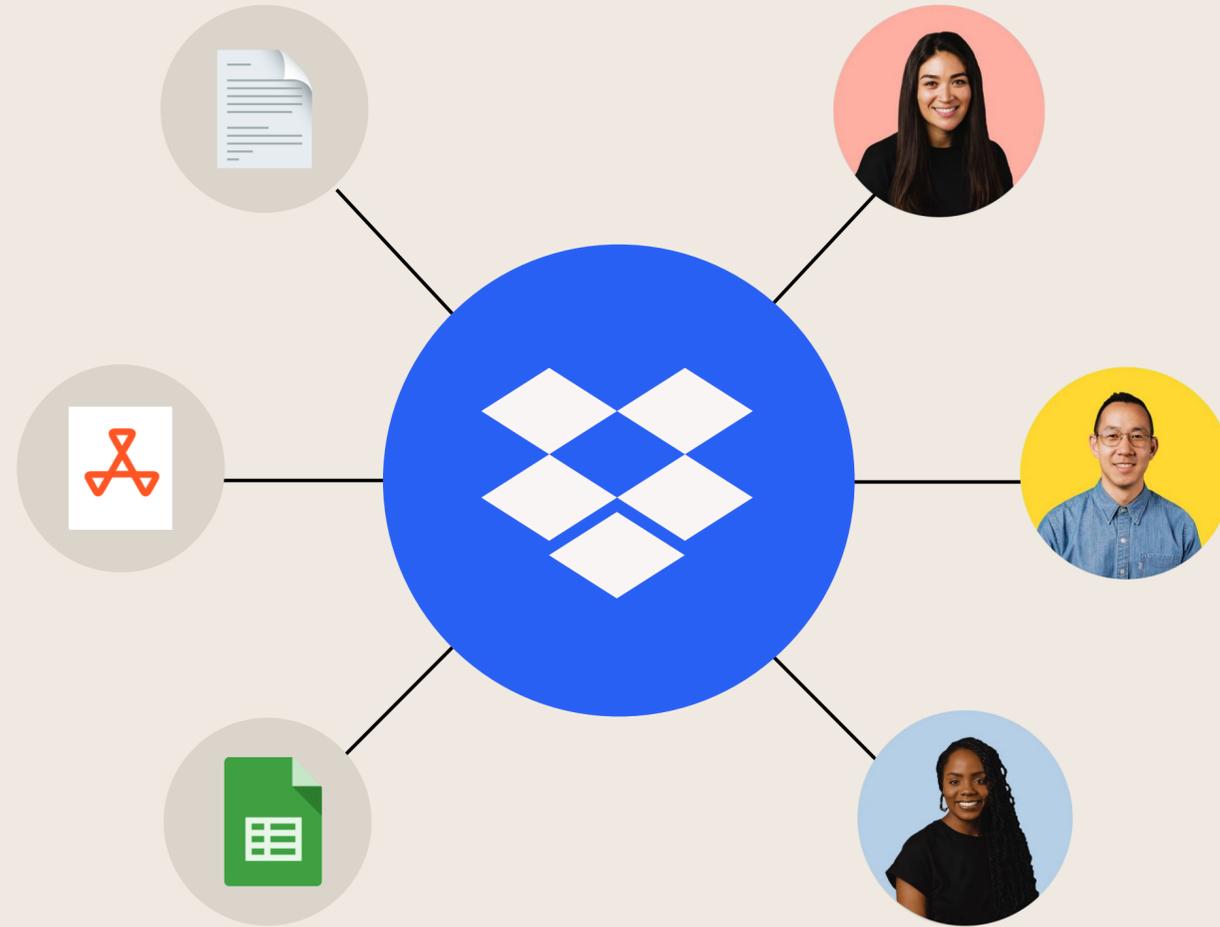
Keeping Teams in Sync

Cloud storage

2007

Backup & sync

File sync and sharing



Beyond FSS

Today

Team collaboration

Content management

Professional sharing

Secure sharing and analytics

Project management

eSignature

Content backup

Template Libraries

Our Product Portfolio



Individuals

Teams



Basic
Plus
Family
Professional

Standard
Advanced
Enterprise

Dropbox Sign
Dropbox Sign API
Dropbox Forms
Dropbox Fax

Personal
Standard
Advanced
Enterprise

Premium Annual
Monthly Subscription

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

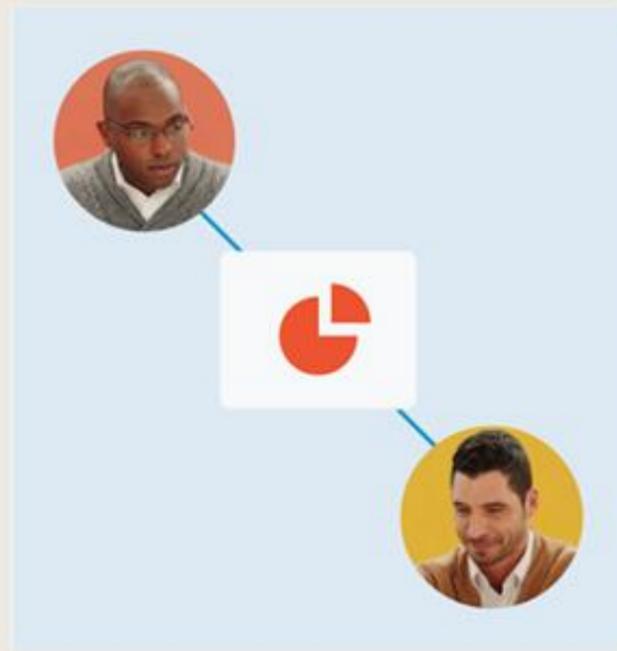
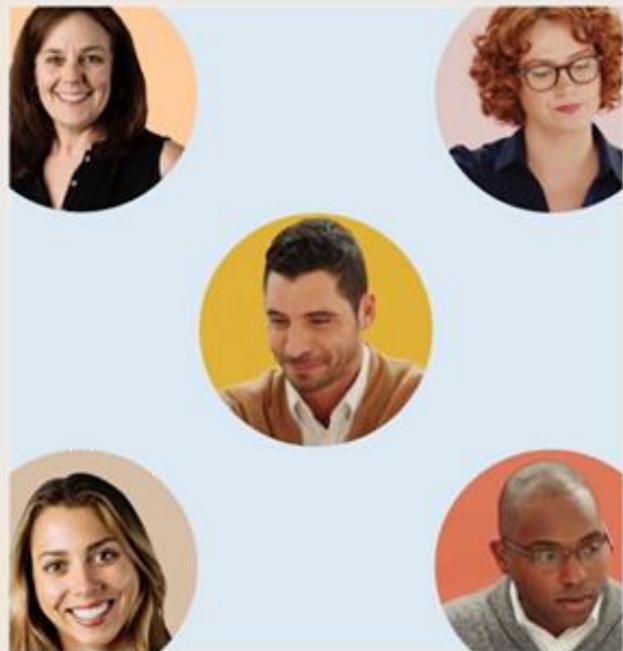
Efficient Go-to-Market

Land

Adopt organically

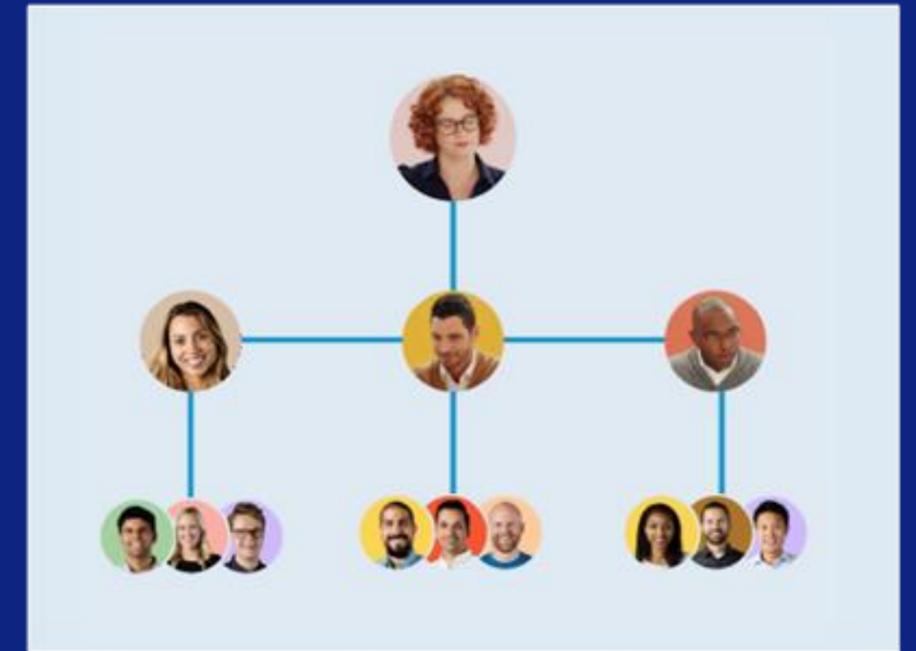
Land within companies

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 beyond FSS

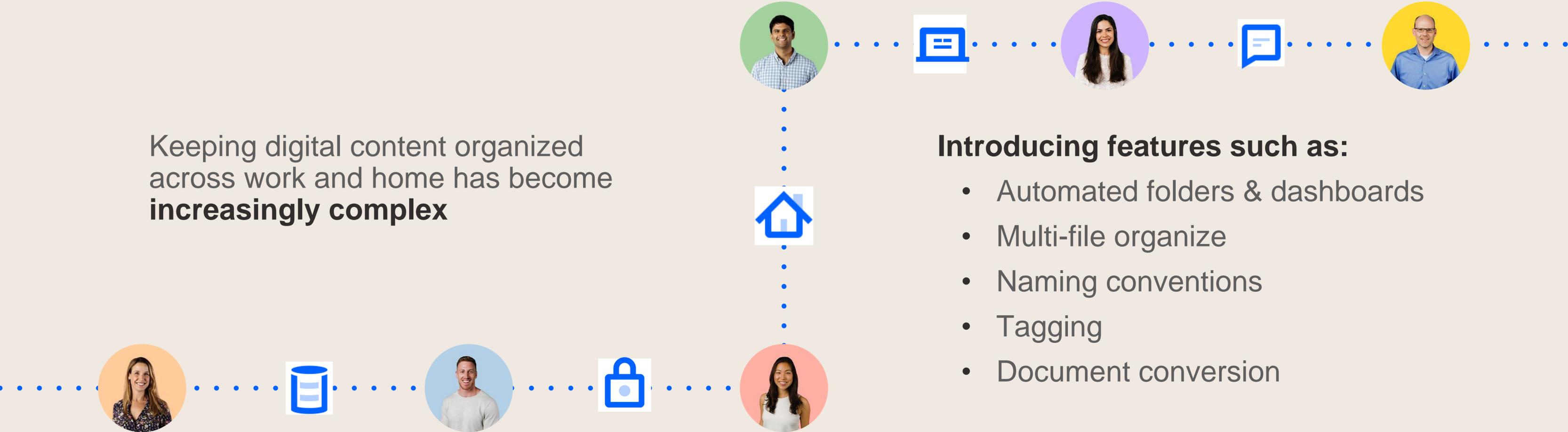
New Features Help Organize Digital Content

Dropbox introduces new tools to easily automate and maintain an organized file system

Keeping digital content organized across work and home has become **increasingly complex**

Introducing features such as:

- Automated folders & dashboards
- Multi-file organize
- Naming conventions
- Tagging
- Document conversion



Video Workflows

Dropbox is developing new product experiences for distributed teams and creatives



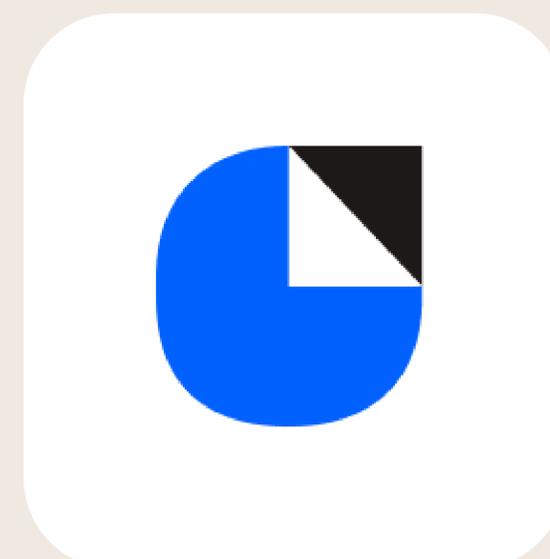
Capture

An all-in-one visual communication tool that helps team members share their work and ideas asynchronously



Replay

A video collaboration tool that makes it easier to collect, manage, and respond to feedback, all in one place

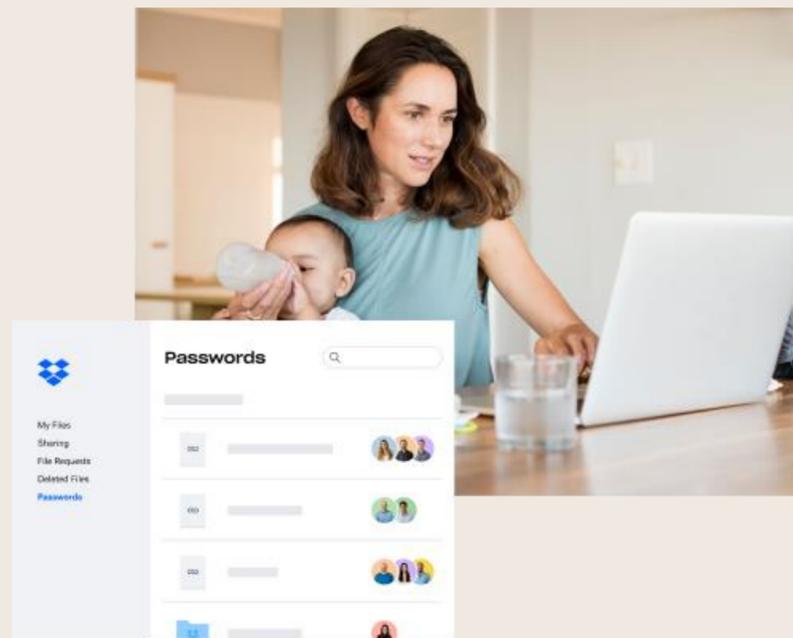


DocSend

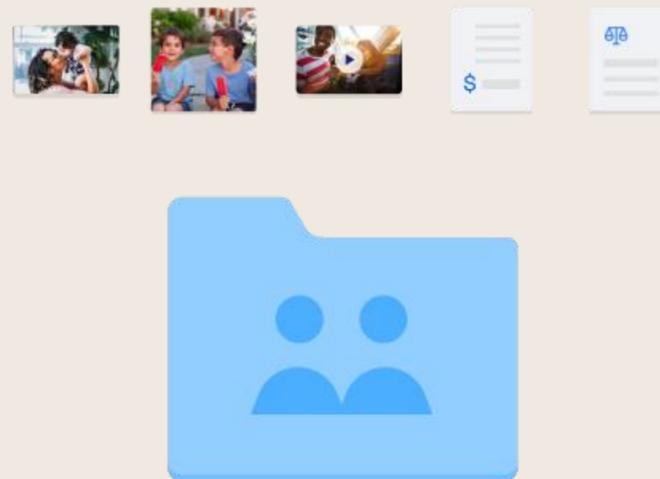
A video and presentation sharing platform with advanced analytics to see what your visitors are really watching

Dropbox Family Plan

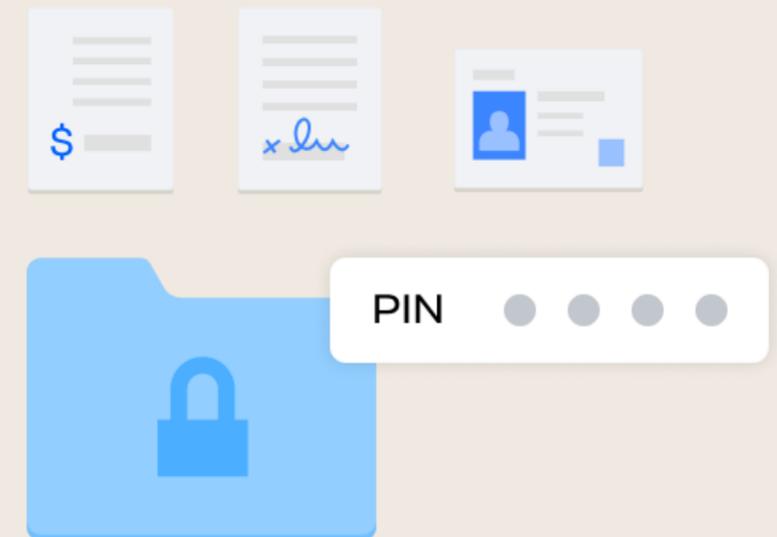
- Organize, centralize and protect your Family content
- Enhanced privacy and security features



Manage what matters most



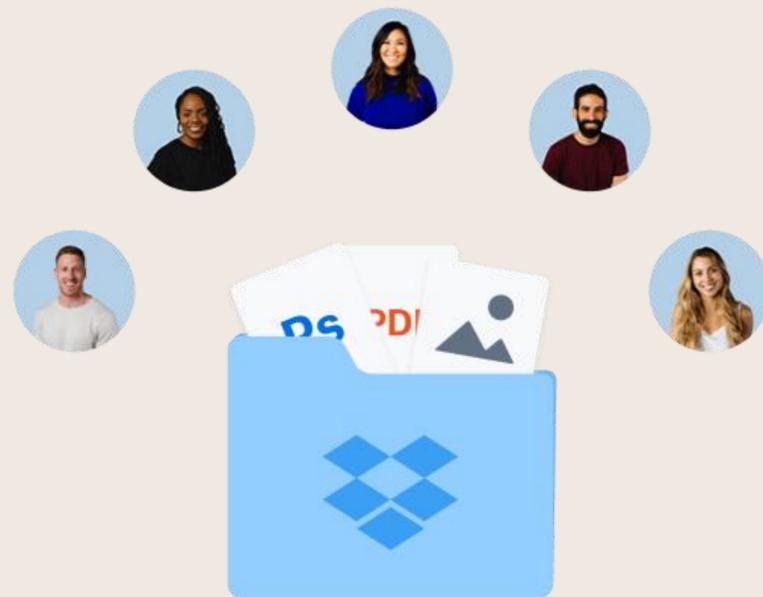
Keep your family connected



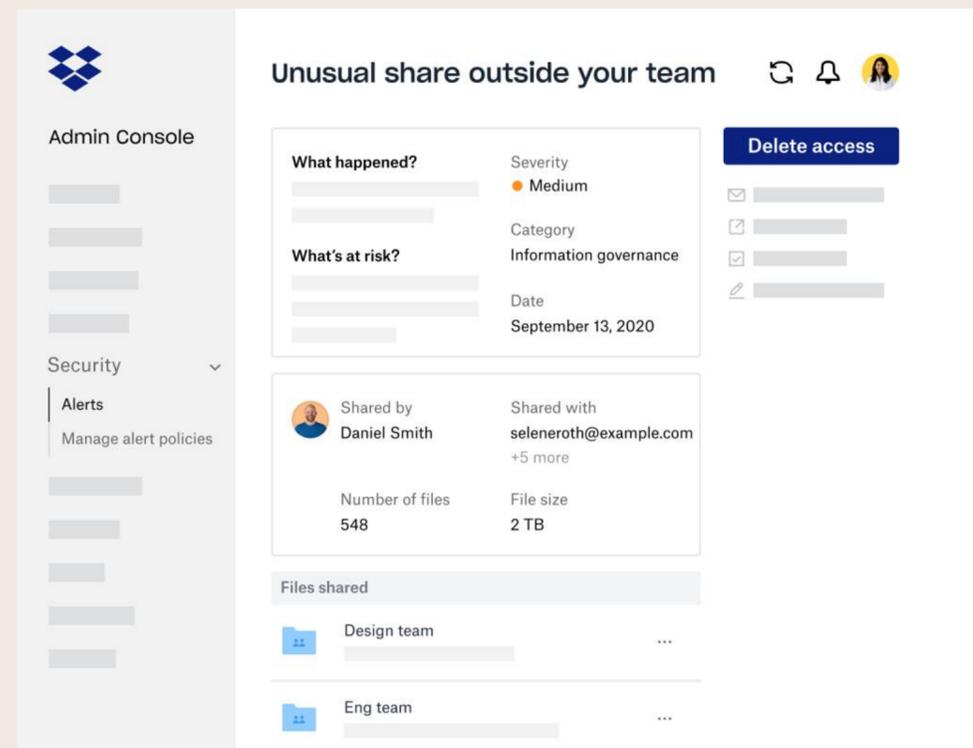
Keep sensitive info safe

Dropbox Business

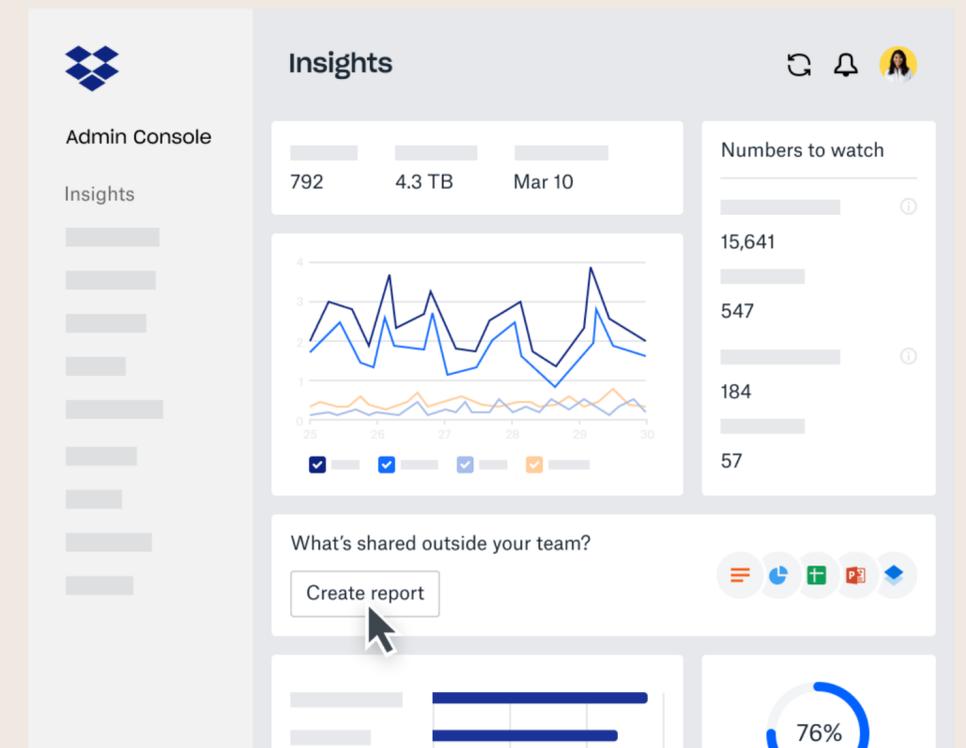
- Organize and centralize content around the needs of your team
- Collaborate in shared workspaces and streamline workflows
- Secure company data through visibility into content access and sharing



Shared team workspace



Data governance and audit logs



Advanced security alerts & notifications

Dropbox Business Teams Expansion

- Dropbox has ~600K business teams
- Making it even easier to invite people to join your team
- Team admins & members can now easily invite collaborators to join the team after sharing content with them



Invite people to your Dropbox team

Invite them to Hanford Inc. Dropbox, so they don't have to ask you each time they need access to files or more storage.

-  **Ann Thompson**
athompson@hanfordinc.com
 - @hanfordinc.com email match
 - Your team has shared 7 folders with them
 - Your team has worked with them since Aug 3, 2020
-  **Jay**
jay@hanfordinc.com
 - @hanfordinc.com email match
 - Your team has shared 7 folders with them
 - Your team has worked with them since Aug 3, 2020
-  **Zoe**
zoe@cobaltcircle.co
 - Your team has shared 7 folders with them
 - Your team has worked with them since Aug 3, 2020

You'll be charged for **1 more person**, and your new monthly total is **\$150.00**. Watch for an email with all the details.



Request an invite for athompson@hanfordinc.com to join your Dropbox team

Invite them to Hanford Inc. Dropbox, so they don't have to ask you each time they need access to files or more storage.

 **Ann Thompson**
athompson@hanfordinc.com

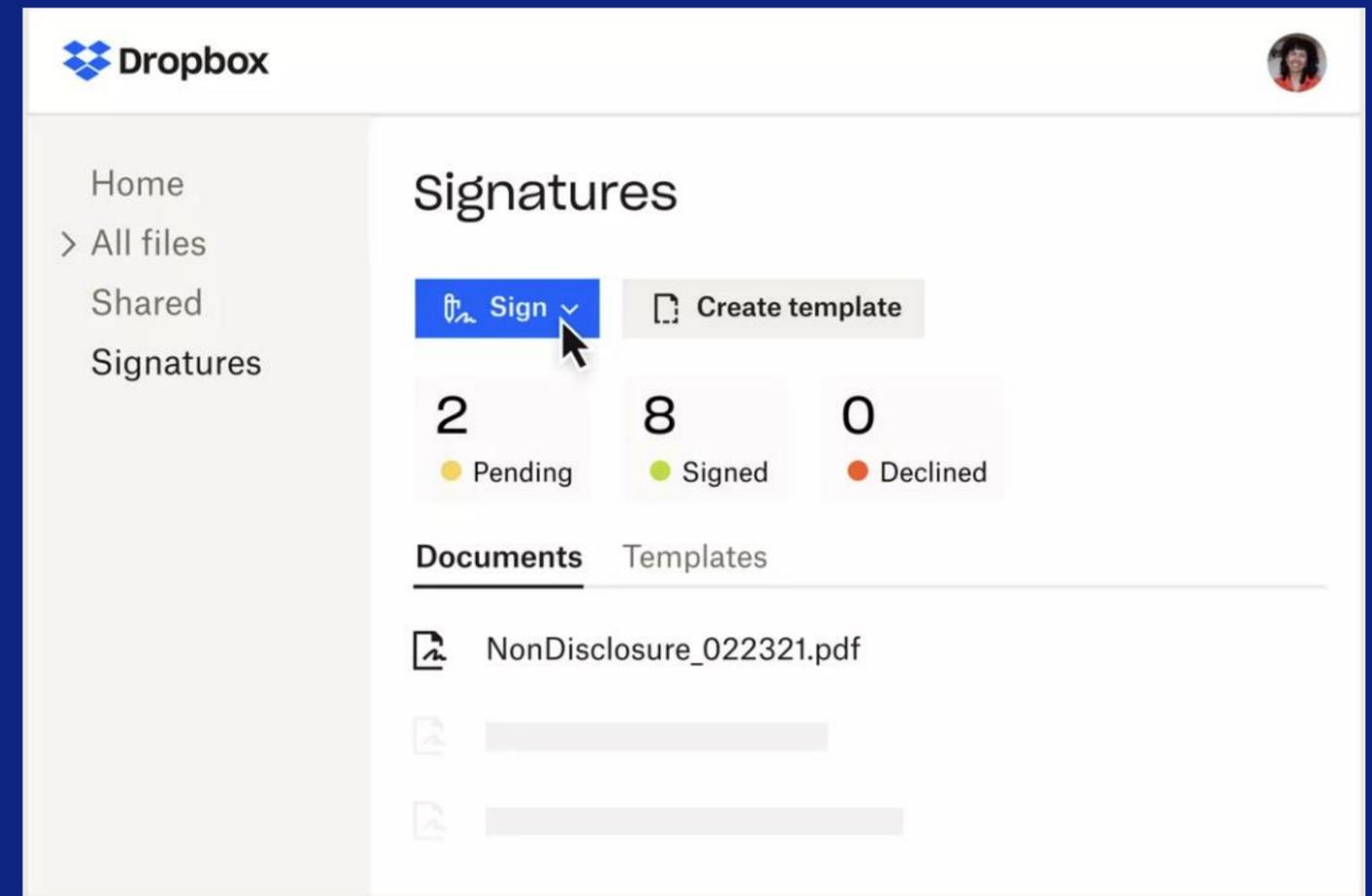
Your requests will be sent to admins for approval.

~35%
of paying users are on
Teams plans

Dropbox Sign Update



- Dropbox Sign is continuing to improve offerings for international customers:
 - Now available in 21 additional languages
 - Expanded SMS tools to more countries
 - Established availability to purchase Sign in local currencies (Canadian Dollars, Euro, GB Pound, Japanese Yen and Australian Dollar)
- Released a new Sign API personalization feature to enable developers to reinforce branding in the audit trail
- Increased discoverability of eSignature functionality within the Dropbox interface



DocSend Update

DocSend provides users x-ray vision into the content they share, enabling complete control and tracking of their files even after the sharing link is sent.

Use cases, SKUs, and audiences

DocSend Standalone

- SKUs: Personal, Standard, Advanced, Enterprise
- Audiences: Capital Markets, SMB Sales + Marketing Teams, Professional Services
- Use case: Fundraising, Investor relations, Sales enablement, Client portal

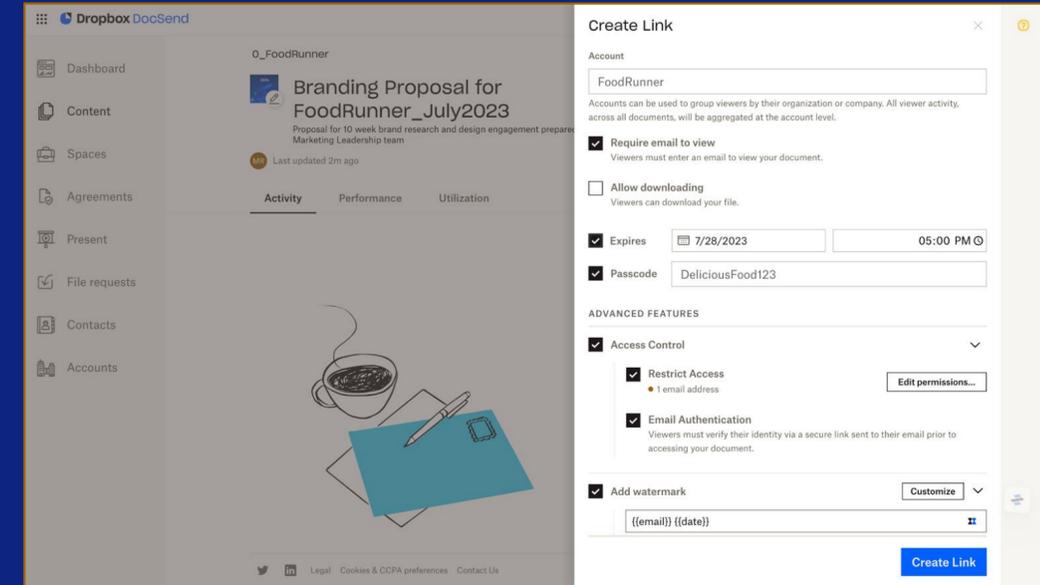
DocSend in Dropbox

- SKUs: Dropbox One
- Audience: Freelancers
- Use case: Proposal management

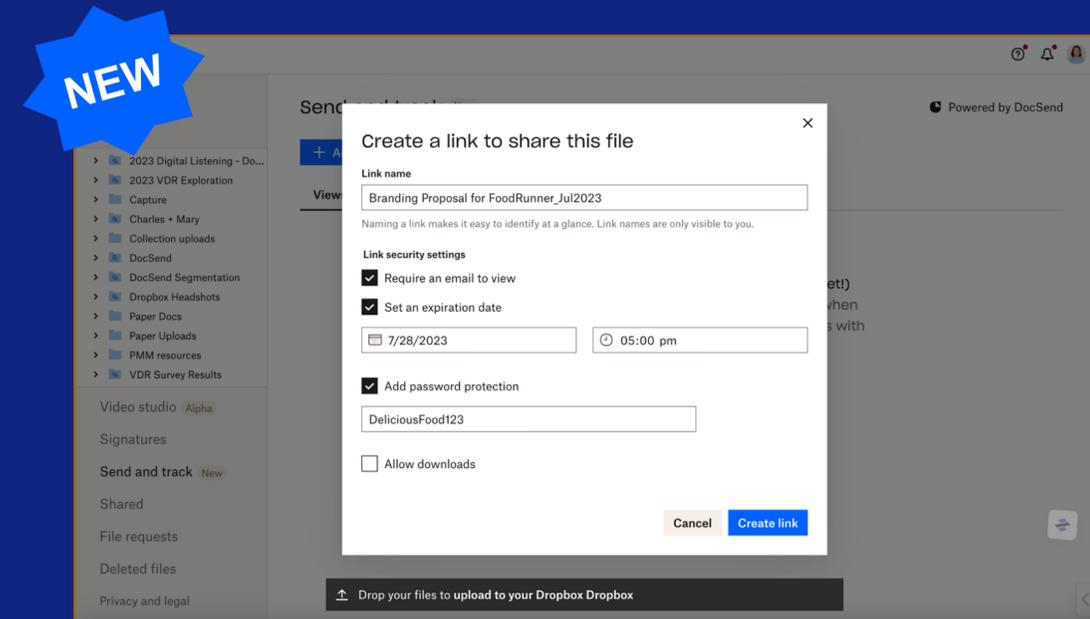
Recent launches

- March 2023: Standardized Terms of Service across Dropbox and DocSend enabling smoother cross-sell
- April 2023: Soft-launched DocSend functionality as “Send and Track” hub in Dropbox One
- June 2023: DocSend website and standalone SKUs available in 13 new languages

Dropbox DocSend



DocSend's 'Create link' experience in DocSend standalone

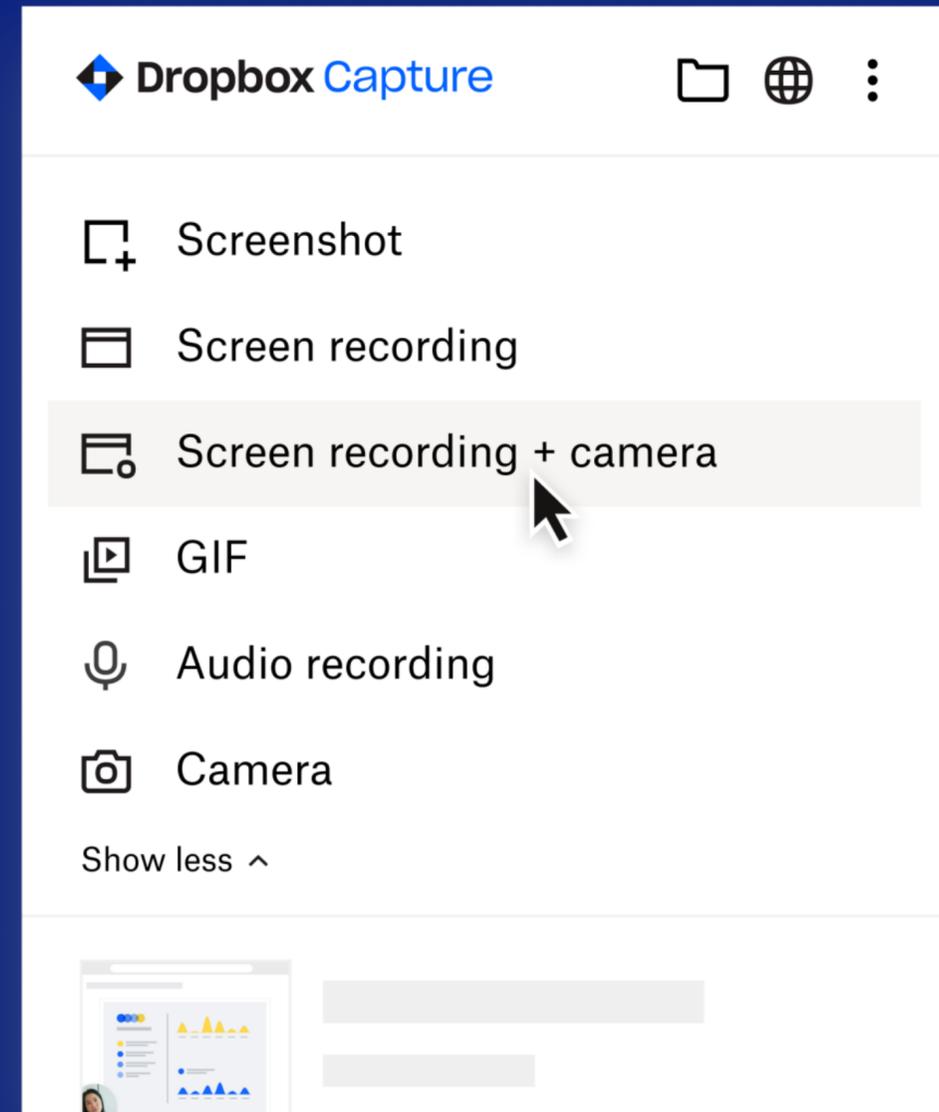


DocSend's 'Create link' experience in Dropbox One

Capture Update



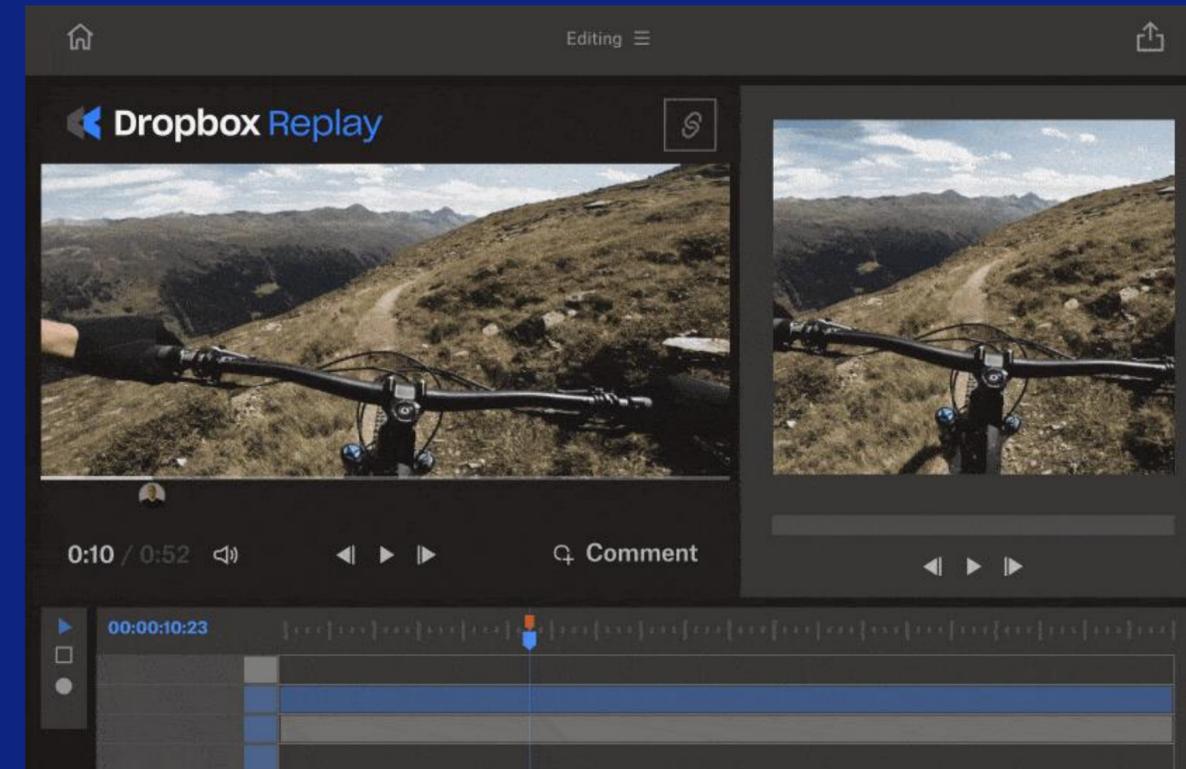
- In October 2022, Capture became available across all Dropbox Plans:
 - Customers on Professional and Team plans can record videos in 4K up to the plan's storage limit and edit videos of any length
 - Customers on Basic, Plus and Family plans get up to two hours of recording time at 1080p and editing for videos under 5 minutes
- Capture customers are creating over 800K captures each month



Replay Update

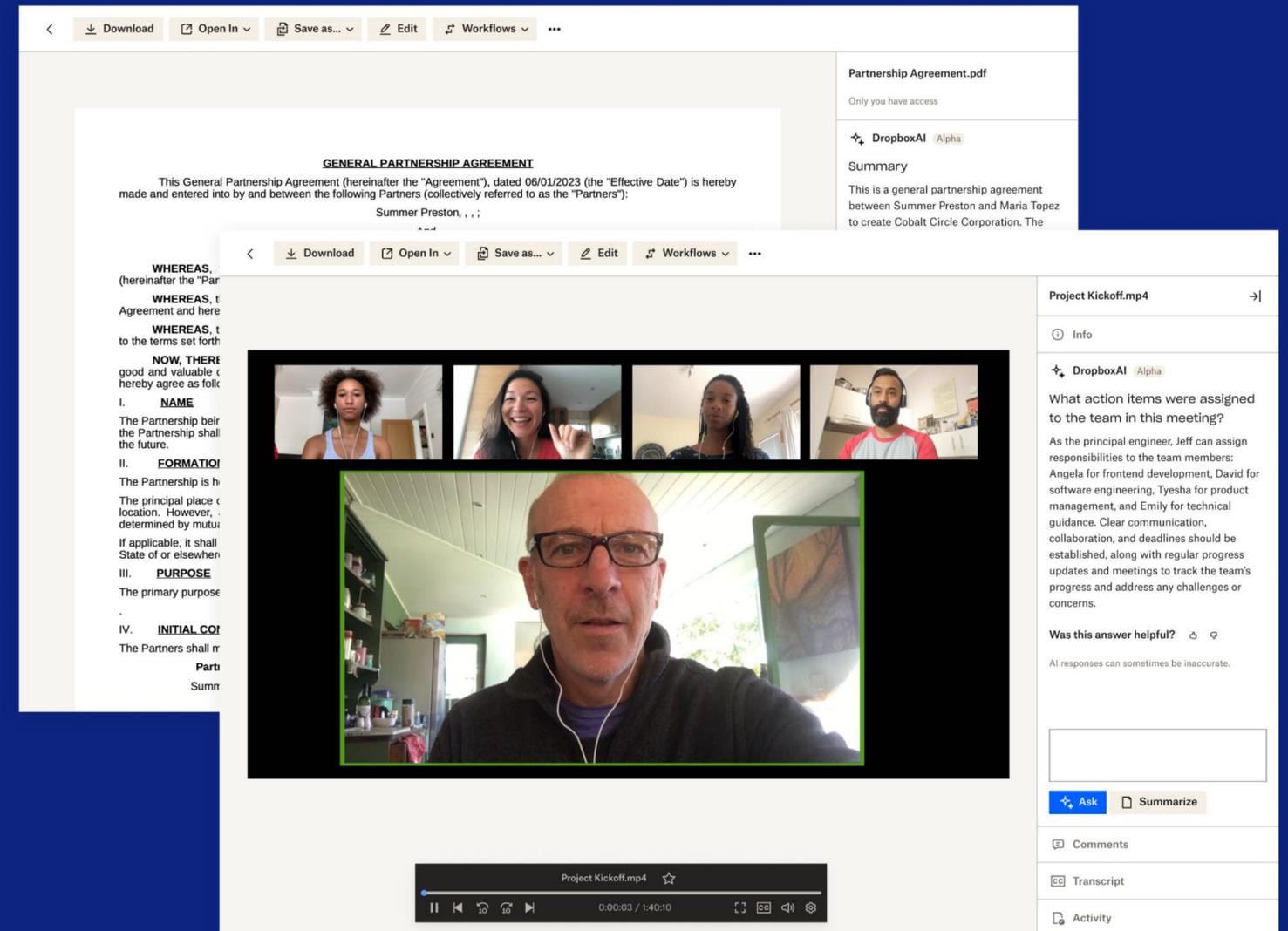


- In April 2023, Replay became available as a Freemium offering across all Dropbox Plans and includes 4 free files
 - It is also available as a paid Add-On for all our paid plans (with the exception of Family plan) with more premium security and collaboration features
- Recent feature launches include:
 - Integration into Adobe After Effects
 - Integration into Apple Final Cut Pro
 - Lossless Audio Playback
 - Side-by-side version comparison



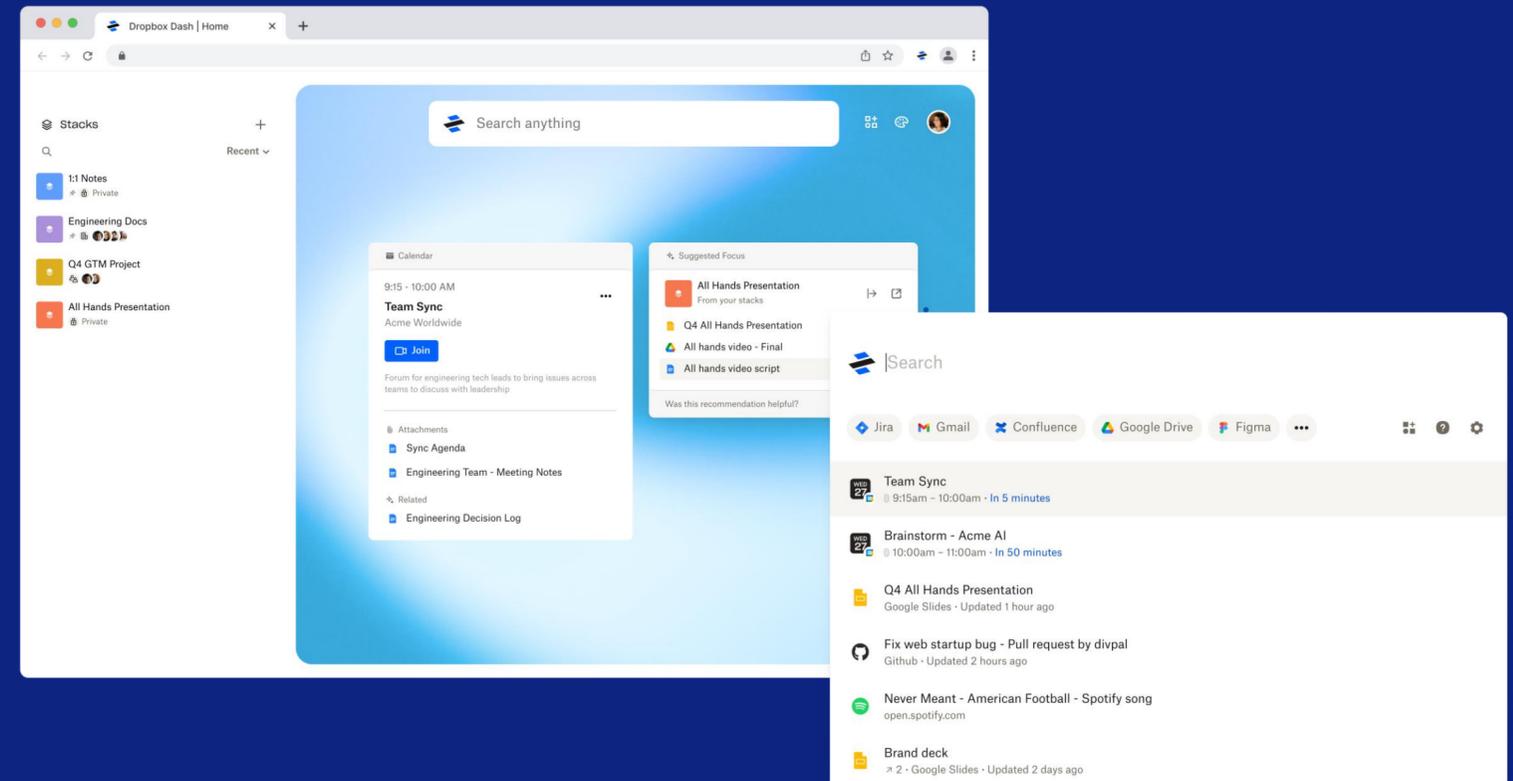
Dropbox AI for file previews

- On 6/21, Dropbox announced that it would be applying Dropbox AI to one of its most highly trafficked web surfaces: file previews
- Dropbox AI for file previews lets users:
 - Quickly understand large documents or videos without parsing through the entire file. With the click of a button, users can summarize their content, like contracts and meeting recordings, into a concise explanation
 - Get information without the hassle of manually searching through large files. Simply ask a question and get a response within seconds
- Dropbox AI for file previews is available in alpha to Dropbox Pro and Dropbox Teams customers in the U.S

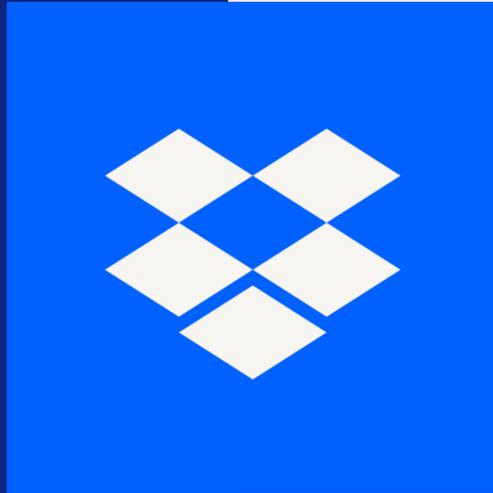


Dropbox Dash

- Introducing Dropbox Dash, your personal universal search tool that allows you to search all your apps, all your tabs, all in one place
- Access the info you need instantly. Search for content across Google Workspace, Microsoft Outlook, Asana, Notion, Salesforce, and more from a single centralized place
- Save time and frustration. Find out what meetings to attend, what files you'll need, and which projects to prioritize from one tab
- Get smart, AI-enhanced organization. Collect and organize all your links in one place



Deep Integration Partners



Google

slack

ATLASSIAN

BetterCloud

Adobe

zoom

Microsoft

salesforce

Environmental, Social, and Governance

Dropbox published its **first ESG Impact Report in October**, which shares data for 2021.



Environmental

Dropbox is committed to fighting climate change 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. As of Dec 2021, we've sourced 100% renewable electricity for our operations, including our data centers.



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

The full report and more information can be found at dropbox.com/esg

Financial Highlights

Financial Highlights

Predictable and balanced financial model

Investing for continued revenue growth

Driving strong operating leverage

Significant share repurchases

Dropbox Financial Strategy: Maintaining Long-Term Targets^{FN1}



80%-82%

Non-GAAP
Gross Margin

\$1 Bn

Free Cash Flow
by 2024

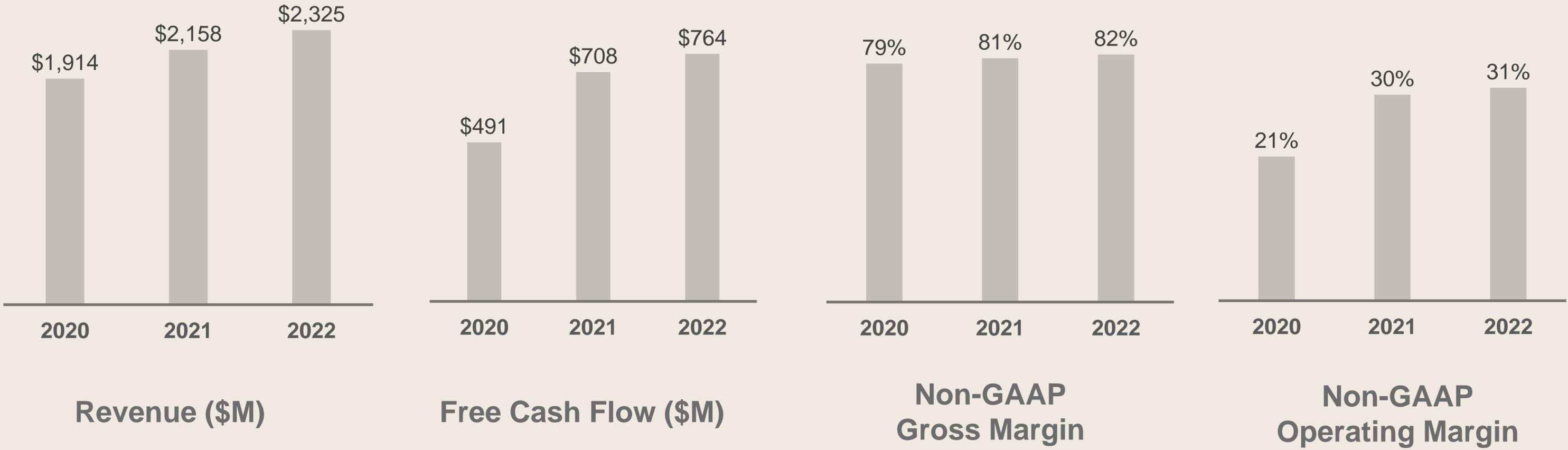
30%-32%

Non-GAAP
Operating Margin

FN1: All descriptions of any future targets in these materials, including, without limitation, on this slide, are described as of August 3, 2023.

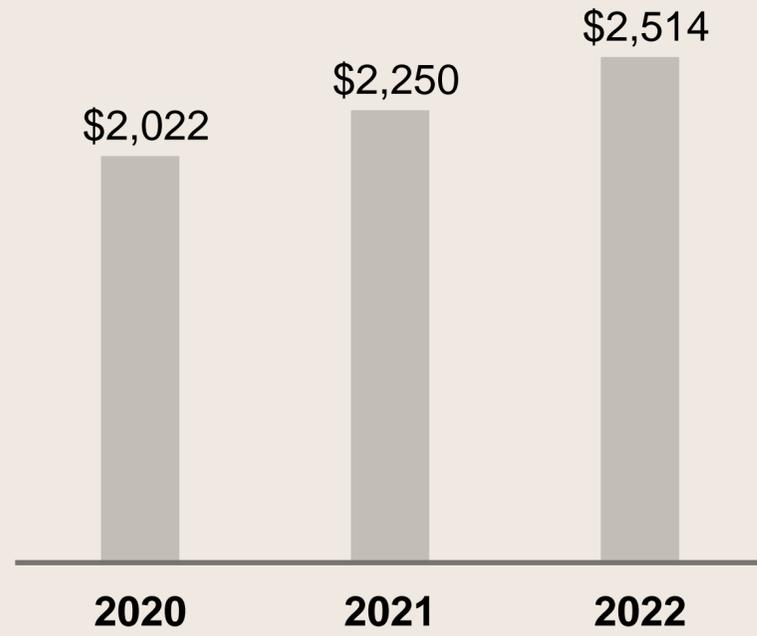
*Note: Operating margin is non-GAAP and excludes stock-based compensation expense and certain non-recurring adjustments. Free cash flow is GAAP net cash provided by operating activities less capital expenditures. See appendix for non-GAAP reconciliation.

Strong Performance at Scale

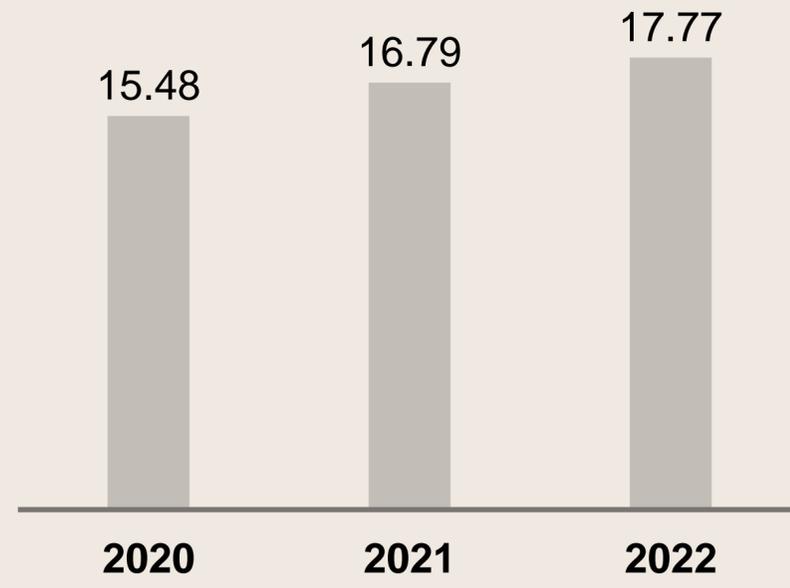


*Note: Non-GAAP gross margin and non-GAAP operating margin exclude stock-based compensation expense and certain non-recurring adjustments. Free cash flow is GAAP net cash provided by operating activities less capital expenditures. See appendix for non-GAAP reconciliation.

Key Metrics



CC ARR (\$M)



Paying Users (MM)



ARPU (\$)

Q2'23 Financial Highlights



Revenue (\$M)



— Non-GAAP operating margin

Operating Income (\$M)

Operating Leverage



Proprietary Infrastructure



Virtual First



Workforce Optimization

Long-Term Target Model

Non-GAAP	2020	2021	2022	Long-Term target
Gross Margin	79%	81%	82%	80 - 82%
R&D expense as % of revenue	28%	25%	28%	23 - 25%
S&M expense as % of revenue	20%	18%	16%	18 - 20%
G&A expense as % of revenue	10%	8%	7%	8 - 10%
Operating margin	21%	30%	31%	30 - 32%
Annual Free Cash Flow	\$491M	\$708M	\$764M	\$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. 31

Appendix

Non-GAAP reconciliation

	2020	Twelve Months Ended		
		2021		2022
Income (loss) from operations - GAAP	\$ (277.0)	\$ 274.4	\$ 181.3	
Stock-based compensation	261.5	287.1	330.7	
Acquisition-related and other expenses	16.9	26.8	18.0	
Amortization of acquired intangible assets	9.5	13.1	13.8	
Impairment related to real estate assets	398.2	31.3	175.2	
Workforce reduction expense	—	14.3	—	
Income from operations - Non-GAAP	<u>\$ 409.1</u>	<u>\$ 647.0</u>	<u>\$ 719.0</u>	
<i>Non-GAAP operating margin</i>	<i>21.4 %</i>	<i>30.0 %</i>	<i>30.9 %</i>	

Non-GAAP reconciliation

	Three Months Ended	
	June 30, 2022	June 30, 2023
Income from operations - GAAP	\$ 82.9	\$ 56.5
Stock-based compensation	85.0	95.3
Acquisition-related and other expenses	3.2	14.6
Amortization of acquired intangible assets	3.1	7.0
Impairment related to real estate assets	8.7	2.2
Workforce reduction expense	—	37.5
Income from operations - Non-GAAP	\$ 182.9	\$ 213.1
<i>Non-GAAP operating margin</i>	<i>31.9 %</i>	<i>34.2 %</i>

Free cash flow reconciliation

	Twelve Months Ended		
	2020	2021	2022
Net Cash provided by operating activities	\$ 570.8	\$ 729.8	\$ 797.3
Capital expenditures	(80.1)	(22.1)	(33.8)
Free cash flow	\$ 490.7	\$ 707.7	\$ 763.5

Non-GAAP reconciliation

Three Months Ended June 30, 2023

	GAAP	Stock based compensation	Acquisition- related and other expenses	Amortization of acquired intangible assets	Impairment related to real estate assets	Workforce reduction expense	Non-GAAP
Gross profit	\$ 502.4	\$ 6.4	\$ —	\$ 3.6	\$ —	\$ 2.7	\$ 515.1
<i>Gross margin</i>	81 %	1 %	— %	1 %	— %	— %	83 %
Research and development	262.8	(67.4)	(7.9)	—	—	(27.0)	160.5
<i>Research and development margin</i>	42 %	(11%)	(1%)	— %	— %	(4%)	26 %
Sales and marketing	120.9	(6.3)	(6.6)	(3.4)	—	(6.3)	98.3
<i>Sales and marketing margin</i>	19 %	(1%)	(1%)	(1%)	— %	(1%)	16 %
General and administrative	60.0	(15.2)	(0.1)	—	—	(1.5)	43.2
<i>General and administrative margin</i>	10 %	(2%)	— %	— %	— %	— %	7 %
Impairment related to real estate assets	2.2	—	—	—	(2.2)	—	—
<i>Impairment related to real estate assets</i>	— %	— %	— %	— %	— %	— %	— %
Income from operations	56.5	95.3	14.6	7.0	2.2	37.5	213.1
<i>Operating margin</i>	9 %	15 %	2 %	1 %	— %	6 %	34 %

Note: % are rounded for presentation purposes

Non-GAAP reconciliation

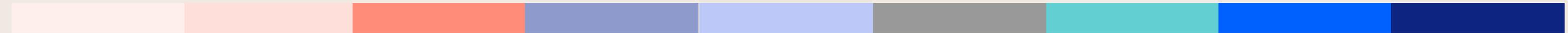
	Three Months Ended June 30, 2022						Non-GAAP
	GAAP	Stock based compensation	Acquisition-related and other expenses	Amortization of acquired intangible assets	Impairment related to real estate assets		
Gross profit	\$ 466.9	\$ 6.7	\$ —	\$ 1.9	\$ —	\$ 475.5	
<i>Gross margin</i>	82 %	1 %	— %	— %	— %	83 %	
Research and development	215.0	(58.5)	(1.4)	—	—	155.1	
<i>Research and development margin</i>	38 %	(10%)	— %	— %	— %	27 %	
Sales and marketing	105.0	(5.9)	(1.7)	(1.2)	—	96.2	
<i>Sales and marketing margin</i>	18 %	(1%)	— %	— %	— %	17 %	
General and administrative	55.3	(13.9)	(0.1)	—	—	41.3	
<i>General and administrative margin</i>	10 %	(2%)	— %	— %	— %	7 %	
Impairment related to real estate assets	8.7	—	—	—	(8.7)	—	
<i>Impairment related to real estate assets margin</i>	2 %	— %	— %	— %	(2%)	— %	
Income from operations	82.9	85.0	3.2	3.1	8.7	182.9	
<i>Operating margin</i>	14 %	15 %	1 %	1 %	2 %	32 %	

Note: % are rounded for presentation purposes

Dropbox subscription plans

Personal

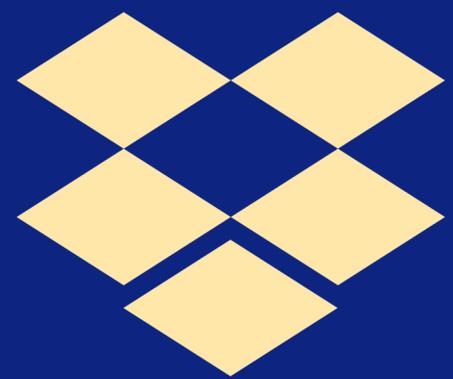
Business



	Basic	Plus	Family	Professional	Pro + eSign	Standard	Standard + DocSend	Advanced	Enterprise
Price	Free	\$11.99 / month \$119.88 / year	\$19.99 / month \$203.88 / year	\$19.99 / month \$198.96 / year	\$31.99 / month \$299.88 / year	\$18.00 / user / month \$180.00 / user / year <i>3 users minimum</i>	\$83 / user / month \$600 / user / year <i>3 users minimum</i>	\$30.00 / user / month \$288.00 / user / year <i>3 users minimum</i>	Negotiated pricing
Features	Dropbox Transfer* Dropbox Paper Dropbox Computer Backup File requests 30 day version history 3 Sign eSignatures Dropbox Passwords Dropbox Capture*	Everything in Basic Full text search Vault* Offline mobile folders Dropbox Rewind Remote device wipe Smart Sync and Smart Sync Auto-Evict Priority email support	Everything in Plus Up to 6 users Family Room folder	Everything in Plus Auto OCR & Image search Shared link controls Branded sharing Adv. Dropbox Transfer* 180 day version history Premium previews Time-based comments Document watermarking Viewer history Traffic and insights Adv. Dropbox Capture* Live chat support	Everything in Pro Unlimited Sign eSignatures 5 templates for commonly signed documents Tamper-proofing Audit trail that tracks and time-stamps actions Built in data validation Sharing tracking analytics powered by DocSend	Everything in Plus External sharing reporting Auto OCR & Image Search Document Watermarking Shared link controls Branded sharing Adv. Dropbox Capture* 180 day version history Team folders Admin console Granular permissions Enables HIPAA compliance Unlimited API access** Priority email + live chat support	Everything in Standard Real-time document analytics Multiple documents with a single link Passcodes and email verification Approved viewer and domain lists Virtual Data Room folders	Everything in Standard Ransomware detection & recovery Adv. Dropbox Transfer* 1-year Extended version history Premium previews Time-based comments Viewer history Single sign-on integration (SSO) Audit logs Device approvals Tiered admin roles Business hours phone support	Everything in Advanced Enterprise mobility management (EMM) Network control Domain insights and account capture 24/7 phone support and advanced training
Storage	2GB of storage	2TB storage	2TB storage	3TB storage	3TB storage	5TB storage (pooled)	5TB storage (pooled)	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. Basic, Plus, and Family only have 2 hours of Capture recording time. Pro, Standard and Advanced have unlimited Capture recording time and editing features.

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



Dropbox