

# Non-GAAP reconciliation

## Adjusted Free Cash Flow

	Twelve Months Ended			FY 2019 Guidance (mid-point)
	December 31, 2016	December 31, 2017	December 31, 2018	
Revenue	\$ 844.8	\$ 1,106.8	\$ 1,391.7	\$ 1,651.0
Operating cash flow	252.6	330.3	425.4	545.0
Capital expenditures	\$ (115.2)	\$ (25.3)	\$ (63.0)	\$ (165.0)
Free cash flow	137.4	305.0	362.4	380.0
Headquarter capex, net of TIAs received	-	-	32.9	75.0
Adjusted free cash flow	\$ 137.4	\$ 305.0	\$ 395.3	\$ 455.0
<i>Adjusted free cash flow margin</i>	16%	28%	28%	28%

Note: Guidance for: Revenue, Capital Expenditures, Free Cash Flow, and Headquarter capex, net of TIAs received reflect midpoint of guidance ranges provided during Dropbox Q2 2019 Earnings Call on August 8, 2019.

# Non-GAAP reconciliation

## Gross Margin

	Three Months Ended						
	December 31, 2017	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018	March 31, 2019	June 30, 2019
Gross profit	\$ 213.8	\$ 195.7	\$ 249.7	\$ 270.1	\$ 281.5	\$ 287.2	\$ 298.6
GAAP gross margin	70.0%	61.9%	73.6%	75.0%	74.9%	74.5%	74.4%
Stock-based compensation	2.9	37.8	2.9	3.2	3.1	3.0	4.7
Stock-based compensation % of revenue	0.9%	12.0%	0.9%	0.9%	0.8%	0.8%	1.2%
Employer payroll taxes related to the release of two-tier RSUs	-	1.1	-	-	-	-	-
Employer payroll taxes related to the release of two-tier RSUs % of revenue	-	0.3%	-	-	-	-	-
Intangibles amortization	-	-	-	-	-	0.6	0.9
Intangibles amortization % of revenue	-	-	-	-	-	0.2%	0.2%
Non-GAAP gross profit	\$ 216.7	\$ 234.6	\$ 252.6	\$ 273.3	\$ 284.6	\$ 290.8	\$ 304.2
Non-GAAP gross margin	70.9%	74.2%	74.5%	75.9%	75.7%	75.4%	75.8%

# Non-GAAP reconciliation

## Operating Margin

	Three Months Ended						
	December 31, 2017	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018	March 31, 2019	June 30, 2019
GAAP income (loss) from operations	\$ (37.3)	\$ (465.9)	\$ (7.2)	\$ (8.9)	\$ (12.0)	\$ (21.3)	\$ (34.0)
GAAP operating margin	(12.2)%	(147.3)%	(2.1)%	(2.5)%	(3.2)%	(5.5)%	(8.5)%
Stock-based compensation	47.4	486.5	55.1	55.0	53.5	55.6	68.1
Stock-based compensation % of revenue	15.5%	153.8%	16.2%	15.3%	14.2%	14.4%	17.1%
Acquisition-related and other expenses	-	-	-	-	-	3.3	4.1
Acquisition-related and other expenses % of revenue	-	-	-	-	-	0.9%	1.0%
Donations of common stock to the Dropbox Foundation	-	-	-	-	-	-	-
Donations of common stock to the Dropbox Foundation % of revenue	-	-	-	-	-	-	-
Intangibles amortization	-	-	-	-	-	1.4	2.3
Intangibles amortization % of revenue	-	-	-	-	-	0.4%	0.5%
Employer payroll taxes related to the release of two-tier RSUs	-	13.9	-	-	-	-	-
Employer payroll taxes related to the release of two-tier RSUs % of revenue	-	4.4%	-	-	-	-	-
Non-GAAP income (loss) from operations	\$ 10.1	\$ 34.5	\$ 47.9	\$ 46.1	\$ 41.5	\$ 39.0	\$ 40.5
Non-GAAP operating margin	3.3%	10.9%	14.1%	12.8%	11.0%	10.1%	10.1%