



Dropbox

Company Presentation
May 2022

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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*

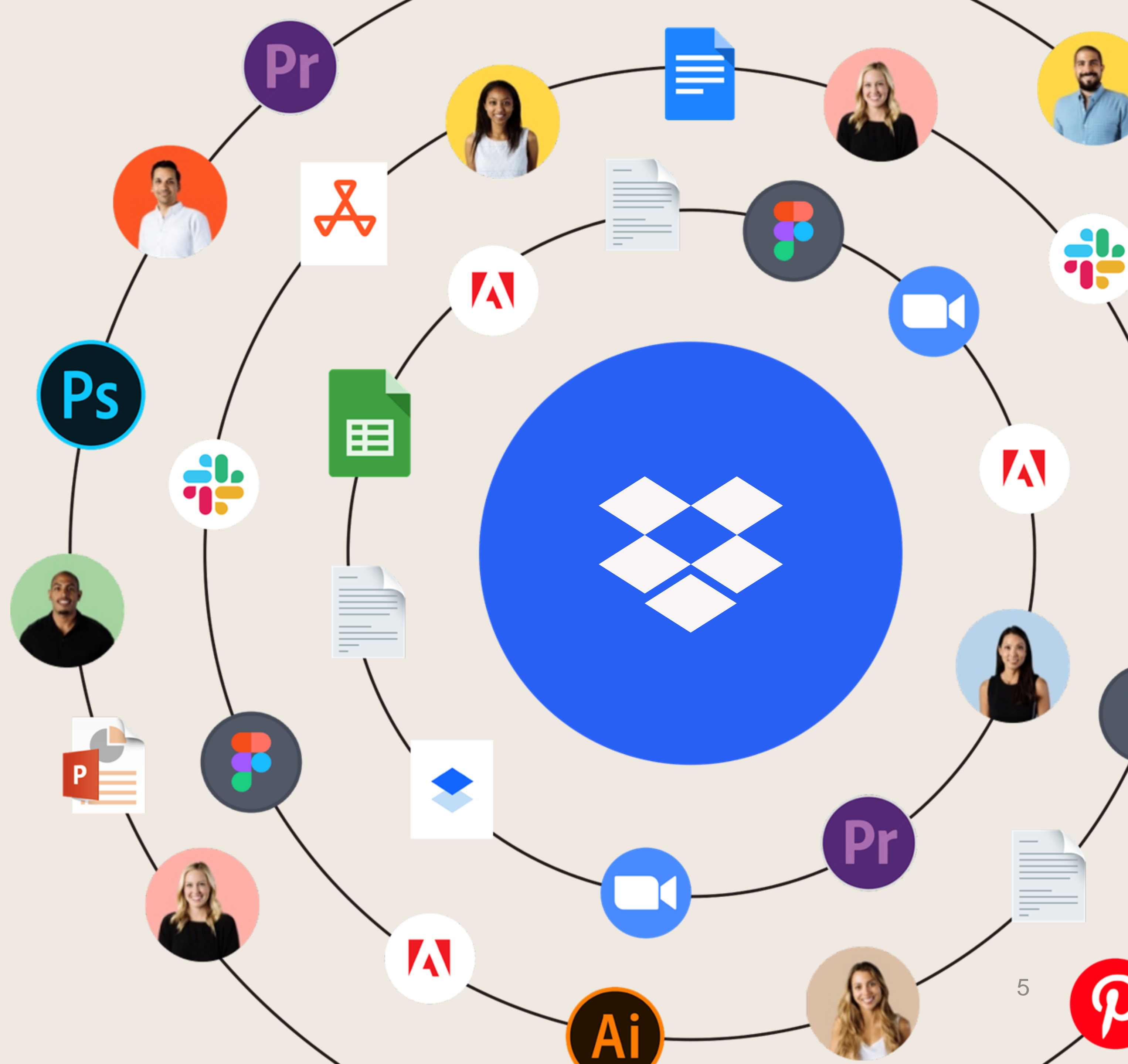
700M+
registered users

800B+
pieces of content

17.09M
paying users

80%
of subscribers use us for work

*Data as of 3/31/22



Keeping Files in Sync

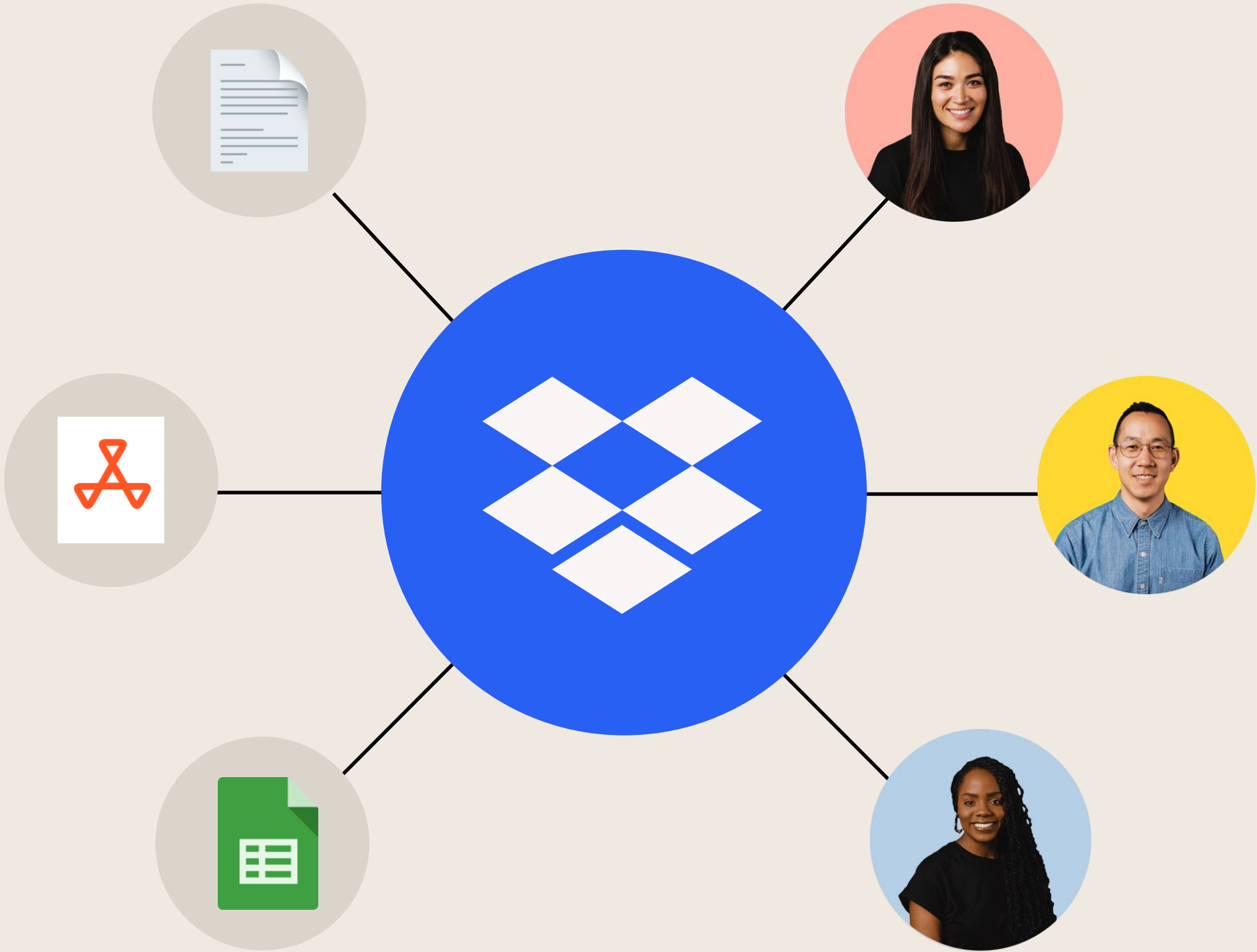
Keeping Teams in Sync

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

Our Product Portfolio



Individuals

Teams

Basic

Plus

Professional

Backup

Family

Standard

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

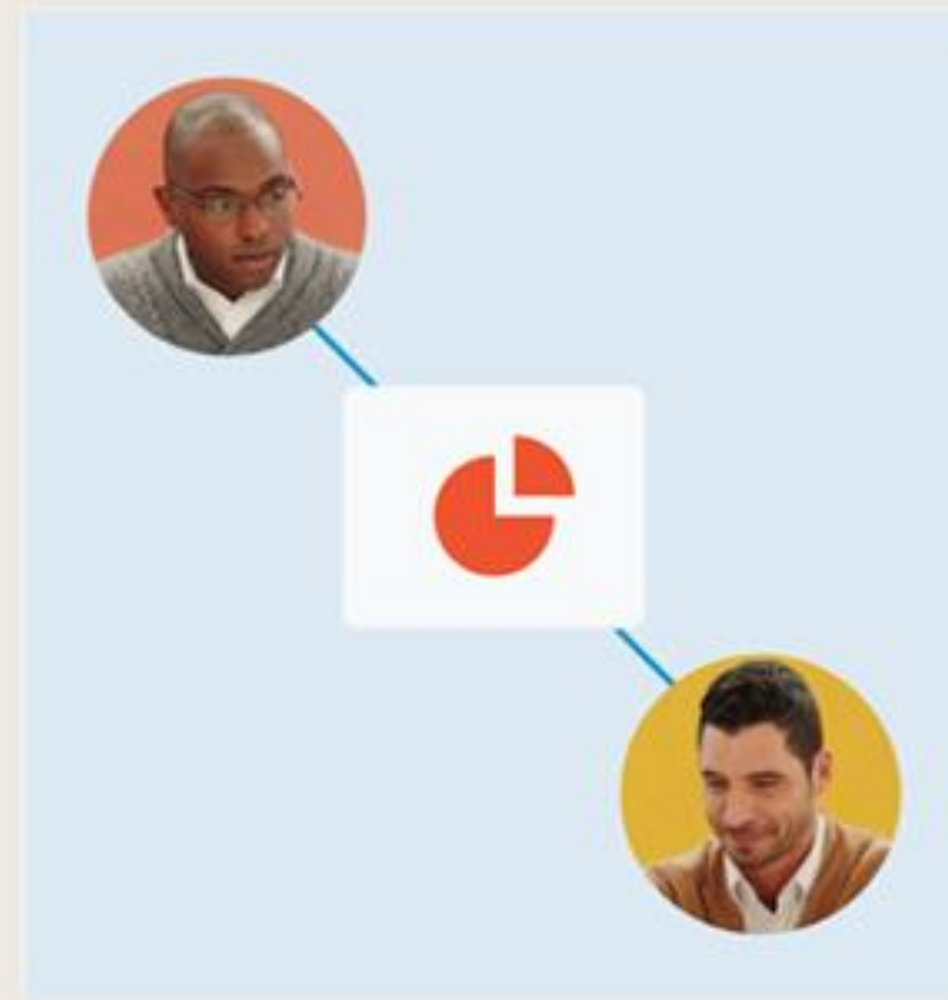
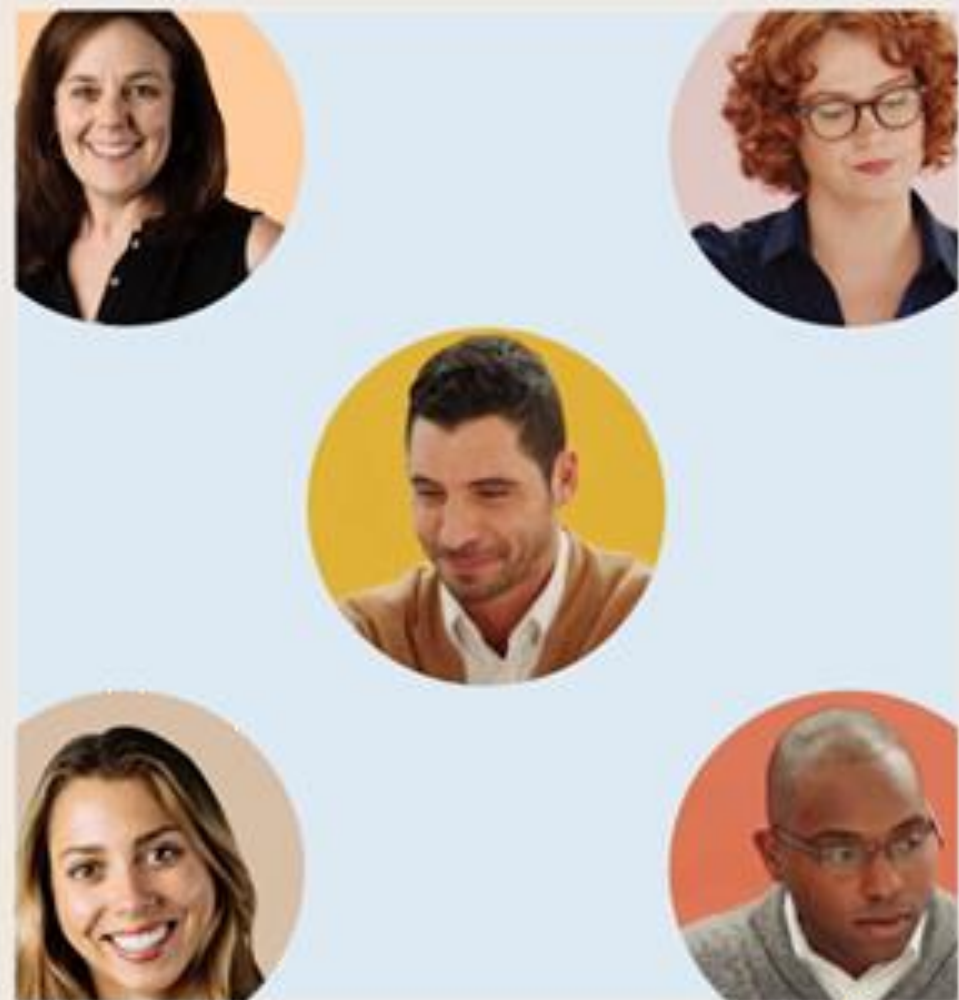
Efficient Go-to-Market

Land

Adopt organically

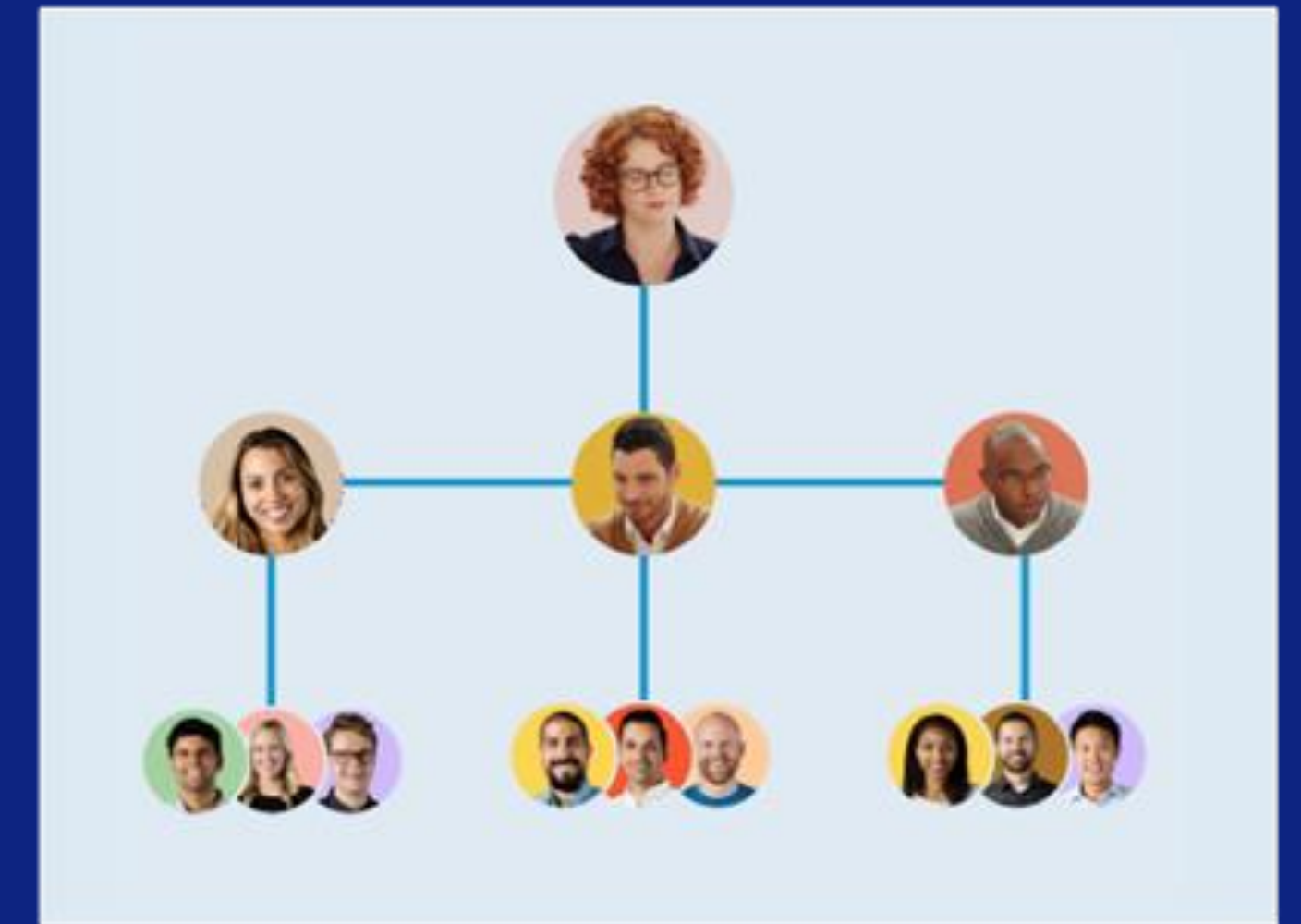
Land within companies

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 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

New Product Experiences

Dropbox introduces new product experiences for distributed teams and creatives



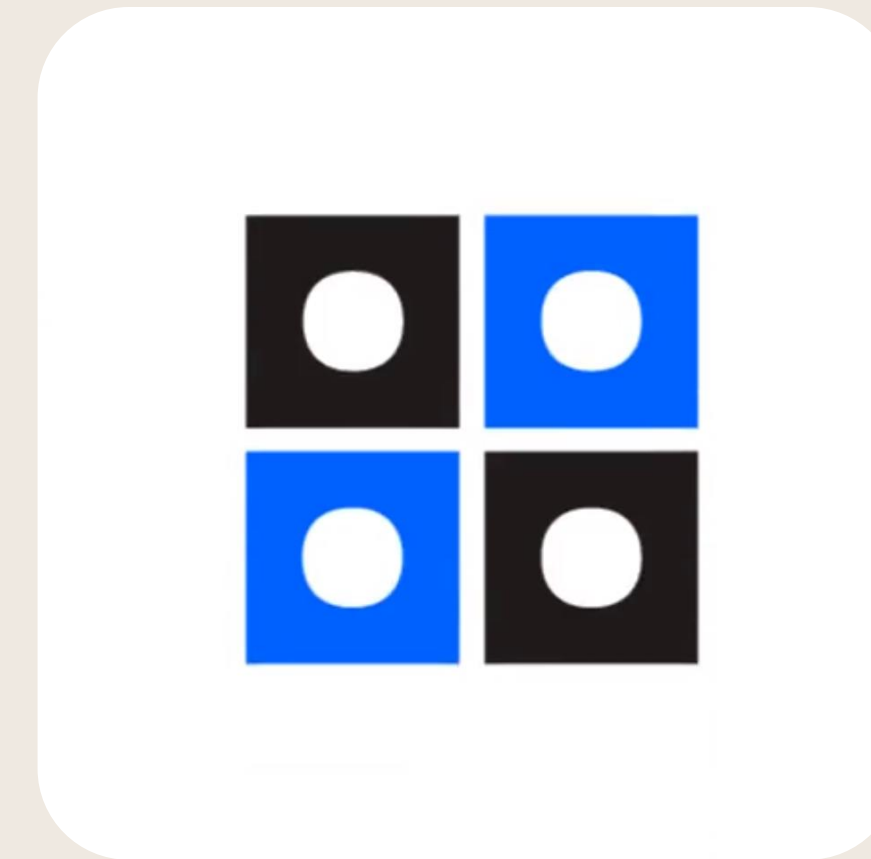
Capture

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

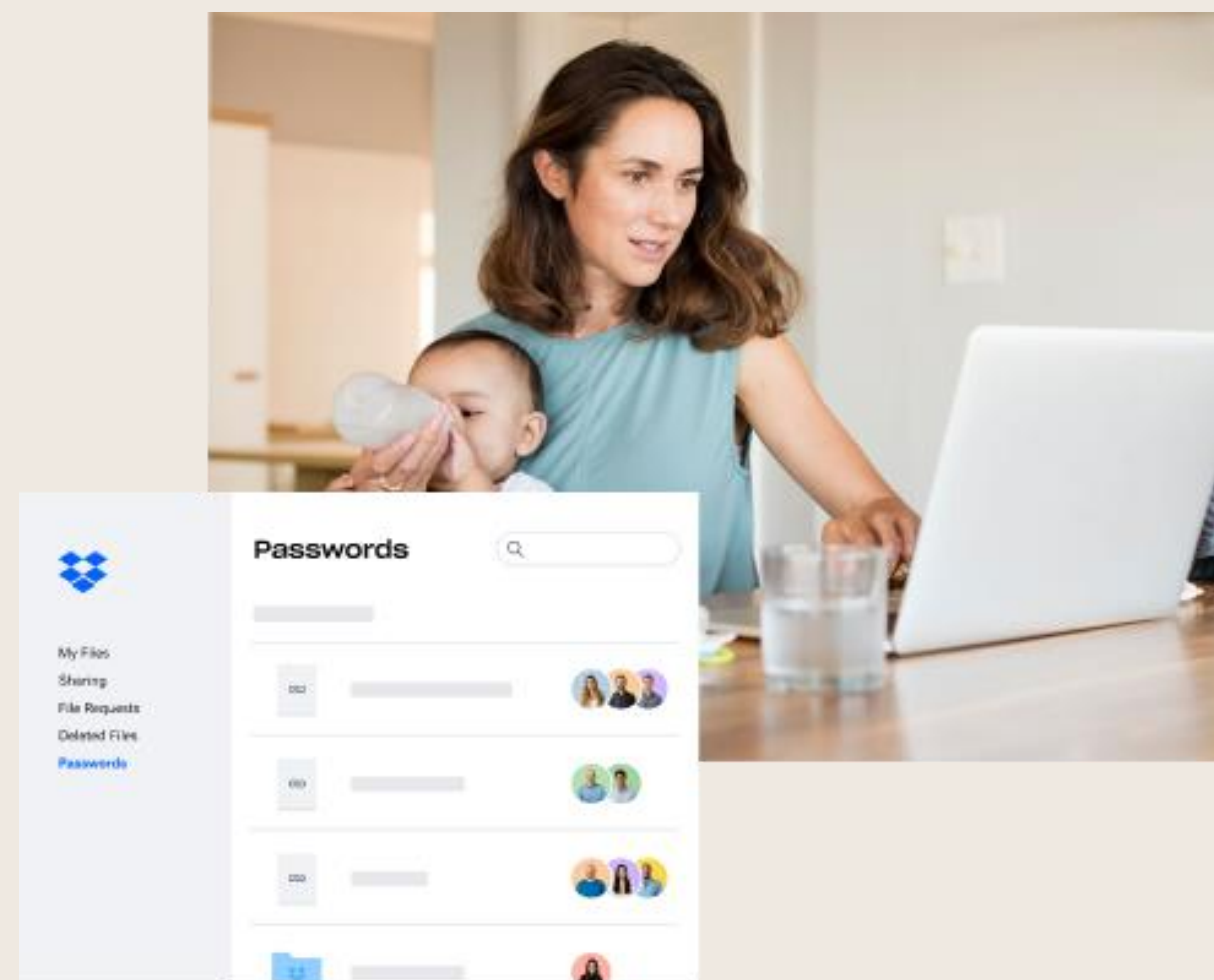


Shop

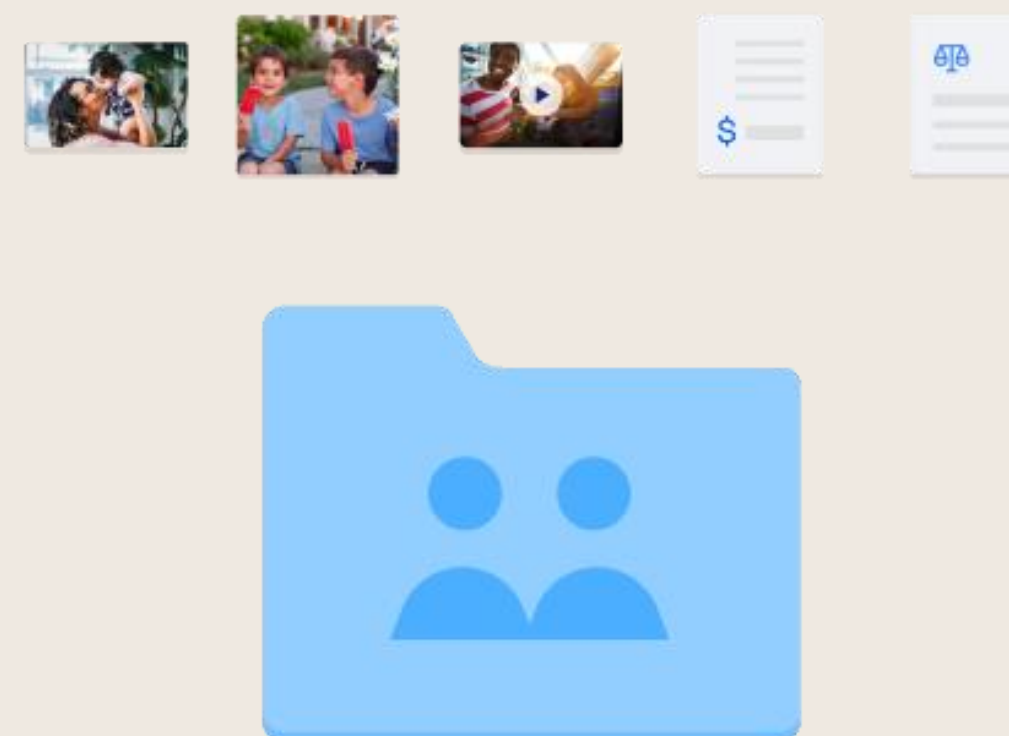
A platform to sell digital content creations that users store in their Dropbox

Dropbox Family Plan

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

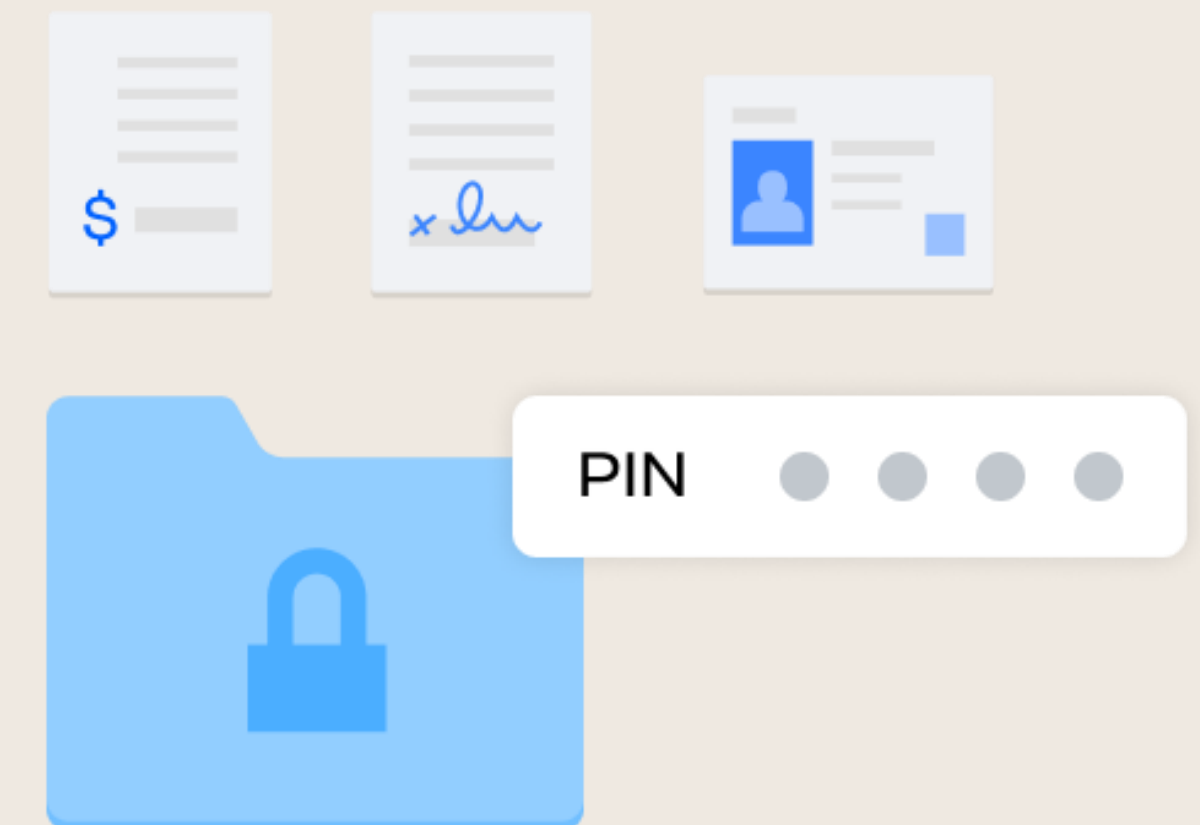


Manage what matters most



Family Room

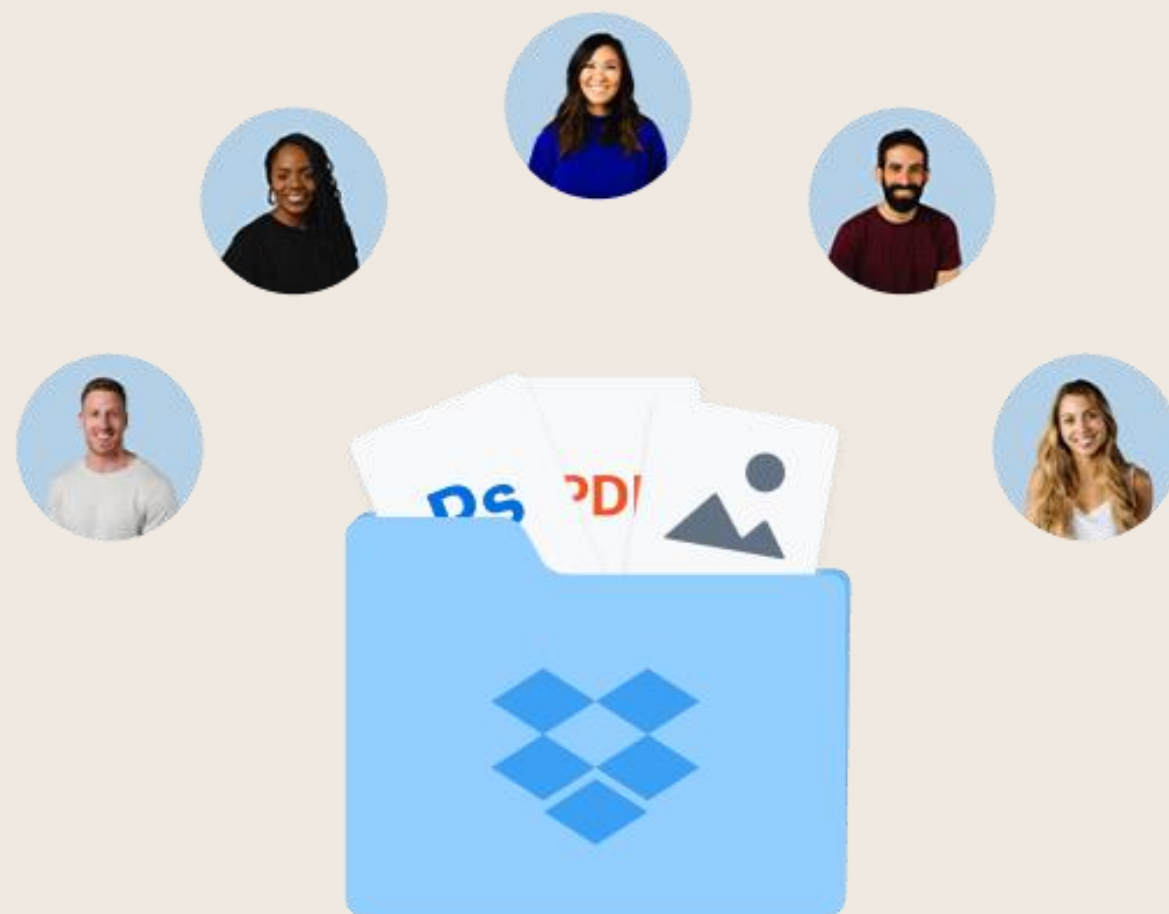
Keep your family connected



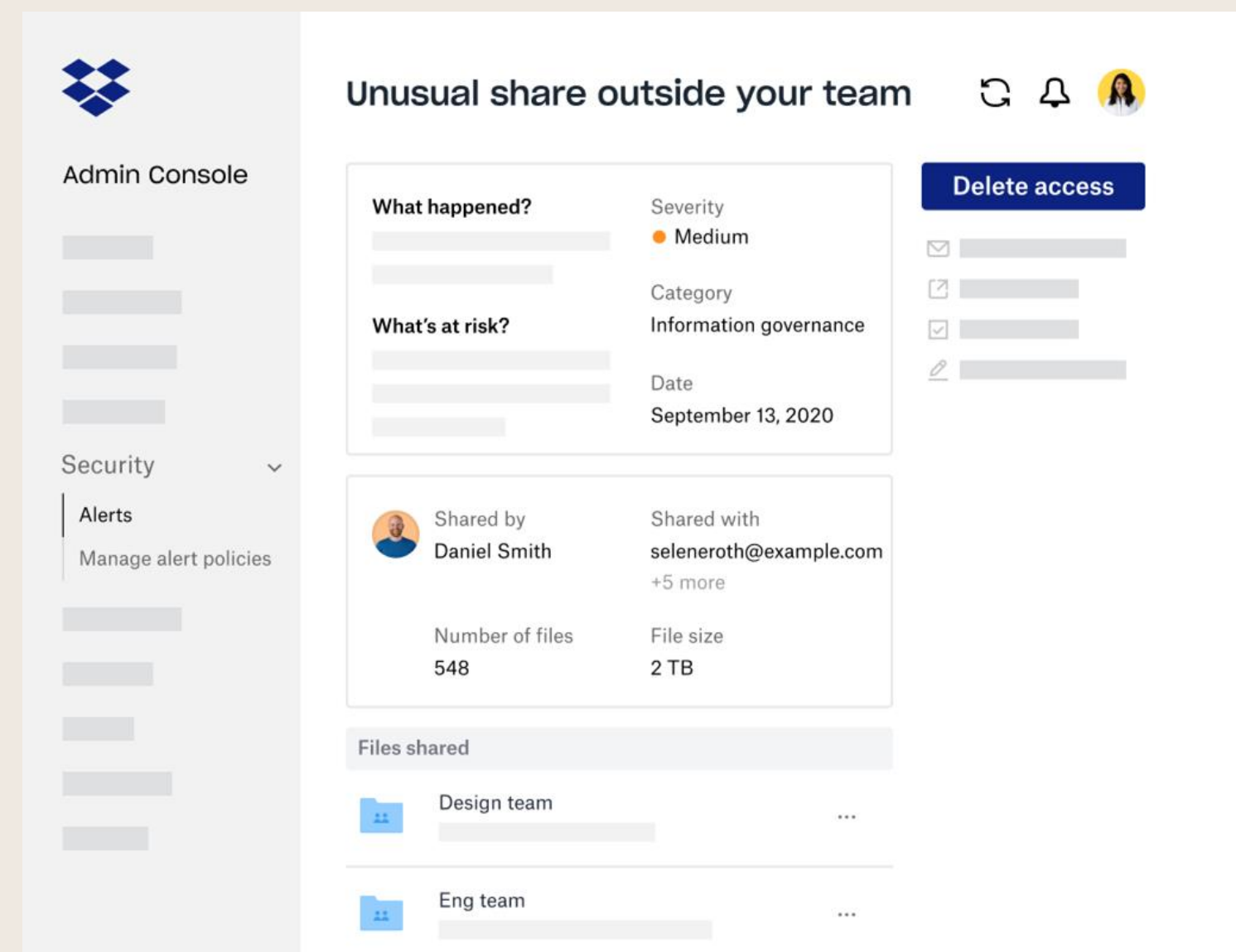
Keep sensitive info safe

Dropbox Business

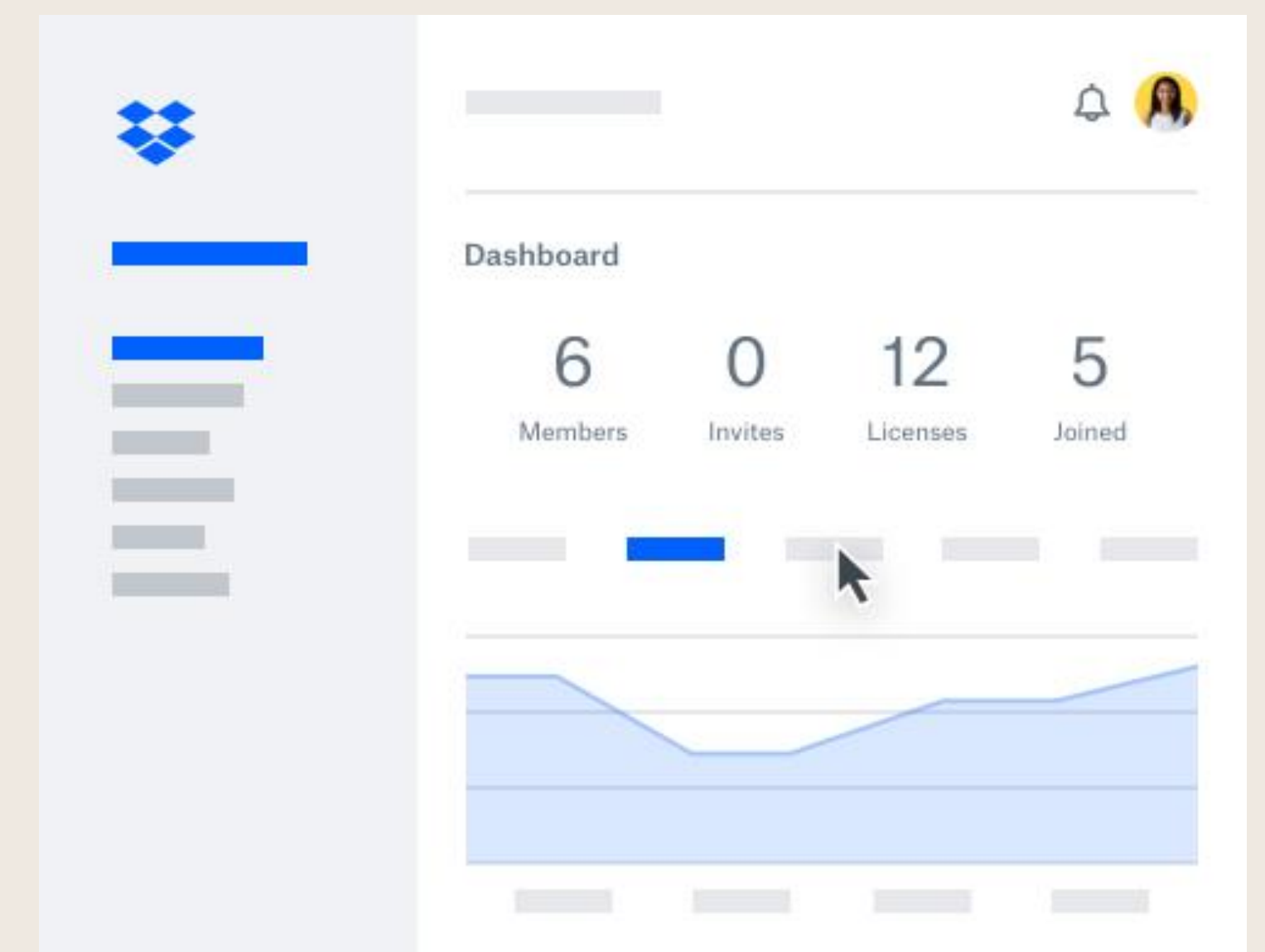
- Organize and centralize content around the needs of your team
- Collaborate in shared workspaces and streamline workflows
- Secure company data through visibility into content access and sharing



Shared team workspace




Data governance and audit logs



Team management & centralized billing


Dropbox Business Teams Expansion

- Dropbox now has over 600K paid plans for business teams (“Teams plans”)
- 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

☒

- @hanfordinc.com email match
- Your team has shared 7 folders with them
- Your team has worked with them since Aug 3, 2020

 Zoe


☒

- 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.


Not now

Invite



**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.

Not now

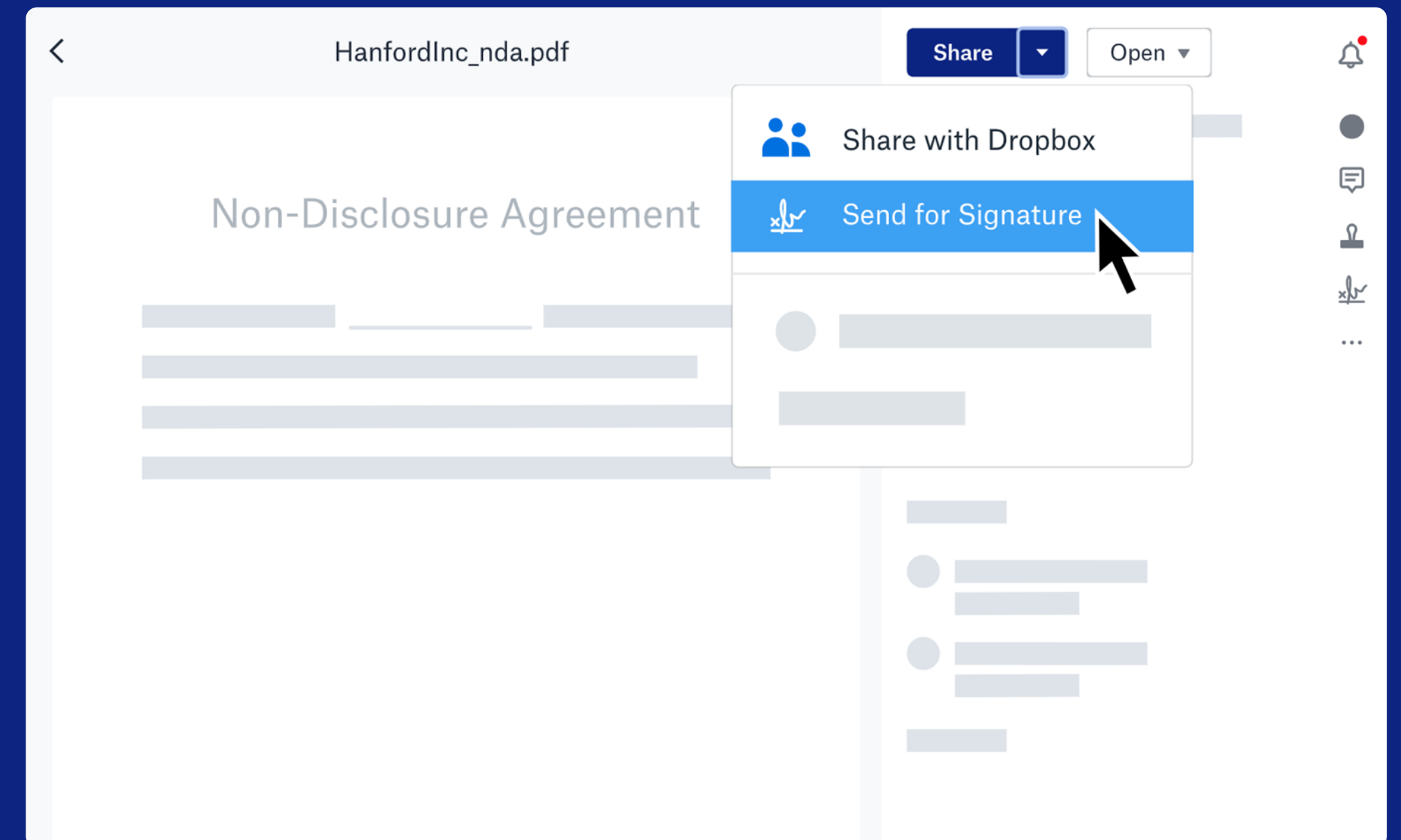
Request invite

~35%
of paying users are on
Teams plans

HelloSign Update



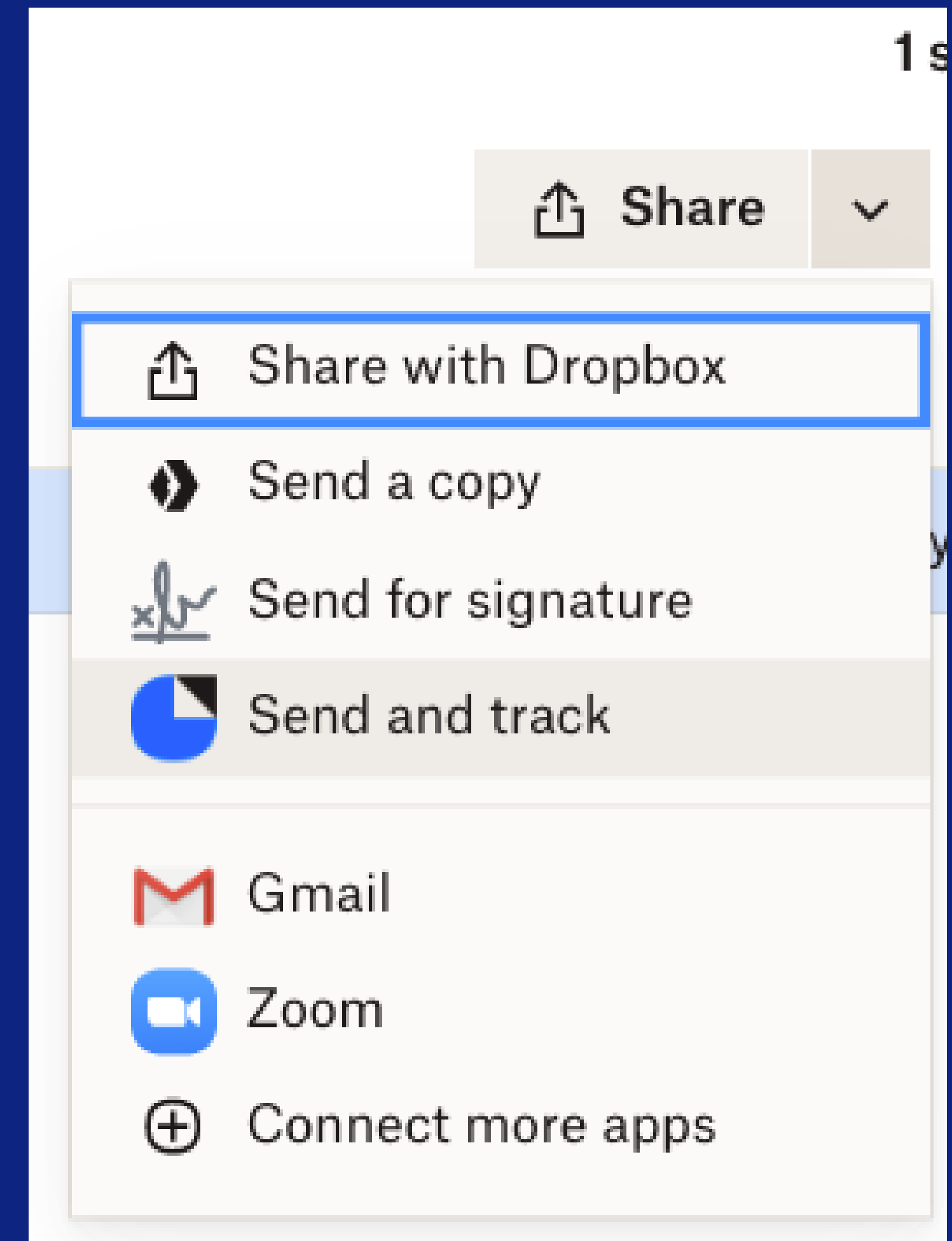
- HelloSign launched HelloSign Templates
- HelloSign now integrates with Microsoft SharePoint
- Launched the HelloSign Mobile App
- Introduced paid premium support
- HelloSign is available in 21 additional languages



DocSend Update



- DocSend is a full suite of self-serve products to manage document sharing and analytics through real-time controls and insights for:
 - Virtual data rooms for fundraising
 - M&A
 - Sales and marketing
 - Investor relations
- DocSend launched DocSend Dashboard Analytics
- Bundled Dropbox Teams + DocSend offer launched in early 2022
- Rebranded Dropbox DocSend brings our offerings into a more seamless experience
- We are investing in adding new functionality into DocSend's adjacent workflows and continuing to improve the user experience



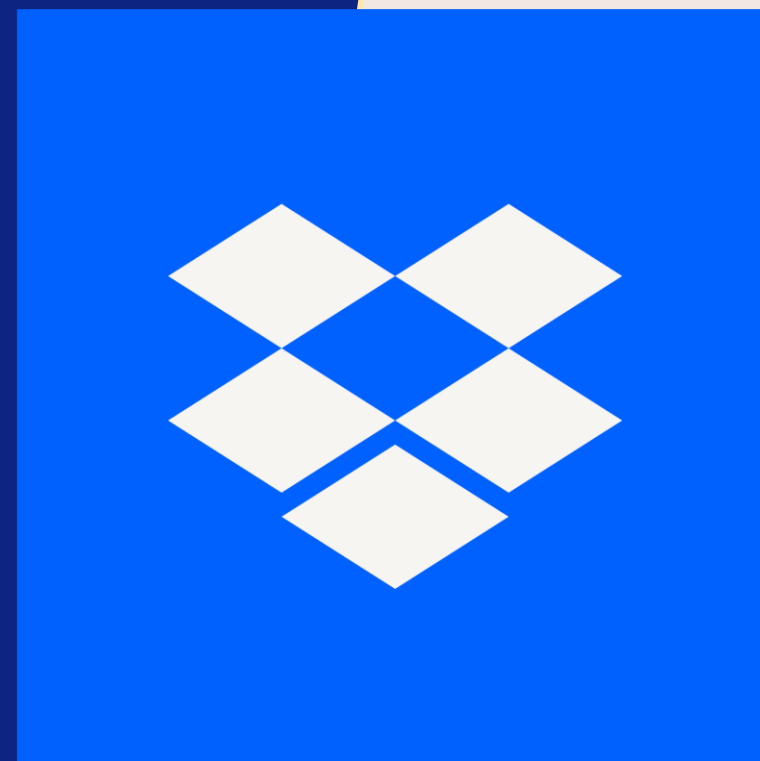
Dropbox + Command E

Accelerating the Dropbox vision to become one organized place for content and all workflows around it

- Command E is a universal search tool that allows users to quickly locate & access content across numerous apps and could content



Deep Integration Partners



Google

slack

ATLASSIAN

BetterCloud

Adobe

zoom

Microsoft

salesforce

Environmental, Social, and Governance



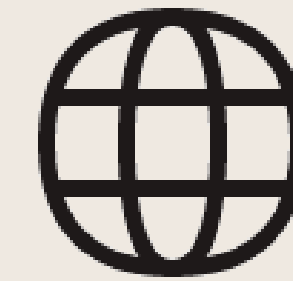
Environmental

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

Financial Highlights

Financial Highlights

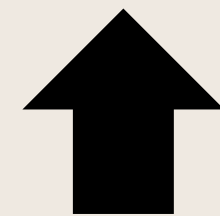
Predictable and balanced financial model

Investing for continued revenue growth

Driving strong operating leverage

Significant share repurchases

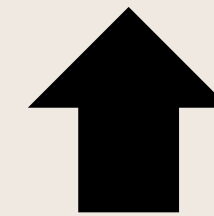
Dropbox Financial Strategy: Maintaining LT Margin Targets



80%-82%
Non-GAAP
Gross Margin

\$1 Bn

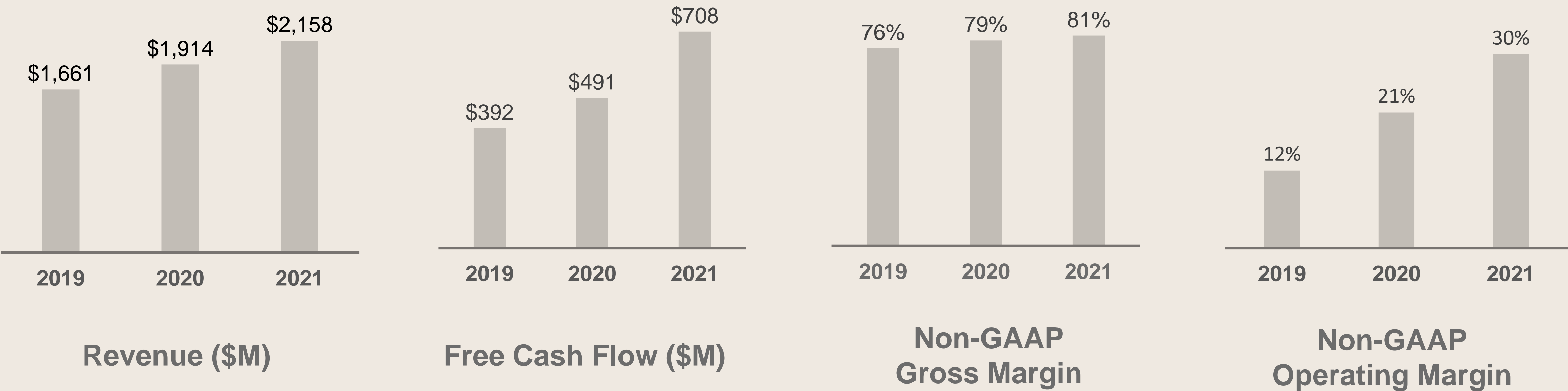
Free Cash Flow
by 2024



30%-32%
Non-GAAP
Operating Margin

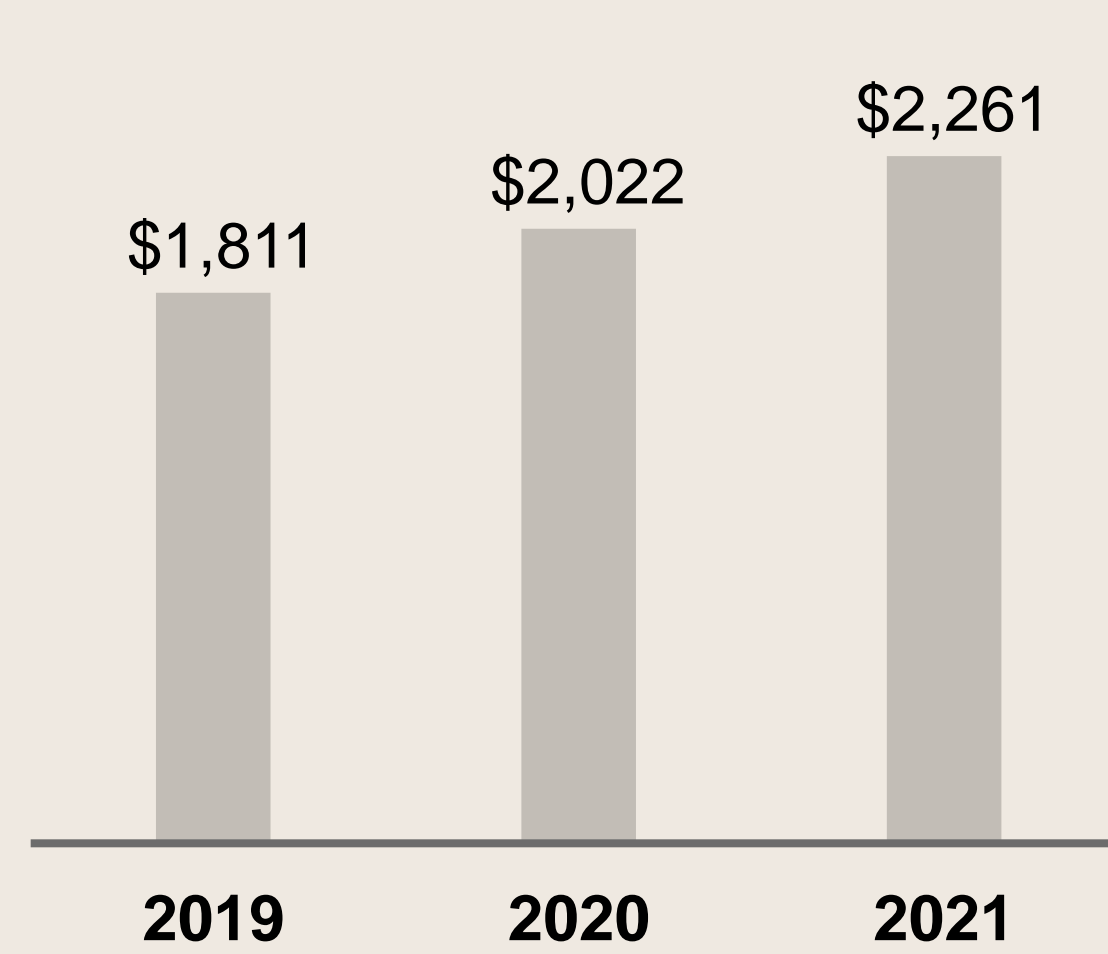
*Note: Operating margin is non-GAAP and excludes stock-based compensation expense and certain non-recurring adjustments. Free cash flow is GAAP net cash provided by operating activities less capital expenditures. See appendix for non-GAAP reconciliation.

Strong Performance at Scale

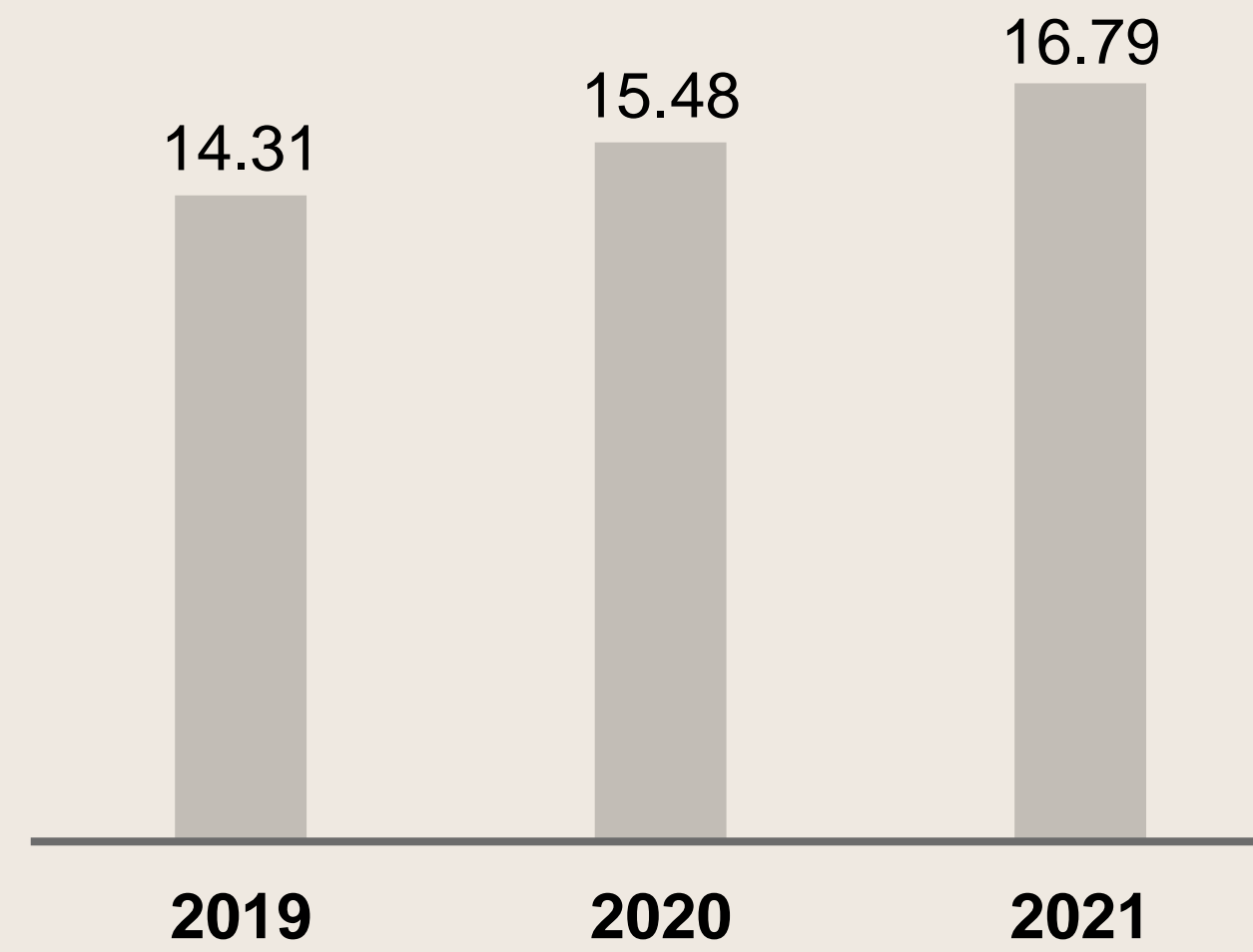


*Note: Non-GAAP gross margin and non-GAAP operating margin exclude stock-based compensation expense and certain non-recurring adjustments. Free cash flow is GAAP net cash provided by operating activities less capital expenditures. See appendix for non-GAAP reconciliation.

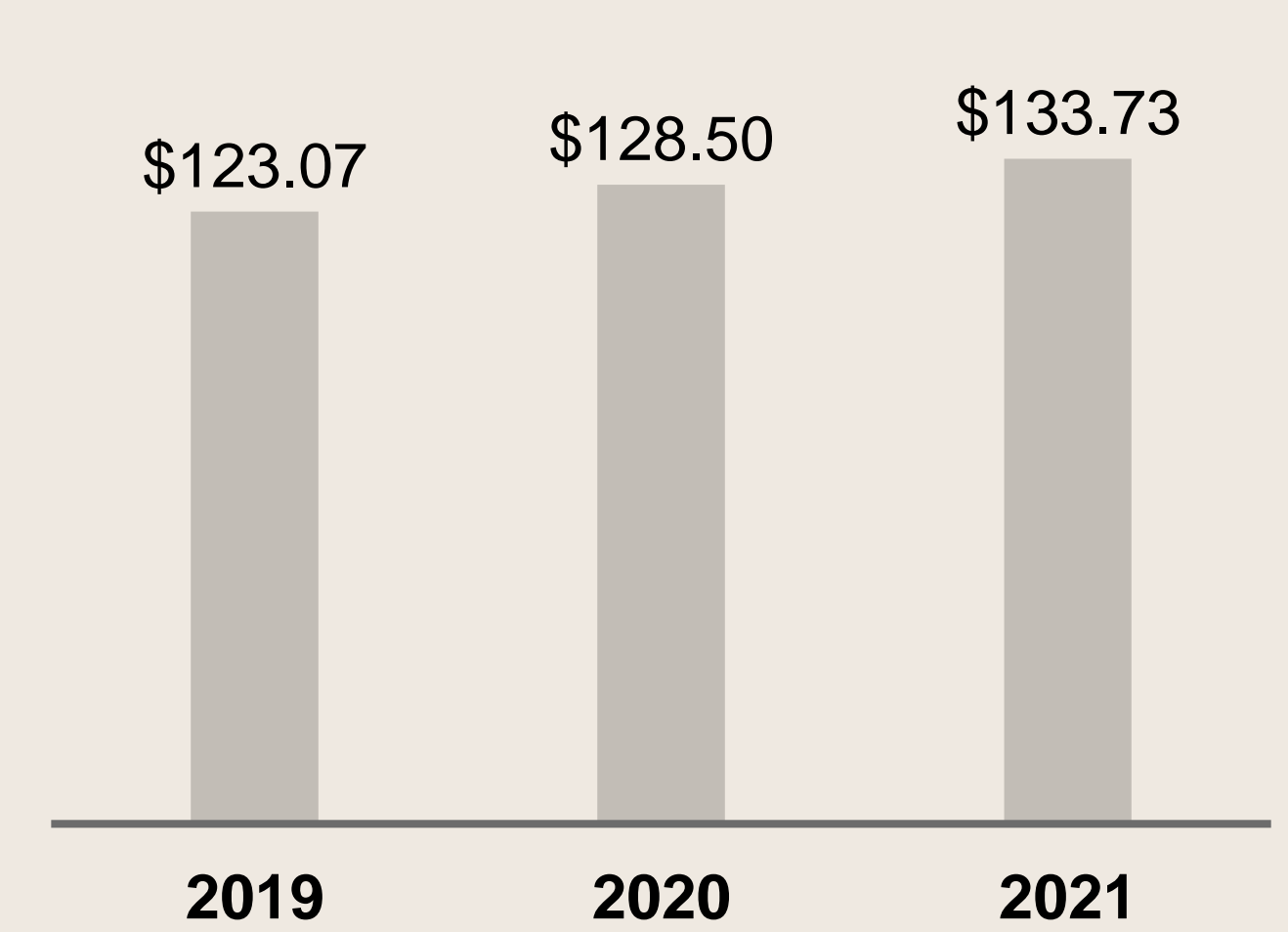
Key Metrics



ARR (\$M)

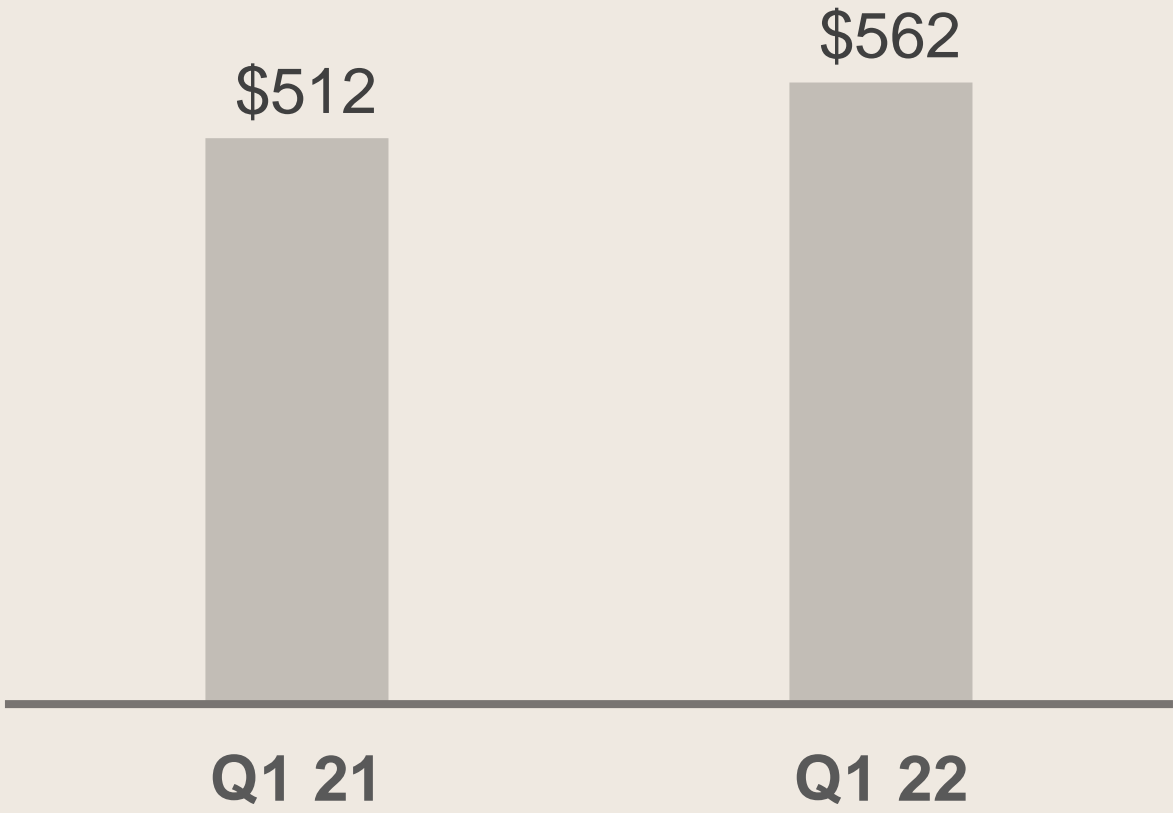


Paying Users (MM)

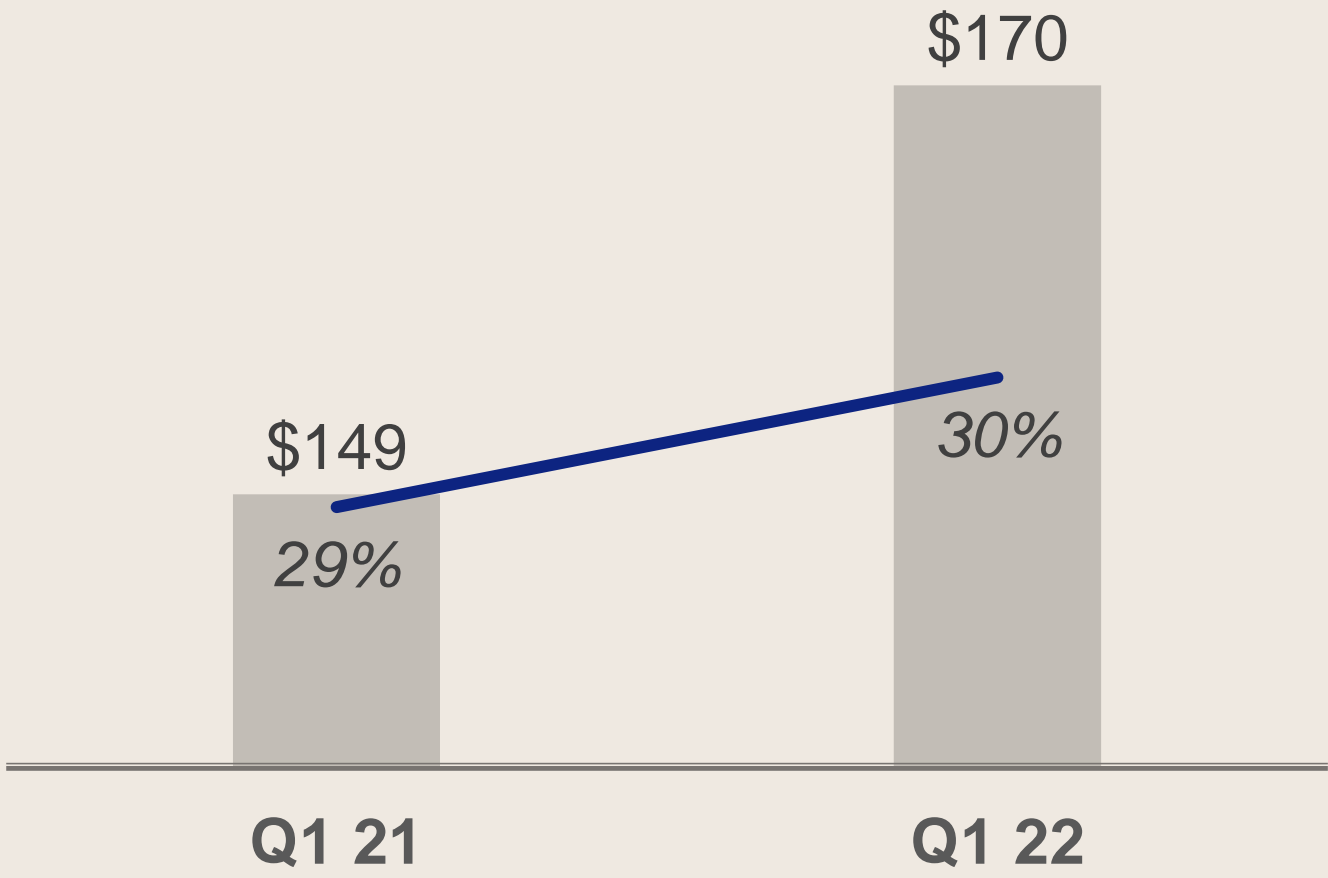


ARPU (\$)

Q1'22 Financial Highlights



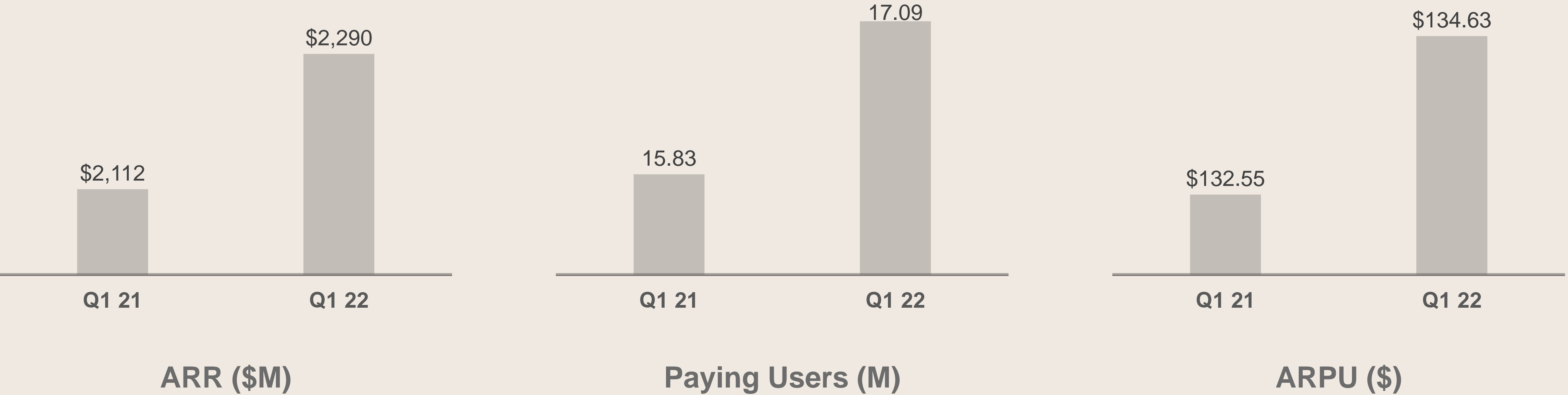
Revenue (\$M)



Operating Income (\$M)

Operating income is non-GAAP and excludes stock-based compensation expense and certain non-recurring adjustments. See appendix for non-GAAP reconciliation.

Q1'22 Financial Highlights



Operating Leverage



Proprietary Infrastructure



Virtual First



Workforce Optimization

Updated Target Model

Non-GAAP	2019	2020	2021	Long-term target
Gross Margin	76%	79%	81%	80 - 82%
R&D expense as % of revenue	30%	28%	25%	23– 25%
S&M expense as % of revenue	23%	20%	18%	18 – 20%
G&A expense as % of revenue	11%	10%	8%	8 – 10%
Operating margin	12%	21%	30%	30 – 32%
Annual Free Cash Flow	\$392M	\$491M	\$708M	\$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.

Appendix

Dropbox subscription plans

Personal				Business					
Basic	Backup	Plus	Family	Professional	Pro + eSign	Standard + DocSend	Standard	Advanced	Enterprise
Free	\$5.99 / month \$59.88 / year	\$11.99 / month \$119.88 / year	\$19.99 / month \$203.88 / year	\$19.99 / month \$199.00 / year	\$31.99 / month \$299.88 / year	\$83 / user / month \$600 / user / year <i>3 users minimum</i>	\$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* Dropbox Paper Computer Backup File requests 30 day version history HelloSign eSignatures Passwords	Dropbox Backup	Everything in Basic and Backup**	Everything in Plus Up to 6 users Family Room folder	Everything in Plus Auto OCR Image search Watermarking Shared link controls Branded sharing 180 day version history Premium previews Time-based comments Viewer history Traffic and insights	Everything in Plus 5 templates for commonly signed documents Tamper-proofing Audit trail that tracks and time-stamps actions Built in data validation 180 day version history Branded watermarking Live chat support Advanced sharing controls	Everything in Standard Real-time document analytics Multiple documents with a single link Passcodes and email verification Approved viewer and domain lists	Everything in Basic and Backup** Dropbox Rewind Smart Sync and Smart Sync Auto-Evict Auto OCR, Image and full text search Watermarking Shared link controls Branded sharing 180 day version history Team folders Admin console Granular permissions Active directory connector Enables HIPAA compliance Unlimited API access*** Priority email + live chat	Everything in Standard 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
2GB of storage	Unlimited storage on one computer and one external drive	2TB storage	2TB storage	3TB storage	3TB storage; Send unlimited documents for signature	5TB 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.

**Backup space limited to available storage for each SKU

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

Non-GAAP reconciliation

	Twelve Months Ended			
	2019	2020	2021	
Income (loss) from operations - GAAP	\$ (80.5)	\$ (277.0)	\$ 274.4	
Stock-based compensation	261.2	261.5	287.1	
Acquisition-related and other expenses	15.9	16.9	26.8	
Amortization of acquired intangible assets	8.4	9.5	13.1	
Impairment related to real estate assets	—	398.2	31.3	
Workforce reduction expense	—	—	14.3	
Income from operations - Non-GAAP	\$ 205.0	\$ 409.1	\$ 647.0	
<i>Non-GAAP operating margin</i>	<i>12.3%</i>	<i>21.4%</i>	<i>30.0%</i>	

Non-GAAP reconciliation

	Three Months Ended	
	March 31, 2021	March 31, 2022
Income from operations - GAAP	\$ 42.5	\$ 89.5
Stock-based compensation	67.9	72.3
Acquisition-related and other expenses	5.7	5.0
Amortization of acquired intangible assets	2.4	3.5
Impairment related to real estate assets	17.3	—
Workforce reduction expense	12.8	—
Income from operations - Non-GAAP	\$ 148.6	\$ 170.3
<i>Non-GAAP operating margin</i>	<i>29.1%</i>	<i>30.3%</i>

Free cash flow reconciliation

	Twelve Months Ended					
	2019		2020		2021	
Net Cash provided by operating activities	\$	528.5	\$	570.8	\$	729.8
Capital expenditures		(136.1)		(80.1)		(22.1)
Free cash flow	\$	392.4	\$	490.7	\$	707.7

Non-GAAP reconciliation

	Twelve Months Ended – 2021						
	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	\$ 1,713.7	\$ 23.2	\$ —	\$ 6.0	\$ —	\$ 1.7	\$ 1,744.6
<i>Gross margin</i>	79%	1%	—	—	—	—	80%
Research and development	755.9	(190.1)	(19.7)	—	—	(3.2)	542.9
<i>Research and development margin</i>	35%	(9%)	(1%)	—	—	—	25%
Sales and marketing	427.5	(25.0)	(5.3)	(7.1)	—	(6.9)	383.2
<i>Sales and marketing margin</i>	20%	(1%)	—	—	—	—	19%
General and administrative	224.6	(48.8)	(1.8)	—	—	(2.5)	171.5
<i>General and administrative margin</i>	10%	(2%)	—	—	—	—	8%
Impairment related to real estate assets	31.3	—	—	—	(31.3)	—	—
<i>Impairment related to real estate assets margin</i>	1%	—	—	—	(1%)	—	—
Income from operations	274.4	287.1	26.8	13.1	31.3	14.3	647.0
<i>Operating margin</i>	13%	13%	1%	1%	1%	1%	30%

Note: % are rounded for presentation purposes



Dropbox