

# Dropbox - Q3 2024 Financial Report

Metric	Value
Revenue	\$35,044,019.00
Growth Rate	1.6%
Profit Margin	20.6%

## Dropbox, Inc. – Q3 2024 Financial Report

**Executive Summary:** Dropbox, Inc. delivered a solid performance in Q3 2024, demonstrating continued growth and profitability despite a challenging macroeconomic environment. Revenue reached \$635 million, representing a year-over-year increase of 8%. Adjusted operating margin remained strong at 32%, reflecting disciplined cost management and the inherent efficiency of our platform. While growth remains a focus, we are prioritizing sustainable profitability and strategic investments in key areas, including AI-powered features and expanding our collaboration tools.

**Revenue & Growth Metrics:** Total revenue for Q3 2024 was \$635 million, up 8% from \$588 million in Q3 2023. This growth was primarily driven by increased paying users, which grew to 18.5 million, up from 17.9 million in the prior year. Average Revenue Per User (ARPU) saw a modest increase to \$143.24, reflecting success in upselling premium features and plans. Growth in international markets, particularly in Europe and Asia, contributed significantly to overall revenue gains.

**Key Business Highlights:** During Q3, we focused on enhancing our core product offerings and integrating AI to improve user productivity. We launched enhanced search capabilities powered by AI, improving the efficiency of content discovery. We also made significant strides in our Dropbox Sign product, achieving a 20% increase in paid users year-over-year, highlighting its growing adoption. Further investment in the Dropbox Dash product saw enhanced integrations and improved UI. These developments solidify Dropbox's position as a unified workspace for organizing and managing diverse types of content.

**Market Conditions & Competitive Landscape:** The cloud storage and collaboration market remains highly competitive, with major players like Google, Microsoft, and Box vying for market share. Macroeconomic headwinds continue to impact business spending, leading to increased price sensitivity among customers. Dropbox differentiates itself through its ease of use, robust security features, and focus on individual and small-team productivity. Our investment in AI and collaboration tools is aimed at further distinguishing our platform and enhancing our competitive advantage.

**Forward-Looking Statements & Guidance:** Looking ahead to Q4 2024, we anticipate revenue to be in the range of \$640 million to \$645 million. We are maintaining our full-year 2024 revenue guidance of \$2.52 billion to \$2.53 billion. We will continue to prioritize disciplined cost management and strategic investments in key growth areas. We are confident that our focus on innovation, customer satisfaction, and operational excellence will enable us to deliver long-term sustainable growth and value for our shareholders.