

**FACTIVA®****Professional search for professionals****DOW JONES****» Visit [dowjones.com/factiva](http://dowjones.com/factiva)**

Dow Jones Reprints: This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers, use the Order Reprints tool at the bottom of any article or visit [www.djreprints.com](http://www.djreprints.com)

- [See a sample reprint in PDF](#)
- [Order a reprint of this article now](#)

format

**GOAL  
ALERTS**

MEX  vs  CMR  
12 PM ET TODAY  
GROUP STAGE

ESP  vs  NED  
3 PM ET TODAY  
GROUP STAGE

CHI  vs  AUS  
6 PM ET TODAY  
GROUP STAGE

Follow us  
@WSJSports

MORE

## BUSINESS

# Dropbox Seeks Funding Round at \$8 Billion Valuation

By DOUGLAS MACMILLAN and SPENCER E. ANTE

Nov. 18, 2013 10:03 p.m. ET

Online-storage service Dropbox Inc. is raising a funding round that could value it at more than \$8 billion, according to people familiar with the situation, though new figures reveal its revenue growth is decelerating.

The talks with investors to raise around \$250 million are still early and no valuation has been agreed upon, said a person familiar with the discussions.

Dropbox is seeking a rich price tag from investors at a time when tech financiers are willing to pay up for a piece of the hottest Silicon Valley companies. An \$8 billion valuation would double the \$4 billion worth that investors placed on San Francisco-based Dropbox in late 2011.

The pace of sales growth at Dropbox has slowed in recent years as consumer Internet giants such as Google Inc. and Amazon.com Inc. have entered the online-storage market, according to three people familiar with the company's financials. The startup tallied \$116 million in sales last year, more than doubling its \$46 million in revenue in 2011. The year before, it nearly quadrupled sales from \$12 million.

Online-storage service Dropbox Inc. is raising a funding round that could value it at more than \$8 billion, but there are some hurdles ahead, Spencer Ante reports. Photo: Dropbox.com

Dropbox expects sales of more than \$200 million this year, according to one of those people, but it isn't clear how much more.

"With over 200 million users and 4 million businesses, Dropbox has continued and strong momentum," said Ana Andreescu, a Dropbox

spokeswoman.

Investors have already pegged Dropbox's value at a higher revenue multiple than some of the top makers of business technology. At its earlier valuation of \$4 billion, the company's 2012 sales of \$116 million gave it a multiple of 34 times revenue. Hewlett-Packard Co. bought storage hardware and software provider 3PAR Inc. in 2010 for about 10 times expected sales, after winning a bidding war with Dell. Today, cloud-computing company Workday Inc. is one of the highest-flying technology stocks, valued at roughly 30 times expected sales according to Capital IQ estimates.

Investors have lately shown interest even in startups with fledgling or no business models. In recent weeks, Pinterest Inc. banked \$225 million from Fidelity Investments and other backers at a \$3.8 billion value despite its lack of revenue; Snapchat Inc., a free messaging service that makes no money, turned down a buyout offer worth billions from Facebook Inc.

Slowing sales growth puts pressure on Dropbox CEO Drew Houston to accelerate a push into business software. Dropbox is trying to make a difficult shift from focusing on consumers to serving more demanding corporate customers, many of whom have blacklisted the app due to fears that it could be used to introduce viruses into corporate networks or send corporate data to places it shouldn't go.

Last week, Dropbox introduced a new product for businesses that creates one storage locker for personal items and another for business, each with its own password and files. It also allows companies to remotely wipe company content and monitor the data flows of that content.

"It'll be like having your house keys and your company's key-card on one keychain and with you at all times," wrote Mr. Houston and his co-founder Arash Ferdowsi on the company blog on Nov. 13 announcing the service.

Dropbox raised \$250 million in its 2011 financing from Goldman Sachs and top venture firms including Sequoia Capital, Index Ventures and Accel Partners. Most of that money is still in the bank, Mr. Houston said at a recent technology conference in San Francisco.

Dropbox's latest funding effort was reported earlier by Bloomberg.

—Rolfe Winkler contributed to this article.

**Write to** Douglas MacMillan at [Douglas.Macmillan@wsj.com](mailto:Douglas.Macmillan@wsj.com) and Spencer E. Ante at [spencer.ante@wsj.com](mailto:spencer.ante@wsj.com)

---

Copyright 2013 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our [Subscriber Agreement](#) and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit

[www.djreprints.com](http://www.djreprints.com)