ATLASSIAN

INVESTOR DAY FY21 #1
ATLASSIAN'S CULTURE, STRATEGY, AND OPPORTUNITY
Mike Cannon-Brookes and Scott Farquhar founded Atlassian in 2001 with a simple goal in mind: to make a living in tech without wearing a suit to work 👖🚫. Not easy since all the programming jobs in Sydney were at banks and brokerages! Since then, we've grown into a sophisticated enterprise with 5,000+ employees, offices on four continents, and the ambition to grow beyond $5 billion in revenue.

What hasn't changed is our mission to unleash the potential of every team through software that makes teamwork work. Our values keep us grounded and focused on working as a positive force in our customers' lives through every feature we ship, every product we launch, and every dollar we invest.

Our values are a big part of what makes people want to work here. They keep us focused on supporting our customers and each other. We are passionate about making it easy for teams of all kinds to work together, and we weave that passion into every Atlassian product and GTM activity. It's who we are and how we build our mission into our product.

We know all too well that teamwork is getting harder in this tech-heavy, remote-first world. The average enterprise uses 288 SaaS applications, up 30% year-over-year, and companies of all sizes are drowning in real-time communications.
Atlassian teams are feeling these stressors like everyone else. Yet our internal surveys show that our team has never been more engaged in the service of our customers. Employee turnover is at a multi-year low, outpacing the top quartile average of industry peers, and is over 40% better than the industry median. It’s that kind of dedication that landed us on Fortune’s list of the 100 best places to work two years running.

Long story short, we have an enthusiastic, harmonious team that is firing on all cylinders as we help customers reinvent the way they work and succeed in their digital transformations.

The bottom line

Atlassian’s unique values and culture attract dedicated employees who are passionate about helping customers navigate digital transformation in a remote-first world.

A strategy built on collaborative work management

In times like these, it’s especially important to lock arms with customers and face this challenging environment together. Delivering a powerful work management platform to customers is critical to their success, and we are laser-focused on helping teams reach their goals.

**Atlassian products put collaboration at the core.** Our products have always powered open collaboration (and even social interaction) among teammates, between teams, and across verticals. We pioneered ways to make artifacts like code and project plans accessible to anyone in the company, as well as features like @mentions that bring a human touch to enterprise software.

There are a lot of work management products out there – it’s a big market. **Atlassian wins because we start with developers first,** and build agility into our product experience. Developers’ importance is rising as every company becomes a software company to some extent. This shift puts developers at the center of each and every business decision.
Developers increasingly drive revenue for their companies. They've gone from being “those nerds coding in the dark over there” 😛 to being a key strategic asset. They also have an outsized influence on the way teams across the entire organization work. In Scott’s and Mike’s many conversations with global enterprise CIOs, there is a common conversational thread:

Companies can no longer afford to separate software teams from “the business.” They are now one and the same, managing work in concert with each other. Free-flowing collaboration across the business has helped customers like Domino’s and NCR, who both used Atlassian products to launch contactless services like pizza delivery and ATMs within just a few weeks after the pandemic hit.

By landing with developers, our products organically spread to other technical and non-technical teams through cross-functional collaboration. This powerful flywheel 🚀 is hard to replicate.

The result is unique, too: a user base that is split down the middle between technical and non-technical teams as they work together to drive digital transformation. In Jira Software Cloud, 54% of users are technical, 46% are non-technical. In Jira Service Desk and Confluence, it’s 52% technical and 48% non-technical. We help teams across functions work together in a digital world, and it all starts with developers.
The Bottom Line

‣ Atlassian wins by putting team collaboration at the core, not vertical-specific functionality.

‣ We land with developers, and organically expand from there as they interact with IT, operations, and non-technical teams.

Massive global market opportunity

We have opportunities in three huge markets: software development, IT, and work management. What's more, these markets are interconnected in a digital-first world, converging around developers.

Agile development and DevOps – We win because developers can communicate with both technical teams and non-technical teams across the organization to make sure code is released, monitored, and running with optimal performance. We also empower developers to use an open toolchain. Developers want to use cutting edge best-in-breed products, not be forced into an all-in-one suite just because their CIO gets a bundled discount. Any team on our platform can freely integrate with our ecosystem of over 4,000 3rd-party apps and integrations.

ITSM – Atlassian is the only platform where IT teams can work collaboratively with development teams on the same platform. Getting our IT tools, which now includes Jira Service Management, up and running is frictionless. Plus, flexible pricing options make our solutions accessible to any company, not just the largest enterprises.
Work management for all – We win here because business teams in HR, marketing, sales, finance, and legal all need to work with developers and IT to get work done. Jira and Confluence grow for this reason, and we believe Jira Service Management will as well. With Trello, we’re able to take the best of agile and give it to any business or consumer user in a lightweight experience. With 10 million cloud monthly active users (MAU), Trello is the largest work management product out there because it gives anyone the power to manage work just like a developer.

Roll it all up, and no other company is as well-positioned to power teamwork across organizations. This is because we put developers at the heart ❤️ of our strategy.

TAMs by the numbers

As the saying goes, let's do the numbers 📊

• **Annual global technical and knowledge worker markets = $126 billion** in annual revenue according to IDC. This is composed of $52 billion for technical teams and $74 billion for non-technical teams. Both markets are growing 9% per year, several times the rate of GDP. In other words, we serve teams that are quite literally changing the economic landscape.

• **Teams = millions.** Within these markets sit an incredible number of teams we can engage. You can see this on both a user and a customer basis.

  • **Users** – Today we have over 15 million MAU on cloud products. That's just the tip of the iceberg when compared to the 45 million software team members, 100 million technical team members, and 11 billion knowledge workers in the world today. Even at the consumer scale Atlassian already operates at, we've only scratched the surface.

  • **Customers** – We have over 185,000 customers today, but here again, we're only getting started. There are 800,000 companies globally with technical teams large enough to be Atlassian customers as well as 2 million companies with 10 knowledge workers or more. It's thrilling to think about how many more teams can use Atlassian products to make an impact in the world.

• **Annual addressable opportunity = $24 billion.** Our addressable opportunity is large and getting larger within that global market. $24 billion in annual addressable opportunity is based on today’s products and prices. We've grown that opportunity by a compound annual rate of 35% the past four years.

That's more than a 3x increase in opportunity size by investing R&D dollars towards continuous innovation. Cloud editions like premium and enterprise, new products like Atlassian Access and Jira Service Management, and acquisitions like Jira Align and Trello, make TAM expansion possible.

1 - “Over 185,000” customers as of October 30, 2020.
• **Technical teams** – Our addressable opportunity is $13 billion annually, and we can more than triple our paid user base here based on our current product portfolio. What’s exciting is that we can now address IT workers with specific products in our portfolio. By continuing to double down on IT as we have the past two years, we can continue to unlock further opportunities and create more value for IT teams. Products addressing this market today include Jira Software, Confluence, Bitbucket, Opsgenie, Statuspage, Jira Service Management, and Jira Align.

• **Non-technical teams** – Our addressable opportunity here is $11 billion annually, with the potential to be much greater given the size of the knowledge worker market. More and more of our products are used each day by this growing base of non-technical users. Core products in this category include Confluence, Trello, and Jira Core. Jira Align will also create a huge opportunity to impact knowledge workers over time.

**The bottom line**

› Atlassian is uniquely positioned to power cross-functional collaboration across developers, IT, and non-technical teams.

› We play in three interconnected markets worth a total of $126 billion annually.

› Our total addressable opportunity is $24 billion (and growing).
On a mission, fueled by passion

Helping teams make a difference in the world is what gets us out of bed in the morning 🌄. We respect, appreciate, and are constantly humbled by the tens of millions of users, millions of teams, and 185,000+ customers that use our products to power mission-critical work.

Frontline Foods and their story stand out. They are a non-profit organization started in the bewildering early days of the pandemic with a mission to deliver hot, healthy meals to frontline workers and emergency responders 🛑. Frontline started with a Bay Area nurse who partnered with developers and technical entrepreneurs to build an organization founded on volunteer collaboration. They use Trello and Confluence for work management, plus Slack and Zoom for real-time communications. By starting with developers and a digital approach, Frontline Foods built an organization that scaled quickly. It now manages chapters across 61 U.S. cities and has delivered 480,000 meals 🍜 to 980 teams 🧬🧕🧔👱, supporting more than 1,000 restaurants 🍽️. Now that’s a mission-critical digital transformation!

FRONTLINE FOODS + ATLASSIAN
Manages chapters across 61 US cities
Has delivered 480,000 meals to 980 teams
Supporting more than 1,000 restaurants

KEY CLOUD VALUE  Guaranteed uptime

Trello  Work management
Confluence Work management

www.atlassian.com/blog/teamwork/thriving-on-the-front-lines

It’s through work like this that we believe we can realize our mission to unleash the potential of teams and continue to scale our own business. With our cloud platform as our launchpad and developers at the heart of it all, we are charting a course to 100 million MAU and $5 billion in revenue (and beyond).

The bottom line

› Millions of teams around the world already use Atlassian products to power mission-critical work.
› Our big, hairy, audacious goal is to reach 100 million MAU in the cloud.