



INVESTOR DAY FY22
SECTION 1

OUR THREE MARKETS



Our three markets



Investor Day FY22 Section 1



Helping teams work differently, together



In this section, you'll learn:

- The three massive, interconnected (and largely untapped!) global markets Atlassian plays in – and why we win in all three.
- The six differentiators that give Atlassian an asymmetric advantage.
- The global trends driving the need for, and adoption of our products.

Atlassian isn't just embracing the future of work – we're defining it. By leading the way with innovative products and bold new practices, we are on a mission to unleash the potential of every team.

OUR MISSION

UNLEASH THE POTENTIAL OF EVERY TEAM

Why is this our mission? Simple: the future depends on how teams work together. In truth, human achievement has always been powered by teams. (Neil Armstrong didn't land on the moon, [NASA](#) did.) As the problems we tackle become ever-more complex, teamwork is increasingly vital.

But teamwork is increasingly complex, too: different roles, different functions, different geographies. New technologies emerge almost daily. Data pipelines are bursting with raw information to be converted into actionable insights. Customers expect services to be secure and available 24/7. More employees now prefer to have flexibility around where they work and are passionate about protecting their work/life balance.

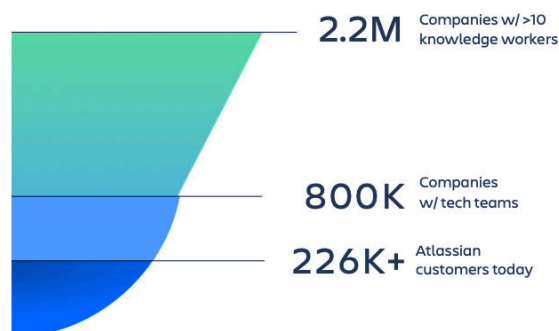
To help teams navigate these complexities, **Atlassian offers a diverse set of products** to address the needs of specific job roles, as well as the needs that extend across all types of teams. Our products help teams collaborate effectively, communicate efficiently, connect with their customers, and build community within the workplace.

Massive opportunities across three global markets ∞

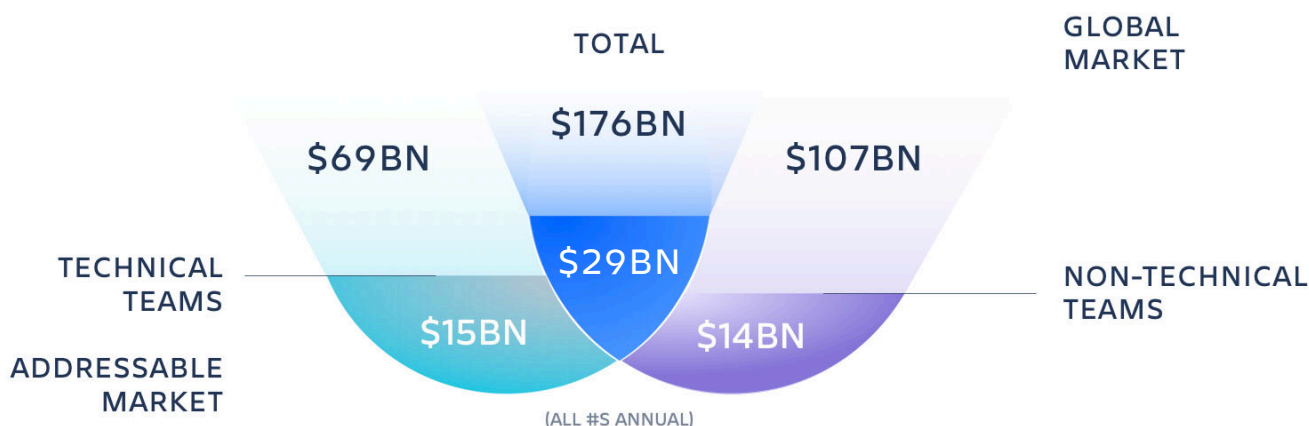
Atlassian plays in three massive, interconnected global markets that continue to grow as more work transitions from plants and factories to desktops and laptops. Because knowledge work is increasingly cross-functional, the interdependencies in these markets are expanding – and so is the opportunity in front of us.

- Agile and DevOps** – Our tools power collaboration between software teams and the rest of the organization. The result is better planning, faster development, and higher quality products.
- IT service management** – IT teams play a larger role than ever. We help them work closely with software and operations teams to resolve incidents faster and keep services operational, as well as respond quickly to internal requests for IT support.
- Work management for all** – Atlassian is the workflow engine for team collaboration, allowing *any* team to organize, discuss, and complete work together.

One way we gauge the size of our opportunity is by the number of companies we can potentially serve. (Spoiler alert: it's a big number.) We have over 226,000 customers today. Analysts estimate there are approximately 800,000 companies with technical teams and 2.2 million companies globally with 10 or more knowledge workers. We have a **giant runway ahead** of us.



Ultimately, we aspire to serve the **1 billion knowledge workers around the globe**, all of whom are looking for better ways to work. The vast majority don't use Atlassian products yet, leaving a **huge field of opportunity** for us.



The three global markets we serve include both technical and non-technical teams. In terms of dollars, total annual revenue for our markets is expected to grow to \$176 billion by 2025, increasing approximately 11% per year, according to IDC. Revenue from technical teams is projected to grow to \$69 billion, and revenue from non-technical teams is projected to grow to \$107 billion. We estimate **our current addressable opportunity is \$29 billion**, growing by 14% annually, which consists of \$15 billion for technical teams and \$14 billion for non-technical teams.

Atlassian has a strong track record of identifying trends early and understanding how our business can benefit. We capitalized on the rise of agile to become the collaboration platform of choice for developers. We evangelized DevOps back when it was considered “out there,” and by the time it went mainstream, we were already seen as an authoritative source for DevOps tools and practices.

More recently, two global trends are driving an even greater need for the kind of software Atlassian provides across all three markets.

Digital transformation

Companies in every industry are exploring ways to reimagine their business through technology. As they scale up their engineering teams, they’re also forming new teams to support and sell their digital offerings.

The upshot is that non-technical teams like Marketing, HR, and Finance need better ways to collaborate closely with their technical counterparts. As cross-functional collaboration spreads, so do the agile practices pioneered by the same developers who standardize on Atlassian, **catalyzing wall-to-wall adoption** of products like Jira, Confluence, and [Atlas](#) across the organization.

AIR FRANCE-KLM + ATlassian

Atlassian has changed the way teams work and evolve, [especially] teams that are still growing their technical maturity.

– Corné den Hollander, Product Owner at [Air France-KLM](#)

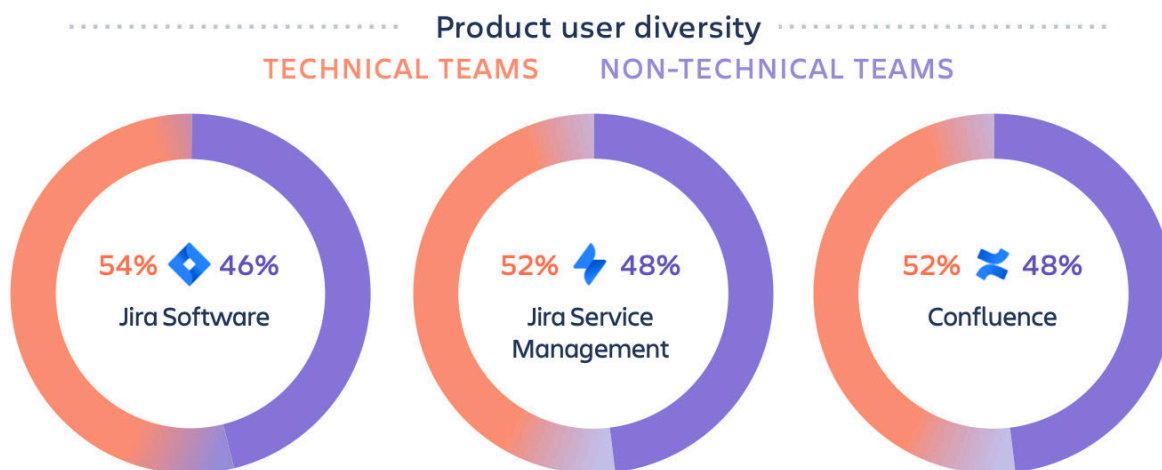
Cultural transformation

Distributed teamwork is nothing new, as any company with multiple offices knows. The difference today is that more companies, in every industry and region, are determined to be great at it. Knowledge workers need to **collaborate seamlessly no matter where their teammates and cross-functional partners are located**, and a whole lot of knowledge workers are demanding more flexibility in where they work.

Atlassian has been obsessed with improving distributed teamwork from the moment we opened our first U.S. office in 2005, thousands of miles and 16 timezones away from Sydney. We've been building a deep understanding of distributed teamwork ever since. We “dogfood” our own products across four continents and continuously iterate on our practices, then share what we learn.

How Atlassian connects strategy to implementation in each of our three markets

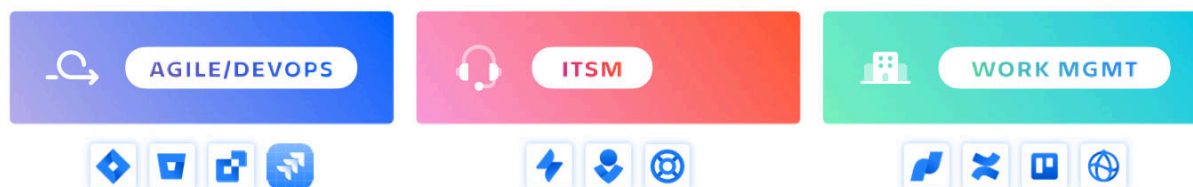
Atlassian is the definitive source for connecting strategy to execution through organization-wide collaboration. We unify more types of work across more types of teams than anyone else. And the reality is, no team works in a vacuum anymore. Engineering works with Design and Operations. HR works with Data Science and Marketing. Customer Support works with IT and Legal. And each team has its own way of working.



Analysis based on sample of 5 million+ Jira Software Cloud and Confluence Cloud users | 1 million+ Jira Service Management users
Data as of March 2022

Customers consistently tell us they're looking to **bridge the historical divides between departments** and bring agile practices to all their teams. That's no small feat! It starts with a shift in mindset, supported by the open collaborative practices Atlassian champions. But we don't just talk about it. We incorporate these practices into our products.

Let's double-click on each of our three markets, as well as the tools and workstreams that connect them.



Agile development and DevOps



Market spotlight

The average software team now uses dozens of different tools to take their product from concept to code to customer. Even within a single company, toolchains vary from team to team. According to a report from Forrester, 78% of companies with more than 1,000 employees have multiple toolchains. (E.g., separate tools for mobile app development vs. desktop clients, etc.) They need tools that integrate with each other so teams from different disciplines can stay aligned without sacrificing each team's ability to curate their own toolset.

Why we win

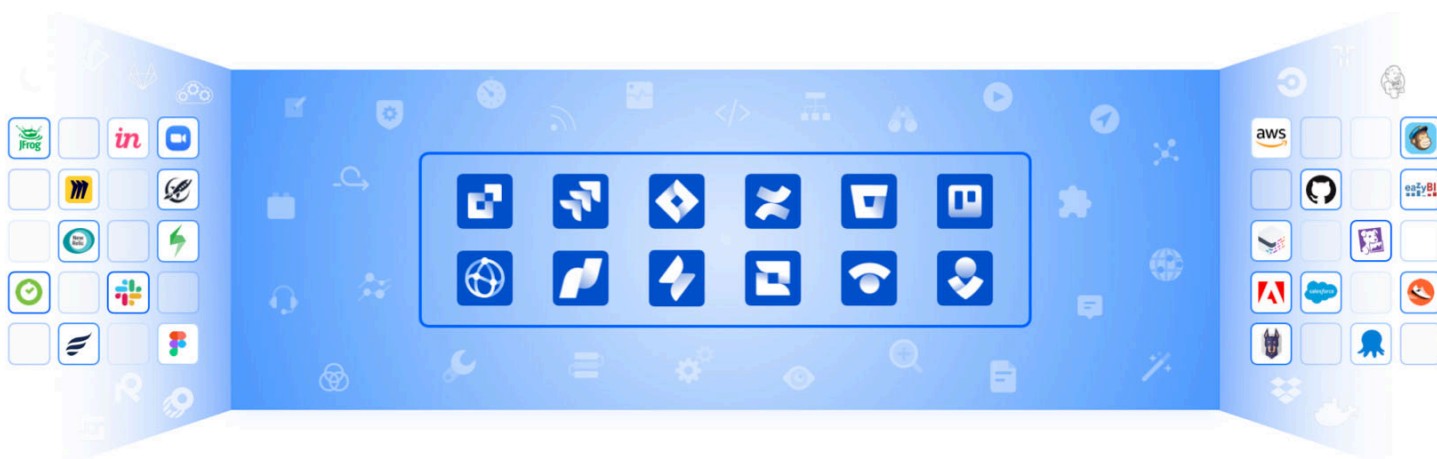
- Software development is a team sport. Atlassian is better than anyone else at connecting all the different disciplines that contribute.
- Using best-of breed tools is the best way to develop software (as well as what developers prefer) and Atlassian's Open DevOps framework connects them all.
- Software today comprises hundreds, even thousands, of modular components. Atlassian Compass provides visibility into those services, the teams that own them, and any security or compliance issues that may emerge.

As software becomes a mission-critical endeavor and every company becomes a software company, customers of all types are wrestling with the same gnarly question: how do we get our teams to move as one and ship their best work?

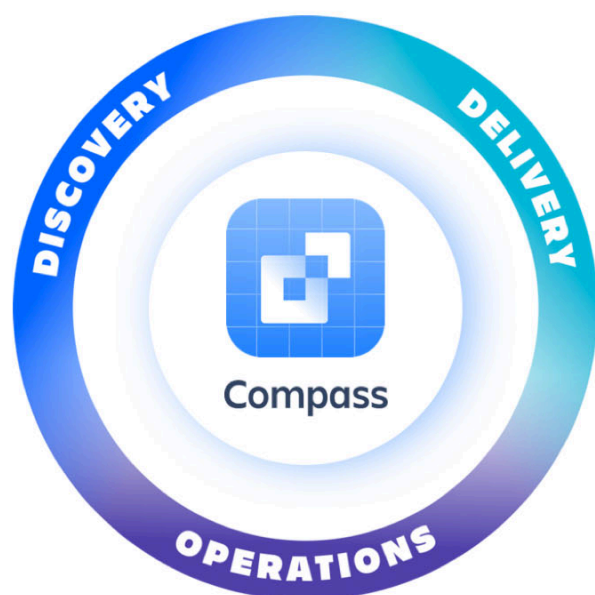
Today's software teams include designers, product managers, QA engineers, security specialists... you name it. **Each discipline requires a unique set of tools** to get the job done.

To tame the sprawl of tools, companies may be tempted by a consolidated all-in-one solution. Indeed, this idea is often sold as a magic formula for curing all that ails the modern software team. But in the end, no one solution can possibly satisfy every need of even a *single* software team – let alone the millions of software teams across the globe today – and no one vendor can stay on top of every aspect of this rapidly changing market.

We believe there's a better way. One that gives teams the flexibility they need to customize a toolchain that suits them perfectly. We call it [Open DevOps](#).



When it comes to DevOps, Atlassian has never tried to be the end-to-end toolchain for developers. Rather, we focus on being the central nervous system by **integrating the best 3rd-party tools with Jira Software, Bitbucket, and our other products**. Our Open DevOps framework gives teams the flexibility to curate toolchains that have everything they need – and nothing they don’t – with Atlassian at the center, coordinating it all. In fact, approximately half of our 100,000 Jira Software customers are already using Open DevOps features and integrations. We see these customers **expand faster** and develop a much deeper relationship with Atlassian overall.



Powered by Point A

Today’s software isn’t just written – it’s assembled. Teams are able to move faster by connecting components and services, each of which may be owned, built, and maintained by a different team. Plus, in a DevOps culture, software teams are increasingly involved in the operations side, necessitating even more tools to get the job done. When left unmanaged, this becomes unwieldy over time. To keep development flowing smoothly, we’ve built **Compass**: a new product from our internal incubation program, **Point A**.

Compass takes coordination to the next level, offering developers a unified view of the components in their tech stack. Its component catalog calls out dependencies and puts information like ownership, documentation, and APIs right next to each service so everything developers need is in one place. Compass also surfaces a daily health scorecard for each service that warns teams about security and compliance issues in real time.

IT service management 🚀



Market spotlight

IT has gone from being a “cost center” to a strategic partner. IT teams now work with development and operations teams to keep services up and running for external customers. Plus, each internal customer has their own unique software needs, and IT needs to manage all the tools each team relies on. Thus, their role has expanded to the point where they need a collaboration platform that connects them with developers, operators, and every other team in the organization.

Why we win

- Only Atlassian brings software and IT teams together on the same platform.
- IT teams have a lot on their plates besides managing tools. Atlassian products are quick to deploy, easy to manage, and are supported by a huge ecosystem.
- We free up IT teams' time and budget with a frictionless purchase process and products that cost a fraction of competing tools.
- Industry analysts consistently rate Jira Service Management highly in ITSM and ESM reports and other rankings.

Development teams have historically been Atlassian’s bread and butter. But three years ago, we [declared our intention](#) to double down on IT teams. Since then, we’ve been delivering a steady stream of innovation in ITSM – and it’s working.

Today, **over 40,000 customers choose Jira Service Management** to help them deliver great customer and employee service in record time. It features a unique blend of ITSM capabilities that help development and IT teams work together to manage requests, incidents, configuration changes, and assets. And like all Atlassian products, Jira Service Management is priced to be accessible to teams of all sizes. Plus, it can be up and running within a day, delivering **superior time to value**.

Gartner named **Atlassian as a “visionary”** in the 2021 Magic Quadrant for IT Service Management Tools and the fastest-growing product by new customer count among all vendors in the evaluation. Atlassian was the first vendor to receive the “visionary” designation in nearly eight years, which shows that our collective approach to ITSM is exactly what this space needs right now. Additionally, Forrester Research recently included **Atlassian as a “leader” in their latest Wave for Enterprise Service Management**, looking at the potential for service management practices to empower teams across the business, not just IT.

And hey: accolades and designations are great. Bring 'em on! 😎 But what really matters to us is helping teams move quickly and providing the context needed to avoid introducing risk.

QAD + ATlassian

Jira Service Management connects IT and development tickets, so incidents can easily be transferred to a development ticket with all the details. The fact that [Atlassian] is one interconnected system is incredible. The process improvements and effortless automations for employees and customers make a huge difference.

– Jennifer Michael, Service Delivery Lead at [QAD](#)



Work management for all

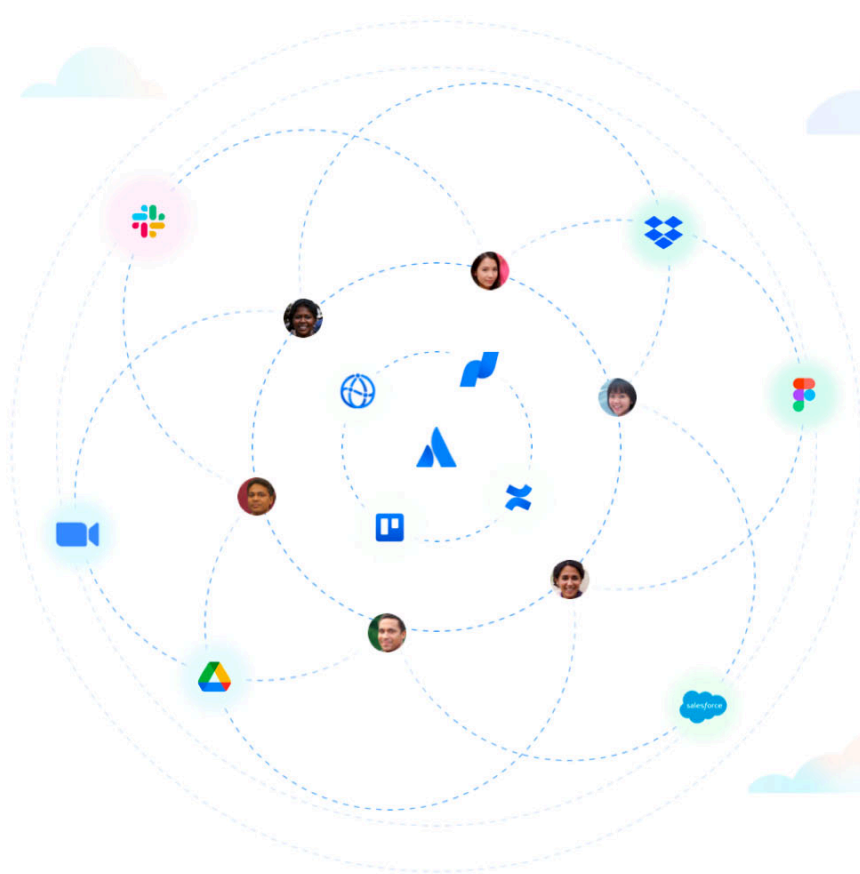


Market spotlight

Teaming up with colleagues in other departments is becoming the norm, which makes collaboration more complex in a digital-first world. Each team needs specific tools depending on what they do and who they work with. But there also has to be a certain amount of consistency around tooling at the organization level, or companies risk creating information silos.

Why we win

- Atlassian is the only vendor whose platform serves as a bridge between technical and non-technical teams. Since we already have a presence inside technical teams, we can easily and efficiently spread to other teams.
- We have multiple landing vectors with Trello, Confluence, and Jira Work Management which gives us an advantage over single-product competitors.
- Powered by the Atlassian platform and Atlas, Atlassian offers the only work management products that help people work differently, yet together in harmony. We do this by connecting teams, tools, and ways of working at the personal, team, and company level.



Similar to open toolchains for development teams, Atlassian believes an open, flexible approach to work management tools is best. **We offer customers a diverse set of products** to help them plan, track, and discuss their work – all tied together by our cloud platform.

- **Jira Work Management** – The newest member of the Jira family is purpose-built for non-technical teams who need structured workflows, robust reporting, and the power to drive consistent processes across their organization. [Jira Work Management](#) gives them a common platform for collaborating with their colleagues in Engineering, IT, and Operations.
- **Trello** – Teams like Marketing, Design, and HR often prefer a more flexible approach to their work. But they still need to stay organized. [Trello](#) gives them the best of both worlds: the versatility of sticky notes, coupled with the visibility and traceability that digital tools provide.
- **Confluence** – As both a repository for deep work and a digital watercooler, [Confluence](#) picks up where chat and video conferencing tools leave off. It's the place where strategies, policies, project plans, product specs, and communications are crafted and shared. (For example, Atlassian uses Confluence to create all our investor comms 😎!) The asynchronous nature of Confluence is perfect for our digital-first, remote-friendly era, solving the age-old “this meeting could’ve been a memo” problem and the newer “we’re spread across several time zones” challenge in one fell swoop. Confluence also makes it easy for the whole company to share in-depth updates about their work, their team, and themselves.

FAIR + ATlassian

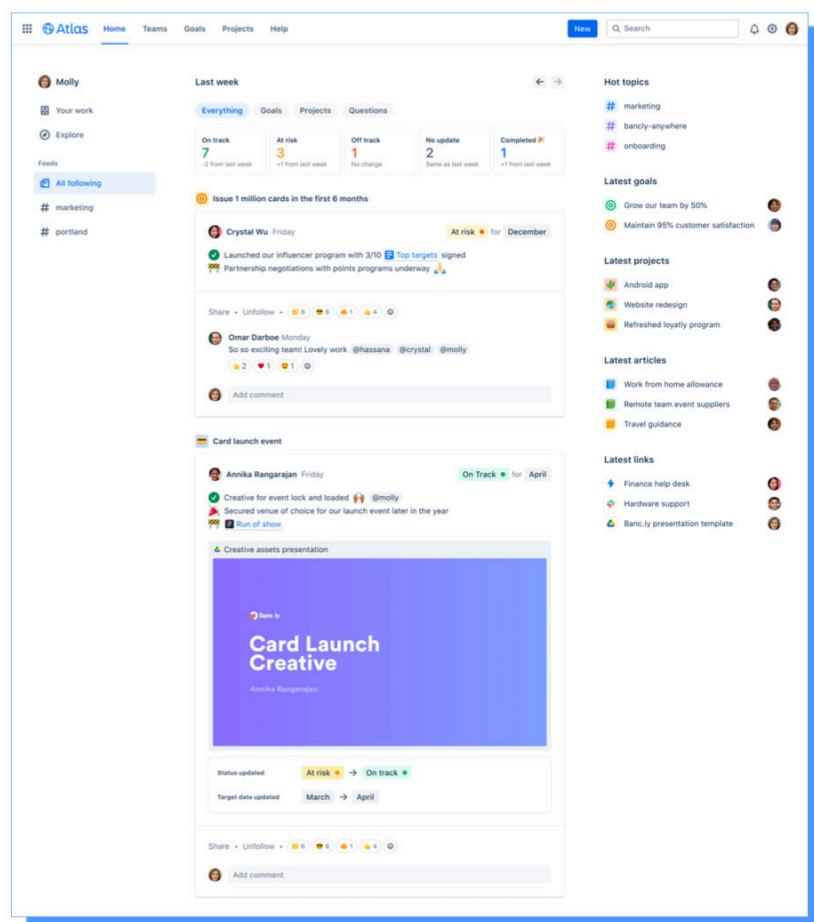
Our team really values transparency. With Confluence, we can consolidate all information into a central location and then assign access as needed.

– Brett Lakey, People Operations Manager at [Fair](#)

fair

Atlassian research and product management teams are the tip of the spear when it comes to understanding trends in collaboration and designing products that bring teams into the future. One thing that's ready to be consigned to the dustbin of history? Status reports.

Teams will always need to share their progress, but what's often missing is the context around their work. "Why are we doing this? How is it going? Who is involved?" These simple questions are notoriously difficult to answer, even with some serious spelunking. Our latest offering in the work management space, [Atlas](#), changes that.



Atlas serves as a teamwork directory, connecting the dots between teams, their tools, and their work so that everyone in the company can find the information they need to keep their projects moving. Atlas surfaces project summaries alongside goals and progress, dependencies with other projects, and a rundown of who's working on what. And because it's built on the Atlassian cloud platform, collaborative features like comments, @mentions, and reactions are baked right in.

Play as a team, win as a team 🏆

Atlassian doesn't win *just* because we power teamwork across the entire organization, or *just* because we play in three massive global markets. We win because we do things differently. Specifically:

1. **R&D investment** – We begin with a deep investment in product development to create and refine high-quality and versatile products that users love. We **invest more in R&D** and are able to devote less to GTM than our peers. For every dollar a customer spends with Atlassian, they get more value in terms of product and resources than with any other vendor.
2. **Unique GTM** – Rather than lead with a traditional sales organization, we've built a frictionless self-service experience **that lands new customers 24/7**. Customers fall in love with our products, then tell their friends, and the GTM flywheel keeps on spinning. We're able to strategically expand our relationships with existing customers over time with a small, targeted team that is the most efficient in the industry. (Stay tuned for deep dives into our business model and GTM approach in Section #3.)
3. **Ecosystem** – We don't try to cover every use case on our own. Instead, we team up with one of the most robust ecosystems in all of software: thousands of apps that extend our products to cover specialized use cases, deep integrations with complementary products, plus a network of channel partners offering custom services. All of which **makes our products stickier**.
4. **Community** – Atlassian turns users into fans. With our high-value and versatile products, commitment to transparency, and fresh (even quirky 🇺🇸) vibe, we've amassed **millions of happy users**, including tens of thousands who are so passionate that they champion us inside their organizations and share tips on the [Atlassian Community](#) site.
5. **Platform** – Our cloud platform supports teams of all sizes with enterprise-grade security, reliability, and unified user management built right in. We've built a unified data model that enables us to understand work and connections better than anyone else and extensibility capabilities that can take our ecosystem to the next level. And because our platform shares thousands of components across products, our R&D teams can **deliver more innovation**, faster and more efficiently. (More on our platform in Section #2.)
6. **Culture** – Atlassian knows that culture eats strategy for breakfast. Without amazing people and an environment where they can do the best work of their lives, it wouldn't matter how clever our business model is or how slick our tech is. We've spent the last 20 years building a radically open culture that emphasizes transparency, purposeful work, and employee well-being. As a result, Atlassian consistently ranks high on global lists of the best places to work (including landing in the top 25 on Great Places to Work's "World's Best Workplaces" list), giving us an **advantage in the way we work together, as well as in recruiting and retaining top talent**.

PRACTICES DIGITAL EXPERIENCES COORDINATE
 TRUTH WORKFLOW PROGRESS COLLABORATE
 COLLABORATE STATUS COMMUNICATION
 TEXT GOAL OUTCOMES
 ONGING CUSTOMER EMPATHY CON
 TAL EXPERIENCE S COORDINATE SH
 KFLOW INFORMATION PRACTICES
 US COMMUNICATION PRACTICES
 COMES SINGLE SOURCE OF TRUTH
 ATHY COLLABORATE STATUS

The future of work is **wall-to-wall cross-functional collaboration**. Atlassian empowers teams to work differently, together.

✓ The bottom line

- Atlassian is the only vendor solving for the needs of development, IT, and the rest of the business in a way that is connected and collaborative, yet open and flexible.
- Our unique business model and GTM approach continue to give us advantages in the market such as the ability to serve teams of all sizes and invest heavily in product R&D.
- Digital and cultural transformation are driving an ever-greater need for the products, apps, and advice Atlassian provides.
- We win in each of our three interconnected markets with powerful, open products that bring teams from across the organization together on a single cloud platform.