Investor Session 2019

April 10, 2019



SCOTT FARQUHAR
CO-FOUNDER & CO-CEO



MIKE CANNON-BROOKES
CO-FOUNDER & CO-CEO



JAY SIMONS
PRESIDENT



SRI VISWANATH
CTO



JAMES BEER
CFO



IAN LEE
INVESTOR RELATIONS

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Further information on these and other factors that could affect our financial results is included in filings we make with the Securities and Exchange Commission from time to time, including the section titled "Risk Factors" in our most recent Forms 20-F and 6-K (reporting our quarterly results). These documents are available on the SEC Filings section of the Investor Relations section of our website at: https://investors.atlassian.com.

Agenda

1pm

Introduction
Ian Lee, Investor Relations

Welcome
Mike Cannon-Brookes, Co-Founder & Co-CEO

Go-to-market overview
Jay Simons, President

R&D overview
Sri Viswanath, CTO

Financial summary
James Beer, CFO

Agenda

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~3:20pm

Short break

~3:30pm

Q&A
Scott Farquhar, Co-Founder & Co-CEO
Mike Cannon-Brookes, Co-Founder & Co-CEO
Jay Simons, President
Sri Viswanath, CTO
James Beer, CFO
Ian Lee, Investor Relations

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Sri Viswanath, CTO
James Beer, CFO
Ian Lee, Investor Relations

~4:10pm

Cocktails

5pm

End of session

Agenda

~3:20pm

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~3:30pm

Q&A
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~4:10pm

Cocktails

5pm

End of session

Welcome



MIKE CANNON-BROOKES | CO-FOUNDER & CO-CEO

Investor Session

Go-to-market overview



JAY SIMONS | PRESIDENT

Agenda



Part One

The enormous opportunity ahead



Part Two

How we acquire & grow the base



Part Three

Who we serve, and how we do it



Part Four

Customer and Partner Q&A

Agenda

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The enormous opportunity ahead

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OUR MISSION

Unleash the potential of every team

TEAMWORK IS VITAL

Future progress depends entirely on how **teams** work together

AND, TEAMWORK IS HARD



…AND IT'S GETTING MORE DIFFICULT



NEW INFORMATION

Product fragmentation, trapped knowledge, lack of a shared vision, chat overload



NEW TECHNOLOGY

Connected devices, BYOD, AR + VR, machine learning, Cambrian SaaS



NEW DYNAMICS

Remote working, freelance + gig economy, networked org, millennial influx



NEW EXPECTATIONS

Always-on, reliable, secure, speedy, consistent, and smart digital experiences


Feedback + sparring
Traceability and source-of-truth
Shared context
Time-sensitive deliverables
Dependency tracking
Project status + communication
Cross-team coordination
Shared goals + outcomes
THE KEY
Solving complex, universal people & team challenges

THE COLLABORATION LANDSCAPE



GENERAL COLLABORATION

We serve as the workflow engine for project collaboration, allowing teams across marketing, HR, operations, legal, design, etc to organize, discuss, and complete shared work

- Jira Software
- Jira Core
- Jira Service Desk
- Trello
- Confluence

twilio

Jira Software and Confluence are introduced to all employees on day 1 as “essential collaboration tools”

HubSpot

Their open culture is powered by Confluence. Everyone has access to the wiki where everything is shared - from strategy to marketing plans - with everyone in the organization

THE COLLABORATION LANDSCAPE



THE COLLABORATION LANDSCAPE



SOFTWARE DEVELOPMENT

We power agile collaboration between software developers & the rest of the org to plan, build and ship high-quality products

- Jira Software
- Jira Core
- Jira Service Desk
- Jira Align
- Sourcetree
- Trello
- Confluence
- Bitbucket
- Bamboo

Walmart Labs

Using Jira Software, they manage delivery and maintenance of all digital experiences seamlessly, across functions, and in service of transparency at all levels

Lufthansa

IT, engineering, and business teams use Jira Software, Confluence and Bitbucket to develop and manage homegrown applications supporting aircraft repair and maintenance

THE COLLABORATION LANDSCAPE



IT SERVICE MANAGEMENT

We empower software developers and IT teams to rapidly and effectively respond to all requests for infrastructure changes and IT support

- Jira Software
- Jira Service Desk
- Confluence
- Trello
- Statuspage

ULTA BEAUTY

Replaced spreadsheets with Jira Software and Jira Service Desk, scaling from a 100 to a 2,000 user license

APPDYNAMICS

Using Jira, Confluence, and Jira Service Desk, scaled service management for IT and beyond

The Telegraph

Within 3 months of rolling out Jira Service Desk, IT improved time to resolution reduced call-waiting time, and increased customer satisfaction

IT OPERATIONS

We bring software developers and IT ops together to collaborate and resolve incidents faster, so services are always operational

- Jira Software
- Jira Service Desk
- Confluence
- Opsgenie
- Statuspage

looker

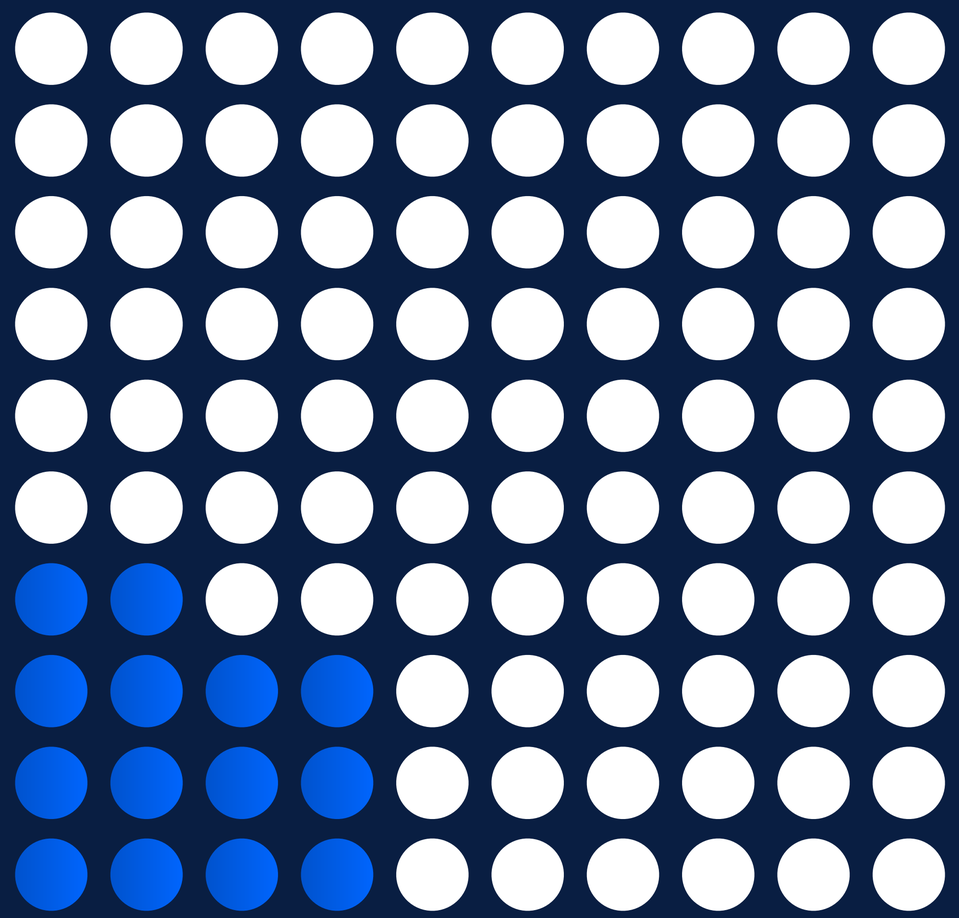
Uses Opsgenie to help in their preparation for and response to incidents that could disrupt the services they provide, keeping time-to-response under two minutes

DigitalOcean

Uses Statuspage to keep customers informed and updated about incidents, reducing inbound customer tickets and requests

1M

companies in the world we can potentially serve



Total companies[1]

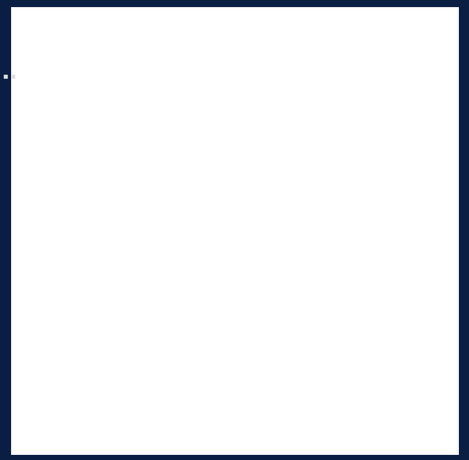
Atlassian customers[2]

[1]Source: Capital IQ. 1.01M global companies with over $10M in annual revenue as of February 2019.

[2]Atlassian total customer count as of December 31, 2018 was 138,235.

Large markets with **massive** expansion opportunities

23M+
software developers



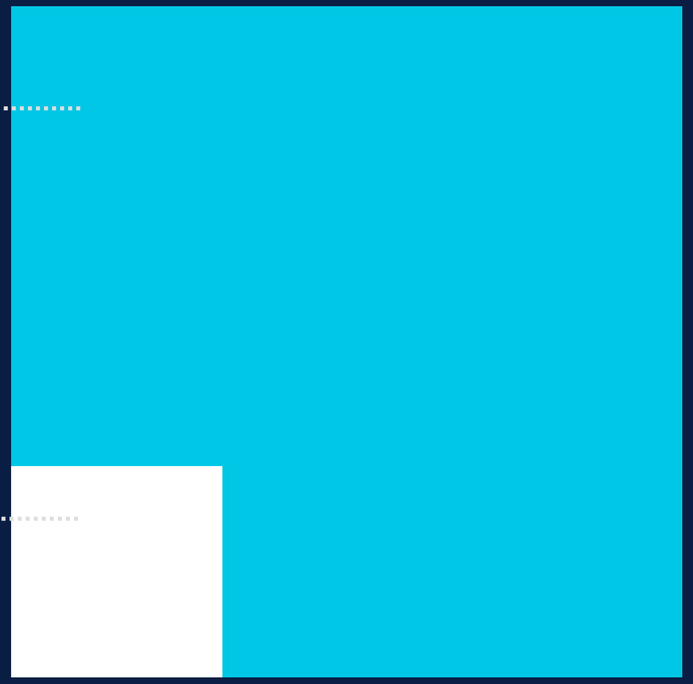
Large markets with **massive** expansion opportunities

100M+

technical team members

23M+

software developers

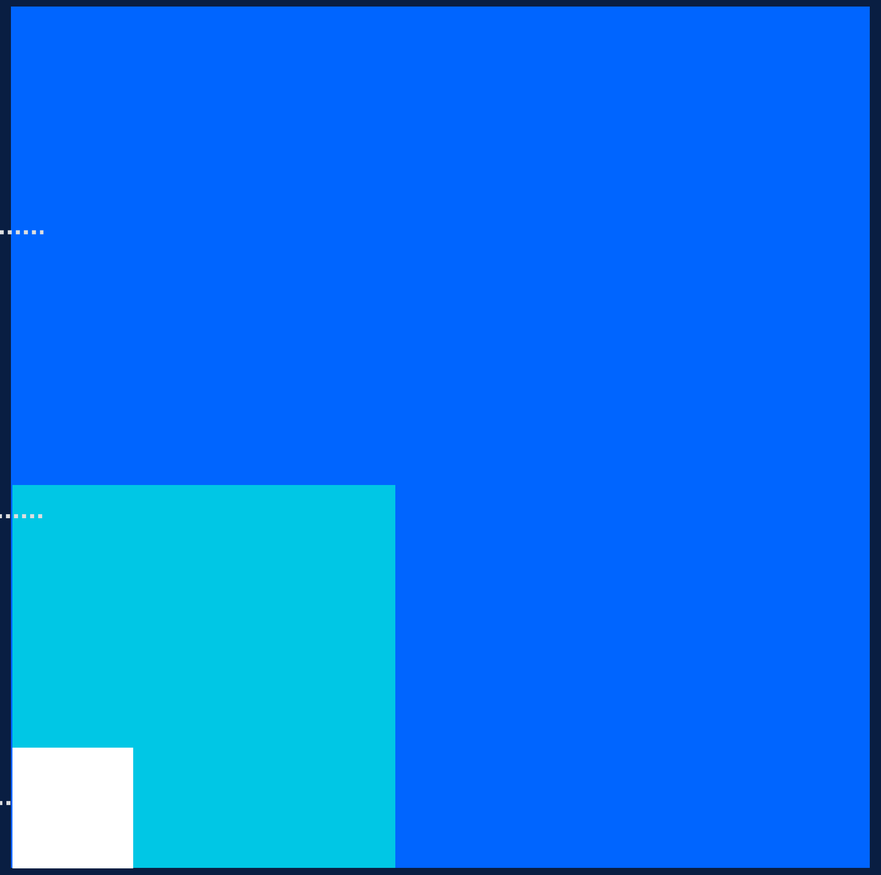


Large markets with **massive** expansion opportunities

800M+
knowledge workers

100M+
technical team members

23M+
software developers



Sources: Knowledge workers as of 2016 (Forrester Research), technical team members as of 2013 (Evans Data), software developers as of 2018 (Evans Data).

Who we beat

The "dog's breakfast" of fragmented, narrow, and/or unsophisticated tools

Legacy incumbents

Platform plays

Point solutions / up-starts

Open source players

Docs, spreadsheets, email

Why we win

Powerful, flexible, accessible, and universally relevant tools for any team

Powerful, simple, versatile

Multiple landing points

High-quality, affordable products

Ease-of-use -> viral adoption

Strong ecosystem

Strong brand and word of mouth

Agenda

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our model

Great product

×

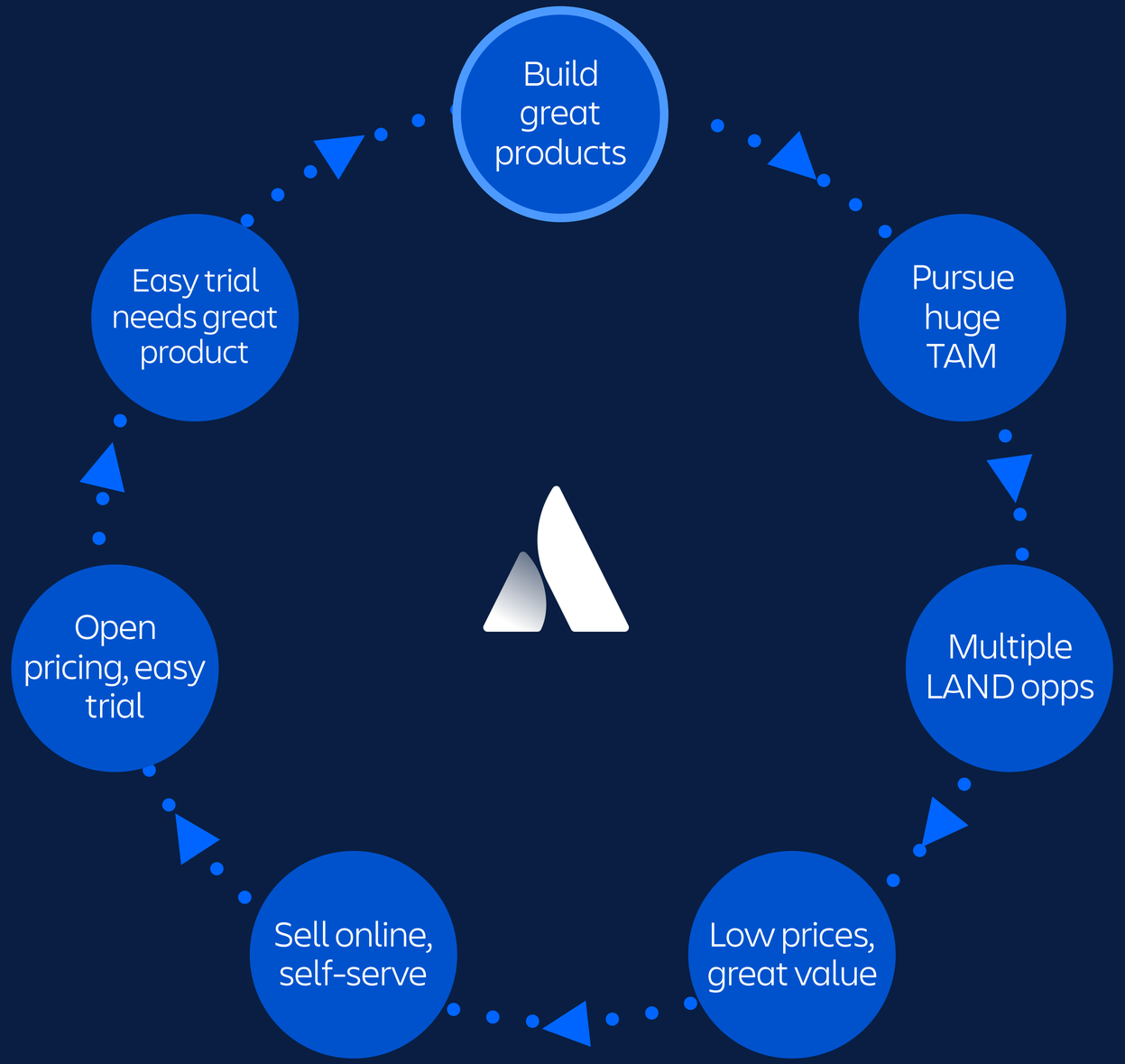
Low pricing

×

Low friction

=

High volume & efficiency

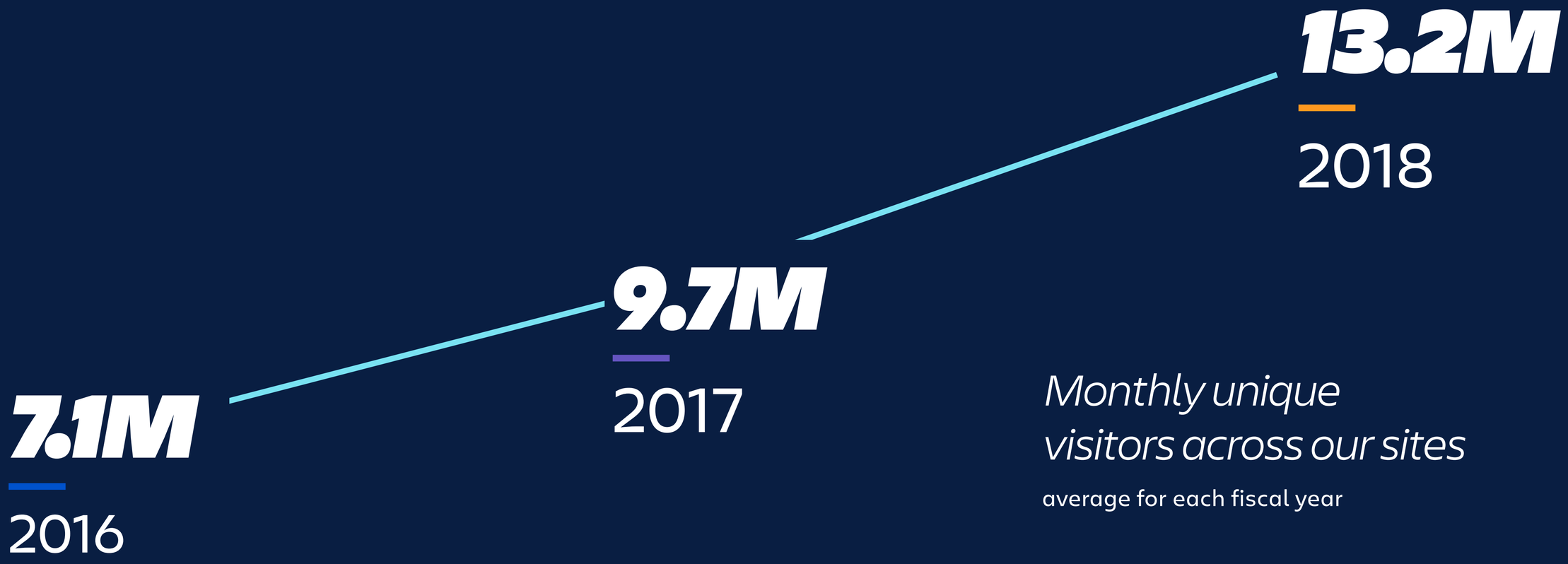


WE OPTIMIZE FOR CUSTOMER SELF-SERVICE

- All pricing online
- All products free to try
- No forms or gates
- No custom contracts
- No hidden pricing
- All purchasing made simple
- Underpinned by great service



WE OPERATE ON A CONSUMER SCALE



Monthly unique visitors across our sites

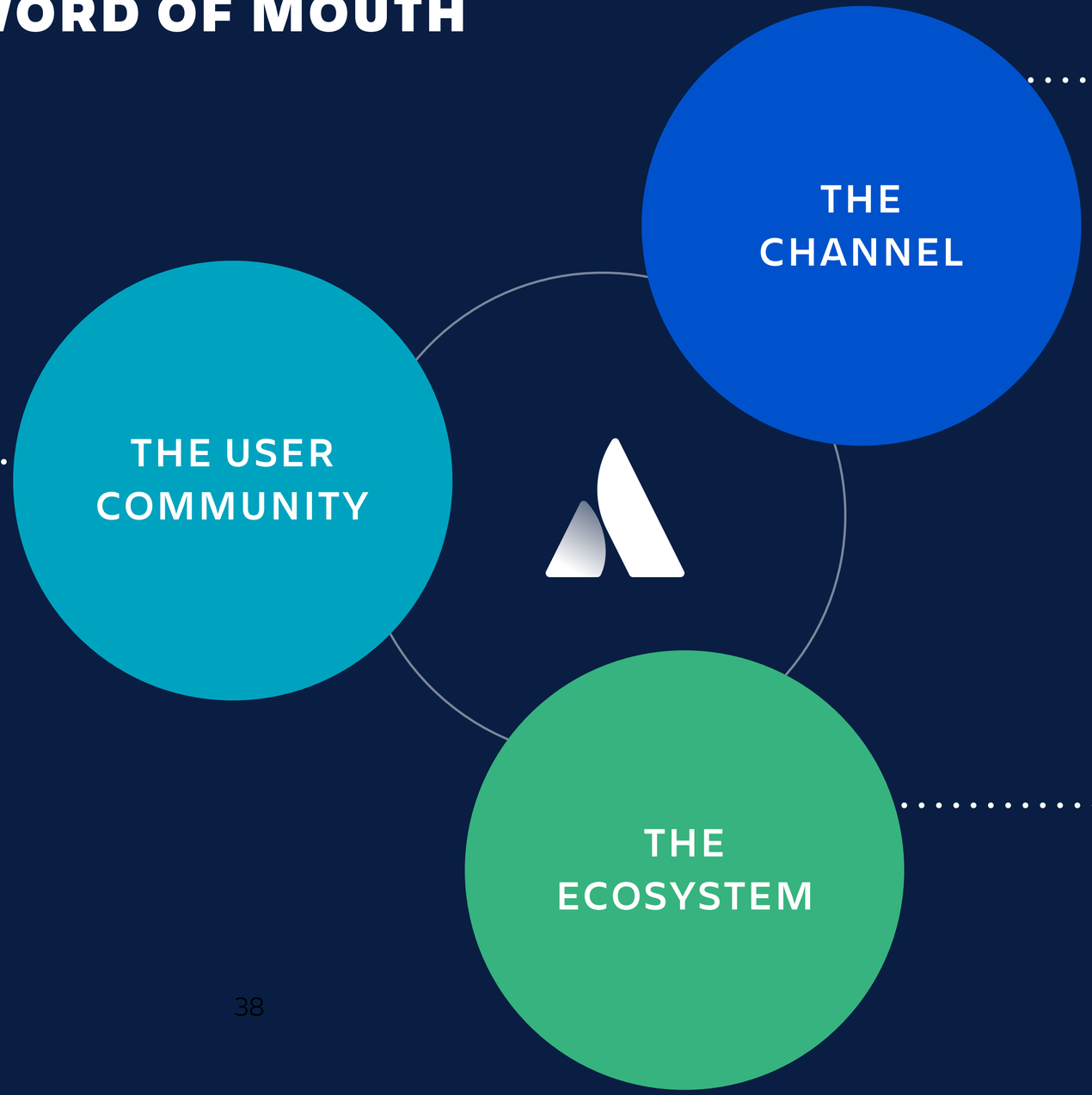
average for each fiscal year

Monthly unique visitors across all main product domains.

Scale, on a typical day

	TUESDAY AUGUST 8, 2017	WEDNESDAY AUGUST 8, 2018
SALES	**$2.8M** sales	**$3.5M** sales
	6,841 unique domains	**8,063** unique domains
TRIALS	**16,742** unique domains	**19,735** unique domains

HOW WE FUEL WORD OF MOUTH



500+
partners indirectly marketing and selling Atlassian products

15M
visitors to the Community site in the last 12 months

708
Atlassian user group events across **178 cities** in 2018

76,000+
jobs on LinkedIn with Jira as a listed skill

25,000+
3rd party developers on the Atlassian platform

$500M+
cumulative sales of Marketplace apps

One user begets another, one customer begets another

We land inside an organization through one team, and expand organically to other teams



One user begets another, one customer begets another

We land inside an organization through one team, and expand organically to other teams

We expand in multiple ways:

Additional users & teams



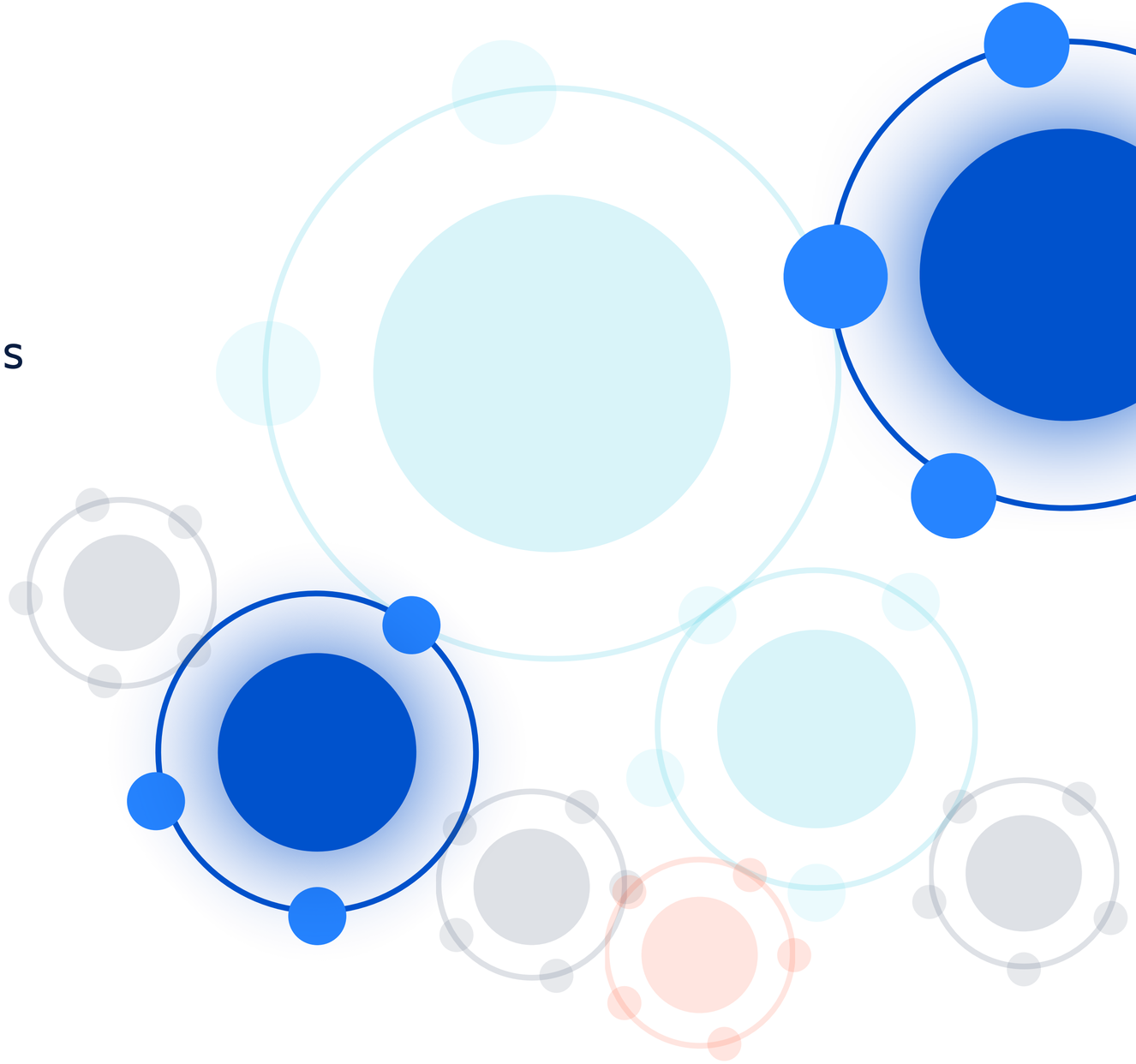
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We expand in multiple ways:

Additional users & teams

Additional products + services



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We expand in multiple ways:

Additional users & teams

Additional products + services

Premium offerings



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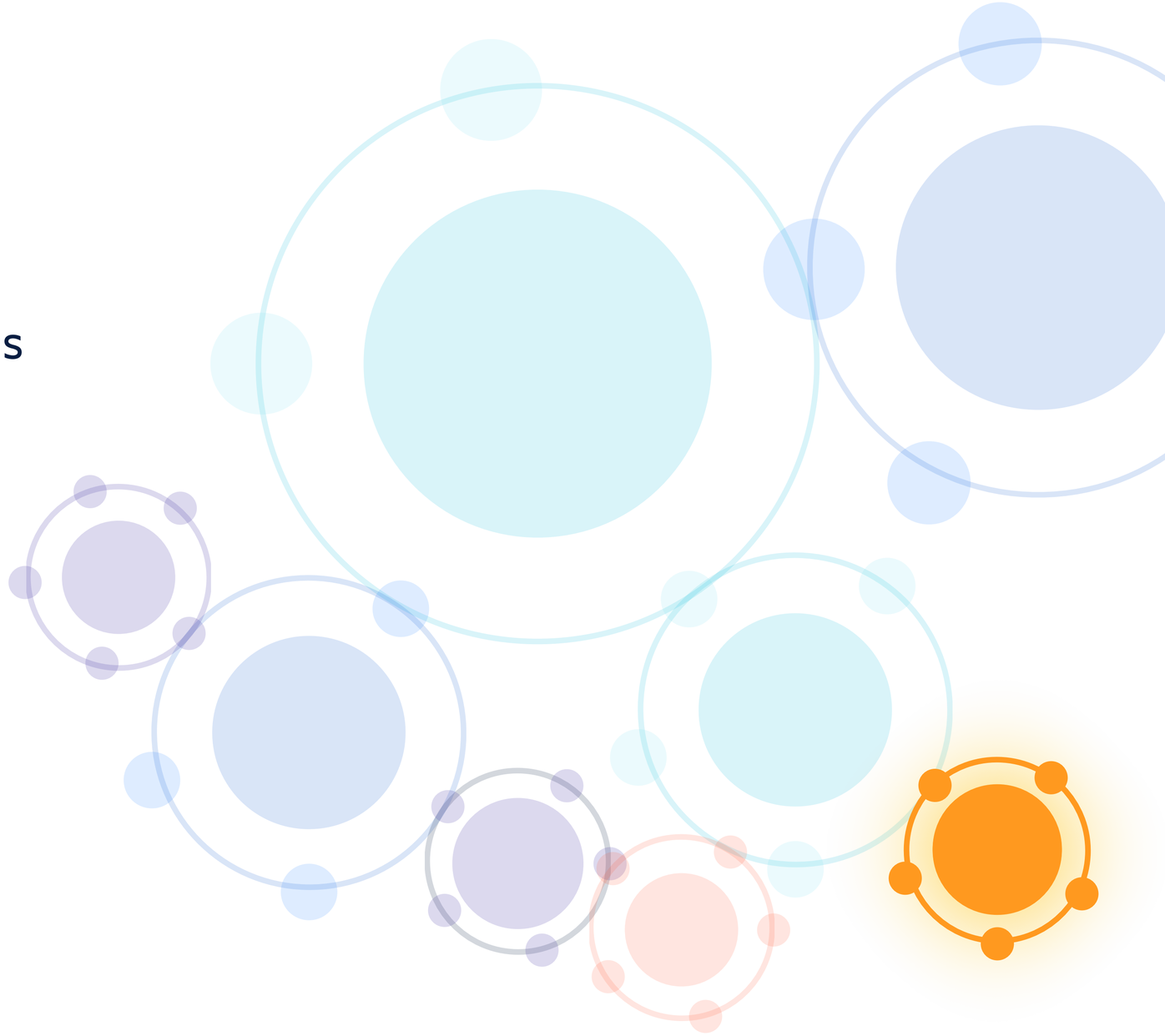
We expand in multiple ways:

Additional users & teams

Additional products + services

Premium offerings

Marketplace apps



One user begets another, one customer begets another

We land inside an organization through one team, and expand organically to other teams

We expand in multiple ways:

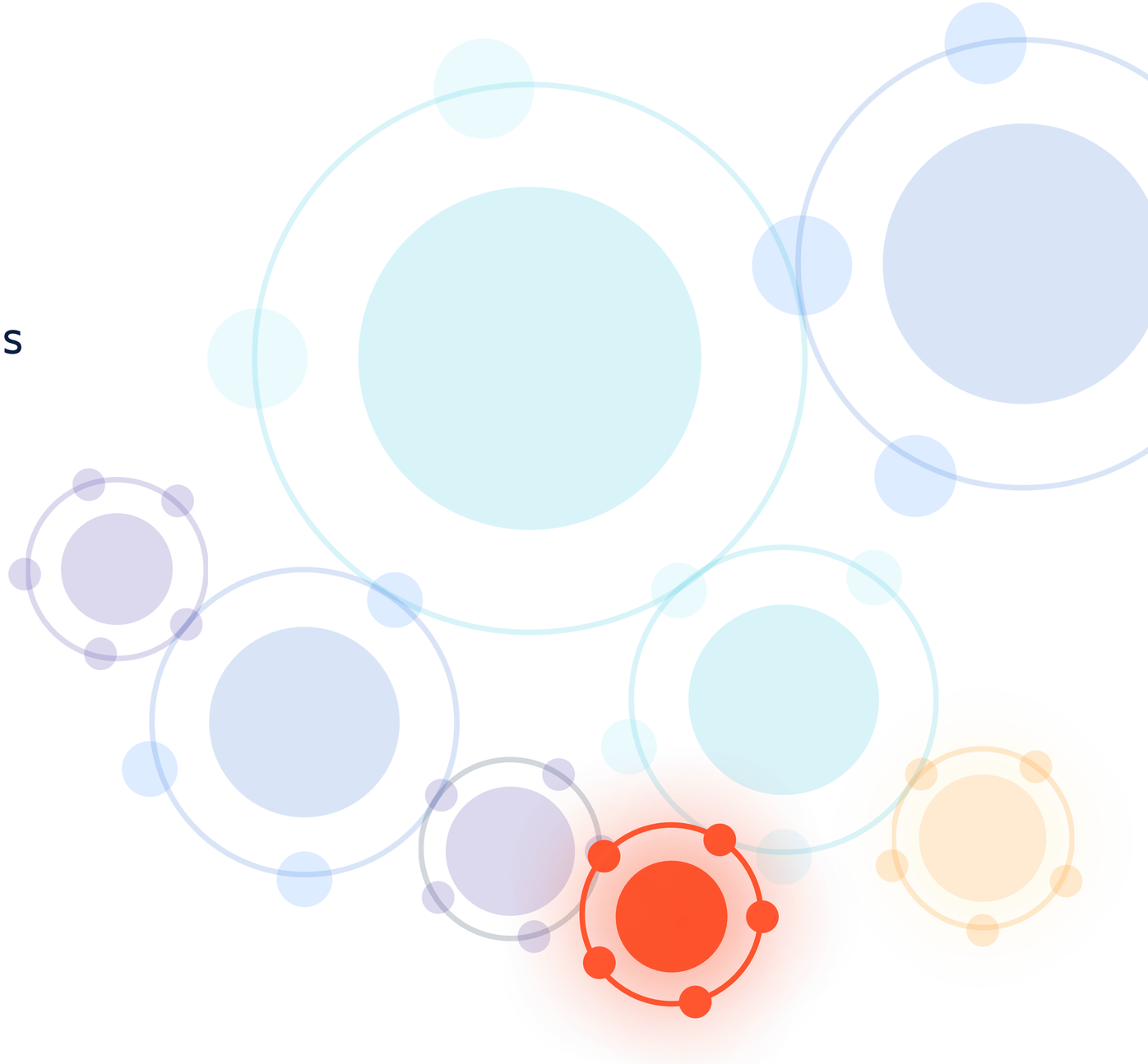
Additional users & teams

Additional products + services

Premium offerings

Marketplace apps

Additional use cases

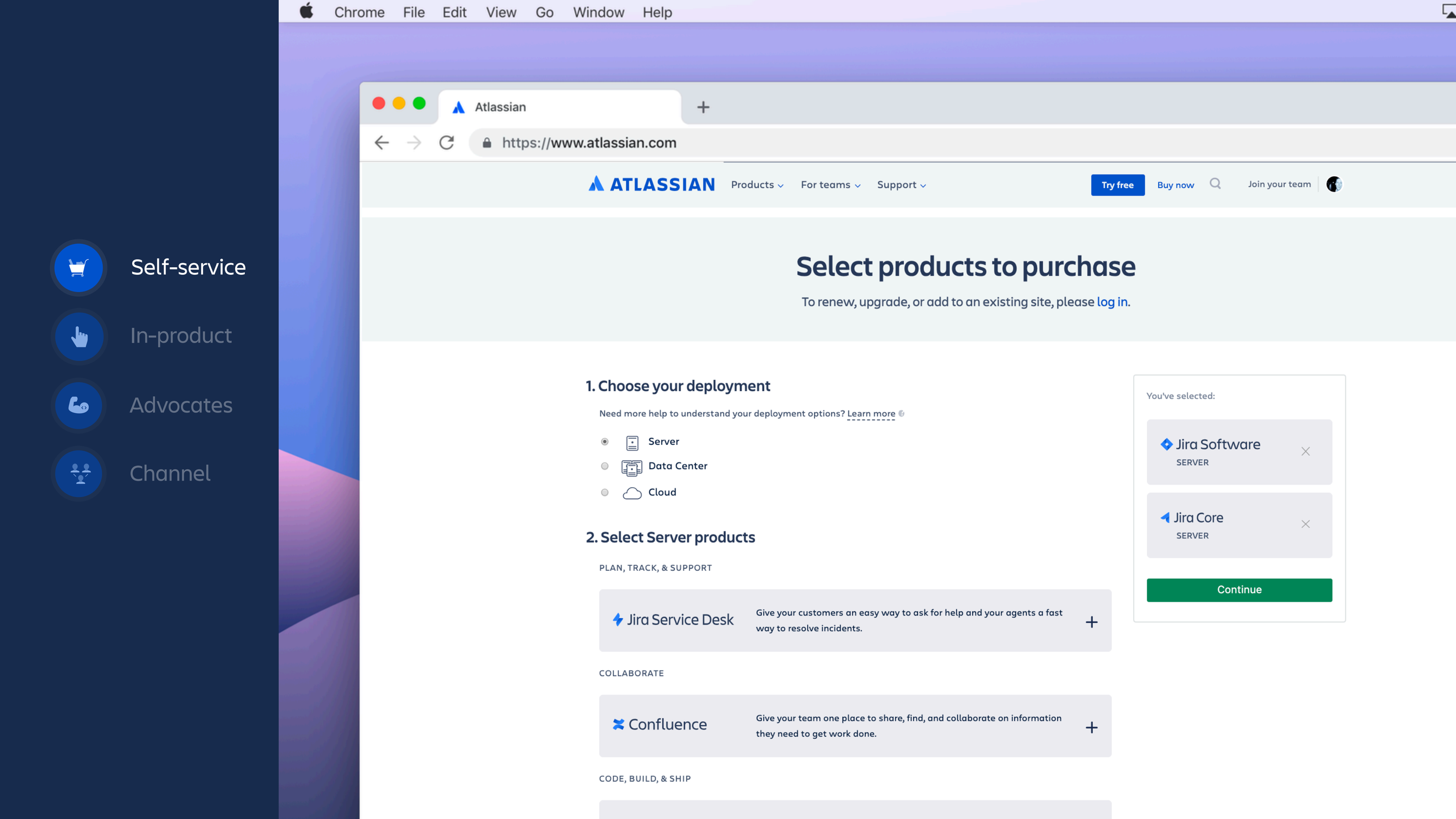


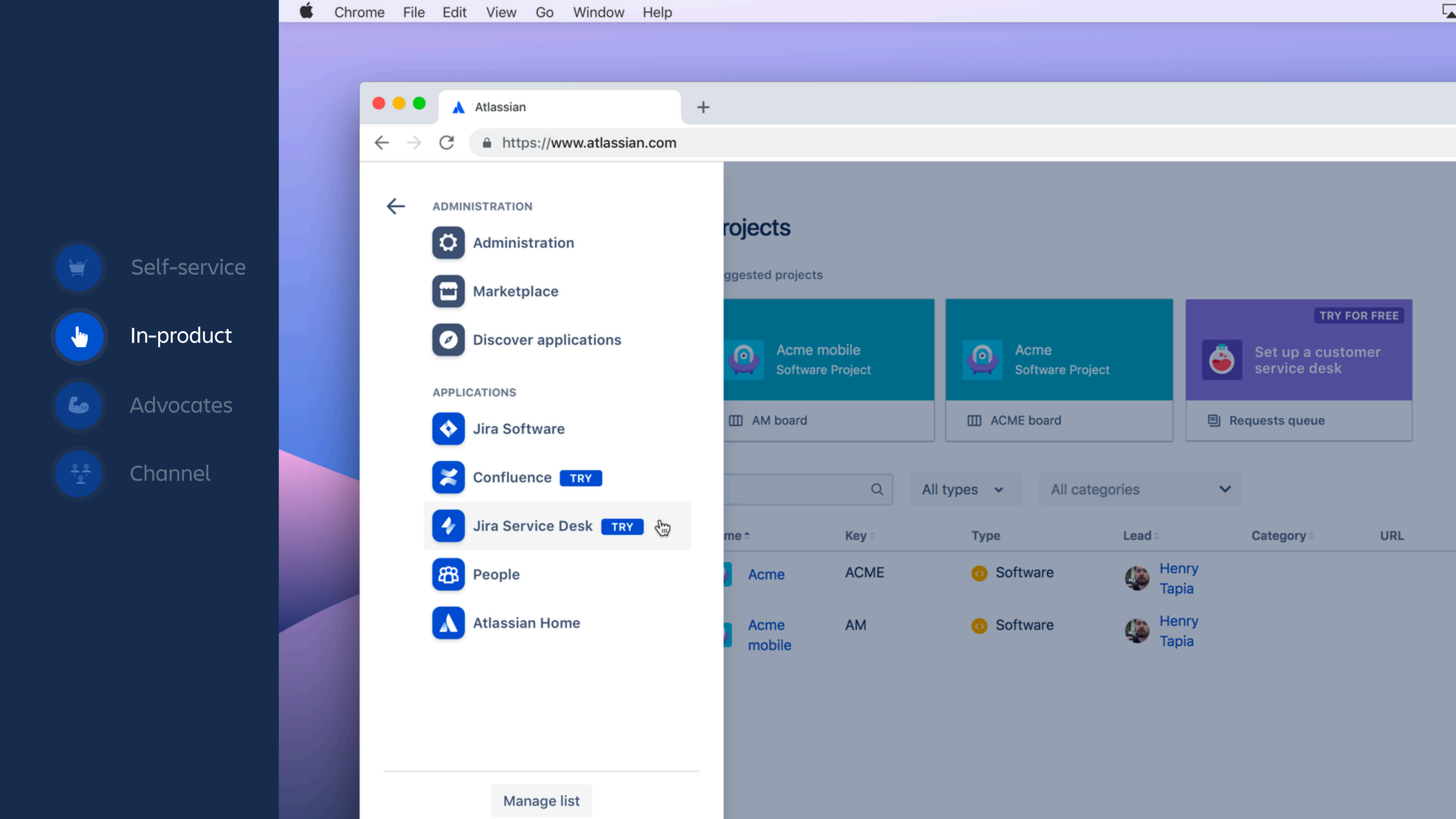
HOW WE LAND

- Self-service
- Channel partners

HOW WE EXPAND

- Self-service
- In-product
- Enterprise advocates
- Channel partners


Chrome File Edit View Go Window Help
Atlassian
https://www.atlassian.com
ATLASSIAN
Products
For teams
Support
Try free
Buy now
Join your team
Select products to purchase
To renew, upgrade, or add to an existing site, please log in.
1. Choose your deployment
Need more help to understand your deployment options? Learn more
Server
Data Center
Cloud
2. Select Server products
PLAN, TRACK, & SUPPORT
Jira Service Desk
Give your customers an easy way to ask for help and your agents a fast way to resolve incidents.
COLLABORATE
Confluence
Give your team one place to share, find, and collaborate on information they need to get work done.
CODE, BUILD, & SHIP
You've selected:
Jira Software
SERVER
Jira Core
SERVER
Continue
Self-service
In-product
Advocates
Channel


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Marketplace
Discover applications
APPLICATIONS
Jira Software
Confluence TRY
Jira Service Desk TRY
People
Atlassian Home
Manage list
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Acme mobile
Software Project
AM board
Acme
Software Project
ACME board
TRY FOR FREE
Set up a customer service desk
Requests queue
All types
All categories
me
Key
Type
Lead
Category
URL
Acme
ACME
Software
Henry Tapia
Acme mobile
AM
Software
Henry Tapia
Self-service
In-product
Advocates
Channel

Megatron
Software project

MEG board
Board

Backlog

Active sprints

Reports

Releases

Issues and filters

Pages

Components

Add Item

Project settings

Projects / Megatron

Pages

Here are some templates to get you started on that masterpiece.

Blank page

Decision

Meeting notes

Product requirements

Retrospective

+7 more

Name	Contributors	Last modified



One place for all your project docs

Create, share, and collaborate on all your project docs in one place, with Confluence pages.

Create your first page

Learn more

Megatron
Software project

MEG board
Board

Backlog

Active sprints

Reports

Releases

Issues and filters

Pages

Components

Add Item

Project settings

Projects / Megatron

Pages

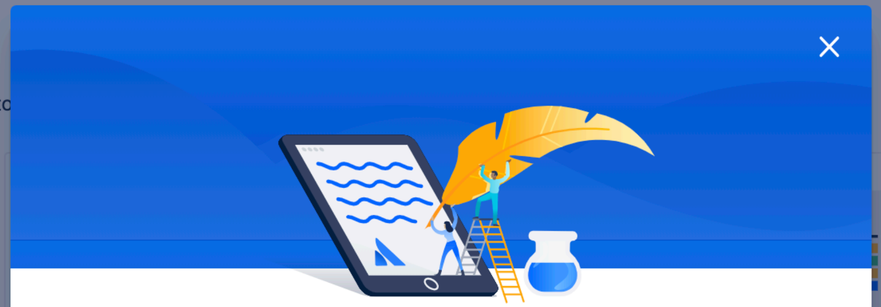
Here are some templates to

Blank page

+7 more

Name

Last modified



Project pages are powered by Confluence

Create, share, and collaborate on all your project docs in one place, with Confluence pages.

Try Confluence free for 30 days

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Your billing contact will be emailed ten days before.

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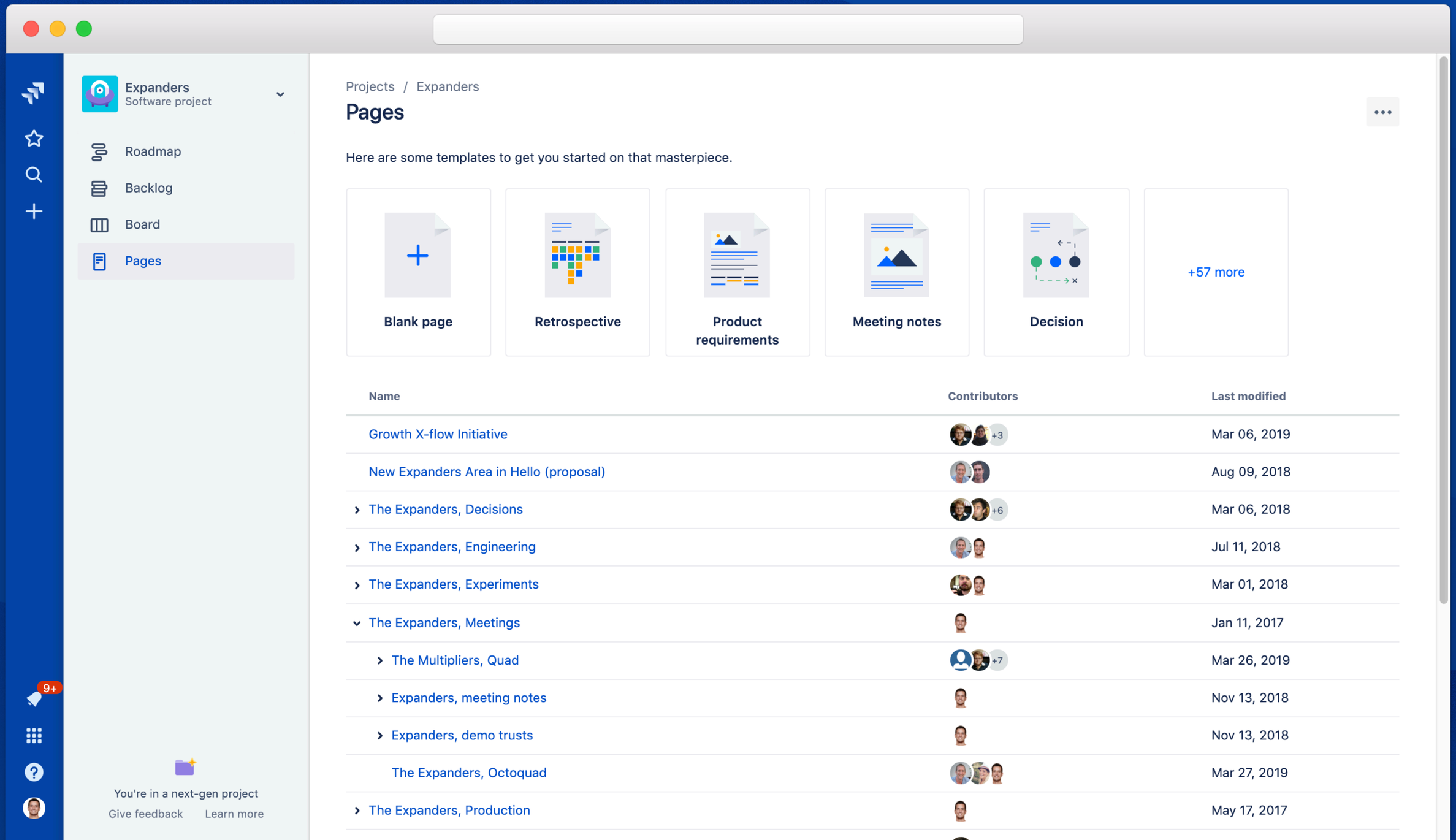
Confluence

Who should have access?

Everyone will have access to Confluence.

Notify these users

Continue | Manage


Expanders
Software project
Roadmap
Backlog
Board
Pages
You're in a next-gen project
Give feedback
Learn more
Projects / Expanders
Pages
Here are some templates to get you started on that masterpiece.
Blank page
Retrospective
Product requirements
Meeting notes
Decision
+57 more
Name
Contributors
Last modified
Growth X-flow Initiative
Mar 06, 2019
New Expanders Area in Hello (proposal)
Aug 09, 2018
The Expanders, Decisions
Mar 06, 2018
The Expanders, Engineering
Jul 11, 2018
The Expanders, Experiments
Mar 01, 2018
The Expanders, Meetings
Jan 11, 2017
The Multipliers, Quad
Mar 26, 2019
Expanders, meeting notes
Nov 13, 2018
Expanders, demo trusts
Nov 13, 2018
The Expanders, Octoquad
Mar 27, 2019
The Expanders, Production
May 17, 2017

Self-service

In-product

Advocates

Channel



CUSTOMER
Billing assistance



LOYALTY
Renewal assistance



PARTNER
Partner assistance



PRODUCT
Tech pre-sales assistance



ENTERPRISE
Enterprise assistance

Self-service

In-product

Advocates

Channel

WHERE THEY FOCUS



ENTERPRISE ADVOCATE

Premium product introduction

Solution Partner referral

Enterprise services introduction

Consolidated purchasing

LEARN

TRY

BUY

Self-service

In-product

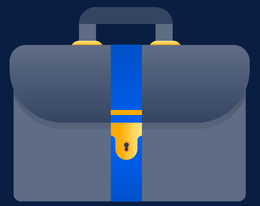
Advocates

Channel

ATLASSIAN PARTNER TYPES



Solution Partners



Corporate Resellers



Training Partners



Marketplace Vendors

Self-service

In-product

Advocates

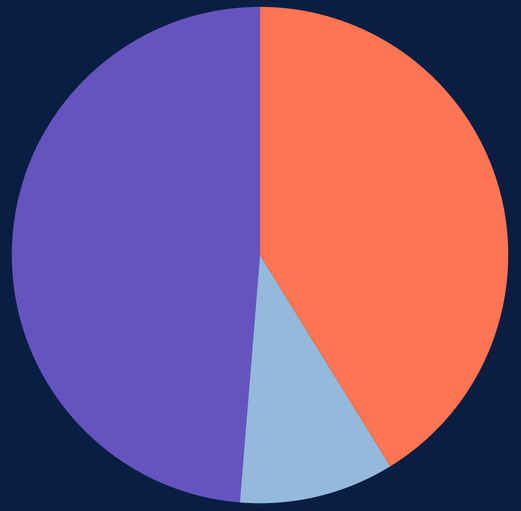
Channel

DIRECT / INDIRECT (FY18)



Direct Revenue Indirect Revenue

CHANNEL SALES BY GEO (FY18)



Americas APAC EMEA

Data Center Product Family

Cloud Premium

Enterprise Services

Access

Jira Align











ON-PREMISES

CLOUD

SERVICES

SECURITY

SCALING



There’s also a growing enterprise opportunity within installed base

7,500+

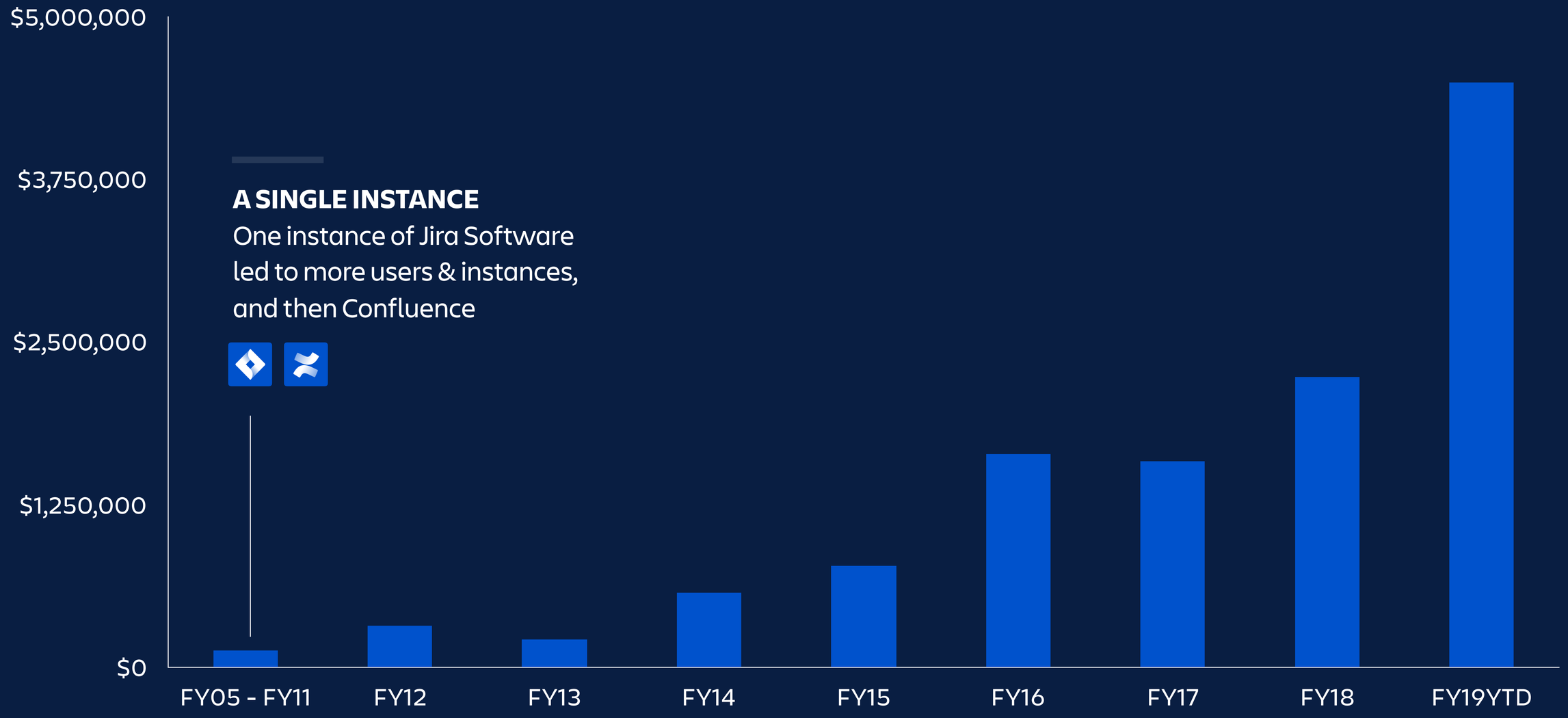
Customers who are target candidates for upgrade to Data Center or Cloud Premium

13%

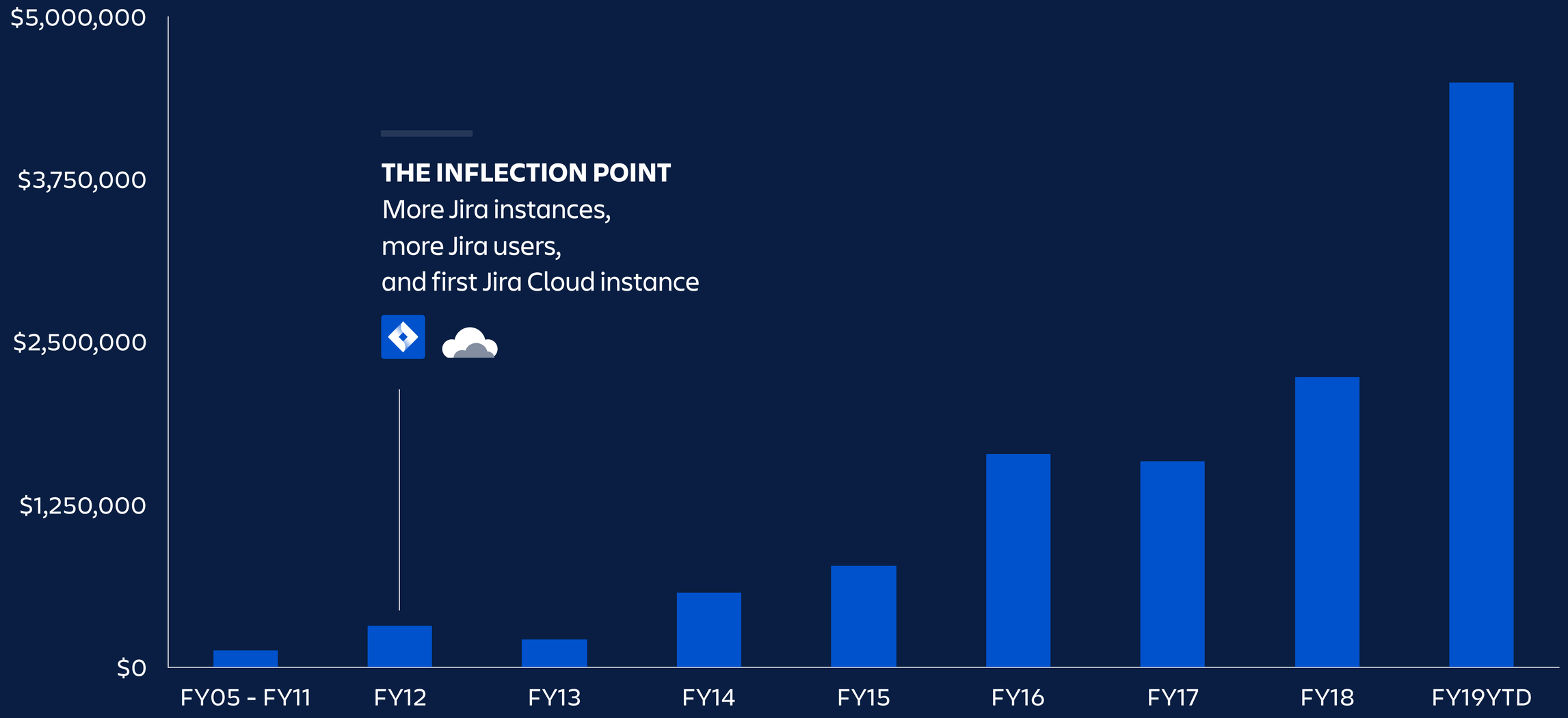
Portion of this opportunity currently captured

Target customers and penetration estimates based on Atlassian internal analysis as of December 31, 2018.

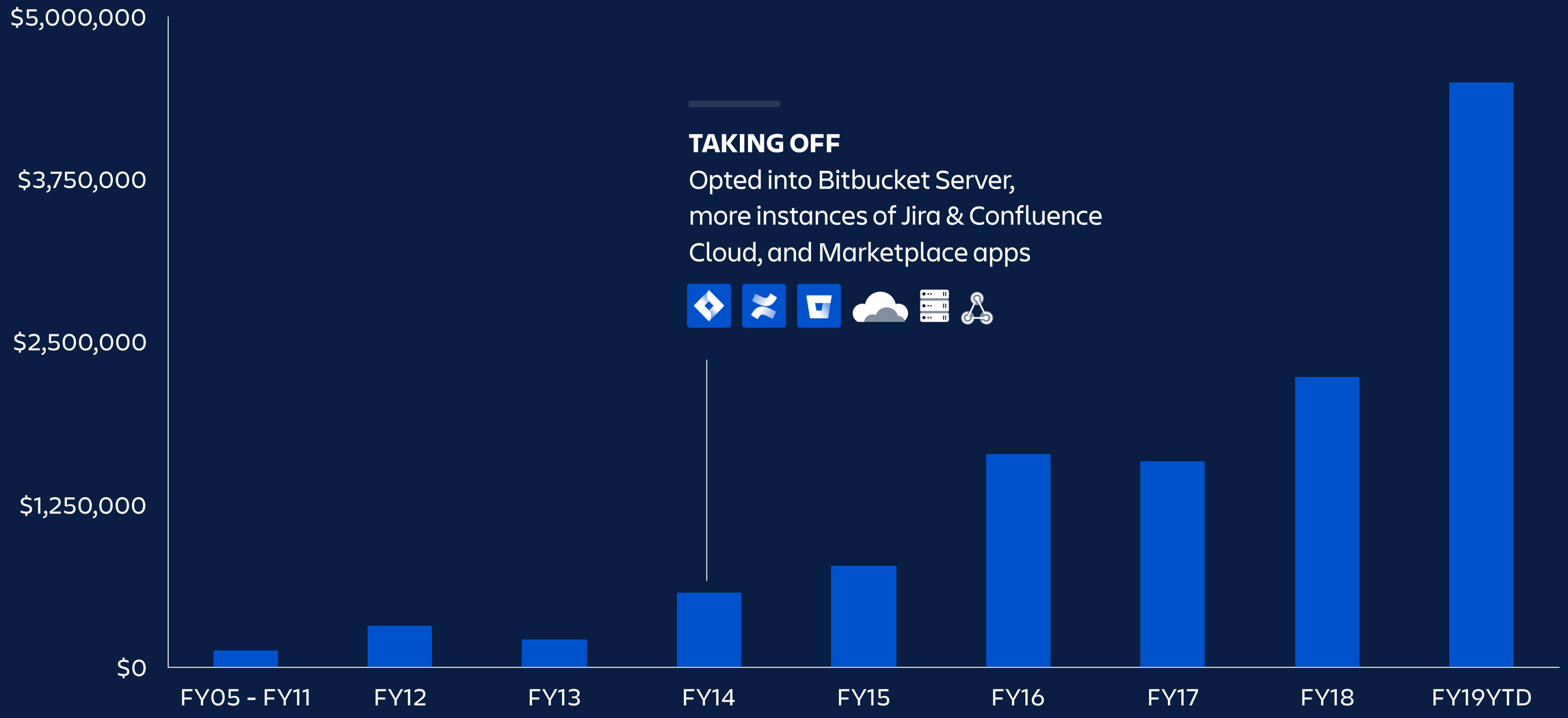
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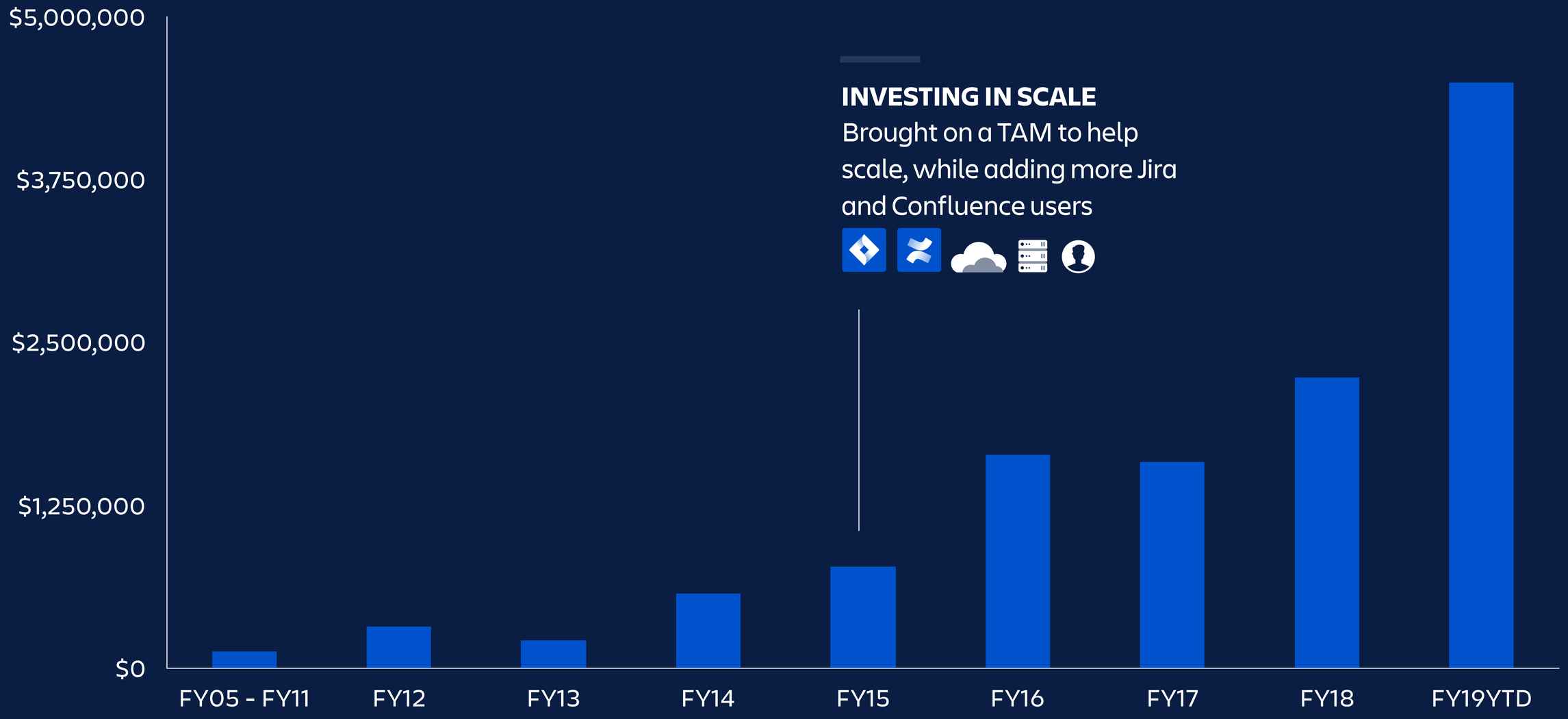
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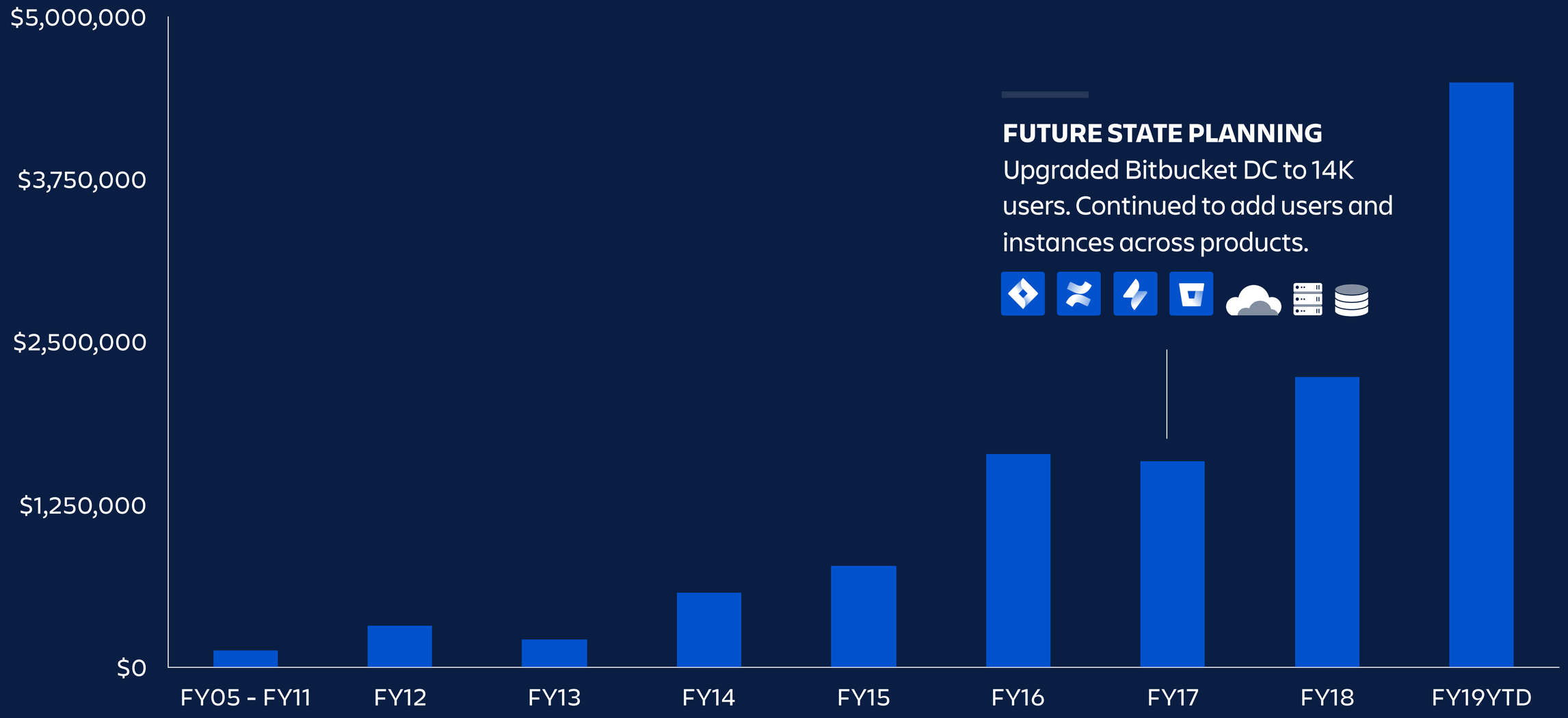
GLOBAL FINANCIAL INSTITUTION



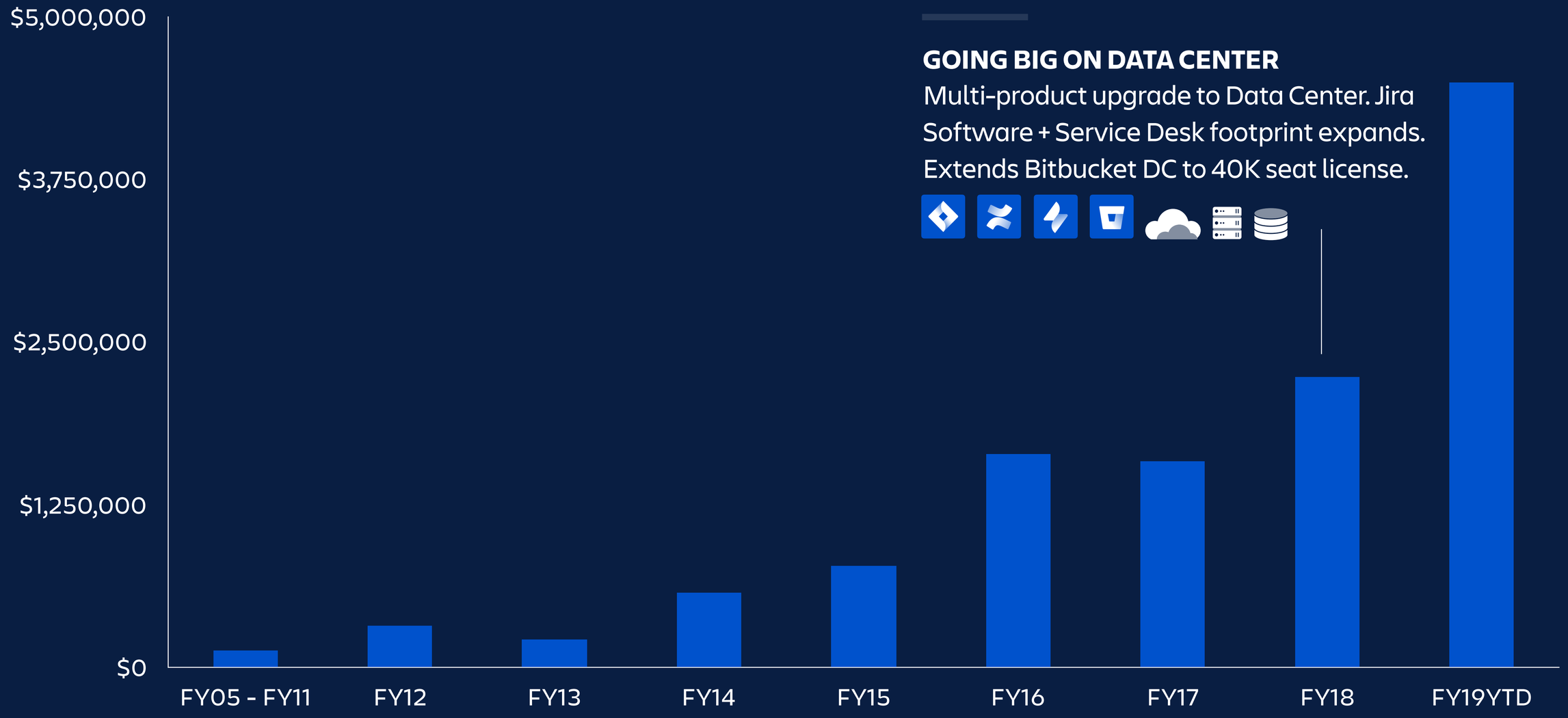
GLOBAL FINANCIAL INSTITUTION



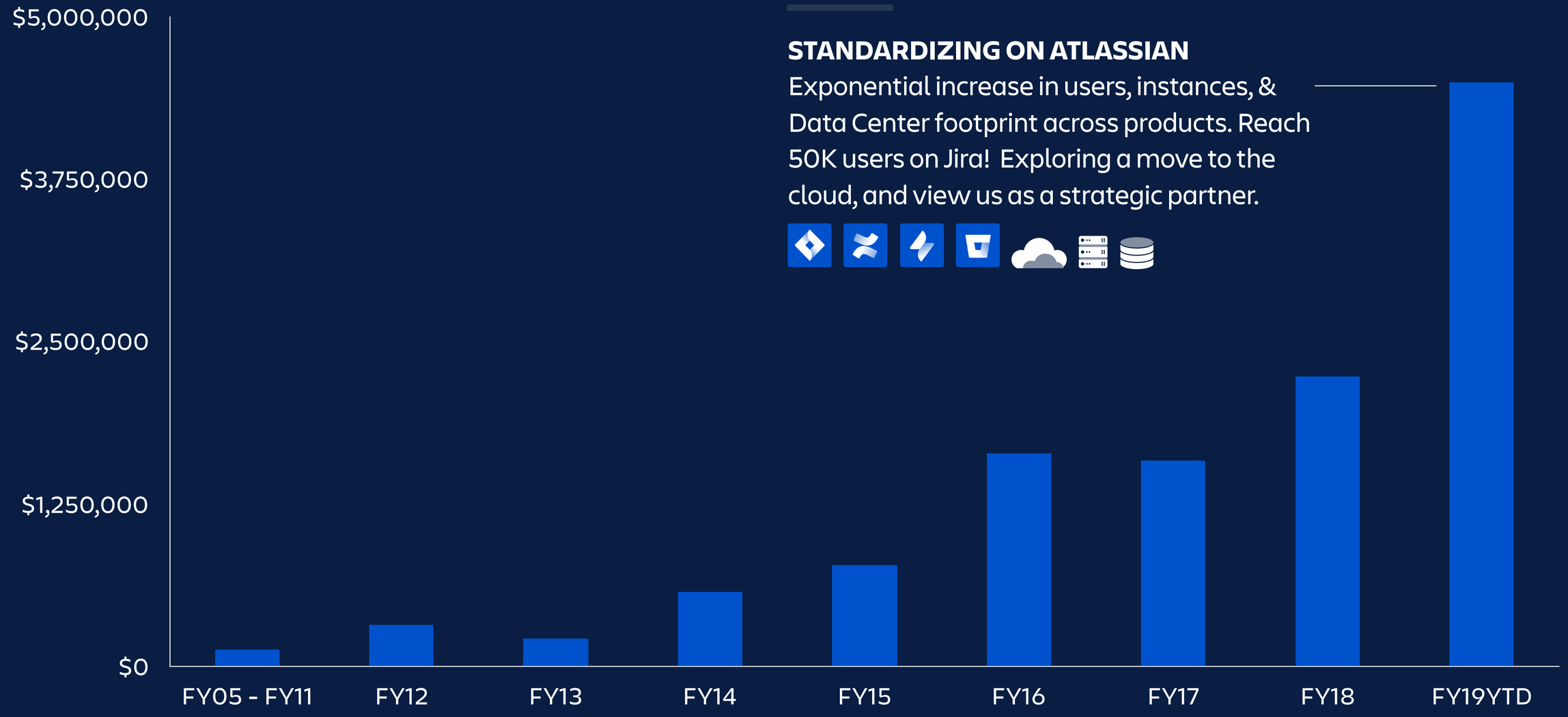
GLOBAL FINANCIAL INSTITUTION



GLOBAL FINANCIAL INSTITUTION



GLOBAL FINANCIAL INSTITUTION



STANDARDIZING ON ATLASSIAN

Exponential increase in users, instances, & Data Center footprint across products. Reach 50K users on Jira! Exploring a move to the cloud, and view us as a strategic partner.

Agenda

Part One
The enormous opportunity ahead

Part Two
How we acquire & grow the base

Part Three
Who we serve, and how we do it

Part Four
Customer and Partner Q&A

Customer base highlights

No signs of slowing

138,000+ customers and growing

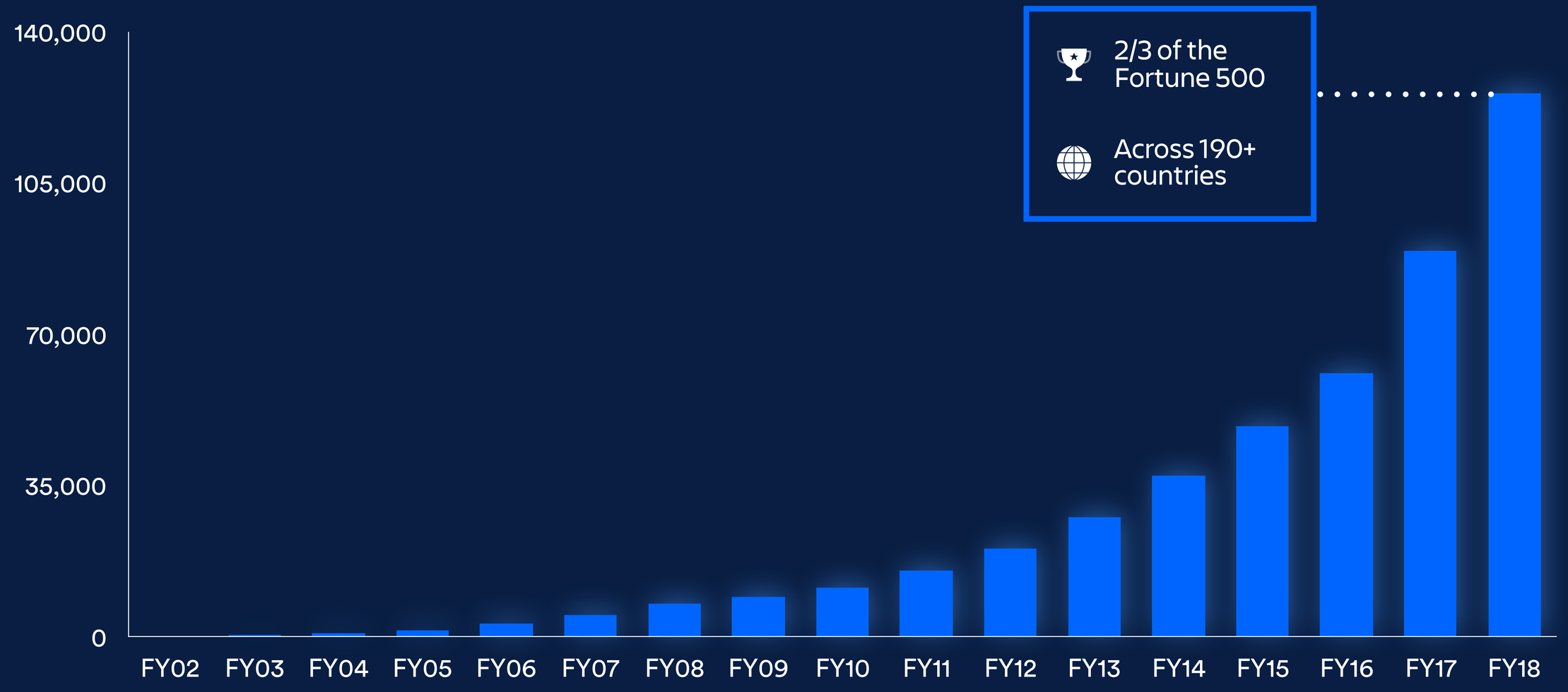
Diverse, expansive base

Frictionless model allows for easy adoption across functions, industries, sizes

Momentum where it matters

Solid, consistent growth in high-value areas (Data Center, Cloud)

GROWTH OF OUR CUSTOMER FRANCHISE

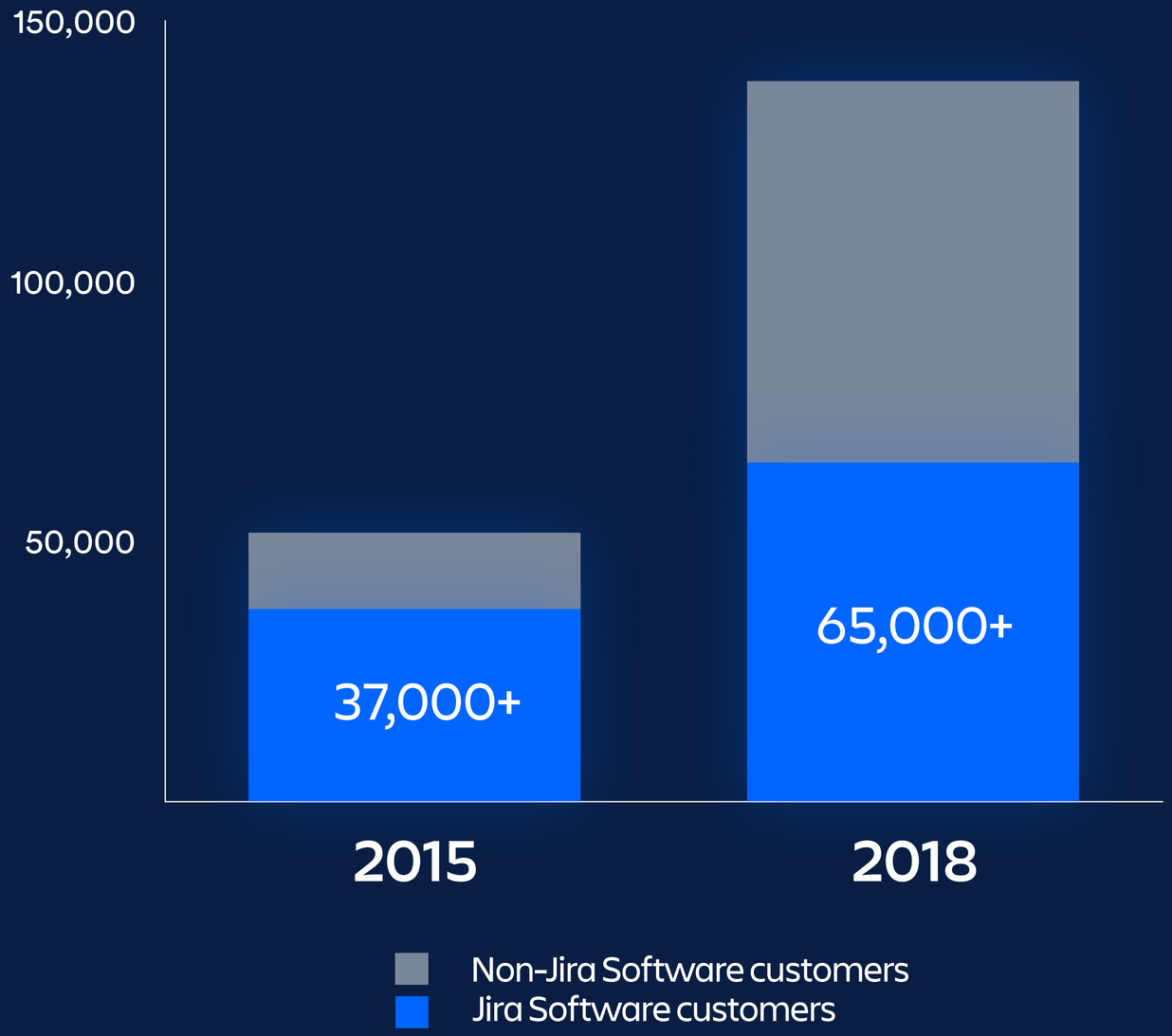


THE LARGE, UNTAPPED OPPORTUNITY



2015 data as of September 30, 2015. 2018 data as of December 31, 2018.
Starters includes unique organizations paying approximately $10 or less per month.

CUSTOMER MIX SHIFTING



While we continue to land new customers with **Jira Software,** new customers are landing with our other products

16%

of all new customers[1] in FY19 YTD land with **Jira Service Desk**, up from 4% in FY15

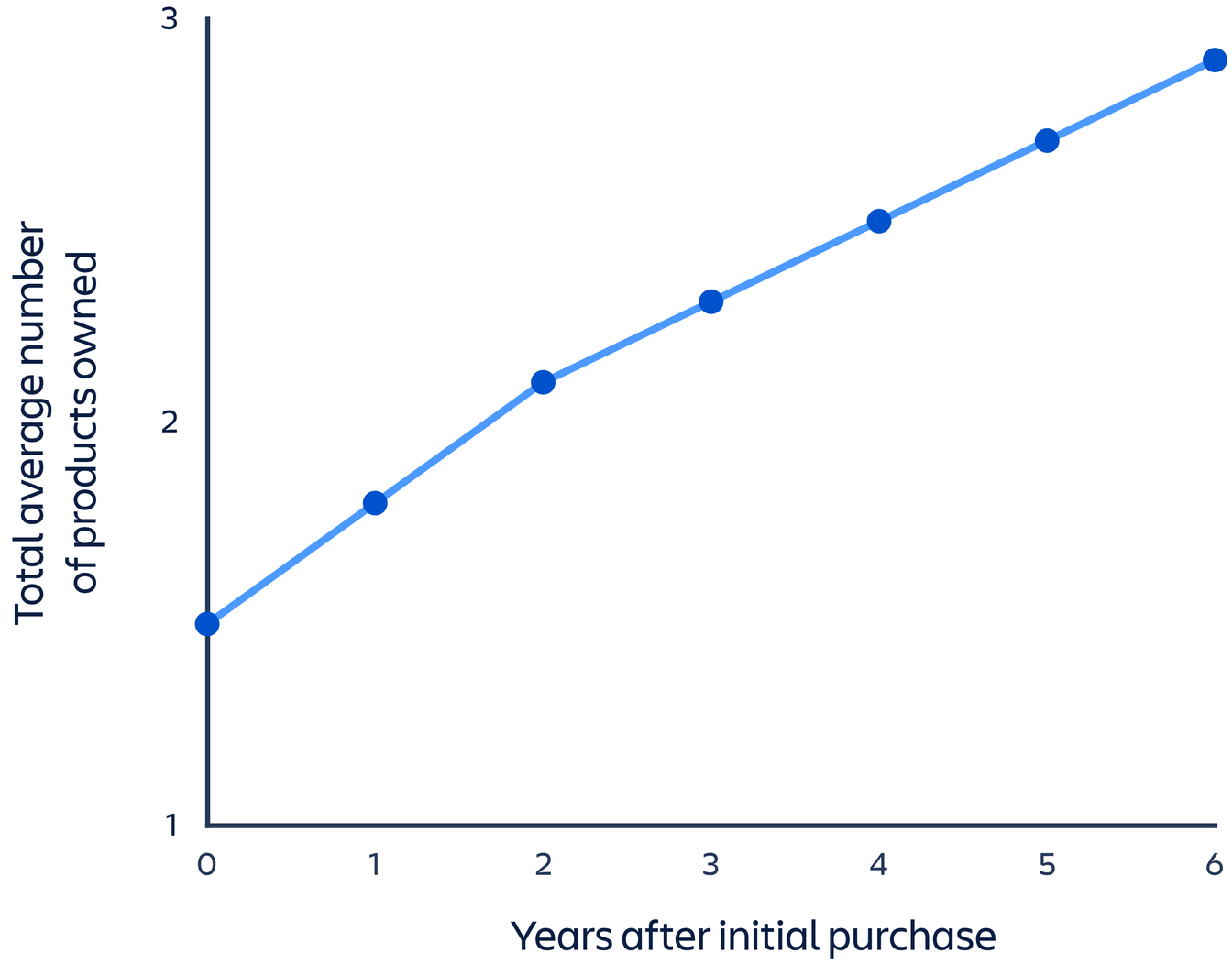
[1]Customers purchasing a single product

2015 data as of September 30, 2015. 2018 data as of December 31, 2018.

Our large base of Jira Software customers serve as an important, durable growth lever.

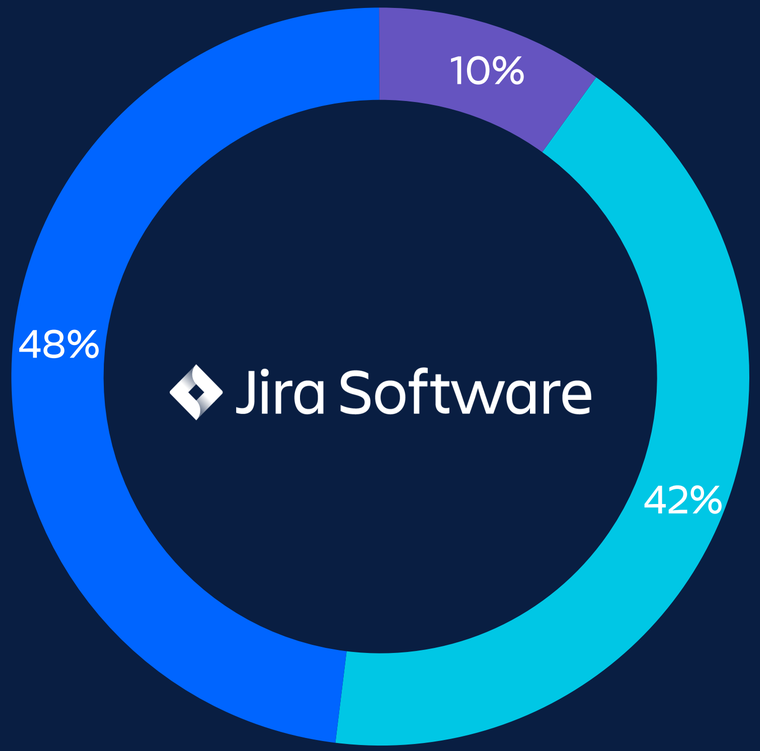
Over time, they consistently purchase additional products.

JIRA SOFTWARE CO-OWNERSHIP



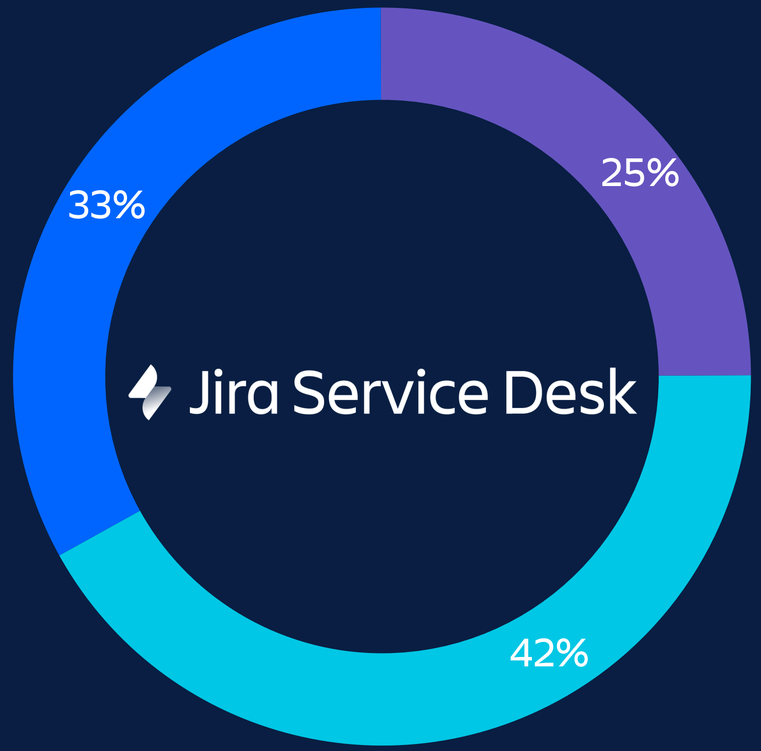
Total average number of products owned by Jira Software customers landed since FY2010.

JIRA USER DIVERSITY



Developers/engineers IT support Other

Sample of 395k Jira Software Cloud users



Developers/engineers IT support Other

Sample of 75k Jira Service Desk Cloud users (agents & admins)

Above data based on Atlassian study conducted in March 2019.

CLOUD MOMENTUM

While we have a large (and happy) installed base of Server customers, new customers are choosing our Cloud products

90%+

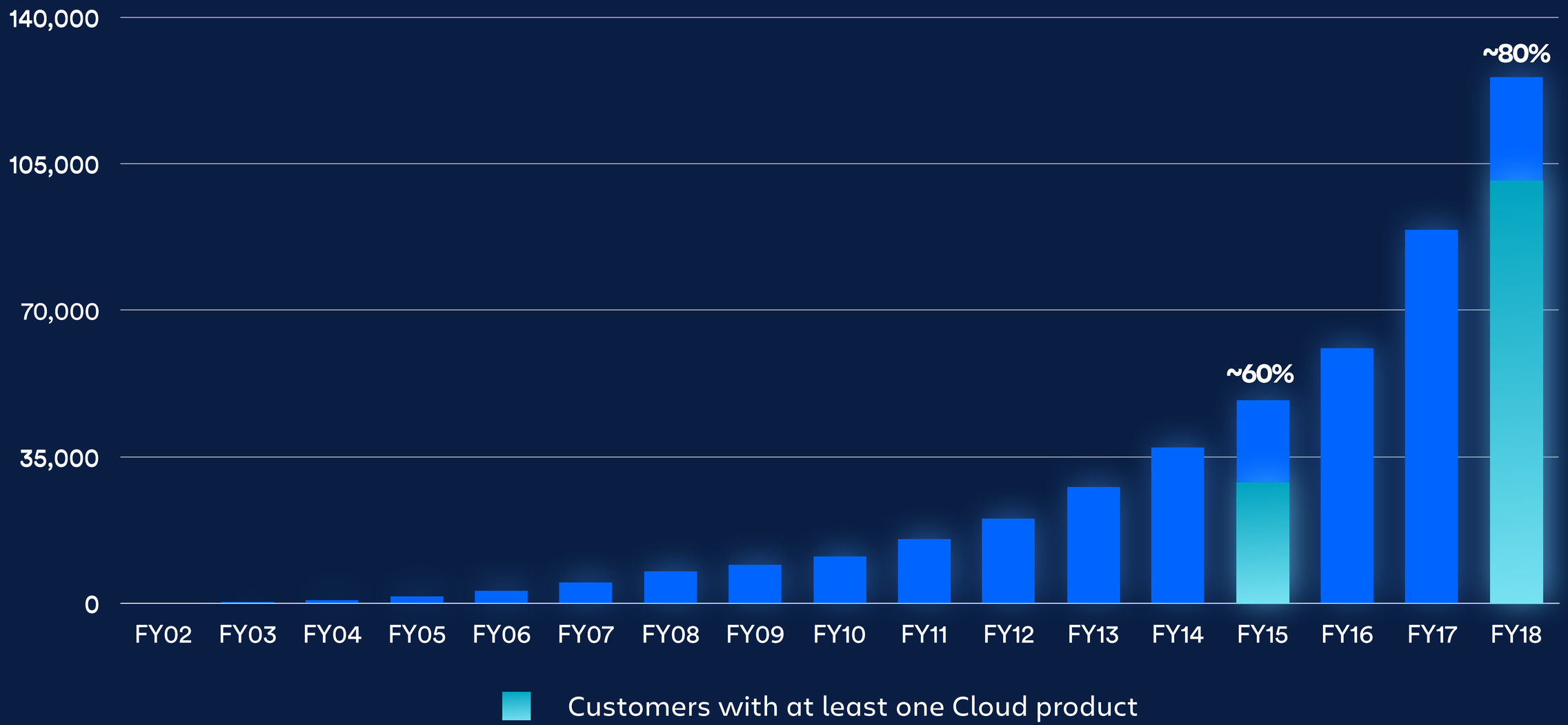
% of new customers choosing a Cloud product each quarter

100K+

number of customers that subscribe to at least one Cloud product



PROPORTION OF CLOUD CUSTOMERS ALSO GROWING



CLOUD REACH AND ENGAGEMENT

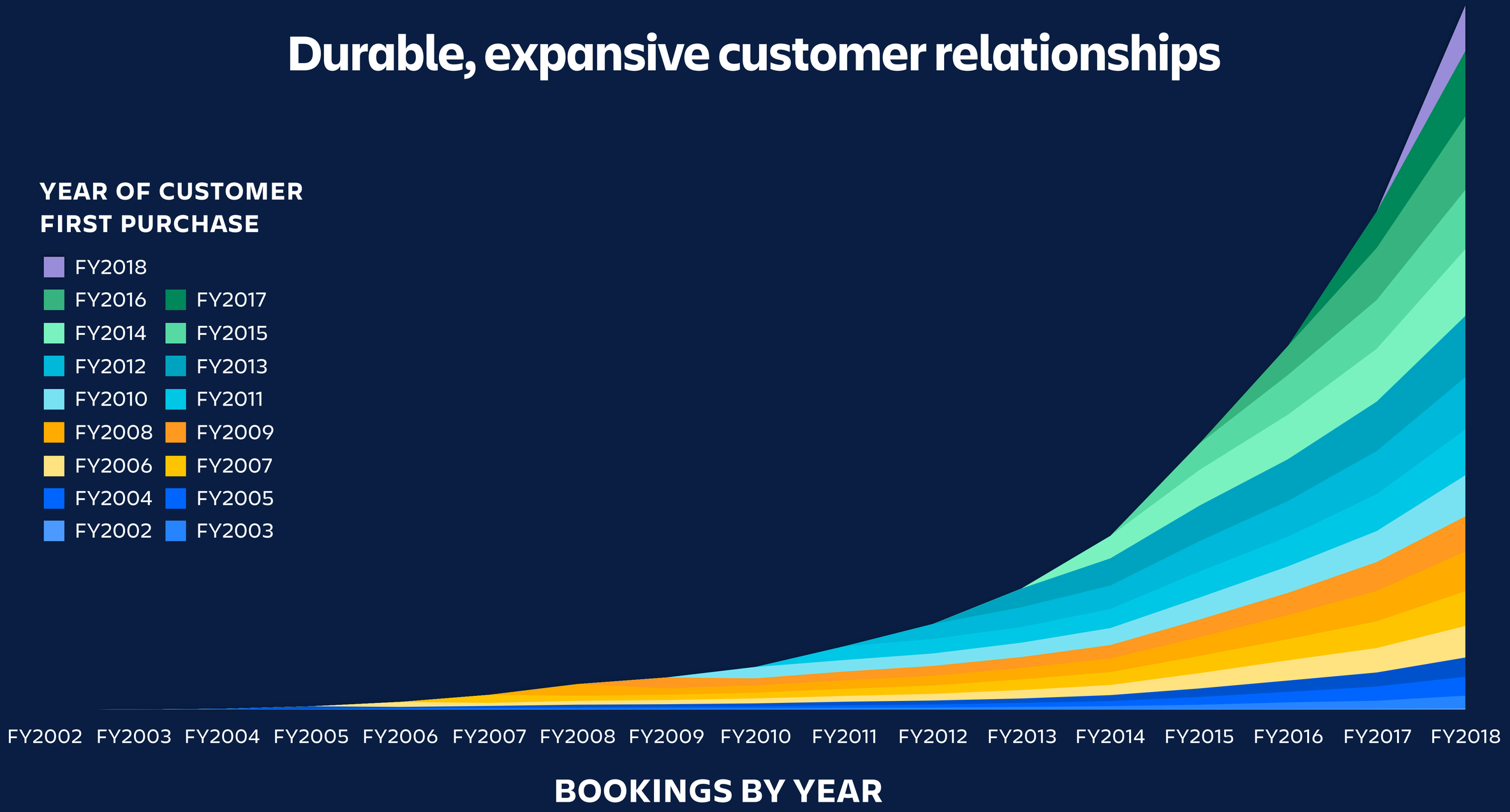
10M+

Cloud monthly active users

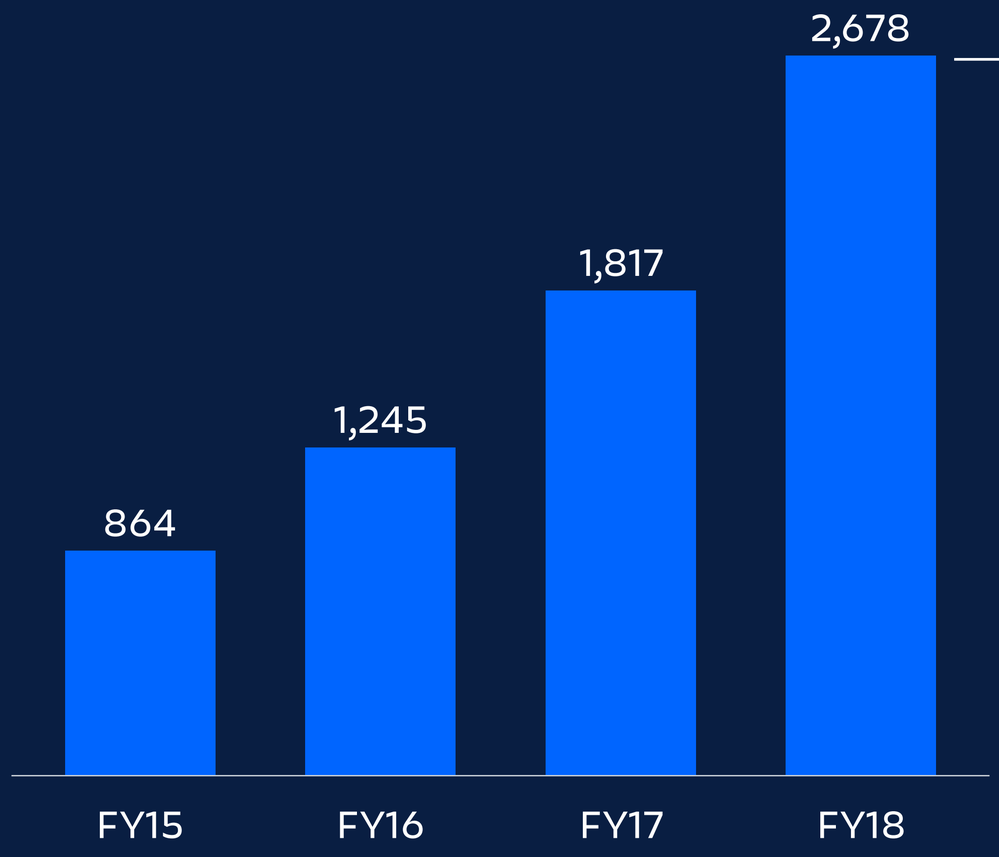


Cloud monthly active user (MAU) figure measured as of March 2019 and has been de-duplicated across products.

Durable, expansive customer relationships



EXPANSION OF EXISTING CUSTOMERS



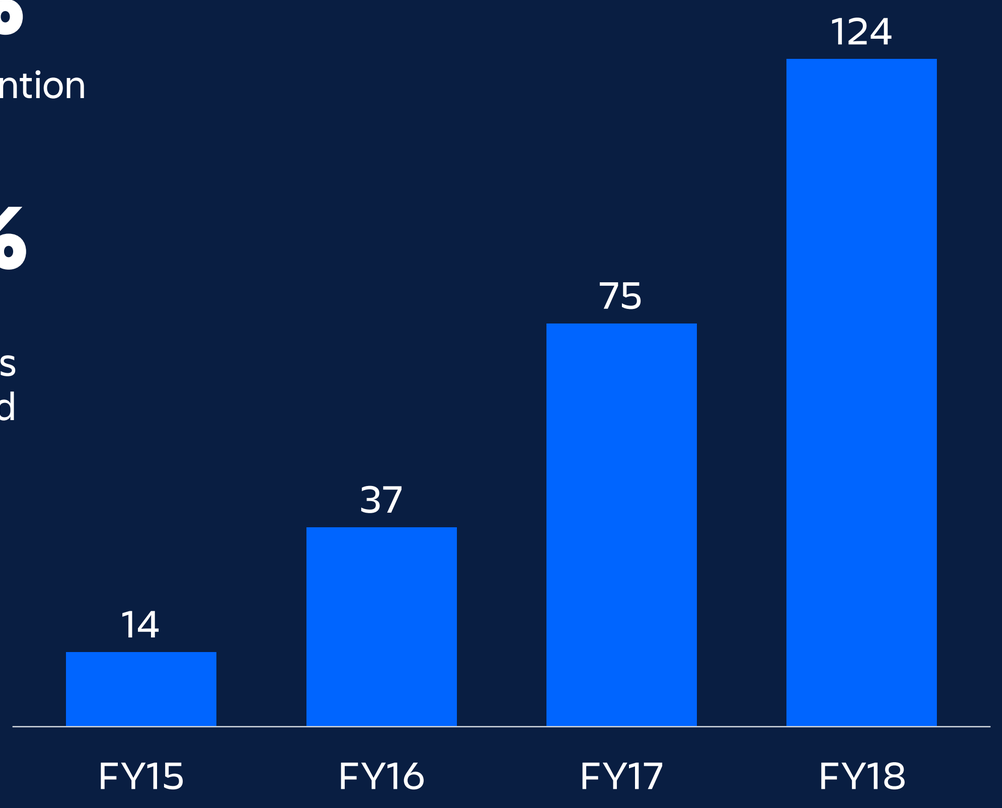
$50K+ CUSTOMERS

98%

FY18 retention rate

~90%

of $50K+ customers purchased 3 or more products



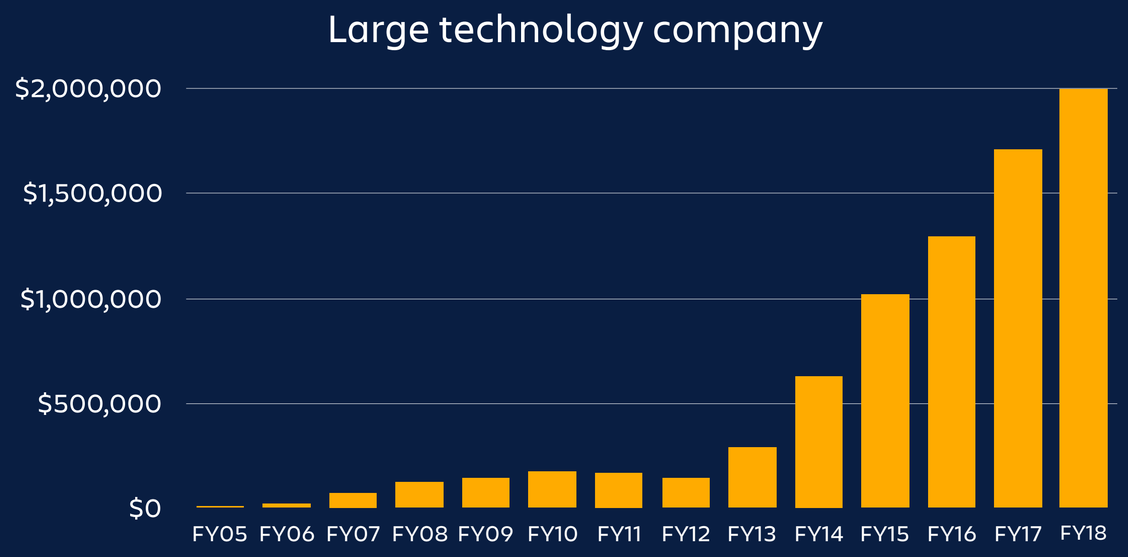
$500K+ CUSTOMERS

Retention rate: Customers who spent $50k+ in FY17 that were $50K+ customers in FY18.

Land-&-expand in action

LARGE CUSTOMER GROWTH





Key GTM takeaways

Large, expansive TAM

Multiple entry and expansion paths

Efficient land/expand model

Model continues to gain strength with experience

Fanatic customers, growing potential

Our customers are our most important asset

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CUSTOMER Q&A

Robert Marchiori, GM, Transformation

ANZ



PARTNER Q&A

Zubin Irani

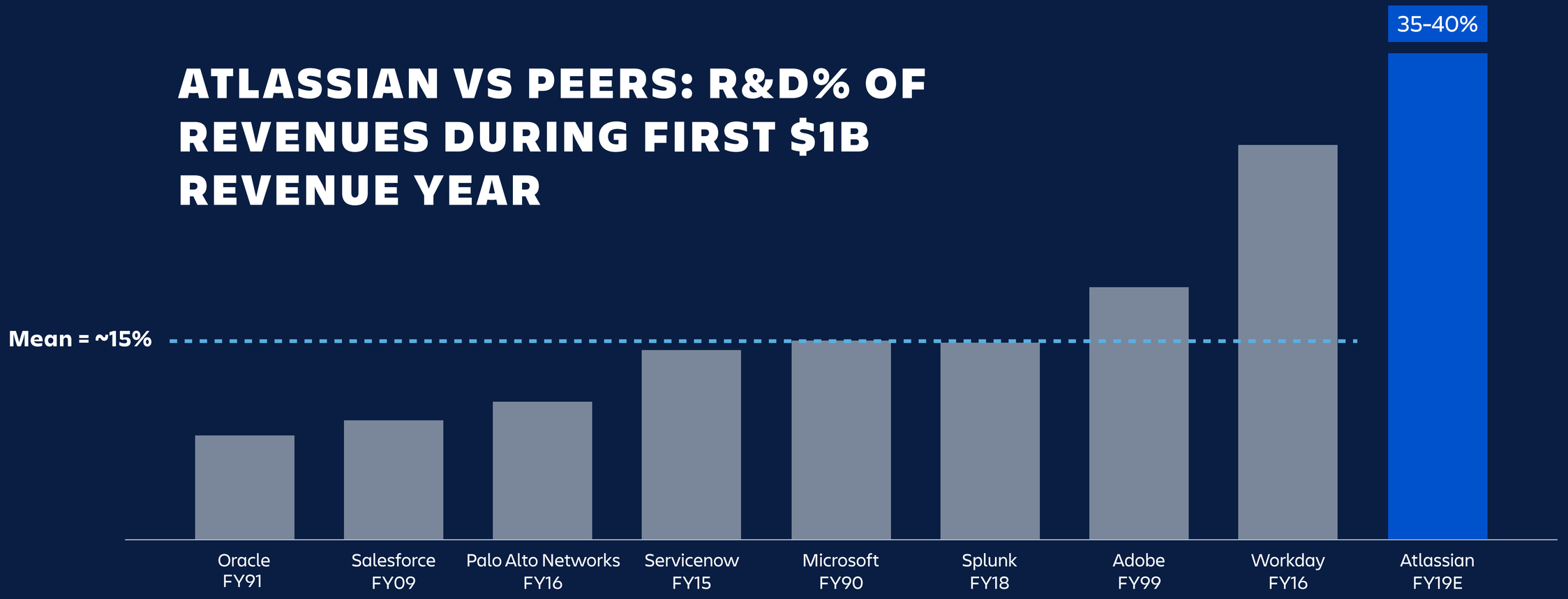
cPrime

R&D Overview



SRI VISWANATH | CTO

R&D investment is a differentiator for Atlassian



R&D expenses as a % of revenues for peer companies is based on the first fiscal year in which companies reached $1B+ in revenue. R&D expenses exclude the impact of stock-based compensation where such information is available. May also exclude other operating expenses. Atlassian range for R&D expenses as a % of revenues for FY19E is based on historical average in FY18 and FY19 year-to-date.

Investment levers



Products



Scaling Cloud



Operational Excellence

Investment levers



Products



Scaling Cloud

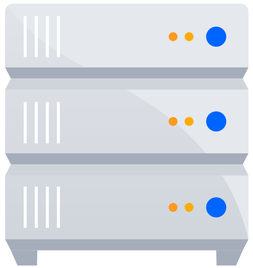


Operational Excellence

Customer choice



Cloud



On-premises

Server & data center

Multiple deployment models

Our products solve customers' teamwork needs

On-premises Products

- Bamboo
- Bitbucket
- Confluence
- Crowd
- Jira Core
- Jira Service Desk
- Jira Software
- Sourcetree

Cloud Products

- ATLASSIAN Access
- Bitbucket
- Confluence
- Jira Align
- Jira Core
- Jira Service Desk
- Jira Software
- Opsgenie
- Statuspage
- Trello

Products in different stages

CORE

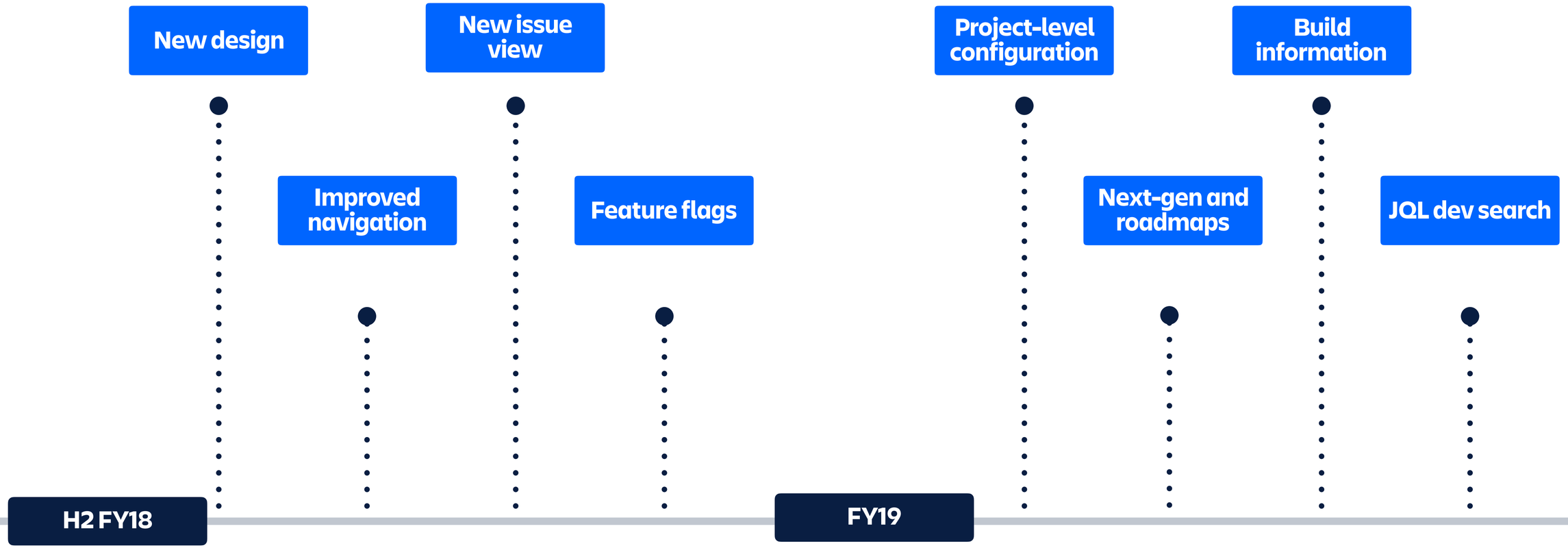
EMERGING

NEW - BUILD

NEW - BUY

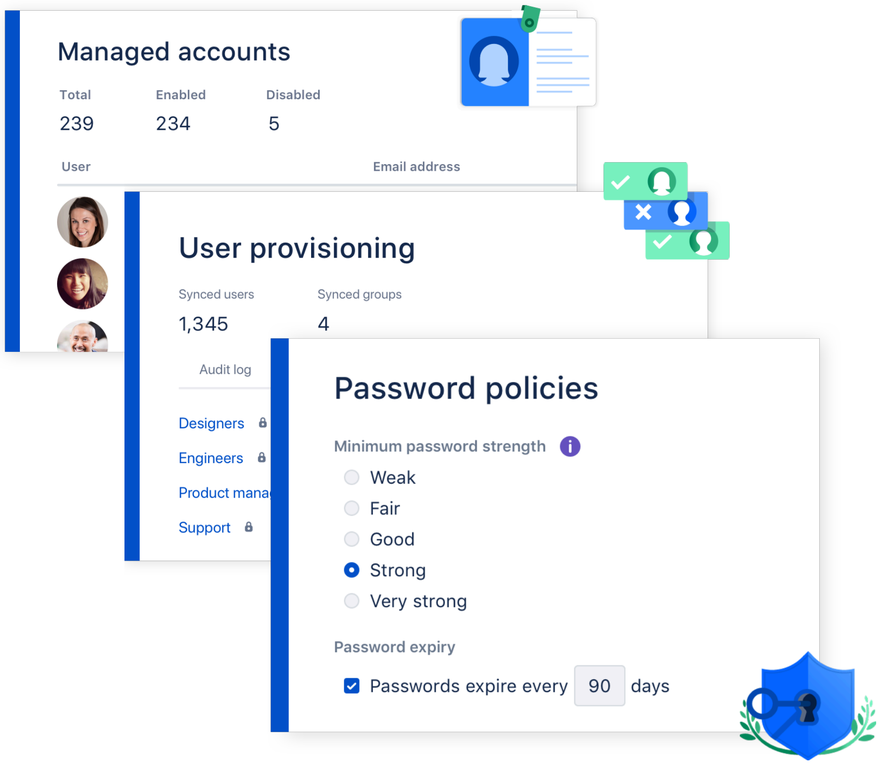
Customer value: continuously shipping features

JIRA SOFTWARE



Product spotlight

ATLASSIAN Access



Enhanced security & control

Configuration for SSO, password policies, and mandatory 2FA for an organization

All Atlassian Cloud products

Unified navigation between organizations and associated sites

Empowered admins

Ability to manage entire organization at scale

Announced early access...

CLOUD PREMIUM

FOR JIRA SOFTWARE & CONFLUENCE

Guaranteed
SLA

99.9% availability

Unlimited
STORAGE

No more file size or limits

Premium
SUPPORT

24x7 dedicated support

Ecosystem enables extensibility of our products

CLOUD PLATFORM

SERVER PLATFORM

DEVELOPER ENGAGEMENT AND VENDOR PROGRAMS

MARKETPLACE

Customer quotes

"Loved the distraction free UI... the new editing experience in Confluence is looking great. Keep up the good work."

"Congratulations on the new Jira Software. Fantastic innovation and a great example of listening to what clients want. Can't wait to get stuck in!"

“Confluence is the communication product that every company needs to keep teams on the same page. Keep up the good work.”

“Jira is very powerful - it gives me wayyyy more customization than other project management platforms I've tried."

"Used Bitbucket Pipelines for the first time today. I really liked how they provide you YAML snippets with a nice UI - it makes it quite easy to set up."

"I just downloaded [an app from the Marketplace]. Very intuitive, very quick to get a result, and lots of options too. Connection to GDrive and other cloud solutions. Great! Thank you to the developers ;)"

Investment levers



Products



Scaling Cloud



Operational excellence

Cloud is gaining scale

90%+

Of new customers choosing a Cloud product each quarter

100K+

Customers subscribe to at least one Cloud product

10M+

Total Cloud MAU

Cloud platform investments

SHARED COMPONENTS

SHARED PLATFORM SERVICES

SECURITY, PRIVACY & COMPLIANCE

INFRASTRUCTURE & TOOLING

PLATFORM IS INSTRUMENTAL TO OUR SUCCESS

One user begets another; one customer begets another

We land inside an organization through one team, and expand organically to other teams

We expand in multiple ways:

Additional users & teams

Additional products & services

Premium offerings

Marketplace apps

Additional use cases



PLATFORM IS INSTRUMENTAL TO OUR SUCCESS

Better together

End users prefer Atlassian products because they work better together

Product benefits

Direct product benefits though new & differentiated features

Cross-sell

Directly grow MAU & revenue by helping users to discover new Atlassian products



Acquisitions: continued investment & scaling



Trello



Opsgenie



Butler



Jira Align



Vertigo: A massively transformational undertaking completed December 2017

Realizing Vertigo advantages



Faster dev speed

More frequent deployments and access to AWS services for faster innovation



Better performance

Spin up cloud presence where our customers are, for a speedier experience



Grow with our customers

Be able to break the 2000 user limit and support larger customers



Lower cost to serve

More cost-efficient hosting structure over the long term

SCALING CLOUD: PROOF POINTS

Our progress



6 AWS REGIONS GLOBALLY PROVIDE BETTER LATENCY TO CUSTOMERS



SCALING TO LARGER CLOUD CUSTOMERS

We are increasing user limits

2k -> 5k -> 10k early access program



Compliance certifications increase appeal of our products

FY16

- DR tests
- PCI
- ERM
- Jira/GRC Tool
- Common Controls

FY17

- DR program
- SOX
- Jira/Confluence
  - SOC2 Type I
  - CSA
- Bitbucket
  - SOC2 Type I
  - CSA

FY18

- GDPR
- BC/DR program
- Crisis Management
- Jira/Confluence
  - SOC2 Type II
  - ISO27001/18
- Bitbucket
  - SOC2 Type II
  - ISO27001/18

FY19

- Integrated ERM
- Maturing BC/DR/CM
- Jira/Confluence
  - 508/VPAT
- Bitbucket
  - ISO27001/18
- Trello
  - SOC2 Type II
  - ISO27001/18
- Opsgenie
  - SOX
  - BC/DR

DATA ENCRYPTION AT REST

ENABLED FOR NEW CUSTOMERS /
IN-PROGRESS FOR EXISTING CUSTOMERS

Getting leverage from infrastructure investments

~50%

Growth in R&D headcount

230%+

Growth in number of microservices

FLAT

Growth in infrastructure team size

Growth in R&D headcount and infrastructure team size from July 2017 to March 2019.
Growth in microservices from July 2016 to February 2019.

Serving customers more efficiently...

-55%

COST

Dramatic reduction in cost to serve a Cloud user

Cost to serve a user for Jira and Confluence Cloud from July 2017 to March 2019.

...while improving performance for Confluence...

+25%

PERFORMANCE INDEX (APDEX)

Significant improvement in response time

Performance index (Apdex) for Confluence Cloud from July 2017 to March 2019.

...and improving performance for Jira

BACKLOGS LOAD

80%

Faster

SIDEBAR NAVIGATION

100%

Faster

BOARDS LOAD

50%

Faster

Performance statistics for Jira Cloud next gen.

Investment levers



Products



Scaling Cloud



Operational excellence

Operational excellence categories



People



Practices

PEOPLE: WE ATTRACT GLOBAL AND REMOTE TALENT WITH A STRONG ENGINEERING BRAND



Strong values and a learning culture



Open company, no bullsh*t



Play, as a team



Build with heart and balance



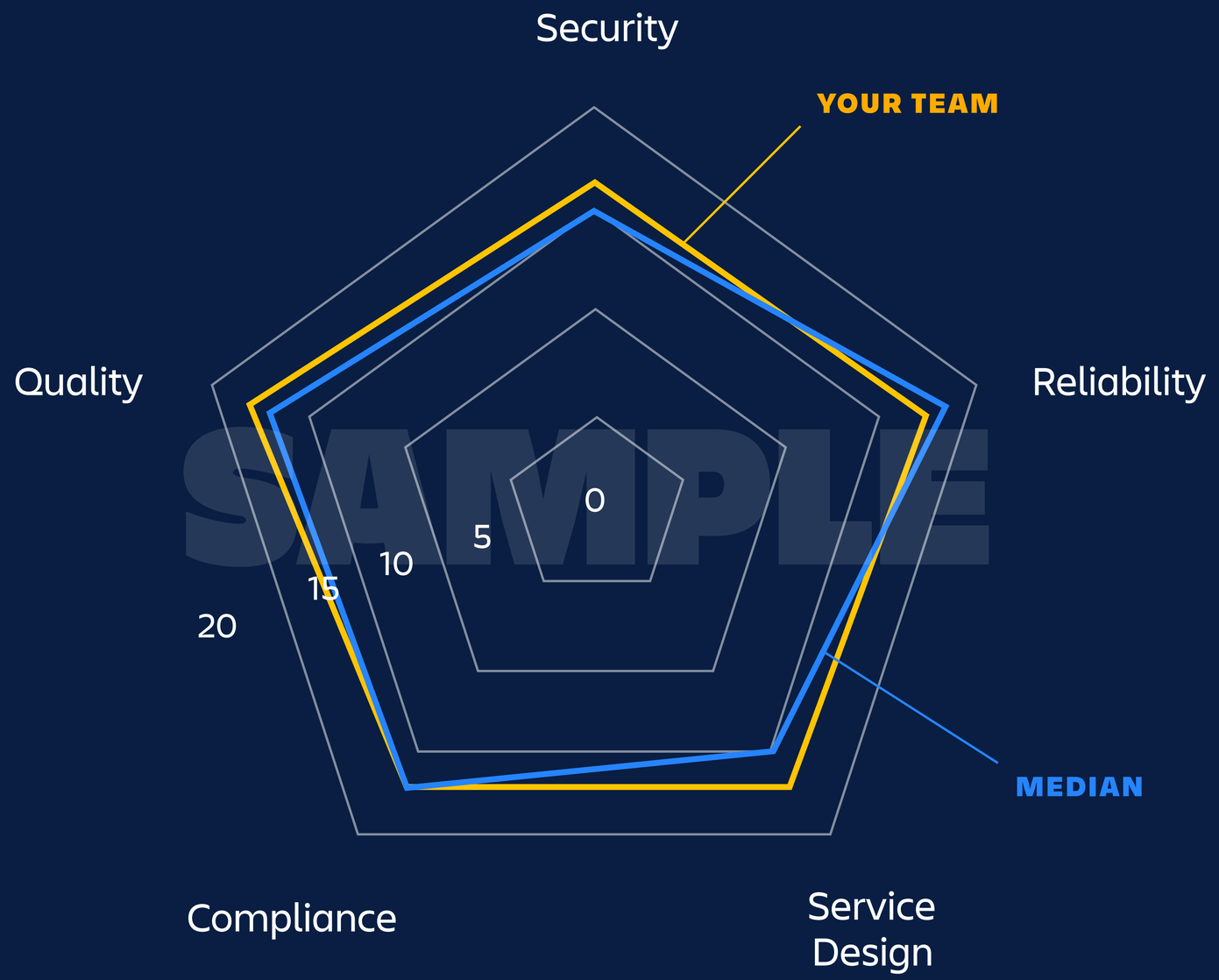
Be the change you seek



Don’t #@!% the customer

PRACTICES: CONTINUOUSLY IMPROVING OPERATIONAL EXCELLENCE

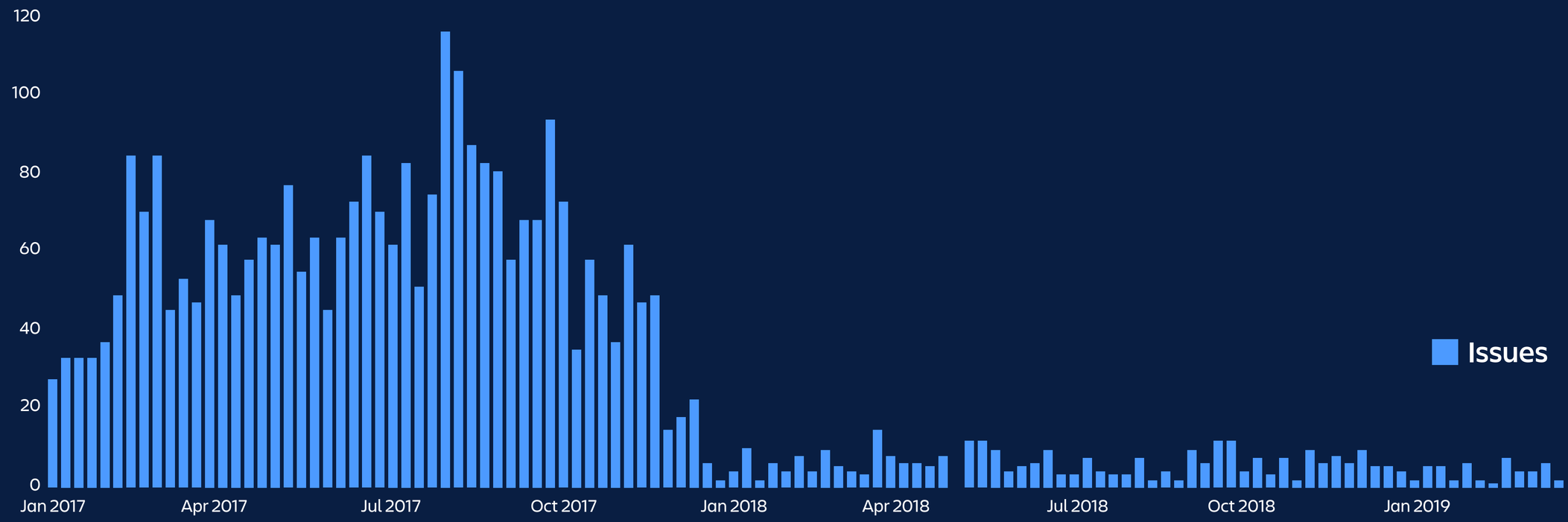
Example:
ServiceQuest -
Atlassian's operational
maturity model



Our progress



Increased stability while serving more customers



Jira & Confluence - performance related support L1 ticket load

Jira and Confluence performance related support L1 ticket load data from January 2017 to March 2019.

Increased dev speed while reducing defects

3X

Deploys per day

We have increased deployments / day

-90%

Deploy time

We have decreased the time to deploy

-25%

Contact index

This has resulted in a significant decrease in support tickets per user (Contact Index)

Deploys per day growth is average deployments per day in March 2018 compared with average per day in March 2019.
Deploy time is average deployment time for Jira and Confluence Cloud in June 2017 compared with March 2019.
Contact index change from July 2017 to March 2019.

Investment levers



Products



Scaling Cloud



Operational excellence

ATLASSIAN R&D HAS A BROADER IMPACT ON THE BUSINESS

DEPLOYMENT MODELS

SCALABLE PLATFORM

PRODUCTS THAT SELL THEMSELVES

Types of teams

Sophistication of users

Range of customer size

Product customization

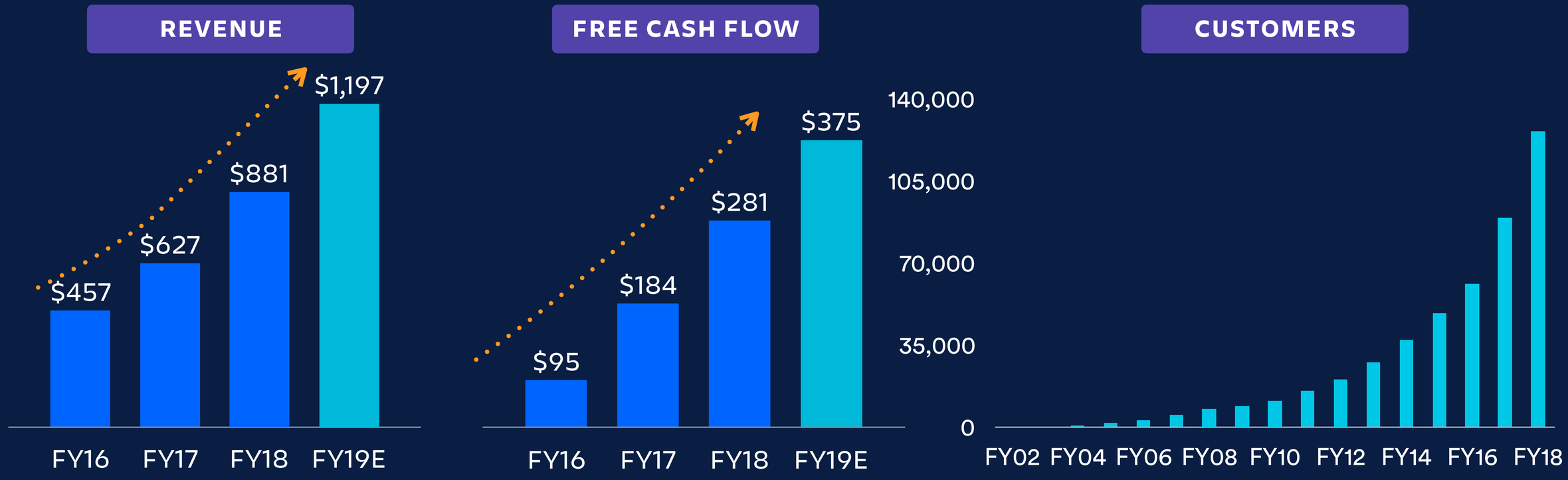
ROBUST MARKETPLACE

SELF-SERVICE GO-TO-MARKET TOOLS

GEOGRAPHIC DISTRIBUTION

R&D propelling Atlassian beyond $1B in revenue while growing free cash flow

USD in millions



FY19 revenue estimate represents the midpoint of the target range of $1,195M-$1,199M provided as of January 17, 2019.
FY19 free cash flow estimate represents the midpoint of the target range of $370M-$380M provided as of January 17, 2019.
FY17, FY18 & FY19 revenue figures are based on the new revenue recognition standard, IFRS 15. FY16 revenue figure is based on the prior revenue recognition standard, IAS 18.
Reconciliation to equivalent IFRS measures is available in Appendix.

R&D overview - takeaways

Products

Maniacally focused on delivering best-in-class products to our customers

Scaling Cloud

Building the foundations of a $10B+ revenue company

Operational excellence

Investing in people & practices to scale effectively and efficiently

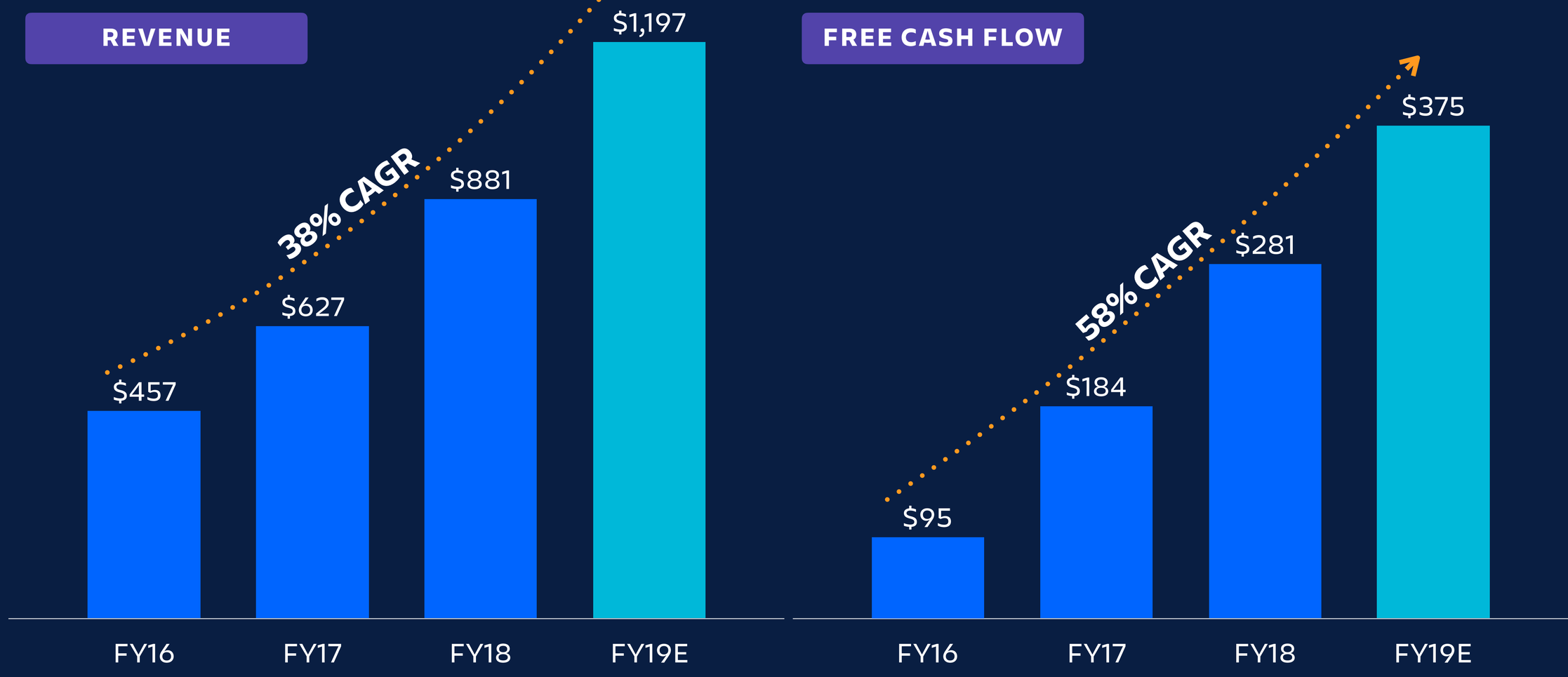
Financial Summary



JAMES BEER | CFO

SCALING BEYOND $1B IN REVENUE WHILE GROWING CASH FLOW

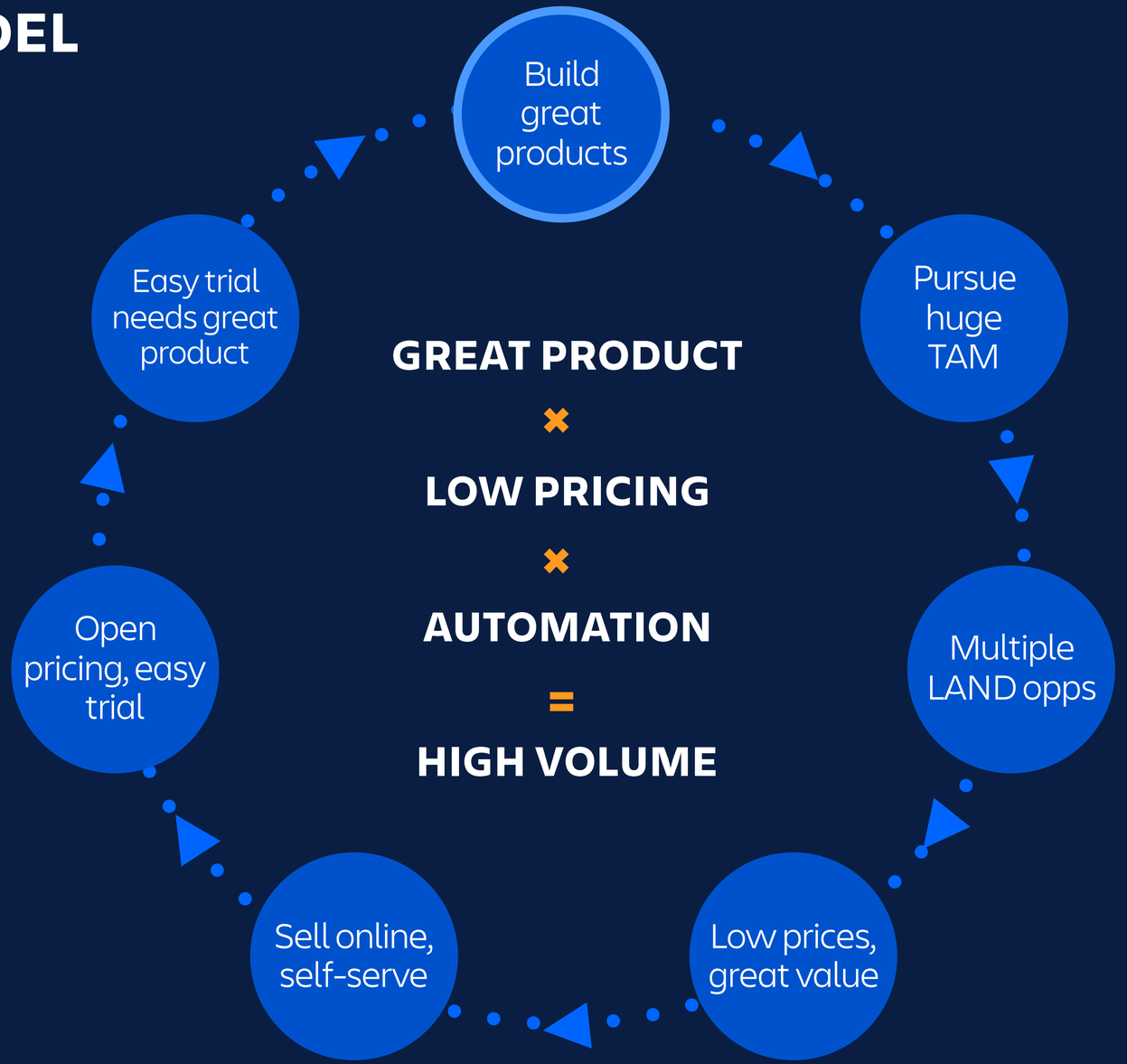
USD IN MILLIONS



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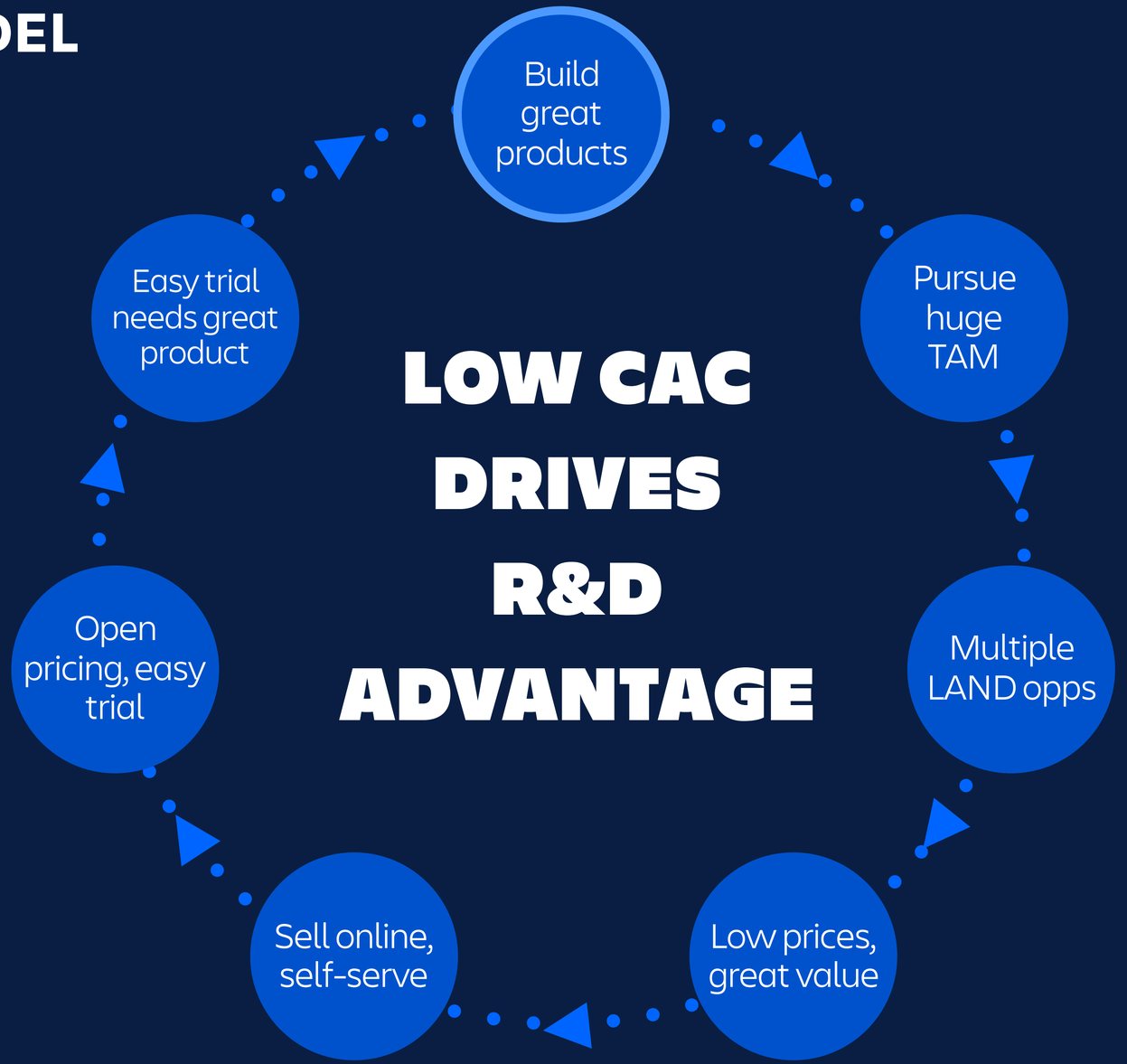
A PATIENT FLYWHEEL BUSINESS MODEL

We deliver value before a sale...and our initial 'Starter' pricing is an exceptional value

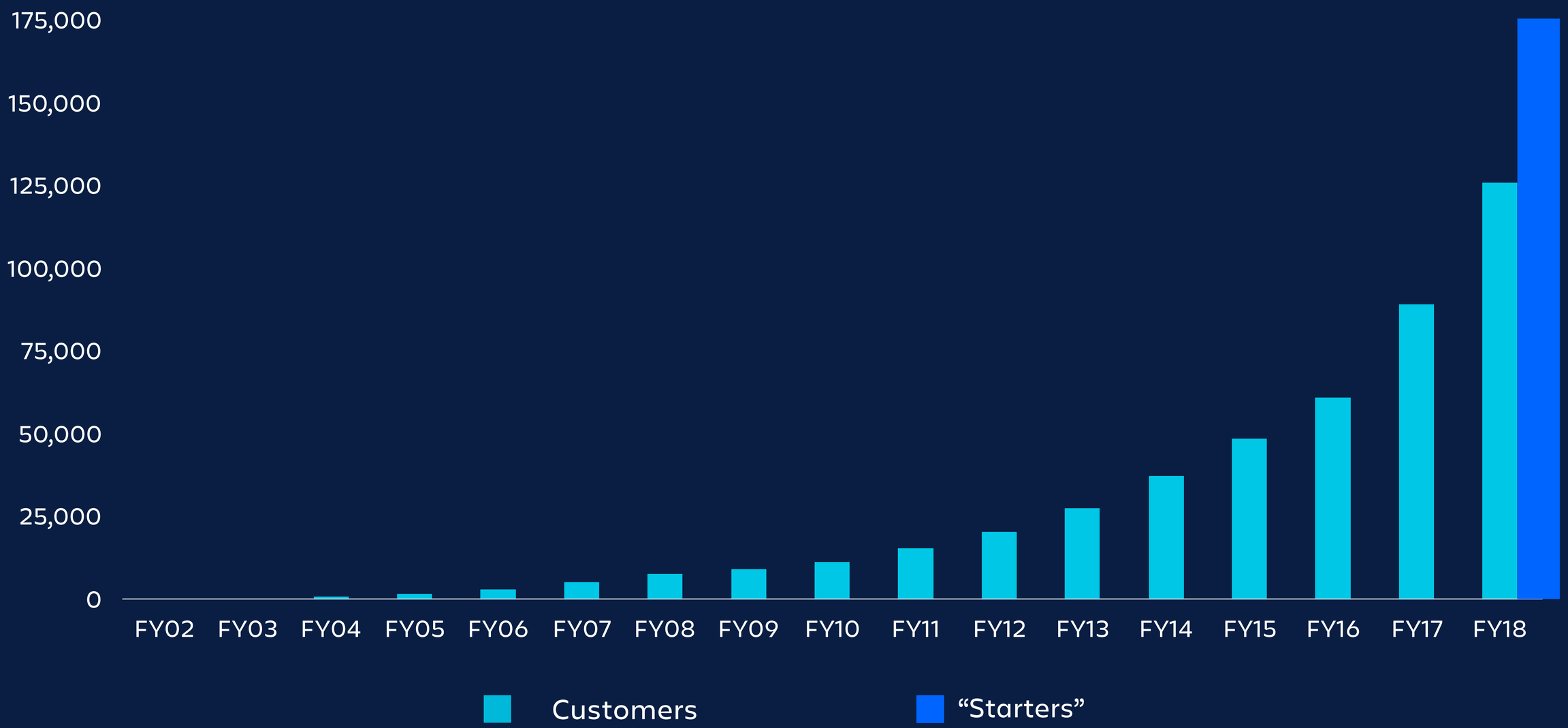


A PATIENT FLYWHEEL BUSINESS MODEL

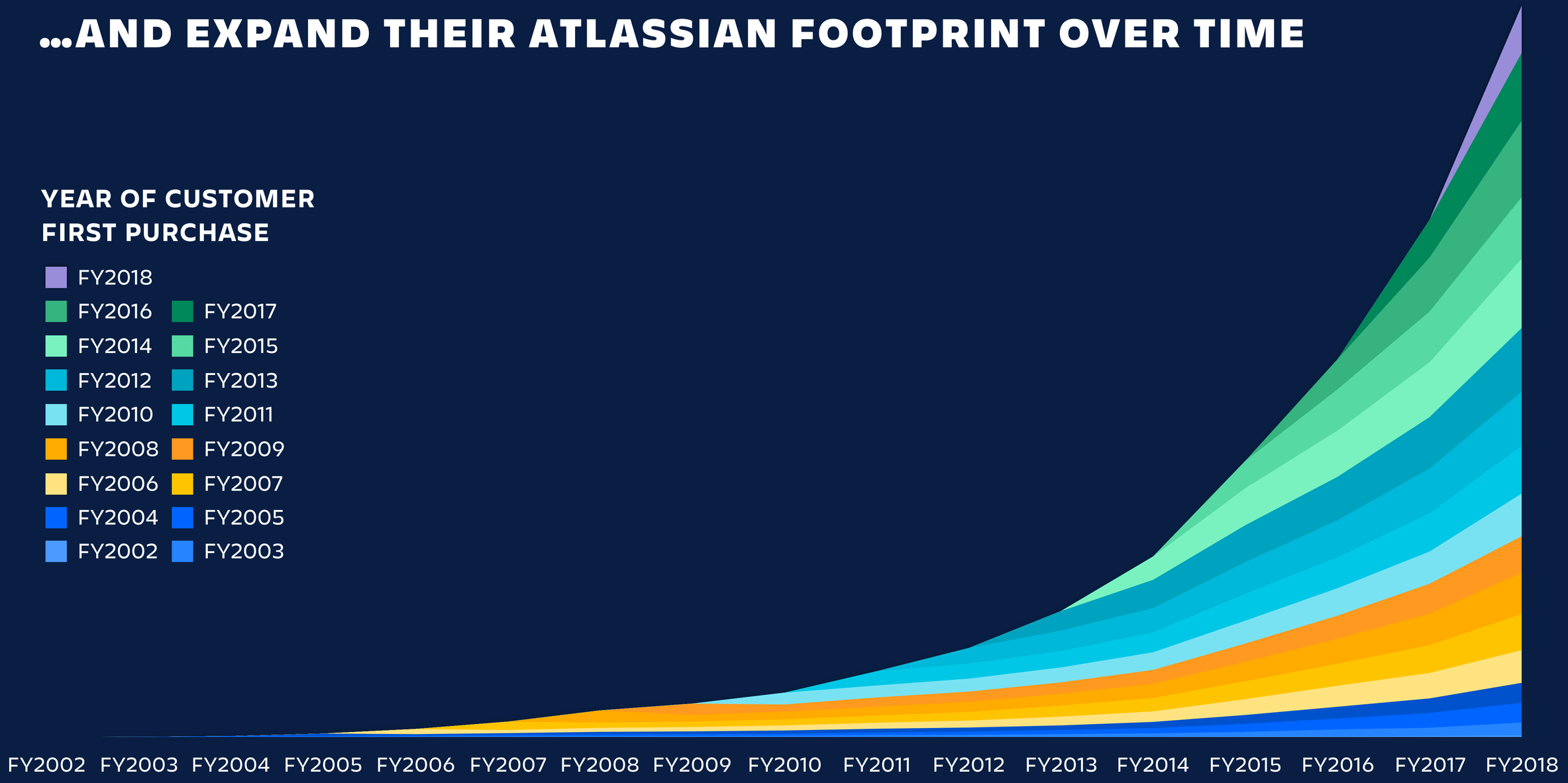
- Low touch drives low customer acquisition costs...that fuels our R&D advantage
- Our high volume model and focus on easy and free initial access explains our focus on user count
- We have a track record of growing our business with customers that start small...gradually build loyalty to our products...and steadily expand the number of teams relying on Atlassian



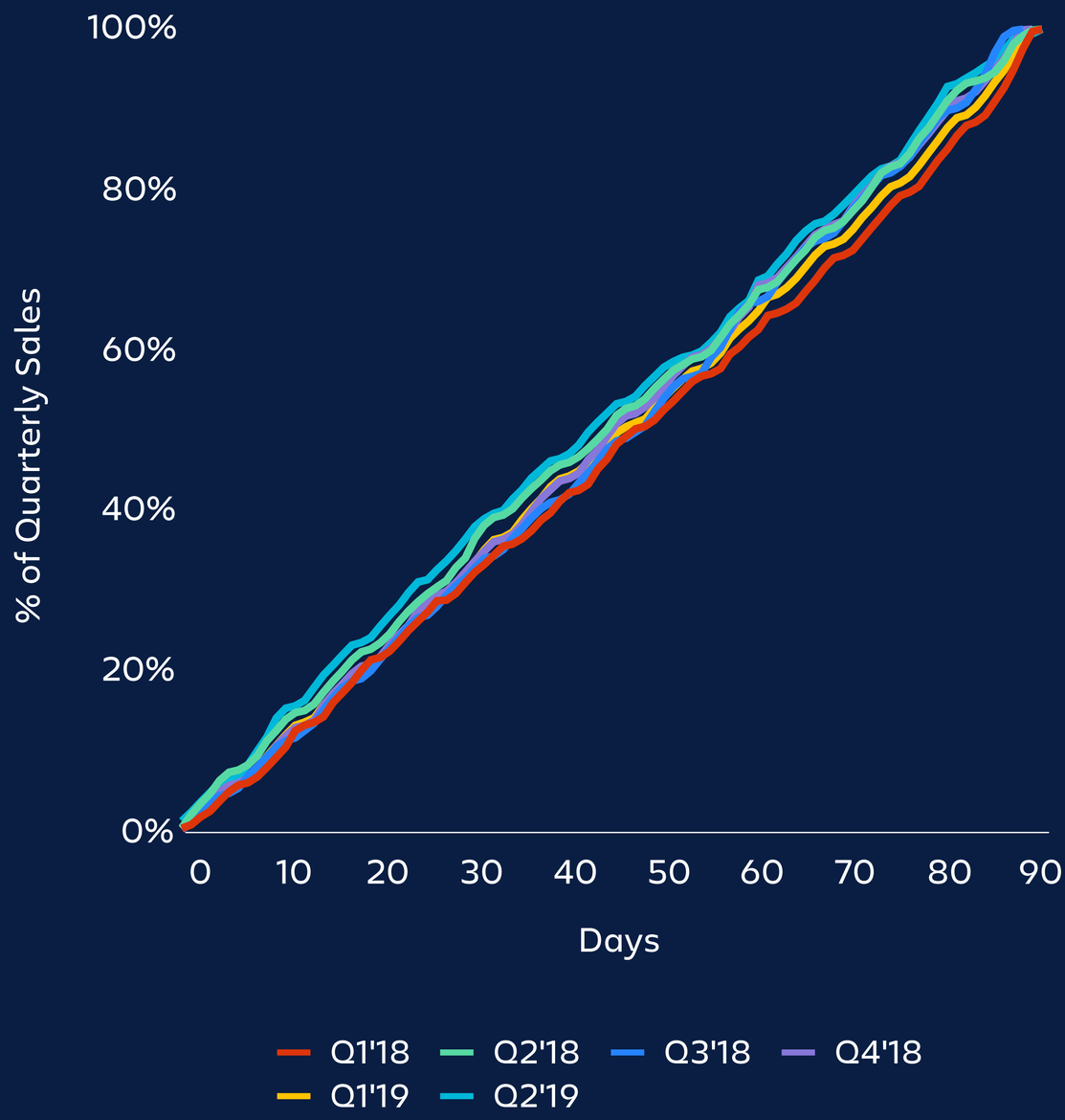
OUR CUSTOMER BASE CONTINUES TO GROW



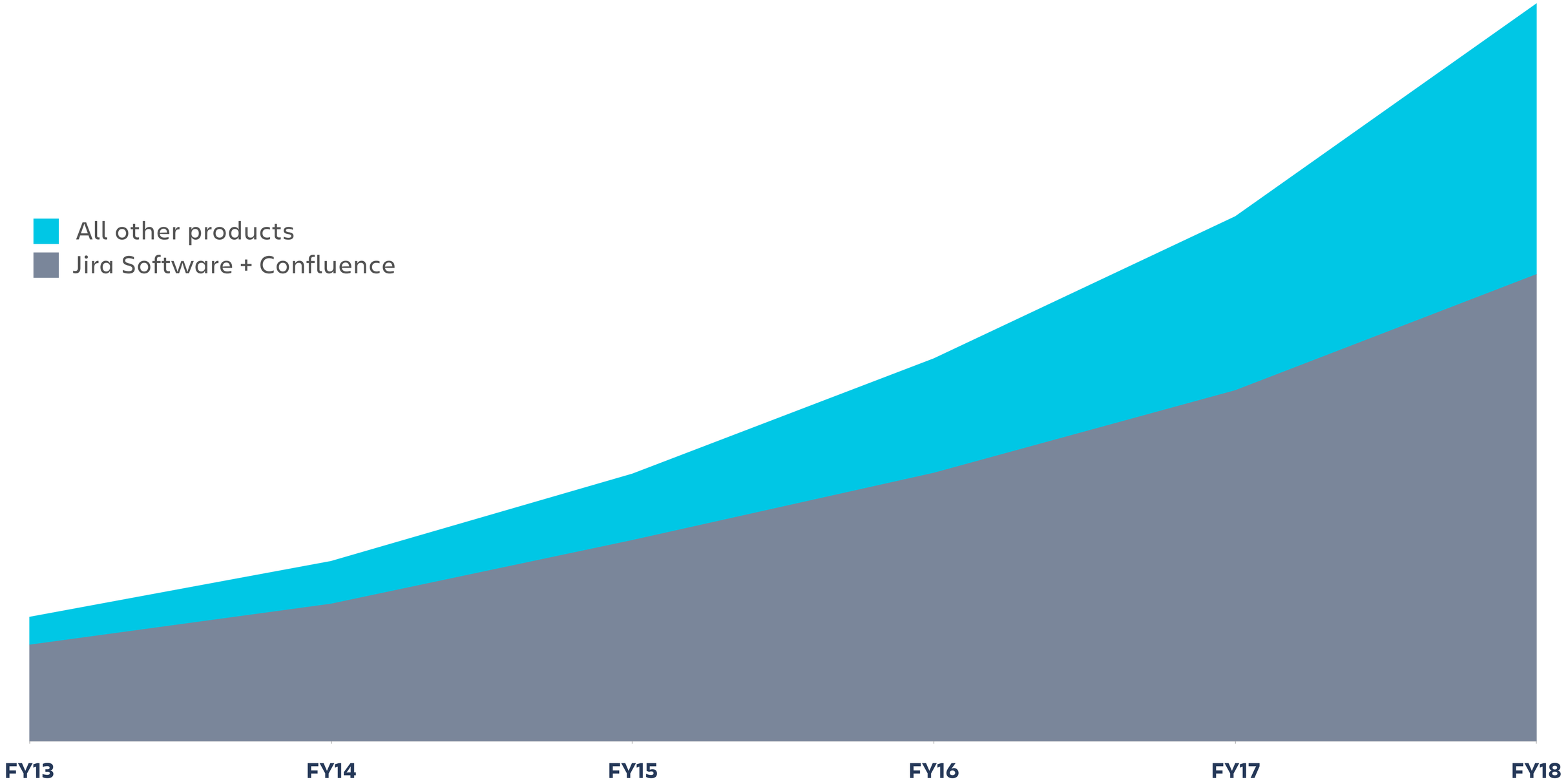
...AND EXPAND THEIR ATLASSIAN FOOTPRINT OVER TIME



OUR BUSINESS WITHIN A GIVEN QUARTER CONTINUES TO BE REMARKABLY LINEAR

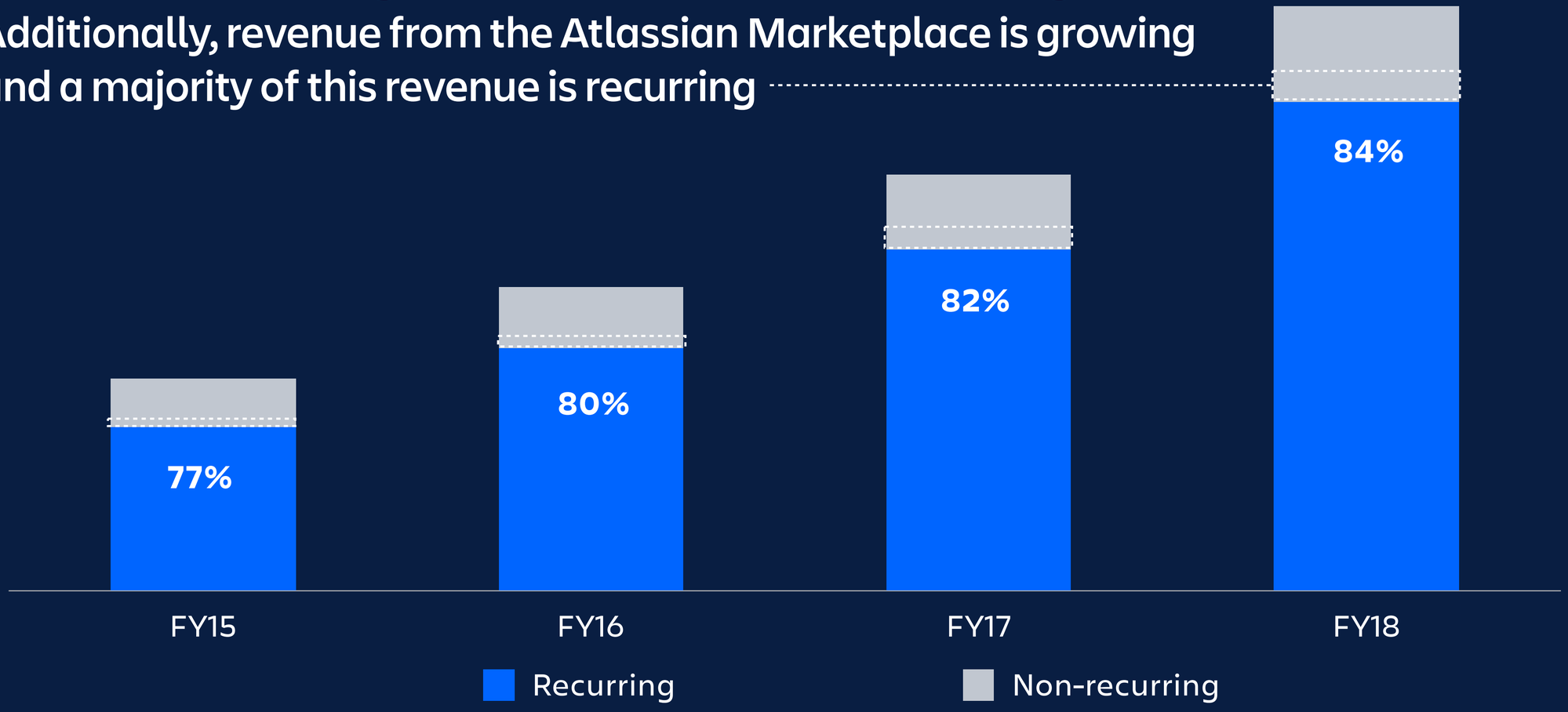


REVENUE MIX BY PRODUCT



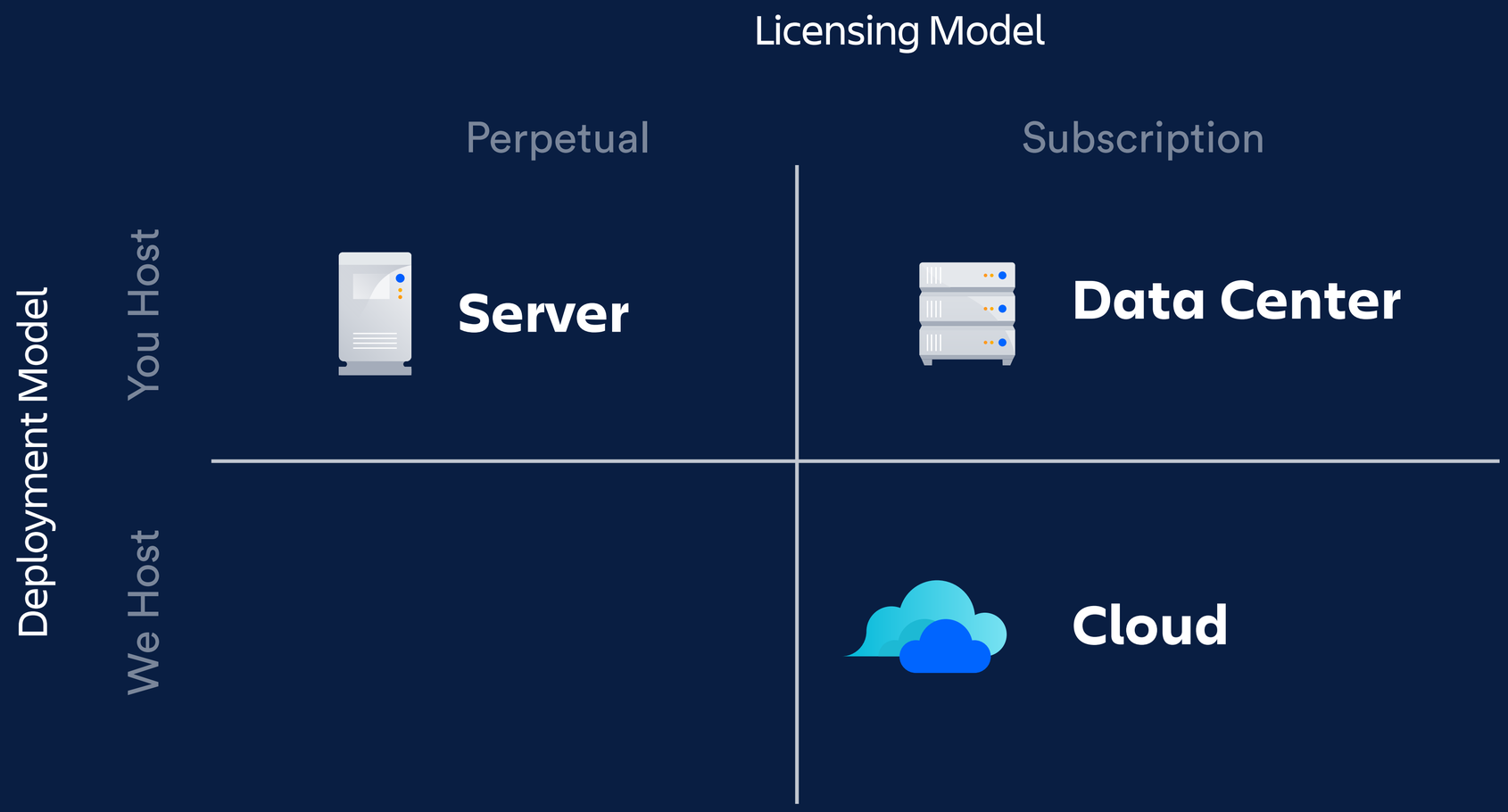
WE EXPECT RECURRING REVENUES TO CONTINUE TO GROW

- New customers are choosing our Cloud offerings
- Customers are scaling from Server to Data Center offerings
- Additionally, revenue from the Atlassian Marketplace is growing and a majority of this revenue is recurring



FY17 & FY18 revenue figures are based on the new revenue recognition standard, IFRS 15. FY15 & FY16 revenue figures based on the prior revenue recognition standard, IAS 18.

OUR LICENSING AND DEPLOYMENT MODELS

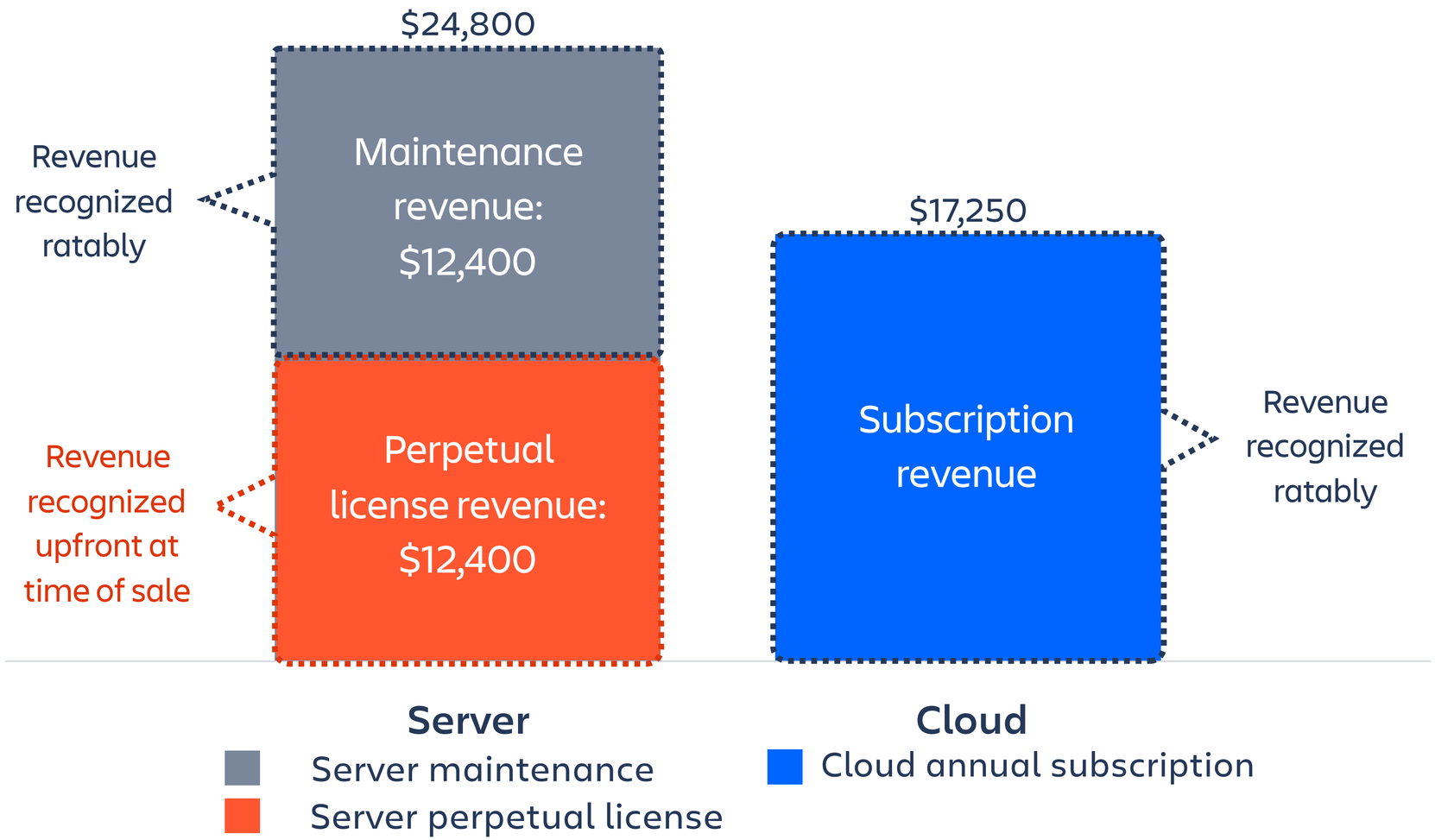


Deployment model economics

Server vs Cloud

Jira Software

Example: revenue recognized for 500 users in *Year 1*

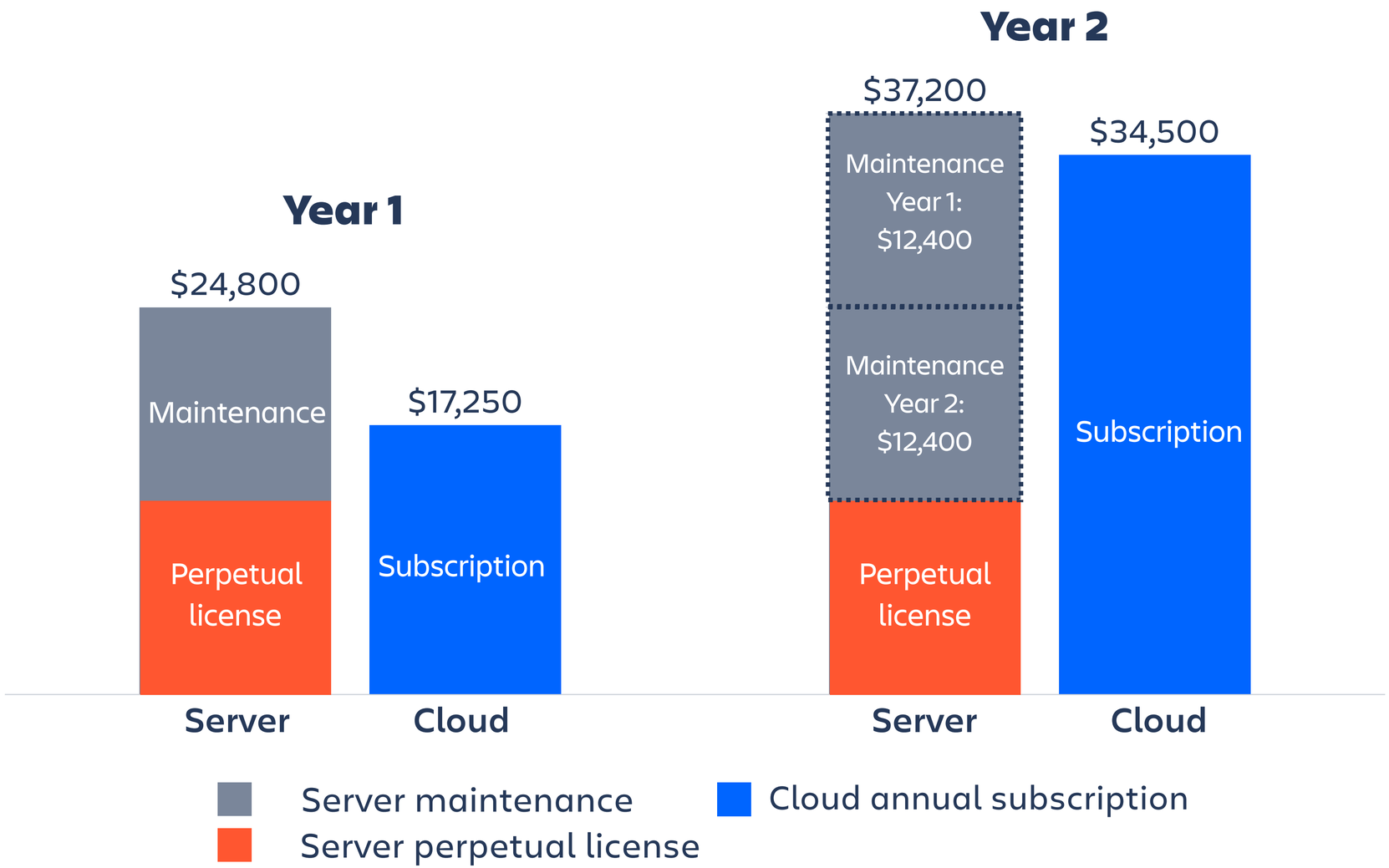


Deployment model economics

Server vs Cloud

Jira Software

Example: ***cumulative*** revenue recognized for 500 users

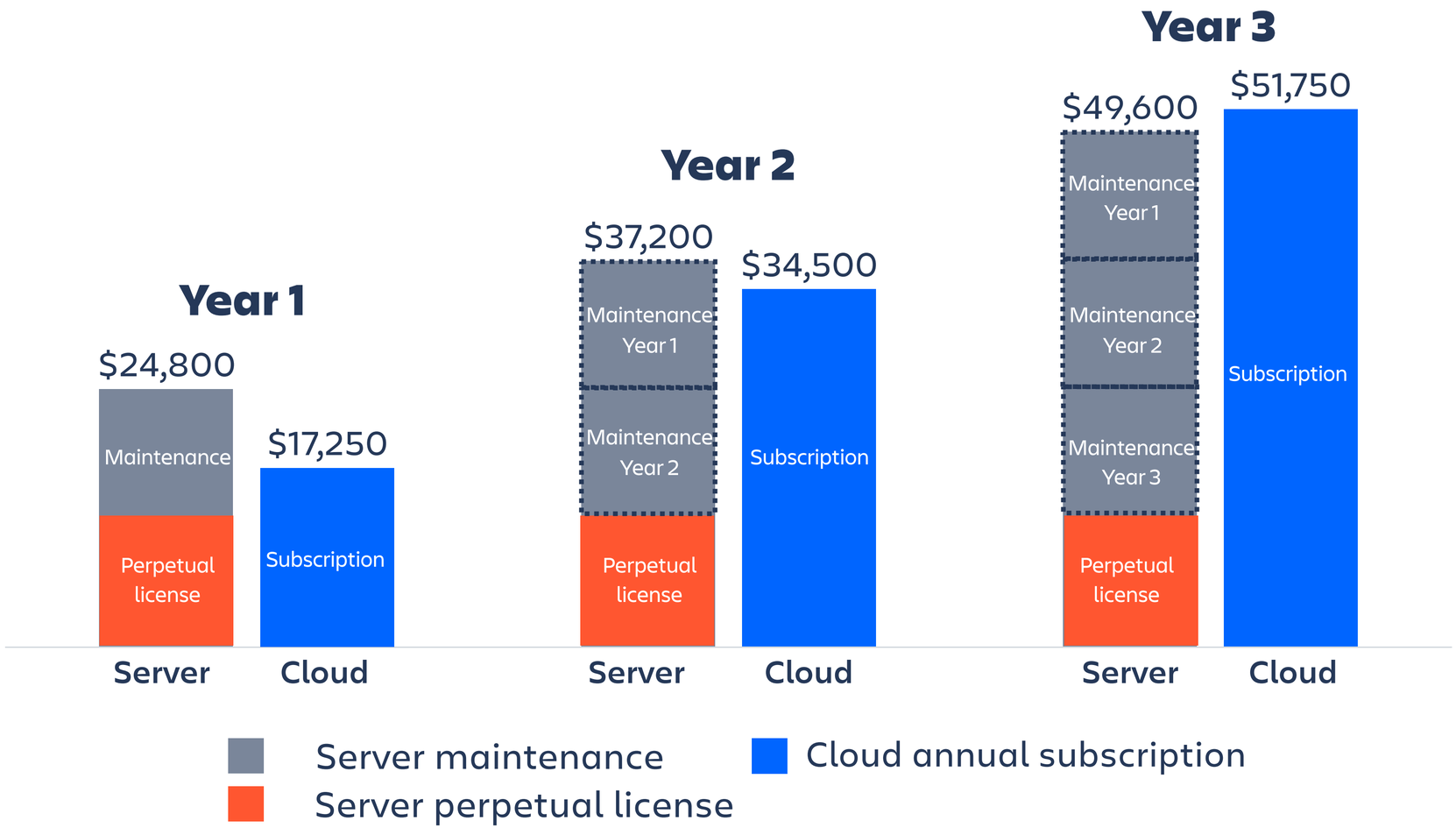


Deployment model economics

Server vs Cloud

Jira Software

Example: *cumulative* revenue recognized for 500 users

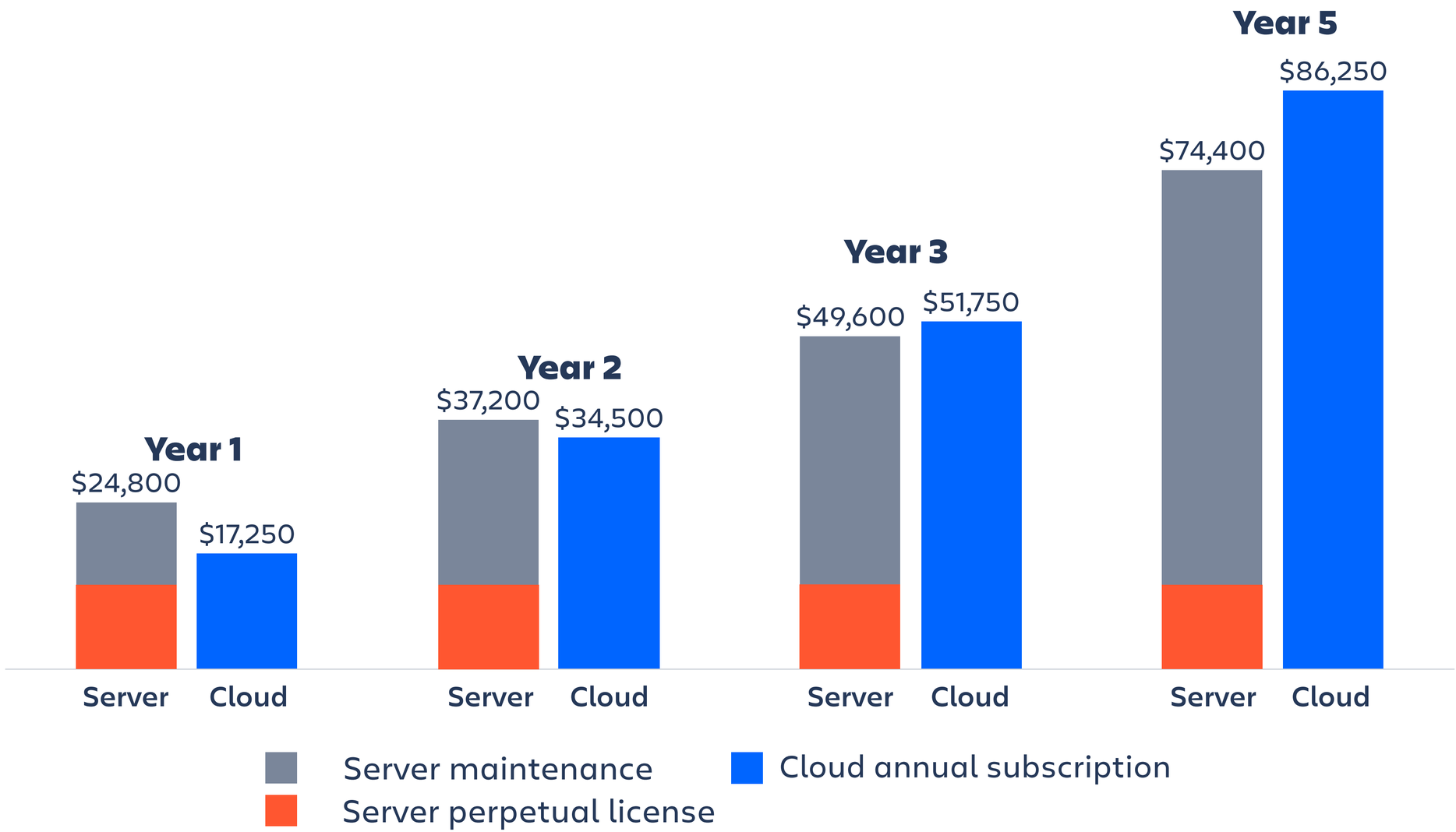


Deployment model economics

Server vs Cloud

Jira Software

Example: *cumulative* revenue recognized for 500 users

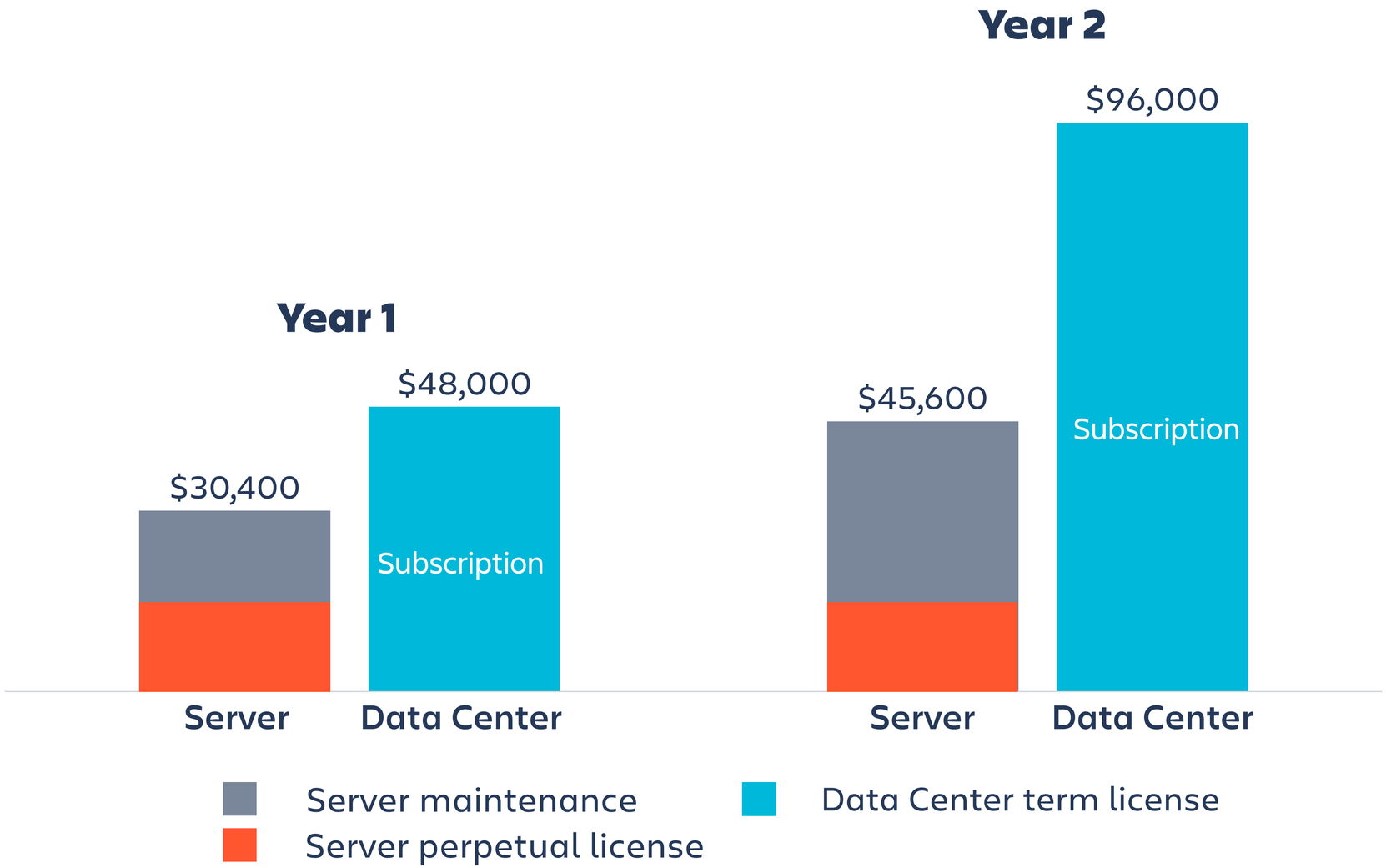


Deployment model economics

Server vs Data Center

Jira Software

Example: *cumulative* revenue recognized for 2,000 users



Deployment model economics

Jira Software

Example: *cumulative* revenue recognized for 2,000 users

Our Data Center products illustrate our strategy of offering multiple product editions in line with the needs of different customer segments



Deployment model economics

Contract duration

Typical contract duration

	SERVER	DATA CENTER	CLOUD
LICENSING MODEL	Maintenance contracts	Term licenses	Subscriptions
TYPICAL DURATION	ANNUAL	ANNUAL	



FY19 revenue: **$1.2B**

Long-term deferred revenue at 12/31/18 was only $33M

FY19 revenue estimate represents the midpoint of the target range of $1,195M-$1,199M provided as of January 17, 2019.

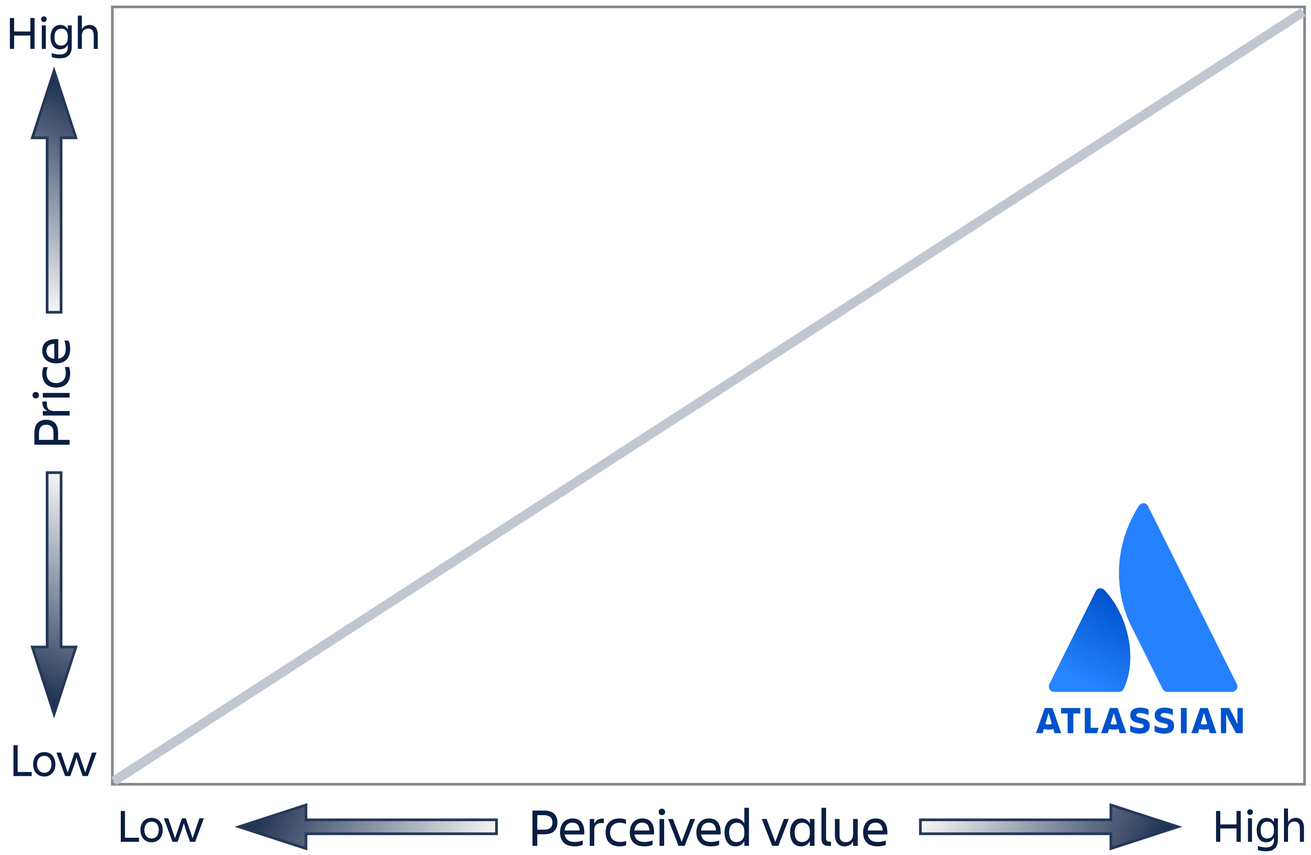
Pricing

Philosophy

Methodlogy

Going forward

We are uniquely positioned as *the* High value, Low price leader



What informs pricing changes

Internal knowledge ⟷ **Customer feedback**



Experienced team of specialists



Data analysis



Qualitative



Quantitative

Systematic identification of pricing opportunities

External validation & quantification

Financial modeling & operational planning

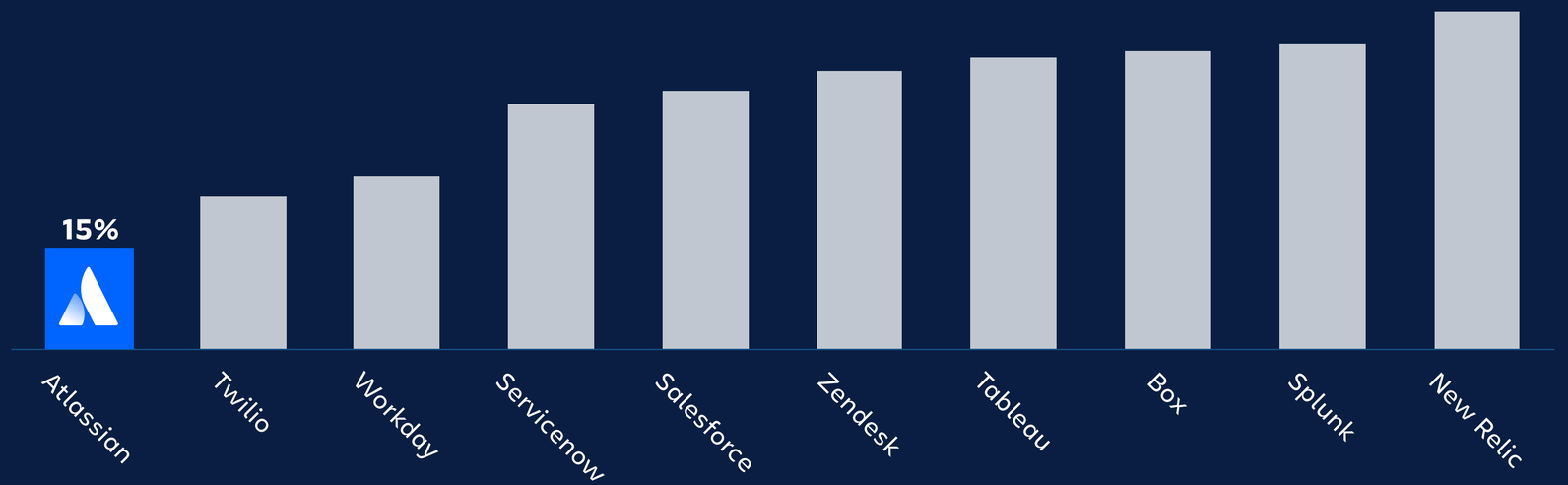
Pricing changes

	FY18	FY19
INCREASE	**Server -** all products 10% **Cloud -** most products	**Server** - all products 25% up to 500 users; 15% above 500 users **Cloud - Jira Software/Core & Confluence** ~10% above 100 users
NO CHANGE	**Data Center -** all products **Server Starters**	**Data Center -** all products **Server Starters** **Cloud -** Bitbucket, Trello
DECREASE	**Cloud -** Jira Service Desk	**Cloud -** Opsgenie

Going forward

- Continue to review pricing and *packaging* strategies routinely
- Determine our pricing and packaging plans based on each customer segments' needs and the value we bring to address these needs
- Analyze elasticity carefully and survey potential customer reaction
- Survey and measure results, including churn, in order to optimize future actions

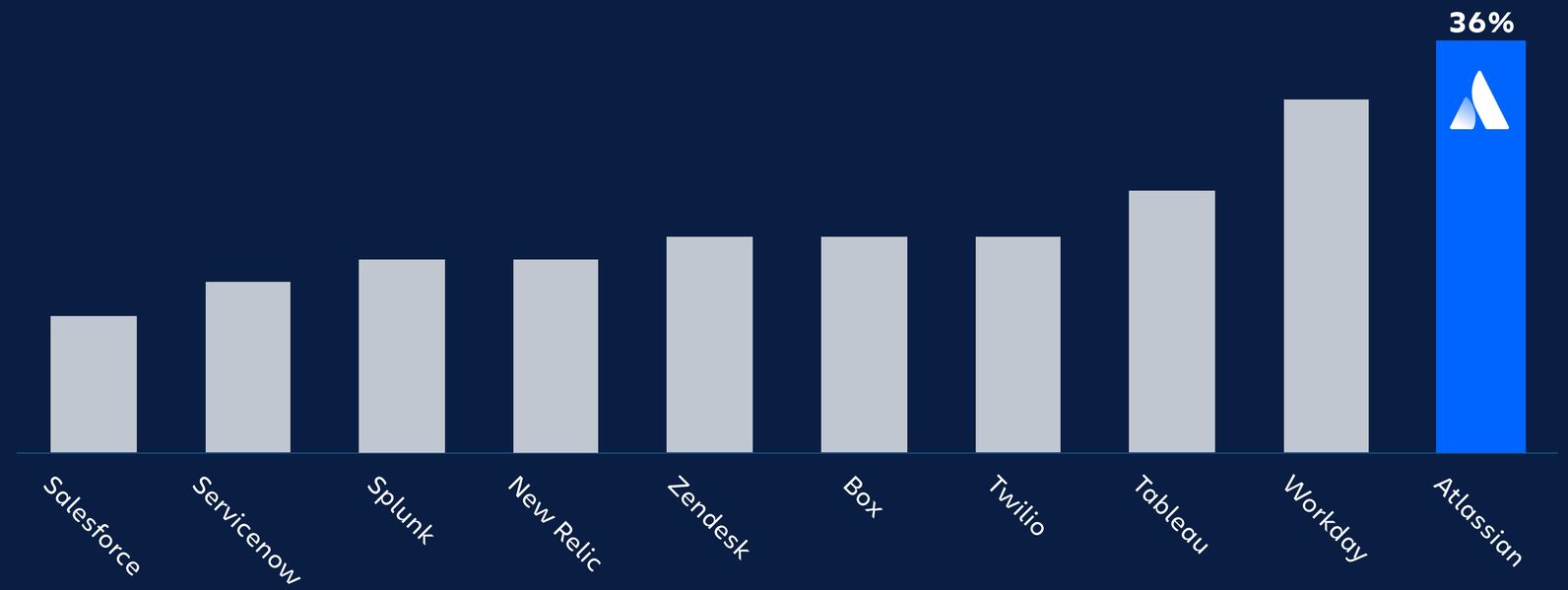
OUR DIFFERENTIATED MODEL HAS LED TO…



Non-IFRS

S&M

as % of revenue



Non-IFRS

R&D

as % of revenue

Excludes stock based compensation and amortization of acquired intangibles. All figures are last twelve month data as of December 31, 2018; or last twelve month data as of January 31, 2019 for companies with a fiscal year ending January 31. Reconciliation to equivalent IFRS measures is available in Appendix.

FOCUSED ON ALLOCATING RESOURCES TO DRIVE LONG-TERM RETURNS



Disciplined and patient investment approach where we see sustainable growth + attractive return potential

- Platforms for future growth
- Product editions
- New organic + inorganic products
- Enhanced e-commerce

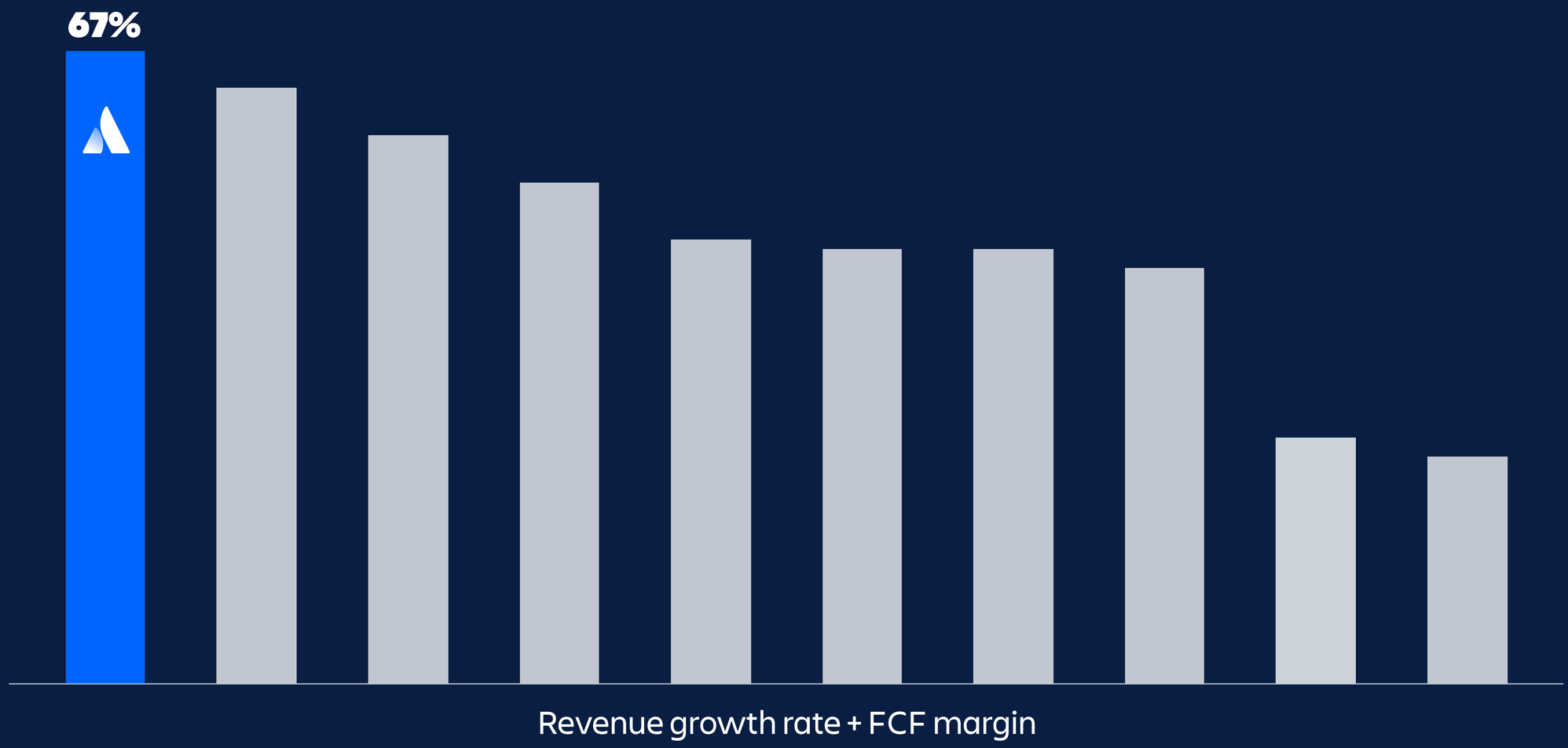


Stop investment where we do not see attractive returns

- Hipchat
- Stride

INDUSTRY LEADING REVENUE GROWTH + FREE CASH FLOW MARGIN

RULE OF 40



Based on implied FY19 revenue estimate at the midpoint of the target range of $1,195M-$1,199M provided as of January 17, 2019.
Based on implied FY19 free cash flow estimate at the midpoint of the target range of $370M-$380M provided as of January 17, 2019.
Peer company figures are based on last twelve month data as of December 31, 2018; or last twelve month data as of January 31, 2019 for companies with a fiscal year ending January 31.

Atlassian financial framework

Emphasize the growth of recurring revenues

Prioritize R&D investments to further scale our Cloud and Data Center businesses

Continue to review pricing annually and systematically; remain the high value, low price leader

Optimize R&D efficiency across deployment types and geographies

Continue to target modest expansion of operating margin and free cash flow margin over time

Continue to target 3% annual share dilution (excluding acquisitions)

Observations

Early in a very large TAM

Product investments solve our customers' increasingly complex collaboration challenges and create sustainable advantage

Cloud first

Focused on R&D efficiency and effectiveness

Ultra-efficient go-to-market model

Observations

Strong presence in technical and non-technical teams

IT offers significant growth

Business model drives substantial revenue and free cash flow growth

Skilled and disciplined management team with long-term focus

Q&A

Scott Farquhar, Co-Founder & Co-CEO
Mike Cannon-Brookes, Co-Founder & Co-CEO
Jay Simons, President

Sri Viswanath, CTO
James Beer, CFO
Ian Lee, Investor Relations

Thank you!

Appendix

Reconciliation of IFRS to Non-IFRS:

Research and development expense

	Q3'18	Q4'18	Q1'19	Q2'19	Total (LTM)	% of Revenue
Research and development	**$108,544**	**$111,046**	**$124,380**	**$131,364**	**$475,334**	**46%**
Less: Share-based payment expense	25,347	20,271	26,846	32,976	105,440	10
Less: Amortization of acquired intangible assets	–	–	–	21	21	–
Non-IFRS research and development	**$83,197**	**$90,775**	**$97,534**	**$98,367**	**$369,873**	**36%**

Marketing and sales expense

	Q3'18	Q4'18	Q1'19	Q2'19	Total (LTM)	% of Revenue
Marketing and sales	**$48,655**	**$49,049**	**$52,262**	**$68,950**	**$218,916**	**21%**
Less: Share-based payment expense	5,816	5,444	7,761	9,850	28,871	3
Less: Amortization of acquired intangible assets	9,022	9,023	8,988	10,368	37,401	3
Non-IFRS marketing and sales	**$33,817**	**$34,582**	**$35,513**	**$48,732**	**$152,644**	**15%**

Reconciliation of IFRS to Non-IFRS:

Net Cash Provided by Operating Activities Reconciled to Free Cash Flow

	FY2016	FY2017	FY2018
Net cash provided by operating activities	**$129,542**	**$199,381**	**$311,456**
Less: Purchases of property and equipment	34,213	15,129	30,209
Free cash flow	**$95,329**	**$184,252**	**$281,247**