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EDITED TRANSCRIPT

TEAM - Atlassian Corporation PLC at Raymond James Technology
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CORPORATE PARTICIPANTS

Jay Simons *Atlassian Corporation Plc - President*

CONFERENCE CALL PARTICIPANTS

Michael Turits *Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst*

PRESENTATION

Michael Turits - *Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst*

Heading towards the end of the day. Michael Turits, Infrastructure Software Analyst at Raymond James. And we have got the -- Martin Lam is in the audience. Anybody else here? That's it, right?

Jay Simons - *Atlassian Corporation Plc - President*

Michael Pryor, who is Head of Trello.

Michael Turits - *Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst*

Hey, Michael, how are you? Good to be meet you. Thanks very much. Okay. So thanks a lot, Jay, for coming. We really appreciate it. We'll do half an hour or so of fireside chat. And if you have questions, if you're in the room, then we can ask them at the end. Are we doing -- we're doing do the webcast, right? Okay. So if you're on the webcast, you're welcome to e-mail with me also at michael.turits@raymondjames.com.

QUESTIONS AND ANSWERS

Michael Turits - *Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst*

Anyway, I always like to start with strategy, high-level stuff. This is kind of the table of contents part. I'd like to talk about strategy of "doubling down" on IT. I'd like to talk about the movement to the cloud and I'd like to talk about pricing strategy. Anybody in the back, could you mind closing the door. Thanks a lot. Appreciate it.

So let's talk about doubling down on IT, which you guys brought up, let's just say, contemporaneous with the time that you sold off the messaging business, but not necessarily only as part of that. But I obviously want to place in the context of your general strategy of addressing software teams, IT teams and business teams. But in this case, doubling down on IT. So what did you mean by that and have you pursued it and why'd you decide to do it?

Jay Simons - *Atlassian Corporation Plc - President*

So if you back up, actually, we've had a really strong and growing business inside of IT basically since inception. If you don't know what we do, we make software for teams. And several of our products -- the first teams that we targeted back in our very beginnings were technology teams, software teams, in part because like that particular team collaborative effort is really, really hard. Like, you can't do it without the right tooling.

Imagine a software development project begins with an idea that somebody writes in plain English or whatever language they write in. They're refining requirements and specifications, that then gets translated by people that know how to write in a different language and code. And that gets iterated back and forth and eventually produces a product that then needs to have features added to it and bugs that gets fixed and all that sort of thing.

So that is a really mission-critical, high-stakes, collaborative workflow that needs the proper tools to help teams do what they want to do together. For most of our life then we have focused on what we refer to as a Fortune 500,000. And so every company that has some notion of technology investment or technology stewardship inside of their business, are going to have people that need products like ours.

For the bulk of the Fortune 500,000, the custodians of our products are IT. It's not until you get into kind of the global 2K that you end up bifurcating, IT becomes sort of an operational or workplace management function primarily, and you have a software development and engineering or organization that might be separate from IT.

And that, I think, line is software is eating the world and as more companies become technology companies, that bifurcation happens deeper and deeper and deeper into the Fortune 500,000. That has now given the rise over the past 5 or 6 years into this notion of DevOps where the separate development organization needs to work more tightly and closely with a separate IT operations and management organization to run the things that they build.

So to get back to answering your question, IT has been a really important champion and steward of our products for a very, very long time. But we met with the -- or signaled with the doubling down notion is there's a couple of new categories for IT that...

Michael Turits - Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst

So just one point. When you say the -- in terms of doubling down, did you mean specifically like IT and operational groups or IT inclusive of software development?

Jay Simons - Atlassian Corporation Plc - President

Both. Yes. But there's a couple of categories that are really relevant to IT that are big growth categories for us. And so if you double-click on the double down, it's really about targeting those more aggressively rounding out some of the product portfolios and one specifically is around IT service management and collaborative services desks. And we entered that particular space about 5 years ago with a product called Jira Service Desk. We built organically, built on top of the Jira platform, opened up kind of a bunch of different market for us. One was...

Michael Turits - Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst

But again, let me jump in because it seems important. People are already using Jira to do this, right?

Jay Simons - Atlassian Corporation Plc - President

They were, but there was missing capability, and it wasn't a SKU we were selling. We were selling...

Michael Turits - Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst

Right, but they were adopting, and say, "Hey, this is great for this."

Jay Simons - Atlassian Corporation Plc - President

Totally.

Michael Turits - Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst

We're like software guys that we needed to do -- manage trouble ticking, also wanting to use this thing...

Jay Simons - Atlassian Corporation Plc - President

And then we did the smart thing and said, "Well, you're not paying us anything extra for that particular use and there are the things missing that we could build on top of it that would make it value enough to pay for us." Hence, the product, and it's a nice growth product.

So that is kind of one big category in IT. Another big category, histological adjacency for IT is IT operations and incident management. And so there's -- in a number of products that are basically inside of our portfolio that form what we believe is a really modern platform for incident management and it's in response for IT operational groups. And so we acquired a company called Opsgenie that added on top of Jira and confluence and status page, the alerting and rostering capability that notified people that something has gone wrong and brings them back into our products to kind of troubleshoot, fix and resolve the issues.

And so in IT, there are 2 really big categories. And by the way, the common ingredient in those 2 categories are what I said earlier, mission-critical, high-stakes, collaborative workflow. IT service management, incident management and operations, are high-stakes, mission-critical cognitive workflows. You need the right technology in order for IT organizations to do what they need to do in those categories.

Michael Turits - Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst

Got it. So let's stay with Jira Service Desk for a minute because it's been -- I don't know, you'd characterize it in different ways, but very fast growing part of your business. It's been very successful. What's been your strategy there? Why has it worked? And how are you approaching that market where ServiceNow has really been dominating at the enterprise level.

Jay Simons - Atlassian Corporation Plc - President

So it's -- Jira Services is a different product from ServiceNow. It's got some similarities and so there is like an overlap of the concentric circles, but there's a lot of service area over here that we've been painting with Jira Service Desk.

When we introduced the product, we introduced it because we noticed that a lot of customers that were using Jira software, like Jira inside of their IT organizations for software development, had then applied it to their IT help desk. They build an IT help desk with it. And it was missing capabilities and missing SLAs and it was missing kind of agent queues and a bunch of things that you would actually need for IT help desk.

We built those things into Jira Service Desk, but we also built it in a way that basically anyone could stand out of service desk. And so the way we saw the market was in the same way that IT needs a help desk to broker the request response out to the rest of the business they're serving.

Guess who else needs that? Marketing departments, legal departments, the facilities group, HR, the sales operations, like anyone that is brokering something that some constituency inside of their company needs from them. They want to do it in a better way than just email. That's first and foremost, what we built Jira Service Desk to do.

So I think a difference between us and ServiceNow, as an example, one would be, we're building a product for the Fortune 500,000. They're building a product for the G2K. Another would be customers of ours, will have several dozens of different help desks that they basically create in a matter of months. ServiceNow would probably have 2 or 3 that would take over a year instead of really big organizations.

The other dimension of Jira Service Desk that we've grown with is it has an external service and support application on top of Jira software. And so we also compete a little bit with Zendesk. Where if you're a company that has -- all of your customers are external, you built a software development product on top of Atlassian. And you're not like AT&T or Uber where you have like tons of agents that are forming a customer service or customer

support center. But you want a single closed loop between customer has a problem, they want to tell you they have a problem, you want to identify that problem, that problem is connected to a developer that needs to fix the problem and you go all the way back up to the customer to resolve it.

And so there's -- dimensionally, it's a very different product than ServiceNow. Even if there could be a company in the G2K that says, "I just want one IT help desk, can Jira Service Desk do it?" Yes, it can. Can ServiceNow do it? Yes, it can. How do I choose between those 2. It depends on what you're after.

Michael Turits - *Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst*

So how -- what proportion of Jira Service Desk is being externally, competing in that Zendesk market?

Jay Simons - *Atlassian Corporation Plc - President*

Probably about 40% of...

Michael Turits - *Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst*

A lot?

Jay Simons - *Atlassian Corporation Plc - President*

Yes. But it wouldn't be mutually exclusive to that. It would be the customers that use it for the external service desk and customers that like we do. And there are customers that also use it for their internal help desks and collaborative service centers like we do.

And so it's a pretty broad mix, which is why it's maybe a hard product to understand, to get a bead on because it can do both of those things in a single SKU.

Michael Turits - *Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst*

I want to switch back to the software dev side that what's is -- a lot of where you started with -- obviously with Jira itself but some front-facing, [work-like] processing for development teams software -- development teams, and then you've got a lot of other products in the tool set for dev, [fit back] on to others.

This has been a particularly hot area in a lot of ways. A lot of companies that are growing fast in terms of development tools and there's been a lot of companies that are consolidating their platform.

In other words -- I mean, well, first, we have GitHub being bought by Microsoft. And then we have other companies, Gitlab, J Frog, others that are selling more than a single tool set. So what do you think of that idea of a true DevOps platform? And where do you want to play there? Because you've had a lot of tools in that area.

Jay Simons - *Atlassian Corporation Plc - President*

So in the 2 products you mentioned, GitHub and Gitlab. I mean, the thing is they're very, very germane to code writing, right? Like they're for the developer and the workflow, specifically for the developer writing code.

The corollary that we have in our portfolio is a product called Bitbucket. And even where those 2 companies might say, "Well, let me add issue tracking or product for specification writing." Largely, there are going to be things that developers will use, not the broad diaspora of people outside of code writers that are involved in a technology project. And it's a really kind of nuanced, but really important thing. If you look at a product like Jira, Jira was successful and is successful because this is a product that in the context of a technology project is used by the developer to work with a project manager or to work with the designer, to work with the QA person, to work with the business owner, to work with a finance FP&A person, to work with a salesperson. All of those people are in the same Jira project together even if some of the items, the work items in Jira are assigned to a developer, telling them what to code. And in that particular case, they could go to Bitbucket, which is our product and code together. They could go to Gitlab. They could go to GitHub.

In a lot of those cases, the thing that underpins all of those DevOps workflows is Jira even in the case of GitHub and Gitlab. So I think kind of modern DevOps is not going to be one thing in one box. It's going to be a bunch of different things that inter-operate, the belief that we have is that modern technology projects, that collaboration involves more than just a developer. And the tools that you mentioned, like are non-developers not going to use GitHub is not going to use Gitlab. They're going to have to use something like Jira in order to connect with the development.

And by the way, the thing we replace is we replace all the way back to IBM Rational. IBM Rational or Microsoft Team Foundation Services, which is now -- is your DevOps, those were tools just built by developers, like really high perceived ticket costs for the developer to work with somebody who wasn't a developer. They had to export something into something they could attach to e-mail and then send to the non-developers, which is incredibly frustrating, breaks them out of the workflow. So did I answer your question?

Michael Turits - *Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst*

Yes. And then -- so we talked about IT teams, we've talked about software teams. So what about business teams? So what about going beyond IT to being -- for the teams that are just broad enterprise teams and what you can do there?

Again, you -- and I've -- it has been -- when you start Hipchat had one way of developing of addressing some of those issues. Trello, which you bought, also takes you outside of IT per se. But I wanted to make sure I've got the full strategy there, where you're going with it.

Jay Simons - *Atlassian Corporation Plc - President*

So it begins with what I just mentioned, which is even in technology development, technology development is a full contact, full team sport. It involves basically all various parts of the business that are engaging and collaborating with the technology team and the development team in order to move that very strategic important project forward.

So if you explode kind of the user population of a reasonably technical product like Jira Software, kind of more than 1/3, probably close to 40% of users of Jira Software would be in line of business. Now they wouldn't necessarily be taken Jira software and just using it inside of their line of business with other marketing people or other HR people, but they would be associated and affiliated with it and that gives us an expansion path to go deeper into their line of business. So that's sort of part 1.

Michael Turits - *Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst*

So can you give you me examples of those line of business users and how that's working?

Jay Simons - *Atlassian Corporation Plc - President*

I mean, an example would be finance. It's involved in the technology project because there's cost estimation and there's project delivery dates that finance is trying to model. There's a whole bunch of things. They get exposed to Jira and then they say, "Oh, can I use this to run my quarterly close

process and would that be better than an excel spreadsheet with people's names and dates in cells?" Heck yes, it would be. And so then they configure a project that's quarter to close in finance and then the whole finance team begins to use it.

Marketing gets exposed to it because they're associated with launch deliverables that are part of the technology project. They see it and they're like, "Well, boy, why don't we just use this for marketing projects?" Then they create a marketing project, like the platform already exists.

And we see that in terms of it's just user expansion. Like you might start with a software team of 1,000 people, various designers and project managers and the users that we expand aren't just new developers and new technology members, it's marketing, finance, sales, service, a bunch of people that kind of expand out.

Michael Turits - Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst

So if you just let people take Jira and use it for these different enterprise workflows because it works? Or do you start to build dedicated applications that enable them to use that in a more specific way?

Jay Simons - Atlassian Corporation Plc - President

Not so much dedicated applications. But -- so definitely, yes, on the former and the latter, there is -- where you build templates and you build kind of the onboarding flows, you let people identify themselves as a marketer in the products. And based on their identification, you can say, "Well, here is 10 other things that you could do with this product, would you like to discover them?" So you kind of lead them down the path.

Michael Turits - Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst

And does your channel play a rollout?

Jay Simons - Atlassian Corporation Plc - President

Yes, yes, absolutely. Yes, thanks for leading the witness.

Michael Turits - Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst

Yes, sure. Sorry.

Jay Simons - Atlassian Corporation Plc - President

Channel does, absolutely.

Michael Turits - Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst

Plays in that?

Jay Simons - Atlassian Corporation Plc - President

Yes, channel is absolutely. So channel is in there, and I think they've got expertise in various areas, but they can switch on a bunch of things for the customer.



Michael Turits - Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst

Great. Well, let's talk about some of the acquisitions that you made recently briefly. So you talked a bit about Opsgenie, right? So in incident management. Agilecraft, Code Barrel, Good. A couple of just -- I'll just run through some of these acquisitions, and tell us how they fit in.

Jay Simons - Atlassian Corporation Plc - President

So Opsgenie, I mentioned was -- kind of rounds out the incident management solution area. Naturally, we acquired Trello about 3 years ago now. And that's a really important product that's relevant to your business user -- line of business user question lands inside of business teams. And so it gives us kind of another point to triangulate around kind of going wall-to-wall with a customer. We acquired a company called Agilecraft...

Michael Turits - Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst

Any update on Trello? Any change in the strategy, monetization, bundling, anything like that?

Jay Simons - Atlassian Corporation Plc - President

No real change in the strategy. I think, as we talked about in the last couple of earnings calls, Trello is 50 million registered users and continues to accumulate new users at a pretty mesmerizing clip. And that's kind of focus one has been -- focused since the acquisition.

We've layered on a couple of new ways to convince those users to pay for Trello, and that's been successful. We talked about that the past couple of quarters. We've improved the integration across products and integration into platform capability at Atlassian. So Trello, a new trailer user has an Atlassian ID, and that makes it easier for the -- for us to cross-flow them into other Atlassian products because it's a shared identity across all those products, stuff like that.

We acquired a company called Agilecraft, which basically at the upper end of the enterprise market, connects kind of all of the agile work that's managed inside of Jira at a big enterprise and has tens of thousands of users, up to the C-suite.

Michael Turits - Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst

So that actually really interested me a lot when you made that acquisition because...

Jay Simons - Atlassian Corporation Plc - President

We did it for you.

Michael Turits - Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst

Thank you very much. So now you're an empathetic customer. That's one of the things it's great about Atlassian. Thank you looking at my needs, Atlassian, I appreciate it.

Jay Simons - Atlassian Corporation Plc - President

Now I'm going to talk about this dog chain that you have on your wrist. What is that thing? It's like a...

Michael Turits - *Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst*

No. It's a piece of jewelry.

Jay Simons - *Atlassian Corporation Plc - President*

It's a big bracelet.

Michael Turits - *Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst*

It's a piece of jewelry, right? I guess so -- I can put a little something in there.

Jay Simons - *Atlassian Corporation Plc - President*

I like it. It makes you look tough.

Michael Turits - *Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst*

Yes, it makes me little kind of downtown, right? And differentiate a little bit. So let's talk about the migration to the cloud. So there's -- initially, you were largely an on-premise company, server-based. So where are you in terms of getting the top, enabling customers move to cloud.

Jay Simons - *Atlassian Corporation Plc - President*

So we've been in the cost for over a decade. So I think we are both. What we've been working on is kind of a transition to cloud-first and maybe eventually, like out in the future, cloud-only, driven largely by customer demand and customer motion.

Most of our customers are in the cloud, 90-plus percent of new customers that begin a relationship with us start in the cloud. There is a reasonably sized cohort of larger enterprise customers that are behind the firewall because that's what they chose a while ago, and that's where they've grown.

What we talked about in the past couple of earnings calls, is there an accelerating and increasing signal that those customers want to move to the cloud. And so we've been working, over the past couple of years, in making sure that we're ready for them. We've got data centers in-country. And we've got -- we check all the boxes around data locality and privacy and security considerations and certification and compliance considerations and scale and performance -- there's a whole bunch of stuff that we've been chipping away to make sure that if you're a really big enterprise that we can run the software better than you can and update it and manage it.

And that's what we're hearing from customers is they want to get out of the business of running our software, knowing that we can do it better for them.

Michael Turits - *Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst*

Got it. I've got some more questions, but anybody from the audience or let me just take a quick look as well to see if anybody e-mails anything in. But anything from the audience, we're over here.

Let's talk a little bit about pricing. So Atlassian has always been -- has been an incredible value. It's great software, and it's been just frankly, less expensive than just about everything else that's been out there. It's brought customers and dollars in, but it's also enabled you to raise price over time.

So what's the history of that? Where do you raise price? And it seems that, that price raise strategy has altered a little bit to include things like adding additional SKUs as well as just raising price on a unit basis.

Jay Simons - Atlassian Corporation Plc - President

Yes, I think we never just raised price. I think we do kind of an annual -- what I would consider as an annual mix of price optimization and price adjustments. Some of that's going to be going up, some of it is going to be going down, some of it will just stay the same. In some cases, we'll introduce new premium SKUs that provides an upflow and upgrade opportunity for us with the existing customer base or new customers. So it's a whole mixture of things.

I think, philosophically, where we want to always reinforce what you said, which is we want to be known as providing the best products at an incredibly affordable price. And so quality and value or what we lead with, it's the way the model works.

And I think no change. If you look though -- at just this past year, I think there were some calibration we did around kind of the server on-prem and cloud price points. And so they're, for the most part, kind of neutralized. When you look at the website, they look like they're at the same price now and the server list price was a lot cheaper than cloud, so that was an important calibration point. We made some things go up, we introduced free. So we introduced a pretty significant price decrease this past quarter just to widen the aperture and funnel for cloud.

Michael Turits - Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst

What's been the impact to that? Has it worked? Has the problem been part of full-on? Has the free SKU for cloud worked out?

Jay Simons - Atlassian Corporation Plc - President

Early days, but yes, it's doing what we want it to do.

Michael Turits - Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst

And then on the price increases, is there any pushback at all at this point from the channel and from customers interested in locking in price early?

Anything that would suggest to you that you might be running out of any room to raise price?

Jay Simons - Atlassian Corporation Plc - President

No. And I think the reason for that is, one, we're still incredibly affordable. Like I think if you compare us to anything else that you would spend money on as an alternative, we are a fraction of the cost. And so that kind of factors into it.

Two, we're really careful, I think, with all the changes that we made, and we're very thoughtful from a customer perspective.

Three, we spend high 30s in R&D. And so I think customers see an incredible amount of innovation and feature velocity and products. And so when we do increase price, that comes with messaging around all the things that we just delivered and the velocity at which we anticipate delivering into the future.

And then we're customer-friendly. I think we allow customers the ability to lock in price if they want to price-protect for a handful of years. All that stuff together, I think, is why you don't see customers react negatively.

Michael Turits - Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst

So you distracted me when commenting on my price list. But...

Jay Simons - Atlassian Corporation Plc - President

Did I?

Michael Turits - Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst

Yes, but I was going to -- I'm sure I was going to...

Jay Simons - Atlassian Corporation Plc - President

I'm just jealous. I'm just jealous.

Michael Turits - Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst

But I was going to ask you -- was going to comment again on the Jira Align, right, and talk about the fact that it-- I mean, historically, your brands, your reputation, a lot of your thing has been developer-led adoption, user-led adoption, very bottoms-up.

And when you made the Align acquisition, it seemed to me that, that was going to take you even further up the stack into central procurement, into the CXO's office and enable a kind of enterprise deployment. It -- was that a change in strategy? And has that worked? And has it done what seems to me a convert on a big opportunity?

Jay Simons - Atlassian Corporation Plc - President

It is that it is working. It's not so much a change in strategy. If you think about one of the things that...

Michael Turits - Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst

Or the extension of the strategy?

Jay Simons - Atlassian Corporation Plc - President

Extension. That's -- it's a better word. One of the things that kind of -- that triggered Agilecraft and kind of put us into opportunity is the -- Atlassian kind of sponsors, like the leaders inside of the company that kind of owned the Jira footprint.

They were coming to us increasingly in saying, "Hey, we're working with this other part of the business around portfolio management, strategic allocation, all of the data that they want to slurp up into the system is inside of Jira, and they're asking us for sponsorship of this thing.

What do you think, Atlassian?

And so even though this is both a connection into the C-suite, which is a different motion than we focus, but it's complemented by where we already are, and we sort of feel like that two-pronged approach to kind of win bottoms-up and kind of have a really strong Jira anchor. And then the people that are going to turn Agilecraft, Jira Line on are already on -- we already won. And so it's sort of just helping them then build that bridge and also sponsor that bridge is part of an extension of the strategy.

Michael Turits - Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst

So let me end with the M&A question. So we've seen -- I've used M&A in the past. Any thoughts on that? How it's -- is the same kind of tactics and strategy going forward? Or how should I think about it?

Jay Simons - Atlassian Corporation Plc - President

I think you should think of it -- yes, you should look at history as sort of a guide. I think we're -- we've made 20 acquisitions, I think, in the past 17 years. And so I think it's a well-developed muscle, and we're pretty thoughtful and careful about it.

Michael Turits - Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst

Go-to-market, any changes in go to market, well known for being web-based, not having a direct sales force or size?

Jay Simons - Atlassian Corporation Plc - President

Yes. I mean, we have a direct sales force, not -- it really depends on what you define as at-size, but I think no material change. What's interesting about our model is we have this incredibly effective high-velocity flywheel that allows us to land in companies of all shapes and sizes, that we've complemented by a channel that we spent the past 11 years, 12 years developing that is very robust, very capable, very mature, complemented by a very well-targeted strategic direct selling notion. All those things work in concert, and there's equilibrium between the 3. And I don't see any material change to that.

Michael Turits - Raymond James & Associates, Inc., Research Division - MD of Equity Research & Infrastructure Software Analyst

Okay. All right. Good. Jay, thanks very much. I appreciate it.

Jay Simons - Atlassian Corporation Plc - President

Yes, thank you. All right. Thanks.

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