

Atlassian valued at \$3.5 billion

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- [UNSW taps Ori Allon, Mike Cannon-Brookes](#)

A \$US150 million (\$160 million) investment in Australian-founded software company Atlassian has valued the software business, which facilitates communication between thousands of developers around the world, at \$US3.3 billion (\$3.5 billion).

However, one observer believes the sale is an indication that Atlassian will not be conducting a highly anticipated stock listing any time soon.

Overnight, investment firm T. Rowe Price bought a package of Atlassian shares from current and existing employees, according to [The Wall Street Journal](#). It also bought shares from the only other external investor Accel Venture Partners.

Since it was founded in 2002, Atlassian has been issuing stock options to all of its 800 employees, right down to the receptionist. This incentive is a popular form of remuneration in Silicon Valley but [regulation in Australia](#) makes it costly and onerous, though not impossible. The government has flagged [possible changes](#) to make this easier.

As Atlassian is not a listed company and the shares cannot be purchased by the public, the primary way for employees to sell these shares is to outside investors. This is known as secondary financing.

Atlassian co-founders Mike Cannon-Brookes and Scott Farquhar did not sell their shares in this round, according to the report. They are [believed](#) to own about 78 per cent of the company.

Company president Jay Simons told [VentureBeat](#), "None of the money has actually gone to Atlassian's bank account."

Atlassian employed the same secondary strategy when Accel Partners invested \$US60 million in 2010 at a reported valuation of \$US400 million. This is the only other time it has taken on additional investment. Its growth has been largely self-funded.

The software company is expected to book revenues of \$US200 million this year, and serves 35,000 clients. In 2012 it had nearly 12,000 clients.

Mr Cannon-Brookes told *The Wall Street Journal* that Atlassian chose T. Rowe Price and Dragonair because its expertise in the public markets may eventually be needed when it comes time to list on the stock exchange. It is believed the initial public offering will not occur in Australia, as the company recently [relocated](#) its global headquarters to London to attract global investors.

One observer said Accel's decision to "take money off the table" by selling its shares suggests a stock listing won't happen any time soon. "Selling some shares to the next investor is a negative signal for Atlassian," they said. "It suggests Accel doesn't think Atlassian will be one of the big winners [in the investment portfolio]. There could be some completely valid other reason for them pulling money out ... but it doesn't look good."

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