FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported)
August 21, 2019

Splunk Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

001-35498
(Commission File Number)

86-1106510
(IRS Employer Identification No.)

270 Brannan Street
San Francisco, California 94107
(Address of principal executive offices, including zip code)

(415) 848-8400
(Registrant’s telephone number, including area code)

Seurities registered pursuant to Section 12(b) of the Act:

<table>
<thead>
<tr>
<th>Title of each class</th>
<th>Trading Symbol(s)</th>
<th>Name of each exchange on which registered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Stock, par value $0.001 per share</td>
<td>SPLK</td>
<td>The NASDAQ Global Select Market</td>
</tr>
</tbody>
</table>

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company o

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o
**Item 1.01 Entry Into a Material Definitive Agreement.**

On August 21, 2019, Splunk Inc. (the “Company”), certain of its wholly owned subsidiaries, SignalFx, Inc., a Delaware corporation (“SignalFx”) and Fortis Advisors LLC (solely in its capacity as the representative of certain of the equityholders of SignalFx) entered into an Agreement and Plan of Mergers (the “Merger Agreement”).

The Merger Agreement provides, among other things, that on the terms and subject to the conditions set forth therein, the Company will acquire all of the outstanding equity of SignalFx for total consideration of $1.05 billion, subject to adjustment. The consideration to be paid to the stockholders of SignalFx will consist, in the aggregate, of approximately 40% in shares of Company common stock (at a fixed value of $126.73 per share, which is the average of the daily volume weighted average prices of a share of the Company’s common stock for the ten trading days prior to the date of the Merger Agreement) and approximately 60% in cash, subject to certain adjustments. Any stockholder of SignalFx that is not an accredited investor will receive his, her or its portion of the merger consideration solely in cash and the stockholders that are accredited investors will receive proportionally more shares of Company common stock and less cash.

Outstanding SignalFx stock options that are vested at the closing of the transaction will be cancelled in exchange for either a cash payment or, in the case of certain key employees, payments consisting of 60% cash and 40% Company common stock. Outstanding SignalFx stock options that are unvested will be converted into options to purchase Company common stock, and outstanding restricted shares of SignalFx common stock will be converted into restricted shares of Company common stock.

A portion of the aggregate merger consideration will be held in escrow to serve as security for potential indemnification claims under the Merger Agreement. In addition, the Merger Agreement contains customary representations and warranties and covenants from each of the parties. The closing of the transactions contemplated by the Merger Agreement (the “Closing”) is anticipated to occur during the second half of the Company’s fiscal year 2020 and is subject to customary closing conditions, including the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. The Merger Agreement also provides customary termination rights to each of the parties.

The foregoing description of the Merger Agreement and the transactions contemplated thereby does not purport to be complete and is subject to, and qualified in its entirety by reference to, the full text of the Merger Agreement, a copy of which will be filed as an exhibit to the Company’s Quarterly Report on Form 10-Q for the fiscal quarter ending October 31, 2019.

**Item 3.02 Unregistered Sales of Equity Securities.**

See the disclosure under Item 1.01 of this Current Report on Form 8-K which is incorporated into this Item 3.02 by reference. The issuance of shares of Company common stock pursuant to the Merger Agreement will be made solely to accredited investors, and thus in reliance on one or more exemptions or exclusions from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”), including Section 4(a)(2) of the Securities Act, Regulation D promulgated under the Securities Act or in reliance on Regulation S promulgated under the Securities Act.

**Item 7.01 Regulation FD Disclosure.**

On August 21, 2019, the Company issued a press release announcing the Company’s entry into the Merger Agreement. A copy of the press release is furnished herewith as Exhibit 99.1.

The information set forth under this Item 7.01, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.
Forward-Looking Statements

This Current Report on Form 8-K contains “forward-looking” statements, as that term is defined under the federal securities laws, including but not limited to statements regarding the expected completion of the transactions contemplated by the Merger Agreement and the time frame in which this will occur. These forward-looking statements are based on the Company’s current assumptions, expectations and beliefs and are subject to substantial risks, uncertainties, assumptions and changes in circumstances, including, among other things, timing of the anticipated closing of the transactions contemplated by the Merger Agreement and the risk that regulatory and other conditions to the closing may not be satisfied, and the occurrence of any event, change or other circumstances that could give rise to the termination of the Merger Agreement. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Further information on these and other factors that could affect the forward-looking statements in this Current Report on Form 8-K is included in the filings the Company makes with the Securities and Exchange Commission (the “SEC”) from time to time, particularly under the captions “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” including the Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2019. Copies of these documents may be obtained by visiting the Company’s Investor Relations website at http://investors.splunk.com/investor-relations or the SEC’s website at www.sec.gov. These forward-looking statements represent the parties’ expectations only as of the date of this Current Report on Form 8-K. The Company assumes no obligation and does not intend to update these forward-looking statements, except as required by law.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<table>
<thead>
<tr>
<th>Exhibit Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>99.1</td>
<td>Press release issued by Splunk Inc. dated August 21, 2019</td>
</tr>
</tbody>
</table>

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Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SPLUNK INC.

By:  /s/ Jason Child

    Jason Child
    Senior Vice President and Chief Financial Officer

Date: August 21, 2019
Splunk to Acquire Cloud Monitoring Leader SignalFx

Splunk to Redefine APM Category with Any Data at Any Scale to Help Organizations Navigate Cloud Journey; Establishes Splunk as a Leader in Observability

SAN FRANCISCO — August 21, 2019 — Splunk Inc. (NASDAQ: SPLK), delivering actions and outcomes from the world of data, today announced a definitive agreement to acquire SignalFx, a SaaS leader in real-time monitoring and metrics for cloud infrastructure, microservices and applications. Splunk is already a leader in ITOM and an AIOps pioneer and, upon close, will be a leader in observability and APM for organizations at every stage of their cloud journey, from cloud-native apps to homegrown on-premises applications. This breadth of innovation will help customers deliver cost savings, increased revenue and an improved customer experience, and firmly places Splunk as the vendor most qualified to deliver these outcomes across the entire suite of enterprise applications at any scale.

Under the terms of the agreement, Splunk will acquire SignalFx for a total purchase price of approximately $1.05 billion, subject to adjustment, to be paid approximately 60% in cash and 40% in Splunk common stock. The acquisition is expected to close in the second half of fiscal 2020, subject to customary closing conditions and regulatory reviews.

“Data fuels the modern business, and the acquisition of SignalFx squarely puts Splunk in position as a leader in monitoring and observability at massive scale,” said Doug Merritt, President and CEO, Splunk. “SignalFx will support our continued commitment to giving customers one platform that can monitor the entire enterprise application lifecycle. We are also incredibly impressed by the SignalFx team and leadership, whose expertise and professionalism are a strong addition to the Splunk family.”

“By joining Splunk, we will create a powerful monitoring platform - one ready to support CIOs whether they have fully embraced cloud or have existing applications in the data center,” said Karthik Rau, Founder and CEO, SignalFx. “As the world continues to move towards complex, cloud-first architectures, Splunk and SignalFx is the new approach needed to monitor and observe cloud-native infrastructure and applications in real time, whether via logs, metrics or tracing. The SignalFx team is thrilled to join Splunk to help CIOs capitalize upon the modern application portfolio.”

Real-Time Monitoring of Any Data at Any Scale

Business is evolving at a speed that requires new approaches for software development, deployment and monitoring. Cloud-native technologies such as microservices, containers, orchestrated environments like Docker and Kubernetes, and serverless functions are fueling business outcomes not anticipated just a few years ago as data volumes continue to grow exponentially. At the same time, they introduce unique challenges to IT professionals and developers tasked with ensuring high availability and seamless operations. This is partly why IDC, “continues to expect that SaaS-based solutions (in APM) will grow at triple the rate of on-premises solutions over the next five years…”*

The combination of Splunk and SignalFx will give IT and developers a data platform that allows them to monitor and observe data in real time, no matter the infrastructure or data volume, helping them cut costs, boost revenue and improve the customer experience. This enables organizations to work across their entire data landscape, not just silos in the data center or cloud-native environments.
According to Gartner, “by 2022, more than 75% of global organizations will be running containerized applications in production, which is a significant increase from fewer than 30% today.” ** Customers will be able to use Splunk and SignalFx technology to deploy applications in the cloud, on-premises, or in hybrid environments and get real-time observability and response across all of these systems with a single interconnected platform.

Splunk will answer questions about the SignalFx acquisition during the company’s fiscal second quarter 2020 conference call today at 1:30 p.m. PT (4:30 p.m. ET). Interested parties may access the call by dialing (866) 501-1535 in the U.S. or (216) 672-5582 from international locations.

**Business Outlook**

“The strength of our balance sheet allows us to pay the majority of purchase price consideration with cash on hand. Total equity consideration plus initial SignalFx employee retention incentives will result in less than three percent total dilution from this transaction,” said Jason Child, chief financial officer, Splunk. “Post-closing, we expect to absorb the acquired operational expenses of SignalFx within our existing plan. At this time, we are reaffirming our full year non-GAAP operating margin target,” he continued.

**Safe Harbor Statement**

This press release contains forward-looking statements that involve risks and uncertainties, including statements regarding the timing of the consummation of the acquisition, the expected benefits of the acquisition of SignalFx, the impact of the acquisition on Splunk’s products and services, the capabilities of SignalFx’s products and services, expected dilution to Splunk stockholders and the expected impact on our non-GAAP operating margin. There are a significant number of factors that could cause actual results to differ materially from statements made in this press release, including: difficulties encountered in closing and integrating the merged business, including regulatory review, technologies, personnel and operations; costs related to the acquisition; market acceptance of the acquisition and resulting products and services; Splunk’s inability to realize value from its significant investments in its business, including product and service innovations; and general market, political, economic and business conditions.

Additional information on potential factors that could affect Splunk’s financial results is included in the company’s Quarterly Report on Form 10-Q for the quarter ended April 30, 2019, which is on file with the U.S. Securities and Exchange Commission and Splunk’s other filings with the SEC. Splunk does not assume any obligation to update the forward-looking statements provided to reflect events that occur or circumstances that exist after the date on which they were made.


**About Splunk Inc.**

Splunk Inc. (NASDAQ: SPLK) helps organizations ask questions, get answers, take actions and achieve business outcomes from their data. Organizations use market-leading Splunk solutions with machine learning to monitor, investigate and act on all forms of business, IT, security, and Internet of Things data. Join millions of passionate users and try Splunk for free today.

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