



Investor Presentation

NASDAQ: **OTEX** | TSX: **OTEX**

February 2019

Safe Harbor Statement

Certain statements in this presentation, including statements about the focus of Open Text Corporation (“OpenText” or “the Company”) in our fiscal year ending June 30, 2019 (Fiscal 2019) on growth in earnings and cash flows, creating value through investments in broader Enterprise Information Management (EIM) capabilities, distribution, the Company's presence in the cloud and in growth markets, expected growth in our revenue lines, total growth from acquisitions, innovation and organic initiatives, and distribution expansion, the focus on recurring revenues, improving efficiency, expanding cash flow and strengthening the business, adjusted operating income and cash flow, its financial condition, the adjusted operating margin target range, results of operations and earnings, announced acquisitions, ongoing tax matters, the integration of the acquired businesses, expected timing, charges and savings related to restructuring activities, declaration of quarterly dividends, future tax rates, new platform and product offerings, scaling OpenText to new levels, and other matters, may contain words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "may", "could", "would", "might", "will" and variations of these words or similar expressions are considered forward-looking statements or information under applicable securities laws. In addition, any information or statements that refer to expectations, beliefs, plans, projections, objectives, performance or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking, and based on our current expectations, forecasts and projections about the operating environment, economies and markets in which we operate. Forward-looking statements reflect our current estimates, beliefs and assumptions, which are based on management's perception of historic trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances, such as certain assumptions about the economy, as well as market, financial and operational assumptions. Management's estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and, as such, are subject to change. We can give no assurance that such estimates, beliefs and assumptions will prove to be correct. Such forward-looking statements involve known and unknown risks, uncertainties and other factors and assumptions that may cause the actual results, performance or achievements to differ materially. Such factors include, but are not limited to: (i) the future performance, financial and otherwise, of OpenText; (ii) the ability of OpenText to bring new products and services to market and to increase sales; (iii) the strength of the Company's product development pipeline; (iv) the Company's growth and profitability prospects; (v) the estimated size and growth prospects of the EIM market including expected growth in the Artificial Intelligence market; (vi) the Company's competitive position in the EIM market and its ability to take advantage of future opportunities in this market; (vii) the benefits of the Company's products and services to be realized by customers; (viii) the demand for the Company's products and services and the extent of deployment of the Company's products and services in the EIM marketplace; (ix) downward pressure on our share price and dilutive effect of future sales or issuances of equity securities (including in connection with future acquisitions); (x) the Company's financial condition and capital requirements; and (xi) statements about the impact of product releases. The risks and uncertainties that may affect forward-looking statements include, but are not limited to: (i) integration of acquisitions and related restructuring efforts, including the quantum of restructuring charges and the timing thereof; (ii) the potential for the incurrence of or assumption of debt in connection with acquisitions and the impact on the ratings or outlooks of rating agencies on the Company's outstanding debt securities; (iii) the possibility that the Company may be unable to meet its future reporting requirements under the U.S. Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder, or applicable Canadian securities regulation; (iv) the risks associated with bringing new products and services to market; (v) failure to comply with privacy laws and regulations that are extensive, open to various interpretations and complex to implement including General Data Protection Regulation (GDPR) and Country by Country Reporting (CBCR); (vi) fluctuations in currency exchange rates; (vii) delays in the purchasing decisions of the Company's customers; (viii) the competition the Company faces in its industry and/or marketplace; (ix) the final determination of litigation, tax audits (including tax examinations in the United States and elsewhere) and other legal proceedings; (x) potential exposure to greater than anticipated tax liabilities or expenses, including with respect to changes in Canadian, U.S. or international tax regimes including the new tax reform legislation enacted through the Tax Cuts and Jobs Act in the United States; (xi) the possibility of technical, logistical or planning issues in connection with the deployment of the Company's products or services; (xii) the continuous commitment of the Company's customers; and (xiii) demand for the Company's products and services. For additional information with respect to risks and other factors which could occur, see the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other securities filings with the Securities and Exchange Commission (SEC) and other securities regulators. Readers are cautioned not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. Unless otherwise required by applicable securities laws, the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



The Intelligent & Connected Enterprise

OpenText Leadership



The EIM market leader for enterprise software and cloud solutions enabling enterprises to create connected and intelligent organizations



The
Information
Company

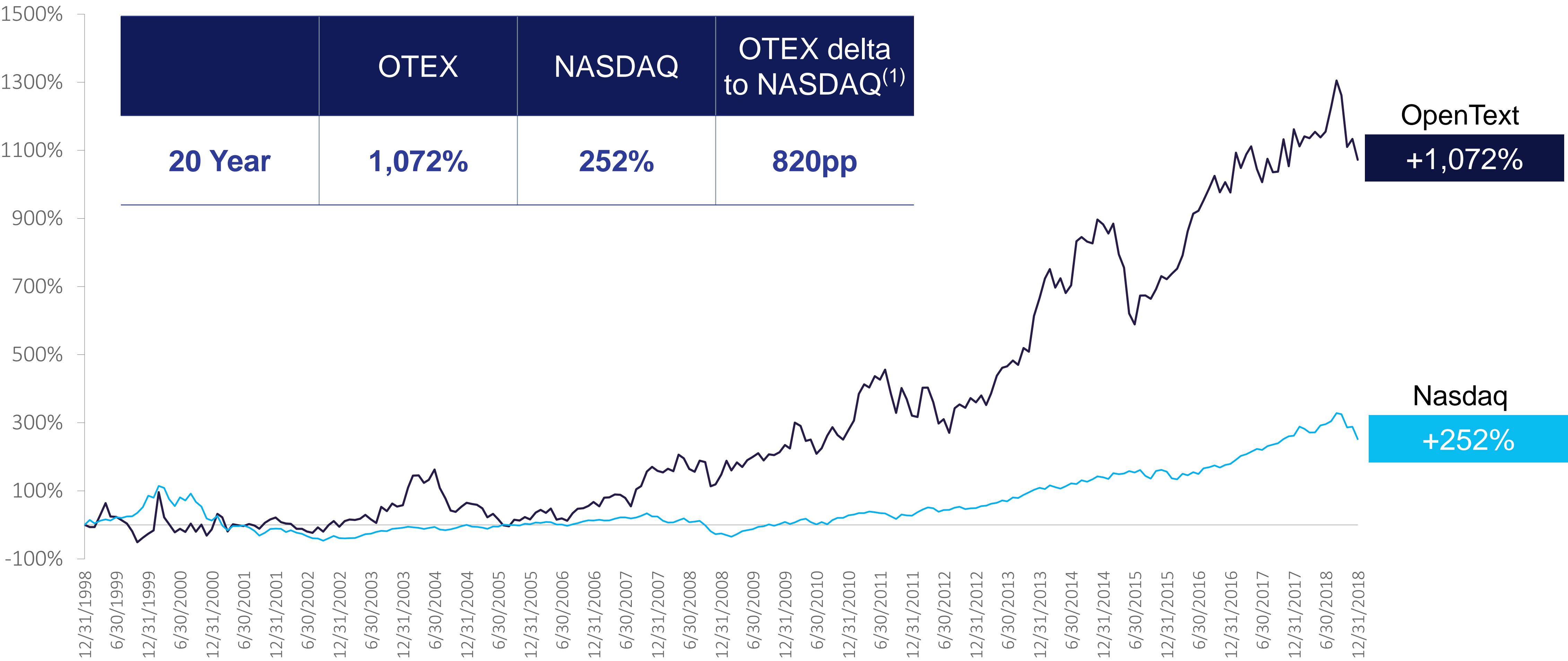
- Market Leader in EIM⁽¹⁾
- **120,000** Customers
- **100 Million** End Users

Fiscal 2018 Results:

- Revenues of \$2.8 Billion
- Annual Recurring Revenue of \$2 Billion
- Adj EBITDA Margin 36%
- OCF \$708 Million⁽²⁾
- ROIC 17.5%

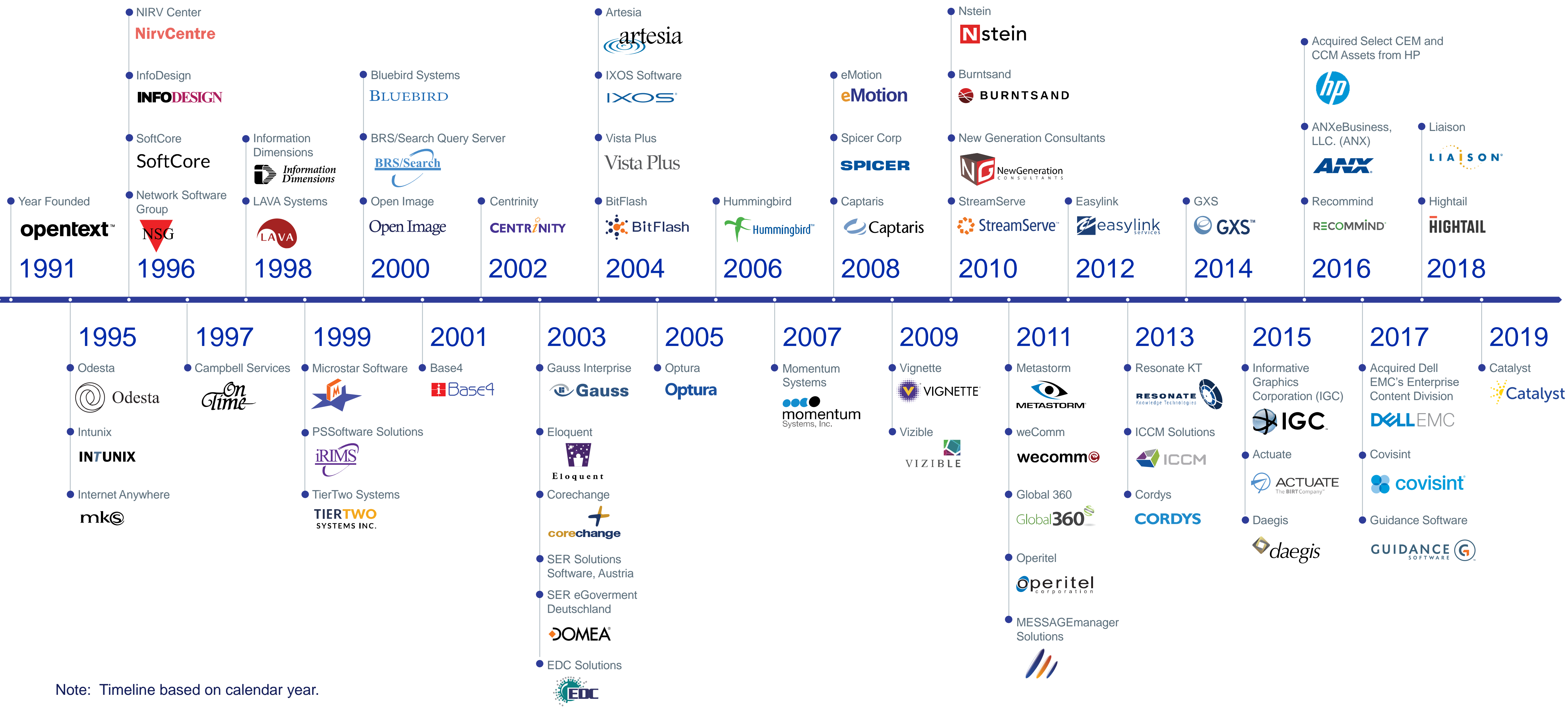
20-Year Total Shareholder Return

OTEX v. NASDAQ



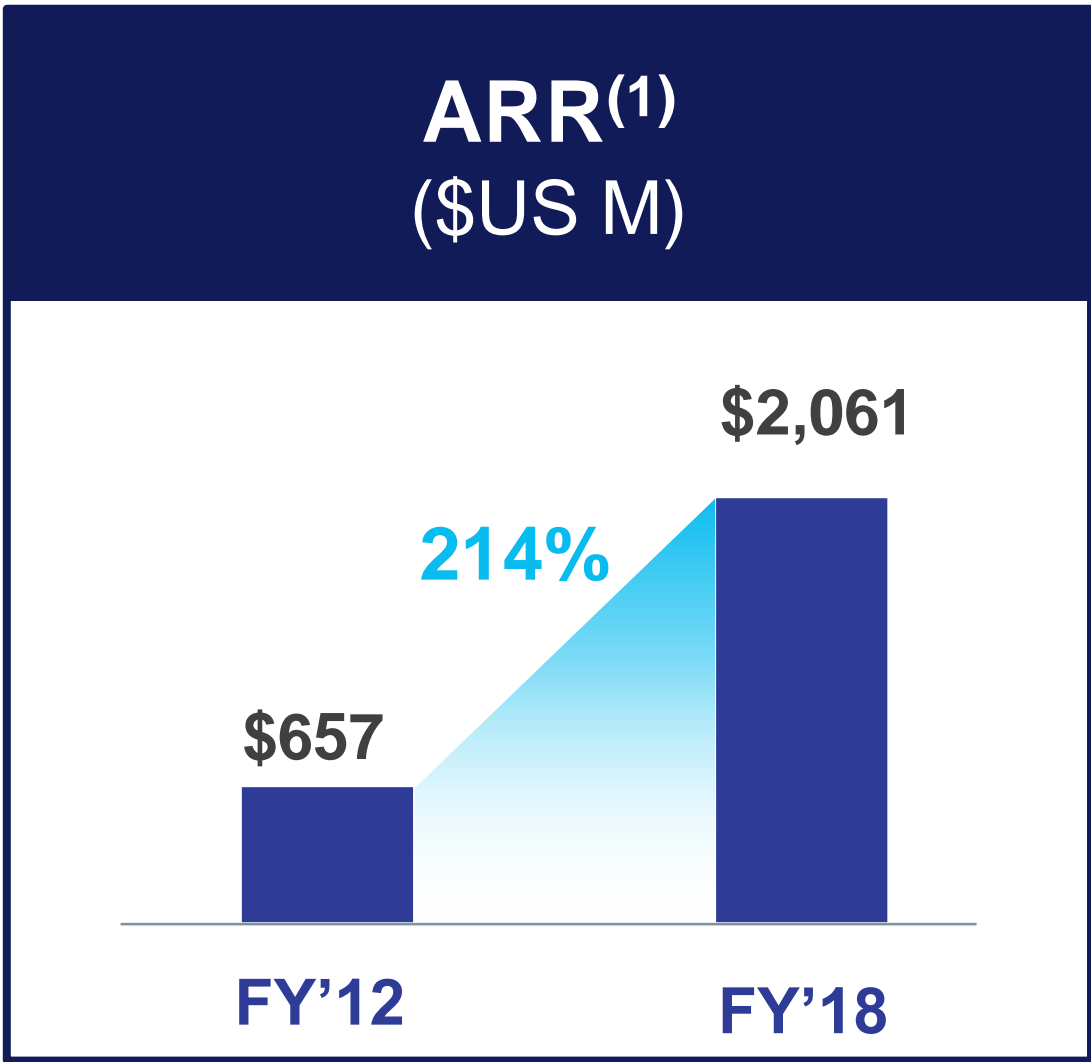
1. Source: NASDAQ (December 31, 2018)

OpenText Path is Unique: we integrate and innovate

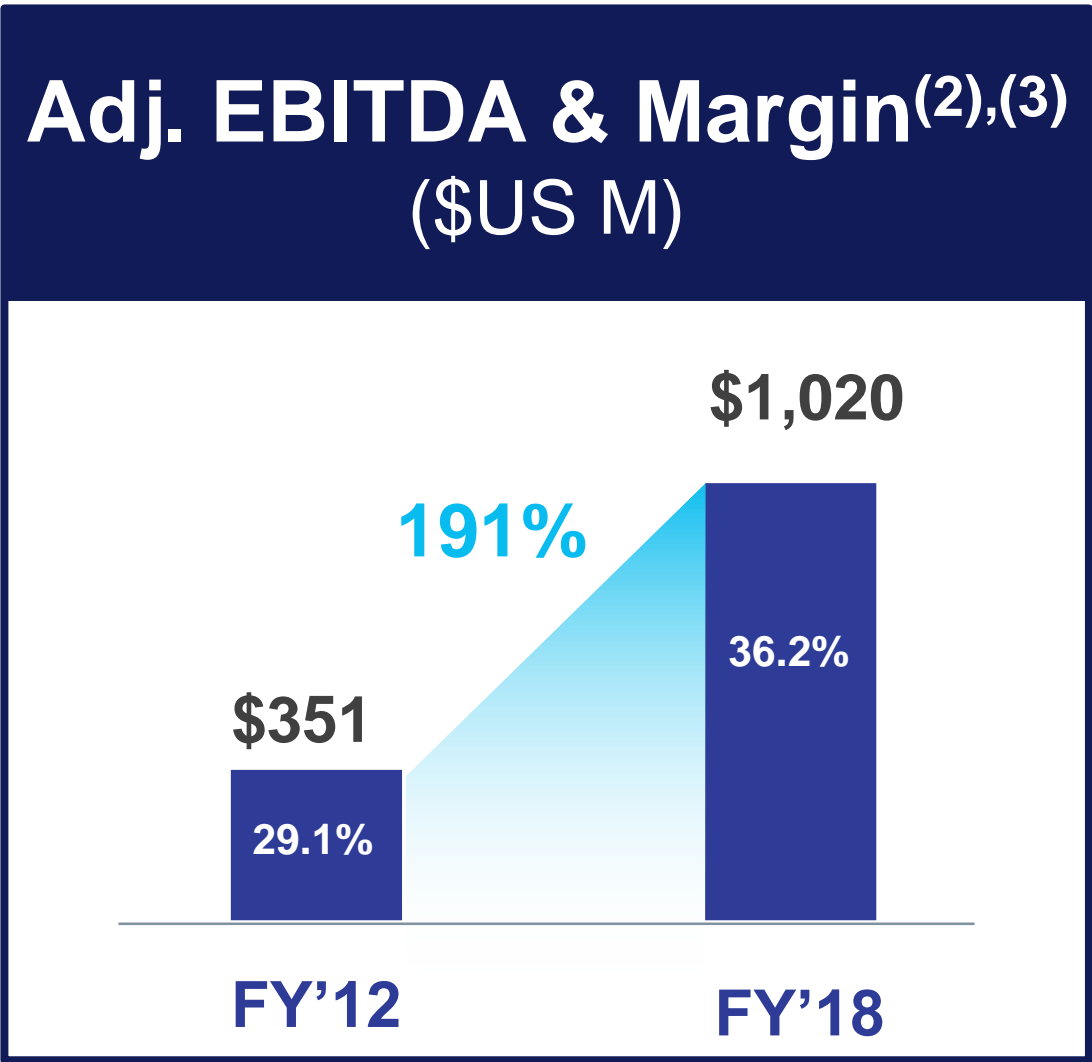


Note: Timeline based on calendar year.

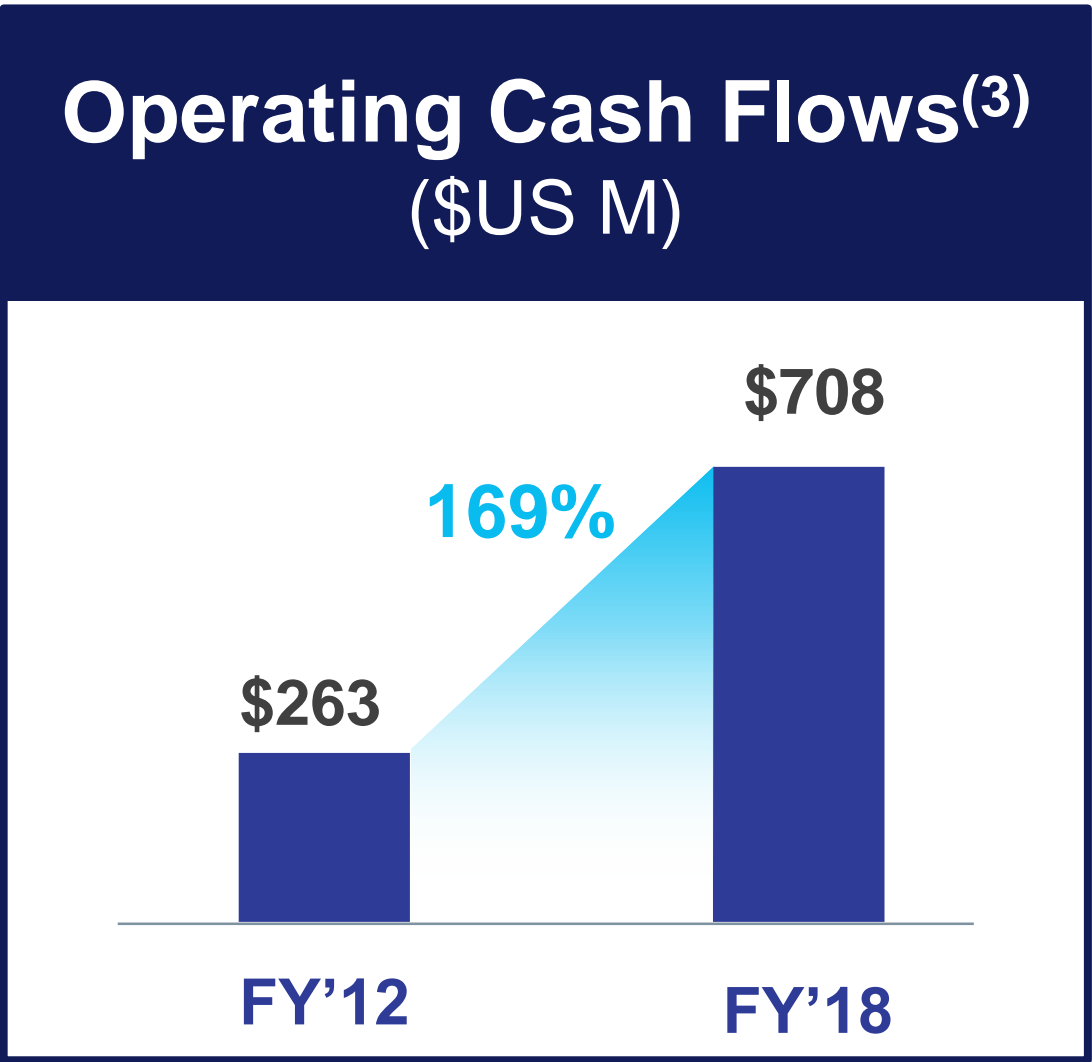
Productivity Leader with Upper Quartile Metrics



ARR
214% Growth



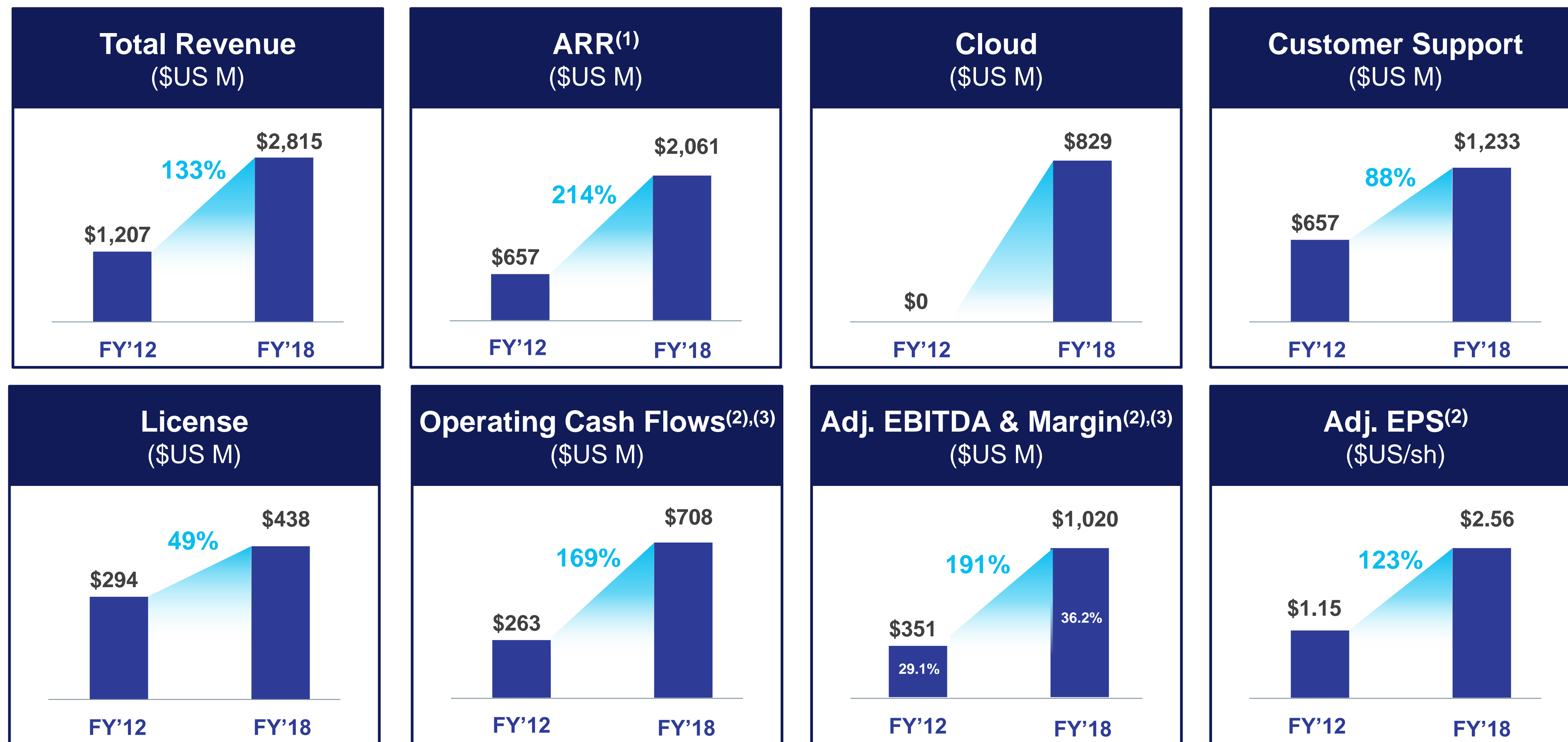
Adj. EBITDA⁽²⁾
191% Growth



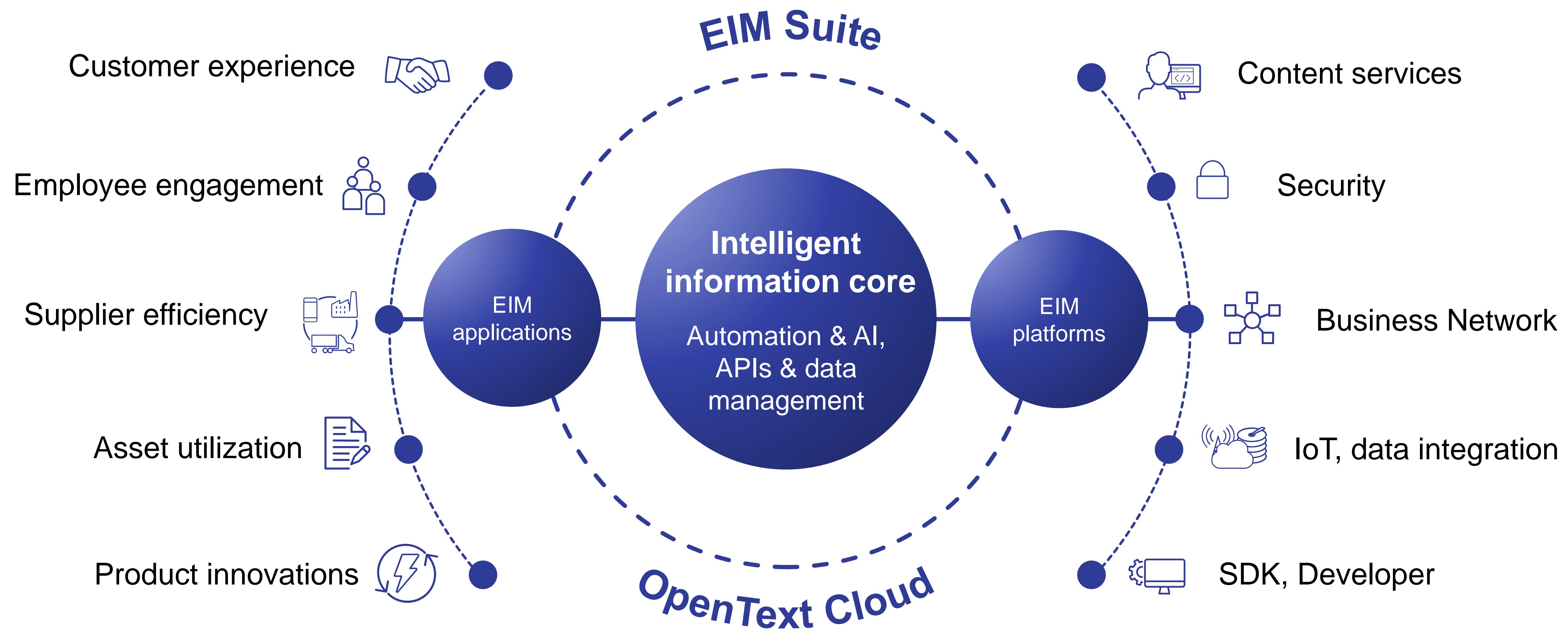
OCF
169% Growth

1. ARR – Annual recurring revenue is defined as the sum of cloud services and subscriptions revenue and customer support revenue.
2. Please see reconciliation of GAAP to Non-GAAP measures in our historical filings on Forms 10-Q and 10-K.
3. Certain prior period comparative amounts have been adjusted to conform to current period presentation in accordance with recently adopted accounting standards. For more details, see Note 1 to the Company's Form 10-Q.

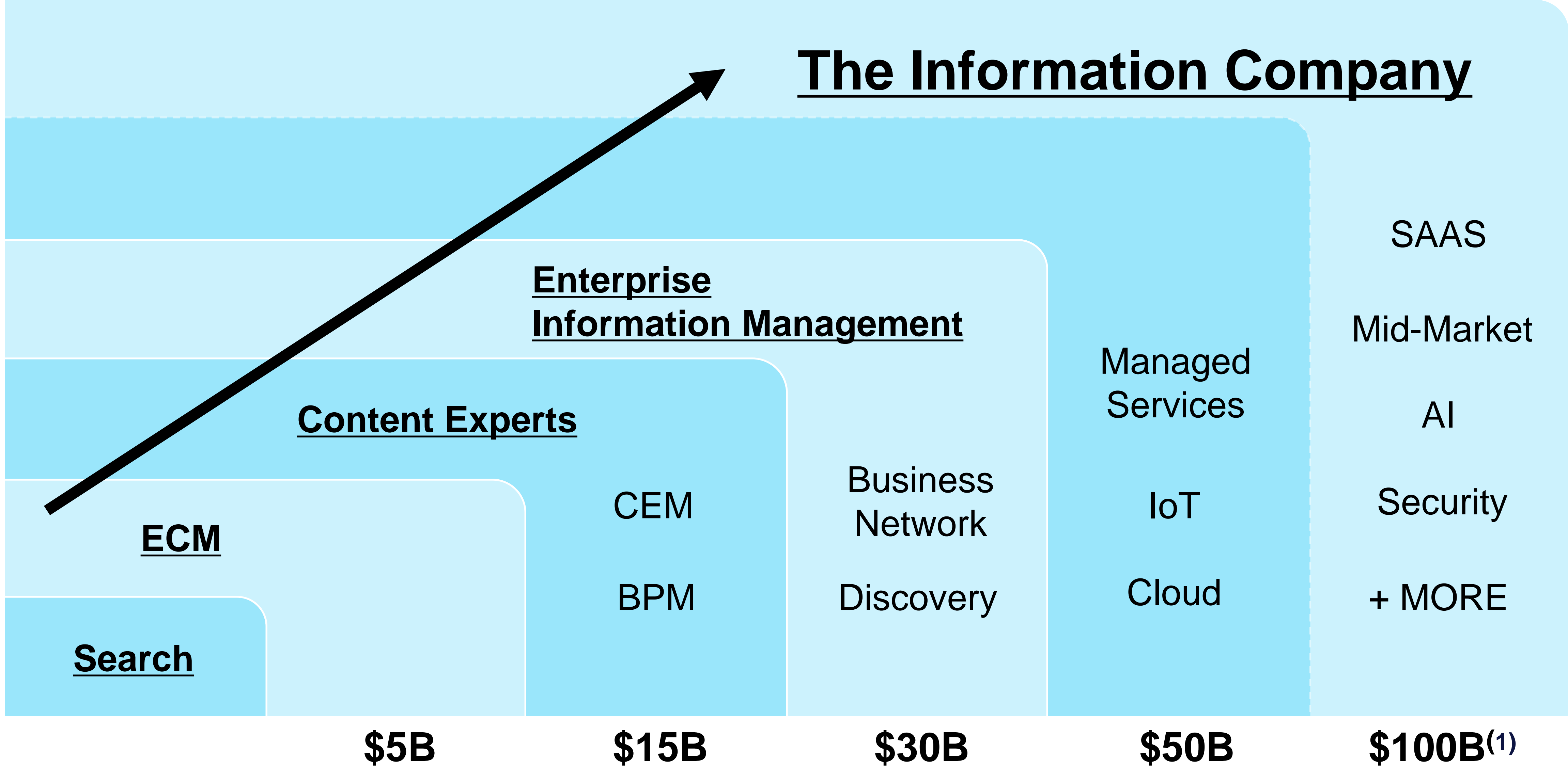
Six Years of Significant, Sustainable, Profitable Growth



Our Vision: The Intelligent and Connected Enterprise



\$100 Billion Strategic Opportunity



An enterprise-ready cloud with an
enterprise-ready culture



opentextTM

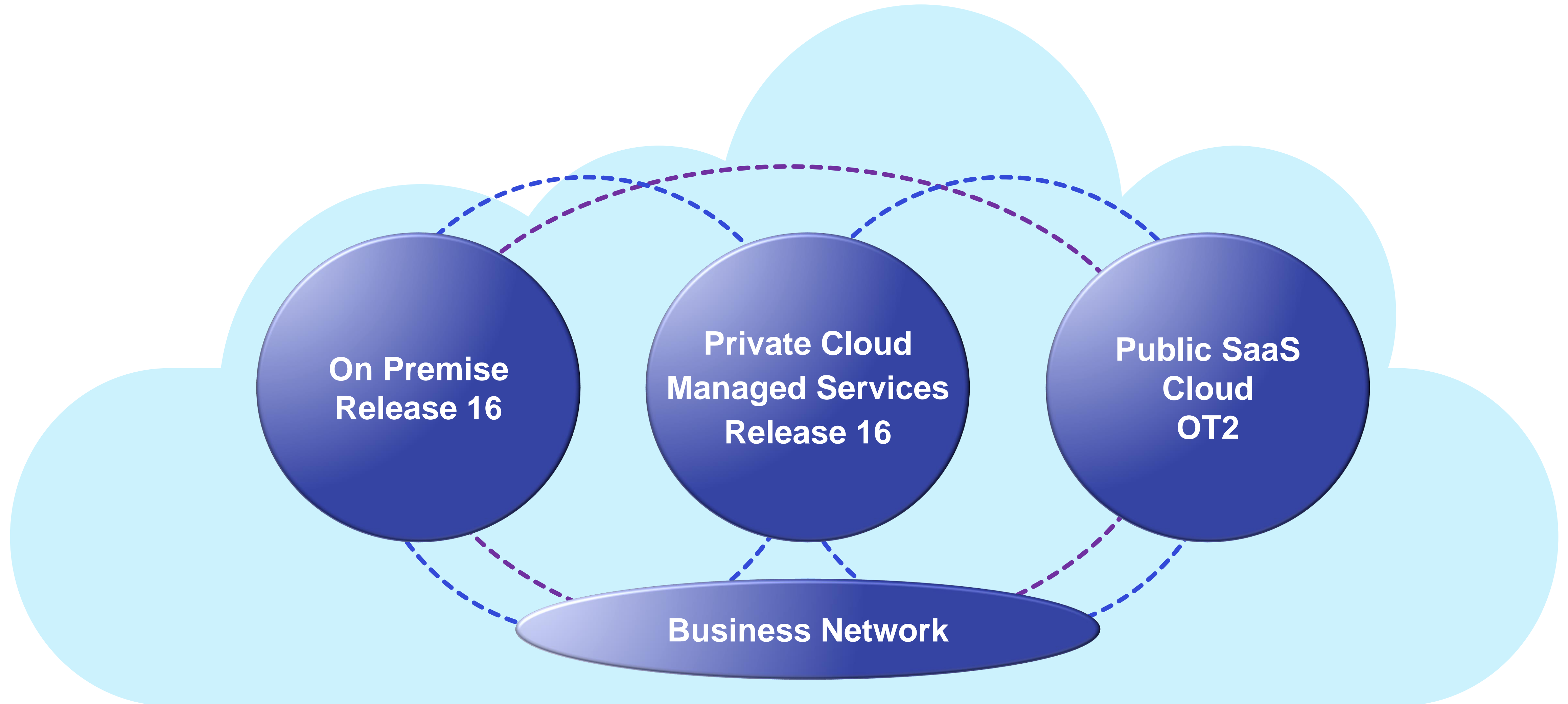
The OpenText Cloud: our greatest opportunity today.



~ \$1 Billion Run Rate in Annual Cloud Revenues⁽¹⁾

- 100 million end users of OpenText software
 - 1 Exabyte under management, 60 million ID's
-
- 1.4 million trading partners
 - 60,000 OpenText Cloud customers
 - 2,000 Private Cloud customers
 - 99.99% Availability
-
- Only 20% install-base penetrated
 - The vast majority of enterprise work-loads run off-cloud

Completing the Need: OpenText Cloud



The OpenText Cloud

Off Cloud

RELEASE
16

Subscription
or
Perpetual License

Optimize Assist
or
Managed Services



Customer Platform
of Choice

Business Network

CLOUD
16

Subscription

VAN A2A
ODM IoT
B2B IAM

Network



OpenText Cloud

Private Cloud

RELEASE
16

Subscription
or
Perpetual License

Anywhere!

Managed Services



EIM as a Service

OT2
opentext™

Subscription

SaaS Applications

The Developer

Services



OpenText Cloud

The OpenText Cloud: Global Scale



4 NOCs (T1/T2) | 30 Data Centers | 30 Satellite POPs



▣ Network Operations Center ★ Twin Data Center ● Core Data Center ● Satellite POP

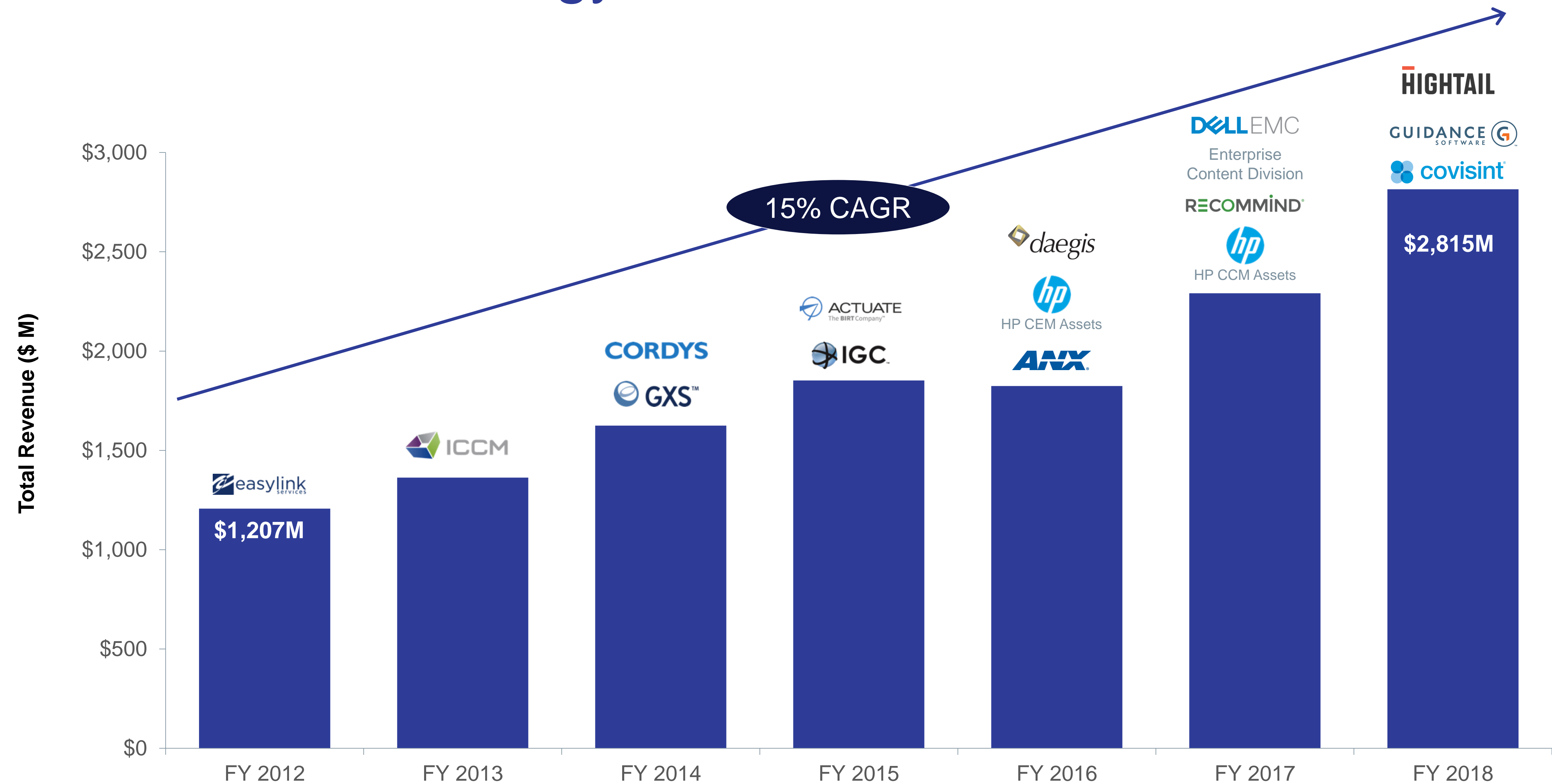
- US West**
California
Nevada (3)
- US East**
Georgia (2)
Illinois (2)
Iowa
Michigan (2)
New Jersey
New York
Ohio (3)
Texas (3)
Virginia (3)
- Canada**
Toronto
- South America**
Brazil
- EU**
France
Germany (7)
Israel
Netherlands (5)
UK (2)
- Asia Pacific**
Australia (3)
India (3)
Japan (4)
Malaysia
South Korea (2)
Singapore (2)
Thailand
- China**
Beijing
Hong Kong
Shanghai (2)

Total Growth



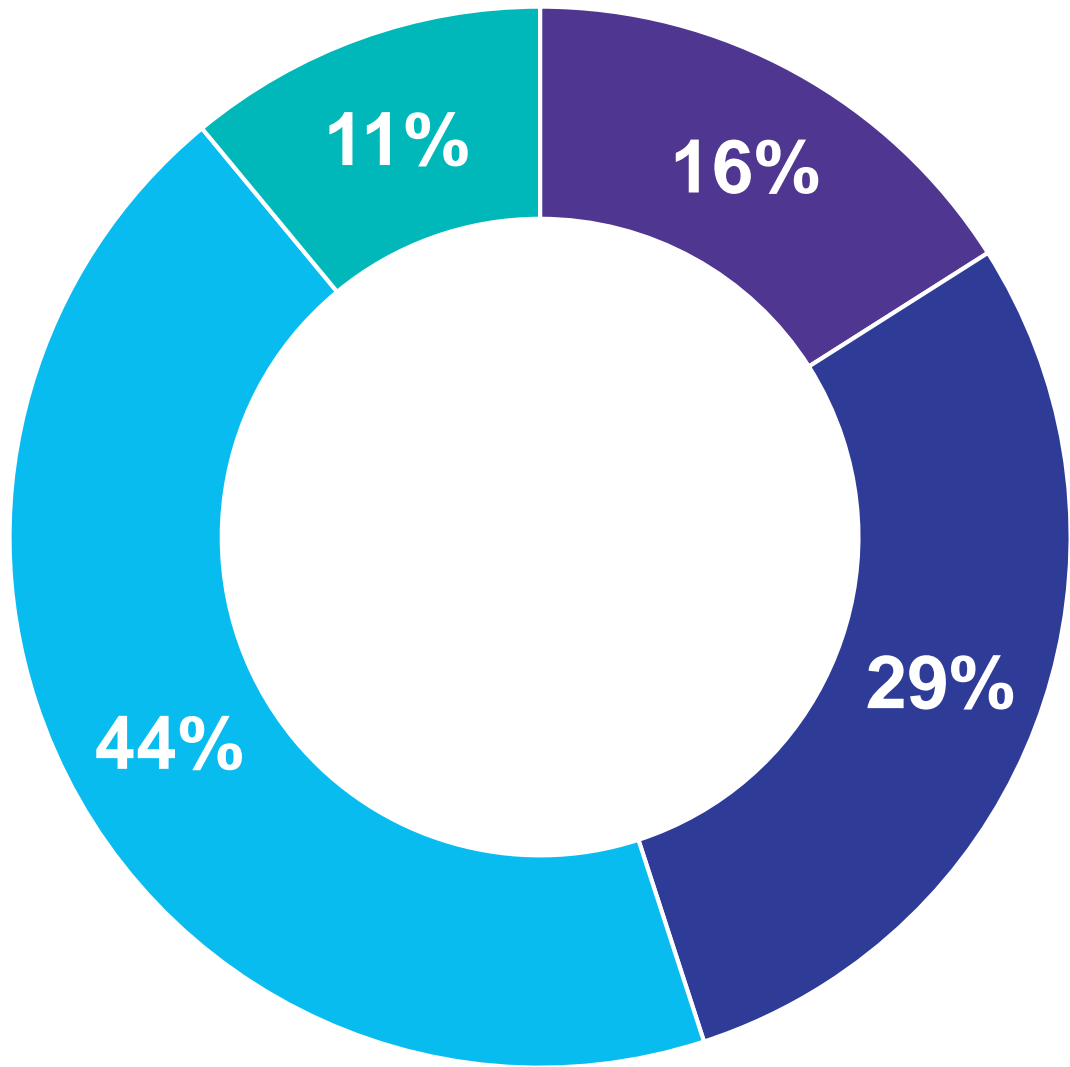
- **EIM Market leader and expanded portfolio to include Security, AI and IoT**
- **Focus on select verticals: FinServ, Life Sciences, Manufacturing, Auto, Healthcare, Government**

A Total Growth Strategy



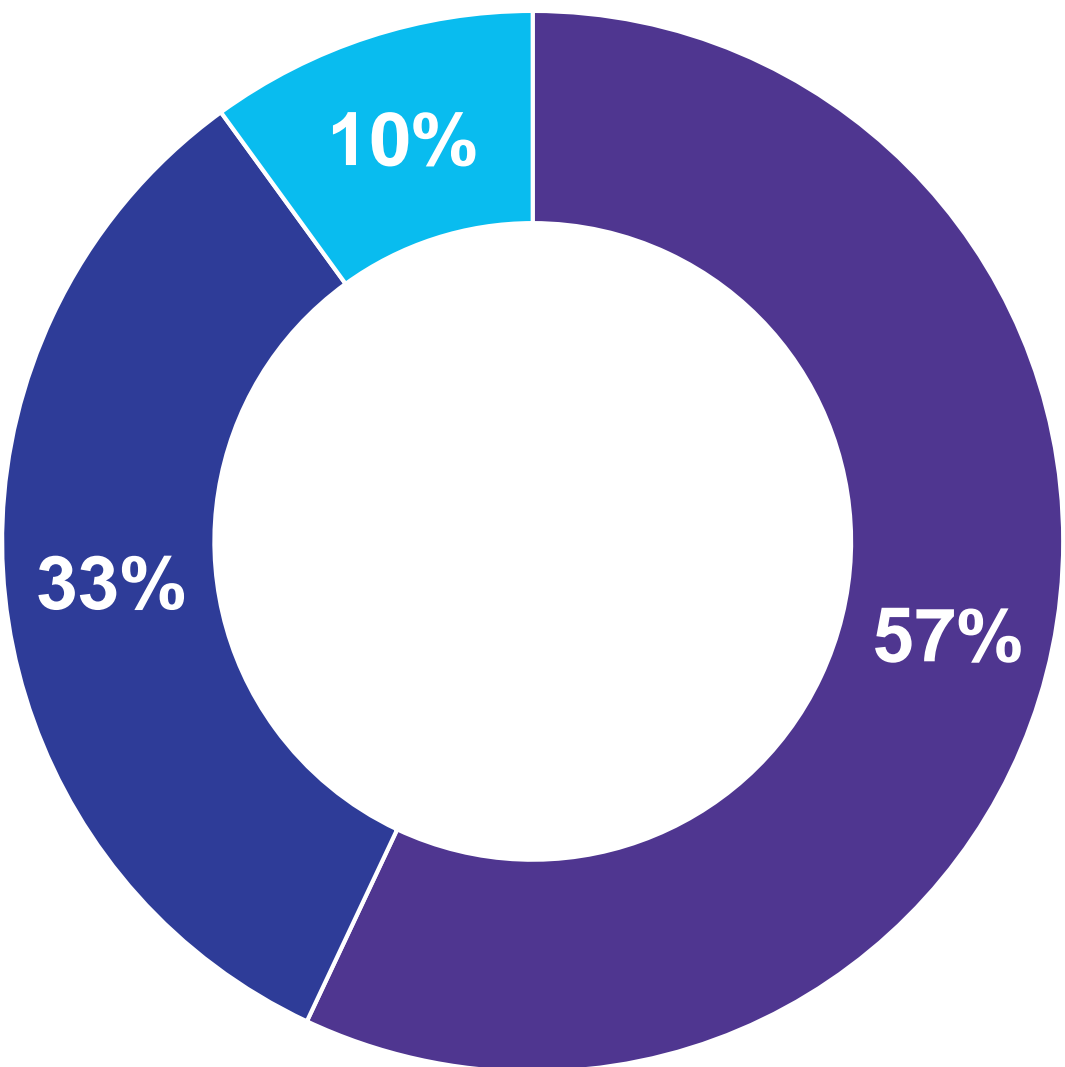
FY'18 Revenue Breakdown

Total Revenue Mix



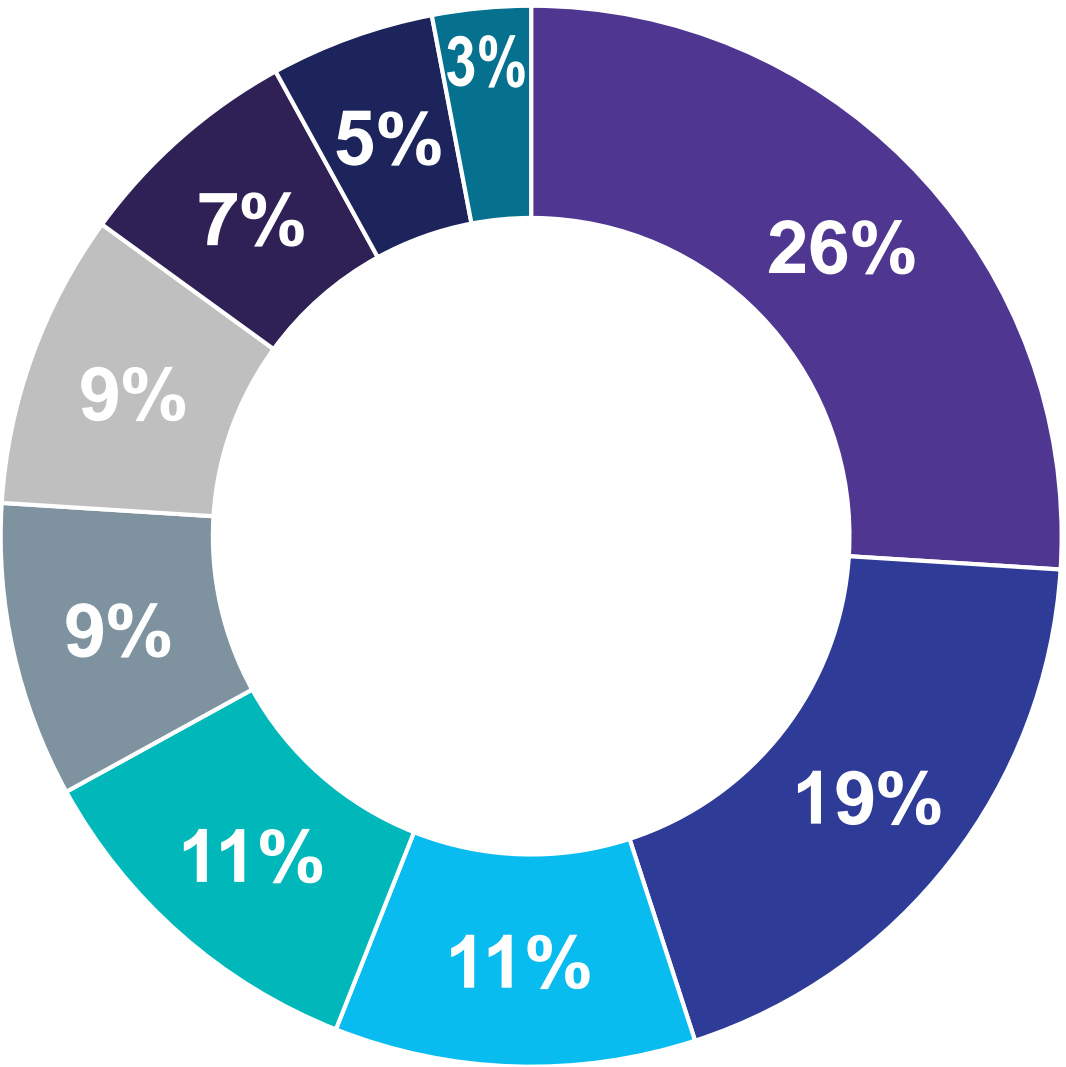
- License
- Cloud services & Subscriptions
- Customer Support
- Professional Service & Other

Total Revenue by Geography



- Americas
- EMEA
- APJ

ARR by Industry



- Financial
- Services
- Consumer goods
- Technology
- Public sector
- Healthcare
- Basic materials and conglomerates
- Industrial goods
- Utilities

Drivers for Organic Growth



Competitive Replacement

- Market Leadership: Stronger Roadmap, Breadth of Capability, Suite vs. Point, Expertise
- Paths to Value: Specialized Migration & Archiving Tools, Expert PS Team, Customer Incentives, Customer References
- Market Relevance: On premise, Managed Services, Cloud



Partner Expansion

- Ecosystem
- System Integrators
- OEM resellers
- Implementers
- Cloud
- Developer Communities



Install Base

- Point solutions to suite: Developing digital transformation plans
- Sell more suites
- Migrate to the Cloud
- Simplified consumption

Global 10K Customers

Leadership in Key Verticals

Utilities/Energy

Public Sector

Manufacturing

Automotive

Consumer Goods

Technology





Finance/Insurance

Healthcare







Transportation

Services

Strategic Account Coverage

	OpenText Content Suite	HP	Documentum	Covisint	Guidance
	✓	✓	✓		
	✓	✓	✓	✓	✓
AT&T	✓	✓	✓	✓	✓
DAIMLER	✓	✓		✓	
	✓	✓	✓		
	✓	✓	✓		

Strategic Account Coverage

	OpenText Content Suite	HP	Documentum	Covisint	Guidance
	✓	✓	✓		✓
	✓	✓	✓	✓	✓
	✓	✓	✓	✓	✓
	✓	✓	✓		
	✓	✓	✓		✓
	✓	✓	✓		✓

OpenText Partner Program

Ecosystem	 Microsoft	 salesforce	 SAP	SAP SuccessFactors  SAP Hybris 
	 aws		 ORACLE	
Strategic Alliances	 accenture High performance. Delivered.	 Capgemini CONSULTING. TECHNOLOGY. OUTSOURCING	 Cognizant	 EY Building a better working world
	 WIPRO Applying Thought	 Atos	 CGI	 Deloitte.
			 TATA CONSULTANCY SERVICES	
Channel Partners	 aiimi	 Alitek 	 DELL EMC	 iM consulting We are a member of TIS Inc. Japan
		 delaware	 DXC.technology	 KONICA MINOLTA

Strategic Acquisitions Strategy

What We Target: Unlocking Value

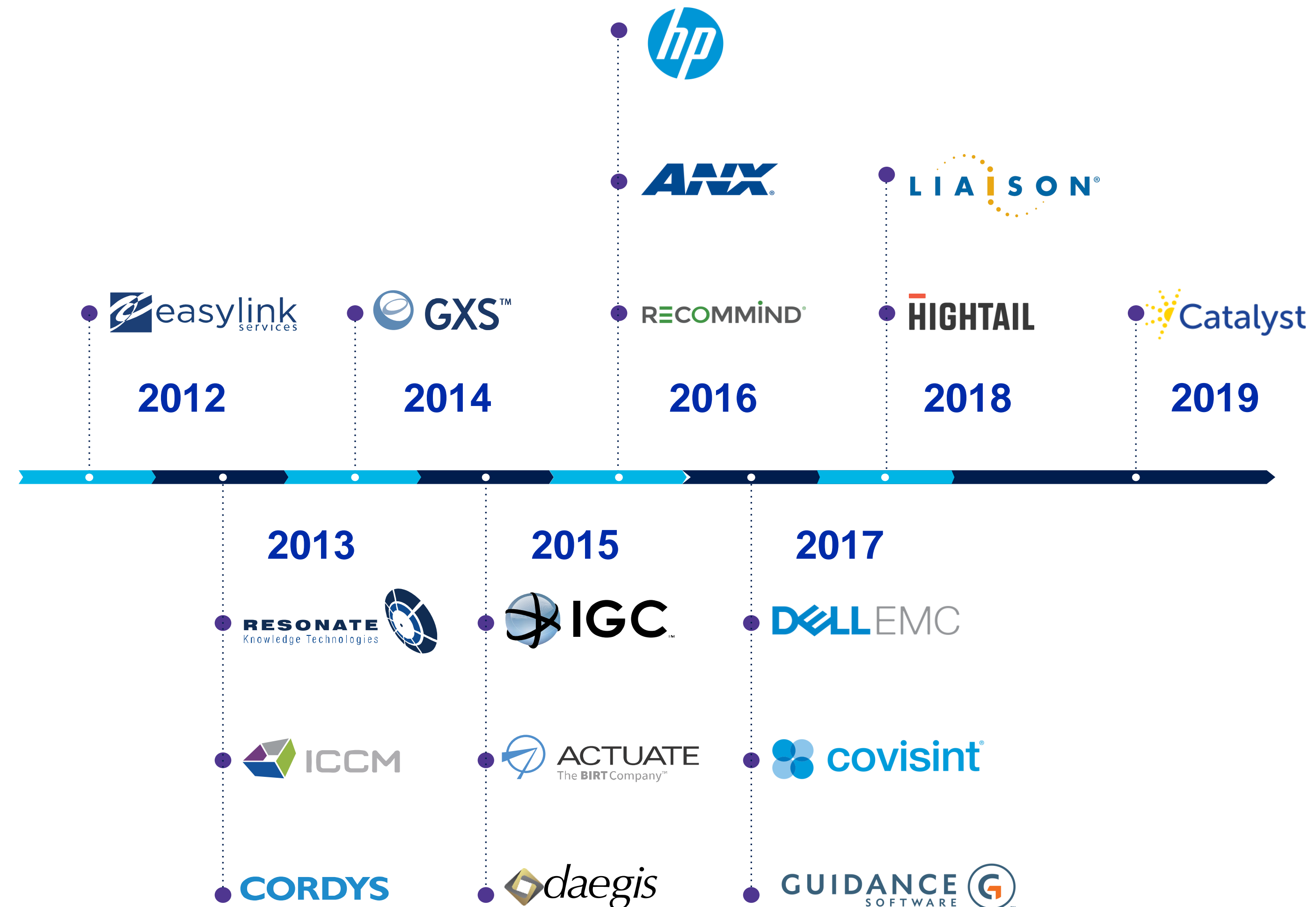
- Evaluate businesses within the context of “The Information Company” strategy
- Fill functional white spaces, vertical capacities and key geographic expansion opportunities
- We value recurring revenues, paths to higher margin and strong cash flows
- Strong leadership teams, disciplined engineering and leading distribution models
- Dedicated in-house Corporate Development team: from sourcing through integration

OpenText Business System: A Proven Methodology



- Ideal businesses are special situations that would benefit from the OpenText Business System and OpenText’s scale
- Our internal M&A models have simple and clear cash-based returns, ROIC is the key metric
- Cost synergies and free cash flows⁽¹⁾ drive more value over revenue synergies
- “On boarding” to the OpenText target model provides consistent value creation
- Immediate day-one integration of acquired businesses
- Scalable centers of excellence in India, the Philippines and Canada

History of Successful Acquisitions⁽¹⁾

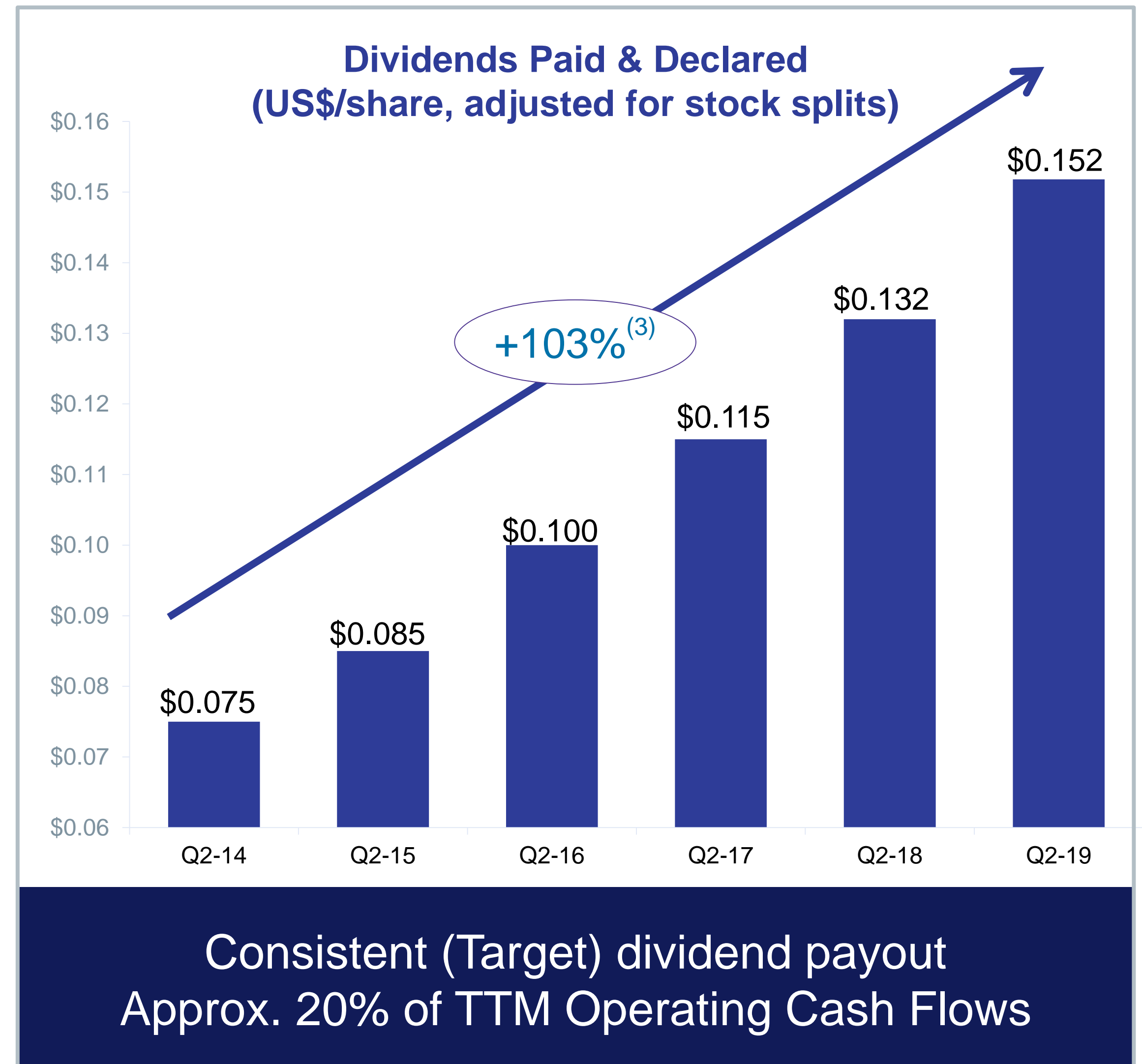
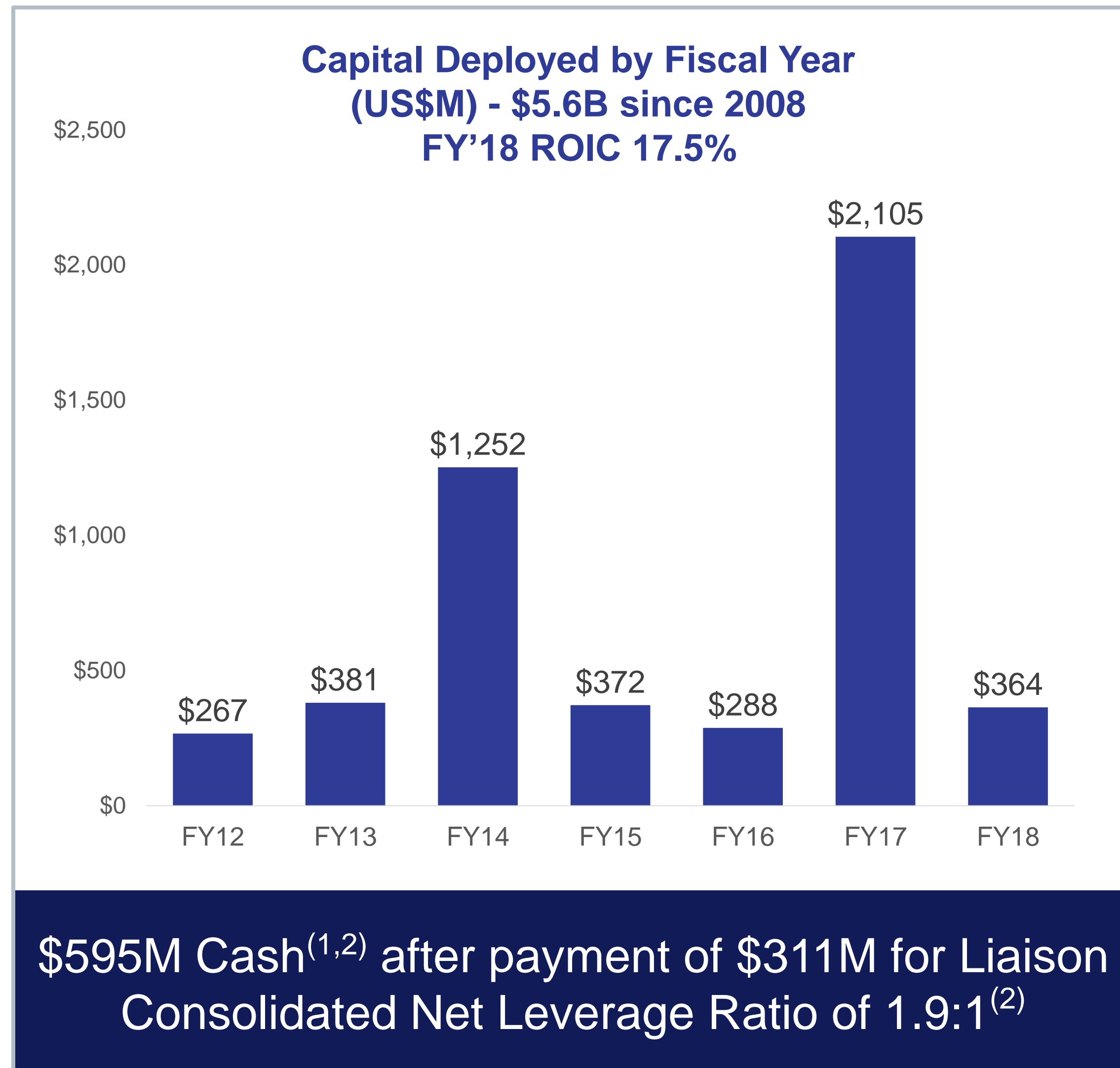
- \$5.1 billion of capital deployed since 2012 for acquisitions
- 17 completed acquisitions over 7 years
- Average revenue multiple of 2.1x revenue
- Share price appreciation⁽²⁾ of 192%
- \$708M OCF in FY'18⁽³⁾
- 17.5% ROIC in FY'18



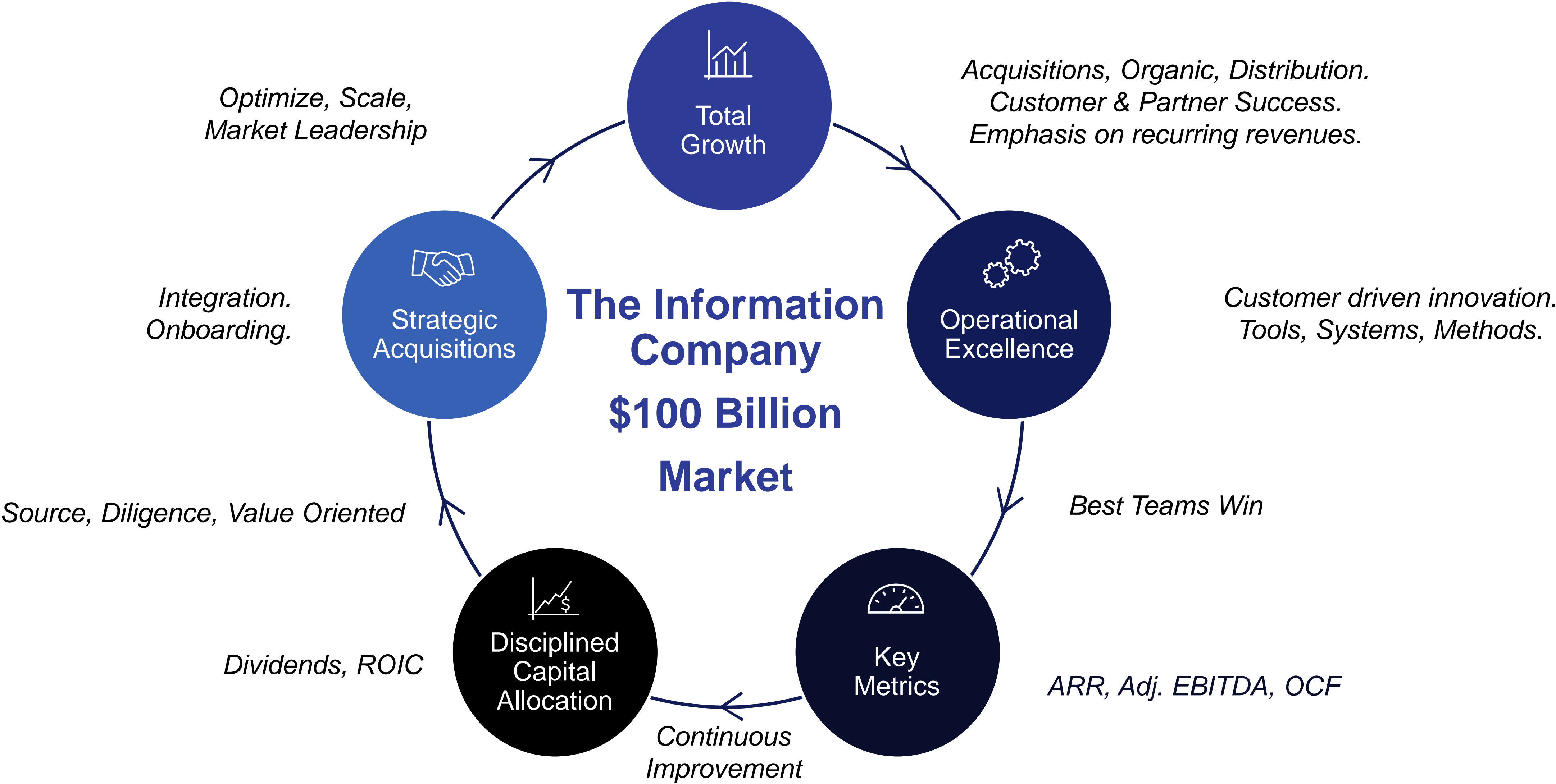
FY2019 Acquisitions

	Date	<ul style="list-style-type: none"> December 17, 2018
	Purchase Price	<ul style="list-style-type: none"> US\$311 million, all-cash, approx. \$100M in TTM revenue
	Rationale	<ul style="list-style-type: none"> Extends OpenText Business Network & Cloud leadership Provides cloud-based integration and data management solutions
	Revenue Contribution	<ul style="list-style-type: none"> Expect first year revenues to be down 15%-20% (\$15-\$20M) due to PPA and typical integration activities Approx. \$41M expected in second half of FY'19
	Integration	<ul style="list-style-type: none"> 100 bps negative impact on Adj EBITDA in Q3 and Q4 FY'19 To be on OpenText operating model within first 12 months
	Date	<ul style="list-style-type: none"> January 31, 2019
	Purchase Price	<ul style="list-style-type: none"> US\$75 million, all-cash, approx. \$45M in TTM revenue
	Rationale	<ul style="list-style-type: none"> Extends OpenText leadership in Discovery and legal technology space New capabilities, enterprise customers & deeper coverage in eDiscovery
	Revenue Contribution	<ul style="list-style-type: none"> Expect first year revenues to be down 15%-20% (\$7-\$9M) due to PPA and typical integration activities Approx. \$14M expected in second half of FY'19
	Integration	<ul style="list-style-type: none"> To be on OpenText operating model within first 12 months

Capital Deployment, Dividends & Balance Sheet Strength



The OpenText Business System

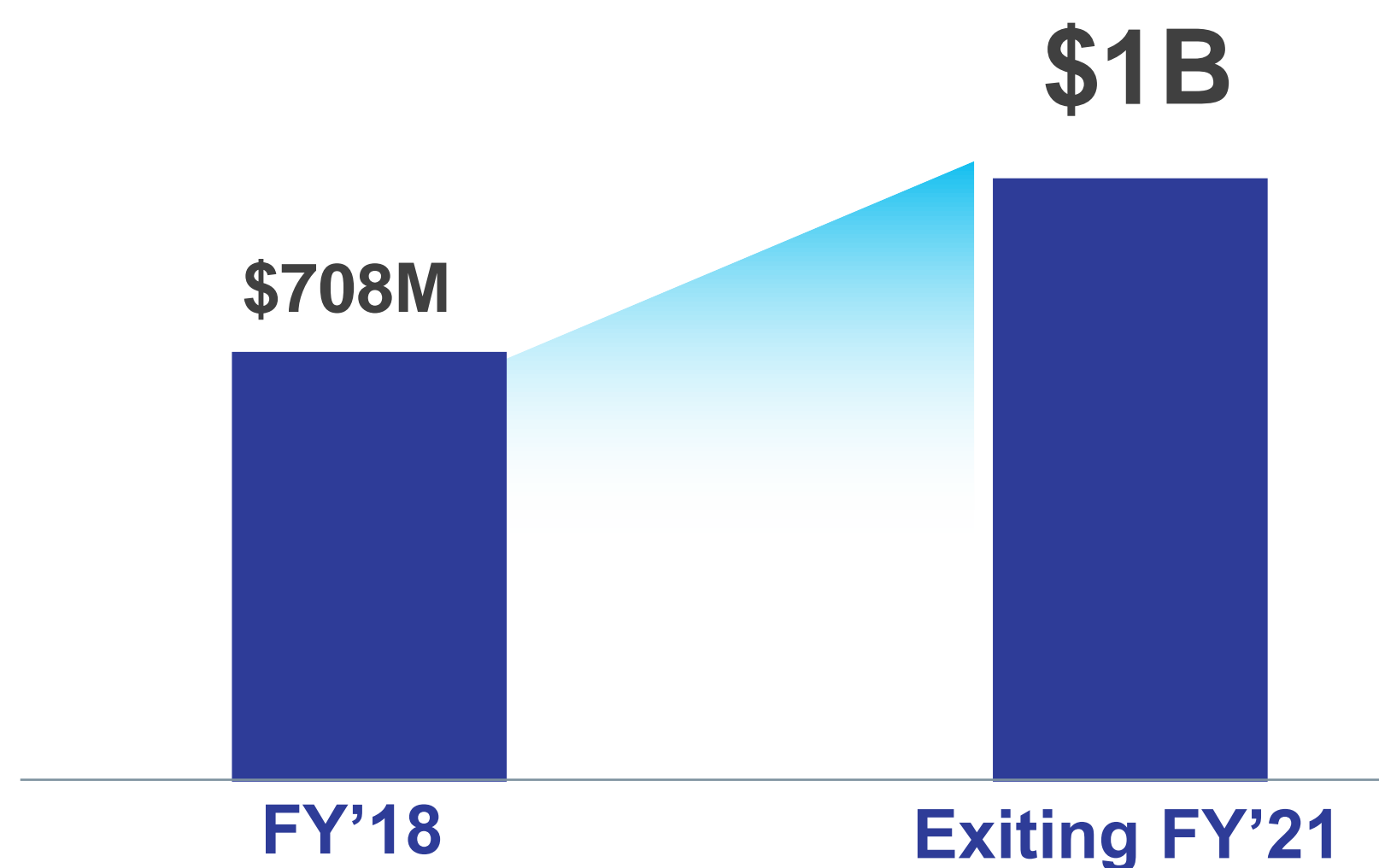


Long Term Model - 2021 Adjusted EBITDA Targets

FY'19 Model	FY'21 Target	Bridge from FY'19 to FY'21
36% - 38%	38% - 40%	<ul style="list-style-type: none">• Improve Cloud margin by optimization, offshore, and platform consolidation• ARR: One renewals organization, AI and automation• Optimize OpenText Business System• Utilize Centers of Excellence (Canada and offshore, i.e. India, Philippines)• Leverage AI and automation in all departments• More efficient spend in Sales & Marketing

Long Term Model – Operating Cash Flow Targets⁽¹⁾

OCF⁽²⁾



Operating Cash Flows
\$1 Billion

OpenText Business System Gets Us There

Total Growth:

- Acquisitions
- Organic Growth
- Partner Distribution

Efficiency:

- People and Programs
- Digital Automation
- AI

FY'19 Target Model

* This model is not guidance

	Fiscal 2018 Results	Fiscal 2018 Model	Fiscal 2019 Model*
Revenue Type:			
Annual Recurring Revenue (ARR)	73.2%	71% - 75%	72% - 76%
License	15.5%	15% - 19%	13% - 17%
Cloud Services and Subscriptions	29.4%	26% - 30%	28% - 32%
Customer Support	43.8%	41% - 47%	42% - 46%
Professional Services and Other	11.2%	8% - 12%	8% - 12%
Non-GAAP Gross Margin:			
License	96.8%	95% - 97%	96% - 98%
Cloud Services and Subscriptions ⁽¹⁾	56.2%	58% - 60%	57% - 59%
Customer Support	89.2%	88% - 90%	89% - 91%
Professional Services and Other ⁽¹⁾	20.5%	18% - 20%	18% - 20%
Non-GAAP Gross Margin	73.0%	73% - 75%	73% - 75%
Non-GAAP Operating Expenses:			
Research & Development	11.3%	11% - 13%	11% - 13%
Sales & Marketing	18.5%	18% - 20%	17% - 19%
General & Admin	7.0%	7% - 8%	6% - 8%
Depreciation	3.1%	2% - 4%	2% - 4%
Adjusted EBITDA Margin⁽²⁾	36.2%	35% - 38%	36% - 38%
Interest and Other Related Expense USD million ⁽¹⁾	\$139	\$130 - \$135	\$144 - \$149
Adjusted Tax Rate ⁽³⁾	14%	14%	14%

Experienced Management Team



**Mark J.
Barrenechea**
CEO & CTO



**Madhu
Ranganathan**
EVP, CFO



**Muhi
Majzoub**
EVP,
Engineering



**Gordon
Davies**
EVP, CLO &
Corporate
Development



**Simon "Ted"
Harrison**
EVP, Sales



**James
McGourlay**
EVP,
Customer
Operations



**Savinay
Berry**
SVP,
Cloud Service
Delivery



**Prentiss
Donohue**
SVP,
Portfolio Group



**Paul
Duggan**
SVP,
Revenue
Operations



**David
Jamieson**
SVP, CIO



**Patricia E.
Nagle**
SVP, CMO



**Brian
Sweeney**
SVP, CHRO

Global Operations and Distribution



	Total	Americas ⁽²⁾		EMEA	APJ
# of Employees ⁽¹⁾ :	Total Employees 12,800	United States 3,700	Canada 1,700	Europe, Middle East, Africa 2,500	APJ 4,700
FY18 Revenue:	Total Revenue \$2.82B	United States \$1.43B	Canada \$150M	\$920M	\$280M

The background is a deep blue gradient. It is filled with a complex network of thin, glowing light blue lines that curve and intersect. Scattered throughout this network are numerous small, bright blue dots, some of which are slightly larger or more intense than others, creating a sense of depth and movement, reminiscent of a digital or celestial map.

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Appendix

Return on Invested Capital (ROIC)

$$\text{ROIC (OT Calculation)} = \frac{\text{Adj. Operating Income (after-tax)}}{(\text{Debt} + \text{Equity} - \text{Cash} - \text{Deferred Tax})}$$

- We measure our ROIC annually. It is defined as our non-GAAP net operating profit after tax, divided by our average invested capital
- Non-GAAP net operating profit after tax is our non-GAAP based income from operations (as previously defined), net of our non-GAAP tax rate
- Invested capital is defined as our total debt, plus total equity, less the sum of total cash and total net deferred tax assets (liabilities), as they each appear on our Consolidated Balance Sheets

	F17	F18
ROIC		17.5%
(in US\$M)		
Non-GAAP based income from operations ^{(1),(2)}		\$933
Adjusted Tax Rate (%)		14%
Non-GAAP based operating income after non-GAAP tax		\$802
Total Debt (incl. Current Portion of LT Debt)	\$2,570	\$2,622
+Total Shareholders' Equity	\$3,533	\$3,716
- Cash & Cash Equivalents	\$443	\$683
- Net Deferred Tax Assets (Liabilities)	\$1,121	\$1,043
= Invested Capital	\$4,539	\$4,611
Average Invested Capital (Avg. Current Yr. & Prior Yr.)		\$4,575

Organic Revenue Growth

- We grew organically in FY'18
 - 5.5% as reported in USD
 - 2.5% in CC
- We report our organic revenue growth on an annual basis
- Organic revenue growth is calculated by removing the revenue contribution from newly acquired companies for the first year post acquisition

in US\$ '000s (unless indicated otherwise)	FY'18	FY'18 in CC ⁽¹⁾
Total revenues	\$2,815,241	\$2,742,672
Less:		
Revenues from acquisitions ⁽²⁾	(398,905)	(395,254)
Organic revenues	\$2,416,336	\$2,347,418
Growth in organic revenues over FY'17 Total revenues	5.5%	2.5%

Use of Non-GAAP Financial Measures

In addition to reporting financial results in accordance with U.S. GAAP, the Company provides certain financial measures that are not in accordance with U.S. GAAP (Non-GAAP). These Non-GAAP financial measures have certain limitations in that they do not have a standardized meaning and thus the Company's definition may be different from similar Non-GAAP financial measures used by other companies and/or analysts and may differ from period to period. Thus it may be more difficult to compare the Company's financial performance to that of other companies. However, the Company's management compensates for these limitations by providing the relevant disclosure of the items excluded in the calculation of these Non-GAAP financial measures both in its reconciliation to the U.S. GAAP financial measures and its consolidated financial statements, all of which should be considered when evaluating the Company's results.

The Company uses these Non-GAAP financial measures to supplement the information provided in its consolidated financial statements, which are presented in accordance with U.S. GAAP. The presentation of Non-GAAP financial measures are not meant to be a substitute for financial measures presented in accordance with U.S. GAAP, but rather should be evaluated in conjunction with and as a supplement to such U.S. GAAP measures. OpenText strongly encourages investors to review its financial information in its entirety and not to rely on a single financial measure. The Company therefore believes that despite these limitations, it is appropriate to supplement the disclosure of the U.S. GAAP measures with certain Non-GAAP measures defined below.

Non-GAAP-based net income and Non-GAAP-based EPS, attributable to OpenText, are calculated as GAAP-based net income or earnings per share, attributable to OpenText, on a diluted basis, after giving effect to the amortization of acquired intangible assets, other income (expense), share-based compensation, and Special charges (recoveries), all net of tax and any tax benefits/expense items unrelated to current period income, as further described in the tables below. Non-GAAP-based gross profit is the arithmetical sum of GAAP-based gross profit and the amortization of acquired technology-based intangible assets and share-based compensation within cost of sales. Non-GAAP-based gross margin is calculated as Non-GAAP-based gross profit expressed as a percentage of total revenue. Non-GAAP-based income from operations is calculated as GAAP-based income from operations, excluding the amortization of acquired intangible assets, Special charges (recoveries), and share-based compensation expense.

Adjusted earnings (loss) before interest, taxes, depreciation and amortization (Adjusted EBITDA) is calculated as GAAP-based net income, attributable to OpenText, excluding interest income (expense), provision for income taxes, depreciation and amortization of acquired intangible assets, other income (expense), share-based compensation and Special charges (recoveries).

The Company's management believes that the presentation of the above defined Non-GAAP financial measures provides useful information to investors because they portray the financial results of the Company before the impact of certain non-operational charges. The use of the term “non-operational charge” is defined for this purpose as an expense that does not impact the ongoing operating decisions taken by the Company's management. These items are excluded based upon the way the Company's management evaluates the performance of the Company's business for use in the Company's internal reports and are not excluded in the sense that they may be used under U.S. GAAP.

The Company does not acquire businesses on a predictable cycle, and therefore believes that the presentation of non-GAAP measures, which in certain cases adjust for the impact of amortization of intangible assets and the related tax effects that are primarily related to acquisitions, will provide readers of financial statements with a more consistent basis for comparison across accounting periods and be more useful in helping readers understand the Company's operating results and underlying operational trends. Additionally, the Company has engaged in various restructuring activities over the past several years that have resulted in costs associated with reductions in headcount, consolidation of leased facilities and related costs, all which are recorded under the Company's “Special Charges (recoveries)” caption on the Consolidated Statements of Income. Each restructuring activity is a discrete event based on a unique set of business objectives or circumstances, and each differs in terms of its operational implementation, business impact and scope, and the size of each restructuring plan can vary significantly from period to period. Therefore, the Company believes that the exclusion of these special charges (recoveries) will also better aid readers of financial statements in the understanding and comparability of the Company's operating results and underlying operational trends.

In summary, the Company believes the provision of supplemental Non-GAAP measures allow investors to evaluate the operational and financial performance of the Company's core business using the same evaluation measures that management uses, and is therefore a useful indication of OpenText's performance or expected performance of future operations and facilitates period-to-period comparison of operating performance (although prior performance is not necessarily indicative of future performance). As a result, the Company considers it appropriate and reasonable to provide, in addition to U.S. GAAP measures, supplementary Non-GAAP financial measures that exclude certain items from the presentation of its financial results.

See historical filings, including the Company's Annual Reports on Form 10-K, for reconciliations of certain Non-GAAP measures to GAAP measures.

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