



Investor Presentation

NASDAQ: [OTEX](#) | TSX: [OTEX](#)

August 1, 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, 2020 (Fiscal 2020) on growth, anticipated benefits of our partnerships and next generation product lines, the strength of our operating framework and balance sheet flexibility, continued investments in product innovation, go-to-market and strategic acquisitions, M&A continuing to be our leading growth contributor, our capital allocation strategy, creating value through investments in broader Enterprise Information Management (EIM) capabilities, 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, the focus on recurring revenues, improving operational 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, declaration of quarterly dividends, future tax rates, new platform and product offerings, scaling OpenText to new levels in Fiscal 2020 and beyond, 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 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.

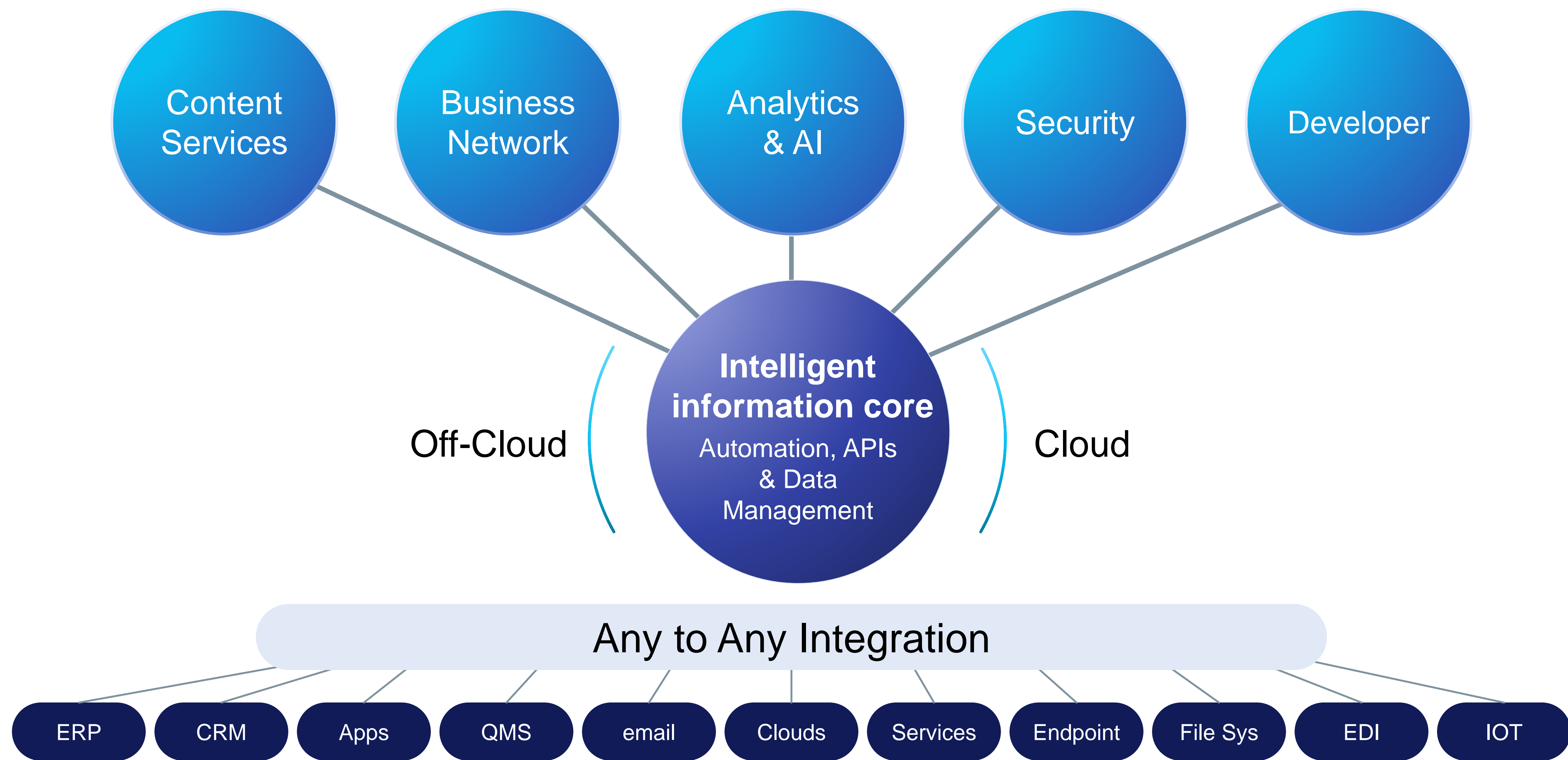
The Enterprise Information Management (EIM) leader



The
Information
Company

- Large and growing addressable market
- #1 in Content Services and Business Networks^(1,2)
- Total Growth Strategy drives market share gains
- Powerful cash flow engine
- Track record of superior shareholder returns

Our Vision: The Intelligent and Connected Enterprise

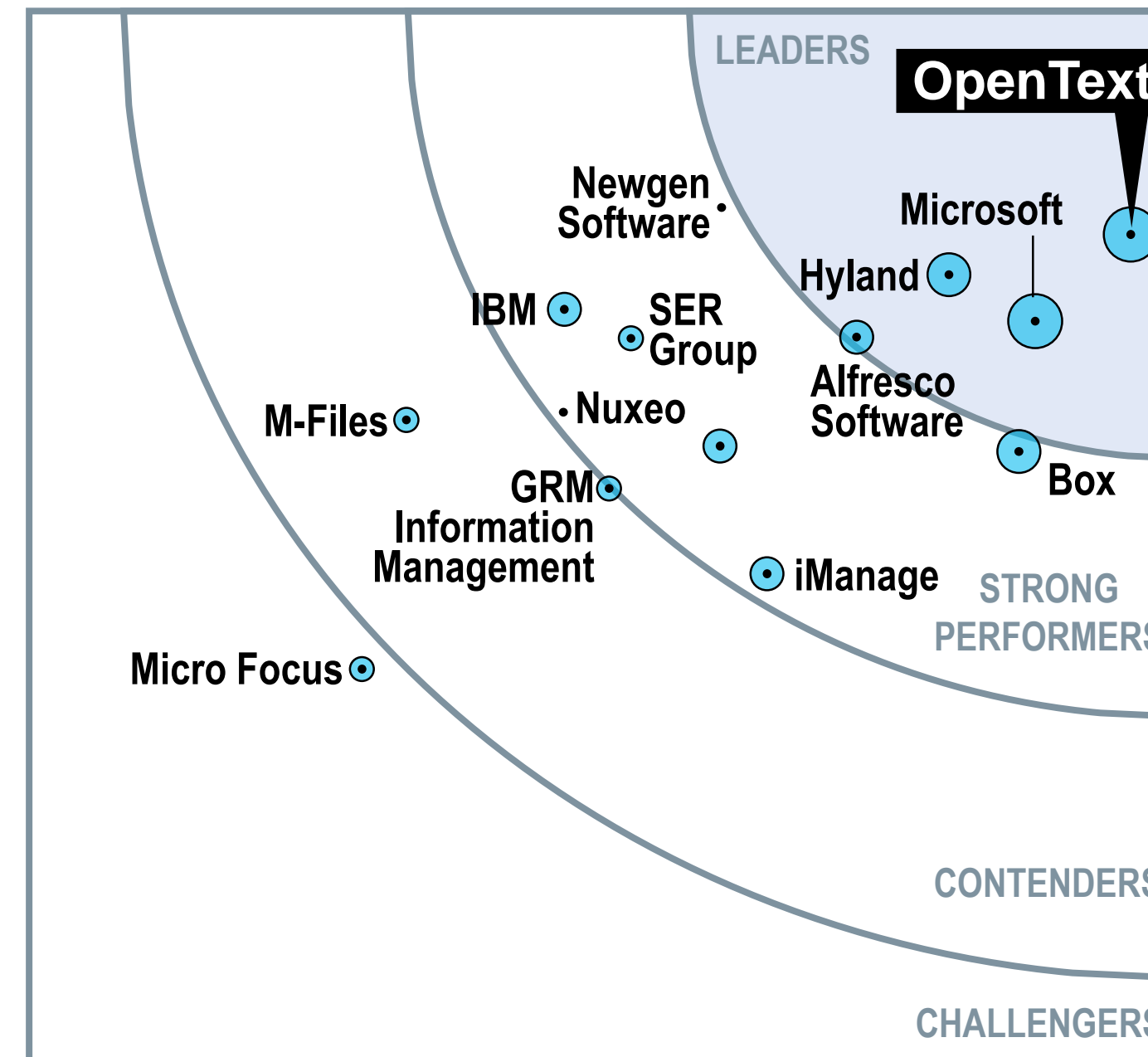


Market Leadership

#1 in Content Services (Platforms)

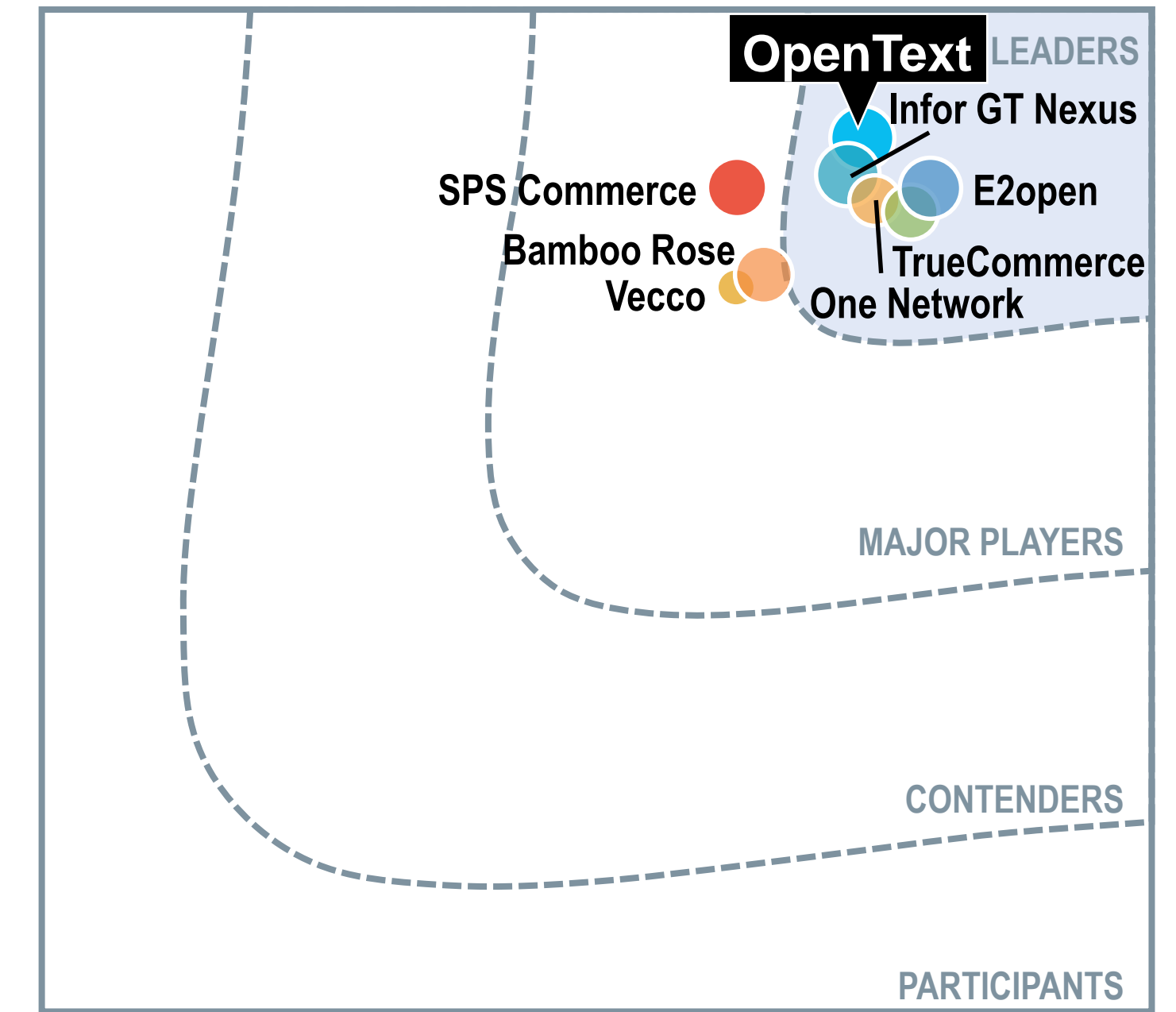


Gartner Magic Quadrant: Content Services Platforms, October 2018⁽¹⁾



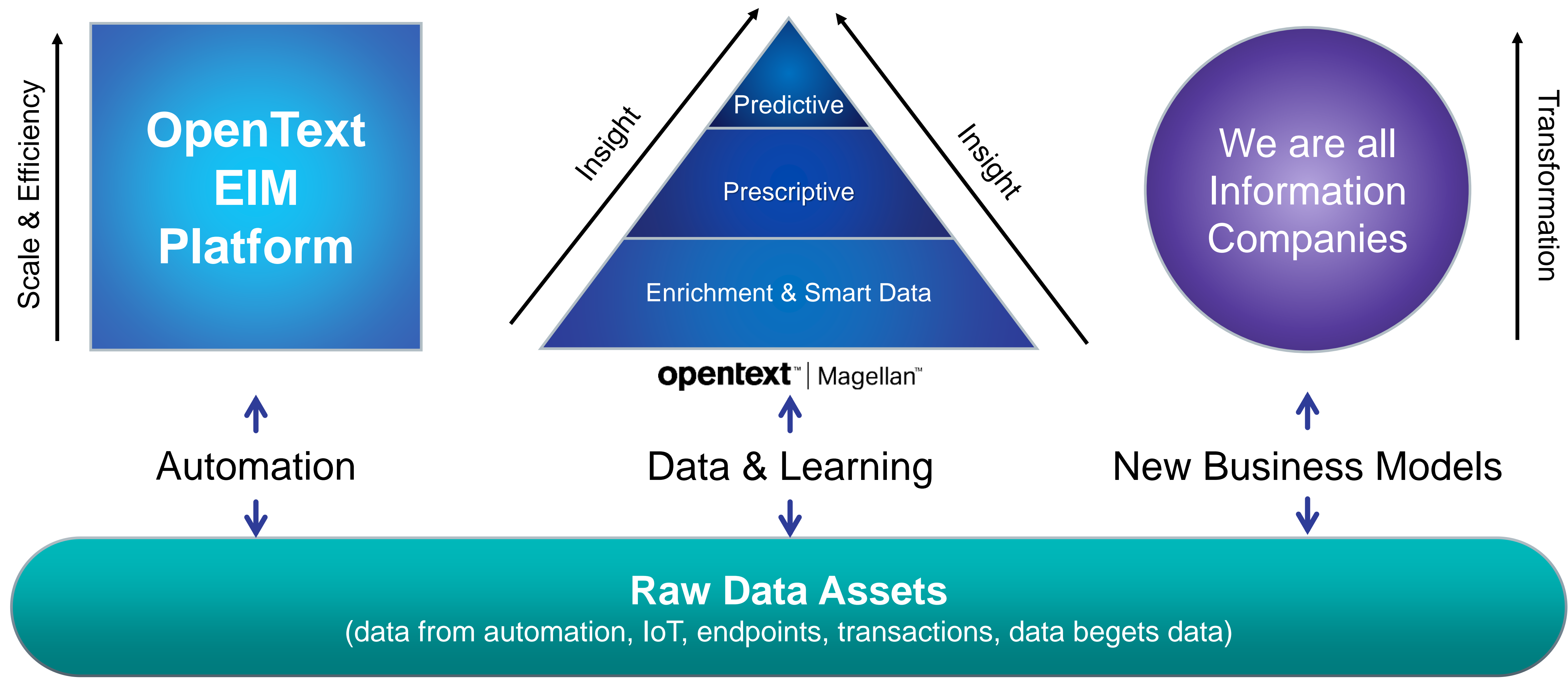
The Forrester Wave: ECM Content Platforms, Q3 2019⁽²⁾

#1 in Business Network



IDC MarketScape: Multi-Enterprise Supply Chain Commerce Networks, December 2018⁽³⁾

The Information Advantage Value Path

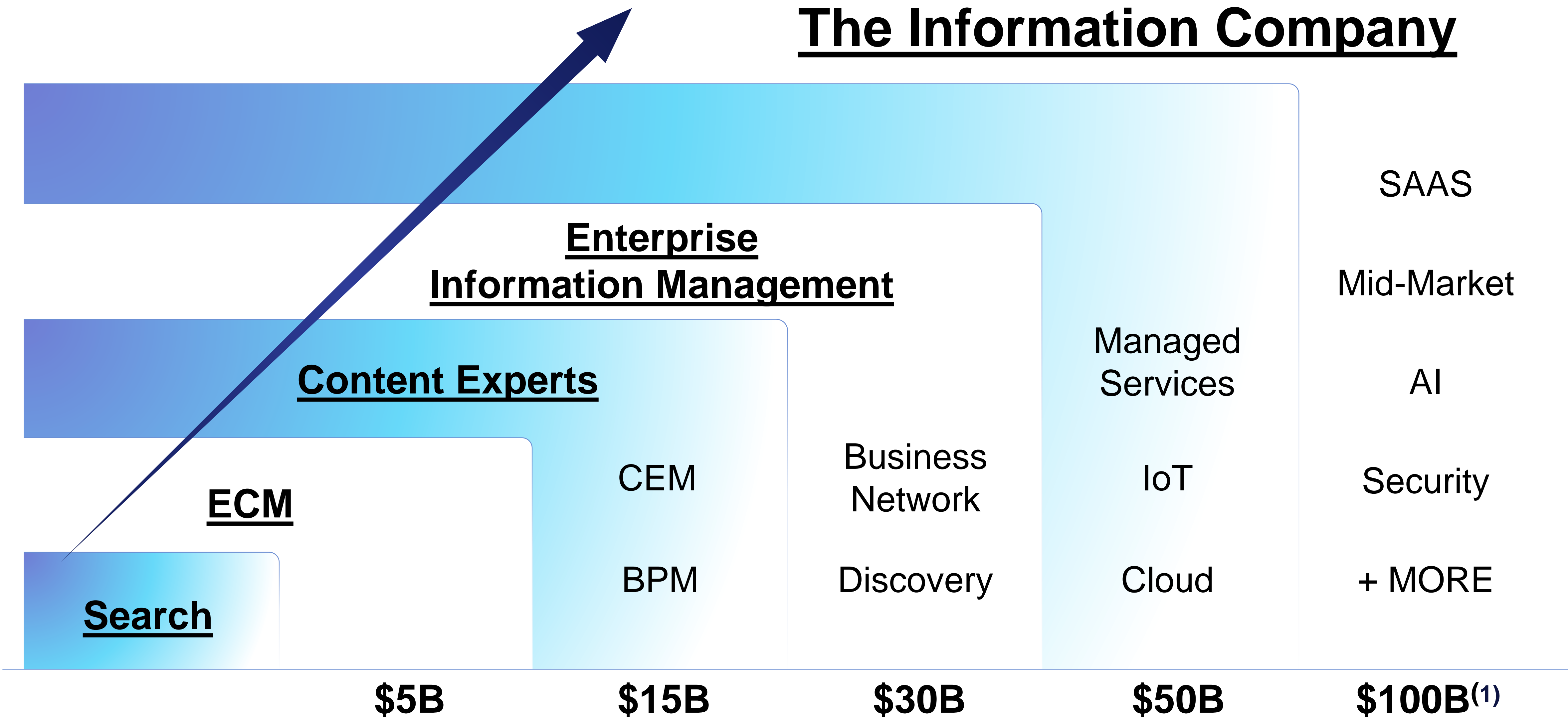


The Global 10K⁽¹⁾ Trusts OpenText

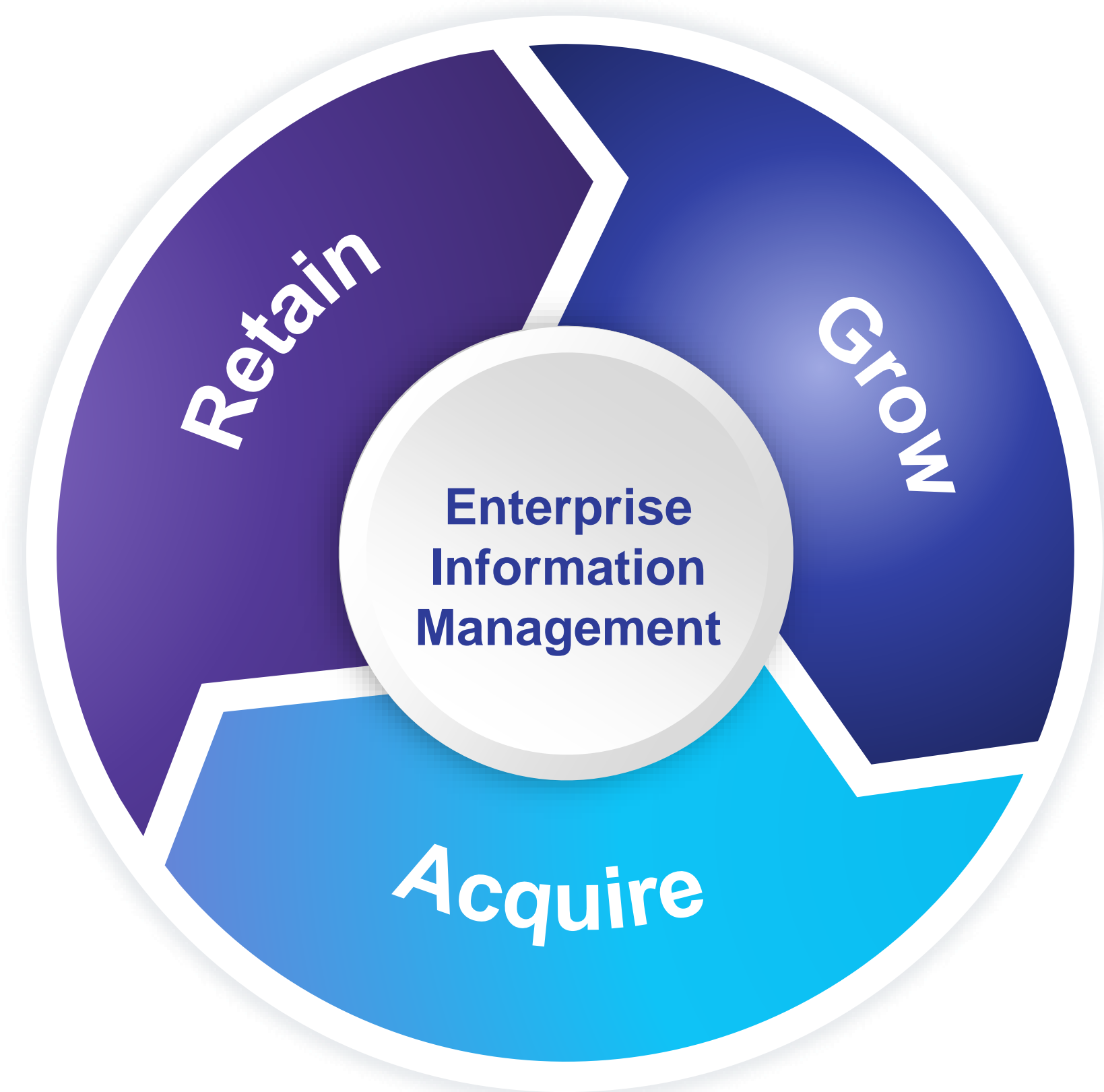


\$100 Billion Strategic Opportunity

The Information Company



Total Growth Strategy



Retain

- ARR⁽¹⁾ 75% of total
- 90%+ renewal rates⁽²⁾

Grow

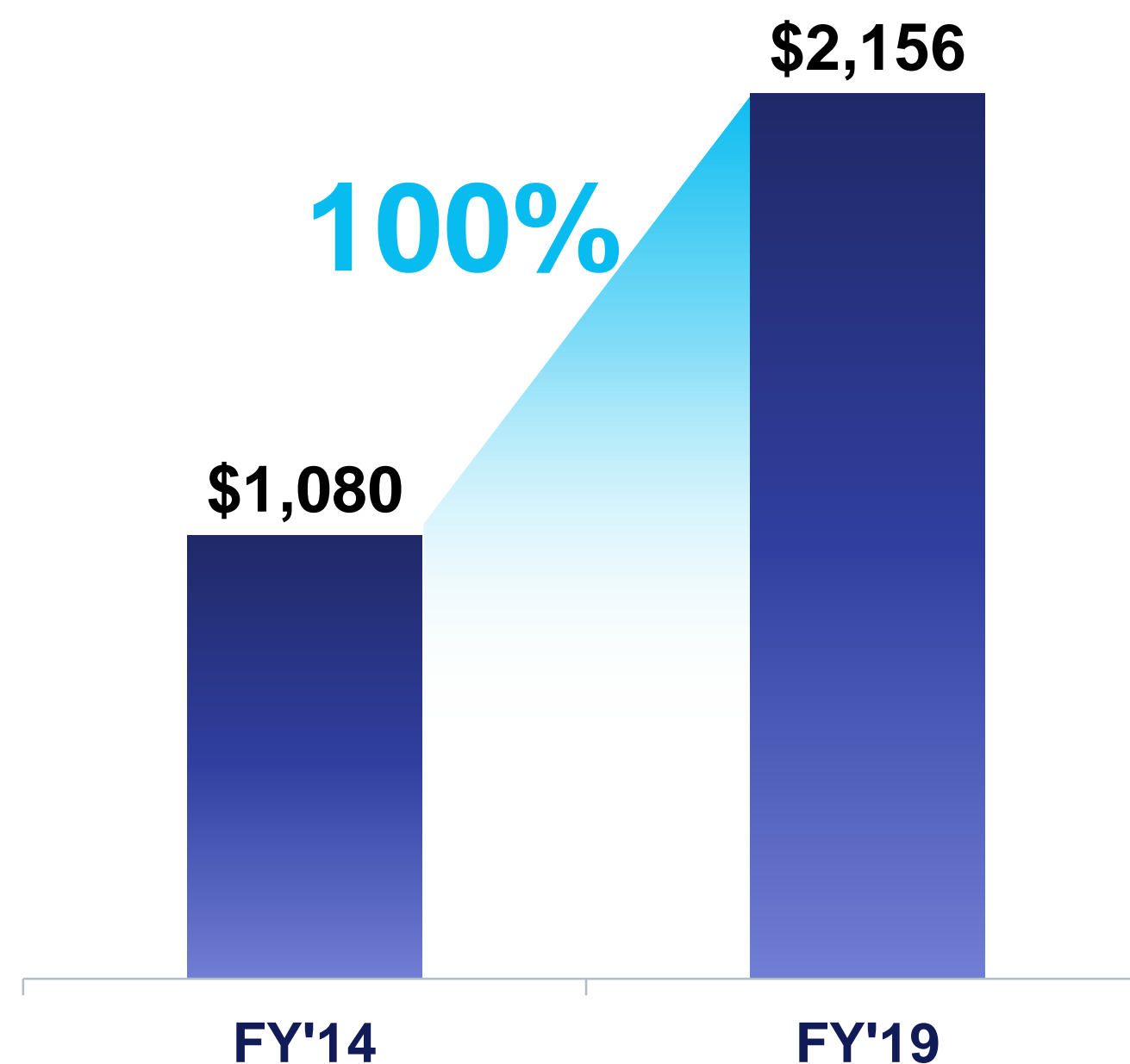
- Organic growth
- Deeper account coverage

Acquire

- Broader account coverage
- Strategic M&A

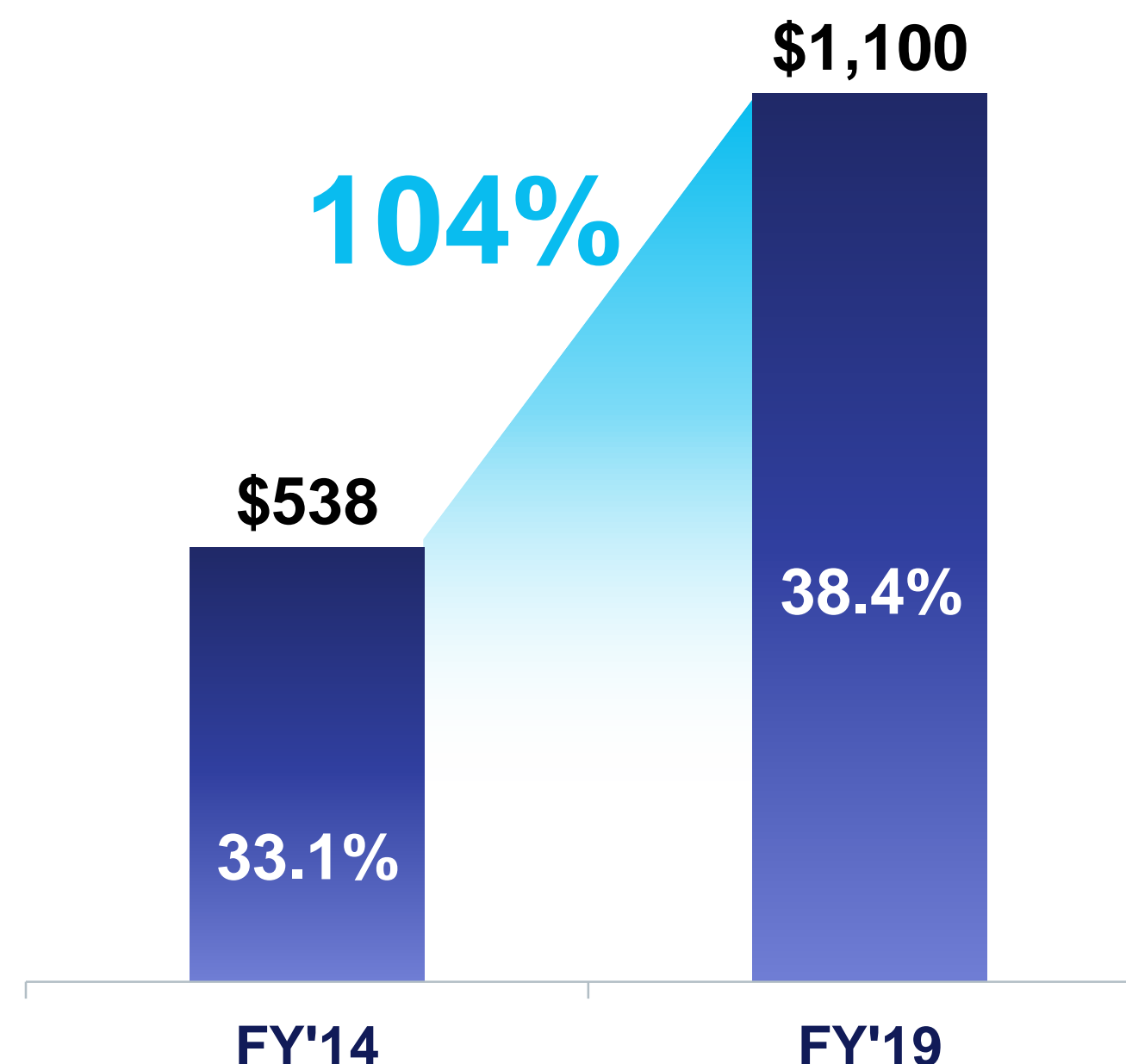
Retain: Durable Business Model

ARR
(\$US M)



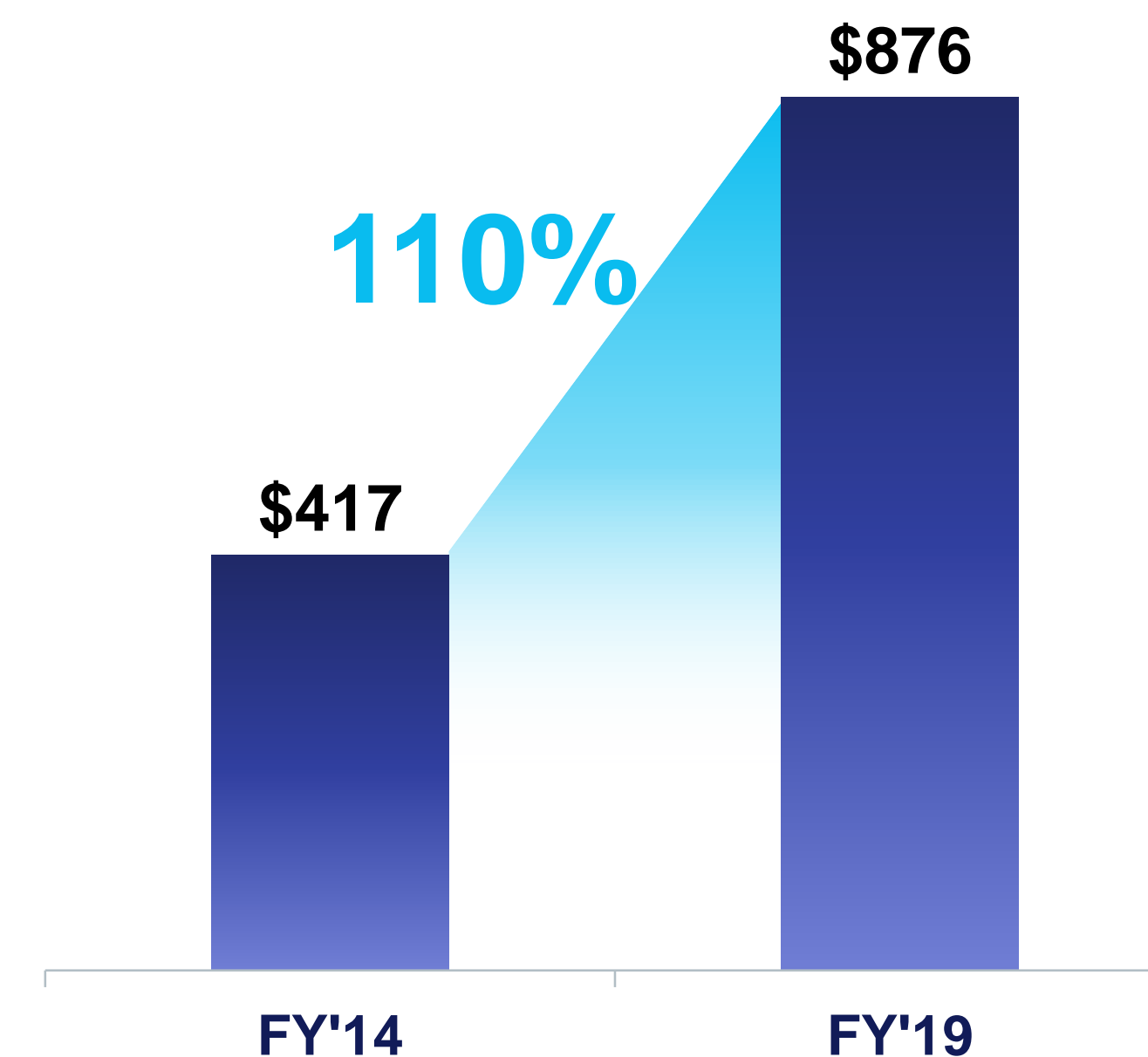
Renewal Rates:
Cloud: mid-90's
Customer Support: >90%

A-EBITDA & Margin^{(1),(2)}
(\$US M)



A-EBITDA Margin⁽¹⁾
+530 bps since FY'14

OCF⁽²⁾
(\$US M)



Strong Annual Operating
Cash Flow (OCF)

Grow: Broader and Deeper Customer Account Coverage



Broaden G10K Accounts Coverage

- One-third penetrated



Deepen Existing Relationships⁽¹⁾

- Across verticals and geographies



Leverage Partner Network

- i.e. SAP, Google, Mastercard

Grow: Through Partner Momentum



“New OpenText Content Management Services to be delivered through SAP® Cloud Platform.”

May 8, 2019



Google Cloud

“Google Cloud has selected OpenText as its preferred partner for Enterprise Information Management Services.”

July 9, 2019



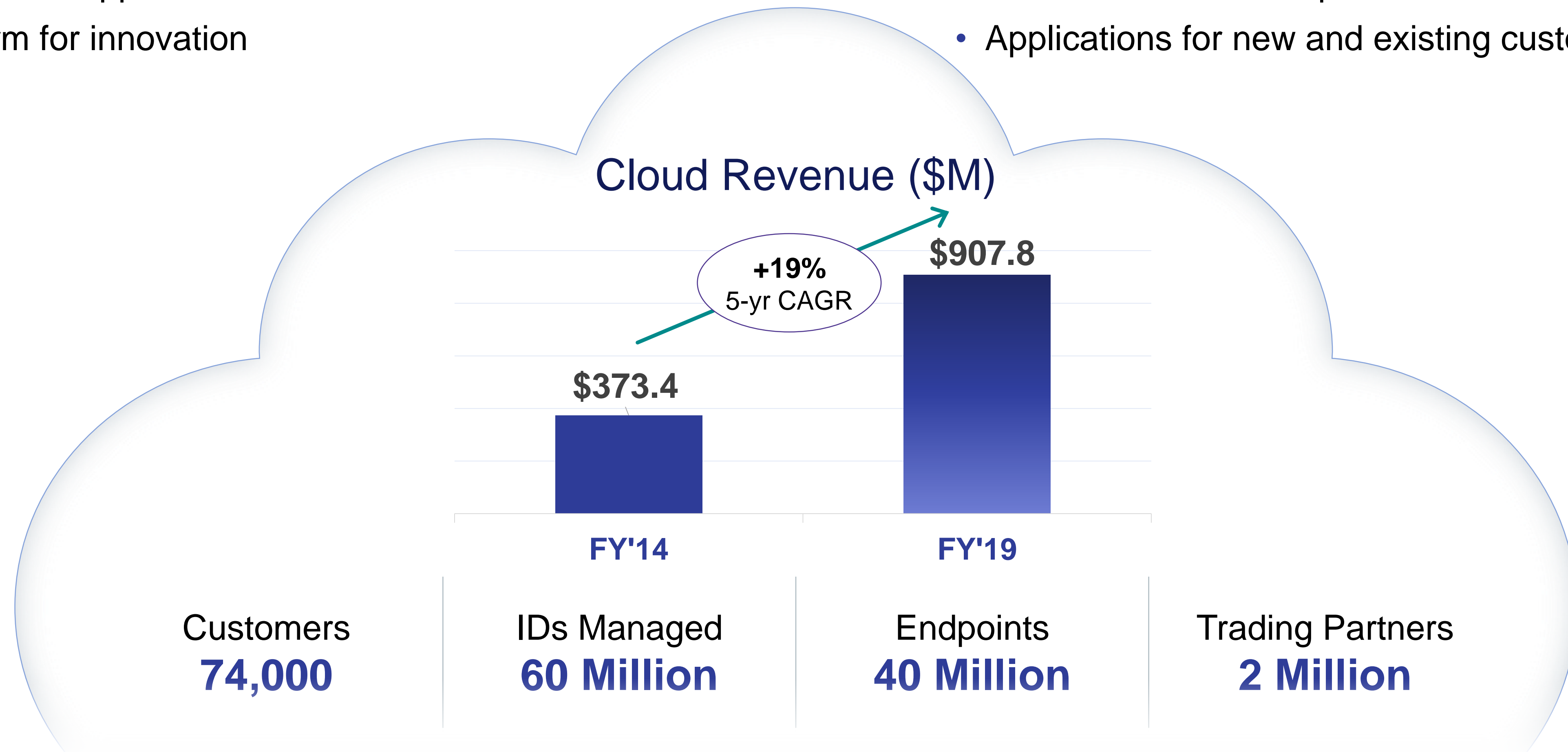
Grow: Through The OpenText Cloud Platform

OpenText Cloud:

- Cloud-First approach
- Platform for innovation

The Opportunity:

- < 20% of install-base penetrated
- Applications for new and existing customers



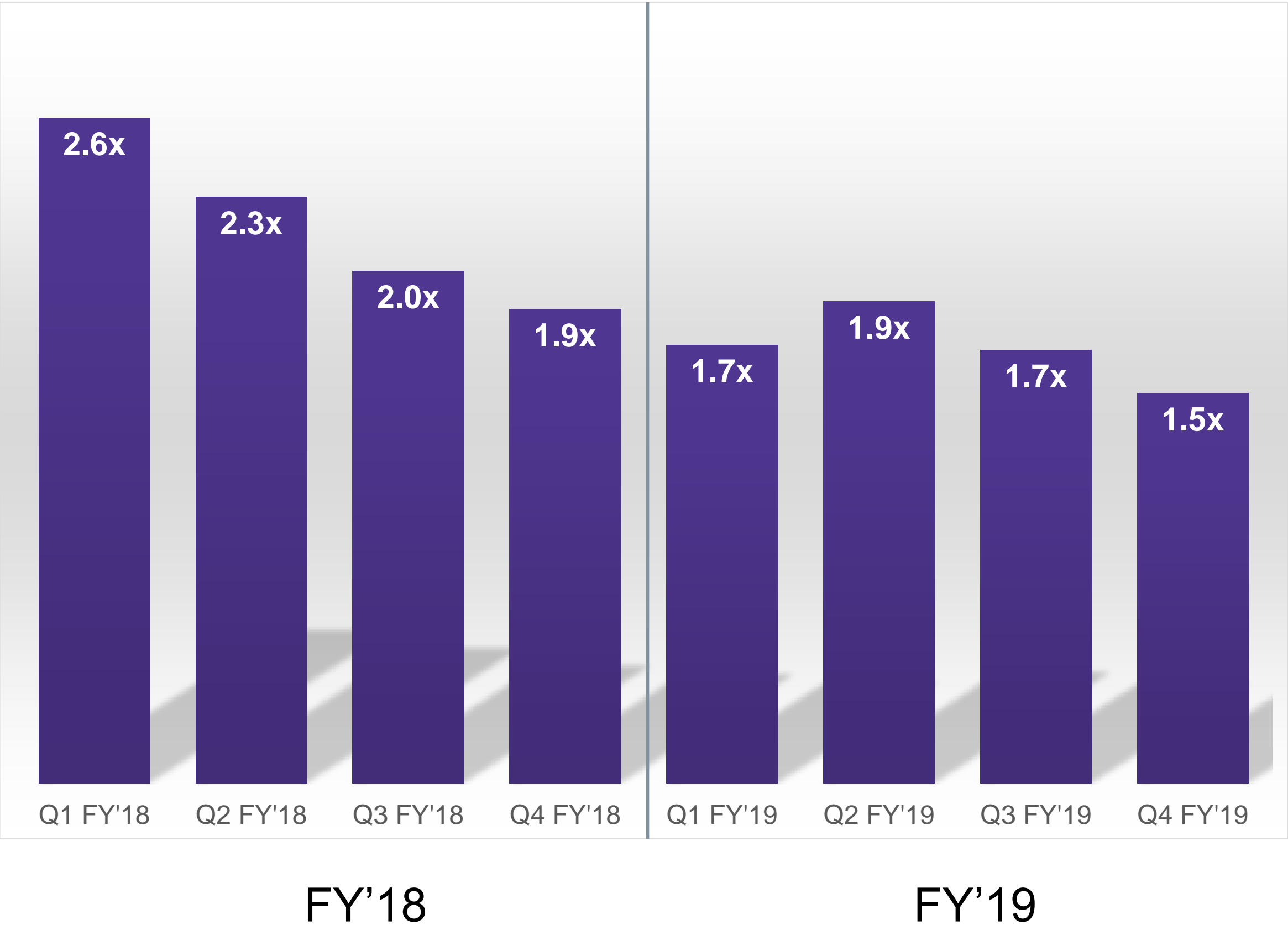
Acquire: Financial Capacity for Total Growth

Liquidity

As of June 30, 2019 (US\$M)

Cash ⁽¹⁾	\$941
Revolver – Undrawn Portion ⁽²⁾	\$450
Total Available & Committed Liquidity	\$1,391

Consolidated Net Leverage Ratio⁽³⁾



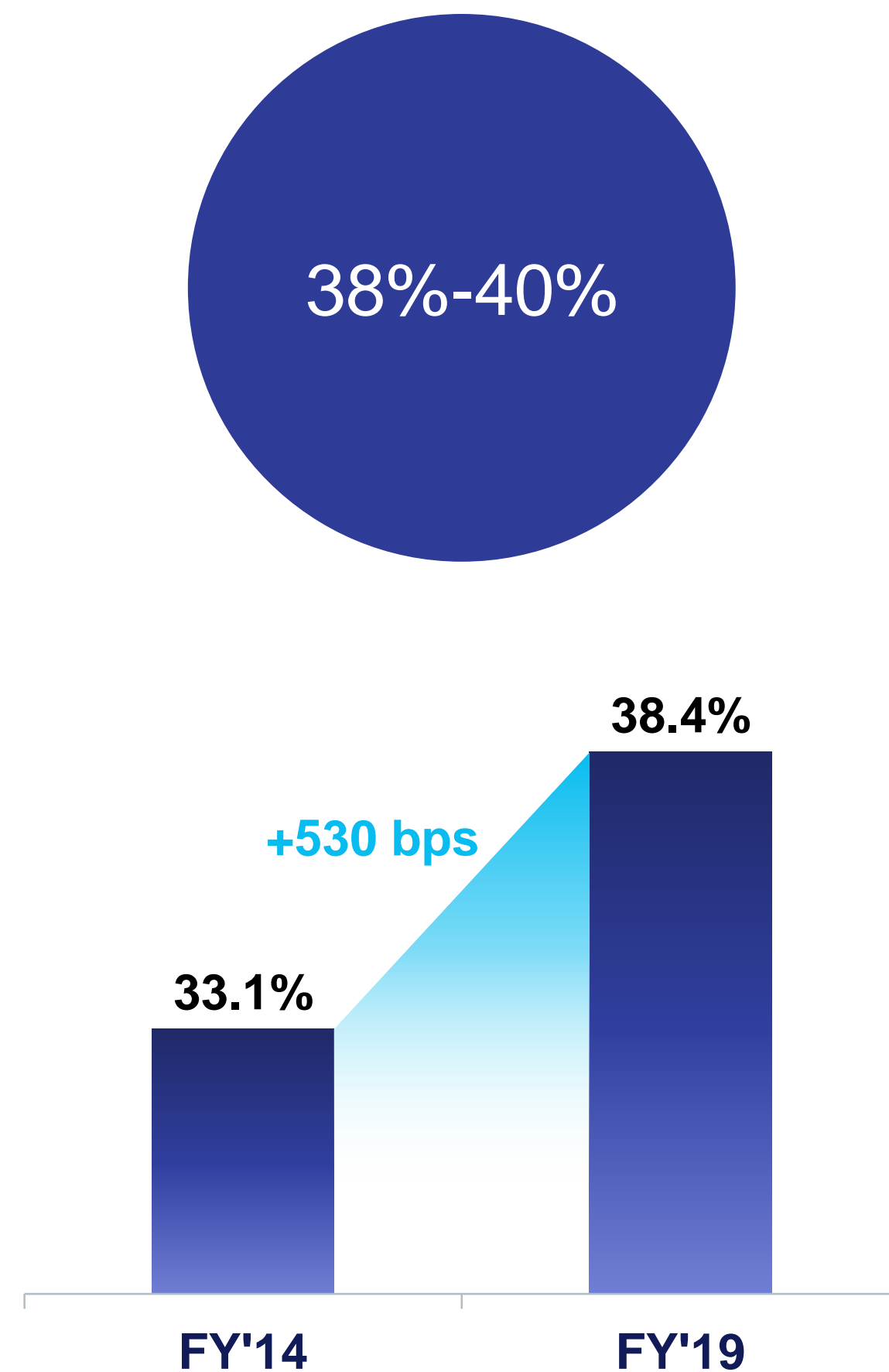
FY'20 Target Model

	Fiscal 2019 Results	Fiscal 2019 Model	Fiscal 2020 Model*
Revenue Type:			
Annual Recurring Revenue (ARR)	75.1%	72% - 76%	74% - 76%
License	14.9%	13% - 17%	13% - 17%
Cloud Services and Subscriptions	31.6%	28% - 32%	31% - 35%
Customer Support	43.5%	42% - 46%	40% - 44%
Professional Services and Other	9.9%	8% - 12%	8% - 12%
Non-GAAP Gross Margin			
License	96.6%	96% - 98%	96% - 98%
Cloud Services and Subscriptions	57.8%	57% - 59%	57% - 59%
Customer Support	90.1%	89% - 91%	89% - 91%
Professional Services and Other	21.8%	18% - 20%	18% - 20%
Non-GAAP Gross Margin	74.1%	73% - 75%	73% - 75%
Non-GAAP Operating Expenses:			
Research & Development	11.0%	11% - 13%	11% - 13%
Sales & Marketing	17.8%	17% - 19%	17% - 19%
General & Admin	6.9%	6% - 8%	6% - 8%
Depreciation	3.4%	2% - 4%	2% - 4%
A-EBITDA Margin⁽¹⁾	38.4%	36% - 38%	38% - 39%
Interest and Other Related Expense USD million	\$136.6	\$144 - \$149	\$140 - \$145
Adjusted Tax Rate ⁽²⁾	14%	14%	14%
Capital Expenditures	\$64		\$88 - \$98

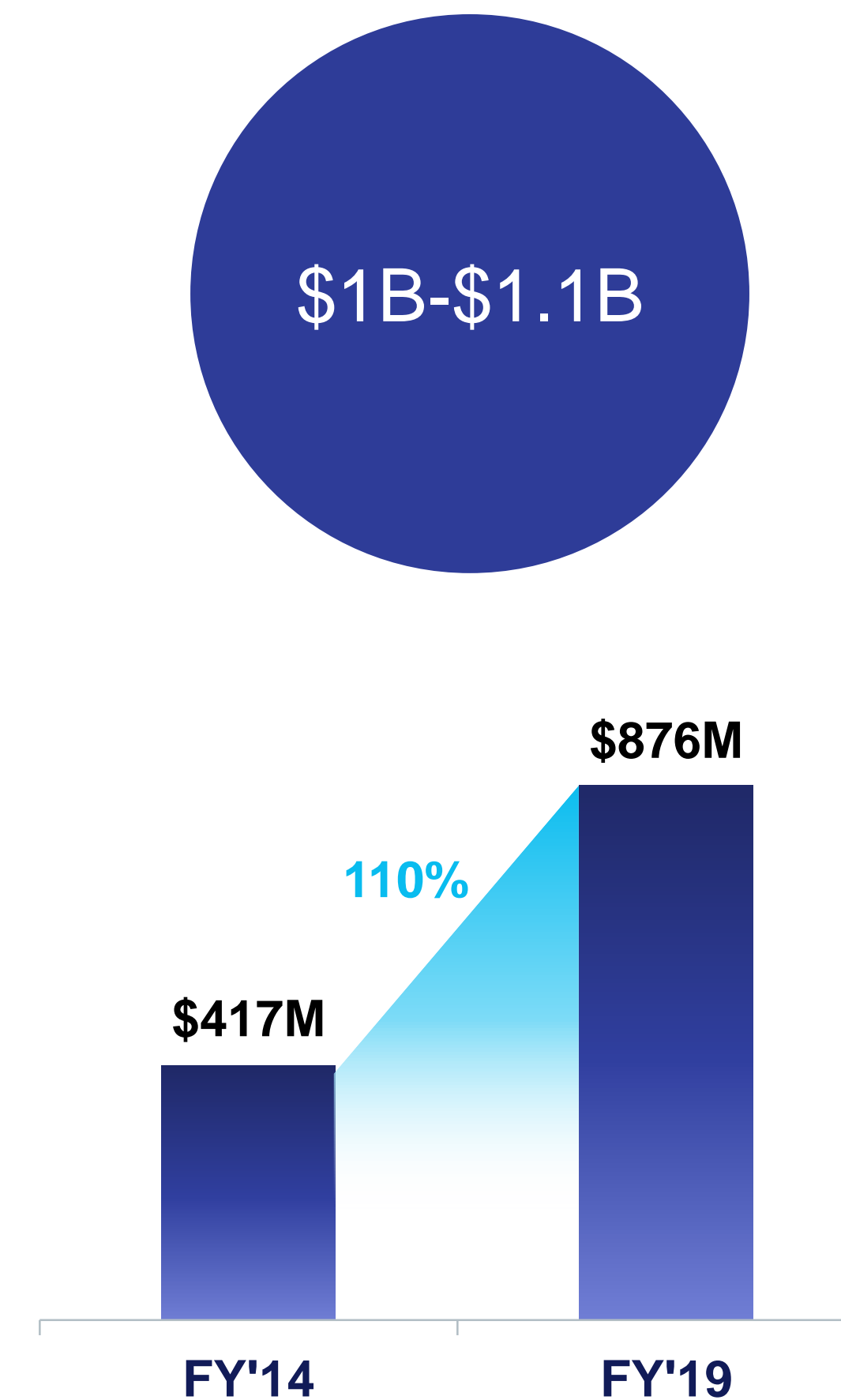
* This model is not guidance

FY'22 Long-Term Aspirations

A-EBITDA Margin⁽¹⁾⁽²⁾

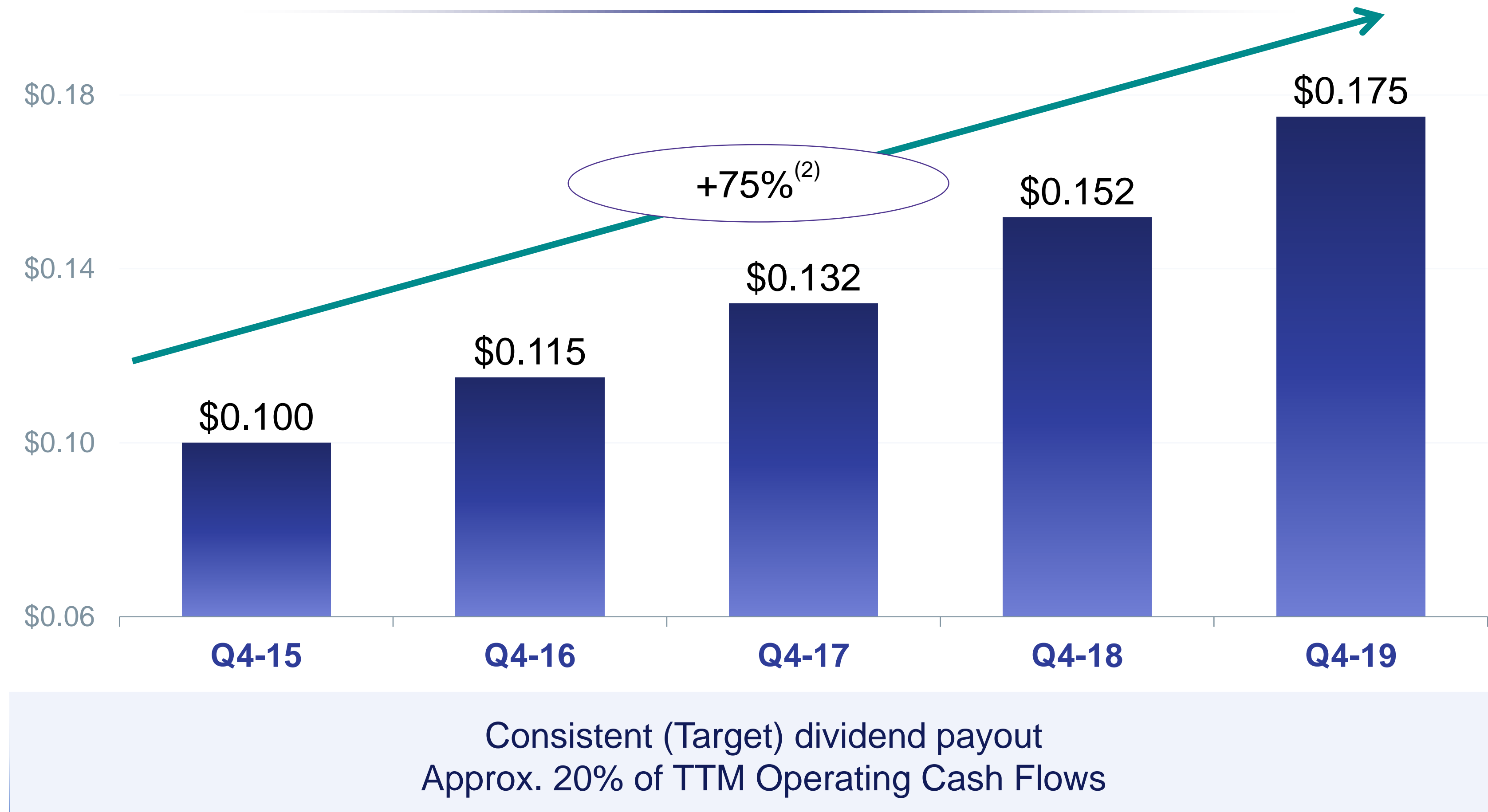


Operating Cash Flows⁽²⁾

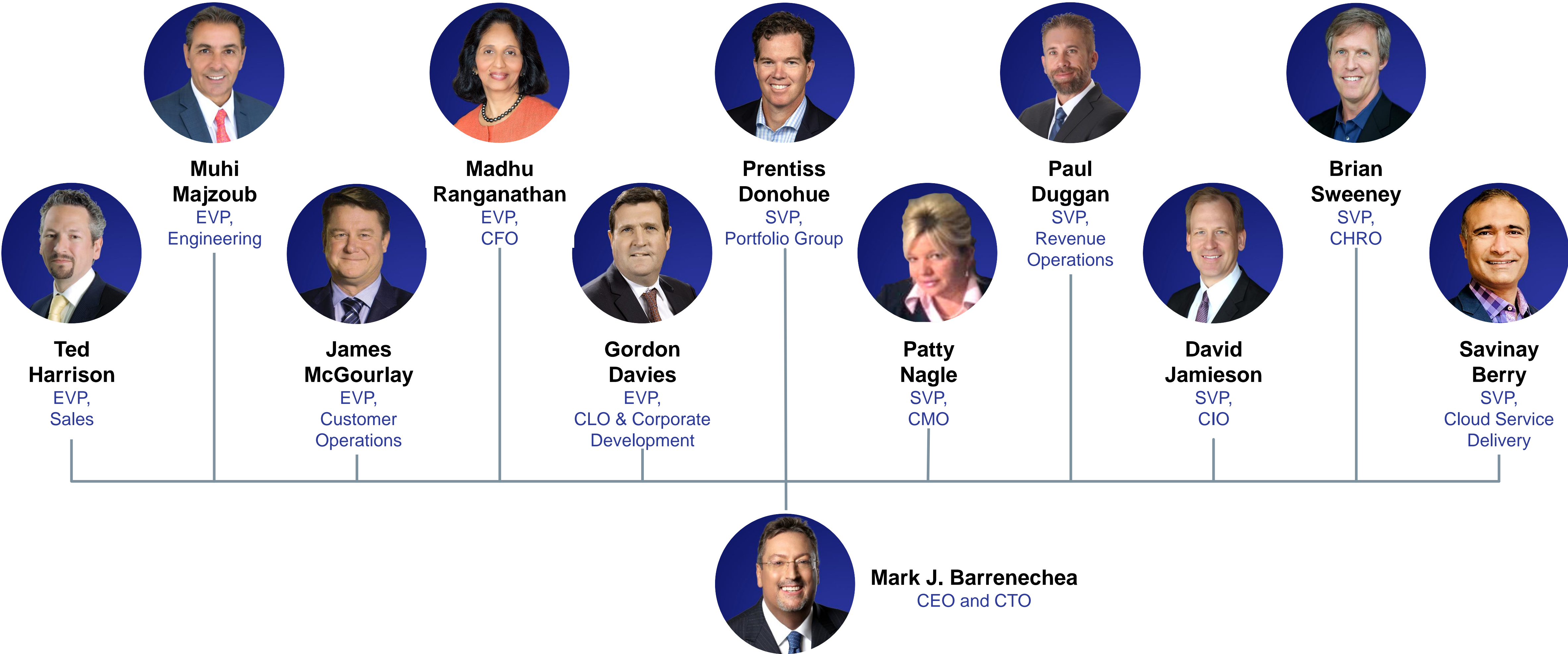


Dividends Declared and Paid

Dividends Paid & Declared⁽¹⁾ (US\$/share, adjusted for stock splits)



Executive Leadership Team (ELT)



Global Operations and Distribution



	Total	Americas ⁽²⁾		EMEA	APJ
# of Employees ⁽¹⁾ :	Total Employees 13,100	United States 3,700	Canada 1,800	Europe, Middle East, Africa 2,600	APJ 4,900
FY'19 Revenue:	Total Revenue \$2.87B	United States \$1.49B	Canada \$154M	\$920M	\$265M

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

	FY'18 ⁽¹⁾	FY'19
ROIC	17.5%	18.7%
(in US\$M)		
Non-GAAP based income from operations ⁽¹⁾	\$933	\$1,003
Adjusted Tax Rate (%)	14%	14%
Non-GAAP based operating income after non-GAAP tax	\$803	\$862
Total Debt (incl. Current Portion of LT Debt)	\$2,621	\$2,615
+Total Shareholders' Equity	\$3,717	\$3,885
- Cash & Cash Equivalents	\$683	\$941
- Net Deferred Tax Assets (Liabilities)	\$1,043	\$948
= Invested Capital	\$4,612	\$4,611
Average Invested Capital (Avg. Current Yr. & Prior Yr.)	\$4,576	\$4,612

OCF, Total Organic Revenue

Operating Cash Flows	FY'18			FY'19		
in US\$ millions	Reported			Reported		
Operating Cash Flows	\$708			\$876		

Total Revenues and ARR ⁽¹⁾	FY'18			FY'19		
in US\$ billions (unless indicated otherwise)	Reported	FX Headwind / (Tailwind)	CC ⁽¹⁾	Reported	FX Headwind / (Tailwind)	CC ⁽²⁾
Total Revenues	\$2.82	\$(0.07)	\$2.74	\$2.87	\$0.05	\$2.92
Less: Revenues from acquisitions ⁽³⁾	\$(0.40)		\$(0.40)	\$(0.10)		\$(0.11)
Organic revenues	\$2.42		\$2.35	\$2.77		\$2.82
Growth (decline) in organic revenues over prior year	5.5%		2.5%	(1.8)%		0.1%
ARR	\$2.06	\$(0.05)	\$2.01	\$2.16	\$0.03	\$2.19
Less: Revenues from acquisitions ⁽³⁾	\$(0.27)		\$(0.27)	\$(0.10)		\$(0.10)
Organic revenues	\$1.79		\$1.74	\$2.06		\$2.09
Growth (decline) in organic revenues over prior year	6.1%		3.4%	(0.1)%		1.5%

opentextTM
The Information CompanyTM