OPENTEXT™

Unleashing the Power of Information



Investor Relations - Strategic Overview

July 29, 2015

NASDAQ: OTEX ⊙ TSX: OTC

Safe Harbor Statement

Certain statements in this presentation, including statements about the focus of Open Text Corporation (“OpenText” or “the Company”) in Fiscal 2016 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, its financial conditions, results of operations and earnings, declaration of quarterly dividends, and other matters, may contain words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "may", "could", "would", and other similar language and 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; (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; and (ix) the Company's financial condition and capital requirements. 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 possibility that the Company may be unable to meet its future reporting requirements under the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder; (iii) the risks associated with bringing new products and services to market; (iv) fluctuations in currency exchange rates; (v) delays in the purchasing decisions of the Company's customers; (vi) the competition the Company faces in its industry and/or marketplace; (vii) the final determination of litigation, tax audits and other legal proceedings; (viii) the possibility of technical, logistical or planning issues in connection with the deployment of the Company's products or services; (ix) the continuous commitment of the Company's customers; and (x) demand for the Company's products. 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.

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We are guiding customers through the Digital journey





Connected Business



Cloud



New Processes



Mobility



Predictive Analytics



A Millennial Workforce

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Digital is changing businesses at an unprecedented speed

43%

A business services company **undertook a digital transformation** improving cross-sales by 43% and growing share by 21% **using customer data and analytics**



51%

51% increase in lead-to-sale conversion rate when an enterprise cloud hosting company **mapped out customer journeys** and identified design issues that were preventing conversions



38%

38% decrease in product defects at an enterprise software company that was facing a wave of customer complaints for its newly released product



70%

Percentage of consumers that want personalized messaging that reflects their needs



90%

Of the world's information that has ever existed was created in the last two years



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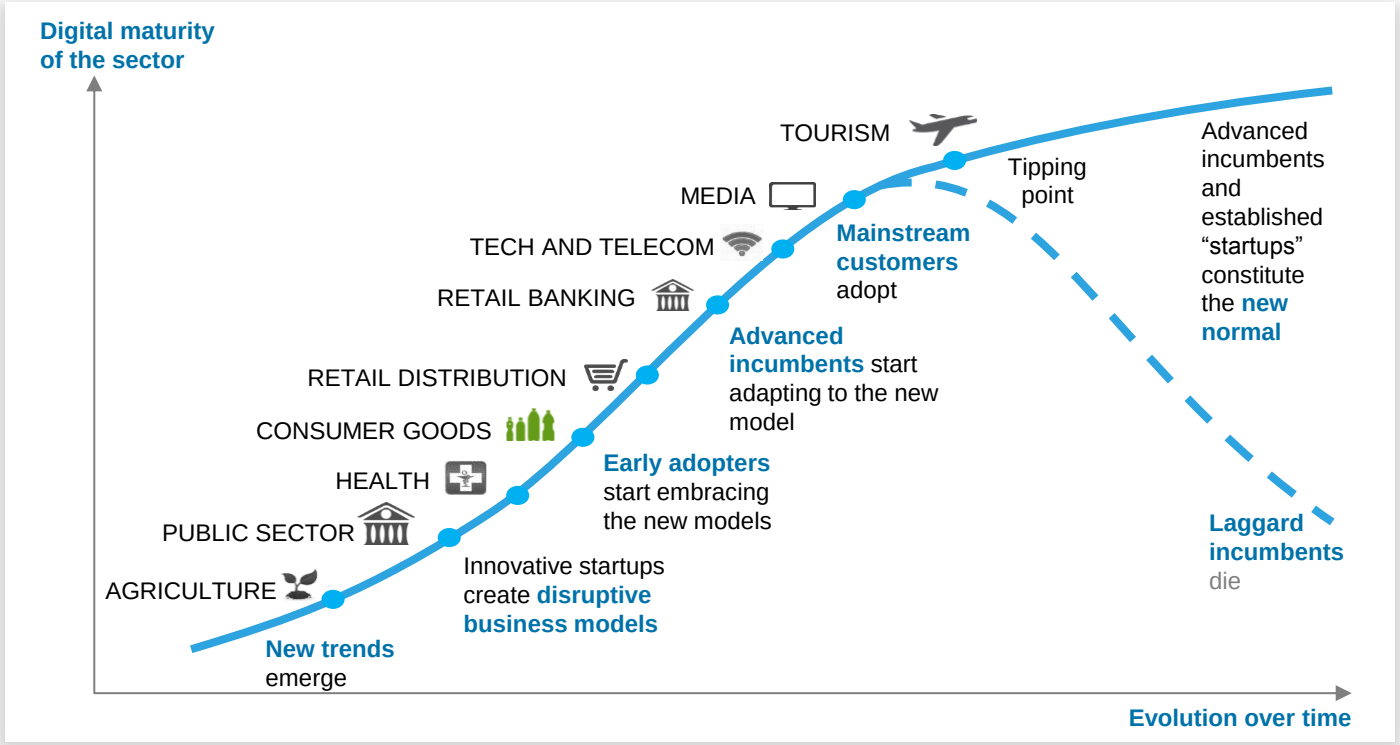
Companies have no choice but to adopt to Digitization to survive



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We help customers better manage information to grow faster and be more efficient in an increasingly digital world

Mission statement

Help our customers become **digital businesses** by applying our **simplify**, **transform** and **accelerate** operating principles to gain a **competitive advantage** and be **more productive**



SIMPLIFY

Reduce costs, improve efficiencies and increase competitiveness



TRANSFORM

Consolidate and upgrade information and process platforms



ACCELERATE

Increase the speed of information delivery through integrated systems

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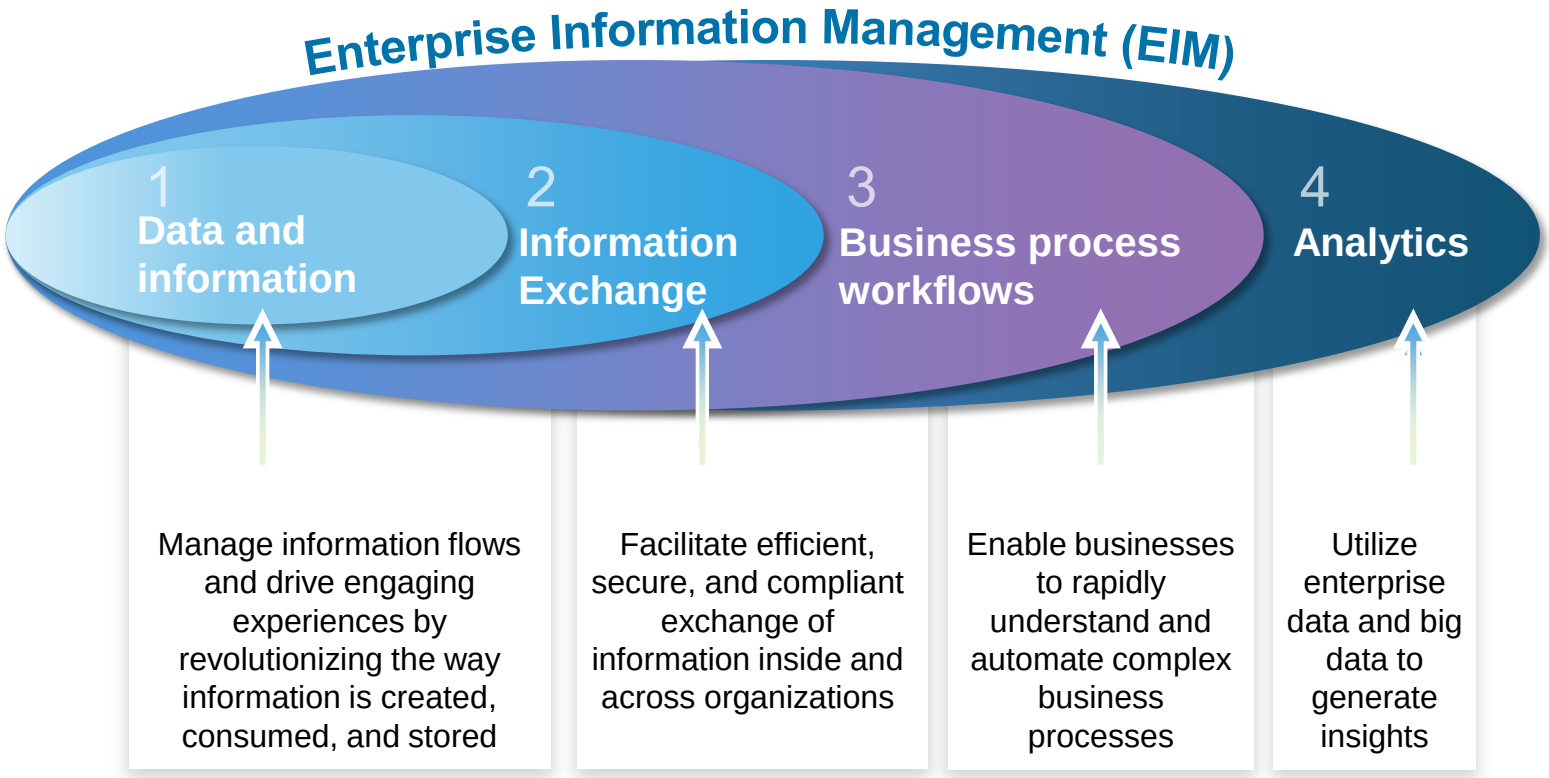
OpenText EIM brings together the four core elements needed to drive the digital transformation



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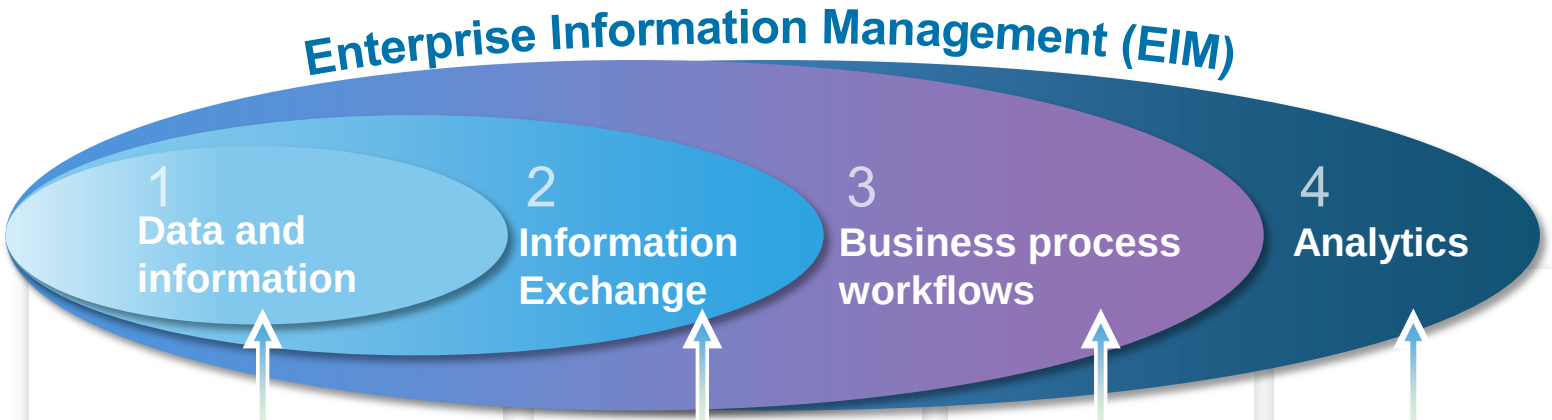
Through EIM we are very well positioned to help customers holistically with their digital journey



CEM **ECM** **Discovery**

Used by a majority of the top 10 companies in several industry verticals (e.g., manufacturing, financial services, pharma, governments)

Information Exchange

600,000 trading partners on the IX platform

20 billion transactions p.a.

BPM

Over a third of our EIM customers are using the BPM platform to manage core processes

Analytics

Personalized insights delivered to over 200 million users

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EIM is a $20B market and is growing at 7.4% Y/Y








CY2014 Actuals	CEM	ECM	Discovery	Information Exchange	BPM	Analytics
Market	$2.6B	$5.4B	$1.8B	$3.8B	$2.5B	$4.0B
Growth	10.2%	6.2%	10.6%	9.5%	6.4%	4.4%
Product Suites	▪ Web Experience ▪ Customer Communications on Management ▪ Digital Asset Management ▪ Social	▪ Content Management ▪ Records Management ▪ Archiving ▪ Collaboration ▪ EFSS	▪ Unified Information Access ▪ eDiscovery ▪ Classification	▪ EDI / B2B ▪ The Grid ▪ Fax Solutions ▪ Secure Messaging ▪ MFT	▪ Business Process Management ▪ Dynamic Case Management ▪ Capture	▪ Big Data Analytics ▪ Embedded Analytics ▪ Predictive Analytics

Key markets

Emerging focus

- **These six pillars are essential to delivering Enterprise Information Management (EIM)**
- **Our emerging focus is on Analytics**

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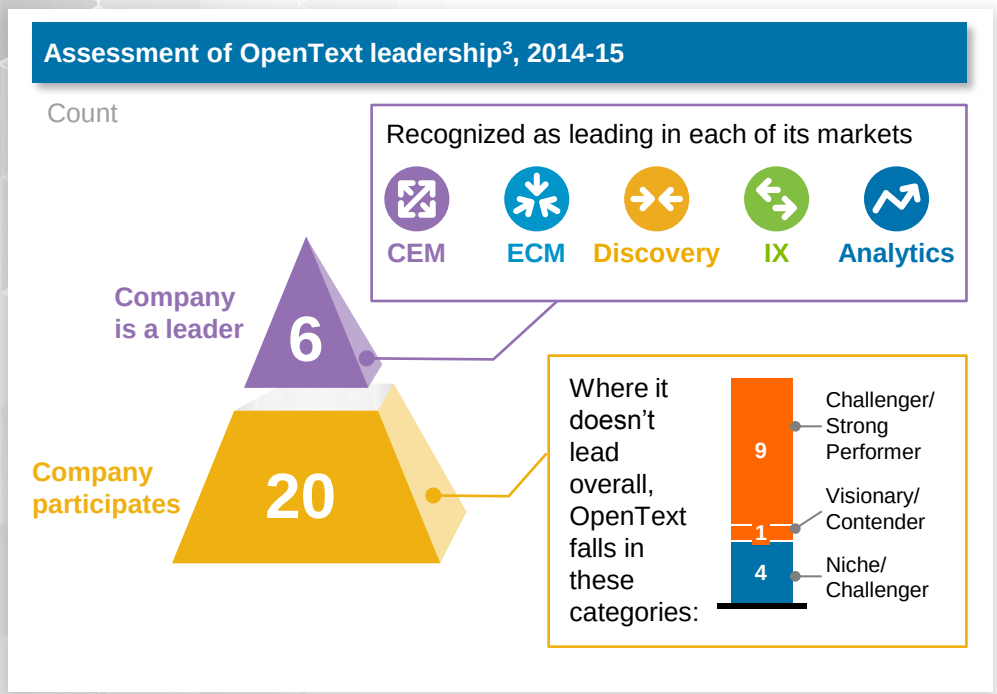
We lead in 6 Magic Quadrant/Wave evaluations…



> *"OpenText has the **broadest ECM backbone** for enterprise applications." "Specifically, it's **best for embedding ECM** within the lead (tier 1) application, such as the sales order entry process…"*[1]
>
> FORRESTER®

> *"GXS has an undiluted focus on Integration Brokerage and is **well-known for its scalable, cross-industry managed service** practice"*[2]
>
> Gartner®

1 The Forrester Wave™: ECM Transactional Content Services, Q3 2015" by Craig Le Clair, July 15 2015
2 Gartner Magic Quadrant for Integration Brokerage April 2014 – Benoit J. Lheureux, Paolo Malinverno, Valentin T. Sribar
3 SOURCE: Gartner Magic Quadrants; Forrester Waves 2014-2015

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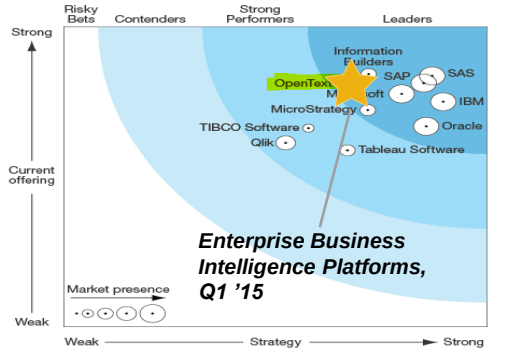
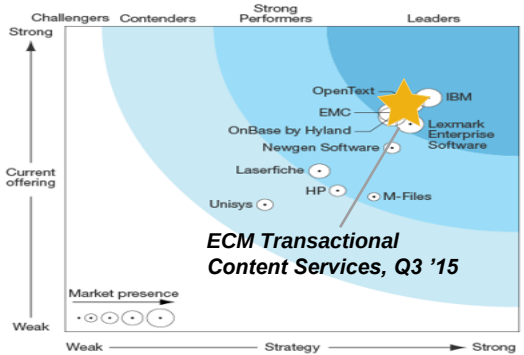
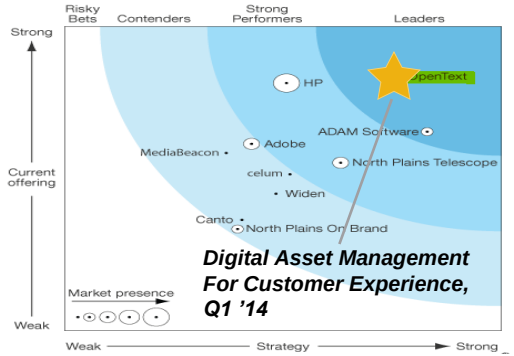
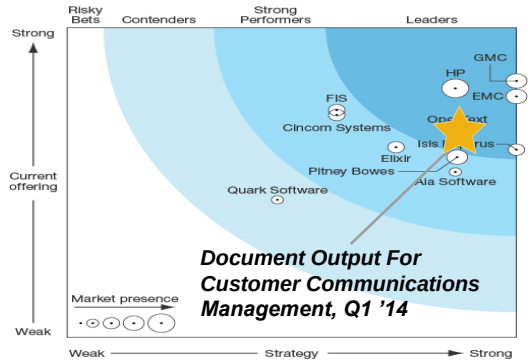
…and showing leadership in key areas

Forrester Wave Placements[1]









1 SOURCE: Forrester Waves 2013-2015; not exhaustive

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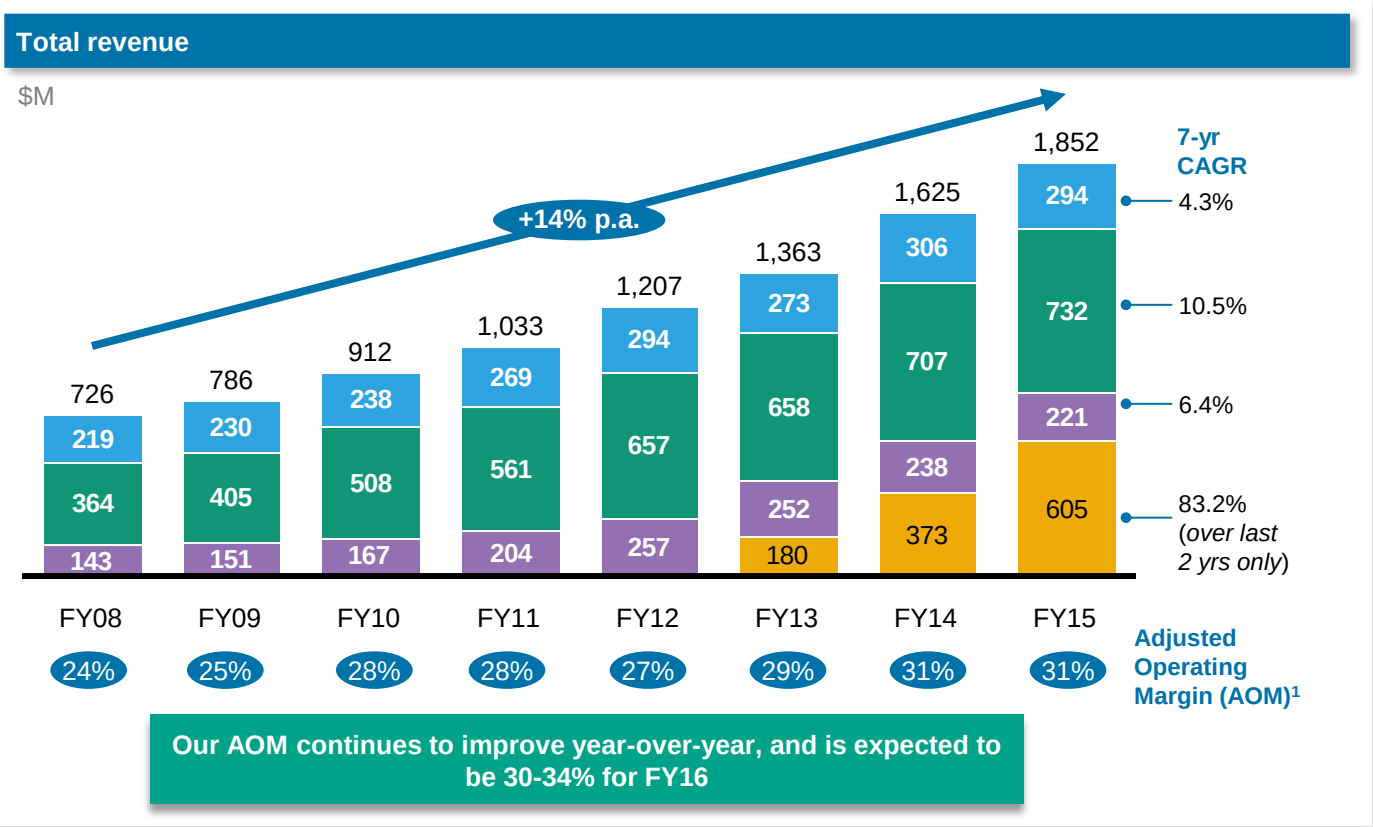
We have four different revenue streams

License

Maintenance

Services

Cloud



1 Before taxes and interest expense. See reconciliation of Non-GAAP measures to GAAP measures at the end of the presentation

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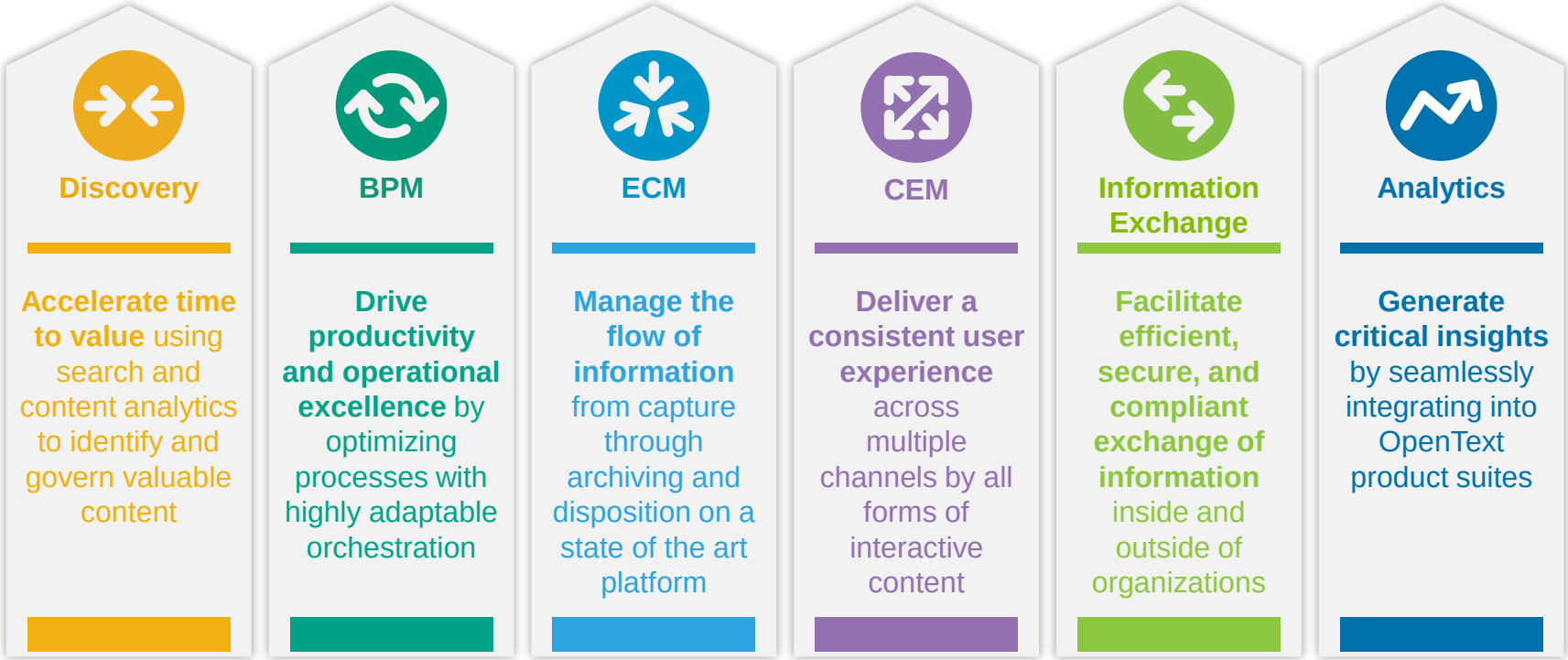
Our license and maintenance revenues are driven by our core EIM products



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Our Services are a consistent revenue generator



OpenText Services

Professional Consulting services	Teaching and Learning services	Information Outsourcing services
▪ Implementation ▪ Onboarding ▪ System design and integration ▪ Managed services ▪ Operational modeling ▪ Governance assessment	▪ Learning as a Service ▪ Distance learning (eLearning and virtual classroom) ▪ On-site classes ▪ Public classroom learning ▪ Training consulting	▪ Data processing and document management business process services ▪ Paper to digital content conversion

Our Services organization is a consistent performer, with best-in-class margin.

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Our Cloud business is comprised of 3 major components



Managed Cloud services

- Managed applications
- Hosting services

800+ Customers

Nestlé, McDonald's, citi, T-Mobile

Business Network

- Trading Grid
- On Demand Messaging

64,000 Customers

UPS, TOYOTA, Anheuser-Busch Companies, Deutsche Post, MetLife

Applications as a Service

- SaaS
- Subscriptions

500+ Customers

Bank of America, Ralph Lauren, Deloitte., Hasbro

Our business is augmented by our world class ability to acquire companies and improve their margins (e.g., post-acquisition in 2014, GXS margins have improved from approximately 50% to 60%)

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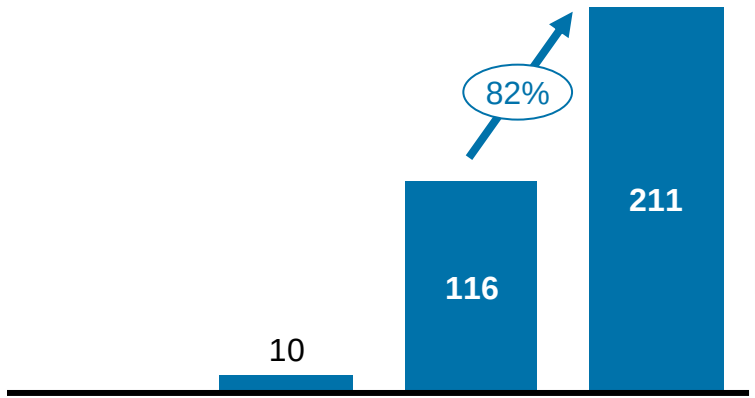
Our Cloud offerings are getting great traction

Cloud growth drivers

- Capacity expansion with existing customers
- New customer sign-ups
- Acquisitions
- High retention rate

New MCV for Cloud



	FY12	FY13	FY14	FY15
Cloud Revenue	N/A	180	373	605
Gross Margin	N/A	59%	62%	60%

FY16 MCV bookings target: $280-$320 million

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Our leading indicators of performance in Cloud are trending positively

Retention

Retention rate in Cloud business



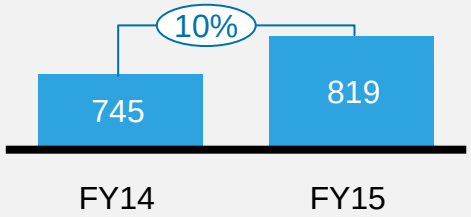
Cloud contracts signed

Number of FY15
Cloud MCV transactions over $500K



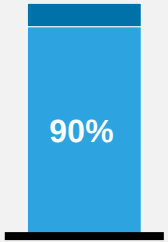
Managed Cloud services

Active customers



New spending sampling

Proportion of enterprise contracts signed since launch in Jan'15 are **new** spend



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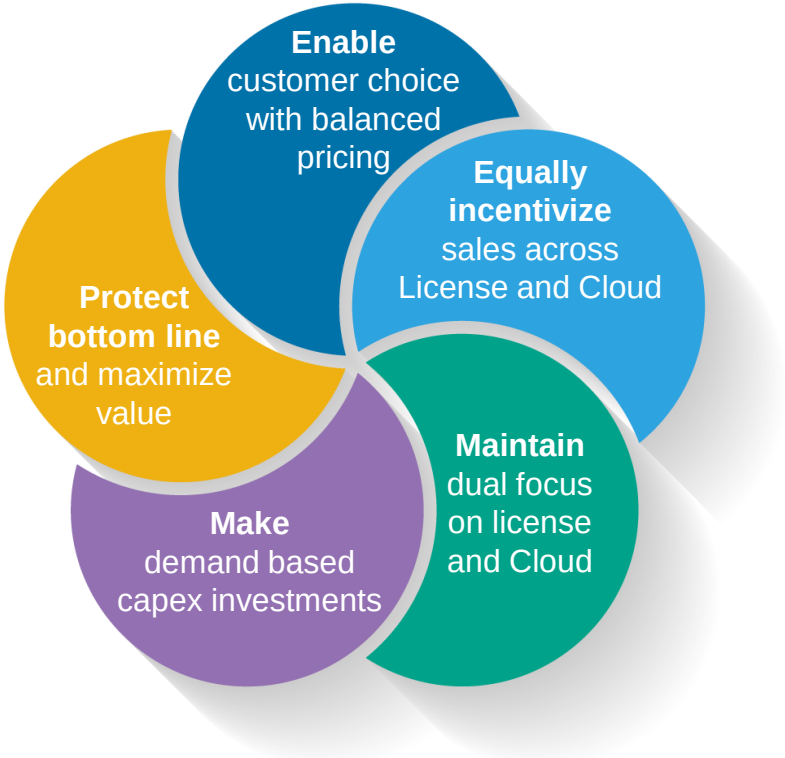
Our strategic intent is to take a “customer-paced” approach to Cloud substitution



Our strategic intent is to capture new spend from existing and new customers.

In our target state, we will continue to realize significant license revenues, along with Cloud.

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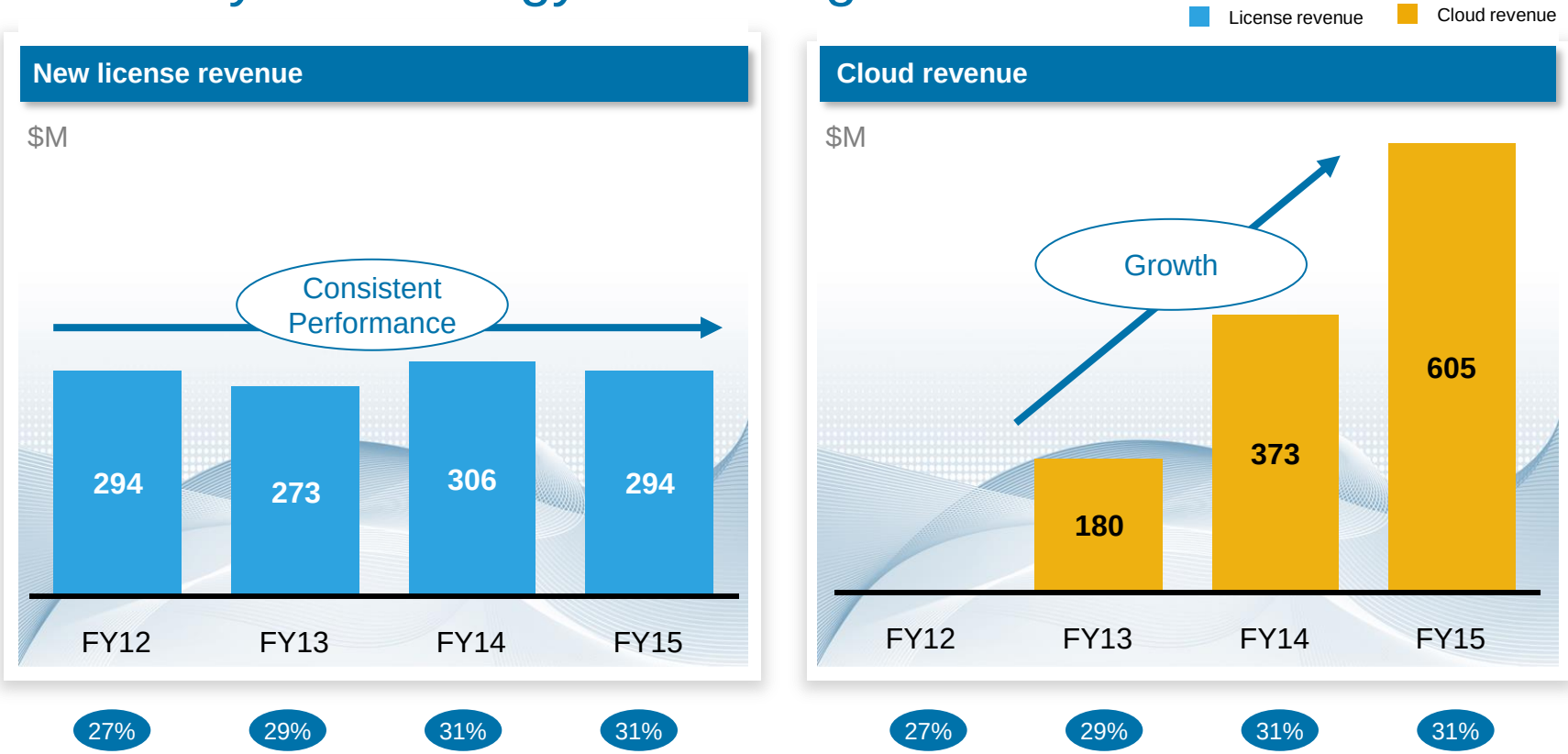
Our hybrid strategy is working



1 Before taxes and interest expense. See reconciliation of Non-GAAP measures to GAAP measures at the end of the presentation

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Our financial trends for FY2015 are strong

FY13 | FY14 | **FY15** | FY16 | FY17

Total Revenue up 14% Y/Y



- Total revenue $1,852M million
- Cloud Revenue $605M up 62% Y/Y
- License Revenue $294M million down 4% Y/Y
- 61 transactions over $1 million
- License revenue from new accounts: 27%
- Partners contributed 39% of license revenue
- Average Cloud MCV deal size: $405K
- Average License deal size : $312K

Non-GAAP EPS up 3% Y/Y



- Non-GAAP-based EPS was $3.46 compared to $3.37 Y/Y[1]
- GAAP-based EPS was $1.91 compared to $1.81 Y/Y
- Non-GAAP-based operating margin 31%[2]
- GAAP-based operating margin 19%[2]
- Non-GAAP tax rate: 18%

Operating Cash Flow up 25% Y/Y



- $523 M in operating cash flow, compared to $417 M Y/Y
- Cash and cash equivalents $700 M
- Total debt $1,588 M as of June 30, 2015

1 See reconciliation of Non-GAAP measures to GAAP measures at the end of this presentation
2 Before taxes and interest expense

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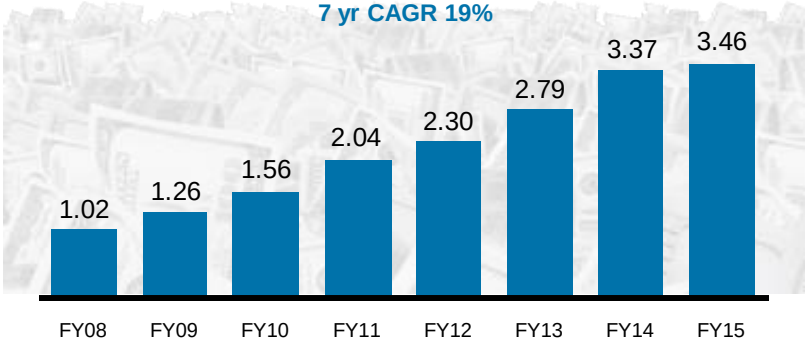
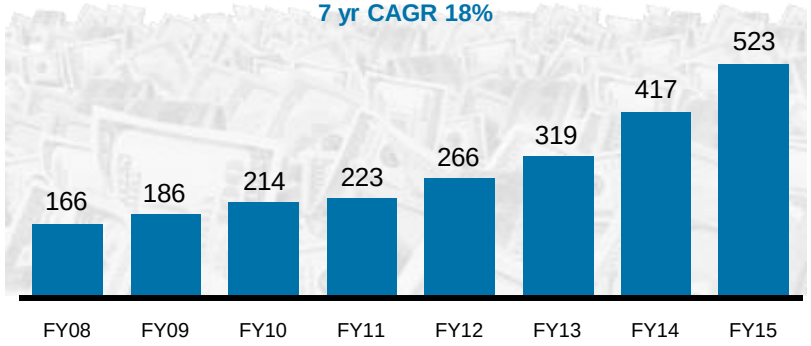
We have a track record of growth and value creation

Adjusted EPS ($)
7 yr CAGR 19%



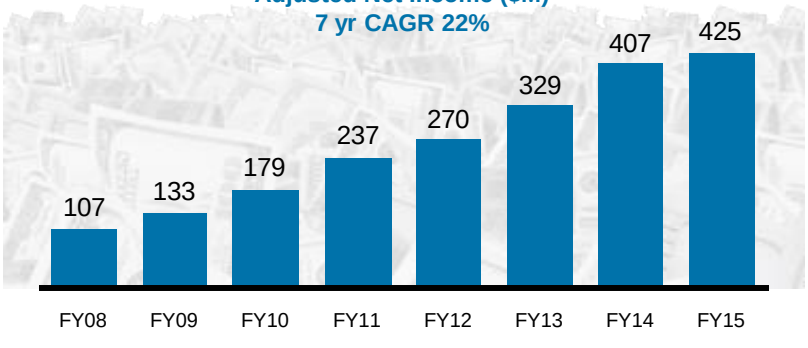
FY07 adjusted EPS $0.73. All historical share data is presented on a post stock-split basis

Operating Cash Flow ($M)
7 yr CAGR 18%



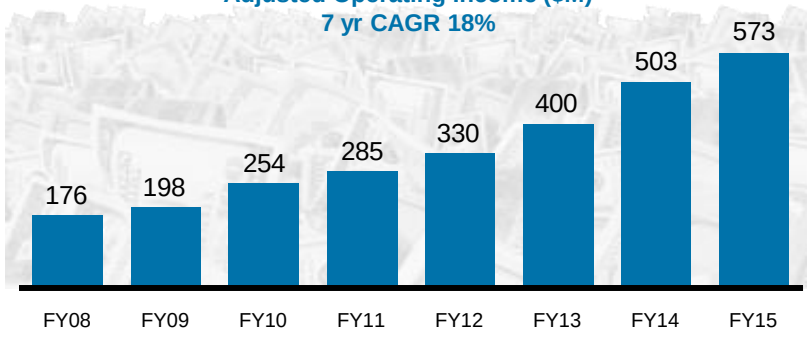
FY07 cash flow $111M, before the impact of special charges

Adjusted Net Income ($M)
7 yr CAGR 22%



FY07 Adjusted Net Income $74M

Adjusted Operating Income ($M)
7 yr CAGR 18%



FY07 Adjusted Operating Income $130M

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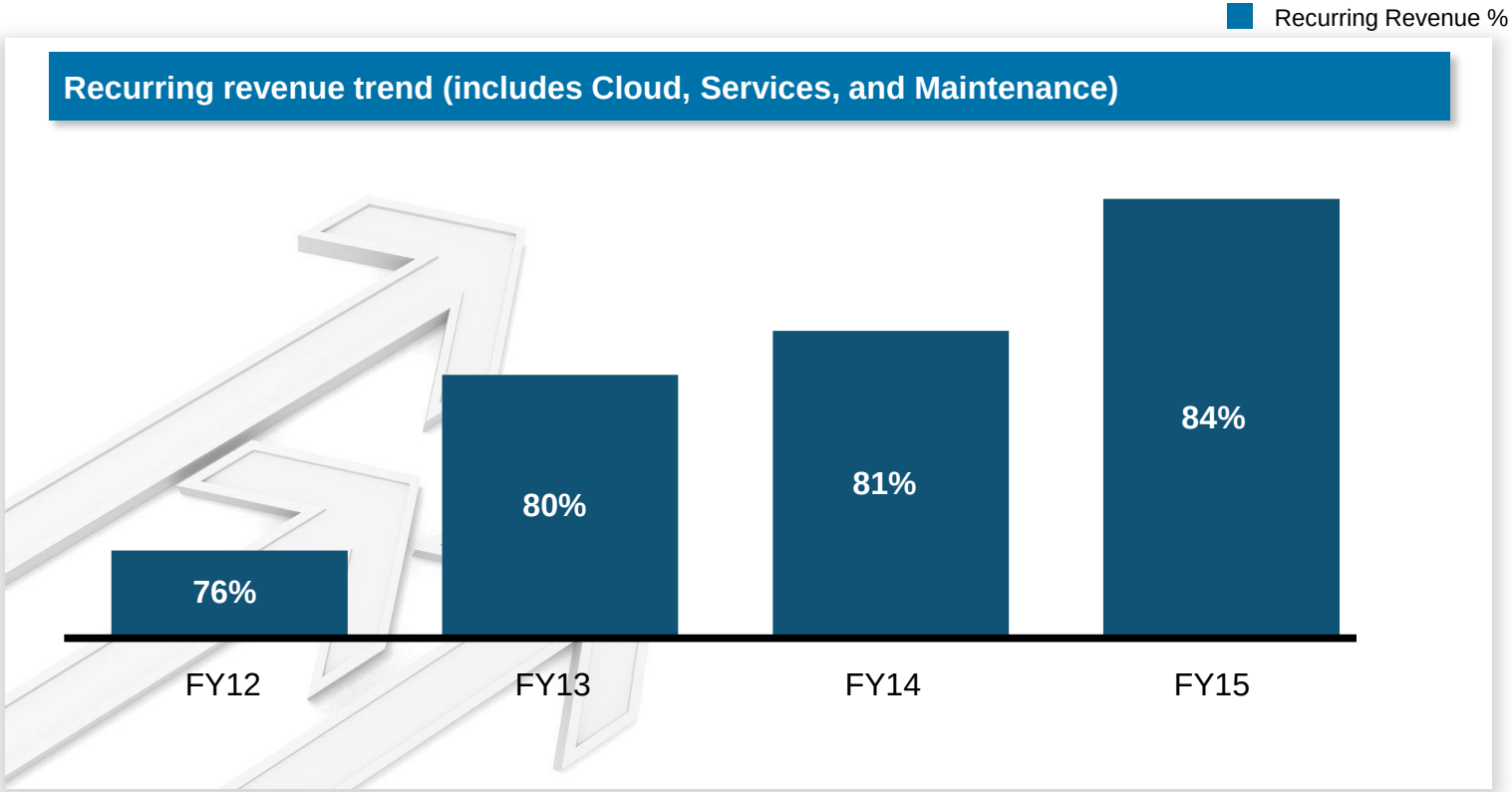
Our recurring revenue has been consistently growing



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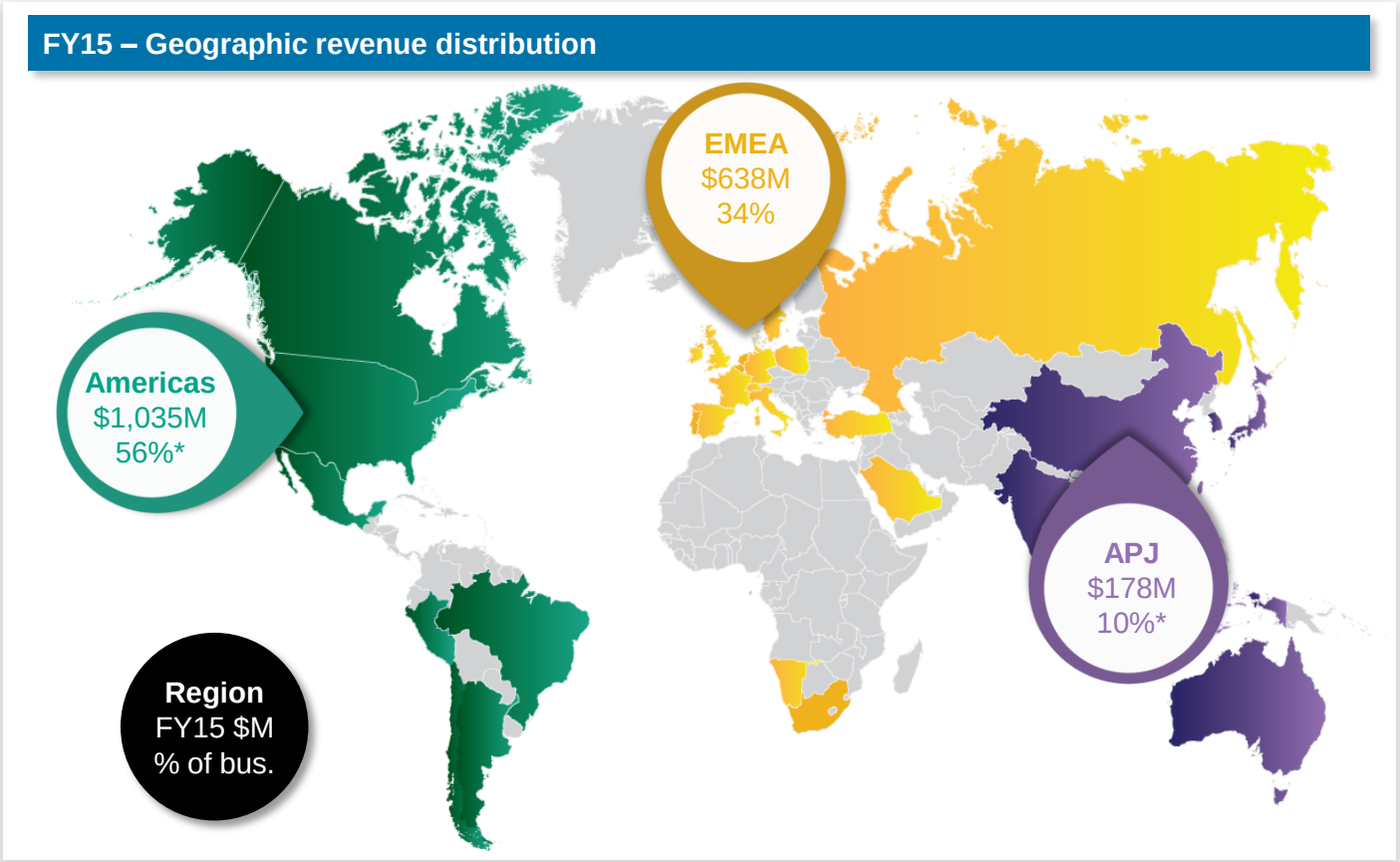
We are diversified across geographies…

FY15 – Geographic revenue distribution



*Percentages are rounded up to add to 100%

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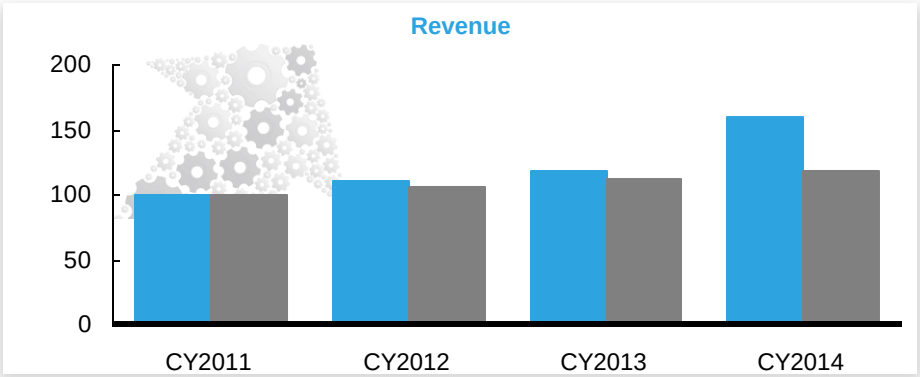
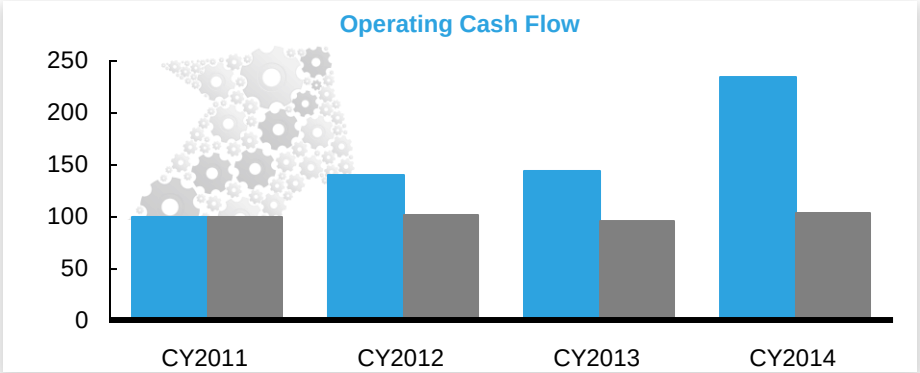
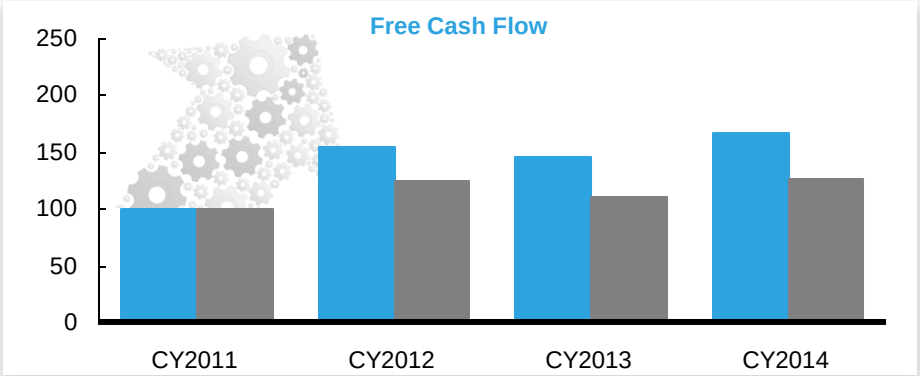
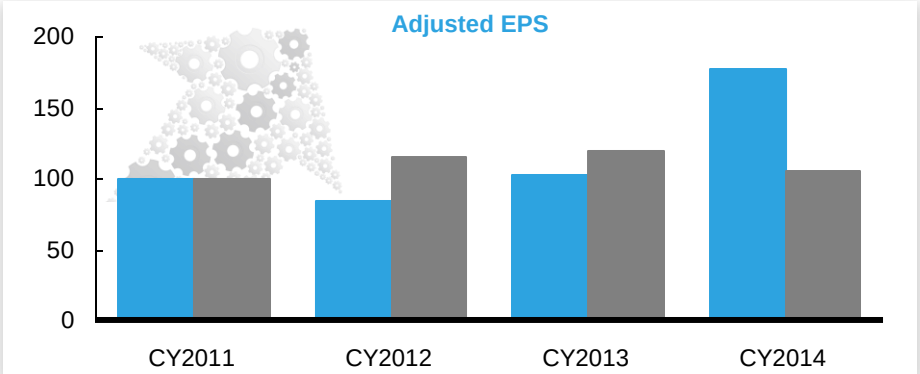
We outperform our peers across key dimensions









1 Peers include Software AG, PegaSystems, Progress Software, Intralinks, Epiq Systems, EMC, IBM, VMware, SAP, CA, Inc., Symantec, Microsoft, Oracle, Adobe, Citrix

SOURCE: CapitalIQ. Results were indexed to 100 for FY11 to show trend on a common basis

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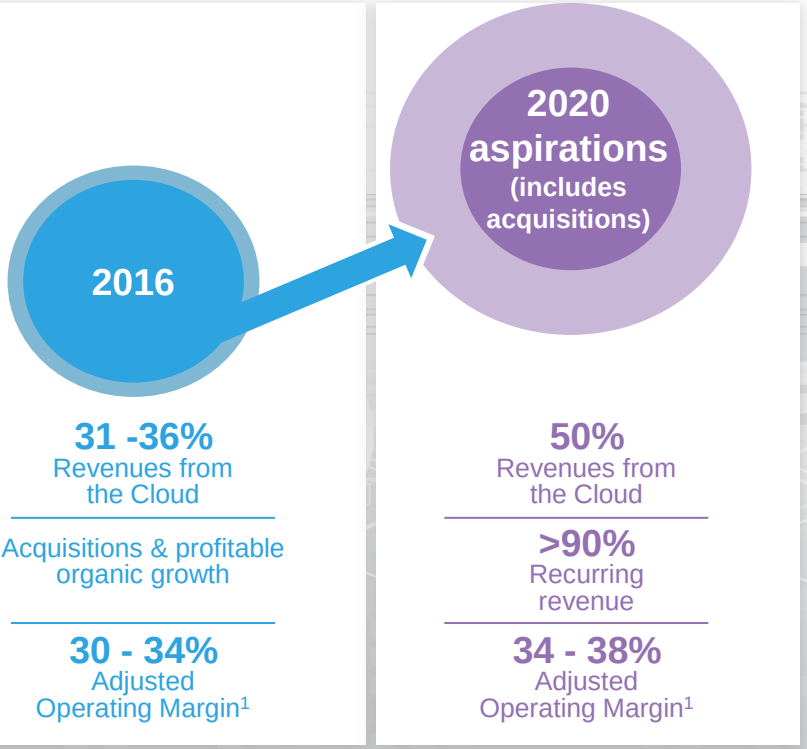
Path to 2020 with Target Model

Intelligent Cloud growth yields top-line and operating margin growth

- Continued focus on growing recurring revenue profile
- Unwavering focus on margin improvement to maximize value
- Seven year revenue growth CAGR of 14%
- Revenue growth lead by acquisitions and augmented by profitable organic growth
- Accelerating growth through acquisitions



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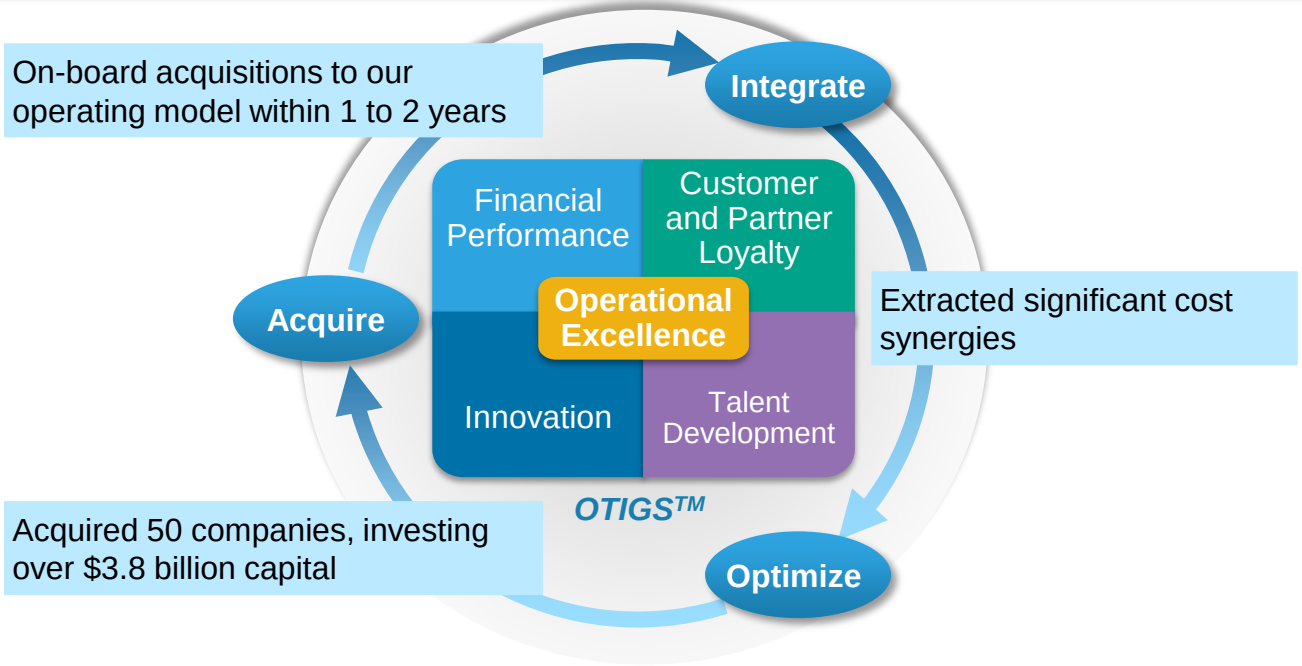
Our business model is based on “Intelligent Growth,” enabled by OTIGS™…

Acquisitions are core to our strategy, and OTIGS has enabled us to acquire companies and quickly integrate and optimize them



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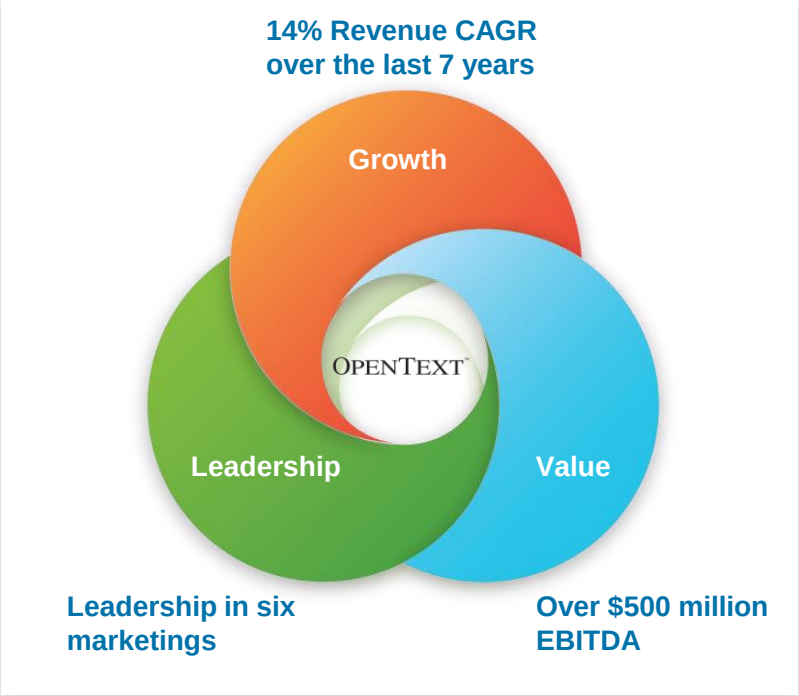
…which has helped us accelerate our growth and value creation



We are focused on “Intelligent Growth” – our growth strategy is to acquire solid EIM companies that have recurring revenues, integrate them with our suite of EIM products and services, and optimize their operations based on our leadership, expertise and experience, as well as, drive profitable organic growth.

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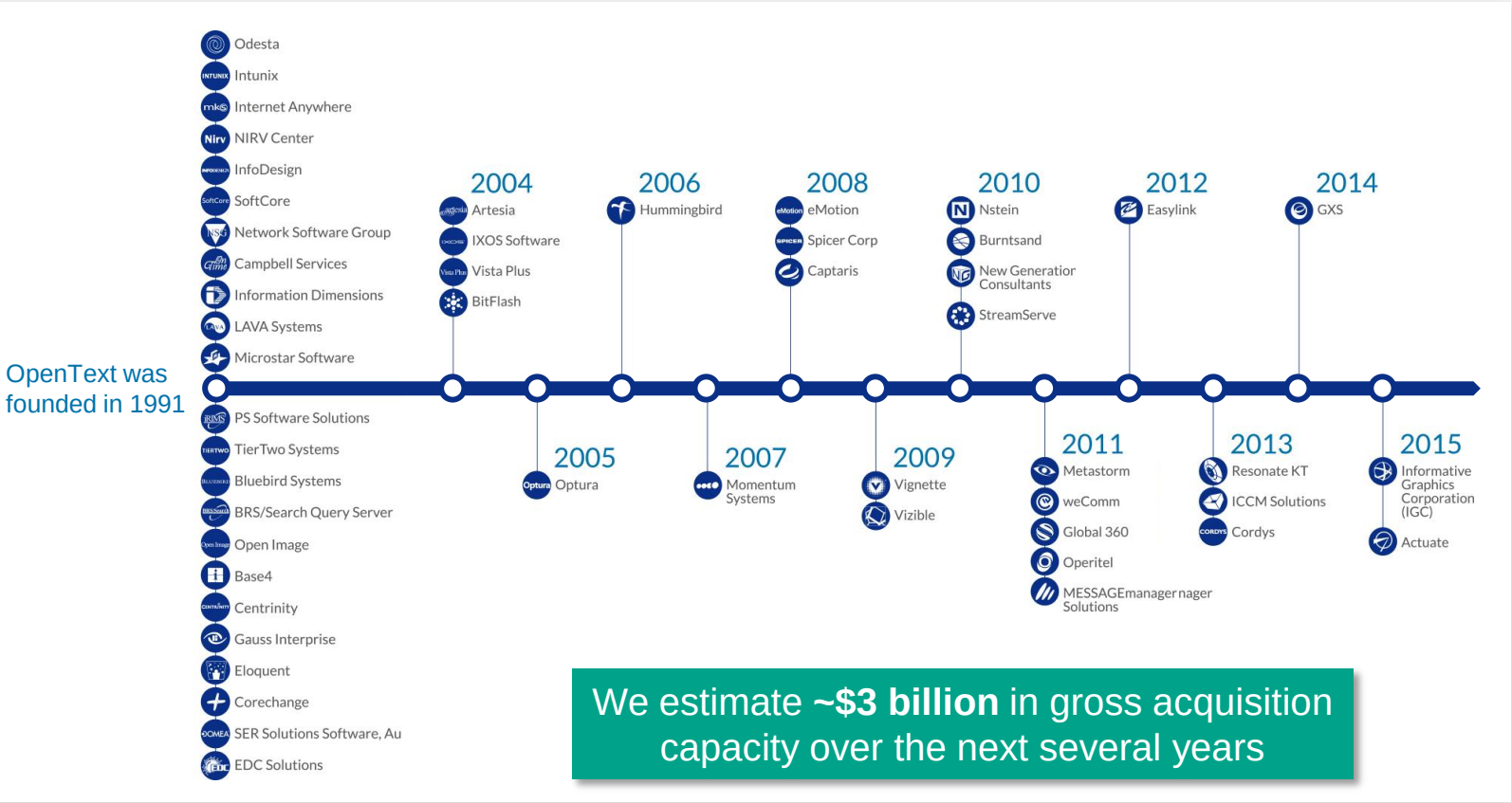
Our track record is proven over the years



We estimate **~$3 billion** in gross acquisition capacity over the next several years

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We have several growth and margin improvement initiatives in action

Focused push on cost optimization plans

- Increased automation in managed Cloud services
- Reduction in infrastructure costs via data center consolidation, efficiencies of scale, and usage of open source software

Restructuring of the workforce

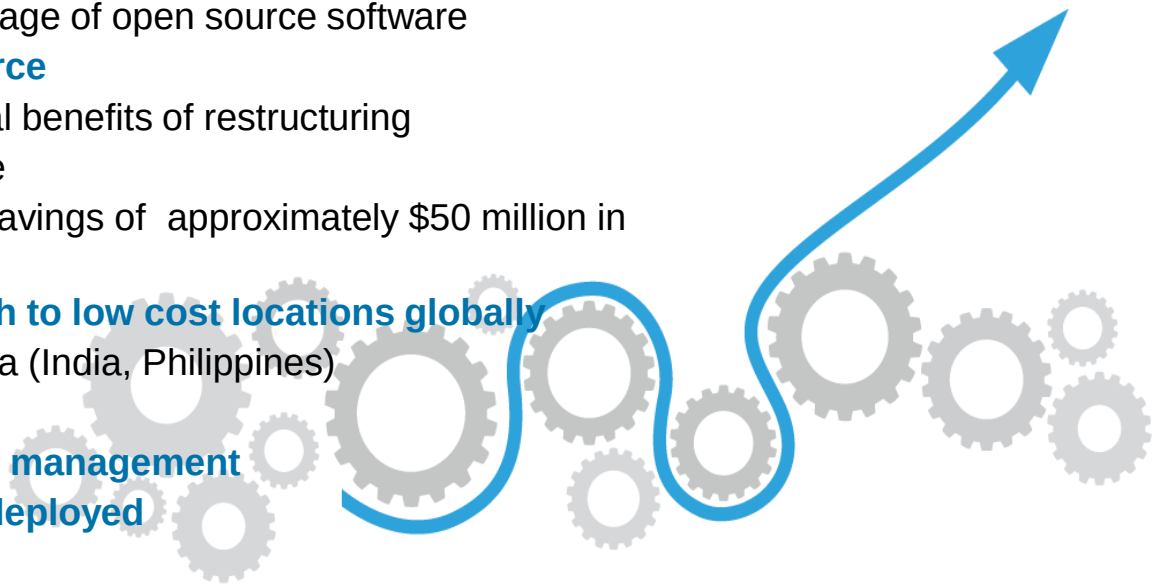
- On track to achieve financial benefits of restructuring
- Majority of actions complete
- Expected annualized cost savings of approximately $50 million in FY2016

Ongoing transition from high to low cost locations globally

- 25% workforce in South Asia (India, Philippines)
- Trend to continue

Laser-like focus on expense management

New Digital systems being deployed



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FY16 External Target Model*

Revenue Type	2015 Target Model	Fiscal 2015 Actuals	Fiscal 2016 Target Model*
Annual Recurring Revenue (ARR)	80 - 84%	84%	82 - 86%
Product License	15 - 20 %	16%	14 - 18%
Cloud Services	28 - 33%	33%	31 - 36%
Product Maintenance	35 - 40%	40%	38 - 42%
Professional Services	10 - 15%	12%	8 - 13%
Non-GAAP Gross Margin			
Product License	94 - 96%	96%	95 - 97%
Cloud Services	58 - 60%	61%	58 - 60%
Product Maintenance	85 - 87%	87%	86 - 88%
Professional Services	21 - 23%	22%	21 - 23%
Non-GAAP Gross Margin	**69 - 72%**	**72%**	**70 - 72%**
Non-GAAP Operating Expenses			
Development	10 - 12%	10%	10 - 12%
Sales and Marketing	18 - 20%	19%	17 - 19%
General and Admin	7 - 8%	8%	7 - 8%
Depreciation	2 - 4%	3%	2 - 4%
Non-GAAP Ops Margin	**28 - 32%**	**31%**	**30 - 34%**

*This target model is not guidance.

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We have a comprehensive partner strategy that enables accelerated delivery of our solutions

1250 PARTNERS



- 1,250 WW partners
- We are passionate about Partner Success
- We are committed to perfecting our Partner program
- Our modus operandi: The more you invest in us, the more we will invest in you

PARTNER INFLUENCE



- **39%** license revenue
- **25%** cloud services revenue

Direct Sales Force	AE, ISR, Specialists
Strategic Alliances	SAP
System Integrators	accenture, CGI, Deloitte., Capgemini
VARs	ADVANTAGE TECHNOLOGIES, contesto, at&t, ANX, CenturyLink
Distributors	INGRAM MICRO, Tech Data, shi, CDW
OEM	ICCM Solutions, IBM, hp, Adobe, xerox, RICOH, KOFAX, KONICA MINOLTA
Technology Alliances	Microsoft, ORACLE, cadence, cisco

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We have a world class management team



Mark J. Barrenechea
President and CEO



John Doolittle
Chief Financial Officer



Gordon Davies
Chief Legal Officer



Adam Howatson
Chief Marketing Officer



Lisa Zangari
Chief Human Resources Officer



David Jamieson
Chief Information Officer



James McGourlay
Global Technical Services



Russ Stuebing
Corporate Development



Gary Weiss
Cloud Services



Muhi Majzoub
Engineering



Simon "Ted" Harrison
Enterprise Sales



George Schulze
Information Exchange Sales



Andy Wild
Analytics Sales

Our leaders have extensive industry experience and deep expertise in scaling technology organizations

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OpenText™

ENABLING THE DIGITAL WORLD

SIMPLIFY. TRANSFORM. ACCELERATE.