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Investor Presentation

NASDAQ: OTEX | TSX: OTEX

August 2, 2018

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, 2018 (Fiscal 2018) 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.

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NASDAQ, TSX: OTEX
A TSX-60 Company

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 $710 Million
- ROIC 17.5%

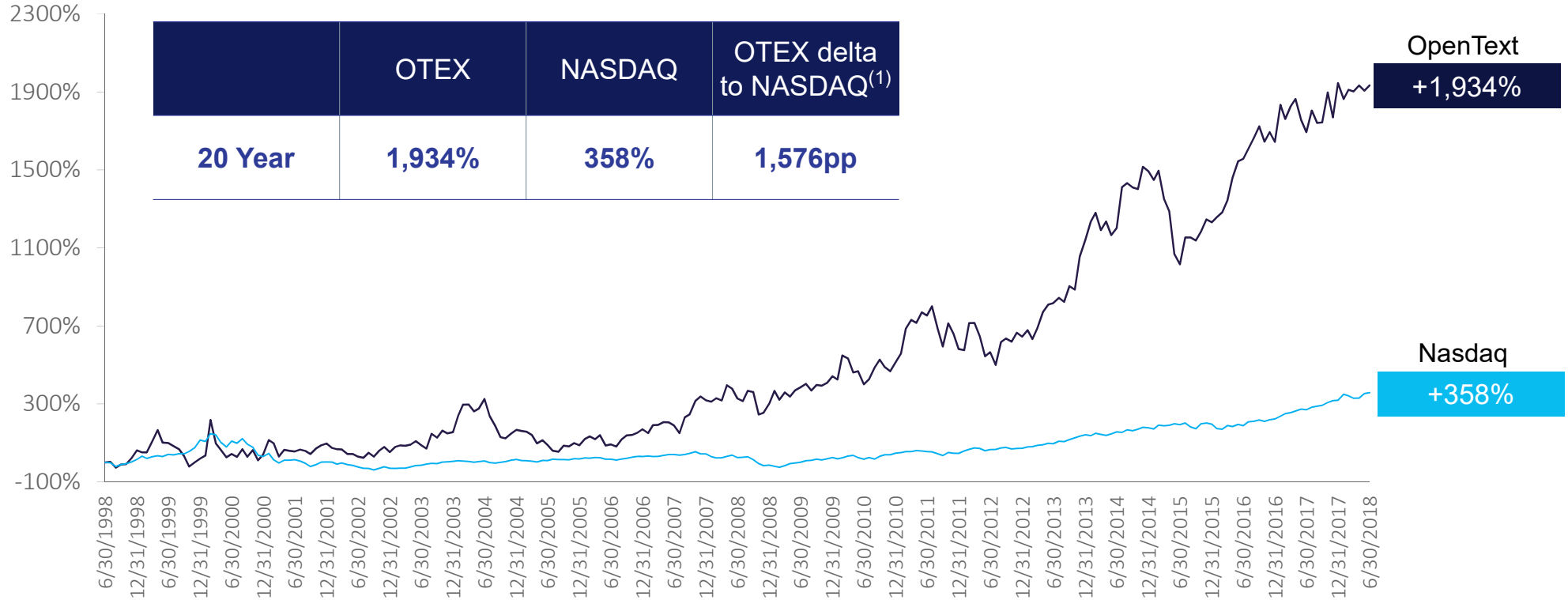
1. All statements and figures are Company supplied estimates

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20-Year Total Shareholder Return

OTEX v. NASDAQ

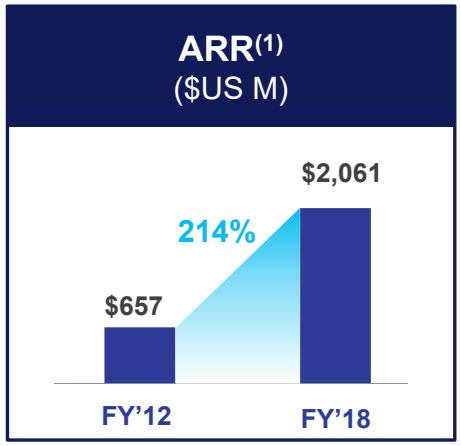
	OTEX	NASDAQ	OTEX delta to NASDAQ(1)
20 Year	**1,934%**	**358%**	**1,576pp**



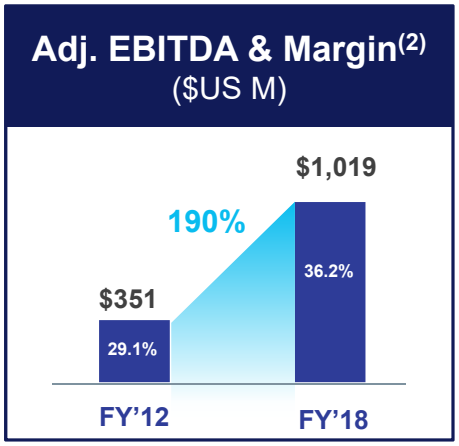
1. Source: NASDAQ (June 30, 2018)

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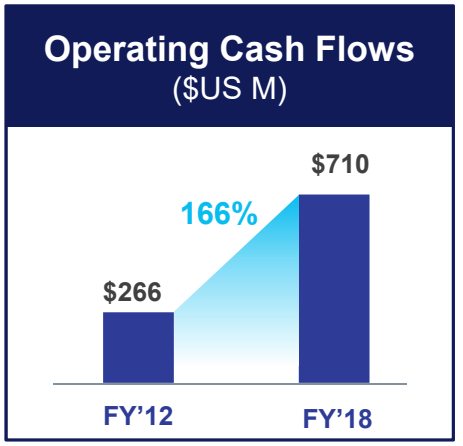
Key Metrics



ARR
214% Growth



Adj. EBITDA(2)
190% Growth

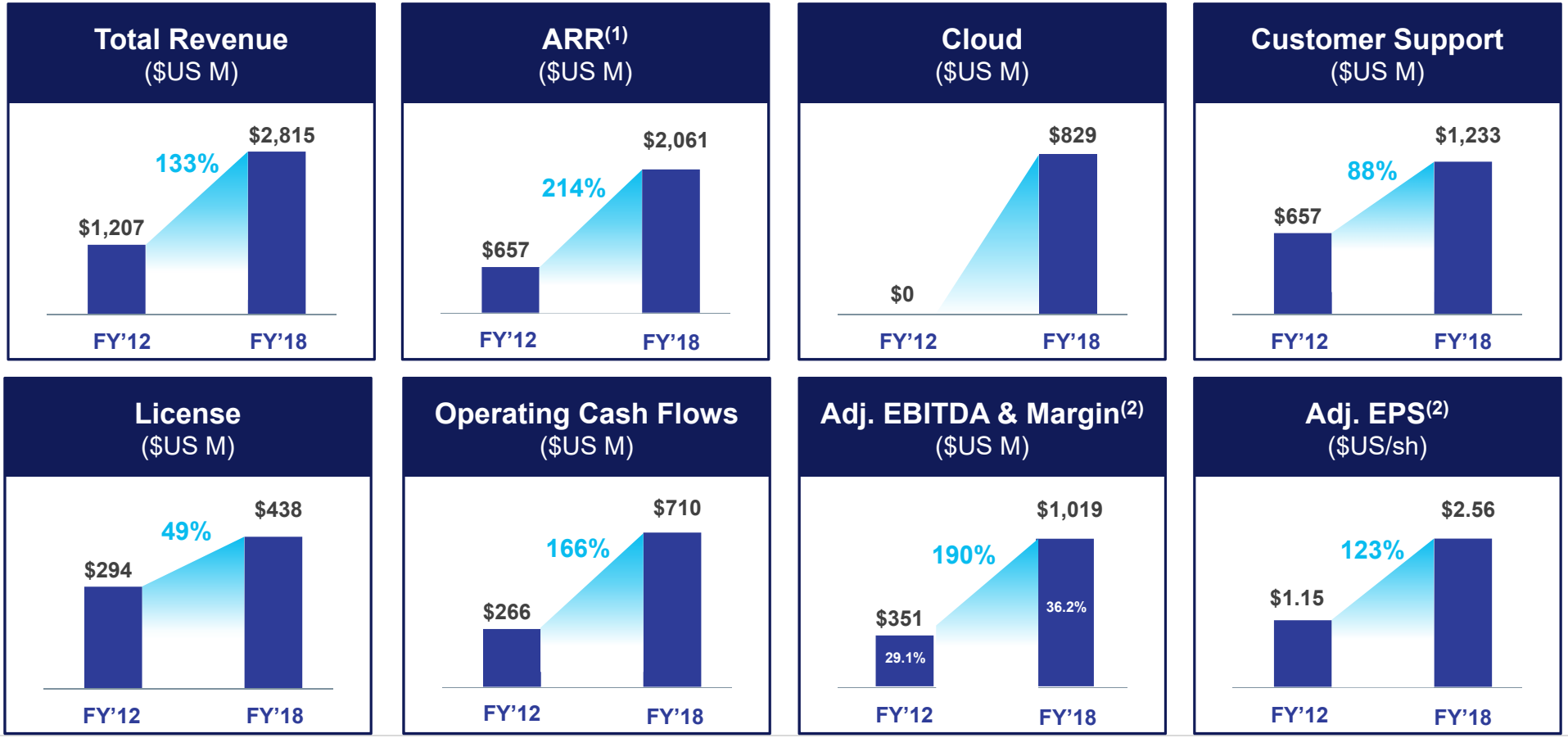


OCF
166% Growth

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 at the end of this presentation and in our historical filings on Form 10Q and 10K

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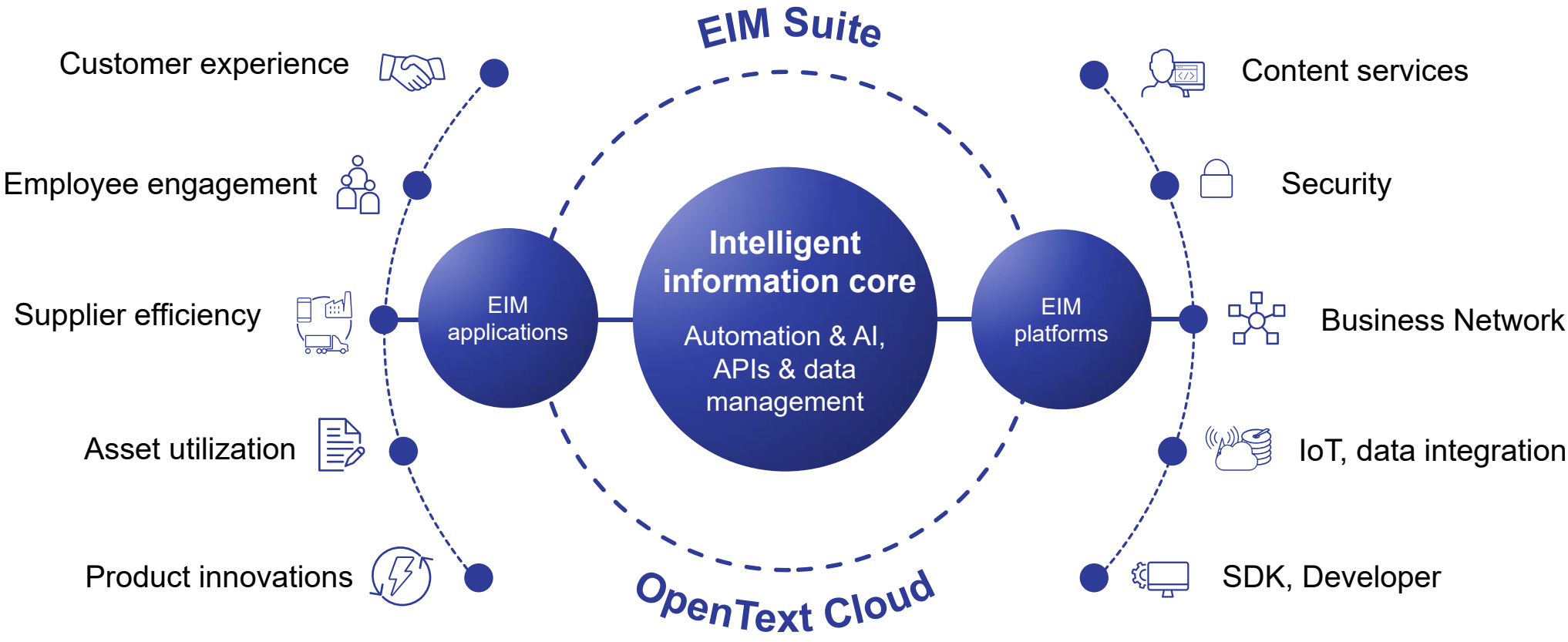
Six years of significant, sustainable, profitable growth



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 at the end of this presentation and in our historical filings on Form 10Q and 10K

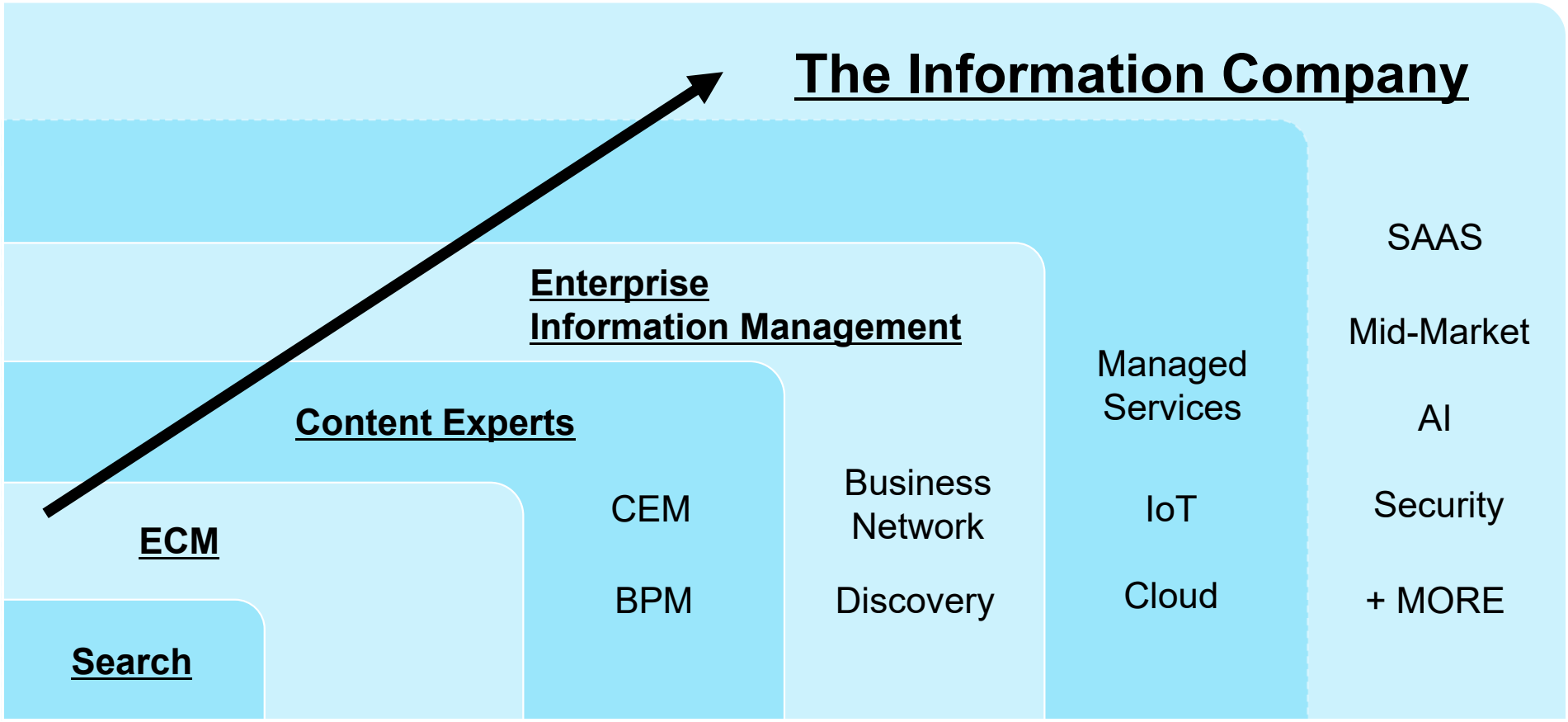
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Our Vision: The Intelligent and Connected Enterprise



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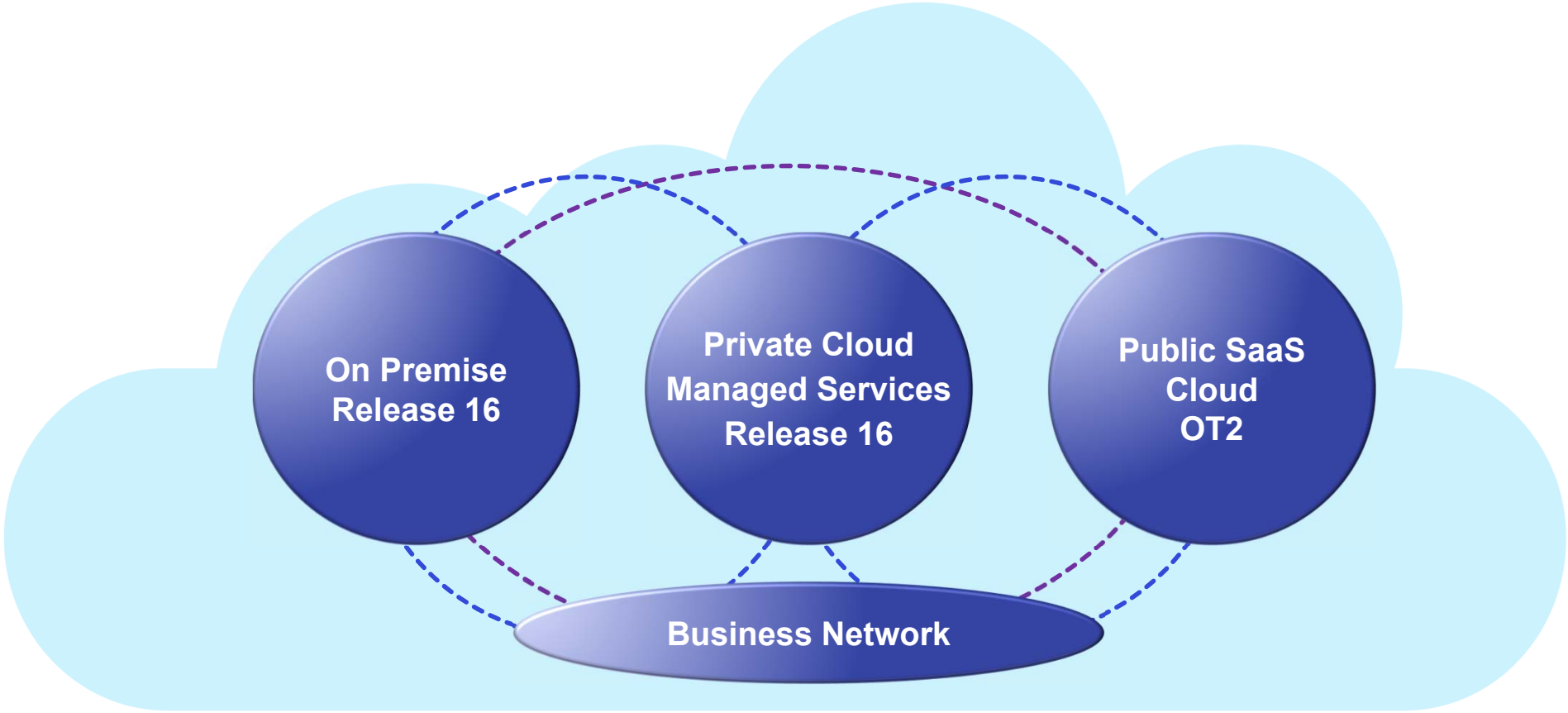
$100 Billion Strategic Opportunity



1. Referencing Industry Analyst reports for EIM technologies, AI and IoT.

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Completing the Need: OpenText Enterprise Cloud



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Global Operations and Distribution

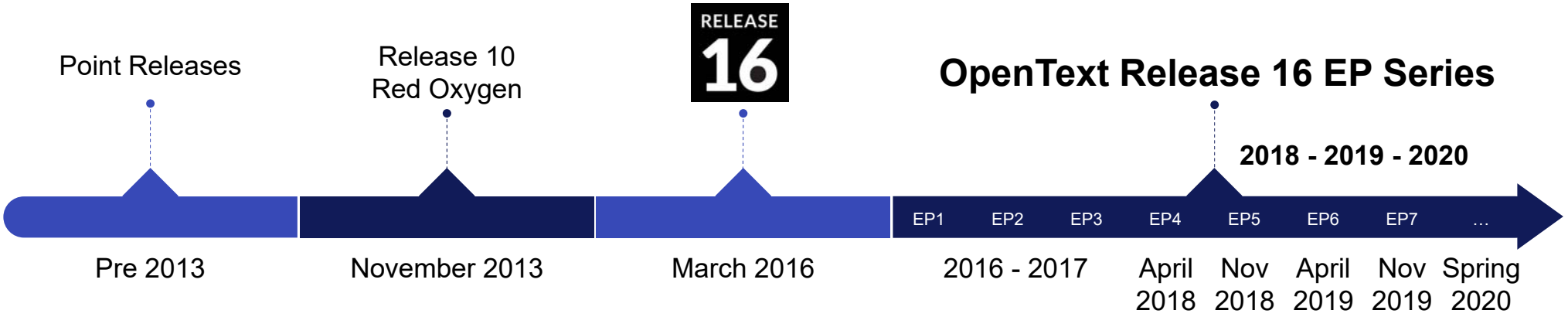


	Total	Americas(2)		EMEA	APJ
# of Employees(1):	Total Employees 12,200	United States 3,600	Canada 1,700	Europe, Middle East, Africa 2,400	APJ 4,400
FY18 Revenue:	Total Revenue $2.82B	United States $1.43B	Canada $150M	$920M	$280M

1. Numbers are approximate as of Q4 FY'18
2. Excludes Central and South America

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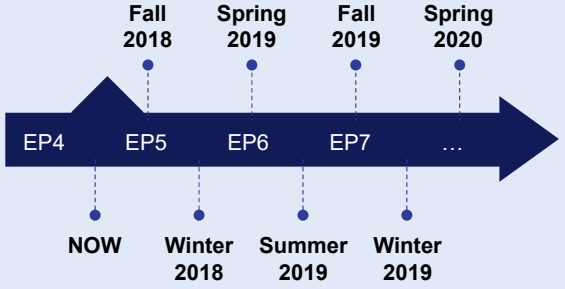
Blueprint for the Future: Release 16 + OT2



- ***Native SaaS***
- ***Micro-services***
- ***Quarterly updates***
- ***Runs in the OpenText Enterprise Cloud***

- ***Next generation SaaS applications***
- ***Pre integrated to Release 16***
- ***One data model***
- ***One tech stack***

OT2
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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**

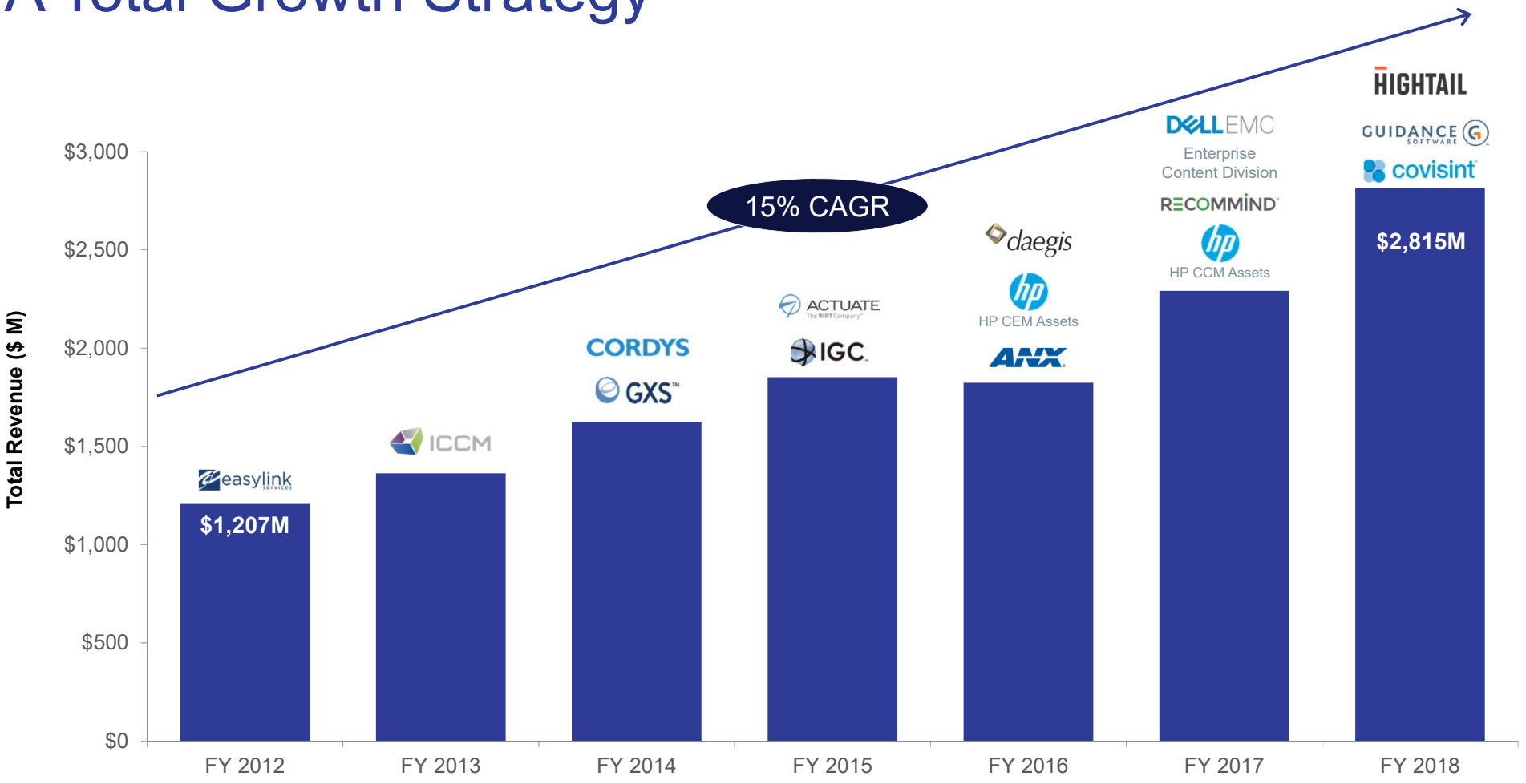
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Total Growth: Customer and Partner Success



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A Total Growth Strategy



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History of Successful Acquisitions[1]

- $4.8 billion of capital deployed since 2012 for acquisitions
- 15 completed acquisitions over 6 years
- Average revenue multiple of 2.1x revenue
- Share price appreciation[2] of 192%
- $710M OCF in FY'18
- 17.5% ROIC in FY'18



(1) Timeline based on calendar year
(2) Dividend adjusted share price appreciation from Jan 3, 2012 to June 29, 2018

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Return on Invested Capital (ROIC)

ROIC (OT Calculation) = **Adj. Operating Income (after-tax)** / **(Debt + Equity – Cash – 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]		$932
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

1. Please see reconciliation of GAAP to Non-GAAP measures at the end of this presentation and in our historical filings on Form 10Q and 10K

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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%

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1. Constant currency is defined as the current period reported revenues represented at the prior comparative period's foreign exchange rate.
2. Revenue from acquisitions refers to the revenues that were recognized in Fiscal 2018 that were contributed from acquired businesses for a period of one year from the date of the acquisition.

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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

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Cross-selling to the Global 10K

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

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Strategic Acquisitions Strategy

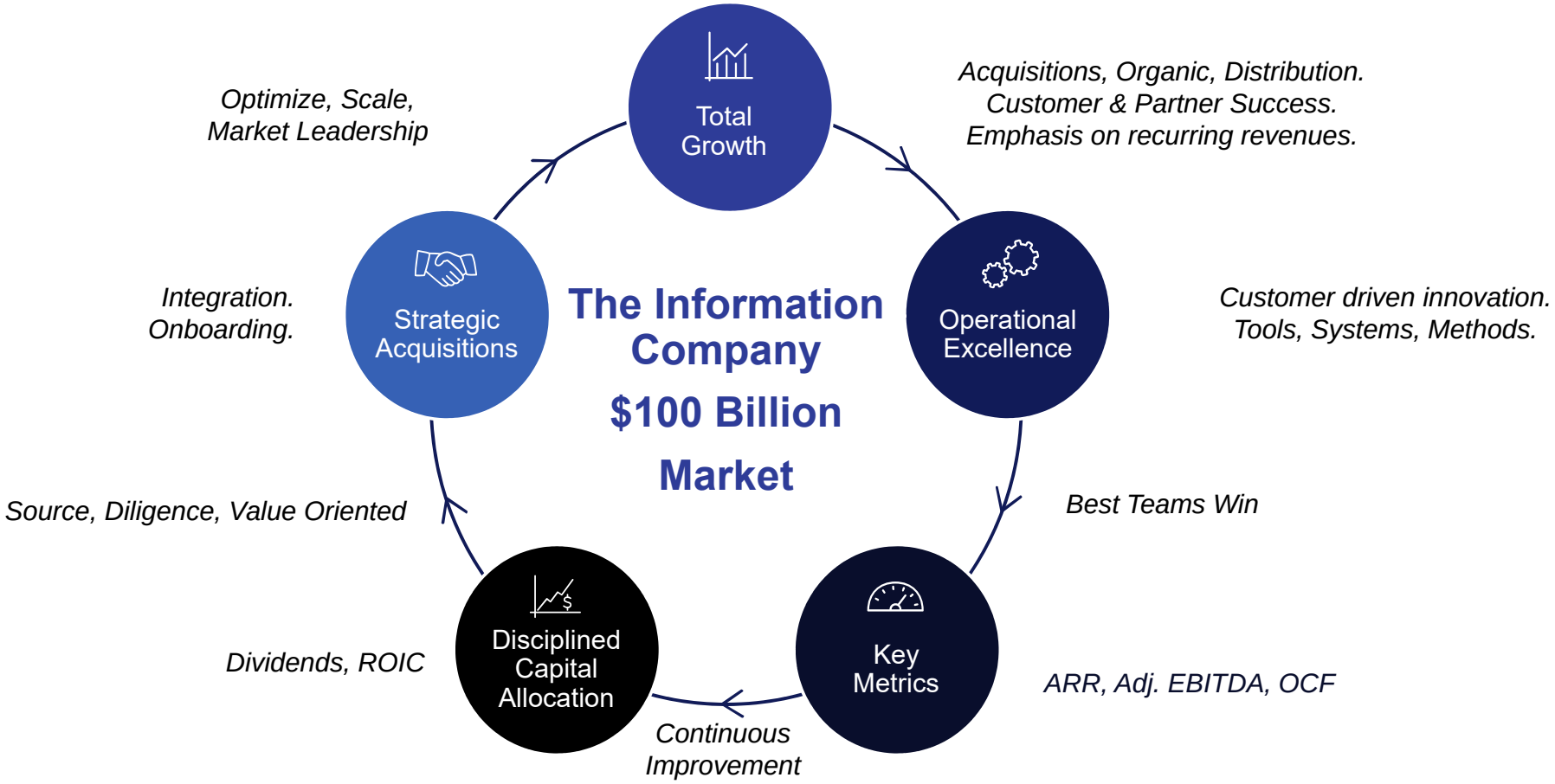
What We Target: Unlocking Value	• Evaluate businesses within the context of “The Information Company” strategy • Fill functional white spaces, vertical capacities and key geographic expansion opportunities • We value recurring revenues, paths to higher margin and strong cash flows • Strong leadership 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

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1. Not a reported metric but used internally as part of OTBS

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The OpenText Business System



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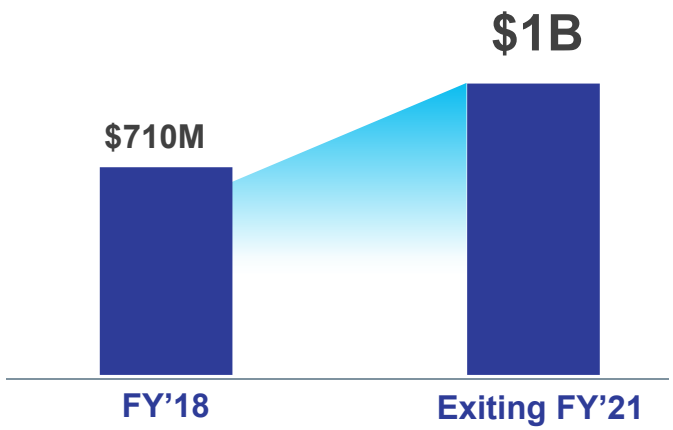
2021 Adjusted EBITDA Targets

FY'19 Model	FY'21 Target	Bridge from FY'19 to FY'21
36% - 38%	38% - 40%	• 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

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Long Term Model[1]

OCF



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

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1. Aspirational model, results could vary based on timing and onboarding of acquisitions. This model is not guidance.
2. Please see reconciliation of GAAP to Non-GAAP measures at the end of this presentation and in our historical filings on Form 10Q and 10K

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Quarterly Factors

Factors to consider in Q1:

- Q1 is a seasonally light quarter
- A significant number of our customers slow down in the summer
- Q1 is a tougher sequential comparison to a strong Q4
- Q1 margin historically down a few hundred basis points sequentially
- Recent US dollar strength vs Euro, Pound, Canadian Dollar, Yen
- The first quarter of ASC 606 revenue impact
- FX + ASC 606 could have a negative revenue impact of up to $17.5M in Q1, subject to quarterly variances
- Continued cloud investment
- We are monitoring closely the headlines on tariffs and currency movements

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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	15.6%	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	96.9%	95% - 97%	96% - 98%
Cloud Services and Subscriptions	56.3%	58% - 60%	57% - 59%
Customer Support	89.2%	88% - 90%	89% - 91%
Professional Services and Other	20.4%	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[1]	**36.2%**	**35% - 38%**	**36% - 38%**
Interest and Other Related Expense USD million	$137	$130 - $135	$144 - $149
Adjusted Tax Rate[2]	14%	14%	14%

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1. Please see reconciliation of GAAP to Non-GAAP measures at the end of this presentation and in our historical filings on Form 10K.
2. Please refer to historical filings, including our Form 10K and Form 10Q, regarding the company's adjusted tax rate.

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Experienced Management Team



Mark J. Barrenechea
Vice Chair, CEO & CTO



Madhu Ranganathan
EVP, CFO



Muhi Majzoub
EVP, Engineering & Cloud Services



Gordon Davies
EVP, CLO & Corporate Development



Simon "Ted" Harrison
EVP, Worldwide Sales



James McGourlay
EVP, Worldwide Support



Paul Duggan
SVP, Worldwide Operations



Kasey Holman
SVP, Communications & Brand



David Jamieson
SVP, CIO



Prentiss Donohue
SVP, Professional Services



Leslie Sarauer
SVP, Human Resources



Patricia E. Nagle
SVP, Chief Marketing Officer

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Fourth Quarter & FY'18 Highlights

Financial Highlights

	Q4 FY'18	FY'18
Annual Recurring Revenue[1]	▪ Annual Recurring revenue of $534.6M, up 13.4% Y/Y ▪ ARR consists of 70.9% of Total Revenue	▪ Annual Recurring revenue of $2,061.5M, up 22.2% Y/Y ▪ ARR consists of 73.2% of Total Revenue
Adjusted EBITDA[2]	▪ Adjusted EBITDA of $281.8M, up 18.9% Y/Y ▪ Adjusted EBITDA Margin of 37.4%	▪ Adjusted EBITDA of $1,019.1M, up 28.6% Y/Y ▪ Adjusted EBITDA Margin of 36.2%
Adjusted Gross Margin[2]	▪ Adjusted Gross Margin – 74.0%	▪ Adjusted Gross Margin – 73.0%
Operating Cash Flows	▪ $205.5M in operating cash flows, compared to $102.5M Y/Y, a 100.5% increase	▪ $709.9M in operating cash flows, compared to $439.3M Y/Y, a 61.6% increase

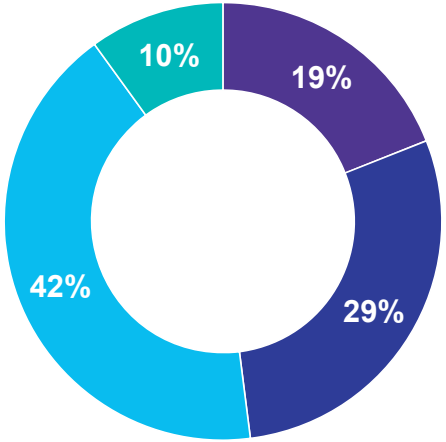
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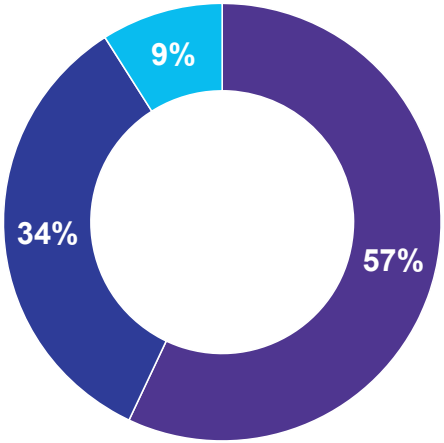
Q4 FY'18 Revenue Breakdown

Total Revenue Mix



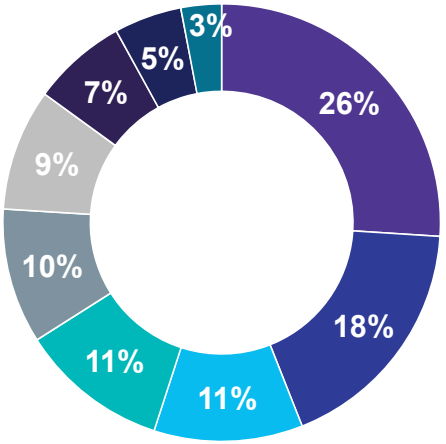
- License
- Cloud services & Subscriptions
- Customer Support
- Professional Service & Other

Total Revenue by Geography



- Americas
- EMEA
- APJ

ARR by Industry

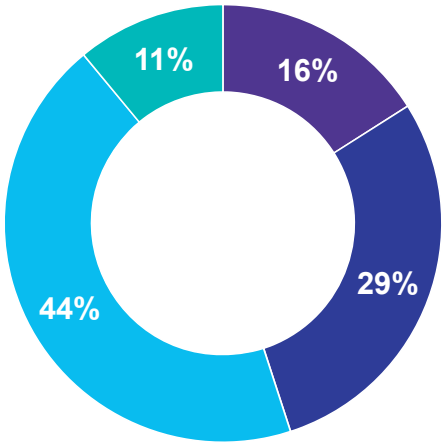


- Financial
- Services
- Technology
- Consumer goods
- Public sector
- Healthcare
- Basic materials and conglomerates
- Industrial goods
- Utilities

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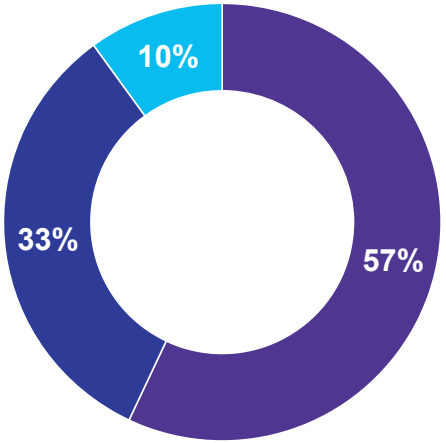
FY’18 Revenue Breakdown

Total Revenue Mix



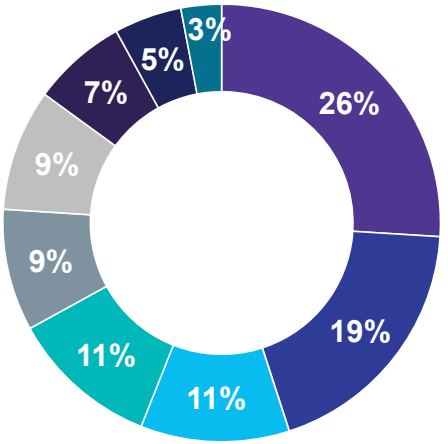
- License
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Total Revenue by Geography



- Americas
- EMEA
- APJ

ARR by Industry



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

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Customer Wins in Q4 FY'18

BMW Group

BMW Group selected OpenText E-Invoicing for its new global, consolidated, e-Invoicing Platform and Portal. The solution will enable the company to accelerate its digital transformation, reducing manual efforts. OpenText E-Invoicing is also modular, and can be easily adapted to future B2B integration requirements.

Government of the Netherlands

The Netherlands Ministry of Education, Culture and Sciences (OCW) wants to become a front runner for a new digitized IT for its central government, offering employees a new way of working based on standard processes in a fully digitized environment. To achieve these goals, the OCW decided to replace its incumbent vendor platform with an OpenText Unlimited Term License, leveraging key OpenText products such as Extended ECM for AppWorks, Content Suite, and Infofusion to achieve a lower total cost of ownership and flexible work environment.

provincie ZUID HOLLAND

Zuid-Holland is a densely populated province with more than 3.5 million people that live, work and travel in an area of less than 3,000 square kilometers. To support a workforce of close to 2,000 employees of the Province of South Holland, a strong and flexible IT infrastructure is needed. A current OpenText Content Suite user, the organization will leverage OpenText Extended ECM for AppWorks to automate the internal and external processes in a single environment.

SWM Stadtwerke München

Stadtwerke München (SWM) is one of the largest and most innovative public utilities companies in Germany delivering key infrastructure solutions to the City of Munich. The company has selected OpenText Magellan for predictive maintenance of escalators that are operated in public spaces, such as central and tube stations, or public properties. With the help of the OpenText solution, SWM will collect IoT data, store it in a database, and predict potential outage.

GEMA

The Gesellschaft für musikalische Aufführungs- und mechanische Vervielfältigungsrechte (GEMA) is a German association with more than 70,000 members and 27 million customers and represents the usage rights from authors of musical works (composers, lyricists, and publishers) who are members of the organization. OpenText Extended ECM Platform enables GEMA members and customers to access and archive digital documents from any location. With the OpenText solution, GEMA expects to increase the usability of its application and, also, to reduce costs of dealing with paper documents.

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Customer Wins in Q4 FY'18

Balta Group is the largest producer of textile floor coverings in Europe with 11 production sites worldwide. A long standing OpenText Trading Grid customer, Balta Group selected OpenText B2B Managed Services to provide a highly scalable and cost efficient B2B integration service that would help the company deal with an increased number of EDI volumes and the complexity of operating globally.

International Brake Industries (IBI), a supplier of brake hardware for the automotive aftermarket was looking to more effectively support the EDI requirements of its customers. The lack of bandwidth limited the company's ability to onboard new trading partners in a timely and cost-effective manner. IBI is leveraging OpenText B2B Managed Services to handle B2B integration with its trading partners, enabling an improved total cost of ownership and global support moving forward.

The Durst Organization develops, builds, owns, and manages premier office towers and residential buildings that set new standards in environmental responsibility and user efficiency. The Durst Organization has been storing business content in OpenText Extended ECM Platform for several years. Recently the company extended their content reach to their mobile team – improving productivity, collaboration, security and compliance.

intact Software AG, is an independent company of the mechanical and plant engineering group Dürr. iTAC provides internet-enabled information and communication technologies for the manufacturing industry. iTAC aims to guarantee the greatest possible transparency over all relevant processes on the manufacturing floor. OpenText Information Hub (iHub) provides the tools to analyze and report the data form production and is seamlessly integrated into iTAC.MES.Suite, the Manufacturing Execution Solution offering form iTAC for serialized and batch production.

The United States Department of Energy's selected OpenText™ EnCase™ suite of solutions for complete endpoint visibility to over 36 different sites located throughout the U.S. Leveraging OpenText EnCase improves internal investigations, and helps the organization respond to litigation and FOIA requests in a timely manner.

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Customer Wins in Q4 FY'18



Ness, one of Israel's leading IT service companies, purchased an Unlimited Term License from OpenText. Leveraging technological expertise and strategic partnerships with OpenText, Ness will resell the Enterprise Information Management (EIM) portfolio and deploy comprehensive value-added solutions to clients serving their business objectives while driving value and operating efficiencies in Israel.



The SPAWAR Systems Center Atlantic Health Systems Security Engineering Program in support of Defense Health Agency, requires enterprise incident response software in order to execute timely responses to computer security incidents in accordance with time-lines prescribed in Chairman of the Joint Chiefs of Staff Instruction (CJCSI) 6510. OpenText EnCase Endpoint Investigator is able to create a forensically validated remote copy of an affected asset's memory, entire file system or individual files. The forensic validation is a requirement due to the potential to introduce these files as evidence in a law enforcement situation.



The RiverStone Group comprises insurance, reinsurance and service companies specializing in the management of legacy and run-off insurance businesses and portfolios. Riverstone selected OpenText Extended ECM Platform to increase their process productivity by integrating with their leading business applications, consolidating multiple Microsoft® SharePoint® repositories, and enabling users to gain a 360-degree view of client history and interactions.



Salt River Project (SRP) is one of the largest public power utilities in the U.S. A long standing OpenText customer, SRP extended its existing OpenText Unlimited Term License agreement to increase the value and scope of its Enterprise Content Management (ECM) project. SRP will roll out new applications to address new and existing needs of its business users



The Auto Club Group (ACG) represents over 9.4 million members and is one of the largest AAA clubs in the national association. Using OpenText Identity and Access Management, ACG will create a single digital member identity across all business units to reduce complexity, increase security, and streamline the digital experience for customers. ACG wants its members to be able to securely access any of its products and services from any digital channel, whenever and wherever they choose.

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Customer Wins in Q4 FY'18

Secureworks®, a leading global cybersecurity company, combines visibility from thousands of clients, aggregates and analyzes data from any source, anywhere, to prevent security breaches, detect malicious activity in real time, respond rapidly, and predict emerging threats. SecureWorks has extended its investment with OpenText. OpenText Analytics Information Hub (iHub) and Interactive Viewer are seamlessly embedded in the Counter Threat Platform. Its clients are offered a cyber-defense that is Collectively Smarter.

The Defense Health Agency (DHA) is a joint, integrated Combat Support Agency that provides medical services to the entire Department of Defense active duty personnel within the Army, Navy, Air Force and Combatant Commands. The DHA selected OpenText Content Suite, AppWorks, Capture Center and Brava to modernize legacy systems and in-house case management solutions. This will enable DHA to better support the needs of its Service members by improving workflows and streamlining the time to process critical activities including information sharing, benefits adjudication, and document management.

Roy Hill is an iron ore mining, rail and port operation in West Australia's Pilbara region. OpenText is an important element supporting Roy Hill's licenses to operate by providing critical information to operational teams in the field. Leveraging OpenText Extended ECM for SAP, Extended ECM for Engineering, and Extended ECM for Office 365, will help Roy Hill reduce costs through digitization and automation of administrative processes.

KDDI Corporation, a Japanese telecommunications operator, selected OpenText Content Suite Platform to improve the quality and efficiency of operations for system engineers by systemizing "Project Management" and "Product Management".

PT Federal International Finance (FIF), an Indonesian financing firm, purchased OpenText Extended ECM Platform and OpenText Content Suite. Using OpenText, FIF will be able to centralize all documentation for ease of access and secure access. The company will save costs on physical storage, optimize operational efficiency, and reduce document logistics costs from site branches to HQ.

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Leadership in Key Verticals

Utilities/Energy



Public Sector



Manufacturing



Automotive



Consumer Goods



Technology



Finance/Insurance



Healthcare



Transportation



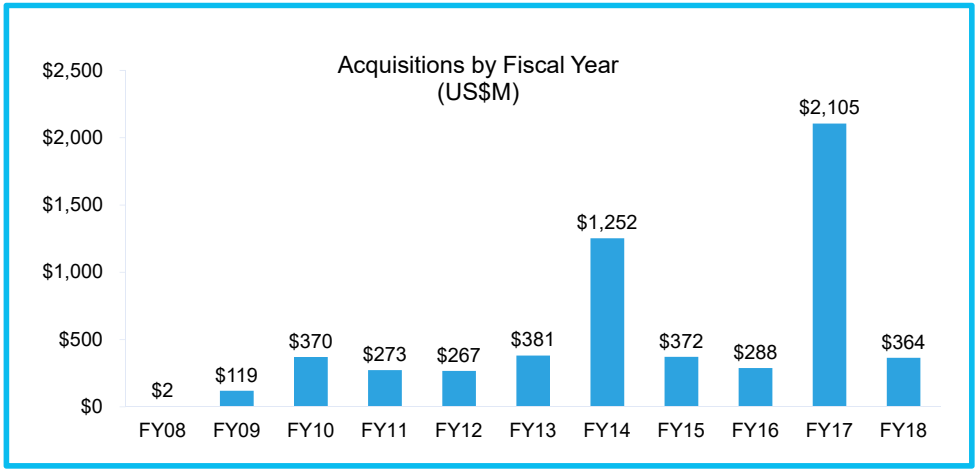
Services

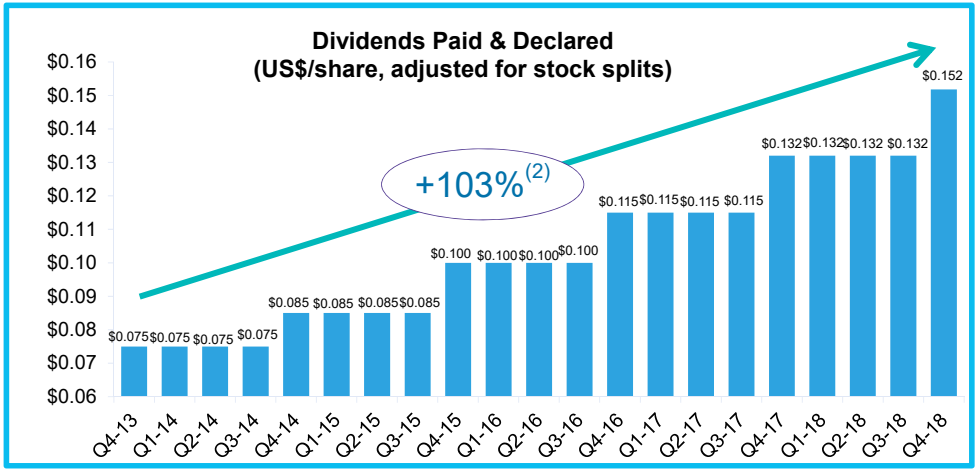


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Disciplined Capital Allocation

- Solid balance sheet of $683M in cash, and strong access to capital
- Credit Ratings[1]: S&P (BB+, stable), and Moody's (Ba1, stable)
- Consolidated net leverage ratio of 1.9:1
- CAPEX spending of $105M for FY'18
- FY'18 ROIC was 17.5%
- Dividend per share[2] has increased by ~103% since 2013
- Target payout of approximately 20% of TTM operating cash flow





1. S&P Credit rating as of May 23, 2018, and Moody's credit rating as of January 8, 2018
2. % Increase on a per share basis.

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Strong Liquidity and Balance Sheet

Liquidity

- Strong operating cash flow reflects high margins and superior earnings quality

Leverage

- We expand our access to capital through growing Adj. EBITDA
- Consolidated net leverage ratio of 1.9:1, well within our external debt covenant of 4.0:1
- Our gross leverage ratio (on a reported basis) improved during the quarter and sits at 2.57x.

As of June 30, 2018 (US$M)	
Cash	$683M
Revolver – Undrawn Portion	$450M(1)
Total Available & Committed Liquidity	$1,133M
Long-term Debt(2)	$2,648M

1. Total revolver commitment is $450M
2. Includes $10M current portion of long-term debt and excludes related premium and debt issuance costs

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Total Long-Term Debt

- Favorable credit ratings and investment grade-like Senior Note covenants provide flexibility
- Credit Ratings[1]: S&P (BB+, stable), and Moody's (Ba1, stable)
- Next major principal debt repayment in 2023

Debt	Principal	Interest Rate
Senior Notes 2026	$850M	5.875%
Senior Notes 2023	$800M	5.625%
Term Loan B[2]	$998M	LIBOR + 1.75%
Revolver[3]	Nil	LIBOR + fixed margin
Total Debt[4]	$2,648M	

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1. S&P Credit rating as of May 23, 2018, and Moody's credit rating as of January 8, 2018
2. Includes $10M current portion of the long-term debt
3. Total revolver commitment is $450M
4. Includes $10M current portion of long-term debt and excludes related premium and debt issuance costs

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Appendix

Fiscal 2018 Acquisitions

HIGHTAIL

- Acquired by OpenText on February 14, 2018 for approximately $21M
- Hightail is a leading cloud service provider for file sharing and creative collaboration
- Complements and extends the OpenText EIM portfolio, particularly its cloud offerings, providing users with the ability to share files and collaborate on rich media content

GUIDANCE SOFTWARE

- Acquired by OpenText on September 14, 2017 for approximately $240M
- Guidance provides forensic security and e-Discovery solutions that enable customers to search, collect and analyze electronically stored information to defend and secure organization's data assets
- Complements OpenText's e-Discovery portfolio and adds Information Security capabilities
- Expect PPA impact combined with normal integration-based revenue disruptions of up to $30 million
- Expected to be on the OpenText model within the first twelve months after closing

covisint

- Acquired by OpenText on July 26, 2017 for approximately $103M
- Expands the reach of OpenText into the EIM market with a cloud-based Internet of Things (IoT) platform
- Strengthens the OpenText Business Network's presence and reach into the Automotive industry
- Now on the OpenText model

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Appendix

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. Non-GAAP-based operating margin is calculated as Non-GAAP-based income from operations expressed as a percentage of total revenue.

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. The following charts provide (unaudited) reconciliations of U.S. GAAP-based financial measures to Non-U.S. GAAP-based financial measures for the following periods presented:

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Summary of Quarterly Results with Constant Currency

(in millions except per share data)	Q4 FY18	Q4 FY17	$ Change	% Change	Q4 FY18 in CC*	% Change in CC*
Revenues:						
Cloud services and subscriptions	$217.9	$183.6	$34.3	18.7 %	$212.5	15.7 %
Customer support	316.8	287.8	28.9	10.1 %	304.1	5.7 %
Total annual recurring revenues**	**$534.6**	**$471.4**	**$63.2**	**13.4 %**	**$516.5**	**9.6 %**
License	139.9	123.5	16.4	13.3 %	135.9	10.0 %
Professional service and other	79.7	68.6	11.1	16.2 %	77.4	12.8 %
Total revenues	**$754.3**	**$663.6**	**$90.7**	**13.7 %**	**$729.8**	**10.0 %**
GAAP-based operating income	$149.3	$106.5	$42.9	40.3 %		
Non-GAAP-based operating income (1)	$259.1	$219.9	$39.1	17.8 %	$247.4	12.5 %
GAAP-based operating margin	19.8 %	16.0 %	n/a	380 bps		
Non-GAAP-based operating margin(1)	34.3 %	33.1 %	n/a	120 bps	33.9 %	80 bps
GAAP-based EPS, diluted	$0.23	$0.17	$0.06	35.3 %		
Non-GAAP-based EPS, diluted(1)(2)	$0.72	$0.60	$0.12	20.0 %	$0.68	13.3 %
GAAP-based net income, attributable to OpenText	$61.7	$46.1	$15.6	33.8 %		
Adjusted EBITDA(1)	$281.8	$237.0	$44.8	18.9 %		
Operating cash flows	$205.5	$102.5	$103.0	100.5 %		

(1) See reconciliation of GAAP-based measures to Non-GAAP-based measures at the end of this presentation
(2) Please also see note 14 to the Company's Consolidated Financial Statements on Form 10-K. Reflective of the amount of net tax benefit arising from the internal reorganization assumed to be allocable to the current period based on the forecasted utilization period.
Note: Individual line items in table may be adjusted by non-material amounts to enable totals to align to published financial statements.
*CC: Constant currency for this purpose is defined as the current period reported revenues/expenses/earnings represented at the prior comparative period's foreign exchange rate.
** Annual recurring revenue is defined as the sum of Cloud services and subscriptions revenue and Customer support revenue.

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Summary of Annual Results with Constant Currency

(in millions except per share data)	FY18	FY17	$ Change	% Change	FY18 in CC*	% Change in CC*
Revenues:						
Cloud services and subscriptions	$829.0	$705.5	$123.5	17.5 %	$818.6	16.0 %
Customer support	1,232.5	981.1	251.4	25.6 %	1,195.4	21.8 %
Total annual recurring revenues**	**$2,061.5**	**$1,686.6**	**$374.9**	**22.2 %**	**$2,013.9**	**19.4 %**
License	437.5	369.1	68.4	18.5 %	423.6	14.8 %
Professional service and other	316.3	235.3	80.9	34.4 %	305.1	29.6 %
Total revenues	**$2,815.2**	**$2,291.1**	**$524.2**	**22.9 %**	**$2,742.7**	**19.7 %**
GAAP-based operating income	$505.4	$352.9	$152.5	43.2 %		
Non-GAAP-based operating income (1)	$932.2	$728.5	$203.7	28.0 %	$901.7	23.8 %
GAAP-based operating margin	18.0 %	15.4 %	n/a	260 bps		
Non-GAAP-based operating margin(1)	33.1 %	31.8 %	n/a	130 bps	32.9 %	110 bps
GAAP-based EPS, diluted(2)	$0.91	$4.01	($3.10)	(77.3) %		
Non-GAAP-based EPS, diluted(1)(3)	$2.56	$2.02	$0.54	26.7 %	$2.46	21.8 %
GAAP-based net income, attributable to OpenText(2)	$242.2	$1,025.7	($783.4)	(76.4) %		
Adjusted EBITDA(1)	$1,019.1	$792.5	$226.5	28.6 %		
Operating cash flows	$709.9	$439.3	$270.6	61.6 %		

(1) See reconciliation of GAAP-based measures to Non-GAAP-based measures at the end of this presentation
(2) Recorded a significant tax benefit in Q1 FY17 of $876.1 million which impacts the Company's Fiscal 2017 results. This significant tax benefit is specifically tied to the Company's internal reorganization and applied to Q1 FY17 only and as a result does not continue in future periods.
(3) Please also see note 14 to the Company's Consolidated Financial Statements on Form 10-K. Reflective of the amount of net tax benefit arising from the internal reorganization assumed to be allocable to the current period based on the forecasted utilization period.
Note: Individual line items in table may be adjusted by non-material amounts to enable totals to align to published financial statements.
*CC: Constant currency for this purpose is defined as the current period reported revenues/expenses/earnings represented at the prior comparative period's foreign exchange rate.
** Annual recurring revenue is defined as the sum of Cloud services and subscriptions revenue and Customer support revenue.

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Reconciliation of Selected Non-GAAP Measures | Q4 F18

(in '000s USD)	Three Months Ended June 30, 2018					
	GAAP	GAAP % of Total Revenue	Adjustments	FN	Non- GAAP	Non-GAAP % of Total Revenue
COST OF REVENUES						
Cloud services and subscriptions	$ 95,079		$ (310)	(1)	$ 94,769	
Customer support	34,284		(300)	(1)	33,984	
Professional service and other	64,980		(516)	(1)	64,464	
Amortization of acquired technology-based intangible assets	47,477		(47,477)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	509,402	67.5%	48,603	(3)	558,005	74.0%
Operating expenses						
Research and development	82,006		(1,453)	(1)	80,553	
Sales and marketing	147,430		(2,552)	(1)	144,878	
General and administrative	52,596		(1,990)	(1)	50,606	
Amortization of acquired customer-based intangible assets	47,299		(47,299)	(2)	—	
Special charges (recoveries)	7,821		(7,821)	(4)	—	
GAAP-based income from operations and operating margin (%) / Non-GAAP-based income from operations and operating margin (%)	149,349	19.8%	109,718	(5)	259,067	34.3%
Other income (expense), net	(8,938)		8,938	(6)	—	
Provision for (recovery of) income taxes	43,182		(11,860)	(7)	31,322	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	61,723		130,516	(8)	192,239	
GAAP-based earnings per share / Non GAAP-based earnings per share-diluted, attributable to OpenText	$ 0.23		$ 0.49	(8)	$ 0.72	

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Reconciliation of Selected Non-GAAP Measures | Q4 F18

FOOTNOTES	
1	Adjustment relates to the exclusion of share based compensation expense from our Non-GAAP-based operating expenses as this expense is excluded from our internal analysis of operating results.
2	Adjustment relates to the exclusion of amortization expense from our Non-GAAP-based operating expenses as the timing and frequency of amortization expense is dependent on our acquisitions and is hence excluded from our internal analysis of operating results.
3	GAAP-based and Non-GAAP-based gross profit stated in dollars and gross margin stated as a percentage of total revenue.
4	Adjustment relates to the exclusion of Special charges (recoveries) from our Non-GAAP-based operating expenses as Special charges (recoveries) are generally incurred in the periods relevant to an acquisition and include certain charges or recoveries that are not indicative or related to continuing operations, and are therefore excluded from our internal analysis of operating results.
5	GAAP-based and Non-GAAP-based income from operations stated in dollars and operating margin stated as a percentage of total revenue.
6	Adjustment relates to the exclusion of Other income (expense) from our Non-GAAP-based operating expenses as Other income (expense) generally relates to the transactional impact of foreign exchange and is generally not indicative or related to continuing operations and is therefore excluded from our internal analysis of operating results. Other income (expense) also includes our share of income (losses) from our holdings in non-marketable securities investments as a limited partner. We do not actively trade equity securities in these privately held companies nor do we plan our ongoing operations based around any anticipated fundings or distributions from these investments. We exclude gains and losses on these investments as we do not believe they are reflective of our ongoing business and operating results.
7	Adjustment relates to differences between the GAAP-based tax provision rate of approximately 41% and a Non-GAAP-based tax rate of approximately 14%; these rate differences are due to the income tax effects of items that are excluded for the purpose of calculating Non-GAAP-based adjusted net income. Such excluded items include amortization, share-based compensation, Special charges (recoveries) and other income (expense), net. Also excluded are tax benefits/expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves, and "book to return" adjustments for tax return filings and tax assessments. Included is the amount of net tax benefits arising from the internal reorganization assumed to be allocable to the current period based on the forecasted utilization period. In arriving at our Non-GAAP-based tax rate of approximately 14%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense. We also took into consideration changes in US tax reform legislation that was enacted on December 22, 2017 through the Tax Cuts and Jobs Act.
8	Reconciliation of GAAP-based net income to Non-GAAP-based net income:

	Three Months Ended June 30, 2018	
		Per share diluted
GAAP-based net income, attributable to OpenText	$ 61,723	$ 0.23
Add:		
Amortization	94,776	0.35
Share-based compensation	7,121	0.03
Special charges (recoveries)	7,821	0.03
Other (income) expense, net	8,938	0.03
GAAP-based provision for (recovery of) income taxes	43,182	0.16
Non-GAAP based provision for income taxes	(31,322)	(0.11)
Non-GAAP-based net income, attributable to OpenText	$ 192,239	$ 0.72

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Reconciliation of Selected Non-GAAP Measures | Fiscal 2018

(in '000s USD)	Year Ended June 30, 2018					
	GAAP	GAAP % of Total Revenue	Adjustments	FN	Non- GAAP	Non-GAAP % of Total Revenue
COST OF REVENUES						
Cloud services and subscriptions	$ 364,091		$ (1,429)	(1)	$ 362,662	
Customer support	134,089		(1,233)	(1)	132,856	
Professional service and other	253,670		(1,838)	(1)	251,832	
Amortization of acquired technology-based intangible assets	185,868		(185,868)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	1,863,830	66.2%	190,368	(3)	2,054,198	73.0%
Operating expenses						
Research and development	323,461		(5,659)	(1)	317,802	
Sales and marketing	529,381		(9,231)	(1)	520,150	
General and administrative	205,313		(8,204)	(1)	197,109	
Amortization of acquired customer-based intangible assets	184,118		(184,118)	(2)	—	
Special charges (recoveries)	29,211		(29,211)	(4)	—	
GAAP-based income from operations and operating margin (%) / Non-GAAP-based income from operations and operating margin (%)	505,403	18.0%	426,791	(5)	932,194	33.1%
Other income (expense), net	17,973		(17,973)	(6)	—	
Provision for (recovery of) income taxes	143,826		(32,534)	(7)	111,292	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	242,224		441,352	(8)	683,576	
GAAP-based earnings per share / Non GAAP-based earnings per share-diluted, attributable to OpenText	$ 0.91		$ 1.65	(8)	$ 2.56	

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Reconciliation of Selected Non-GAAP Measures | Fiscal 2018

FOOTNOTES	
1	Adjustment relates to the exclusion of share based compensation expense from our Non-GAAP-based operating expenses as this expense is excluded from our internal analysis of operating results.
2	Adjustment relates to the exclusion of amortization expense from our Non-GAAP-based operating expenses as the timing and frequency of amortization expense is dependent on our acquisitions and is hence excluded from our internal analysis of operating results.
3	GAAP-based and Non-GAAP-based gross profit stated in dollars and gross margin stated as a percentage of total revenue.
4	Adjustment relates to the exclusion of Special charges (recoveries) from our Non-GAAP-based operating expenses as Special charges (recoveries) are generally incurred in the periods relevant to an acquisition and include certain charges or recoveries that are not indicative or related to continuing operations, and are therefore excluded from our internal analysis of operating results.
5	GAAP-based and Non-GAAP-based income from operations stated in dollars and operating margin stated as a percentage of total revenue.
6	Adjustment relates to the exclusion of Other income (expense) from our Non-GAAP-based operating expenses as Other income (expense) generally relates to the transactional impact of foreign exchange and is generally not indicative or related to continuing operations and is therefore excluded from our internal analysis of operating results. Other income (expense) also includes our share of income (losses) from our holdings in non-marketable securities investments as a limited partner. We do not actively trade equity securities in these privately held companies nor do we plan our ongoing operations based around any anticipated fundings or distributions from these investments. We exclude gains and losses on these investments as we do not believe they are reflective of our ongoing business and operating results.
7	Adjustment relates to differences between the GAAP-based tax provision rate of approximately 37% and a Non-GAAP-based tax rate of approximately 14%; these rate differences are due to the income tax effects of items that are excluded for the purpose of calculating Non-GAAP-based adjusted net income. Such excluded items include amortization, share-based compensation, Special charges (recoveries) and other income (expense), net. Also excluded are tax benefits/expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves, and "book to return" adjustments for tax return filings and tax assessments. Included is the amount of net tax benefits arising from the internal reorganization assumed to be allocable to the current period based on the forecasted utilization period. In arriving at our Non-GAAP-based tax rate of approximately 14%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense. We also took into consideration changes in US tax reform legislation that was enacted on December 22, 2017 through the Tax Cuts and Jobs Act.
8	Reconciliation of GAAP-based net income to Non-GAAP-based net income:

	Year Ended June 30, 2018	
		Per share diluted
GAAP-based net income, attributable to OpenText	$ 242,224	$ 0.91
Add:		
Amortization	369,986	1.38
Share-based compensation	27,594	0.10
Special charges (recoveries)	29,211	0.11
Other (income) expense, net	(17,973)	(0.07)
GAAP-based provision for (recovery of) income taxes	143,826	0.54
Non-GAAP based provision for income taxes	(111,292)	(0.41)
Non-GAAP-based net income, attributable to OpenText	$ 683,576	$ 2.56

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Reconciliation of Selected Non-GAAP Measures | Q4 F17

(in '000s USD)	Three Months Ended June 30, 2017					
	GAAP	GAAP % of Total Revenue	Adjustments	FN	Non- GAAP	Non-GAAP % of Total Revenue
COST OF REVENUES						
Cloud services and subscriptions	$ 79,588		$ (390)	(1)	$ 79,198	
Customer support	35,224		(313)	(1)	34,911	
Professional service and other	58,028		(449)	(1)	57,579	
Amortization of acquired technology-based intangible assets	43,288		(43,288)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	444,038	66.9%	44,440	(3)	488,478	73.6%
Operating expenses						
Research and development	81,301		(1,777)	(1)	79,524	
Sales and marketing	129,541		(2,450)	(1)	127,091	
General and administrative	47,499		(2,755)	(1)	44,744	
Amortization of acquired customer-based intangible assets	42,594		(42,594)	(2)	—	
Special charges (recoveries)	19,461		(19,461)	(4)	—	
GAAP-based income from operations and operating margin (%) / Non-GAAP-based income from operations and operating margin (%)	106,452	16.0%	113,477	(5)	219,929	33.1%
Other income (expense), net	11,178		(11,178)	(6)	—	
Provision for (recovery of) income taxes	39,000		(10,731)	(7)	28,269	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	46,137		113,030	(8)	159,167	
GAAP-based earnings per share / Non GAAP-based earnings per share-diluted, attributable to OpenText	$ 0.17		$ 0.43	(8)	$ 0.60	

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Reconciliation of Selected Non-GAAP Measures | Q4 F17

FOOTNOTES	
1	Adjustment relates to the exclusion of share based compensation expense from our Non-GAAP-based operating expenses as this expense is excluded from our internal analysis of operating results.
2	Adjustment relates to the exclusion of amortization expense from our Non-GAAP-based operating expenses as the timing and frequency of amortization expense is dependent on our acquisitions and is hence excluded from our internal analysis of operating results.
3	GAAP-based and Non-GAAP-based gross profit stated in dollars and gross margin stated as a percentage of total revenue.
4	Adjustment relates to the exclusion of Special charges (recoveries) from our Non-GAAP-based operating expenses as Special charges (recoveries) are generally incurred in the periods relevant to an acquisition and include certain charges or recoveries that are not indicative or related to continuing operations, and are therefore excluded from our internal analysis of operating results.
5	GAAP-based and Non-GAAP-based income from operations stated in dollars and operating margin stated as a percentage of total revenue.
6	Adjustment relates to the exclusion of Other income (expense) from our Non-GAAP-based operating expenses as Other income (expense) generally relates to the transactional impact of foreign exchange and is generally not indicative or related to continuing operations and is therefore excluded from our internal analysis of operating results. Other income (expense) also includes our share of income (losses) from our holdings in non-marketable securities investments as a limited partner. We do not actively trade equity securities in these privately held companies nor do we plan our ongoing operations based around any anticipated fundings or distributions from these investments. We exclude gains and losses on these investments as we do not believe they are reflective of our ongoing business and operating results.
7	Adjustment relates to differences between the GAAP-based tax provision rate of approximately 46% and a Non-GAAP-based tax rate of approximately 15%; these rate differences are due to the income tax effects of items that are excluded for the purpose of calculating Non-GAAP-based adjusted net income. Such excluded items include amortization, share-based compensation, Special charges (recoveries) and other income (expense), net. Also excluded are tax benefits/expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves and "book to return" adjustments for tax return filings and tax assessments. Included is the amount of net tax benefits arising from the internal reorganization assumed to be allocable to the current period based on the forecasted utilization period. In arriving at our Non-GAAP-based tax rate of approximately 15%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense.
8	Reconciliation of GAAP-based net income to Non-GAAP-based net income:

	Three Months Ended June 30, 2017	
		Per share diluted
GAAP-based net income, attributable to OpenText	$ 46,137	$ 0.17
Add:		
Amortization	85,882	0.32
Share-based compensation	8,134	0.03
Special charges (recoveries)	19,461	0.07
Other (income) expense, net	(11,178)	(0.04)
GAAP-based provision for (recovery of) income taxes	39,000	0.15
Non-GAAP based provision for income taxes	(28,269)	(0.10)
Non-GAAP-based net income, attributable to OpenText	$ 159,167	$ 0.60

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Reconciliation of Selected Non-GAAP Measures | Fiscal 2017

(in '000s USD)	Year Ended June 30, 2017					
	GAAP	GAAP % of Total Revenue	Adjustments	FN	Non- GAAP	Non-GAAP % of Total Revenue
COST OF REVENUES						
Cloud services and subscriptions	$ 300,255		$ (1,229)	(1)	$ 299,026	
Customer support	122,753		(1,079)	(1)	121,674	
Professional service and other	195,195		(1,451)	(1)	193,744	
Amortization of acquired technology-based intangible assets	130,556		(130,556)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	1,528,666	66.7%	134,315	(3)	1,662,981	72.6%
Operating expenses						
Research and development	281,680		(7,149)	(1)	274,531	
Sales and marketing	444,838		(9,680)	(1)	435,158	
General and administrative	170,438		(9,919)	(1)	160,519	
Amortization of acquired customer-based intangible assets	150,842		(150,842)	(2)	—	
Special charges (recoveries)	63,618		(63,618)	(4)	—	
GAAP-based income from operations and operating margin (%) / Non-GAAP-based income from operations and operating margin (%)	352,932	15.4%	375,523	(5)	728,455	31.8%
Other income (expense), net	15,743		(15,743)	(6)	—	
Provision for (recovery of) income taxes	(776,364)		867,764	(7)	91,400	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	1,025,659		(507,984)	(8)	517,675	
GAAP-based earnings per share / Non GAAP-based earnings per share-diluted, attributable to OpenText	$ 4.01		$ (1.99)	(8)	$ 2.02	

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Reconciliation of Selected Non-GAAP Measures | Fiscal 2017

FOOTNOTES	
1	Adjustment relates to the exclusion of share based compensation expense from our Non-GAAP-based operating expenses as this expense is excluded from our internal analysis of operating results.
2	Adjustment relates to the exclusion of amortization expense from our Non-GAAP-based operating expenses as the timing and frequency of amortization expense is dependent on our acquisitions and is hence excluded from our internal analysis of operating results.
3	GAAP-based and Non-GAAP-based gross profit stated in dollars and gross margin stated as a percentage of total revenue.
4	Adjustment relates to the exclusion of Special charges (recoveries) from our Non-GAAP-based operating expenses as Special charges (recoveries) are generally incurred in the periods relevant to an acquisition and include certain charges or recoveries that are not indicative or related to continuing operations, and are therefore excluded from our internal analysis of operating results.
5	GAAP-based and Non-GAAP-based income from operations stated in dollars and operating margin stated as a percentage of total revenue.
6	Adjustment relates to the exclusion of Other income (expense) from our Non-GAAP-based operating expenses as Other income (expense) generally relates to the transactional impact of foreign exchange and is generally not indicative or related to continuing operations and is therefore excluded from our internal analysis of operating results. Other income (expense) also includes our share of income (losses) from our holdings in non-marketable securities investments as a limited partner. We do not actively trade equity securities in these privately held companies nor do we plan our ongoing operations based around any anticipated fundings or distributions from these investments. We exclude gains and losses on these investments as we do not believe they are reflective of our ongoing business and operating results.
7	Adjustment relates to differences between the GAAP-based tax recovery rate of approximately 311% and a Non-GAAP-based tax rate of approximately 15%; these rate differences are due to the income tax effects of items that are excluded for the purpose of calculating Non-GAAP-based adjusted net income. Such excluded items include amortization, share-based compensation, Special charges (recoveries) and other income (expense), net. Also excluded are tax benefits/expense items unrelated to current period income such as changes in reserves for tax uncertainties and valuation allowance reserves, and "book to return" adjustments for tax return filings and tax assessments. Included is the amount of net tax benefits arising from the internal reorganization assumed to be allocable to the current period based on the forecasted utilization period. In arriving at our Non-GAAP-based tax rate of approximately 15%, we analyzed the individual adjusted expenses and took into consideration the impact of statutory tax rates from local jurisdictions incurring the expense.
8	Reconciliation of GAAP-based net income to Non-GAAP-based net income:

	Year Ended June 30, 2017	
		Per share diluted
GAAP-based net income, attributable to OpenText	$ 1,025,659	$ 4.01
Add:		
Amortization	281,398	1.10
Share-based compensation	30,507	0.12
Special charges (recoveries)	63,618	0.25
Other (income) expense, net	(15,743)	(0.06)
GAAP-based provision for (recovery of) income taxes	(776,364)	(3.03)
Non-GAAP based provision for income taxes	(91,400)	(0.37)
Non-GAAP-based net income, attributable to OpenText	$ 517,675	$ 2.02

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Reconciliation of Adjusted EBITDA

(in '000s USD)	FY18	Q4 FY18	FY17	Q4 FY17
GAAP-based Net income attributable to OpenText	$ 242,224	$ 61,723	$ 1,025,659	$ 46,137
Add:				
Provision for (recovery of) income taxes	143,826	43,182	(776,364)	39,000
Interest and other related expense, net	137,250	35,336	119,124	32,372
Amortization of acquired technology-based intangible assets	185,868	47,477	130,556	43,288
Amortization of acquired customer-based intangible assets	184,118	47,299	150,842	42,594
Depreciation	86,943	22,901	64,318	17,190
Share-based compensation	27,594	7,121	30,507	8,134
Special charges (recoveries)	29,211	7,821	63,618	19,461
Other (income) expense, net	(17,973)	8,938	(15,743)	(11,178)
Adjusted EBITDA	$ 1,019,061	$ 281,798	$ 792,517	$ 236,998

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