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Q4 and Fiscal 2020 Financial Results

NASDAQ: OTEX | TSX: OTEX

August 6, 2020

Safe Harbor Statement

This presentation may contain forward-looking statements. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, and created under the Securities Act of 1933, as amended (the Securities Act), and the Securities Exchange Act of 1934, as amended, the Securities Act (Ontario) and Canadian securities legislation in each of the provinces of Canada. All statements other than statements of historical facts are statements that could be deemed forward-looking statements. When we use words such as “anticipates,” “expects,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “may,” “could,” “would”, “will” and variations of these words or similar expressions, we do so to identify forward-looking statements. In addition, any 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 statements, and are 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. These forward-looking statements are based on certain assumptions and involve known and unknown risks as well as uncertainties, which include actual and potential risks and uncertainties relating to the ultimate geographic spread of COVID-19, the severity of the disease and the duration of the COVID-19 pandemic. The actual results that we achieve may differ materially from any forward-looking statements, which reflect management's current expectations and projections about future results only as of the date hereof. We undertake no obligation to revise or publicly release the results of any revisions to these forward-looking statements. A number of factors may materially affect our business, financial condition, operating results and prospects. For additional information with respect to risks and other factors which could occur, see our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other securities filings with the Securities and Exchange Commission and other securities regulators. Any one of these factors may cause our actual results to differ materially from recent results or from our anticipated future results. Readers are cautioned not to place undue reliance upon any such forward-looking statements, which speak only as of the date made.

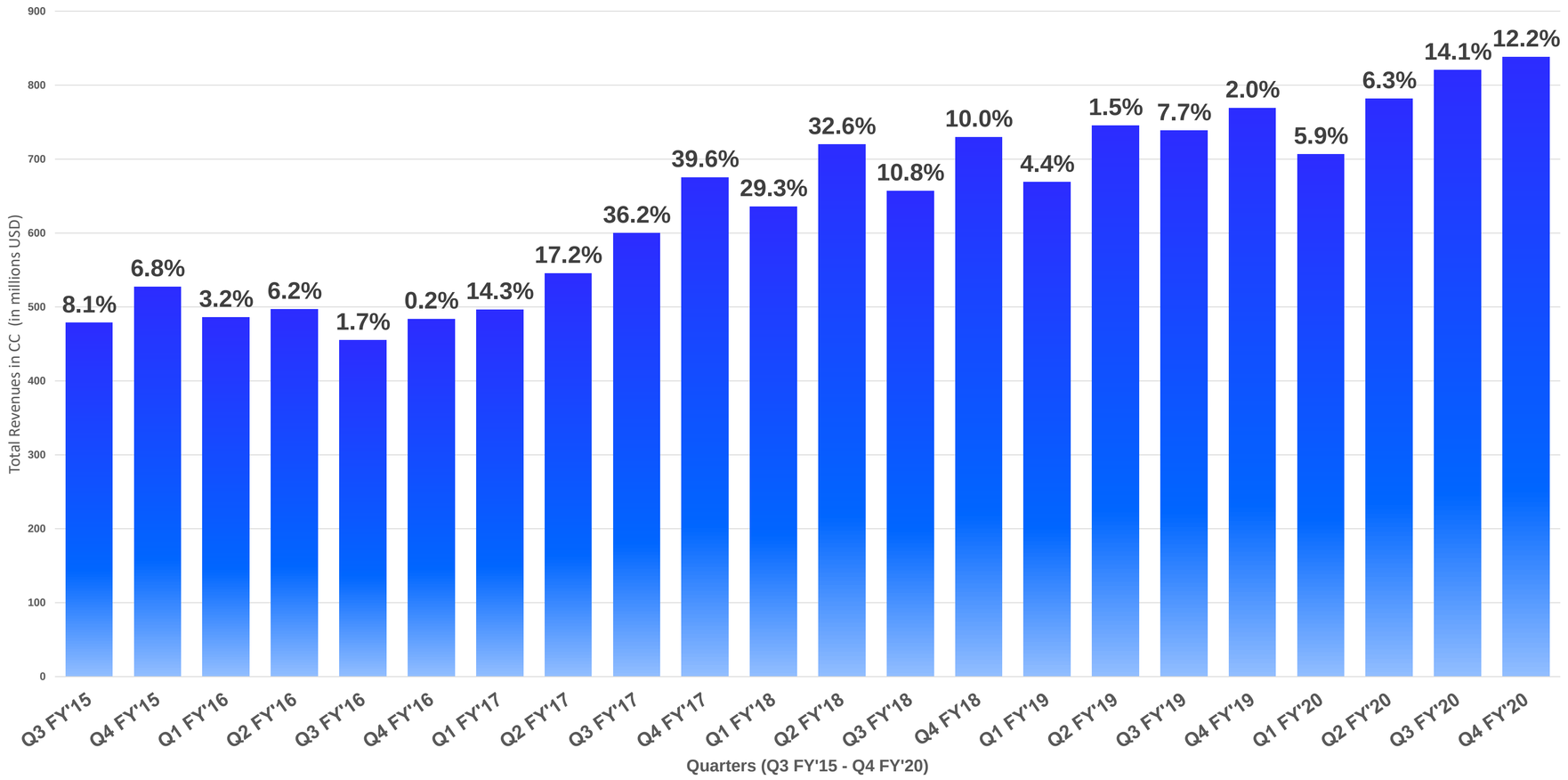
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Twenty-two Consecutive Quarters of Total Growth

22

Consecutive Quarters of Y/Y Growth(1)

Total Revenue Growth in CC(1) (Y/Y)

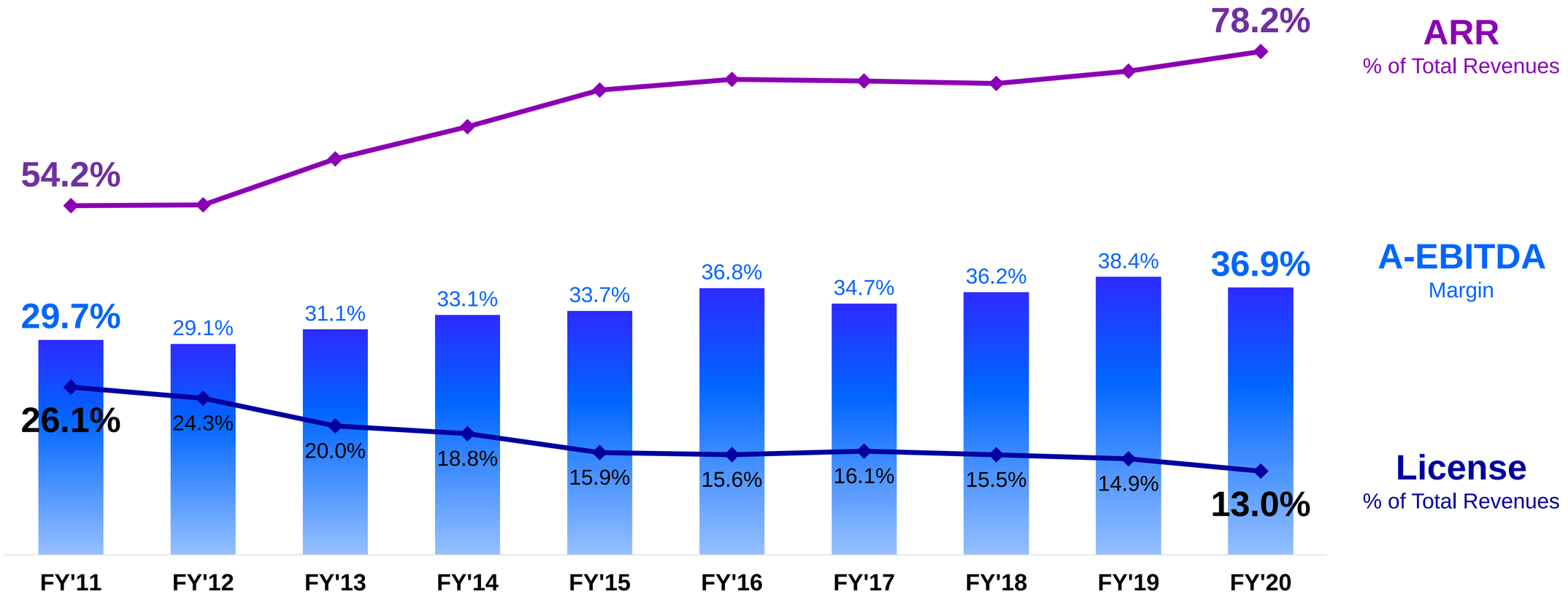


1. Represents Total Revenue growth in constant currency (Y/Y).

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Growing ARR While Expanding Margin

ARR, License, and A-EBITDA[(1),(2)] Margin



1. Please see Appendix A "Use of Non-GAAP Financial Measures" in this presentation for reconciliation of GAAP to Non-GAAP measures.
2. Refer to note 1 of our Fiscal 2019 10-K for details on the impact of recently adopted accounting standards on prior period results.

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Q4 and Fiscal 2020 Financial Highlights

With Y/Y Comparisons

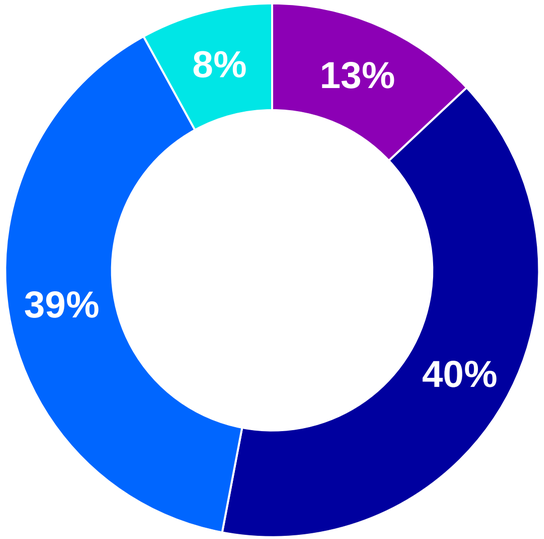
	Q4 FY'20		Fiscal 2020	
Total Revenues	$826.6M	▲ 10.6% ▲ 12.2% in CC	$3.11B	8.4% 9.7% in CC
ARR(1)	$657.5M 79.5% of Total Revenue	▲ 18.0% ▲ 19.5% in CC	$2.43B, 78.2% of Total Revenue	▲ 12.9% ▲ 14.1% in CC
Cloud Revenues	$332.6M	▲ 37.5% ▲ 38.8% in CC	$1.16B	▲ 27.5% ▲ 28.4% in CC
A-EBITDA(2)	$317.4M, 38.4% (margin)	▲ 11.8% ▲ 12.1% in CC	$1.15B, 36.9% (margin)	▲ 4.3% ▲ 5.7% in CC
Non-GAAP Earnings Per Share(2)	$0.80	▲ 11.1% ▲ 11.1% in CC	$2.89	▲ 4.7% ▲ 6.5% in CC
Free Cash Flows(3)	$262.5M	▲ 21.3%	$881.8M	▲ 8.5%

1. 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.
3. Free Cash Flows = Operating Cash Flows minus Capital Expenditures (or "Additions to property & equipment" in the Statement of Cash Flow).

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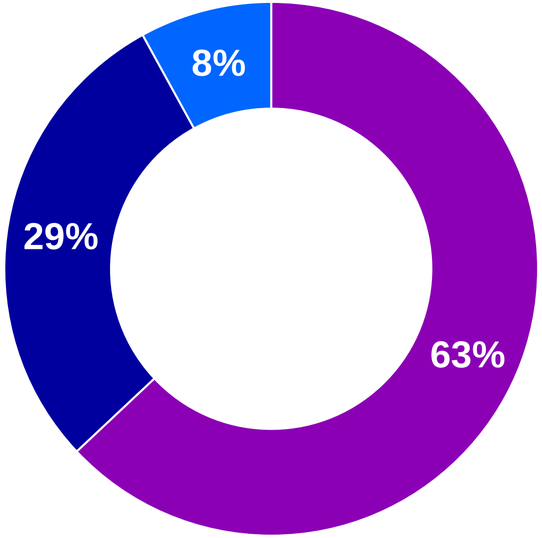
Q4 FY’20 Revenue Breakdown

Total Revenue Mix



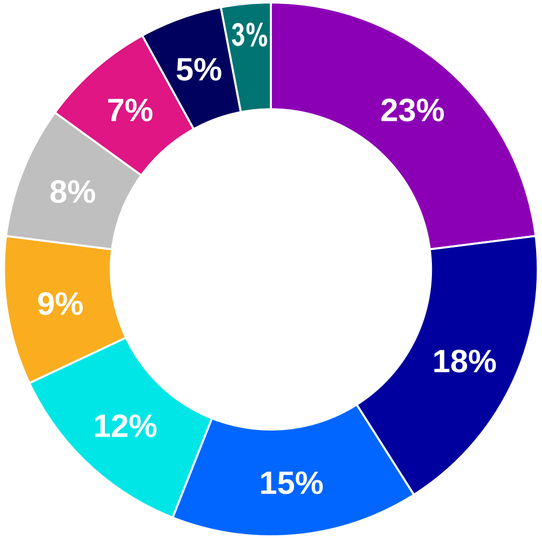
- License
- Cloud Services & Subscriptions
- Customer Support
- Professional Service & Other

Total Revenue by Geography



- Americas
- EMEA
- APJ

ARR by Industry (1)



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

1. Does not include revenue contribution from XMedius.

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Illustrative Q4 F’20 Customer Wins

Business Network

Rapid Radiology is one of the largest teleradiology providers in the U.S.

Expanding its use of OpenText EMR-Link to help speed medical imaging orders and results for increased efficiency, lower costs, and improved patient care

Content Services

NIH is leading research to understand, treat, and prevent infectious, immunologic, and allergic diseases

Selected OpenText Content Suite and OpenText AppWorks to support enterprise-wide business operations in partnership with NIH’s Office of the Director, Office of Management to advance the NIH mission of Turning Discovery Into Health

Cyber Resilience

Provides Critical Infrastructure Protection solutions to more than 1,500 global customers.

Signed multi-year deal for Brightcloud Streaming Malware Detection, Brightcloud Web Classification/Web Reputation and Webroot Brightcloud IP Reputation threat intelligence

Digital Experience

AIA Thailand is part of AIA Group Limited, the largest public listed pan-Asian life insurance group

Acquired OpenText Exstream as part of their paperless initiative to transform their digital customer communication management system

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Q1 FY'21 Quarterly Factors:(1)

Externalities

- COVID-19 health and financial crisis
- Industry and supply chain disruption
- Global geopolitical including the U.S. elections
- Volatile macro environment

Company Specific

Expect Q1 y/y:

- FX neutral
- Total Revenue to increase high-single-digit
- A-EBITDA dollars to increase low-double-digits
- As a reminder, our business is annual, and quarters will vary

1. The Q1 Quarterly Factors are anticipated quarterly variances that do not reflect OpenText's annual business.

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FY’21 Target Model

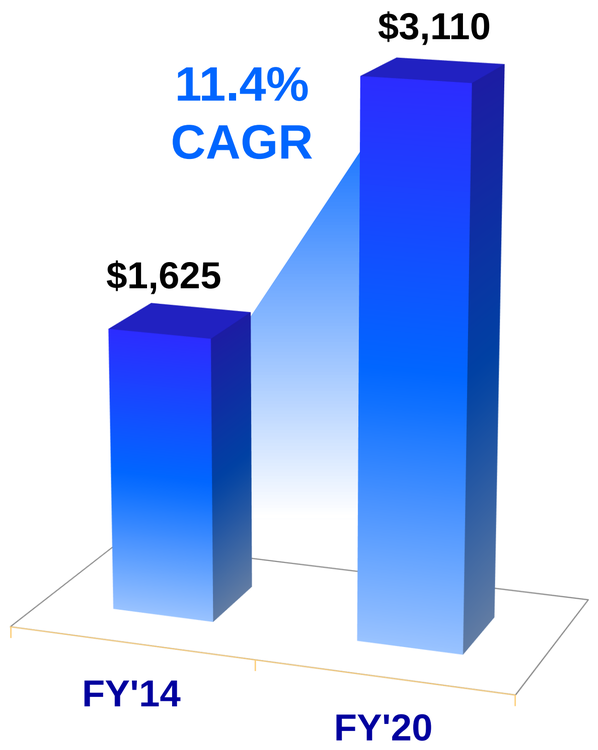
	Fiscal 2020 Model	Fiscal 2020 Results	Fiscal 2021 Model[3]
Revenue Type:			
Annual Recurring Revenue (ARR)	76% - 78%	78.2%	80% - 82%
License	13% - 17%	13.0%	10% - 13%
Cloud Services and Subscriptions	34% - 38%	37.2%	41% - 43%
Customer Support	38% - 42%	41.0%	38% - 42%
Professional Services and Other	7% - 11%	8.8%	6% - 9%
Non-GAAP Gross Margin			
License	96% - 98%	97.2%	96% - 98%
Cloud Services and Subscriptions	58% - 60%	61.3%	63% - 65%
Customer Support	89% - 91%	90.4%	89% - 91%
Professional Services and Other	18% - 20%	22.7%	18% - 20%
Non-GAAP Gross Margin[1]	**73% - 75%**	**74.5%**	**74% - 76%**
Non-GAAP Operating Expenses:			
Research & Development	11% - 13%	11.7%	12% - 14%
Sales & Marketing	18% - 20%	18.5%	18% - 20%
General & Admin	6% - 8%	7.3%	6% - 8%
Depreciation	2% - 4%	2.9%	2% - 4%
A-EBITDA Margin[1]	**35% - 36%**	**36.9%**	**37% - 38%**
Interest and Other Related Expense USD million	$147 - $152	$146.4	$157 - $162
Adjusted Tax Rate[2]	14%	14%	14%
Capital Expenditures	**$72 - $77**	**$73**	**$85 - $95**

1. Please see Appendix A “Use of Non-GAAP Financial Measures” in our Q4 FY20 Financial Business Results presentation for reconciliation of GAAP to Non-GAAP measures.
2. Please refer to historical filings, including our Forms 10-K and 10-Q, regarding the company’s adjusted tax rate.
3. This model is not guidance.

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FY’21 OpenText Total Growth Strategy(1)

Total Revenue Growth
(US$ M)

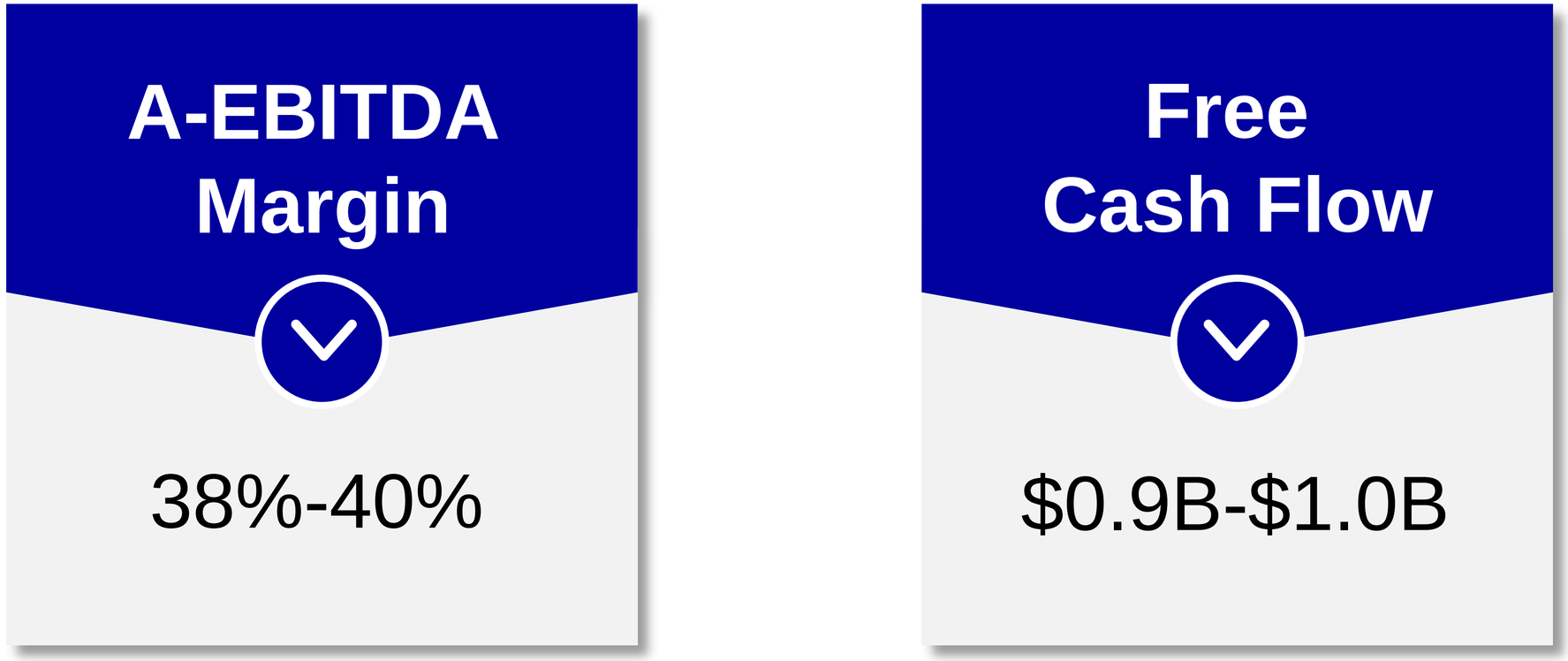


	Expected % Change y/y:
Cloud	**Low double-digit growth**
Customer Support	**Constant**
ARR	**Mid-single digit growth**
Off Cloud (License & PS)	**Decline**
Total Revenue	**Constant**
New M&A	**Additive**

1. As of August 6, 2020

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FY’23 Aspirations: Continued Upper Quartile Performance



Our 3-year aspirations remain constant during the pandemic crisis.
We plan to reinvest any margin gains above 40% into growth initiatives.

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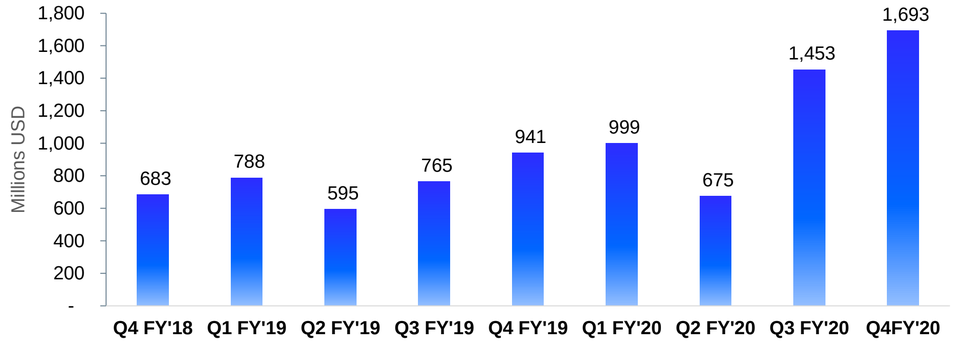
Strong Liquidity and Cash Position

Current Liquidity (US$ M)

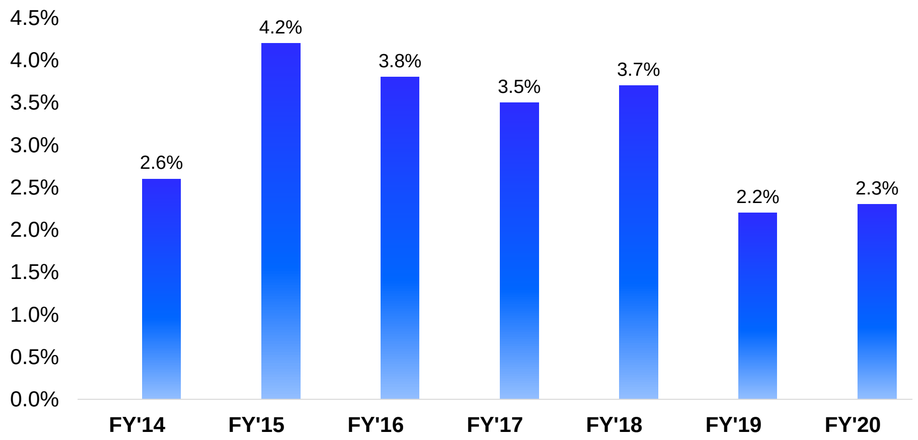
Total Available & Committed Liquidity(1)	**$1,843**

Total cash & short-term investments at $1.693B (Jun 30/20)

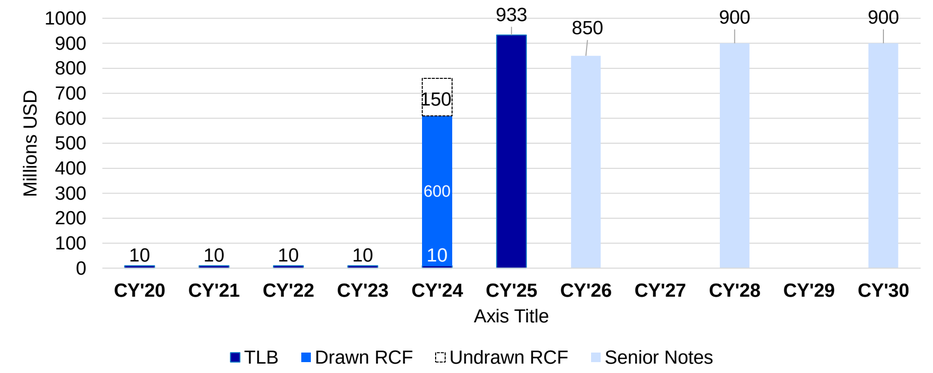
Cash Balance Trend



Capital Expenditures as % of Total Revenue (FY'14 to FY'20)



Debt Maturity Profile



1. Excludes restricted cash. Includes Cash and the Undrawn Revolver of $150m as of June 30, 2020.

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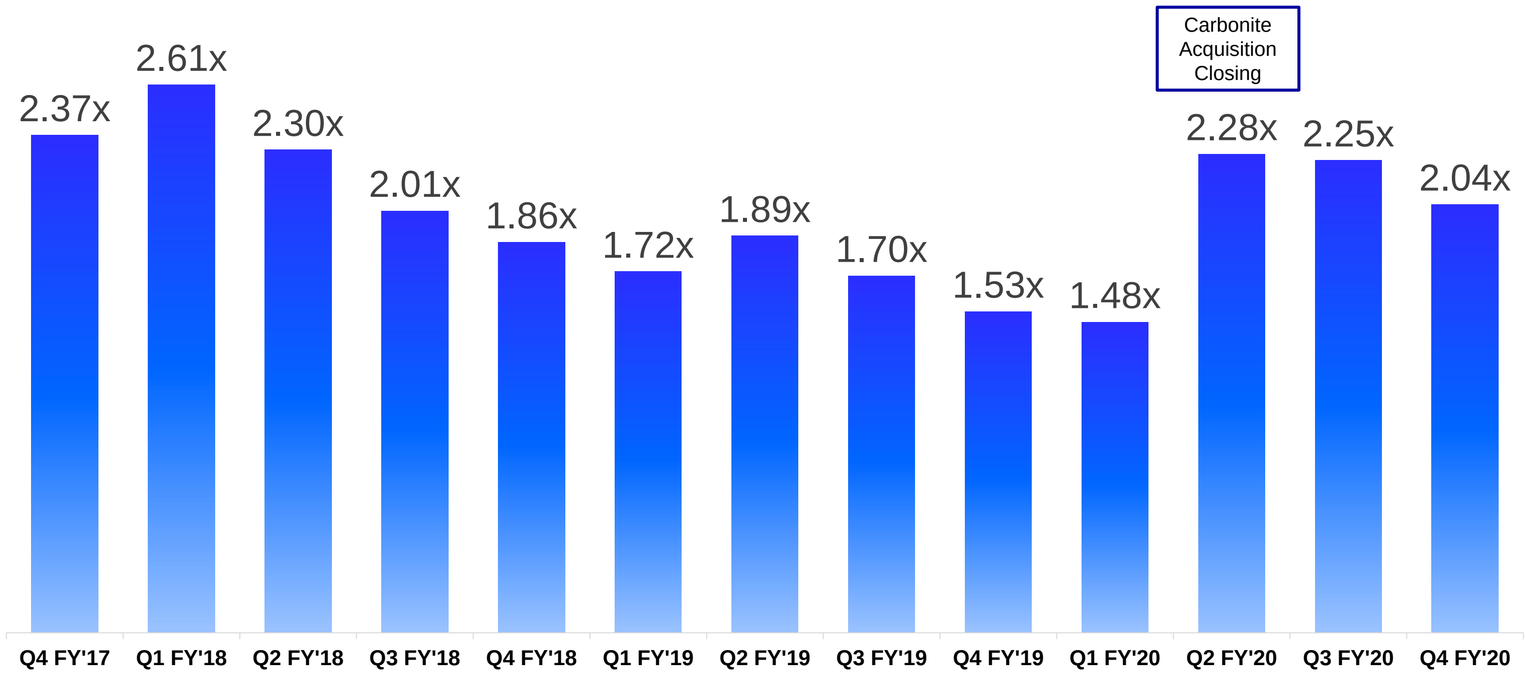
Strong Cash Flow and Balance Sheet

Cash Generated for M&A

FY’20 (US$ M)

Operating Cash Flows	$955
Less: CapEx	$73
Free Cash Flows	$882
Less: Principal	$10
Less: Dividends	$189
Cash Generated for M&A	$683

Trended Consolidated Net Leverage Ratio(1)



1. Consolidated Net Leverage Ratio (pro forma) is calculated using bank covenant methodology.

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Carbonite Update and Revenue Impact

- Carbonite's revenue since the date of acquisition on December 24, 2019 was $235.4 million for the year ended June 30, 2020.
- OpenText will recognize $171.0M of deferred revenue over the life of the contracts after PPA adjustments totaling $74.7M(1)

Estimated PPA Amortization (Millions)								
FY'20A			FY'21E				FY'22E+	Total
Q2A	Q3A	Q4A	Q1E	Q2E	Q3E	Q4E		
$3.1	$22.9	$16.4	$11.3	$6.3	$3.5	$2.8	$8.4	$74.7

1. Subject to measurement period adjustments.

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The Information Company

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Appendix A

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

Adjusted earnings (loss) before interest, taxes, depreciation and amortization (Adjusted EBITDA) is consistently 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, primarily due to acquisitions, 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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Organic Growth

In FY'20 total organic growth was trending positive pre-COVID-19.[1]
Achieved positive ARR organic growth in CC for the full year.

Total Revenues and Annual Recurring Revenues[2]	FY'20		
in US$ billions (unless indicated otherwise)	Reported	FX Headwind / (Tailwind)	CC[3]
Total Revenues	$3.11	$0.04	$3.15
Less: Revenues from acquisitions[4]	$(0.3)		$(0.32)
Organic revenues	$2.80		$2.83
Growth (decline) in organic revenues over prior year	(2.5)%		(1.3%)
Annual Recurring Revenues	$2.43	$0.03	$2.46
Less: Revenues from acquisitions[4]	$(0.29)		$(0.30)
Organic revenues	$2.14		$2.16
Growth (decline) in organic revenues over prior year	(0.7)%		0.5%

1. Organic Growth in constant currency until the end of Q2 FY'20
2. Total may not round up due to rounding.
3. Constant currency is defined as the current period reported revenues represented at the prior comparative period's foreign exchange rate.
4. Revenues from acquisitions refers to those revenues recognized during Fiscal 2020 from acquired businesses within one year of the acquisition date.
5. Organic revenue growth is calculated by removing the revenue contribution from newly acquired companies for the first year post acquisition.

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Return on Invested Capital (ROIC)

ROIC (OTEX 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

	FY'18	FY'19	FY'20(1)
ROIC	**17.5%**	**18.7%**	**17.6%**
(in US$M)			
Non-GAAP based income from operations(1)	$933	$1,003	$1,059
Adjusted Tax Rate (%)(2)	14%	14%	14%
Non-GAAP based operating income after non-GAAP tax	$803	$862	$911
Total Debt (incl. Current Portion of LT Debt)	$2,621	$2,615	$4,194
+ Total Shareholders' Equity	$3,717	$3,885	$4,007
- Cash & Cash Equivalents	$683	$941	$1,693
- Net Deferred Tax Assets (Liabilities)	$1,043	$948	$763
= Invested Capital	$4,612	$4,611	$5,745
Average Invested Capital (Avg. Current Yr. & Prior Yr.)	$4,576	$4,612	$5,178

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1. Refer to note 1 of our Fiscal 2019 10-K for details on the impact of recently adopted accounting standards on prior period results.
2. Please refer to historical filings, including our Forms 10-K and 10-Q, regarding the company's adjusted tax rate.

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Summary of Quarterly Results with Constant Currency

(in millions except per share data)	Q4 FY20	Q4 FY19	$ Change	% Change	Q4 FY20 in CC*	% Change in CC*
Revenues:						
Cloud services and subscriptions	$332.6	$241.9	$90.7	37.5 %	$335.7	38.8 %
Customer support	324.9	315.2	9.7	3.1 %	330.2	4.7 %
Total annual recurring revenues**	**$657.5**	**$557.1**	**$100.4**	**18.0 %**	**$665.9**	**19.5 %**
License	105.8	119.7	(13.9)	(11.6) %	107.4	(10.3) %
Professional service and other	63.3	70.4	(7.1)	(10.1) %	64.9	(7.7) %
Total revenues	**$826.6**	**$747.2**	**$79.4**	**10.6 %**	**$838.2**	**12.2 %**
GAAP-based operating income	$91.2	$158.0	($66.8)	(42.3) %	N/A	N/A
Non-GAAP-based operating income (1)	$293.8	$259.0	$34.8	13.4 %	$294.8	13.9 %
GAAP-based EPS, diluted	$0.10	$0.27	($0.17)	(63.0) %	N/A	N/A
Non-GAAP-based EPS, diluted(1)(2)	$0.80	$0.72	$0.08	11.1 %	$0.80	11.1 %
GAAP-based net income, attributable to OpenText	$26.4	$72.0	($45.6)	(63.3) %	N/A	N/A
Adjusted EBITDA(1)	$317.4	$283.9	$33.4	11.8 %	$318.3	12.1 %
Operating cash flows	$280.3	$229.8	$50.5	22.0 %	N/A	N/A

(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 Fiscal 2018 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)	FY20	FY19	$ Change	% Change	FY20 in CC*	% Change in CC*
Revenues:						
Cloud services and subscriptions	$1,157.7	$907.8	$249.9	27.5 %	$1,165.8	28.4 %
Customer support	1,275.6	1,247.9	27.7	2.2 %	1,293.7	3.7 %
Total annual recurring revenues**	**$2,433.3**	**$2,155.7**	**$277.5**	**12.9 %**	**$2,459.5**	**14.1 %**
License	402.9	428.1	(25.2)	(5.9) %	408.7	(4.5) %
Professional service and other	273.6	284.9	($11.3)	(4.0) %	278.6	(2.2) %
Total revenues	**$3,109.7**	**$2,868.8**	**$241.0**	**8.4 %**	**$3,146.8**	**9.7 %**
GAAP-based operating income	$503.5	$567.0	($63.5)	(11.2) %	N/A	N/A
Non-GAAP-based operating income (1)	$1,058.8	$1,002.7	$56.1	5.6 %	$1,074.8	7.2 %
GAAP-based EPS, diluted	$0.86	$1.06	($0.20)	(18.9) %	N/A	N/A
Non-GAAP-based EPS, diluted(1)(2)	$2.89	$2.76	$0.13	4.7 %	$2.94	6.5 %
GAAP-based net income, attributable to OpenText	$234.2	$285.5	($51.3)	(18.0) %	N/A	N/A
Adjusted EBITDA(1)	$1,148.1	$1,100.3	$47.8	4.3 %	$1,163.4	5.7 %
Operating cash flows	$954.5	$876.3	$78.3	8.9 %	N/A	N/A

(1) See reconciliation of GAAP-based measures to Non-GAAP-based measures at the end of this presentation
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** 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 F20

(in '000s USD)	Three Months Ended June 30, 2020					
	GAAP	GAAP % of Total Revenue	Adjustments	FN	Non - GAAP	Non-GAAP % of Total Revenue
COST OF REVENUES						
Cloud services and subscriptions	$ 116,569		$ (490)	(1)	$ 116,079	
Customer support	32,568		(310)	(1)	32,258	
Professional service and other	48,435		(377)	(1)	48,058	
Amortization of acquired technology-based intangible assets	59,719		(59,719)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	565,917	68.5%	60,896	(3)	626,813	75.8%
Operating expenses						
Research and development	100,766		(1,590)	(1)	99,176	
Sales and marketing	152,882		(2,575)	(1)	150,307	
General and administrative	62,574		(2,660)	(1)	59,914	
Amortization of acquired customer-based intangible assets	58,998		(58,998)	(2)	—	
Special charges (recoveries)	75,849		(75,849)	(4)	—	
GAAP-based income from operations / Non-GAAP-based income from operations	91,199		202,568	(5)	293,767	
Other income (expense), net	7,790		(7,790)	(6)	—	
Provision for (recovery of) income taxes	32,037		3,416	(7)	35,453	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	26,392		191,362	(8)	217,754	
GAAP-based earnings per share / Non-GAAP-based earnings per share-diluted, attributable to OpenText	$ 0.10		$ 0.70	(8)	$ 0.80	

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Reconciliation of Selected Non-GAAP Measures | Q4 F20

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.
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 55% 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 that occurred in Fiscal 2017 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.
8	Reconciliation of GAAP-based net income to Non-GAAP-based net income:

	Three Months Ended June 30, 2020	
		Per share diluted
GAAP-based net income, attributable to OpenText	$ 26,392	$ 0.10
Add:		
Amortization	118,717	0.44
Share-based compensation	8,002	0.03
Special charges (recoveries)	75,849	0.28
Other (income) expense, net	(7,790)	(0.03)
GAAP-based provision for (recovery of) income taxes	32,037	0.12
Non-GAAP-based provision for income taxes	(35,453)	(0.14)
Non-GAAP-based net income, attributable to OpenText	$ 217,754	$ 0.80

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Reconciliation of Selected Non-GAAP Measures | F20

(in '000s USD)	Year Ended June 30, 2020					
	GAAP	GAAP % of Total Revenue	Adjustments	FN	Non - GAAP	Non-GAAP % of Total Revenue
COST OF REVENUES						
Cloud services and subscriptions	$ 449,940		$ (1,642)	(1)	$ 448,298	
Customer support	123,894		(1,207)	(1)	122,687	
Professional service and other	212,903		(1,294)	(1)	211,609	
Amortization of acquired technology-based intangible assets	205,717		(205,717)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	2,105,961	67.7%	209,860	(3)	2,315,821	74.5%
Operating expenses						
Research and development	370,411		(5,309)	(1)	365,102	
Sales and marketing	585,044		(9,335)	(1)	575,709	
General and administrative	237,532		(10,745)	(1)	226,787	
Amortization of acquired customer-based intangible assets	219,559		(219,559)	(2)	—	
Special charges (recoveries)	100,428		(100,428)	(4)	—	
GAAP-based income from operations / Non-GAAP-based income from operations	503,529		555,236	(5)	1,058,765	
Other income (expense), net	(11,946)		11,946	(6)	—	
Provision for (recovery of) income taxes	110,837		16,897	(7)	127,734	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	234,225		550,285	(8)	784,510	
GAAP-based earnings per share / Non-GAAP-based earnings per share-diluted, attributable to OpenText	$ 0.86		$ 2.03	(8)	$ 2.89	

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Reconciliation of Selected Non-GAAP Measures | F20

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.
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 32% 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 that occurred in Fiscal 2017 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.
8	Reconciliation of GAAP-based net income to Non-GAAP-based net income:

	Year Ended June 30, 2020	
		Per share diluted
GAAP-based net income, attributable to OpenText	$ 234,225	$ 0.86
Add:		
Amortization	425,276	1.56
Share-based compensation	29,532	0.11
Special charges (recoveries)	100,428	0.37
Other (income) expense, net	11,946	0.04
GAAP-based provision for (recovery of) income taxes	110,837	0.41
Non-GAAP-based provision for income taxes	(127,734)	(0.46)
Non-GAAP-based net income, attributable to OpenText	$ 784,510	$ 2.89

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Reconciliation of Selected Non-GAAP Measures | Q4 F19

(in '000s USD)	Three Months Ended June 30, 2019					
	GAAP	GAAP % of Total Revenue	Adjustments	FN	Non - GAAP	Non-GAAP % of Total Revenue
COST OF REVENUES						
Cloud services and subscriptions	$ 103,719		$ (75)	(1)	$ 103,644	
Customer support	30,761		(361)	(1)	30,400	
Professional service and other	55,183		(434)	(1)	54,749	
Amortization of acquired technology-based intangible assets	42,946		(42,946)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	510,484	68.3%	43,816	(3)	554,300	74.2%
Operating expenses						
Research and development	83,708		(1,323)	(1)	82,385	
Sales and marketing	139,416		(2,006)	(1)	137,410	
General and administrative	52,954		(2,419)	(1)	50,535	
Amortization of acquired customer-based intangible assets	49,200		(49,200)	(2)	—	
Special charges (recoveries)	2,232		(2,232)	(4)	—	
GAAP-based income from operations / Non-GAAP-based income from operations	157,974		100,996	(5)	258,970	
Other income (expense), net	3,191		(3,191)	(6)	—	
Provision for (recovery of) income taxes	56,309		(24,651)	(7)	31,658	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	71,983		122,456	(8)	194,439	
GAAP-based earnings per share / Non-GAAP-based earnings per share-diluted, attributable to OpenText	$ 0.27		$ 0.45	(8)	$ 0.72	

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Reconciliation of Selected Non-GAAP Measures | Q4 F19

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.
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 44% 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 that occurred in Fiscal 2017 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.
8	Reconciliation of GAAP-based net income to Non-GAAP-based net income:

	Three Months Ended June 30, 2019	
		Per share diluted
GAAP-based net income, attributable to OpenText	$ 71,983	$ 0.27
Add:		
Amortization	92,146	0.34
Share-based compensation	6,618	0.02
Special charges (recoveries)	2,232	0.01
Other (income) expense, net	(3,191)	(0.01)
GAAP-based provision for (recovery of) income taxes	56,309	0.21
Non-GAAP-based provision for income taxes	(31,658)	(0.12)
Non-GAAP-based net income, attributable to OpenText	$ 194,439	$ 0.72

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Reconciliation of Selected Non-GAAP Measures | F19

(in '000s USD)	Year Ended June 30, 2019					
	GAAP	GAAP % of Total Revenue	Adjustments	FN	Non - GAAP	Non-GAAP % of Total Revenue
COST OF REVENUES						
Cloud services and subscriptions	$ 383,993		$ (948)	(1)	$ 383,045	
Customer support	124,343		(1,242)	(1)	123,101	
Professional service and other	224,635		(1,764)	(1)	222,871	
Amortization of acquired technology-based intangible assets	183,385		(183,385)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	1,938,052	67.6%	187,339	(3)	2,125,391	74.1%
Operating expenses						
Research and development	321,836		(4,991)	(1)	316,845	
Sales and marketing	518,035		(7,880)	(1)	510,155	
General and administrative	207,909		(9,945)	(1)	197,964	
Amortization of acquired customer-based intangible assets	189,827		(189,827)	(2)	—	
Special charges (recoveries)	35,719		(35,719)	(4)	—	
GAAP-based income from operations / Non-GAAP-based income from operations	567,010		435,701	(5)	1,002,711	
Other income (expense), net	10,156		(10,156)	(6)	—	
Provision for (recovery of) income taxes	154,937		(33,680)	(7)	121,257	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	285,501		459,225	(8)	744,726	
GAAP-based earnings per share / Non-GAAP-based earnings per share-diluted, attributable to OpenText	$ 1.06		$ 1.70	(8)	$ 2.76	

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Reconciliation of Selected Non-GAAP Measures | F19

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.
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 35% 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 that occurred in Fiscal 2017 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.
8	Reconciliation of GAAP-based net income to Non-GAAP-based net income:

	Year Ended June 30, 2019	
		Per share diluted
GAAP-based net income, attributable to OpenText	$ 285,501	$ 1.06
Add:		
Amortization	373,212	1.38
Share-based compensation	26,770	0.10
Special charges (recoveries)	35,719	0.13
Other (income) expense, net	(10,156)	(0.04)
GAAP-based provision for (recovery of) income taxes	154,937	0.57
Non-GAAP-based provision for income taxes	(121,257)	(0.44)
Non-GAAP-based net income, attributable to OpenText	$ 744,726	$ 2.76

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Reconciliation of Adjusted EBITDA

(in '000s USD)	FY20	Q4 FY20	FY19	Q4 FY19
GAAP-based Net income attributable to OpenText	$ 234,225	$ 26,392	$ 285,501	$ 71,983
Add:				
Provision for (recovery of) income taxes	110,837	32,037	154,937	56,309
Interest and other related expense, net	146,378	40,529	136,592	32,841
Amortization of acquired technology-based intangible assets	205,717	59,719	183,385	42,946
Amortization of acquired customer-based intangible assets	219,559	58,998	189,827	49,200
Depreciation	89,458	23,649	97,716	25,000
Share-based compensation	29,532	8,002	26,770	6,618
Special charges (recoveries)	100,428	75,849	35,719	2,232
Other (income) expense, net	11,946	(7,790)	(10,156)	(3,191)
Adjusted EBITDA	$ 1,148,080	$ 317,385	$ 1,100,291	$ 283,938
Total revenue	$ 3,109,736	$ 826,612	$ 2,868,755	$ 747,221
Adjusted EBITDA margin (% of total revenue)	36.9%	38.4%	38.4%	38.0%

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Reconciliation of Adjusted EBITDA | F11-F19

(in '000s USD)	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
GAAP-based Net income attributable to OpenText	$ 123,203	$ 125,174	$ 148,520	$ 218,125	$ 234,327	$ 284,477	$ 1,025,659	$ 242,224	$ 285,501
Add:									
Provision for (recovery of) income taxes	12,931	12,171	29,690	58,461	31,638	6,282	(776,364)	143,826	154,937
Interest and other related expense, net	8,452	15,564	16,982	27,934	54,620	76,363	120,892	138,540	136,592
Amortization of acquired technology-based intangible assets	68,048	84,572	93,610	69,917	81,002	74,238	130,556	185,868	183,385
Amortization of acquired customer-based intangible assets	38,966	53,326	68,745	81,023	108,239	113,201	150,842	184,118	189,827
Depreciation	22,116	21,587	24,496	35,237	50,906	54,929	64,318	86,943	97,716
Share-based compensation	11,308	18,097	15,575	19,906	22,047	25,978	30,507	27,594	26,770
Special charges (recoveries)	15,576	24,523	24,034	31,314	12,823	34,846	63,618	29,211	35,719
Other (income) expense, net	6,019	(3,549)	2,473	(3,941)	28,047	1,423	(15,743)	(17,973)	(10,156)
Adjusted EBITDA	$ 306,619	$ 351,465	$ 424,125	$ 537,976	$ 623,649	$ 671,737	$ 794,285	$ 1,020,351	$ 1,100,291
Total Revenue	$ 1,033,303	$ 1,207,473	$ 1,363,336	$ 1,624,699	$ 1,851,917	$ 1,824,228	$ 2,291,057	$ 2,815,241	$ 2,868,755
Adjusted EBITDA Margin (% of total revenue)	29.7%	29.1%	31.1%	33.1%	33.7%	36.8%	34.7%	36.2%	38.4%

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