OpenText F’24 Financial Results and F’25 Targets

August 1, 2024

NASDAQ: OTEX | TSX: OTEX

Safe Harbor and IP Statement

This presentation contains forward-looking statements or information (forward-looking statements) within the meaning of the Private Securities Litigation Reform Act of 1995, Section 21E of the U.S. Securities Exchange Act of 1934, as amended (the Exchange Act), Section 27A of the U.S. Securities Act of 1933, as amended, and other applicable securities laws of the United States and Canada, and is subject to the safe harbors created by those provisions. All statements other than statements of historical facts are statements that could be deemed forward-looking statements. Certain statements in this presentation, including statements about Open Text Corporation (“OpenText” or “the Company”) on growth, profitability and future of Information Management, including executing on strategic programs; cloud bookings, demand, scale and revenue growth; future organic growth initiatives and deployment of capital; innovation fueled by cloud, AI and security technologies; raising margin targets and executing on targets and aspirations; future revenues, operating expenses, margins, free cash flows, interest expense and capital expenditures; market share of our products; intention to maintain a dividend program, including any targeted annualized dividend; expected size and timing of the share repurchase plan, including execution thereof; execution of our business optimization plan; the expected impact of the divestiture of the AMC business; future tax rates; renewal rates; new platform and product offerings, including OpenText AI products, and associated benefits to customers; internal automation and AI leverage, including our AI strategy, vision and growth; strategy to build shareholder value; projected financial information; and other matters, which 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 intended to identify forward-looking statements or information under applicable securities laws (forward-looking statements). In addition, any statements or information 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, such as certain assumptions about the economy, as well as market, financial and operational assumptions. Management's estimates, beliefs and assumptions, including statements regarding future targets and aspirations, are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and, as such, are subject to change and are not considered guidance. We can give no assurance that such estimates, beliefs and assumptions will prove to be correct. Future declarations of dividends are also subject to the final determination and discretion of the Board of Directors, and an annualized dividend has not been approved or declared by the Board. Forward-looking statements involve known and unknown risks and uncertainties such as those relating to: all statements regarding the expected future financial position, results of operations, revenues, expenses, margins, cash flows, dividends, share buybacks, financing plans, business strategy, budgets, capital expenditures, competitive positions, growth opportunities, plans and objectives of management, including any anticipated synergy benefits; incurring unanticipated costs, delays or difficulties, including as a result of the integration of Micro Focus, the divestiture of the AMC business or the execution of our business optimization plan; and our ability to develop, protect and maintain our intellectual property and proprietary technology and to operate without infringing on the proprietary rights of others. We rely on a combination of copyright, patent, trademark and trade secret laws, non-disclosure agreements and other contractual provisions to establish and maintain our proprietary rights, which are important to our success. From time to time, we may also enforce our intellectual property rights through litigation in line with our strategic and business objectives.

The actual results that OpenText achieves may differ materially from any forward-looking statements. 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.

Further, readers should note that we may announce information using our website, press releases, securities law filings, public conference calls, webcasts and the social media channels identified on the Investors section of our website (https://investors.opentext.com). Such social media channels may include the Company's or our CEO's blog, X, formerly known as Twitter, account or LinkedIn account. The information posted through such channels may be material. Accordingly, readers should monitor such channels in addition to our other forms of communication. In addition, certain non-GAAP forward-looking measures have not been reconciled to their corresponding GAAP measure due to the high variability and difficulty in making accurate forecasts and projections of such information.

OpenText ©2024 All rights reserved

Business Overview

Fiscal 2024 Accomplishments

- Transformational customer wins including AI/Aviator™
- $5.77B in Total Revenues
  - +29% y/y growth
- $1.82B in Cloud Revenue
  - +7% y/y growth
- $1.97B in A-EBITDA(1)
  - 34% y/y growth
- $417M in Capital Returned to Shareholders
  - $267M Dividends
  - $150M Share Repurchases
- Micro Focus returned to organic growth
- AMC Divestiture completed
- Net Leverage at 2.9x(2)

Looking ahead into Fiscal 2025

- Extending our Information Management competitive advantage with Titanium X, Aviators and Security
- Up to 5% Cloud Growth
- Significant margin opportunity for A-EBITDA to reach high-30s:
  - F'25 A-EBITDA target margin range of 33% to 34%
  - F'26 A-EBITDA target margin range of 35% to 36%
  - F'27 A-EBITDA target margin range of 36% to 38%
- $570M+ in expected Return of capital(3), +37% y/y
  - $300M share repurchase, +100% y/y
  - Increase annualized dividends per share from $1.00 to $1.05, estimated $270M(4)

(1) Please refer to "Use of Non-GAAP Financial Measures" at the end of this presentation and "Reconciliation of selected GAAP-based measures to Non-GAAP-based measures" included within our current and historical filings on Forms 10-Q, 10-K and 8-K.
(2) As of June 30, 2024, the consolidated Net Leverage Ratio, as calculated using the bank covenant methodology, was 2.3x. Excluding the gain from the divestiture of the AMC business, the consolidated Net Leverage Ratio was 2.9x. As of March 31, 2024, the consolidated Net Leverage Ratio, as calculated using bank covenant methodology, was 3.8x.
(3) Return of capital defined as the total value of cash dividends paid and common shares repurchased in the period. Capital Allocation Strategy subject to change based on acquisition opportunities or other corporate purposes.
(4) Total value of cash dividends paid is based on estimated common shares outstanding at the end of each fiscal quarter.

OpenText ©2024 All rights reserved

Q4 F’24 Customer Wins

Content	Analytics	Application Automation	IT Operations Management	Application Automation & IT Operations Management
A global, diversified food and beverages company in 188 countries worldwide	Digital advertising company specializing in content recommendation and native advertising solutions	State government department that administers unemployment, disability, and Paid Family Leave benefits	Sensor intelligence and application solutions provider	A Brazilian non-profit organization that provides quality education and healthcare services
Products:				
• Intelligent Capture (SaaS) • OT Application Managed Services (CSO)	• Vertica Analytics	• Application Lifecycle Management SaaS and UFT One SaaS	• SMAX • Aviator™ for ITOps	• ADM: PPM Module • ITOM: SMAX SaaS
Solutions:				
AI capabilities that will improve automation, the recognition rate of inbound document digitization	Enhance data analytics capabilities, query speeds, integration, and enhanced scalability to facilitate partner engagement and content optimization	Enterprise Cloud Testing solution to transform the customer and employee experience	Process automation with AI-driven features to enhance user experience - improving efficiency and cost savings	Integrates SMAX ITSM Solution with PPM modules, to manage business demands and ideas, and project portfolio optimization

OpenText ©2024 All rights reserved

Q4 F’24 Financials

OpenText Reported

$ in millions except A-EPS	Q4 F’24	Q4 F’23	% change
Cloud Revenue	$465	$452	3%
ARR Revenue(1)	$1,093	$1,157	(6%)
Total Revenue	$1,362	$1,491	(9%)
A-EBITDA(2)	$445	$463	(4%)
Free Cash Flows(2)	$145	$91	59%
A-EPS(2)	$0.98	$0.91	8%
	Q4 F’24	Q4 F’23	% change
Enterprise Cloud Bookings	$180	$163	10%
ARR % of Revenue(1)	80%	78%	
A-EBITDA % of Revenue(2)	32.7%	31.0%	

OpenText ex-AMC

$ in millions	Q4 F’24	Q4 F’23	% change
Cloud Revenue	$465	$452	3%
ARR Revenue(1)	$1,064	$1,073	(1%)
Total Revenue	$1,320	$1,368	(4%)
ARR % of Revenue(1)	81%	78%	

(1) Annual Recurring Revenues (ARR) is defined as the sum of cloud services and subscriptions revenues and customer support revenues.
(2) Please refer to “Use of Non-GAAP Financial Measures” at the end of this presentation and “Reconciliation of selected GAAP-based measures to Non-GAAP-based measures" included within our current and historical filings on Forms 10-Q, 10-K and 8-K.

OpenText ©2024 All rights reserved

F’24 Financials

OpenText Reported

$ in millions except A-EPS	F’24	F’23	% change
Cloud Revenue	$1,821	$1,700	7%
ARR Revenue(1)	$4,534	$3,615	25%
Total Revenue	$5,770	$4,485	29%
A-EBITDA(2)	$1,970	$1,473	34%
Free Cash Flows(2)	$808	$655	23%
A-EPS(2)	$4.17	$3.29	27%
Enterprise Cloud Bookings(3)	$701	$528	33%
ARR % of Revenue(1)	79%	81%	
A-EBITDA % of Revenue(2)	34.1%	32.8%	
Cloud Renewal Rate(4)	92%	94%	
Off-Cloud Renewal Rate(4)	95%	95%	

Beginning 1Q F’25, OpenText will publish consolidated renewal rates, which will include Micro Focus offerings, for both our Enterprise Off Cloud Business and Cloud Business. Our Off Cloud renewal rate methodology will also capture retention of customers who may have moved to other products or consumption approaches.

OpenText ex-AMC

$ in millions	F’24	F’23	% change
Cloud Revenue	$1,821	$1,700	7%
ARR Revenue(1)	$4,250	$3,461	23%
Total Revenue	$5,330	$4,260	25%
ARR % of Revenue(1)	80%	81%	

(1) Annual Recurring Revenues (ARR) is defined as the sum of cloud services and subscriptions revenues and customer support revenues.
(2) Please refer to “Use of Non-GAAP Financial Measures” at the end of this presentation and “Reconciliation of selected GAAP-based measures to Non-GAAP-based measures" included within our current and historical filings on Forms 10-Q, 10-K and 8-K.
(3) Enterprise cloud bookings is the total value from cloud services and subscription contracts entered into in the fiscal year that are new, committed and incremental to our existing contracts, entered into with our enterprise-based customers
(4) Renewal rate excludes Carbonite, Zix and Micro Focus.

OpenText ©2024 All rights reserved

F’24 Annual Metrics

Organic Growth[1]

y/y % change

As Reported	F’24	F’23
Cloud	1.7%	1.5%
ARR[2]	0.6%	(0.8%)
Total	0.8%	(2.0%)
In CC[3]		
Cloud	1.5%	3.9%
ARR[2]	0.1%	2.3%
Total	0.3%	1.2%

F’24 Total Revenue

Information Management	% of Total Revenue
Content Management	40%
Cybersecurity	20%
Business Network	10%
IT Operations Management (ITOM)	10%
Application Automation[4]	15%
Analytics	5%
Total Revenue	$5.77B

(1) Organic revenue growth is calculated by removing the revenue contribution from newly acquired companies for the first year post acquisition, and excludes the contribution of divested companies in the prior period for one year preceding divestiture.
(2) Annual Recurring Revenues (ARR) is defined as the sum of cloud services and subscriptions revenues and customer support revenues
(3) Constant currency is defined as the current period reported revenues represented at the prior comparative period’s foreign exchange rate
(4) The Application Automation Cloud included our AMC business prior to the AMC Divestiture on May 1, 2024. During Fiscal 2024, the AMC business comprised approximately 45% of the Application Automation Cloud.

OpenText ©2024 All rights reserved

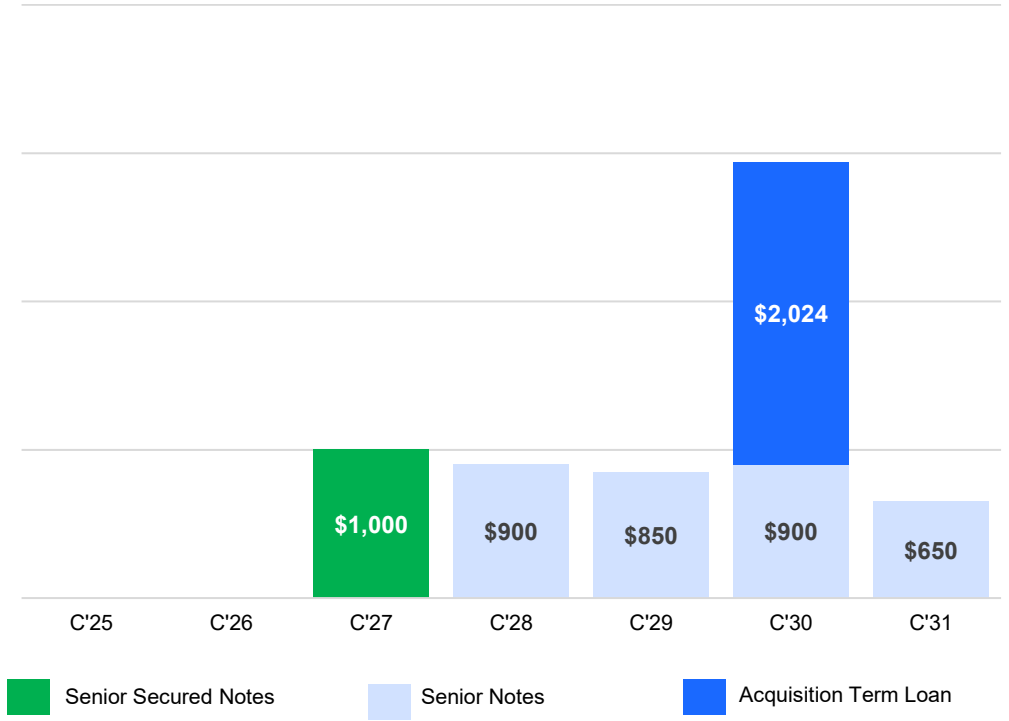
Cash Flows and Debt Maturity Profile

As of June 30, 2024

Cash (USD$M)	
Total Cash	$1,281

F'24 (USD$M)	
Operating Cash Flows	$968
Cap Ex Investments	$159
Free Cash Flows[1]	$808
Principal Payments	$2,568
Dividend Payments	$267
Share Repurchases	$150

OpenText Debt Maturity (USD$M)



Additional Metrics	
Principal Outstanding	$6.5B
Total Fixed Debt	66%
Weighted Average Interest Rate	5.7%
Annualized Interest Cost[2]	~$369M
Consolidated Net Leverage Ratio[3]	2.9x

(1) Please refer to "Use of Non-GAAP Financial Measures" at the end of this presentation and "Reconciliation of selected GAAP-based measures to Non-GAAP-based measures" included within our current and historical filings on Forms 10-Q, 10-K and 8-K.
(2) Estimates based on the repayment of debt as outlined in this presentation and a SOFR rate assumption as of report date.
(3) As of June 30, 2024, the consolidated Net Leverage Ratio, as calculated using the bank covenant methodology, was 2.3x. Excluding the gain from the divestiture of the AMC business, the consolidated Net Leverage Ratio was 2.9x. As of March 31, 2024, the consolidated Net Leverage Ratio, as calculated using bank covenant methodology, was 3.8x.

OpenText ©2024 All rights reserved

Outlook



Looking Ahead into Fiscal 2025

Deliver Growth Programs

Extending our Information Management competitive advantage with Titanium X, Aviators™ and Security

Accelerate Cloud
- Business Clouds: SaaS and Private
- Business AI: Aviator™ and Earn Your Wings
- Business Technology: Security and IOT

Expand Market Coverage
- Strategic Partnerships
- SMB
- Key Industries
- Geographic Opportunities

Execute to Margin & FCF Opportunity

Opportunity
- Improve Cloud Gross Margin with continued scale
- Business Optimization: right talent / right location
- Internal Automation / AI leverage

Targets and Aspirations(1)
- F'25 A-EBITDA target margin range of 33% to 34%
- F'26 A-EBITDA target margin range of 35% to 36%
- F'27 aspirations range of:
  - A-EBITDA: 36% to 38%
  - FCF: $1.2B to $1.3B

Strong Capital Return

- $570M+ in expected capital return(2), +37% y/y
  - $300M share repurchase, +100% y/y
  - Increase annualized dividends per share from $1.00 to $1.05, estimated $270M(3)

(1) Please refer to "Use of Non-GAAP Financial Measures" at the end of this presentation and "Reconciliation of selected GAAP-based measures to Non-GAAP-based measures" included within our current and historical filings on Forms 10-Q, 10-K and 8-K.
(2) Return of capital defined as the total value of cash dividends paid and common shares repurchased in the period. Capital Allocation Strategy subject to change based on acquisition opportunities or other corporate purposes.
(3) Total value of cash dividends paid is based on estimated common shares outstanding at the end of each fiscal quarter.

OpenText ©2024 All rights reserved

Q1 F’25 Quarterly Factors

Externalities

- Macroeconomic
- Geopolitical & Elections

Company Specific

Reflecting Q1 Seasonality

Expect Q1 Revenues:

- Total Revenues of $1.25B to $1.30B
- ARR(1) of $1.04B to $1.07B

Expect Q1 A-EBITDA(2):

- Margin of 32% to 33%

With FX impact:

- FX headwind of ~$10M on revenues, ~$5M on A-EBITDA

We manage our business annually and quarters will vary

(1) Annual Recurring Revenues (ARR) is defined as the sum of cloud services and subscriptions revenues and customer support revenues.
(2) Please refer to “Use of Non-GAAP Financial Measures” at the end of this presentation and “Reconciliation of selected GAAP-based measures to Non-GAAP-based measures" included within our current and historical filings on Forms 10-Q, 10-K and 8-K.

opentext™

OpenText ©2024 All rights reserved

F’25 Targets[1]

Primary Metrics	F’24 As Reported	F’24 As Reported ex-AMC	F’25 Targets
Cloud Revenue	$1.82B	$1.82B	$1.85B to $1.90B
Annual Recurring Revenue[2]	$4.53B	$4.25B	$4.25B to $4.30B
Total Revenue[3]	$5.77B	$5.33B	$5.3B to $5.4B
A-EBITDA Margin %[4]	34.1%		33% to 34%
Free Cash Flows[4]	$808M		$575M to $625M
Dividends[5]	$267M		$270M+
Share Buyback[5]	$150M		$300M

Key Highlights

- **Cloud growth**:
  - 2% to 5%
- **Total Revenue growth ex-AMC:**
  - Constant to 1%
- **Free Cash Flows[4] growth:**
  - After ~$250M one-time cash tax payable related to AMC divestiture
- **Strong Return of Capital[6]:**
  - Highest in company history

(1) Projected as of August 1, 2024. This model is not guidance.
(2) Annual Recurring Revenues (ARR) is defined as the sum of cloud services and subscriptions revenues and customer support revenues.
(3) Assumes FX headwind of $15M to $25M.
(4) Please refer to “Use of Non-GAAP Financial Measures” at the end of this presentation and “Reconciliation of selected GAAP-based measures to Non-GAAP-based measures" included within our current and historical filings on Forms 10-Q, 10-K and 8-K.
(5) Total value of cash dividends paid is based on estimated common shares outstanding at the end of each fiscal quarter.
(6) Return of capital defined as the total value of cash dividends paid and common shares repurchased in the period. Capital Allocation Strategy subject to change based on acquisition opportunities or other corporate purposes.

OpenText ©2024 All rights reserved

F’25 Supporting Metrics[1]

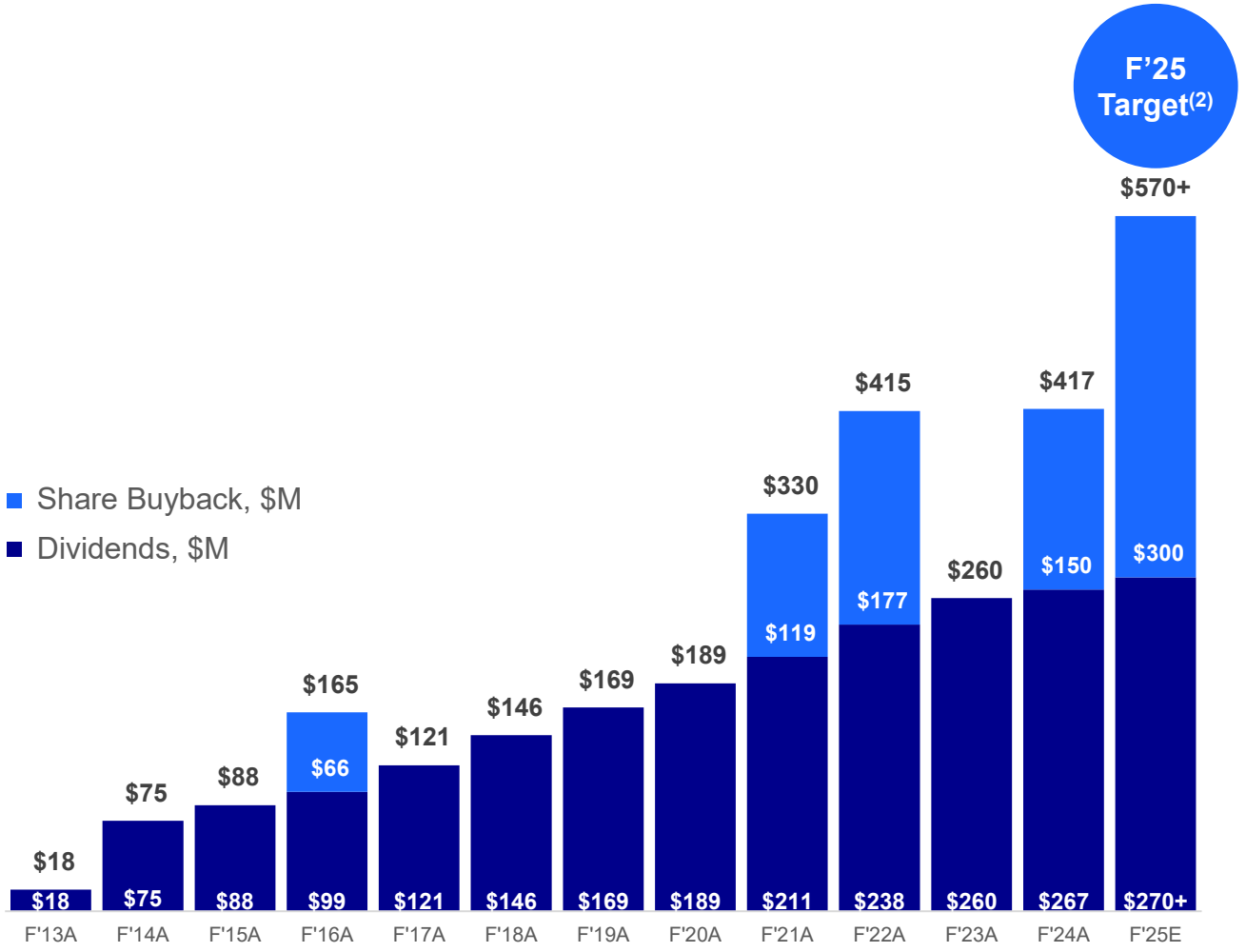
Additional Metrics	F’24 as Reported	F’25 Targets[1]
Enterprise Cloud Bookings[2]	$701M / 33% Growth	25% Growth
Gross Margin[3]	77.3%	76% to 77%
R&D[3]	14.8%	14% to 16%
Sales & Marketing[3]	18.8%	18% to 20%
General & Administrative[3]	9.5%	7% to 9%
Depreciation[3]	2.3%	2% to 3%
Total Operating Expense[3]	45.4%	46% to 47%
Net Interest Expense & Other	$516M	$370M to $390M
Capital Expenditures	$159M	$140M to $160M
Adjusted Tax Rate[4]	14%	Mid-20s
Year-End Share Count[5]	269M	263M to 265M

- **Bookings** drive Cloud revenue growth
- **Renewal rate** improvement driven by product innovation and best practices
- **Continued investments** at global scale:
  - Innovation
  - Go-to-market
- **G&A Efficiency**
- **Net Interest** expense reflects $2B de-lever during FY 2024

(1) Projected as of August 1, 2024. This model is not guidance.
(2) Enterprise cloud bookings is the total value from cloud services and subscription contracts entered into in the fiscal year that are new, committed and incremental to our existing contracts, entered into with our enterprise-based customers.
(3) Non-GAAP data. Please refer to “Use of Non-GAAP Financial Measures” at the end of this presentation and “Reconciliation of selected GAAP-based measures to Non-GAAP-based measures" included within our current and historical filings on Forms 10-Q, 10-K and 8-K.
(4) Please refer to historical filings, including our Forms 10-K and 10-Q, regarding the company’s adjusted tax rate.
(5) Represents shares outstanding (estimated for F’25) at the end of the fiscal year including the expected effect of calculated dilutive securities. See June 30, 2024, form 10-K, Footnote 24, “Effect of dilutive securities”.

OpenText ©2024 All rights reserved

Return of Capital[(1)] - Track Record and F'25 Targets



F'25 Target

- **$570M+ in expected capital return[(1)]**
  - Record year of capital return
  - 37% y/y growth
  - Expect share buyback to exceed value of dividends for first time

(1) Return of capital defined as the total value of cash dividends paid and common shares repurchased in the period. Capital Allocation Strategy subject to change based on acquisition opportunities or other corporate purposes.. Total value of cash dividends paid is based on estimated common shares outstanding at the end of each fiscal quarter.
(2) In F'25, targeting dividends and share buybacks at rate of over 90% of TTM Free Cash Flows.

OpenText ©2024 All rights reserved

F’27 Aspirations[1]

F’27 Aspirations	
Cloud Services and Subscriptions growth	7% to 9%
Total Organic Revenue[2] growth	2% to 4%
Total Revenue	$5.7B to $5.9B
A-EBITDA Margin %[3]	36% to 38%
Free Cash Flows[3]	$1.2B to $1.3B
Supporting Metrics	
Enterprise Cloud Bookings[4] growth	20%+
Annual Recurring Revenues[5]	80%
Adjusted Tax Rate[6]	Low-to-mid 20s

(1) Aspirations as of August 1, 2024. This model is not guidance.
(2) Organic revenue growth is calculated by removing the revenue contribution from newly acquired companies for the first year post acquisition, and excludes the contribution of divested companies in the prior period for one year preceding divestiture.
(3) Please refer to “Use of Non-GAAP Financial Measures” at the end of this presentation and “Reconciliation of selected GAAP-based measures to Non-GAAP-based measures" included within our current and historical filings on Forms 10-Q, 10-K and 8-K.
(4) Enterprise cloud bookings is the total value from cloud services and subscription contracts entered into in the fiscal year that are new, committed and incremental to our existing contracts, entered into with our enterprise-based customers.
(5) Annual Recurring Revenues (ARR) is defined as the sum of cloud services and subscriptions revenues and customer support revenues.
(6) Please refer to historical filings, including our Forms 10-K and 10-Q, regarding the company’s adjusted tax rate.

OpenText ©2024 All rights reserved

OpenText ex-AMC[(1),(2)]

$ in millions	F'24 Actual					F'23 Actual				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Cloud	451	450	455	465	1,821	405	409	435	452	1,700
Customer Support	614	612	606	599	2,430	311	310	518	622	1,760
License	129	248	158	161	696	60	105	117	195	477
Professional Services	99	94	95	95	384	67	64	90	100	322
Total Revenue	1,293	1,404	1,314	1,320	5,330	843	888	1,161	1,368	4,260

(1) For more information, please see, "Divestiture of AMC Business" discussion included as part of "Results of Operations" included in the company's Form 10-K for the year ended June 30, 2024.
(2) Individual line items in tables may be adjusted by non-material amounts to enable totals to align to published financial statements.

OpenText ©2024 All rights reserved


opentext™

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. Reconciliations of Non-GAAP financial measures for future periods are not provided as the Company does not currently have sufficient data to accurately estimate the variables and individual adjustments for such reconciliations.

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 is 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 (loss) or earnings (loss) 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 before interest, taxes, depreciation and amortization (Adjusted EBITDA) is consistently calculated as GAAP-based net income (loss), attributable to OpenText, excluding interest income (expense), provision for (recovery of) income taxes, depreciation and amortization of acquired intangible assets, other income (expense), share-based compensation and special charges (recoveries). Adjusted EBITDA margin is calculated as adjusted EBITDA expressed as a percentage of total revenue.

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 and in response to our return to office planning, 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-GAAP-based financial measures for the following periods presented. Information reconciling certain forward-looking GAAP measures to Non-GAAP measures related to F'24 targets and F'26 aspirations, including adjusted EBITDA is not available without unreasonable effort due to high variability, complexity and uncertainty with respect to forecasting and quantifying certain amounts that are necessary for such reconciliations.

OpenText ©2024 All rights reserved

Summary of Quarterly Results with Constant Currency

(In millions U.S. dollars, except per share data)	Q4 FY'24	Q4 FY'23	$ Change	% Change	Q4 FY'24 in CC*	% Change in CC*
Revenues:						
Cloud services and subscriptions	$464.9	$451.7	$13.2	2.9 %	$466.5	3.3 %
Customer support	628.4	705.3	(76.9)	(10.9) %	630.2	(10.6) %
Total annual recurring revenues**	**$1,093.3**	**$1,156.9**	**$(63.7)**	**(5.5) %**	**$1,096.7**	**(5.2) %**
License	171.5	228.8	(57.3)	(25.0) %	172.3	(24.7) %
Professional service and other	97.3	105.1	(7.8)	(7.4) %	97.6	(7.1) %
Total revenues	**$1,362.1**	**$1,490.8**	**$(128.7)**	**(8.6) %**	**$1,366.6**	**(8.3) %**
GAAP-based operating income	$193.3	$121.3	$72.0	59.3 %	N/A	N/A
Non-GAAP-based operating income [1]	$413.5	$431.7	($18.3)	(4.2) %	$414.3	(4.1) %
GAAP-based net income (loss), attributable to OpenText	$248.2	($48.7)	$297.0	609.4 %	N/A	N/A
GAAP-based EPS, diluted	$0.91	($0.18)	$1.09	605.6 %	N/A	N/A
Non-GAAP-based EPS, diluted [1] [2]	$0.98	$0.91	$0.07	7.7 %	$0.99	8.8 %
Adjusted EBITDA [1]	$445.4	$462.8	($17.4)	(3.8) %	$446.1	(3.6) %
Operating cash flows	$185.2	$115.3	$69.9	60.6 %	N/A	N/A
Free cash flows [1]	$145.2	$91.2	$54.0	59.2 %	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.

OpenText ©2024 All rights reserved

Summary of Year to Date Results with Constant Currency

(In millions U.S. dollars, except per share data)	FY'24	FY'23	$ Change	% Change	FY'24 in CC*	% Change in CC*
Revenues:						
Cloud services and subscriptions	$1,820.5	$1,700.4	$120.1	7.1 %	$1,815.6	6.8 %
Customer support	2,713.3	1,915.0	798.3	41.7 %	2,690.0	40.5 %
Total annual recurring revenues**	**$4,533.8**	**$3,615.5**	**$918.4**	**25.4 %**	**$4,505.5**	**24.6 %**
License	834.2	539.0	295.1	54.8 %	826.6	53.3 %
Professional service and other	401.6	330.5	71.1	21.5 %	396.9	20.1 %
Total revenues	**$5,769.6**	**$4,485.0**	**$1,284.6**	**28.6 %**	**$5,729.0**	**27.7 %**
GAAP-based operating income	$887.1	$516.3	$370.8	71.8 %	N/A	N/A
Non-GAAP-based operating income (1)	$1,838.8	$1,365.3	$473.5	34.7 %	$1,808.3	32.4 %
GAAP-based net income, attributable to OpenText	$465.1	$150.4	$314.7	209.3 %	N/A	N/A
GAAP-based EPS, diluted	$1.71	$0.56	$1.15	205.4 %	N/A	N/A
Non-GAAP-based EPS, diluted (1) (2)	$4.17	$3.29	$0.88	26.7 %	$4.08	24.0 %
Adjusted EBITDA (1)	$1,970.2	$1,472.9	$497.3	33.8 %	$1,938.3	31.6 %
Operating cash flows	$967.7	$779.2	$188.5	24.2 %	N/A	N/A
Free cash flows (1)	$808.4	$655.4	$153.0	23.3 %	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.

OpenText ©2024 All rights reserved

Reconciliation of Selected Non-GAAP Measures | Q4 FY'24

(In '000's U.S. dollars, except per share data)	Three Months Ended June 30, 2024					
	GAAP	GAAP % of Total Revenue	Adjustments	FN	Non-GAAP	Non-GAAP % of Total Revenue
COST OF REVENUES						
Cloud services and subscriptions	$ 175,799		$ (2,966)	(1)	$ 172,833	
Customer support	69,706		(1,022)	(1)	68,684	
Professional service and other	71,691		(1,202)	(1)	70,489	
Amortization of acquired technology-based intangible assets	48,220		(48,220)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	987,716	72.5%	53,410	(3)	1,041,126	76.4%
Operating expenses						
Research and development	205,253		(5,312)	(1)	199,941	
Sales and marketing	285,352		(9,278)	(1)	276,074	
General and administrative	126,639		(6,987)	(1)	119,652	
Amortization of acquired customer-based intangible assets	97,446		(97,446)	(2)	—	
Special charges (recoveries)	47,784		(47,784)	(4)	—	
GAAP-based income from operations / Non-GAAP-based income from operations	193,258		220,217	(5)	413,475	
Other income (expense), net	397,055		(397,055)	(6)	—	
Provision for income taxes	239,578		(196,036)	(7)	43,542	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	248,229		19,198	(8)	267,427	
GAAP-based earnings per share / Non-GAAP-based earnings per share-diluted, attributable to OpenText	$ 0.91		$ 0.07	(8)	$ 0.98	

OpenText ©2024 All rights reserved

Reconciliation of Selected Non-GAAP Measures | Q4 FY'24

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 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. Other income (expense) also includes unrealized and realized gains (losses) on our derivatives which are not designated as hedges. We exclude gains and losses on these derivatives as we do not believe they are reflective on our ongoing business and operating results.

7 Adjustment relates to differences between the GAAP-based tax provision rate of approximately 49% 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 (loss). 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, 2024	
		Per share diluted
GAAP-based net income, attributable to OpenText	$ 248,229	$ 0.91
Add:		
Amortization	145,666	0.54
Share-based compensation	26,767	0.10
Special charges (recoveries)	47,784	0.18
Other (income) expense, net	(397,055)	(1.47)
GAAP-based provision for income taxes	239,578	0.88
Non-GAAP-based provision for income taxes	(43,542)	(0.16)
Non-GAAP-based net income, attributable to OpenText	$ 267,427	$ 0.98

OpenText ©2024 All rights reserved

Reconciliation of Selected Non-GAAP Measures | FY'24

(In '000's U.S. dollars, except per share data)	Year ended June 30, 2024						
	GAAP	GAAP % of Total Revenue	Adjustments	FN		Non-GAAP	Non-GAAP % of Total Revenue
COST OF REVENUES							
Cloud services and subscriptions	$ 713,759		(12,858)	(1)	$	700,901	
Customer support	292,733		(4,357)	(1)		288,376	
Professional service and other	302,527		(6,298)	(1)		296,229	
Amortization of acquired technology-based intangible assets	243,922		(243,922)	(2)		—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	4,191,028	72.6%	267,435	(3)		4,458,463	77.3%
Operating expenses							
Research and development	893,932		(40,612)	(1)		853,320	
Sales and marketing	1,133,665		(46,572)	(1)		1,087,093	
General and administrative	577,038		(29,382)	(1)		547,656	
Amortization of acquired customer-based intangible assets	432,404		(432,404)	(2)		—	
Special charges (recoveries)	135,305		(135,305)	(4)		—	
GAAP-based income from operations / Non-GAAP-based income from operations	887,085		951,710	(5)		1,838,795	
Other income (expense), net	358,391		(358,391)	(6)		—	
Provision for income taxes	264,012		(78,845)	(7)		185,167	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	465,090		672,164	(8)		1,137,254	
GAAP-based earnings per share / Non-GAAP-based earnings per share-diluted, attributable to OpenText	$ 1.71		$ 2.46	(8)	$	4.17	

OpenText ©2024 All rights reserved

Reconciliation of Selected Non-GAAP Measures | FY'24

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 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. Other income (expense) also includes unrealized and realized gains (losses) on our derivatives which are not designated as hedges. We exclude gains and losses on these derivatives as we do not believe they are reflective on our ongoing business and operating results.
7	Adjustment relates to differences between the GAAP-based tax provision rate of approximately 36% 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, 2024	Per share diluted
GAAP-based net income, attributable to OpenText	$ 465,090	$ 1.71
Add:		
Amortization	676,326	2.48
Share-based compensation	140,079	0.51
Special charges (recoveries)	135,305	0.50
Other (income) expense, net	(358,391)	(1.32)
GAAP-based provision for income taxes	264,012	0.97
Non-GAAP-based provision for income taxes	(185,167)	(0.68)
Non-GAAP-based net income, attributable to OpenText	$ 1,137,254	$ 4.17

OpenText ©2024 All rights reserved

Reconciliation of Selected Non-GAAP Measures | Q4 FY'23

(In '000's U.S. dollars, except per share data)	Three Months Ended June 30, 2023					
	GAAP	GAAP % of Total Revenue	Adjustments	FN	Non-GAAP	Non-GAAP % of Total Revenue
COST OF REVENUES						
Cloud services and subscriptions	$ 166,394		$ (2,876)	(1)	$ 163,518	
Customer support	86,695		(1,213)	(1)	85,482	
Professional service and other	90,498		(1,826)	(1)	88,672	
Amortization of acquired technology-based intangible assets	77,045		(77,045)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	1,064,014	71.4%	82,960	(3)	1,146,974	76.9%
Operating expenses						
Research and development	249,958		(13,584)	(1)	236,374	
Sales and marketing	333,244		(13,467)	(1)	319,777	
General and administrative	136,866		(8,938)	(1)	127,928	
Amortization of acquired customer-based intangible assets	121,285		(121,285)	(2)	—	
Special charges (recoveries)	70,222		(70,222)	(4)	—	
GAAP-based income from operations / Non-GAAP-based income from operations	121,287		310,456	(5)	431,743	
Other income (expense), net	(25,355)		25,355	(6)	—	
Provision for (recovery of) income taxes	(1,212)		41,240	(7)	40,028	
GAAP-based net loss / Non-GAAP-based net income, attributable to OpenText	(48,734)		294,571	(8)	245,837	
GAAP-based earnings per share / Non-GAAP-based earnings per share-diluted, attributable to OpenText	$ (0.18)		$ 1.09	(8)	$ 0.91	

OpenText ©2024 All rights reserved

Reconciliation of Selected Non-GAAP Measures | Q4 FY'23

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 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 2% 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 loss to Non-GAAP-based net income:

	Three Months Ended June 30, 2023	
		Per share diluted
GAAP-based net loss, attributable to OpenText	$ (48,734)	$ (0.18)
Add:		
Amortization	198,330	0.73
Share-based compensation	41,904	0.15
Special charges (recoveries)	70,222	0.26
Other (income) expense, net	25,355	0.10
GAAP-based recovery of income taxes	(1,212)	—
Non-GAAP-based provision for income taxes	(40,028)	(0.15)
Non-GAAP-based net income, attributable to OpenText	$ 245,837	$ 0.91

OpenText ©2024 All rights reserved

Reconciliation of Selected Non-GAAP Measures | FY'23

(In '000's U.S. dollars, except per share data)	Year Ended June 30, 2023 GAAP	GAAP % of Total Revenue	Adjustments	FN	Non-GAAP	Non-GAAP % of Total Revenue
COST OF REVENUES						
Cloud services and subscriptions	$ 590,165		$ (10,664)	(1)	$ 579,501	
Customer support	209,705		(3,627)	(1)	206,078	
Professional service and other	276,888		(6,998)	(1)	269,890	
Amortization of acquired technology-based intangible assets	223,184		(223,184)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	3,168,393	70.6%	244,473	(3)	3,412,866	76.1%
Operating expenses						
Research and development	680,587		(39,065)	(1)	641,522	
Sales and marketing	948,598		(41,710)	(1)	906,888	
General and administrative	419,590		(28,238)	(1)	391,352	
Amortization of acquired customer-based intangible assets	326,406		(326,406)	(2)	—	
Special charges (recoveries)	169,159		(169,159)	(4)	—	
GAAP-based income from operations / Non-GAAP-based income from operations	516,292		849,051	(5)	1,365,343	
Other income (expense), net	34,469		(34,469)	(6)	—	
Provision for income taxes	70,767		74,261	(7)	145,028	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	150,379		740,321	(8)	890,700	
GAAP-based earnings per share / Non-GAAP-based earnings per share-diluted, attributable to OpenText	$ 0.56		$ 2.73	(8)	$ 3.29	

OpenText ©2024 All rights reserved

Reconciliation of Selected Non-GAAP Measures | FY'23

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 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, 2023	Per share diluted
GAAP-based net income, attributable to OpenText	$ 150,379	$ 0.56
Add:		
Amortization	549,590	2.03
Share-based compensation	130,302	0.48
Special charges (recoveries)	169,159	0.63
Other (income) expense, net	(34,469)	(0.13)
GAAP-based provision for income taxes	70,767	0.26
Non-GAAP-based provision for income taxes	(145,028)	(0.54)
Non-GAAP-based net income, attributable to OpenText	$ 890,700	$ 3.29

OpenText ©2024 All rights reserved

Reconciliation of Adjusted EBITDA and Free Cash Flows

(In '000's U.S. dollars)	Q4 FY'24	Q4 FY'23	FY'24	FY'23
GAAP-based net income (loss), attributable to OpenText	$ 248,229	$ (48,734)	$ 465,090	$ 150,379
Add:				
Provision for (recovery of) income taxes	239,578	(1,212)	264,012	70,767
Interest and other related expense, net	102,461	145,829	516,180	329,428
Amortization of acquired technology-based intangible assets	48,220	77,045	243,922	223,184
Amortization of acquired customer-based intangible assets	97,446	121,285	432,404	326,406
Depreciation	31,984	31,152	131,599	107,761
Share-based compensation	26,767	41,904	140,079	130,302
Special charges (recoveries)	47,784	70,222	135,305	169,159
Other (income) expense, net	(397,055)	25,355	(358,391)	(34,469)
Adjusted EBITDA	$ 445,414	$ 462,846	$ 1,970,200	$ 1,472,917
Total revenue	$ 1,362,149	$ 1,490,830	$ 5,769,577	$ 4,484,980
GAAP-based net income (loss) margin	18.2 %	(3.3)%	8.1 %	3.4 %
Adjusted EBITDA margin (% of total revenue)	32.7 %	31.0 %	34.1 %	32.8 %

(In '000's U.S. dollars)	Q4 FY'24	Q4 FY'23	FY'24	FY'23
GAAP-based cash flows provided by operating activities	$ 185,220	$ 115,301	$ 967,691	$ 779,205
Add:				
Capital expenditures [1]	(39,979)	(24,060)	(159,295)	(123,832)
Free cash flows	$ 145,241	$ 91,241	$ 808,396	$ 655,373

[1] Defined as "Additions of property and equipment" in the Consolidated Statements of Cash Flows.

OpenText ©2024 All rights reserved

Reconciliation of Adjusted EBITDA and Free Cash Flows

(In '000's U.S. dollars)	FY'15	FY'16	FY'17	FY'18	FY'19	FY'20	FY'21	FY'22	FY'23	FY'24
Adjusted EBITDA										
GAAP-based net income, attributable to OpenText	$ 234,327	$ 284,477	$ 1,025,659	$ 242,224	$ 285,501	$ 234,225	$ 310,672	$ 397,090	$ 150,379	$ 465,090
Add:										
Provision for (recovery of) income taxes	31,638	6,282	(776,364)	143,826	154,937	110,837	339,906	118,752	70,767	264,012
Interest and other related expense, net	54,620	76,363	120,892	138,540	136,592	146,378	151,567	157,880	329,428	516,180
Amortization of acquired technology-based intangible assets	81,002	74,238	130,556	185,868	183,385	205,717	218,796	198,607	223,184	243,922
Amortization of acquired customer-based intangible assets	108,239	113,201	150,842	184,118	189,827	219,559	216,544	217,105	326,406	432,404
Depreciation	50,906	54,929	64,318	86,943	97,716	89,458	85,265	88,241	107,761	131,599
Share-based compensation	22,047	25,978	30,507	27,594	26,770	29,532	51,969	69,556	130,302	140,079
Special charges (recoveries)	12,823	34,846	63,618	29,211	35,719	100,428	1,748	46,873	169,159	135,305
Other (income) expense, net	28,047	1,423	(15,743)	(17,973)	(10,156)	11,946	(61,434)	(29,118)	(34,469)	(358,391)
Adjusted EBITDA	$ 623,649	$ 671,737	$ 794,285	$ 1,020,351	$ 1,100,291	$ 1,148,080	$ 1,315,033	$ 1,264,986	$ 1,472,917	$ 1,970,200
Total revenue	$ 1,851,917	$ 1,824,228	$ 2,291,057	$ 2,815,241	$ 2,868,755	$ 3,109,736	$ 3,386,115	$ 3,493,844	$ 4,484,980	$ 5,769,577
GAAP-based net income margin	12.7 %	15.6 %	44.8 %	8.6 %	10.0 %	7.5 %	9.2 %	11.4 %	3.4 %	8.1 %
Adjusted EBITDA margin (% of total revenue)	33.7 %	36.8 %	34.7 %	36.2 %	38.4 %	36.9 %	38.8 %	36.2 %	32.8 %	34.1 %
Free Cash Flows										
GAAP-based cash flows provided by operating activities [1]	$ 522,055	$ 523,663	$ 440,353	$ 708,081	$ 876,278	$ 954,536	$ 876,120	$ 981,810	$ 779,205	$ 967,691
Add:										
Capital expenditures [2]	(77,046)	(70,009)	(79,592)	(105,318)	(63,837)	(72,709)	(63,675)	(93,109)	(123,832)	(159,295)
Free cash flows	$ 445,009	$ 453,654	$ 360,761	$ 602,763	$ 812,441	$ 881,827	$ 812,445	$ 888,701	$ 655,373	$ 808,396

[1] Effective July 1, 2018, we adopted ASU No. 2016-18 using the retrospective method. Fiscal years 2014-2020 have been adjusted retrospectively to conform to current period presentation while fiscal years 2012-2013 are presented prior to adoption of ASU 2016-18.

[2] Defined as "Additions of property & equipment" in the Consolidated Statements of Cash Flows.

OpenText ©2024 All rights reserved