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Q4 & Fiscal 2019 Financial & Business Results

NASDAQ: OTEX | TSX: OTEX

August 1, 2019

Safe Harbor Statement

Certain statements in this presentation, including statements about the focus of Open Text Corporation (“OpenText” or “the Company”) in our fiscal year ending June 30, 2020 (Fiscal 2020) on growth, anticipated benefits of our partnerships and next generation product lines, the strength of our operating framework and balance sheet flexibility, continued investments in product innovation, go-to-market and strategic acquisitions, M&A continuing to be our leading growth contributor, our capital allocation strategy, creating value through investments in broader Enterprise Information Management (EIM) capabilities, the Company's presence in the cloud and in growth markets, expected growth in our revenue lines, total growth from acquisitions, innovation and organic initiatives, the focus on recurring revenues, improving operational efficiency, expanding cash flow and strengthening the business, adjusted operating income and cash flow, its financial condition, the adjusted operating margin target range, impact from currency exchange rates, results of operations and earnings, announced acquisitions, ongoing tax matters, the integration of the acquired businesses, declaration of quarterly dividends, future tax rates, new platform and product offerings, scaling OpenText to new levels in Fiscal 2020 and beyond, and other matters, may contain words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "may", "could", "would", "might", "will" and variations of these words or similar expressions are considered forward-looking statements or information under applicable securities laws. In addition, any information or statements that refer to expectations, beliefs, plans, projections, objectives, performance or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking, and based on our current expectations, forecasts and projections about the operating environment, economies and markets in which we operate. Forward-looking statements reflect our current estimates, beliefs and assumptions, which are based on management's perception of historic trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances, such as certain assumptions about the economy, as well as market, financial and operational assumptions. Management's estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and, as such, are subject to change. We can give no assurance that such estimates, beliefs and assumptions will prove to be correct. Such forward-looking statements involve known and unknown risks, uncertainties and other factors and assumptions that may cause the actual results, performance or achievements to differ materially. Such factors include, but are not limited to: (i) the future performance, financial and otherwise, of OpenText; (ii) the ability of OpenText to bring new products and services to market and to increase sales; (iii) the strength of the Company's product development pipeline; (iv) the Company's growth and profitability prospects; (v) the estimated size and growth prospects of the EIM market including expected growth in the Artificial Intelligence market; (vi) the Company's competitive position in the EIM market and its ability to take advantage of future opportunities in this market; (vii) the benefits of the Company's products and services to be realized by customers; (viii) the demand for the Company's products and services and the extent of deployment of the Company's products and services in the EIM marketplace; (ix) downward pressure on our share price and dilutive effect of future sales or issuances of equity securities (including in connection with future acquisitions); (x) the Company's financial condition and capital requirements; and (xi) statements about the impact of product releases. The risks and uncertainties that may affect forward-looking statements include, but are not limited to: (i) integration of acquisitions and related restructuring efforts, including the quantum of restructuring charges and the timing thereof; (ii) the potential for the incurrence of or assumption of debt in connection with acquisitions and the impact on the ratings or outlooks of rating agencies on the Company's outstanding debt securities; (iii) the possibility that the Company may be unable to meet its future reporting requirements under the U.S. Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder, or applicable Canadian securities regulation; (iv) the risks associated with bringing new products and services to market; (v) failure to comply with privacy laws and regulations that are extensive, open to various interpretations and complex to implement including General Data Protection Regulation (GDPR) and Country by Country Reporting (CBCR); (vi) fluctuations in currency exchange rates; (vii) delays in the purchasing decisions of the Company's customers; (viii) the competition the Company faces in its industry and/or marketplace; (ix) the final determination of litigation, tax audits (including tax examinations in the United States and elsewhere) and other legal proceedings; (x) potential exposure to greater than anticipated tax liabilities or expenses, including with respect to changes in Canadian, U.S. or international tax regimes including tax reform legislation enacted through the Tax Cuts and Jobs Act in the United States; (xi) the possibility of technical, logistical or planning issues in connection with the deployment of the Company's products or services; (xii) the continuous commitment of the Company's customers; and (xiii) demand for the Company's products and services. For additional information with respect to risks and other factors which could occur, see the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other securities filings with the Securities and Exchange Commission (SEC) and other securities regulators. Readers are cautioned not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. Unless otherwise required by applicable securities laws, the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Q4 and FY'19 Financial Highlights

With Y/Y Comparisons

Q4 FY'19

Total Revenues	$747.2M	▼ 0.9% ▲ 2.0% in CC
ARR[(1)]	$557.1M, 74.6% of Total Revenue	▲ 4.2% ▲ 7.0% in CC
Cloud Revenues	$241.9M	▲ 11.0% ▲ 13.1% in CC
A-EBITDA[(2)]	$283.9M, 38.0% (margin)	▲ 0.8% ▲ 3.6% in CC
Non-GAAP Earnings Per Share[(2)]	$0.72	Flat y/y ▲ 2.8% in CC
Operating Cash Flows	$229.8M	▲ 12.6%

FY'19

Total Revenues	$2.89B	▲ 1.9% ▲ 3.8% in CC
ARR[(1)]	$2.16B, 75.1% of Total Revenue	▲ 4.6% ▲ 6.2% in CC
Cloud Revenues	$907.8M	▲ 9.5% ▲ 10.8% in CC
A-EBITDA[(2), (3)]	$1.10B, 38.4% (margin)	▲ 7.8% ▲ 9.0% in CC
Non-GAAP Earnings Per Share[(2)]	$2.76	▲ 7.8% ▲ 9.0% in CC
Operating Cash Flows[(3)]	$876.3M	▲ 23.8%

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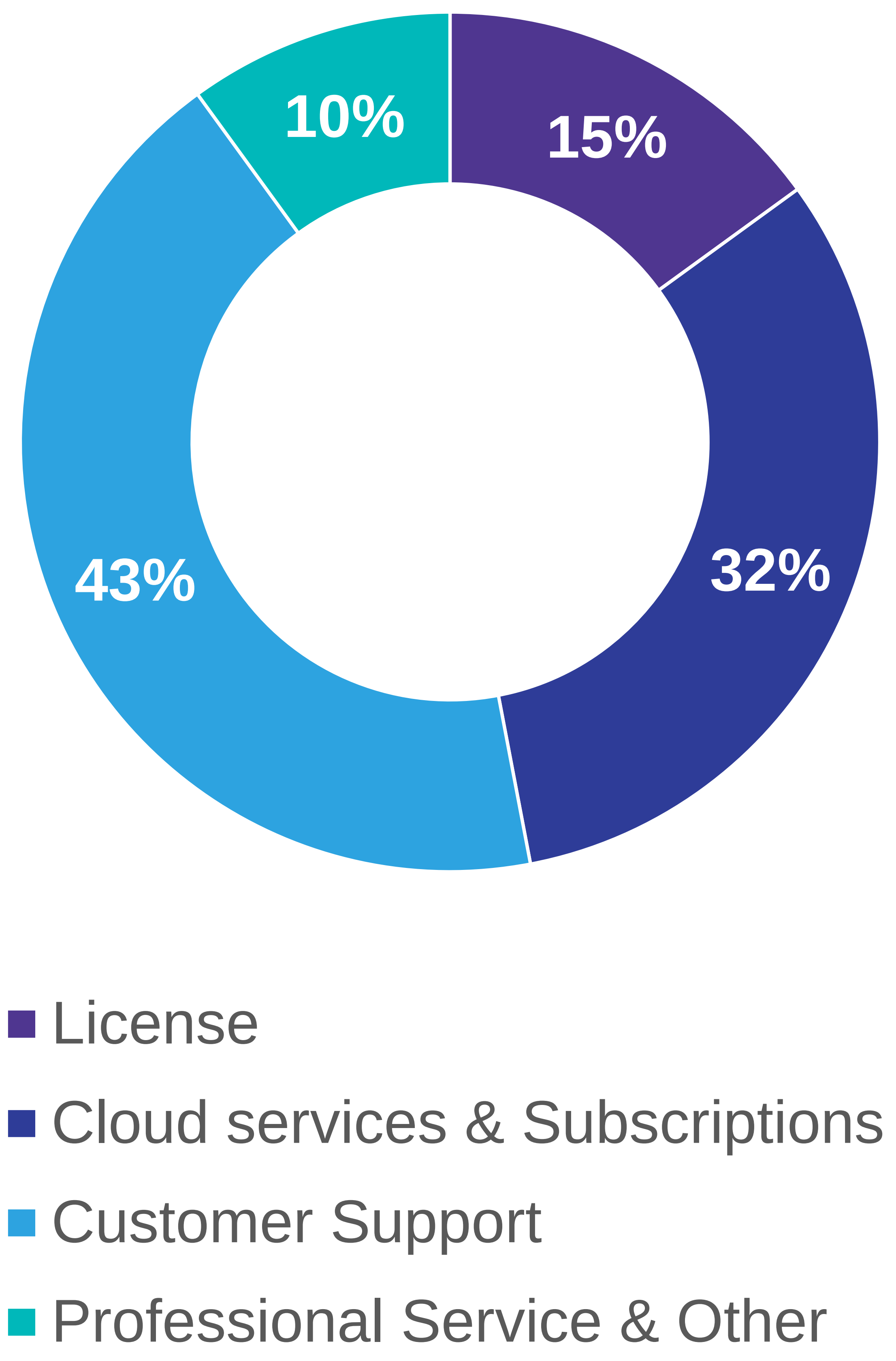
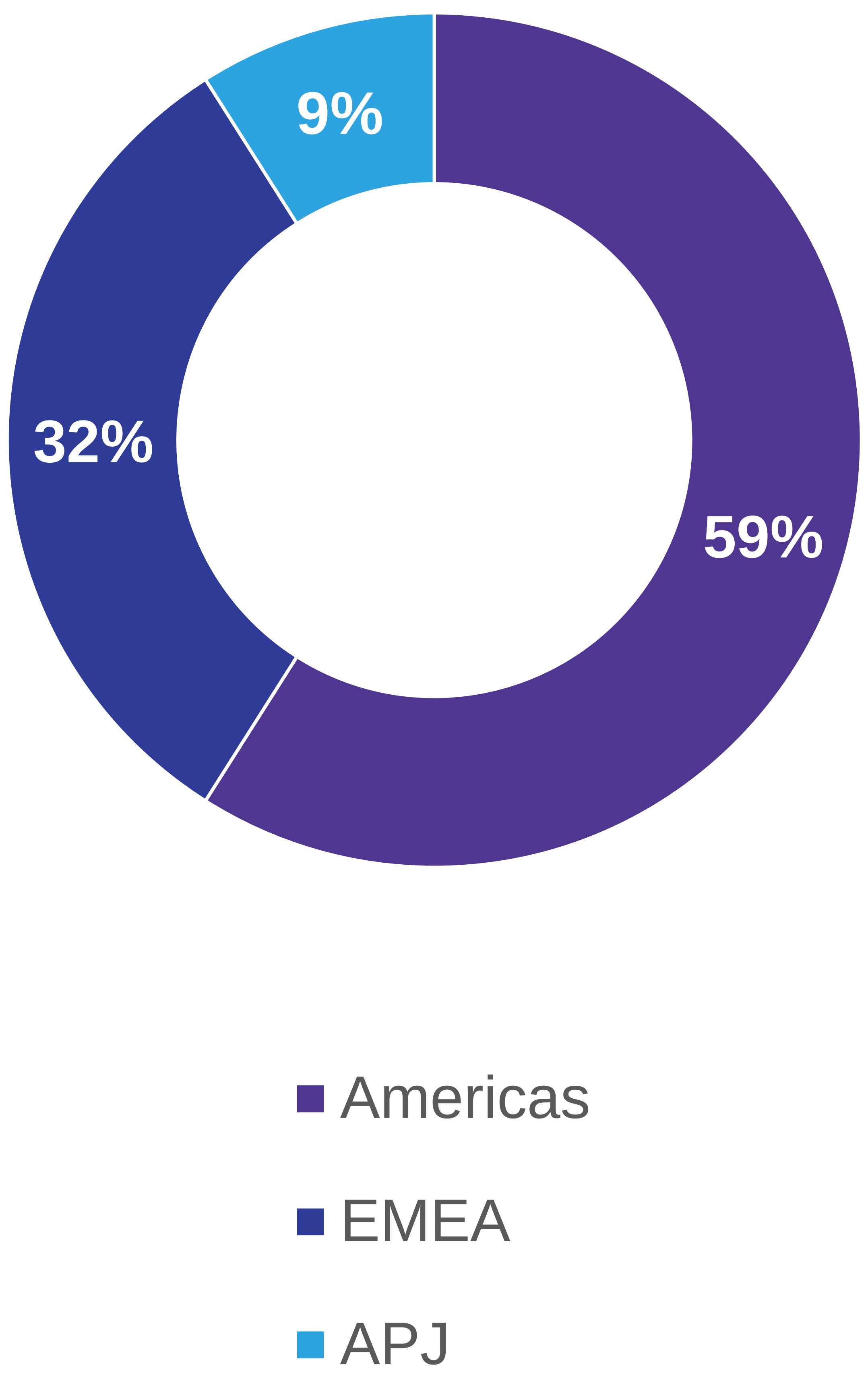
1. Annual recurring revenue is defined as the sum of cloud services and subscriptions revenue and customer support revenue.
2. Please see reconciliation of GAAP to Non-GAAP measures at the end of this presentation.
3. Refer to note 1 of our Fiscal 2019 10-K for details on the impact of recently adopted accounting standards on prior period results.

FY'19 Revenue Breakdown

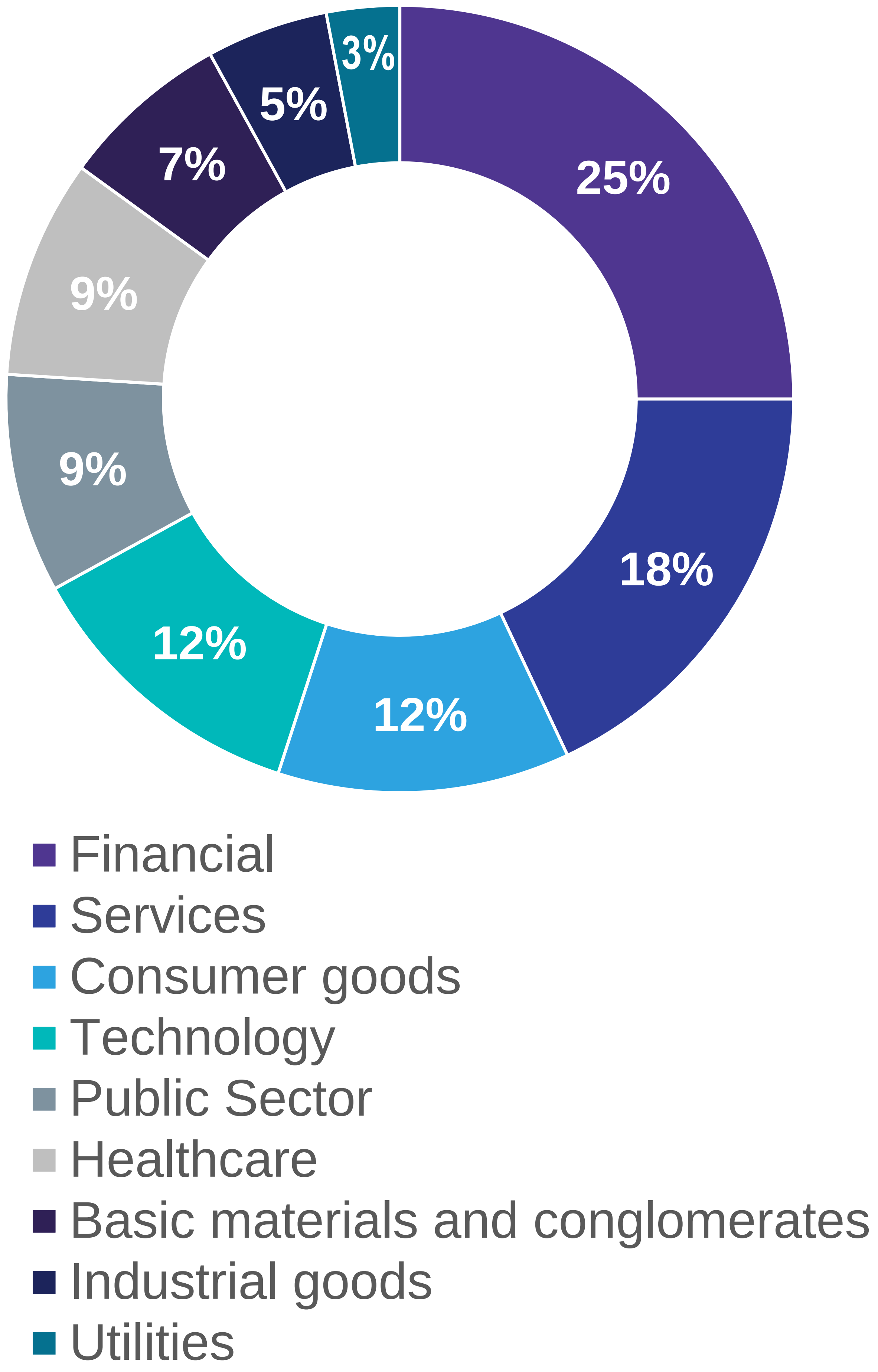
Total Revenue Mix



Total Revenue by Geography



ARR by Industry



Recent Announcements

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

May 8, 2019

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

July 9, 2019

"OpenText and Mastercard Partner to Transform Financial Processes Across Global Supply Chains."

July 11, 2019

Q4 Key Customer Wins

BMW Group	BMW Group, has selected OpenText™ Documentum™ as the corporate repository and document management system to support multiple business needs, while also integrating with main transactional systems.
Vertican Technologies	Vertican Technologies, Inc., a leading debt collections technology solution provider, selected OpenText™ Contivo™, a core component of the Liaison acquisition. Vertican is also partnering with OpenText™ Professional Services and OpenText™ Managed Services to build and maintain 120 business-critical adapters between applications and its clients.
LANXESS Energizing Chemistry	LANXESS, a leading specialty chemicals company with 15,500 employees in 33 countries, selected OpenText™ Content Services and OpenText™ Documentum™ across a variety of business domains, including Human Resources and legal functions and Documentum for Life Sciences for compliance.
Creative Foam	Creative Foam Corporation, provider of engineered solutions in die-cut, formed foams, selected OpenText and its partner Siemens PLM to drive process and standardization to all North American divisions. Creative Foam is deploying to the OpenText™ Cloud with the support of OpenText™ Professional Services.
Phillips Lytle LLP	Phillips Lytle LLP is a premier law firm, recognized nationally for its legal excellence and superior client service. This existing OpenText™ Axcelerate customer became our first law firm to utilize MultiMatter On Demand (MMOD) - a new deployment bundle of Axcelerate Cloud with OpenText Professional Services.

Q4 Key Customer Wins

CREDEM	Credito Emiliano SpA, a leading Italian bank, selected OpenText™ Documentum™ and OpenText™ InfoArchive™ as the enterprise standard solution for its digital transformation and strategic business processes re-organization.
FRONERI	Froneri International Limited, an international ice cream company, selected OpenText™ AppWorks Platform™ and OpenText™ Extended ECM Platform™ to automate accounts payable, accounts receivable and customer service processes.
Core-Mark	Core-Mark, one of the largest marketers of food, fresh and broad-line supply solutions, selected OpenText™ Active Orders™, Active Intelligence™, and Active Community™. OpenText was selected because of its market-leading direct procurement expertise and proven onboarding methodology.
NORTHRIVER MIDSTREAM	NorthRiver Midstream, one of North America's leading gas gathering and processing businesses, selected OpenText™ Extended ECM™ to enhance and optimize all aspects of their business due to OpenText's ability to integrate with primary applications, including SAP and Microsoft.
DIFSECO	Difseco, a digital forensics consultancy based in Espoo Finland, has purchased OpenText Axcelerate Cloud to launch a new eDiscovery service into the Nordic and Baltic countries. Difseco will be providing an end-to-end service to their clients based on the OpenText Encase and OpenText Axcelerate Cloud solutions.

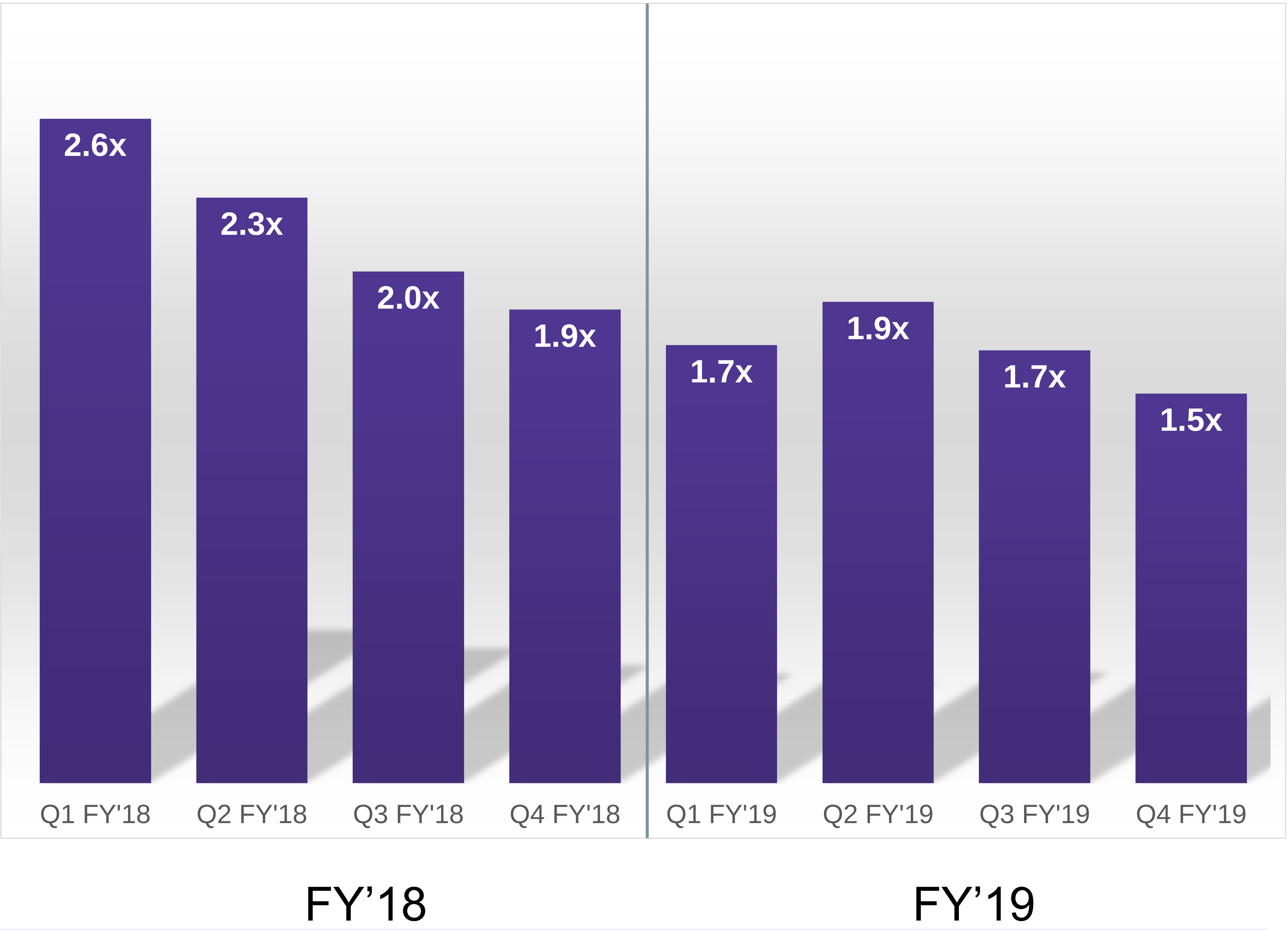
Acquire: Financial Capacity for Total Growth

Liquidity

As of June 30, 2019 (US$M)

Cash[1]	$941
Revolver – Undrawn Portion[2]	$450
Total Available & Committed Liquidity	$1,391
Long-term Debt[3]	$2,615

Consolidated Net Leverage Ratio[5]



Net Debt[4] as of Q4 FY'19 was $1.67B

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1. Excludes restricted cash; 2. Total revolver commitment is $450M; 3. Includes $10M current portion of long-term debt and is net of related premium and debt issuance costs; 4. Net Debt is defined as total debt less cash; 5. Consolidated Net Leverage Ratio is calculated using bank covenant methodology

Q1 FY’20 Quarterly Factors:(1)

- Global recession concerns continue:
  - BREXIT, Asia and other geo-political events
  - Trade and tariff wars
  - A wide range of potential outcomes
  - BEA(2) reports indicate slowing U.S. GDP growth rate (from 3.1% in March to 2.1% in June)
- Q1 seasonality
  - Lighter quarter due to summer vacations, thus fewer selling days
- Q1 FX headwind could be as high as $12M
  - FY’20 FX headwind anticipated to be approximately $25M
- Q1 Operating Expenses down sequentially by 4% to 6%
- Q1 A-EBITDA down sequentially by 100 to 150 bps

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1. The Q1 Quarterly Factors are anticipated quarterly variances that do not reflect OpenText’s annual business.
2. The US Bureau of Economic Analysis.

FY'20 Target Model

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

*** This model is not guidance**

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

Appendix

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

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. Results for reporting periods commencing July 1, 2018 are presented under the new Topic 606 revenue standard, while prior period results continue to be reported under the previous standard. For more details relating to our adoption of Topic 606 please see Note 1 "Basis of Presentation" and Note 3 "Revenues" to our Consolidated Financial Statements on Form 10-K.

Summary of Quarterly Results with Constant Currency

(in millions except per share data)	Q4 FY19	Q4 FY18	$ Change	% Change	Q4 FY19 in CC*	% Change in CC*
Revenues:						
Cloud services and subscriptions	$241.9	$217.9	$24.0	11.0 %	$246.5	13.1 %
Customer support	315.2	316.8	(1.5)	(0.5) %	325.4	2.7 %
Total annual recurring revenues**	**$557.1**	**$534.6**	**$22.5**	**4.2 %**	**$572.0**	**7.0 %**
License	119.7	139.9	(20.2)	(14.4) %	124.1	(11.3) %
Professional service and other	70.4	79.7	(9.3)	(11.7) %	73.2	(8.1) %
Total revenues	**$747.2**	**$754.3**	**$(7.0)**	**(0.9) %**	**$769.3**	**2.0 %**
GAAP-based operating income	$158.0	$149.4	$8.6	5.8 %		
Non-GAAP-based operating income (1)	$259.0	$259.1	($0.1)	— %	$266.9	3.0 %
GAAP-based EPS, diluted	$0.27	$0.23	$0.04	17.4 %		
Non-GAAP-based EPS, diluted(1)(2)	$0.72	$0.72	$0.00	0.0 %	$0.74	2.8 %
GAAP-based net income, attributable to OpenText	$72.0	$61.7	$10.3	16.6 %		
Adjusted EBITDA(1)	$283.9	$281.8	$2.1	0.8 %	$292.2	3.6 %
Operating cash flows	$229.8	$204.1	$25.7	12.6 %		

(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)	FY19	FY18	$ Change	% Change	FY19 in CC*	% Change in CC*
Revenues:						
Cloud services and subscriptions	$907.8	$829.0	$78.8	9.5 %	$918.6	10.8 %
Customer support	1,247.9	1,232.5	15.4	1.3 %	1,271.1	3.1 %
Total annual recurring revenues**	**$2,155.7**	**$2,061.5**	**$94.3**	**4.6 %**	**$2,189.7**	**6.2 %**
License	428.1	437.5	(9.4)	(2.2) %	439.3	0.4 %
Professional service and other	284.9	316.3	(31.3)	(9.9) %	293.0	(7.4) %
Total revenues	**$2,868.8**	**$2,815.2**	**$53.5**	**1.9 %**	**$2,922.0**	**3.8 %**
GAAP-based operating income	$567.0	$506.7	$60.3	11.9 %		
Non-GAAP-based operating income (1)	$1,002.7	$933.5	$69.2	7.4 %	$1,013.4	8.6 %
GAAP-based EPS, diluted	$1.06	$0.91	$0.15	16.5 %		
Non-GAAP-based EPS, diluted(1)(2)	$2.76	$2.56	$0.20	7.8 %	$2.79	9.0 %
GAAP-based net income, attributable to OpenText(2)	$285.5	$242.2	$43.3	17.9 %		
Adjusted EBITDA(1)	$1,100.3	$1,020.4	$79.9	7.8 %	$1,111.8	9.0 %
Operating cash flows	$876.3	$708.1	$168.2	23.8 %		

(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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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 and operating margin (%) / Non-GAAP-based income from operations and operating margin (%)	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	

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 and operating margin stated as a percentage of total revenue.
6	Adjustment relates to the exclusion of Other income (expense) from our Non-GAAP-based operating expenses as Other income (expense) generally relates to the transactional impact of foreign exchange and is generally not indicative or related to continuing operations and is therefore excluded from our internal analysis of operating results. Other income (expense) also includes our share of income (losses) from our holdings in non-marketable securities investments as a limited partner. We do not actively trade equity securities in these privately held companies nor do we plan our ongoing operations based around any anticipated fundings or distributions from these investments. We exclude gains and losses on these investments as we do not believe they are reflective of our ongoing business and operating results.
7	Adjustment relates to differences between the GAAP-based tax provision rate of approximately 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 | Fiscal 2019

(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 and operating margin (%) / Non-GAAP-based income from operations and operating margin (%)		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 | Fiscal 2019

FOOTNOTES

1	Adjustment relates to the exclusion of share based compensation expense from our Non-GAAP-based operating expenses as this expense is excluded from our internal analysis of operating results.
2	Adjustment relates to the exclusion of amortization expense from our Non-GAAP-based operating expenses as the timing and frequency of amortization expense is dependent on our acquisitions and is hence excluded from our internal analysis of operating results.
3	GAAP-based and Non-GAAP-based gross profit stated in dollars and gross margin stated as a percentage of total revenue.
4	Adjustment relates to the exclusion of Special charges (recoveries) from our Non-GAAP-based operating expenses as Special charges (recoveries) are generally incurred in the periods relevant to an acquisition and include certain charges or recoveries that are not indicative or related to continuing operations, and are therefore excluded from our internal analysis of operating results.
5	GAAP-based and Non-GAAP-based income from operations stated in dollars and operating margin stated as a percentage of total revenue.
6	Adjustment relates to the exclusion of Other income (expense) from our Non-GAAP-based operating expenses as Other income (expense) generally relates to the transactional impact of foreign exchange and is generally not indicative or related to continuing operations and is therefore excluded from our internal analysis of operating results. Other income (expense) also includes our share of income (losses) from our holdings in non-marketable securities investments as a limited partner. We do not actively trade equity securities in these privately held companies nor do we plan our ongoing operations based around any anticipated fundings or distributions from these investments. We exclude gains and losses on these investments as we do not believe they are reflective of our ongoing business and operating results.
7	Adjustment relates to differences between the GAAP-based tax provision rate of approximately 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

Reconciliation of Selected Non-GAAP Measures | Q4 F18

(in '000s USD)	Three Months Ended June 30, 2018							
		GAAP	GAAP % of Total Revenue		Adjustments	FN		Non- GAAP	Non-GAAP % of Total Revenue
COST OF REVENUES									
Cloud services and subscriptions	$	95,346		$	(310)	(1)	$	95,036	
Customer support		34,232			(300)	(1)		33,932	
Professional service and other		64,896			(516)	(1)		64,380	
Amortization of acquired technology-based intangible assets		47,477			(47,477)	(2)		—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)		509,271	67.5%		48,603	(3)		557,874	74.0%
Operating expenses									
Research and development		81,816			(1,453)	(1)		80,363	
Sales and marketing		147,499			(2,552)	(1)		144,947	
General and administrative		52,577			(1,990)	(1)		50,587	
Amortization of acquired customer-based intangible assets		47,299			(47,299)	(2)		—	
Special charges (recoveries)		7,821			(7,821)	(4)		—	
GAAP-based income from operations and operating margin (%) / Non-GAAP-based income from operations and operating margin (%)		149,358			109,718	(5)		259,076	
Other income (expense), net		(8,938)			8,938	(6)		—	
Provision for (recovery of) income taxes		43,182			(11,860)	(7)		31,322	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText		61,723			130,516	(8)		192,239	
GAAP-based earnings per share / Non GAAP-based earnings per share-diluted, attributable to OpenText	$	0.23		$	0.49	(8)	$	0.72	

Reconciliation of Selected Non-GAAP Measures | Q4 F18

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

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

Reconciliation of Selected Non-GAAP Measures | Fiscal 2018

(in '000s USD)	Year Ended June 30, 2018					
	GAAP	GAAP % of Total Revenue	Adjustments	FN	Non- GAAP	Non-GAAP % of Total Revenue
COST OF REVENUES						
Cloud services and subscriptions	$ 364,160		$ (1,429)	(1)	$ 362,731	
Customer support	133,889		(1,233)	(1)	132,656	
Professional service and other	253,389		(1,838)	(1)	251,551	
Amortization of acquired technology-based intangible assets	185,868		(185,868)	(2)	—	
GAAP-based gross profit and gross margin (%) / Non-GAAP-based gross profit and gross margin (%)	1,864,242	66.2%	190,368	(3)	2,054,610	73.0%
Operating expenses						
Research and development	322,909		(5,659)	(1)	317,250	
Sales and marketing	529,141		(9,231)	(1)	519,910	
General and administrative	205,227		(8,204)	(1)	197,023	
Amortization of acquired customer-based intangible assets	184,118		(184,118)	(2)	—	
Special charges (recoveries)	29,211		(29,211)	(4)	—	
GAAP-based income from operations and operating margin (%) / Non-GAAP-based income from operations and operating margin (%)	506,693		426,791	(5)	933,484	
Other income (expense), net	17,973		(17,973)	(6)	—	
Provision for (recovery of) income taxes	143,826		(32,534)	(7)	111,292	
GAAP-based net income / Non-GAAP-based net income, attributable to OpenText	242,224		441,352	(8)	683,576	
GAAP-based earnings per share / Non GAAP-based earnings per share-diluted, attributable to OpenText	$ 0.91		$ 1.65	(8)	$ 2.56	

Reconciliation of Selected Non-GAAP Measures | Fiscal 2018

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

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

Reconciliation of Adjusted EBITDA

(in '000s USD)		FY19		Q4 FY19		FY18		Q4 FY18
GAAP-based Net income attributable to OpenText	$	285,501	$	71,983	$	242,224	$	61,723
Add:								
Provision for (recovery of) income taxes		154,937		56,309		143,826		43,182
Interest and other related expense, net		136,592		32,841		138,540		35,345
Amortization of acquired technology-based intangible assets		183,385		42,946		185,868		47,477
Amortization of acquired customer-based intangible assets		189,827		49,200		184,118		47,299
Depreciation		97,716		25,000		86,943		22,901
Share-based compensation		26,770		6,618		27,594		7,121
Special charges (recoveries)		35,719		2,232		29,211		7,821
Other (income) expense, net		(10,156)		(3,191)		(17,973)		8,938
Adjusted EBITDA	$	1,100,291	$	283,938	$	1,020,351	$	281,807