OPEN TEXT CORP. NDQ-OTEX

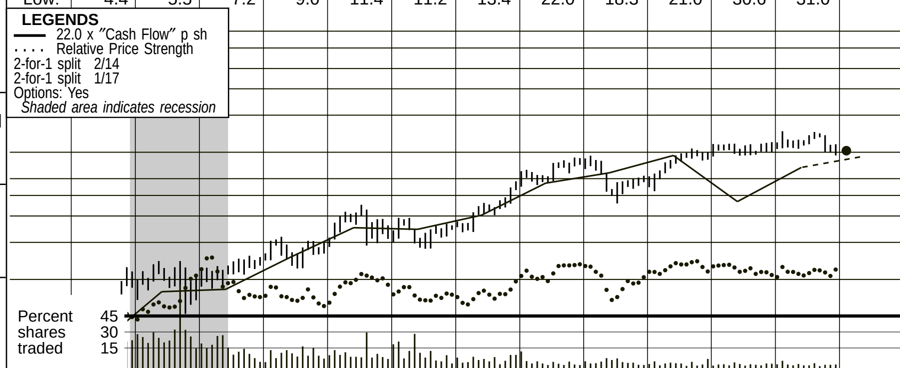
RECENT PRICE	P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD
32.60	29.6 (Trailing: 36.2 / Median: 26.0)	1.97	1.9%

VALUE LINE

TIMELINESS 3 Lowered 11/30/18
SAFETY 3 New 2/1/02
TECHNICAL 4 Lowered 1/4/19
BETA .85 (1.00 = Market)

High:	9.1	9.8	10.4	12.7	18.1	15.7	23.3	30.2	30.9	33.4	35.8	40.3
Low:	4.4	5.5	7.2	9.0	11.4	11.2	13.4	22.0	18.3	21.0	30.6	31.0

LEGENDS
— 22.0 x "Cash Flow" p sh
.... Relative Price Strength
2-for-1 split 2/14
2-for-1 split 1/17
Options: Yes
Shaded area indicates recession



Target Price Range 2021 | 2022 | 2023
120, 100, 80, 64, 48, 32, 24, 20, 16, 12, 8

2021-23 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+100%)	*20%*
Low	45	(+40%)	*10%*

Insider Decisions

	F	M	A	M	J	J	A	S	O
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	1Q2018	2Q2018	3Q2018
to Buy	117	124	144
to Sell	121	106	114
Hld's(000)	188586	188211	181647

Percent shares traded 45 30 15

% TOT. RETURN 12/18

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-7.1	-11.6
3 yr.	42.6	23.6
5 yr.	53.0	23.0

Open Text was founded in 1991 at the University of Waterloo as part of a project to index and update the Oxford English Dictionary for online use. In 1995, the company shifted its focus from search engines to intranet-based collaboration tools. Open Text went public on January 23, 1996, selling 9.2 million shares at $7.50 each (adjusted for split) through Montgomery Securities.

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	© VALUE LINE PUB. LLC	21-23
3.55	3.73	4.01	4.55	5.17	5.77	6.67	7.57	7.55	8.71	10.55	*10.55*	Revenues per sh A	*13.60*
.32	.33	.46	.64	.63	.73	1.04	1.17	1.41	.85	1.23	*1.40*	"Cash Flow" per sh	*2.55*
.25	.27	.38	.53	.53	.63	.91	.96	1.17	.62	.91	*1.10*	Earnings per sh AB	*2.20*
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.03	.06	.09	.16	.11	.10	.17	.32	.29	.30	.39	*.35*	Cap'l Spending per sh	*.35*
3.11	3.26	3.90	4.57	5.05	5.66	6.74	7.48	8.19	13.43	13.92	*14.20*	Book Value per sh C	*15.55*
204.61	210.87	227.30	227.30	233.44	236.12	243.52	244.59	241.54	262.96	266.96	*267.50*	Common Shs Outst'g D	*265.00*
29.7	29.7	26.9	24.1	26.2	22.7	23.8	28.2	20.9	NMF	37.2		Avg Ann'l P/E Ratio	*25.0*
1.79	1.98	1.71	1.51	1.67	1.28	1.25	1.42	1.10	NMF	1.97		Relative P/E Ratio	*1.40*
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725.5	785.7	912.0	1033.3	1207.5	1363.3	1624.7	1851.9	1824.2	2291.1	2815.2	*2885*	Revenues ($mill) A	*3600*
15.5%	13.9%	13.7%	16.7%	14.2%	16.3%	20.7%	28.1%	31.3%	27.6%	28.6%	*24.0%*	Operating Margin	*26.5%*
12.0	12.0	17.4	22.1	21.6	24.5	35.2	50.9	54.9	64.3	86.9	*85.0*	Depreciation ($mill)	*95.0*
53.0	56.9	87.6	123.2	125.2	148.5	218.1	234.3	284.5	159.3	242.2	*295*	Net Profit ($mill)	*580*
30.1%	29.4%	1.5%	7.1%	8.9%	16.7%	21.1%	11.9%	2.2%	36.1%	37.2%	*21.0%*	Income Tax Rate	*21.0%*
7.3%	7.2%	9.6%	11.9%	10.4%	10.9%	13.4%	12.7%	15.6%	7.0%	8.6%	*10.2%*	Net Profit Margin	*16.2%*
132.2	116.2	116.7	99.8	312.8	189.2	155.8	475.0	1001.3	d123.5	333.0	*700*	Working Cap'l ($mill)	*1250*
304.3	299.2	285.0	282.0	555.0	513.8	1256.8	1580.0	2138.0	2387.1	2610.5	*2375*	Long-Term Debt ($mill)	*2350*
636.2	686.5	886.2	1039.4	1179.4	1337.2	1642.2	1829.3	1978.7	3532.4	3716.2	*3800*	Shr. Equity ($mill) C	*4125*
6.8%	6.5%	7.9%	9.7%	7.6%	8.4%	8.0%	7.7%	7.8%	3.7%	4.9%	*6.0%*	Return on Total Cap'l	*10.0%*
8.3%	8.3%	9.9%	11.9%	10.6%	11.1%	13.3%	12.8%	14.4%	4.5%	6.5%	*8.0%*	Return on Shr. Equity	*14.0%*
8.3%	8.3%	9.9%	11.9%	10.6%	9.8%	8.7%	8.0%	9.4%	1.1%	2.6%	*3.5%*	Retained to Com Eq	*8.5%*
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CAPITAL STRUCTURE as of 9/30/18
Total Debt $2619.1 mill. **Due in 5 Yrs.** $950.0 mill.
LT Debt $2609.1 mill. **LT Interest** $130.0 mill.
(41% of Cap'l)
Leases, Uncapitalized Annual rentals $72.0 mill.

Pension Assets-6/18 Nil
Oblig. $61.9 mill.

Common Stock 267,340,211 shs.

MARKET CAP: $8.7 billion (Large Cap)

CURRENT POSITION ($MILL.)	2017	2018	9/30/18
Cash Assets	443.4	682.9	787.9
Receivables	445.8	488.0	416.3
Other	114.3	156.7	120.9
Current Assets	1003.5	1327.6	1325.1
Accts Payable	342.1	302.2	252.1
Debt Due	182.8	10.0	10.0
Other	602.1	682.4	613.2
Current Liab.	1127.0	994.6	875.3

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '21-'23
Revenues	12.0%	11.5%	*9.0%*
"Cash Flow"	18.0%	12.0%	*17.0%*
Earnings	19.0%	10.0%	*19.5%*
Dividends	--	--	*13.0%*
Book Value	16.0%	18.5%	*5.5%*

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.) A Sep.30	Dec. 31	Mar. 31	Jun. 30	Full Fiscal Year
2015	453.8	467.8	447.6	482.7	1851.9
2016	434.5	465.4	440.5	483.8	1824.2
2017	491.7	542.7	593.1	663.6	2291.1
2018	640.7	734.4	685.9	754.2	2815.2
2019	667.2	*740*	*715*	*762.8*	*2885*

Fiscal Year Ends	EARNINGS PER SHARE AB Sep.30	Dec. 31	Mar. 31	Jun. 30	Full Fiscal Year
2015	.27	.30	.11	.28	.96
2016	.17	.36	.29	.35	1.17
2017	.19	.18	.08	.17	.62
2018	.14	.32	.22	.23	.91
2019	.13	*.33*	*.28*	*.36*	*1.10*

Cal-endar	QUARTERLY DIVIDENDS PAID E Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.087	.10	.10	.10	.39
2016	.10	.115	.115	.115	.45
2017	.115	.132	.132	.132	.51
2018	.132	.152	.152	.152	.59
2019					

BUSINESS: Open Text Corporation develops, markets, licenses, and supports collaboration and enterprise information management software that stores, finds, and distributes information across intranets, extranets, and the Internet. '18 revs. by segment: licenses, 16%; customer support, 44%; cloud services, 29%; professional services, 11%. R&D: 11% of '18 revs. Acquired Global 360, 7/11; EasyLink Services, 7/12; GSX Group, 1/14. Has about 12,200 employees. Officers & directors own 3.0% of common stock ('18 10K). Chairman: P. Thomas Jenkins. Chief Executive Officer: Mark Barrenechea. Incorporated: Ontario, Canada. Address: 275 Frank Tompa Drive, Waterloo, Ontario, Canada N2L 0A1. Telephone: 519-888-7111. Internet: www.opentext.com.

Open Text announced it will acquire Liaison Technologies, a cloud-based data integration solutions provider. Open Text is set to pay $310 million in cash for the business-to-business cloud provider. The deal is expected to wrap up before the end of January, subject to customary closing conditions, and all associated financial data will be disclosed subsequent to closing.

Fiscal 2019 is off to a mediocre start (year began July 1, 2018). First-quarter revenue and earnings both came in below our expectations. Foreign exchange headwinds played a partial role, but we think a quick recovery took place during the recently-ended December period. Recurring sources are fast approaching 80% of total revenue, driven by demand for cloud and maintenance services. Moreover, operating margins are slowly improving (a direct benefit of its $29 million restructuring program announced last summer), which points to stronger share profits over the back half of fiscal 2019.

Nevertheless, we are modestly scaling back our current fiscal-year top- and bottom-line forecasts. We now look for revenues of $2.885 billion (down from $2.925 billion) and earnings of $1.10 a share (lowered from $1.25).

Additional acquisitions are probably on tap over the stretch to 2021-2023. Indeed, strategic purchases are one of the main cogs in Open Text's growth wheel, alongside product enhancements and expanding its customer base. The balance sheet is in decent shape (Financial Strength rating: B++), as the company generates sufficient free cash flow from operations and now maintains a leverage ratio just over 40% of total capital. Overall, we expect Open Text to keep the purse strings relatively loose as we head into next decade.

This equity is ranked to move in line with the year-ahead broader market averages. However, long-term business prospects, especially within the cloud-focused information technology space, are promising. The stock price has dipped a bit over the past few months, but capital gains potential is still only average. Therefore, it may be best for patient accounts to remain on the sidelines.

Nicholas P. Patrikis *January 11, 2019*

(A) Fiscal year ends June 30th. All amounts reported in U.S. dollars. (B) Diluted earnings. Excl. nonrecurring gains/(losses): '16, $3.42. Egs. may not sum due to rounding. Next egs. report early February. (C) Includes intangibles in 2018: $4876.7 mill., $18.27/share. (D) In millions, adjusted for splits. (E) Dividend payment initiated June, 2013. Quarterly payments will likely be made in late March, June, Sept., Dec.

Company's Financial Strength	B++
Stock's Price Stability	65
Price Growth Persistence	90
Earnings Predictability	50