

OPEN TEXT CORP  
Form 10-Q  
April 28, 2015

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

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FORM 10-Q

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QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2015.

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 0-27544

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OPEN TEXT CORPORATION  
(Exact name of Registrant as specified in its charter)

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CANADA  
(State or other jurisdiction of  
incorporation or organization)

98-0154400  
(IRS Employer  
Identification No.)

275 Frank Tompa Drive, Waterloo, Ontario, Canada N2L 0A1

(Address of principal executive offices)

(519) 888-7111

(Registrant's telephone number, including area code)

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  (Do not check if smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

At April 27, 2015, there were 122,213,136 outstanding Common Shares of the registrant.

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CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands of U.S. dollars, except share data)

	March 31, 2015 (unaudited)	June 30, 2014
<b>ASSETS</b>		
Cash and cash equivalents	\$613,177	\$427,890
Short-term investments	19,029	—
Accounts receivable trade, net of allowance for doubtful accounts of \$6,818 as of March 31, 2015 and \$4,727 as of June 30, 2014 (note 3)	251,826	292,929
Income taxes recoverable (note 14)	20,543	24,648
Prepaid expenses and other current assets	53,563	42,053
Deferred tax assets (note 14)	35,936	28,215
Total current assets	994,074	815,735
Property and equipment (note 4)	155,129	142,261
Goodwill (note 5)	2,155,243	1,963,557
Acquired intangible assets (note 6)	730,673	725,318
Deferred tax assets (note 14)	149,570	156,712
Other assets (note 7)	84,223	52,041
Deferred charges (note 8)	41,043	52,376
Long-term income taxes recoverable (note 14)	8,587	10,638
Total assets	\$4,318,542	\$3,918,638
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities (note 9)	\$212,397	\$231,954
Current portion of long-term debt (note 10)	15,802	62,582
Deferred revenues	364,728	332,664
Income taxes payable (note 14)	4,529	31,630
Deferred tax liabilities (note 14)	2,220	1,053
Total current liabilities	599,676	659,883
Long-term liabilities:		
Accrued liabilities (note 9)	30,802	41,999
Deferred credits (note 8)	14,089	17,529
Pension liability (note 11)	64,000	60,300
Long-term debt (note 10)	1,582,000	1,256,750
Deferred revenues	20,042	17,248
Long-term income taxes payable (note 14)	163,232	162,131
Deferred tax liabilities (note 14)	65,659	60,631
Total long-term liabilities	1,939,824	1,616,588
Shareholders' equity:		
Share capital (note 12)		
122,207,636 and 121,758,432 Common Shares issued and outstanding at March 31, 2015 and June 30, 2014, respectively; Authorized Common Shares: unlimited	806,532	792,834
Additional paid-in capital	120,246	112,398
Accumulated other comprehensive income	43,720	39,449
Retained earnings	818,666	716,317
Treasury stock, at cost (407,725 shares at March 31, 2015 and 763,278 at June 30, 2014, respectively)	(10,680)	(19,132)
Total OpenText shareholders' equity	1,778,484	1,641,866

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Non-controlling interests	558	301
Total shareholders' equity	1,779,042	1,642,167
Total liabilities and shareholders' equity	\$4,318,542	\$3,918,638
Guarantees and contingencies (note 13)		
Related party transactions (note 21)		
Subsequent events (note 22)		
See accompanying Notes to Condensed Consolidated Financial Statements		

OPEN TEXT CORPORATION  
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
 (In thousands of U.S. dollars, except share and per share data)  
 (unaudited)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2015	2014	2015	2014
Revenues:				
License	\$63,958	\$73,083	198,397	\$209,553
Cloud services	143,822	128,400	445,097	212,178
Customer support	184,335	180,290	547,707	523,155
Professional service and other	55,462	60,981	178,008	185,835
Total revenues	447,577	442,754	1,369,209	1,130,721
Cost of revenues:				
License	3,014	3,527	9,514	9,867
Cloud services	59,989	49,464	174,959	79,692
Customer support	24,092	25,206	71,252	71,785
Professional service and other	44,330	49,218	136,332	145,898
Amortization of acquired technology-based intangible assets (note 6)	22,136	17,147	58,548	51,712
Total cost of revenues	153,561			