

OPEN TEXT CORP
Form 10-Q
April 25, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2013.

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

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

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)

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 22, 2013, there were 58,607,036 outstanding Common Shares of the registrant.

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OPEN TEXT CORPORATION
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (In thousands of U.S. dollars, except share data)

	March 31, 2013 (unaudited)	June 30, 2012
ASSETS		
Cash and cash equivalents	\$446,911	\$559,747
Accounts receivable trade, net of allowance for doubtful accounts of \$5,858 as of March 31, 2013 and \$5,655 as of June 30, 2012 (note 3)	174,563	163,664
Income taxes recoverable (note 13)	23,977	17,849
Prepaid expenses and other current assets	47,787	44,011
Deferred tax assets (note 13)	15,727	4,003
Total current assets	708,965	789,274
Property and equipment (note 4)	83,776	81,157
Goodwill (note 5)	1,241,960	1,040,234
Acquired intangible assets (note 6)	397,154	312,563
Deferred tax assets (note 13)	141,501	115,128
Other assets (note 7)	21,528	23,739
Deferred charges (note 8)	58,598	68,653
Long-term income taxes recoverable (note 13)	11,840	13,545
Total assets	\$2,665,322	\$2,444,293
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities (note 9)	\$199,501	\$131,734
Current portion of long-term debt (note 10)	48,475	41,374
Deferred revenues	297,130	273,987
Income taxes payable (note 13)	6,323	27,806
Deferred tax liabilities (note 13)	1,188	1,612
Total current liabilities	552,617	476,513
Long-term liabilities:		
Accrued liabilities (note 9)	19,109	14,247
Deferred credits (note 8)	12,232	10,086
Pension liability (note 11)	24,429	22,074
Long-term debt (note 10)	525,000	555,000
Deferred revenues	10,824	12,653
Long-term income taxes payable (note 13)	151,643	147,623
Deferred tax liabilities (note 13)	71,972	26,705
Total long-term liabilities	815,209	788,388
Shareholders' equity:		
Share capital (note 12)		
58,607,036 and 58,358,990 Common Shares issued and outstanding at March 31, 2013 and June 30, 2012, respectively; Authorized Common Shares: unlimited	643,296	635,321
Additional paid-in capital	96,159	95,026
Accumulated other comprehensive income	38,699	44,364
Retained earnings	548,416	442,068
Treasury stock, at cost (610,878 and 793,494 shares at March 31, 2013 and at June 30, 2012, respectively)	(29,074)	(37,387)
Total shareholders' equity	1,297,496	1,179,392

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Total liabilities and shareholders' equity	\$2,665,322	\$2,444,293
Guarantees and contingencies (note 17)		
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,	
	2013	2012	2013	2012
Revenues:				
License	\$69,035	\$60,957	\$200,816	\$215,688
Cloud Services	44,437	—	135,472	—
Customer support	166,573	166,057	493,327	493,440
Professional service and other	57,650	65,333	186,454	192,721
Total revenues	337,695	292,347	1,016,069	901,849
Cost of revenues:				
License	3,079	4,549	12,578	13,917
Cloud services	18,891	—	55,435	—
Customer support	27,497	27,987	81,597	82,724
Professional service and other	48,252	52,596	144,498	153,551
Amortization of acquired technology-based intangible assets (note 6)	23,058	21,264	70,031	63,307
Total cost of revenues	120,777	106,396	364,139	313,499
Gross profit	216,918			