



1 Reliable Canadian High-Growth Stock I'd Buy With \$300

Description

For almost 30 years, **Open Text** ([TSX:OTEX](#))([NASDAQ:OTEX](#)) has been delivering [mission-critical solutions](#) on a global basis and across industries. The company's leadership position in information management has never been stronger and the company's customers appear to continue to trust OpenText as businesses adapt to a changing business climate.

Comprehensive platform

The comprehensive Open Text [information management platform](#) and services continue to provide secure and scalable solutions for global companies, small and medium businesses (SMBs), governments, and consumers around the world. The pandemic appears to have caused uncertainty, but it has also strengthened the company's purpose to help businesses transform.

Further, Open Text has communicated to shareholders a core belief in the transformative power of information to reach higher, have a bigger impact, attain knowledge and grow. This seems to fuel the company's ability to help customers re-configure and re-invent.

The company helps ensure supply chains and retailers are delivering essential goods, pharmaceutical companies are conducting research, and hospitals are managing resources.

Further, the company also ensures that doctors and patients are connected, airlines are safe, banks are providing funds, cybercriminals are stopped and transportation systems are moving goods, along with many other critical functions.

Intelligent acquisitions

In fiscal 2020, the company launched Open Text cloud editions, acquired Carbonite, and expanded the company's information management platform into the small and medium business market. Also, the company has forged new and valuable partnerships with America's three largest technology companies. The company appears to have remained highly focused on delivering against Open Text's

total growth strategy.

Overall, the company reported strong operational performance amid challenging times during the COVID-19 pandemic. The strength of the company's people, processes, and systems was on full display in the second half of the fiscal year, demonstrating the durability and resilience of the organization.

In the fiscal year, Open Text delivered a record \$3.11 billion in total revenues, representing 8.4% year-over-year growth, a record \$1.16 billion in cloud revenues, representing 27.5% year-over-year growth, and a record \$2.43 billion in annual recurring revenues (ARR), representing 12.9% year-over-year growth.

Focused on operational excellence and efficiency

Also, the company's annual recurring revenues represented 78% of total revenues. The company's relentless focus on operational excellence and efficiency enabled Open Text to deliver \$1.15 billion of adjusted earnings and \$954.5 million in operating cash flows in the fiscal year. The company ended the year with earnings per share of \$0.86, representing 4.7% year-over-year growth.

The company continues to focus on key operating metrics to drive shareholder value. These include annual recurring revenue (ARR), net income, and cash flow generation. Open Text also returned \$188.7 million to shareholders through the company's dividend policy and deployed \$1.38 billion of capital to acquire Carbonite and XMedius.

With approximately \$1.7 billion of cash at the end of the year, the company's balance sheet and liquidity position appear very strong providing the flexibility for future merger and acquisition (M&A) opportunities.

In a cloud-first world, OpenText offers a strategic cloud platform that empowers customers to do more with information. The cloud has become a business imperative, which positions the company well for the future.

CATEGORY

1. Investing

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