

First Quarter 2019 Earnings Report

September 6, 2018

Speakers

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Safe Harbor Statement

This presentation contains certain forward-looking statements concerning the Company's operations, performance, and financial condition. Reliance should not be placed on forward-looking statements, as actual results may differ materially from those in any forward-looking statements. Any such forward-looking statements are based upon a number of assumptions and estimates that are inherently subject to uncertainties and contingencies, many of which are beyond the control of the Company, and are subject to change based on many important factors. Such factors include, but are not limited to (i) the level of investment in new technologies and products; (ii) subscriber renewal rates for the Company's journals; (iii) the financial stability and liquidity of journal subscription agents; (iv) the consolidation of book wholesalers and retail accounts; (v) the market position and financial stability of key online retailers; (vi) the seasonal nature of the Company's educational business and the impact of the used book market; (vii) worldwide economic and political conditions; (viii) the Company's ability to protect its copyrights and other intellectual property worldwide (ix) the ability of the Company to successfully integrate acquired operations and realize expected opportunities and (x) other factors detailed from time to time in the Company's filings with the Securities and Exchange Commission. The Company undertakes no obligation to update or revise any such forward-looking statements to reflect subsequent events or circumstances.

About Wiley

Wiley is a global research and learning company. Through the **Research** segment, the Company provides scientific, technical, medical, and scholarly journals, as well as related content and services, for academic, corporate, and government libraries, learned societies, and individual researchers and other professionals. The **Publishing** segment includes scientific (STM), professional development, and education books and related content, as well as test preparation services and course workflow tools, to libraries, corporations, students, professionals, and researchers. In **Solutions**, Wiley provides program management services for higher education institutions, and learning, development, and assessment services for businesses and professionals.

Non-GAAP Measures

In this presentation, management provides the following non-GAAP measures:

- Adjusted Earnings Per Share (“Adjusted EPS”)
- Free Cash Flow less Product Development Spending
- Adjusted Operating Income and Margin
- Adjusted Contribution to Profit (“Adjusted CTP”)
- Results on a constant currency (“CC”) basis

Management believes non-GAAP financial measures provide a consistent basis to evaluate underlying operating profitability and performance trends by excluding one-time and unusual items.

Adjusted Earnings Per Share, Adjusted Operating Income, and Adjusted Contribution to Profit provide a more comparable basis to analyze operating results and earnings and are commonly used by shareholders to measure our performance. **Free Cash Flow less Product Development Spending** helps assess our ability over the long term to create value for our shareholders. **Results on a constant currency basis** removes distortion from the effects of foreign currency movements to provide better comparability of our business trends from period to period. We measure our performance before the impact of foreign currency (or at “constant currency”), which means that we apply the same foreign currency exchange rates for the current and equivalent prior period. We have not provided our 2019 outlook for the most directly comparable U.S. GAAP financial measures, as they are not available without unreasonable effort due to the high variability, complexity, and low visibility with respect to certain items, including restructuring charges and credits, gains and losses on foreign currency, and other gains and losses. These items are uncertain, depend on various factors, and could be material to our results computed in accordance with U.S. GAAP.

Agenda

- Business Update
- Results
- Financial Position
- Outlook
- Q&A

A Research and Education Company

1

We play in two large, important, and dynamic markets –
Research and Education

2

We are well-positioned to capitalize on opportunities resulting from
transformation, both in traditional and emerging segments

3

We have many foundational strengths and our core businesses are solid
but we must evolve swiftly, innovate relentlessly, and execute well

Key Initiatives

Redefine publishing

- Curated, high-quality content remains essential in the global knowledge economy
- Products are evolving from static content to dynamic packages of content, services, and tools
- Publishing is about helping our customers achieve their valued outcomes

Expand beyond publishing

- Publishing and platforms to enhance the research and education workflow
- Tech-enabled services to deliver results for learners and our institutional and corporate partners

Invest in talent, technology, growth and efficiency

Pursue acquisitions to gain share, capture synergies, and tap into new growth

First Quarter Highlights

Momentum in Research

Academic society wins, open access growth, rising journal impact, article output growth, and increasing content usage

Corporate Highlights

Good progress in strategic planning and business optimization; new Chief Strategy Officer

25th consecutive year of dividend increases

Momentum in Education

Successful product launches and new business models introduced in publishing

Two new university partnerships; two long term partner extensions; solid program pipeline

Strong corporate client signings and partner network growth

First Quarter Results

GAAP	Q1 2019	Q1 2018	Change	Change CC
Revenue	\$410.9	\$411.4	0%	(1%)
Operating Income	\$36.1	\$12.6	\$23.5	
Operating Margin	8.8%	3.1%		
Diluted EPS	\$0.45	\$0.16	\$0.29	
Non-GAAP	Q1 2019	Q1 2018	Change	Change CC
Adjusted Operating Income	\$30.1	\$41.9		(27%)
Adjusted Operating Margin	7.3%	10.2%		
Adjusted EPS	\$0.43	\$0.59		(29%)

"CC" = constant currency

Research Segment

<i>(millions)</i>	Q1 2019	Q1 2018	Change	Change CC
Journal Subscriptions	\$166.0	\$168.3	(1%)	(2%)
Open Access	\$10.9	\$8.8	24%	22%
Licensing, Reprints, Backfiles, Other	\$39.5	\$38.2	3%	2%
Total Journal Revenue	\$216.4	\$215.4	0%	0%
Publishing Technology Services (Atypon)	\$8.6	\$8.3	4%	4%
TOTAL REVENUE	\$225.0	\$223.6	1%	0%
CONTRIBUTION TO PROFIT (CTP)	\$57.1	\$60.5	(6%)	
Restructuring (credits) charges	(\$1.0)	\$4.8		
ADJUSTED CTP	\$56.1	\$65.3		(13%)

- Society partnership momentum continues
- Increased share of cited articles and maintained #3 global position in Journal Citation Report (JCR), a key barometer of journal impact
- CTP lower due to investment in editorial and marketing resources to enable growth, along with investment in Technology

Publishing Segment

<i>(millions)</i>	Q1 2019	Q1 2018	Change	Change CC
STM and Professional Publishing	\$66.1	\$63.6	4%	3%
Education Publishing	\$38.2	\$45.7	(16%)	(16%)
Course Workflow (WileyPLUS)	\$0.8	\$1.2	(36%)	(35%)
Test Preparation and Certification	\$11.4	\$11.5	(1%)	0%
Licensing, Distribution, Advertising, Other	\$8.4	\$9.2	(9%)	(10%)
TOTAL REVENUE	\$124.9	\$131.3	(5%)	(5%)
CONTRIBUTION TO PROFIT (CTP)	\$13.7	\$4.5	+\$9.2	
Restructuring (credit) charges	(\$0.7)	\$7.3		
Publishing brand impairment charge		\$3.6		
ADJUSTED CTP	\$13.1	\$15.3		(16%)

- Growth in STM and Professional Publishing driven by strong gains in finance, business, and professional education
- Education Publishing performance largely due to print declines. New Inclusive Access and rental initiatives underway.
- Good momentum seen in WileyPLUS Next Gen launch (seasonally WileyPLUS Q1 revenue is not meaningful)
- Recent test preparation partnerships announced in Hong Kong

Solutions Segment

<i>(millions)</i>	Q1 2019	Q1 2018	Change	Change CC
Education Services	\$29.2	\$26.3	11%	11%
Professional Assessment	\$15.8	\$14.9	6%	6%
Corporate Learning	\$16.0	\$15.3	5%	2%
TOTAL REVENUE	\$61.0	\$56.5	8%	7%
CONTRIBUTION TO PROFIT (CTP)	\$3.2	(\$2.0)	+\$5.2M	
Restructuring charges	(\$0.3)	\$2.8		
ADJUSTED CTP	\$3.0	\$0.8		+\$2.1M

- New full-service online program signings in the UK – University of Glasgow and University of Bath
- Our Lady of the Lake University (TX) partnership extended for an additional 7 years; Saint Mary’s of Minnesota extended for an additional 10-years
- 35 university partners and 243 programs, up from 34 and 239 in previous quarter
- Good momentum in Assessment – new partner signings and launches

Balance Sheet and Cash Flow

Balance Sheet (millions)	As of 7/31/18	As of 7/31/17
Long Term Debt	\$507.5	\$551.6
Net Debt	\$394.4	\$467.5
Net-Debt-to-EBITDA*	1.2	1.6

Cash Flow Measures (millions)	Q1 2019	Q1 2018
Net Cash Used in Operating Activities (GAAP)	(\$149.5)	(\$81.2)
Additions to Technology, Property, and Equipment	(\$18.3)	(\$28.5)
Product Development Spending	(\$1.7)	(\$7.5)
Acquisitions of Publishing Rights	(\$2.0)	(\$4.4)
Free Cash Flow less Product Development Spending (Non-GAAP)	(\$169.5)	(\$117.2)
Cash dividends	(\$19.0)	(\$18.4)
Repurchases	(\$8.0)	(\$14.0)

*Net-Debt-to-EBITDA (ttm) – as defined in our Revolving Credit Facility

Fiscal 2019 Outlook

Metric (\$M, except EPS)	FY18 Actual	FY19 Expectation (% at constant currency)
Revenue	\$1,796.1	Even with prior year
Adj. EPS	\$3.43	Mid-single digit decline
Cash Provided by Operating Activities	\$381.8	High-single digit decline
Capital Expenditures*	\$150.7	Lower

Revenue expectation reflects low-single digit growth in Research and Solutions offset by a low-single digit decline in Publishing

Adjusted EPS expectation from increased investment in revenue growth and business optimization initiatives

Cash Provided by Operations reflects impact of investments and lower gains in working capital. Note, implementation of ASC 606 will move approximately \$10 million of spending from Capital Expenditures to Cash from Operating Activities.

Capital Expenditures reflects completion of our headquarters transformation; increased investment expected in product development and business optimization. Implementation of ASC 606 to move approximately \$10 million of spending from Capital Expenditures to Cash from Operating Activities.

Key Takeaways

- Q1 results consistent with expectations
- Good momentum in key parts of the business
 - Research: good underlying supply and demand
 - Solutions: strong momentum with customers, partners, capabilities
 - Publishing: new WileyPLUS, Inclusive Access model, growth in Trade
- Investing in talent, technology, efficiency and growth initiatives
- Good progress in strategic planning and business optimization
- Fiscal 2019 guidance reaffirmed

Appendix



Adjusted EPS reconciliation to GAAP

JOHN WILEY & SONS, INC.

SUPPLEMENTARY INFORMATION (1)

RECONCILIATION OF GAAP EPS to NON-GAAP ADJUSTED EPS - DILUTED

(unaudited)

	Three Months Ended July 31,	
	2018	2017
GAAP Earnings Per Share - Diluted	\$ 0.45	\$ 0.16
Adjustments:		
Restructuring and related (credits) charges (A)	(0.08)	0.35
Foreign exchange losses on intercompany transactions (B)	0.05	0.08
Non-GAAP Adjusted Earnings Per Share - Diluted	\$ 0.43	\$ 0.59

Notes:

(A) Adjusted results exclude restructuring and related (credits) charges associated with the Company's Restructuring and Reinvestment Program. For the three months ended July 31, 2018, there were credits of \$6.1 million, or \$(0.08) per share. For the three months ended July 31, 2017, there were charges of \$29.3 million, or \$0.35 per share.

(B) Adjusted results exclude foreign exchange losses associated with intercompany transactions. For the three months ended July 31, 2018, there were losses of \$4.0 million, or \$0.05 per share. For the three months ended July 31, 2017, there were losses of \$6.0 million, or \$0.08 per share.

(1) See Explanation of Usage of Non-GAAP performance measures included in this supplementary information for additional details on the reasons why management believes presentation of each non-GAAP performance measure provides useful information to investors. The supplementary information included in this press release for the three months ended July 31, 2018 is preliminary and subject to change prior to the filing of our upcoming Quarterly Report on Form 10-Q with the Securities and Exchange Commission.

Additional financial tables and further explanations and reconciliation of GAAP financial results to non-GAAP financial measures can be found under our September 6 earnings release at <https://www.wiley.com/en-us/investors>