

Second Quarter 2019 Earnings Report

December 5, 2018

Speakers

Brian Napack, President and CEO

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Safe Harbor Statement

This presentation contains certain forward-looking statements concerning the Company's Fiscal Year 2019 Outlook, 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; (x) achievement of targeted run rate savings through restructuring actions; (xi) and 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 performance 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”) and margin;
- 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.

Brian Napack, President & CEO

Wiley is Research and Education

Our Customers



RESEARCHERS

Amplifying the impact of research and discovery



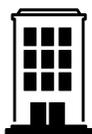
LEARNERS

Driving personal and professional growth



UNIVERSITIES

Helping universities succeed in their education missions



CORPORATIONS

Helping employers address the skills gap

WILEY

Fueling the Knowledge Economy

Our Offerings

WILEY RESEARCH

Driving discovery, usage and impact of scholarly research

Research Publishing
Research Platforms

- Research content
- Author services
- Society services
- Corporate and Library services
- Content delivery platforms
- Researcher tools
- Publisher services

WILEY EDUCATION

Enabling powerful learning for personal and professional growth

Education Publishing
Education Services

- Content & courseware
- Test prep and certification courses
- Professional education books
- Tech-enabled degree program svcs
- Professional skill-building programs
- Corporate training programs
- Learning platforms

Second Quarter Highlights

Results in line with expectations

Steady growth in Research and strong growth in Solutions offset low-single digit decline in Publishing due to textbook declines

Earnings performance as expected due to investments in growth initiatives

Business optimization initiative launched

New re-engineering initiative will reduce cost while improving cycle speeds, content value and service levels

Organic investments gaining traction

In Research, we are accelerating growth in article and open access volume

In Publishing, we are growing the publishing program in high-demand disciplines and building Test Prep momentum

In Solutions, we are seeing strong growth in enrollment and in the addition of new university & corporate partners

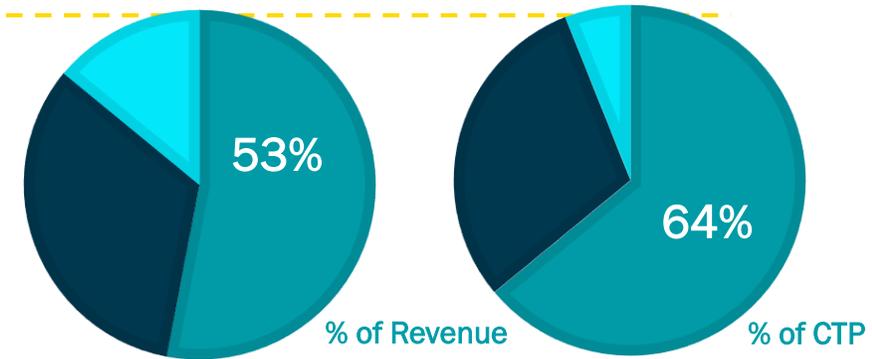
The Learning House acquisition strengthens leadership in rapidly-growing \$10B Education Services market

Acquisition of leading provider adds scale, capabilities, and service offerings

Combination brings unmatched range of university partners, programs, and offerings

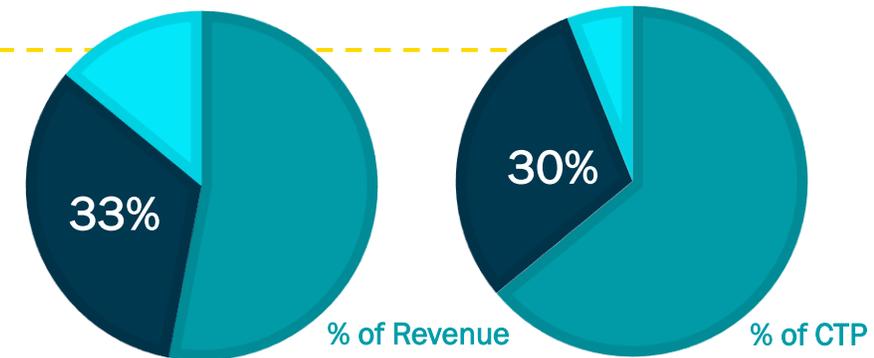
1H Momentum – Research

Markets	<ul style="list-style-type: none"> • Wiley is a leading research publisher and owns the world’s #1 publishing platform • \$10B addressable market growing at 1-2% a year • Recently ranked at the top in journal impact • Industry evolving and diversifying into subscriptions, open access, hybrid models
Strategic Direction	<ul style="list-style-type: none"> • Growing our publishing portfolio, society network, and article volume • Accelerating Open Access growth and leadership position • Developing new revenue streams serving library and corporate markets • Planning new product and service offerings to enhance researcher experience and impact
Operational Effectiveness	<ul style="list-style-type: none"> • Re-engineering publishing processes and infrastructure to improve article cycle time and reduce costs • Improving client and author satisfaction through new tools and improved efficiencies
Financials cc	<ul style="list-style-type: none"> • Revenue up 1% • Adjusted CTP down 10%



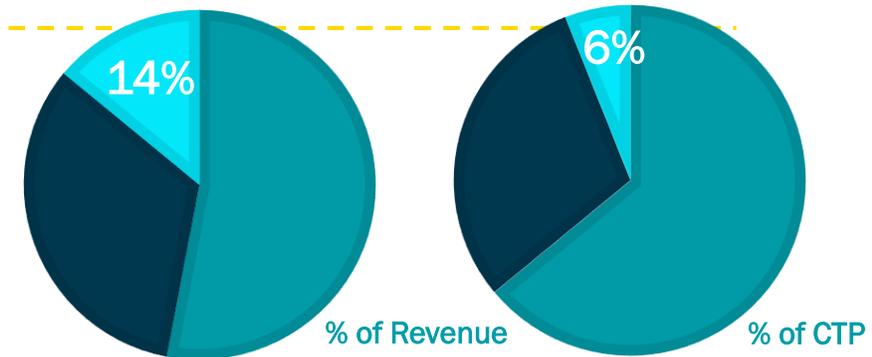
1H Momentum – Publishing

Markets	<ul style="list-style-type: none"> • Wiley is a leader in critical, high-demand disciplines - Business & Finance, Science, Technology, Healthcare • \$15B addressable market - Test Prep and Trade growing, Reference steady, Higher Education in transition • High-quality learning content remains in demand – formats, models, and pricing are changing
Strategic Direction	<ul style="list-style-type: none"> • Publishing more and investing in high demand, must-have disciplines • Driving digital products (WileyPLUS, Wiley Efficient Learning, ebooks) and affordability initiatives (IA, Rental) • Expanding test prep and certification into new high-demand technology skill areas such as cybersecurity, networking, and technology service
Operational Effectiveness	<ul style="list-style-type: none"> • Streamlining publishing workflows to reduce cost, speed cycle times, and enhance content value • Enhancing go-to-market capabilities to exploit new marketing opportunities and emerging business models • Optimizing pricing and reducing costs to ensure competitive cost base • Enhancing skillsets in key positions
Financials CC	<ul style="list-style-type: none"> • Revenue down 4% • Adjusted CTP down 6%



1H Momentum – Solutions

Markets	<ul style="list-style-type: none"> • Wiley a leader in the \$2B degree program services market (OPM) and the broader \$10B market for education services for universities and corporations
Strategic Direction	<ul style="list-style-type: none"> • Leveraging unmatched institutional footprint and reputation • Driving strong enrollment growth in existing programs • Driving new university partnerships and long term renewals; strong pipeline of partners and programs • Expanding overall service portfolio through capabilities added from The Learning House • Driving customer and partner growth in Corporate Learning and Professional Assessment (Q2: 41 new clients for CrossKnowledge and 86 new corporate training partners in Professional Assessment)
Operational Effectiveness	<ul style="list-style-type: none"> • Driving margin gains through efficiency improvements • Making good progress in optimizing university partner portfolio • Driving efficiency in institutional services operating model
Financials CC	<ul style="list-style-type: none"> • Revenue up 8% • Adjusted CTP up 47%



1H Momentum – Corporate

- Driving clear strategic focus and alignment across the company
- Building customer-centric team and driving colleague engagement worldwide
- Building world-class, customer-facing technology organization
- Upskilling and reskilling in areas critical to our future success
- Enhancing operating model to drive speed, innovation and agility
- Driving operational excellence, cost savings and productivity through re-engineering

Wiley acquires The Learning House



Purchase Price	\$200 million in cash
Revenue	\$70 million*
Revenue Growth %	Mid-to-high teens*
EBITDA	\$7 million*

*CY18 Projection

Strengthens Wiley leadership in the rapidly-growing \$2B+ university program services space (OPM)

\$200M in combined revenue. Unmatched portfolio of partners (60+) and programs (800+), partner diversity and range, brand, relationships and institutional reach

Positions us to capture bigger share of the broader education services market

Wiley offerings include: degree and non-degree skill-building programs, credentials, certificates, short courses for students and professionals; enrollment and pathway services for international students; continuing professional education and credentialing; corporate learning solutions; job placement network with 450+ corporate partners

Adds well-managed, dynamic company that strongly complements Wiley Education Services

Strong focus on underpenetrated and economically attractive regional university segment and undergraduate degree opportunities; strong operating capabilities and synergies in marketing, technology, etc.; agile, entrepreneurial culture and innovation capabilities

Network of institutional partners with unmatched range and diversity

Wiley
36 Partners



The Learning House
30 Partners



Full portfolio and attractive economics in education program services

Traditional OPM

Recurring revenue, 7-10 year contracts with universities

Unbundled Program Services

No upfront capital, great cash flow characteristics, high demand

Education Delivery Programs

Non-degree programs, bootcamps, short courses, pathway programs, and teacher advancement programs



Strong growth expected over long term as transformative market emerges

Current EBITDA margin = 7-10%

Projected operating margin of 15-20%+ at maturity

Margin growth to come from maturing partner portfolio, marketing efficiencies and network effects, scale-related cost levers, and portfolio optimization. Learning House brings highly efficient operating model

Wiley bridges the gap from university education to career success

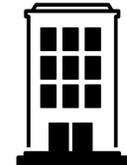
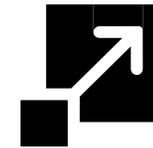
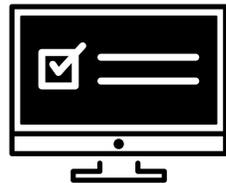
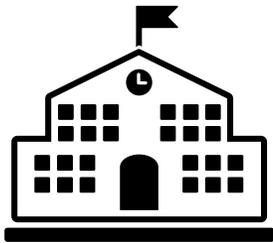
University Program Services (OPM)

Credentials, Certificates, Short Courses

International Student Pathways

Continuing Professional Education

Corporate Learning



\$2B+ market

15% penetration in US
10% annual growth

\$3B+ market

Early stage market
Rapid growth

\$2B+ market

Expanding market
Rapid growth

\$4B+ market

Established market
Good growth

\$50B+ market

Established market
Good growth

Online degree program services and platforms for universities (bundles & unbundled)

Non-degree education programs for high-demand skills and job placement

University marketing, recruiting, and onboarding services for international students

Professional development courses and credits for career advancement

Learning content, platforms and services for use in corporate settings

Sources: Internal estimates, BMO/Course Reports (Bootcamps), Eduventures (OPM), Statista (Teacher Advancement), Pathways (Cambridge and Studyportals)

John Kritzmacher

CFO & EVP, Operations

Second Quarter Performance

GAAP	Q2 2019	Q2 2018	Change	Change CC
Revenue	\$448.6	\$451.7	(1%)	1%
Operating Income	\$57.5	\$80.8	(29%)	
Operating Margin	12.8%	17.9%		
Diluted EPS	\$0.76	\$1.04	(27%)	

Non-GAAP	Q2 2019	Q2 2018	Change	Change CC
Adjusted Operating Income	\$67.5	\$79.4		(10%)
Adjusted Operating Margin	15.0%	17.6%		
Adjusted EPS	\$0.89	\$1.03		(9%)

- Foreign exchange unfavorable to Q2 2019 revenue by \$9 million, operating income by \$4 million, and EPS by \$0.05
- Restructuring charges of \$10 million in Q2 2019 vs. credit of \$1 million in Q2 2018

First Half Performance

GAAP	1H 2019	1H 2018	Change	Change CC
Revenue	\$859.5	\$863.2	0%	0%
Operating Income	\$93.6	\$93.4	0%	
Operating Margin	10.9%	10.8%		
Diluted EPS	\$1.21	\$1.20	1%	

Non-GAAP	1H 2019	1H 2018	Change	Change CC
Adjusted Operating Income	\$97.5	\$121.3		(16%)
Adjusted Operating Margin	11.3%	14.1%		
Adjusted EPS	\$1.31	\$1.62		(17%)

- Foreign exchange unfavorable to 1H 2019 revenue by \$6 million, operating income by \$4 million, and EPS by \$0.04
- Restructuring charges totaled \$4 million in 1H 2019 vs. \$24 million in 1H 2018

Research

<i>(millions)</i>	Q2 2019	Q2 2018	Change	Change CC
Journal Subscriptions	\$163.8	\$170.2	(4%)	0%
Open Access	\$13.8	\$9.4	47%	50%
Licensing, Reprints, Backfiles, Other	\$41.7	\$41.3	1%	2%
Total Journal Revenue	\$219.3	\$220.8	(1%)	2%
Publishing Technology Services (Atypon)	\$9.4	\$8.0	17%	17%
TOTAL REVENUE	\$228.6	\$228.9	0%	3%
CONTRIBUTION TO PROFIT (CTP)	\$58.9	\$70.1	(16%)	
Restructuring charges (credits)	\$2.3	(\$0.4)		
ADJUSTED CTP	\$61.2	\$69.8		(7%)

- Licensed society publishing net wins for CY19 of +\$3.3 million; retention of society partners at 97%
- YTD revenue +1% and Adjusted CTP -10%, driven by higher royalties and investments in editorial and sales resources to enable growth

Publishing

<i>(millions)</i>	Q2 2019	Q2 2018	Change	Change CC
STM and Professional Publishing	\$66.9	\$71.5	(6%)	(5%)
Education Publishing	\$52.1	\$57.7	(10%)	(8%)
Course Workflow (WileyPLUS)	\$18.4	\$16.3	13%	14%
Test Preparation and Certification	\$8.4	\$7.9	6%	7%
Licensing, Distribution, Advertising, Other	\$11.7	\$11.6	1%	2%
TOTAL REVENUE	\$157.5	\$165.0	(5%)	(3%)
CONTRIBUTION TO PROFIT (CTP)	\$39.5	\$41.9	(6%)	
Restructuring charges	\$1.4	\$0.1		
ADJUSTED CTP	\$40.9	\$42.0		(2%)

- WileyPLUS Next Gen platform launched – modest number of courses to start. Growth driven mainly by timing of revenue recognition
- Test Preparation revenue growth driven by CPA and ACT
- Higher Education revenue lower due to weakness in print textbooks. Education Publishing has declined to about 10% of total Wiley revenue.
- YTD revenue -4% and Adjusted CTP -6%, primarily driven by weak demand for print textbooks

Solutions

<i>(millions)</i>	Q2 2019	Q2 2018	Change	Change CC
Education Services (Online Program Mgmt)	\$29.9	\$29.7	0%	1%
Professional Assessment	\$17.3	\$15.8	9%	9%
Corporate Learning	\$15.3	\$12.3	24%	28%
TOTAL REVENUE	\$62.5	\$57.9	8%	9%
CONTRIBUTION TO PROFIT (CTP)	\$7.0	\$7.3	(4%)	
Restructuring charges (credits)	\$1.1	(\$0.6)		
ADJUSTED CTP	\$8.1	\$6.7		22%

- Acquired The Learning House on November 1st; combination creates a \$200 million Online Program Management (OPM) leader with unmatched range of partners and programs
- Signed Michigan State as a new OPM partner and added four net new programs sequentially, ending Q2 with 36 partners and 247 programs
- Modest in-period OPM revenue growth mainly due to previously reported partner terminations, which concluded in Q1
- Strong momentum in Assessment (reseller partner signings) and Corporate Learning (customer signings)
- YTD revenue +8% and Adjusted CTP +47%, driven by revenue growth and efficiency gains

Business Optimization Initiative

Program Principles

Drive breakthrough process improvement and redesign

Enable efficient and effective delivery of Wiley's strategic imperatives

Resource the organization with capabilities to drive continuous improvement



Anticipated Outcomes

Significant and sustainable improvements to speed and effectiveness of organization

Material enhancements to quality of products and experiences for our customers, authors, and partners

Run rate savings anticipated to be in tens of millions

Balance Sheet and Cash Flow

Balance Sheet (millions)	As of 10/31/18	As of 10/31/17
Long Term Debt	\$537.3	\$563.0
Net Debt	\$421.7	\$490.1
Net-Debt-to-EBITDA*	1.0	1.3

Cash Flow Measures (millions)	1H 2019	1H 2018
Net Cash Used in Operating Activities (GAAP)	(\$121.1)	(\$45.8)
Additions to Technology, Property, and Equipment	(\$34.6)	(\$53.5)
Product Development Spending	(\$7.8)	(\$17.9)
Free Cash Flow less Product Development Spending (Non-GAAP)	(\$163.5)	(\$117.2)
Cash dividends	\$38.0	\$36.7
Repurchases	\$25.0	\$29.3

- Cash flow a use through first half of fiscal year principally due to the timing of collections for annual journal subscriptions
- Variance with prior year due to timing of journal subscription billing and collections and higher payments for expenses
- Learning House acquired for \$200M after quarter close

* EBITDA as defined in the Company's credit agreement

Fiscal 2019 Outlook Reaffirmed*

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

1H Performance and Fiscal 2019 Expectation

*Excluding impacts from Learning House acquisition

- Revenue tracking in line with expectations
- Adj EPS outlook for mid-single digit decline reiterated with 2H costs expected to be in line with prior year
- Cash from Operations lagging mid-year expectation primarily due to delayed journal subscription billings and collections and higher payments for expenses. Much of the unfavorable working capital performance will unwind in 2H 2019. In addition, implementation of ASC 606 will move approximately \$10 million of spending from Capital Expenditures to Cash from Operating Activities.
- Capex expectation reaffirmed – anticipated to be lower by around \$30 million primarily due to completion of headquarters transformation and implementation of ERP order-to-cash release for journal subscriptions. In addition, implementation of ASC 606 will move approximately \$10 million of spending from Capital Expenditures to Cash from Operating Activities

Summary

Results in line with expectations; guidance reaffirmed

Organic investments gaining traction across all three segments

Strategic acquisition strengthens leadership in rapidly-growing Education Services market

Company-wide business optimization initiative launched