# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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 October 31, 2021**

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 No. 001-11507**

# JOHN WILEY & SONS, INC.
(Exact name of Registrant as specified in its charter)

| New York | 13-5593032 |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |
| 111 River Street, Hoboken, New Jersey | 07030 |
| (Address of principal executive offices) | Zip Code |

(201) 748-6000
Registrant's telephone number, including area code

Not Applicable
Former name, former address and former fiscal year, if changed since last report

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol | Name of each exchange on which registered |
|---|---|---|
| Class A Common Stock, par value $1.00 per share | JW.A | New York Stock Exchange |
| Class B Common Stock, par value $1.00 per share | JW.B | New York Stock Exchange |

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 every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

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

| | |
|---|---|
| Large accelerated filer ☒ | Accelerated filer ☐ |
| Non-accelerated filer ☐ | Smaller reporting company ☐ |
| | Emerging growth company ☐ |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

The number of shares outstanding of each of the Registrant's classes of common stock as of November 30, 2021 were:

Class A, par value $1.00 – 46,655,004
Class B, par value $1.00 – 9,043,275

**JOHN WILEY & SONS, INC. AND SUBSIDIARIES**
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**PART I - FINANCIAL INFORMATION**

**Cautionary Notice Regarding Forward-Looking Statements “Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995:**

This report contains “forward-looking statements” within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 concerning our business, consolidated financial condition and results of operations. The Securities and Exchange Commission (SEC) encourages companies to disclose forward-looking information so that investors can better understand a company’s prospects and make informed investment decisions. Forward-looking statements are subject to risks and uncertainties, many of which are outside our control, which could cause actual results to differ materially from these statements. Therefore, you should not rely on any of these forward-looking statements. Forward-looking statements can be identified by such words as “anticipates,” “believes,” “plan,” “assumes,” “could,” “should,” “estimates,” “expects,” “intends,” “potential,” “seek,” “predict,” “may,” “will” and similar references to future periods. All statements other than statements of historical facts included in this report regarding our strategies, prospects, financial condition, operations, costs, plans and objectives are forward-looking statements. Examples of forward-looking statements include, among others, statements we make regarding our fiscal year 2022 outlook, the anticipated impact on the ability of our employees, contractors, customers and other business partners to perform our and their respective responsibilities and obligations relative to the conduct of our business in the future due to the coronavirus (COVID-19) outbreak, anticipated restructuring charges and savings, operations, performance, and financial condition. Reliance should not be placed on forward-looking statements, as actual results may differ materially from those described in any forward-looking statements. Any such forward-looking statements are based upon many assumptions and estimates that are inherently subject to uncertainties and contingencies, many of which are beyond our control, and are subject to change based on many important factors. Such factors include, but are not limited to (i) the level of investment by Wiley in new technologies and products; (ii) subscriber renewal rates for our 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 retailers; (vi) the seasonal nature of our educational business and the impact of the used book market; (vii) worldwide economic and political conditions; (viii) our ability to protect our copyrights and other intellectual property worldwide; (ix) our ability to successfully integrate acquired operations and realize expected opportunities; (x) the ability to realize operating savings over time and in fiscal year 2022 in connection with our multiyear Business Optimization Program; (xi) the impact of COVID-19 on our operations, performance, and financial condition; and (xii) other factors detailed from time to time in our filings with the SEC. We undertake no obligation to update or revise any such forward-looking statements to reflect subsequent events or circumstances.

Please refer to Part I, Item 1A, “Risk Factors,” of our Annual Report on Form 10-K and as revised and updated by our Quarterly Reports in Form 10-Q for important factors that we believe could cause actual results to differ materially from those in our forward-looking statements. Any forward-looking statement made by us in this report is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

**Non-GAAP Financial Measures:**

We present financial information that conforms to Generally Accepted Accounting Principles in the United States of America (US GAAP). We also present financial information that does not conform to US GAAP, which we refer to as non-GAAP.

In this report, we may present the following non-GAAP performance measures:

- Adjusted Earnings Per Share (Adjusted EPS);
- Free Cash Flow less Product Development Spending;
- Adjusted Contribution to Profit and margin;
- Adjusted Income Before Taxes;
- Adjusted Income Tax Provision;
- Adjusted Effective Tax Rate;
- EBITDA, Adjusted EBITDA and margin;
- Organic revenue; and
- Results on a constant currency basis.

Management uses these non-GAAP performance measures as supplemental indicators of our operating performance and financial position as well for internal reporting and forecasting purposes, when publicly providing our outlook, to evaluate our performance and calculate incentive compensation. We present these non-GAAP performance measures in addition to US GAAP financial results because we believe that these non-GAAP performance measures provide useful information to certain investors and financial analysts for operational trends and comparisons over time. The use of these non-GAAP performance measures may also provide a consistent basis to evaluate operating profitability and performance trends by excluding items that we do not consider to be controllable activities for this purpose.

The performance metric used by our chief operating decision maker to evaluate performance of our reportable segments is Adjusted Contribution to Profit. We present both Adjusted Contribution to Profit and Adjusted EBITDA for each of our reportable segments since we believe Adjusted EBITDA provides additional useful information to certain investors and financial analysts for operational trends and comparisons over time as it removes the impact of depreciation and amortization expense, as well as a consistent basis to evaluate operating profitability and comparing our financial performance to that of our peer companies and competitors.

For example:

- Adjusted EPS, Adjusted Contribution to Profit, Adjusted Income Before Taxes, Adjusted Income Tax Provision, Adjusted Effective Tax Rate, Adjusted EBITDA, and organic revenue (excluding acquisitions) provide a more comparable basis to analyze operating results and earnings and are measures 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 as it represents cash available to repay debt, pay common stock dividends, and fund share repurchases and acquisitions.
- 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 excluding 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.

In addition, we have historically provided these or similar non-GAAP performance measures and understand that some investors and financial analysts find this information helpful in analyzing our operating margins and net income, and in comparing our financial performance to that of our peer companies and competitors. Based on interactions with investors, we also believe that our non-GAAP performance measures are regarded as useful to our investors as supplemental to our US GAAP financial results, and that there is no confusion regarding the adjustments or our operating performance to our investors due to the comprehensive nature of our disclosures. We have not provided our 2022 outlook for the most directly comparable US 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 consolidated results computed in accordance with US GAAP.

Non-GAAP performance measures do not have standardized meanings prescribed by US GAAP and therefore may not be comparable to the calculation of similar measures used by other companies and should not be viewed as alternatives to measures of financial results under US GAAP. The adjusted metrics have limitations as analytical tools, and should not be considered in isolation from, or as a substitute for, US GAAP information. It does not purport to represent any similarly titled US GAAP information and is not an indicator of our performance under US GAAP. Non-GAAP financial metrics that we present may not be comparable with similarly titled measures used by others. Investors are cautioned against placing undue reliance on these non-GAAP measures.

## PART I - FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

**JOHN WILEY & SONS, INC. AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION – UNAUDITED**
**In thousands**

| | October 31, 2021 | April 30, 2021 |
|---|---|---|
| **Assets:** | | |
| Current assets | | |
| Cash and cash equivalents | **$ 100,898** | $ 93,795 |
| Accounts receivable, net of allowance for credit losses of $22.0 million and $21.5 million, respectively | **291,891** | 311,571 |
| Inventories, net | **39,725** | 42,538 |
| Prepaid expenses and other current assets | **67,952** | 78,393 |
| **Total current assets** | **500,466** | 526,297 |
| | | |
| Product development assets, net | **46,274** | 49,517 |
| Royalty advances, net | **15,260** | 39,582 |
| Technology, property and equipment, net | **271,774** | 282,270 |
| Intangible assets, net | **970,036** | 1,015,302 |
| Goodwill | **1,302,234** | 1,304,340 |
| Operating lease right-of-use assets | **121,708** | 121,430 |
| Other non-current assets | **118,279** | 107,701 |
| **Total assets** | **$ 3,346,031** | $ 3,446,439 |
| | | |
| **Liabilities and shareholders' equity:** | | |
| Current liabilities | | |
| Accounts payable | **$ 51,271** | $ 95,791 |
| Accrued royalties | **102,137** | 78,582 |
| Short-term portion of long-term debt | **12,500** | 12,500 |
| Contract liabilities | **267,890** | 545,425 |
| Accrued employment costs | **85,890** | 144,744 |
| Accrued income taxes | **12,862** | 8,590 |
| Short-term portion of operating lease liabilities | **22,353** | 22,440 |
| Other accrued liabilities | **89,606** | 80,900 |
| **Total current liabilities** | **644,509** | 988,972 |
| | | |
| Long-term debt | **1,032,505** | 809,088 |
| Accrued pension liability | **126,198** | 146,247 |
| Deferred income tax liabilities | **187,931** | 172,903 |
| Operating lease liabilities | **143,638** | 145,832 |
| Other long-term liabilities | **104,585** | 92,106 |
| **Total liabilities** | **2,239,366** | 2,355,148 |
| | | |
| **Shareholders' equity** | | |
| Preferred stock, $1 par value per share: Authorized shares – 2 million, Issued shares - 0 | — | — |
| Class A common stock, $1 par value per share: Authorized shares - 180 million, Issued shares - 70,211 and 70,208 as of October 31, 2021 and April 30, 2021, respectively | **70,211** | 70,208 |
| Class B common stock, $1 par value per share: Authorized shares - 72 million, Issued shares - 12,971 and 12,974 as of October 31, 2021 and April 30, 2021, respectively | **12,971** | 12,974 |
| Additional paid-in-capital | **451,808** | 444,358 |
| Retained earnings | **1,881,235** | 1,850,058 |
| Accumulated other comprehensive loss, net of tax | **(498,209)** | (490,790) |
| Less treasury shares at cost (Class A – 23,561 and 23,419 as of October 31, 2021 and April 30, 2021, respectively; Class B – 3,923 and 3,922 as of October 31, 2021 and April 30, 2021, respectively) | **(811,351)** | (795,517) |
| **Total shareholders' equity** | **1,106,665** | 1,091,291 |
| **Total liabilities and shareholders' equity** | **$ 3,346,031** | $ 3,446,439 |

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

JOHN WILEY & SONS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF NET INCOME – UNAUDITED
Dollars in thousands except per share information

| | Three Months Ended October 31, 2021 | Three Months Ended October 31, 2020 | Six Months Ended October 31, 2021 | Six Months Ended October 31, 2020 |
|---|---|---|---|---|
| **Revenue, net** | **$ 533,003** | $ 491,011 | **$ 1,021,391** | $ 922,337 |
| **Costs and expenses** | | | | |
| Cost of sales | **174,782** | 154,853 | **340,738** | 299,662 |
| Operating and administrative expenses | **264,190** | 247,167 | **524,779** | 484,536 |
| Restructuring and related (credits) charges | **(1,333)** | 1,920 | **(1,609)** | 4,138 |
| Amortization of intangible assets | **21,476** | 17,166 | **42,627** | 34,057 |
| **Total costs and expenses** | **459,115** | 421,106 | **906,535** | 822,393 |
| **Operating income** | **73,888** | 69,905 | **114,856** | 99,944 |
| Interest expense | **(4,997)** | (4,461) | **(9,636)** | (9,075) |
| Foreign exchange transaction losses | **(1,370)** | (697) | **(1,000)** | (779) |
| (Loss) gain on sale of certain assets | **(56)** | — | **3,694** | — |
| Other income, net | **3,150** | 3,766 | **6,703** | 8,157 |
| **Income before taxes** | **70,615** | 68,513 | **114,617** | 98,247 |
| Provision for income taxes | **14,648** | 81 | **44,820** | 13,481 |
| **Net income** | **$ 55,967** | $ 68,432 | **$ 69,797** | $ 84,766 |
| **Earnings per share** | | | | |
| Basic | **$ 1.00** | $ 1.22 | **$ 1.25** | $ 1.51 |
| Diluted | **$ 0.99** | $ 1.22 | **$ 1.24** | $ 1.51 |
| **Weighted average number of common shares outstanding** | | | | |
| Basic | **55,806** | 56,005 | **55,833** | 55,959 |
| Diluted | **56,388** | 56,165 | **56,477** | 56,182 |

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

**JOHN WILEY & SONS, INC. AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME – UNAUDITED**
**Dollars in thousands**

| | Three Months Ended October 31, | | Six Months Ended October 31, | |
|---|---|---|---|---|
| | **2021** | 2020 | **2021** | 2020 |
| **Net income** | **$ 55,967** | $ 68,432 | **$ 69,797** | $ 84,766 |
| **Other comprehensive (loss) income:** | | | | |
| Foreign currency translation adjustment | **(9,483)** | (11,626) | **(15,420)** | 35,227 |
| Unamortized retirement credits (costs), net of tax (expense) benefit of $(1,183), $(996), $(1,626), and $709, respectively | **4,065** | 3,403 | **5,654** | (2,262) |
| Unrealized gain on interest rate swaps, net of tax (expense) of $(602), $(222), $(775) and $(252), respectively | **1,809** | 699 | **2,347** | 890 |
| **Total other comprehensive (loss) income** | **(3,609)** | (7,524) | **(7,419)** | 33,855 |
| **Comprehensive income** | **$ 52,358** | $ 60,908 | **$ 62,378** | $ 118,621 |

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

**JOHN WILEY & SONS, INC. AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS – UNAUDITED**
**Dollars in thousands**

| | Six Months Ended October 31, | |
|---|---|---|
| | **2021** | **2020** |
| **Operating activities** | | |
| Net income | **$ 69,797** | $ 84,766 |
| **Adjustments to reconcile net income to net cash used in operating activities:** | | |
| Amortization of intangible assets | **42,627** | 34,057 |
| Amortization of product development assets | **18,088** | 17,448 |
| Depreciation and amortization of technology, property and equipment | **48,406** | 46,432 |
| Restructuring and related (credits) charges | **(1,609)** | 4,138 |
| Stock-based compensation expense | **13,059** | 9,066 |
| Employee retirement plan expense | **9,892** | 6,498 |
| Foreign exchange transaction losses | **1,000** | 779 |
| Gain on sale of certain assets | **(3,694)** | — |
| Other noncash charges | **37,663** | 31,143 |
| Net change in operating assets and liabilities | **(310,851)** | (310,949) |
| **Net cash used in operating activities** | **(75,622)** | (76,622) |
| **Investing activities** | | |
| Product development spending | **(13,001)** | (10,999) |
| Additions to technology, property and equipment | **(37,676)** | (36,430) |
| Businesses acquired in purchase transactions, net of cash acquired | **(13,615)** | (229) |
| Proceeds related to the sale of certain assets | **3,375** | — |
| Acquisitions of publication rights and other | **(1,654)** | (14,021) |
| **Net cash used in investing activities** | **(62,571)** | (61,679) |
| **Financing activities** | | |
| Repayments of long-term debt | **(113,425)** | (249,902) |
| Borrowings of long-term debt | **340,901** | 309,492 |
| Purchases of treasury shares | **(17,367)** | — |
| Change in book overdrafts | **(19,212)** | (1,165) |
| Cash dividends | **(38,619)** | (38,480) |
| Impact of tax withholding on stock-based compensation and other | **(5,232)** | (1,346) |
| **Net cash provided by financing activities** | **147,046** | 18,599 |
| **Effects of exchange rate changes on cash, cash equivalents, and restricted cash** | **(1,742)** | 3,301 |
| *Cash reconciliation:* | | |
| Cash and cash equivalents | **93,795** | 202,464 |
| Restricted cash included in Prepaid expenses and other current assets | **564** | 583 |
| **Balance at beginning of period** | **94,359** | 203,047 |
| **Increase/(decrease) for the period** | **7,111** | (116,401) |
| Cash and cash equivalents | **100,898** | 86,063 |
| Restricted cash included in Prepaid expenses and other current assets | **572** | 583 |
| **Balance at end of period** | **$ 101,470** | $ 86,646 |
| **Cash paid during the period for:** | | |
| Interest | **$ 8,769** | $ 8,374 |
| Income taxes, net of refunds | **$ 22,019** | $ 37,344 |

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

**JOHN WILEY & SONS, INC., AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY – UNAUDITED**
**Dollars in thousands**

| | Class A common stock | Class B common stock | Additional paid-in capital | Retained earnings | Accumulated other comprehensive loss, net of tax | Treasury stock | Total shareholders' equity |
|---|---|---|---|---|---|---|---|
| Balance at July 31, 2021 | **$ 70,211** | **$ 12,971** | **$ 445,690** | **$ 1,844,578** | **$ (494,600)** | **$ (800,945)** | **$ 1,077,905** |
| Restricted shares issued under stock-based compensation plans | **—** | **—** | **(634)** | **2** | **—** | **705** | **73** |
| Impact of tax withholding on stock-based compensation and other | **—** | **—** | **39** | **—** | **—** | **(1,111)** | **(1,072)** |
| Stock-based compensation expense | **—** | **—** | **6,713** | **—** | **—** | **—** | **6,713** |
| Purchase of treasury shares | **—** | **—** | **—** | **—** | **—** | **(10,000)** | **(10,000)** |
| Class A common stock dividends ($0.3450 per share) | **—** | **—** | **—** | **(16,190)** | **—** | **—** | **(16,190)** |
| Class B common stock dividends ($0.3450 per share) | **—** | **—** | **—** | **(3,122)** | **—** | **—** | **(3,122)** |
| Comprehensive income, net of tax | **—** | **—** | **—** | **55,967** | **(3,609)** | **—** | **52,358** |
| **Balance at October 31, 2021** | **$ 70,211** | **$ 12,971** | **$ 451,808** | **$ 1,881,235** | **$ (498,209)** | **$ (811,351)** | **$ 1,106,665** |

| | Class A common stock | Class B common stock | Additional paid-in capital | Retained earnings | Accumulated other comprehensive loss, net of tax | Treasury stock | Total shareholders' equity |
|---|---|---|---|---|---|---|---|
| Balance at July 31, 2020 | $ 70,177 | $ 13,005 | $ 431,241 | $ 1,775,813 | $ (534,118) | $ (782,373) | $ 973,745 |
| Restricted shares issued under stock-based compensation plans | — | — | (143) | (1) | — | 198 | 54 |
| Impact of tax withholding on stock-based compensation and other | — | — | 1 | — | — | (28) | (27) |
| Stock-based compensation expense | — | — | 4,752 | — | — | — | 4,752 |
| Class A common stock dividends ($0.3425 per share) | — | — | — | (16,108) | — | — | (16,108) |
| Class B common stock dividends ($0.3425 per share) | — | — | — | (3,111) | — | — | (3,111) |
| Common stock class conversions | 2 | (2) | — | — | — | — | — |
| Comprehensive income, net of tax | — | — | — | 68,432 | (7,524) | — | 60,908 |
| Balance at October 31, 2020 | $ 70,179 | $ 13,003 | $ 435,851 | $ 1,825,025 | $ (541,642) | $ (782,203) | $ 1,020,213 |

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

**JOHN WILEY & SONS, INC., AND SUBSIDIARIES**
**CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY – UNAUDITED**
**Dollars in thousands**

| | Class A common stock | Class B common stock | Additional paid-in capital | Retained earnings | Accumulated other comprehensive loss, net of tax | Treasury stock | Total shareholders' equity |
|---|---|---|---|---|---|---|---|
| Balance at April 30, 2021 | **$ 70,208** | **$ 12,974** | **$ 444,358** | **$ 1,850,058** | **$ (490,790)** | **$ (795,517)** | **$ 1,091,291** |
| Restricted shares issued under stock-based compensation plans | **—** | **—** | **(6,976)** | **(1)** | **—** | **7,114** | **137** |
| Impact of tax withholding on stock-based compensation and other | **—** | **—** | **349** | **—** | **—** | **(5,581)** | **(5,232)** |
| Stock-based compensation expense | **—** | **—** | **14,077** | **—** | **—** | **—** | **14,077** |
| Purchase of treasury shares | **—** | **—** | **—** | **—** | **—** | **(17,367)** | **(17,367)** |
| Class A common stock dividends ($0.3450 per share) | **—** | **—** | **—** | **(32,375)** | **—** | **—** | **(32,375)** |
| Class B common stock dividends ($0.3450 per share) | **—** | **—** | **—** | **(6,244)** | **—** | **—** | **(6,244)** |
| Common stock class conversions | **3** | **(3)** | **—** | **—** | **—** | **—** | **—** |
| Comprehensive income, net of tax | **—** | **—** | **—** | **69,797** | **(7,419)** | **—** | **62,378** |
| **Balance at October 31, 2021** | **$ 70,211** | **$ 12,971** | **$ 451,808** | **$ 1,881,235** | **$ (498,209)** | **$ (811,351)** | **$ 1,106,665** |

| | Class A common stock | Class B common stock | Additional paid-in capital | Retained earnings | Accumulated other comprehensive loss, net of tax | Treasury stock | Total shareholders' equity |
|---|---|---|---|---|---|---|---|
| Balance at April 30, 2020 | $ 70,166 | $ 13,016 | $ 431,680 | $ 1,780,129 | $ (575,497) | $ (785,870) | $ 933,624 |
| Cumulative effect of change in accounting principle, net of tax | — | — | — | (1,390) | — | — | (1,390) |
| Restricted shares issued under stock-based compensation plans | — | — | (5,264) | — | — | 5,382 | 118 |
| Impact of tax withholding on stock-based compensation and other | — | — | 369 | — | — | (1,715) | (1,346) |
| Stock-based compensation expense | — | — | 9,066 | — | — | — | 9,066 |
| Class A common stock dividends ($0.3425 per share) | — | — | — | (32,257) | — | — | (32,257) |
| Class B common stock dividends ($0.3425 per share) | — | — | — | (6,223) | — | — | (6,223) |
| Common stock class conversions | 13 | (13) | — | — | — | — | — |
| Comprehensive income, net of tax | — | — | — | 84,766 | 33,855 | — | 118,621 |
| Balance at October 31, 2020 | $ 70,179 | $ 13,003 | $ 435,851 | $ 1,825,025 | $ (541,642) | $ (782,203) | $ 1,020,213 |

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

**Note 1 — Basis of Presentation**

Throughout this report, when we refer to "Wiley," the "Company," "we," "our," or "us," we are referring to John Wiley & Sons, Inc. and all our subsidiaries, except where the context indicates otherwise.

Our Unaudited Condensed Consolidated Financial Statements include all the accounts of the Company and our subsidiaries. We have eliminated all intercompany transactions and balances in consolidation. In the opinion of management, the accompanying Unaudited Condensed Consolidated Financial Statements contain all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the Unaudited Condensed Consolidated Financial Condition, Results of Operations, Comprehensive Income and Cash Flows for the periods presented. Operating results for the interim period are not necessarily indicative of the results expected for the full year. All amounts are in thousands, except per share amounts, and approximate due to rounding. These financial statements should be read in conjunction with the most recent audited consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended April 30, 2021 as filed with the SEC on July 6, 2021 (2021 Form 10-K).

Our Unaudited Condensed Consolidated Financial Statements were prepared in accordance with the interim reporting requirements of the SEC. As permitted under those rules, annual footnotes or other financial information that are normally required by US GAAP have been condensed or omitted. The preparation of our Unaudited Condensed Consolidated Financial Statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Certain prior year amounts have been reclassified to conform to the current year's presentation.

In the fourth quarter of fiscal year 2021, a UK entity acquired in connection with the acquisition of mthree, which was acquired on January 1, 2020, was erroneously dissolved by the Company in accordance with UK Companies Act regulations while still holding assets. This entity, along with its subsidiaries, (the Entity) had various net intercompany receivables owed to them from other Wiley companies of approximately $188.8 million as of April 30, 2021 (approximately $125.2 million as of October 31, 2021), which upon a dissolution technically revert to the British Crown (Crown). Wiley petitioned to Companies House to reinstate the Entity without prejudice, and the restoration process is expected to be successfully completed within fiscal year 2022. As a result of these events, the Company evaluated whether it was appropriate to consolidate the assets, liabilities, and operations of the Entity as part of its consolidated financial statements as of October 31, 2021 and for the period from the Entity being dissolved through October 31, 2021 and also whether there was a liability to the Crown and a related loss associated with the dissolution of the Entity under US GAAP as of October 31, 2021.

The Company evaluated the criteria in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 810, "Consolidations" to determine if consolidating the Entity was appropriate under US GAAP. Based on that evaluation and the administrative nature of the process to restore, the Company concluded that although the Entity was dissolved, we maintained control of the assets of the Entity and, therefore, appropriately consolidated the assets, liabilities and operations of the Entity in our consolidated financial statements as of October 31, 2021 and April 30, 2021.

**Note 2 — Recent Accounting Standards**

***Recently Adopted Accounting Standards***

Simplifying the Accounting for Income Taxes

In December 2019, the FASB issued Accounting Standards Update (ASU) 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes." This ASU is intended to simplify various aspects related to accounting for income taxes, eliminates certain exceptions within Topic 740, "Income Taxes" and clarifies certain aspects of the current guidance to promote consistent application. We adopted ASU 2019-12 on May 1, 2021. The adoption did not have a material impact on our consolidated financial statements at the time of adoption. The impact in the future would depend on any changes in tax laws and the applicable enactment dates. In accordance with ASU 2019-12, the enactment date is when any effects are recognized in the consolidated financial statements.

***Recently Issued Accounting Standards***

Accounting for Contract Assets and Contract Liabilities from Contracts with Customers

In October 2021, the FASB issued ASU 2021-08, "Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers". This ASU requires that an acquirer recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with ASC 606 "Revenue from Contracts with Customers" (Topic 606) as if it had originated the contracts. Generally, this would result in an acquirer recognizing and measuring the acquired contract assets and contract liabilities consistent with how they were recognized and measured in the acquiree's financial statements if the acquiree prepared financial statements in accordance with US GAAP. This standard is effective for us on May 1, 2023, including interim periods within the fiscal year. Early adoption is permitted. The standard is applied prospectively to business combinations occurring on or after the effective date of the amendments. The impact will be based on future business combinations after we adopt the standard.

Convertible Debt Instruments, Derivatives and EPS

In August 2020, the FASB issued ASU 2020-06, "Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815-40)". This ASU reduces the number of accounting models for convertible debt instruments and convertible preferred stock. As well as amend the guidance for the derivatives scope exception for contracts in an entity's own equity to reduce form-over-substance-based accounting conclusions. In addition, this ASU improves and amends the related earnings-per-share (EPS) guidance. This standard is effective for us on May 1, 2022, including interim periods within the fiscal year. Adoption is either a modified retrospective method or a fully retrospective method of transition. We are currently assessing the impact the new guidance will have on our consolidated financial statements.

Reference Rate Reform

In March 2020, the FASB issued ASU 2020-04, "Reference Rate Reform (Topic 848), Facilitation of the Effects of Reference Rate Reform on Financial Reporting." In January 2021, the FASB clarified the scope of that guidance with the issuance of ASU 2021-01, "Reference Rate Reform: Scope." This ASU provides optional guidance for a limited period of time to ease the burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting. This would apply to companies meeting certain criteria that have contracts, hedging relationships and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. This standard is effective for us immediately and may be applied prospectively to contract modifications made and hedging relationships entered into or evaluated on or before December 31, 2022. We are currently assessing the impact the new guidance will have on our consolidated financial statements.

**Note 3 — Acquisitions**

Pro forma financial information related to these acquisitions has not been provided as it is not material to our consolidated results of operations.

***Fiscal Year 2022***

On October 1, 2021, we completed the acquisition of certain assets of J&J Editorial Services, LLC. (J&J). J&J is a publishing services company providing expert offerings in editorial operations, production, copyediting, system support and consulting. The results of J&J are included in our Research Publishing & Platforms segment results. The preliminary fair value of consideration transferred was approximately $12.0 million which included $10.5 million of cash at the acquisition date, and $1.5 million of cash to be paid after the acquisition date.

We recorded the preliminary fair value of the assets acquired and liabilities assumed on the acquisition date, which included a preliminary allocation of $7.9 million of goodwill and $3.1 million of intangible assets, primarily including customer relationships that are being amortized over an estimated weighted average useful life of 10 years. The fair value assessed for the majority of the tangible assets acquired and liabilities assumed equaled their carrying value. Goodwill represents synergies and economies of scale expected from the combination of services. This acquisition was accounted for using the acquisition method of accounting. The goodwill will be deductible for tax purposes.

The allocation of the total consideration transferred to the assets acquired, including intangible assets and goodwill, and the liabilities assumed is preliminary, and could be revised as a result of additional information obtained due to the finalization of the third-party valuation report, leases and related commitments, tax related matters and contingencies and certain assets and liabilities, including receivables and payables, but such amounts will be finalized within the measurement period, which will not exceed one year from the acquisition date.

J&J’s revenue and operating loss included in our Research Publishing & Platforms segment results for both the three and six months ended October 31, 2021 was $0.7 million and $0.1 million, respectively.

***Fiscal Year 2021***

On December 31, 2020, we completed the acquisition of 100% of the outstanding stock of Hindawi Limited (“Hindawi”). Hindawi is a scientific research publisher and an innovator in open access publishing. Its results of operations are included in our Research Publishing & Platforms segment.

The preliminary fair value of the consideration transferred at the acquisition date was $300.1 million which included $299.3 million of cash and $0.8 million related to the settlement of a preexisting relationship. We financed the payment of the cash consideration primarily through borrowings under our Amended and Restated RCA (as defined below in Note 15, “Debt and Available Credit Facilities”) and using cash on hand. The fair value of the cash consideration transferred, net of $1.0 million of cash acquired was approximately $298.3 million.

Hindawi’s revenue and operating income included in our Research Publishing & Platforms segment results for the three months ended October 31, 2021 was $13.1 million and $3.2 million, respectively. Hindawi’s revenue and operating income included in our Research Publishing & Platforms segment results for the six months ended October 31, 2021 was $24.6 million and $5.1 million, respectively.

During the six months ended October 31, 2021, no revisions were made to the allocation of the consideration transferred to the assets acquired and liabilities assumed. We recorded the preliminary fair value of the assets acquired and liabilities assumed on the acquisition date, which included a preliminary allocation of $147.4 million of goodwill allocated to the Research Publishing & Platforms segment, and $194.9 million of intangible assets subject to amortization.

The allocation of the total consideration transferred to the assets acquired, including intangible assets and goodwill, and the liabilities assumed is preliminary, and could be revised as a result of additional information obtained due to the finalization of the third-party valuation report, leases and related commitments, tax related matters and contingencies and certain assets and liabilities, including receivables and payables, but such amounts will be finalized within the measurement period, which will not exceed one year from the acquisition date. We are also in the process of aligning our accounting policies, which could result in changes related to financial statement presentation.

**Note 4 — Revenue Recognition, Contracts with Customers**

***Disaggregation of Revenue***

The following table presents our revenue from contracts with customers disaggregated by segment and product type.

| | Three Months Ended October 31, | | Six Months Ended October 31, | |
|---|---|---|---|---|
| | **2021** | **2020** | **2021** | **2020** |
| **Research Publishing & Platforms:** | | | | |
| Research Publishing | **$ 262,873** | $ 240,691 | **$ 526,231** | $ 471,155 |
| Research Platforms | **12,281** | 10,643 | **23,679** | 20,989 |
| **Total Research Publishing & Platforms** | **275,154** | 251,334 | **549,910** | 492,144 |
| **Academic & Professional Learning:** | | | | |
| Education Publishing (1) | **98,581** | 102,428 | **164,961** | 166,031 |
| Professional Learning | **77,948** | 67,485 | **150,832** | 130,314 |
| **Total Academic & Professional Learning** | **176,529** | 169,913 | **315,793** | 296,345 |
| **Education Services:** | | | | |
| University Services (2) | **58,081** | 56,261 | **112,475** | 106,523 |
| Talent Development Services (1)(3) | **23,239** | 13,503 | **43,213** | 27,325 |
| **Total Education Services** | **81,320** | 69,764 | **155,688** | 133,848 |
| **Total Revenue** | **$ 533,003** | $ 491,011 | **$ 1,021,391** | $ 922,337 |

(1) In May 2021, we moved the WileyNXT product offering from Academic & Professional Learning – Education Publishing to Education Services – Talent Development Services. As a result, the prior period results related to the WileyNXT product offering have been included in Education Services – Talent Development Services. The revenue was $0.7 million and $1.2 million for the three and six months ended October 31, 2020, respectively. There were no changes to our total consolidated financial results.

(2) University Services was previously referred to as Education Services OPM.

(3) Talent Development Services was previously referred to as mthree.

The following information describes our disaggregation of revenue by segment and product type. Overall, the majority of our revenue is recognized over time.

**Research Publishing & Platforms**

Research Publishing & Platforms customers include academic, corporate, government, and public libraries, funders of research, researchers, scientists, clinicians, engineers and technologists, scholarly and professional societies, and students and professors. Research Publishing & Platforms products are sold and distributed globally through multiple channels, including research libraries and library consortia, independent subscription agents, direct sales to professional society members, and other customers. Publishing centers include Australia, China, Germany, India, the United Kingdom (UK), and the United States (US). The majority of revenue generated from Research Publishing & Platforms products is recognized over time. Total Research Publishing & Platforms revenue was $275.2 million and $549.9 million in the three and six months ended October 31, 2021, respectively.

We disaggregated revenue by Research Publishing & Research Platforms to reflect the different type of products and services provided.

Research Publishing Products

Research Publishing products provide scientific, technical, medical, and scholarly journals, as well as related content and services, to academic, corporate, and government libraries, learned societies, and individual researchers and other professionals. Research Publishing revenue was $262.9 million and $526.2 million in the three and six months ended October 31, 2021, respectively and the majority is recognized over time.

Research Publishing products generate approximately 78% and 79% in the three and six months ended October 31, 2021, respectively of its revenue from contracts with its customers from Journal Subscriptions (pay to read), Open Access (pay to publish) and Transitional Agreements (read and publish), sometimes referred to as Comprehensive Agreements, and the remainder from Licensing, Reprints, Backfiles, and Other.

Research Platforms Services

Research Platforms is principally comprised of Atypon, a publishing software and service provider that enables scholarly and professional societies and publishers to deliver, host, enhance, market, and manage their content on the web through the Literatum platform. The revenue related to the J&J acquisition is included in Research Platforms. Research Platforms revenue was $12.3 million and $23.7 million in the three and six months ended October 31, 2021, respectively and the majority is recognized over time.

**Academic & Professional Learning**

Academic & Professional Learning provides Education Publishing and Professional Learning products and services including scientific, professional, and education print and digital books, digital courseware, and test preparation services, to libraries, corporations, students, professionals, and researchers, as well as learning, development, and assessment services for businesses and professionals. Communities served include business, finance, accounting, workplace learning, management, leadership, technology, behavioral health, engineering/ architecture, science and medicine, and education. Products are developed for worldwide distribution through multiple channels, including chain and online booksellers, libraries, colleges and universities, corporations, direct to consumer, web sites, distributor networks and other online applications. Publishing centers include Australia, Germany, India, the UK, and the US. Total Academic & Professional Learning revenue was $176.5 million and $315.8 million in the three and six months ended October 31, 2021, respectively.

We disaggregated revenue by type of products provided. Academic & Professional Learning products are Education Publishing and Professional Learning. Academic & Professional Learning revenues are mainly recognized at a point in time.

Education Publishing Products

Education Publishing products revenue was $98.6 million and $165.0 million in the three and six months ended October 31, 2021, respectively. Education Publishing products generate approximately 63% and 68% in the three and six months ended October 31, 2021, respectively of its revenue from contracts with its customers from Education (print and digital) Publishing, which is recognized at a point in time, and 24% and 17% in the three and six months ended October 31, 2021, respectively from Digital Courseware which is recognized over time. The remainder of its revenues were from Test Preparation and Certification and Licensing and Other, which has a mix of revenue recognized at a point in time and over time.

Professional Learning Products

Professional Learning products revenue was $77.9 million and $150.8 million in the three and six months ended October 31, 2021, respectively. Professional Learning (print and digital) products generate approximately 61% in both the three and six months ended October 31, 2021 of revenue from contracts with its customers from Professional Publishing, and Licensing and Other, and both are mainly recognized at a point in time. Approximately 39% of Professional Learning products revenue in both the three and six months ended October 31, 2021 is from contracts with its customers from Corporate Training and Corporate Learning, which is recognized mainly over time.

**Education Services**

Education Services revenue was $81.3 million and $155.7 million in the three and six months ended October 31, 2021, respectively and the majority is recognized over time. We disaggregated revenue by type of services provided, which are University Services (previously referred to as Education Services OPM) and Talent Development Services (previously referred to as mthree).

University Services

University Services revenue was $58.1 million and $112.5 million in the three and six months ended October 31, 2021, respectively and is mainly recognized over time. University Services engages in the comprehensive management of online degree programs for universities and has grown to include a broad array of tech enabled service offerings that address our partner specific pain points. Increasingly, this includes delivering career credentialing education that advances specific careers with in-demand skills.

Talent Development Services

Talent Development Services revenue was $23.2 million and $43.2 million in the three and six months ended October 31, 2021, respectively, and is recognized at the point in time the services are provided to its customers. Talent Development Services is a talent placement provider that finds, trains and places job-ready technology talent in roles with leading corporations worldwide.

***Accounts Receivable, net and Contract Liability Balances***

When consideration is received, or such consideration is unconditionally due, from a customer prior to transferring goods or services to the customer under the terms of a contract, a contract liability is recorded. Contract liabilities are recognized as revenue when, or as, control of the products or services are transferred to the customer and all revenue recognition criteria have been met.

The following table provides information about accounts receivable, net and contract liabilities from contracts with customers.

| | October 31, 2021 | April 30, 2021 | Increase/ (Decrease) |
|---|---|---|---|
| Balances from contracts with customers: | | | |
| Accounts receivable, net | **$ 291,891** | $ 311,571 | $ (19,680) |
| Contract liabilities [1] | **267,890** | 545,425 | (277,535) |
| Contract liabilities (included in Other long-term liabilities) | **$ 20,619** | $ 19,560 | $ 1,059 |

(1) The sales return reserve recorded in Contract liabilities is $42.3 million and $38.0 million, as of October 31, 2021 and April 30, 2021, respectively.

For the six months ended October 31, 2021, we estimate that we recognized revenue of approximately 74% that was included in the current contract liability balance at April 30, 2021.

The decrease in contract liabilities excluding the sales return reserve, was primarily driven by revenue earned on journal subscription agreements, comprehensive agreements, open access and test preparation and certification offerings, partially offset by renewals of journal subscription agreements, comprehensive agreements, open access, and test preparation and certification offerings.

***Remaining Performance Obligations included in Contract Liability***

As of October 31, 2021, the aggregate amount of the transaction price allocated to the remaining performance obligations is approximately $288.5 million, which included the sales return reserve of $42.3 million. Excluding the sales return reserve, we expect that approximately $225.6 million will be recognized in the next twelve months with the remaining $20.6 million to be recognized thereafter.

***Assets Recognized for the Costs to Fulfill a Contract***

Costs to fulfill a contract are directly related to a contract that will be used to satisfy a performance obligation in the future and are expected to be recovered. These costs are amortized on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. These types of costs are incurred in the following product types, (1) Research Platforms services, which includes customer specific implementation costs per the terms of the contract and (2) University Services, which includes customer specific costs to develop courses per the terms of the contract.

Our assets associated with incremental costs to fulfill a contract were $11.5 million and $12.1 million at October 31, 2021 and April 30, 2021, respectively, and are included within Other non-current assets on our Unaudited Condensed Consolidated Statements of Financial Position. We recorded amortization expense of $1.3 million and $2.8 million during the three and six months ended October 31, 2021, respectively, related to these assets within Cost of sales on our Unaudited Condensed Consolidated Statements of Net Income. We recorded amortization expense of $1.4 million and $2.6 million during the three and six months ended October 31, 2020, respectively, related to these assets within Cost of sales on our Unaudited Condensed Consolidated Statements of Net Income.

Sales and value-added taxes are excluded from revenues. Shipping and handling costs, which are primarily incurred within the Academic & Professional Learning segment, occur before the transfer of control of the related goods. Therefore, in accordance with the revenue standard, it is not considered a promised service to the customer and would be considered a cost to fulfill our promise to transfer the goods. Costs incurred for third party shipping and handling are primarily reflected in Operating and administrative expenses on our Unaudited Condensed Consolidated Statements of Net Income. We incurred $7.2 million and $14.0 million in shipping and handling costs in the three and six months ended October 31, 2021, respectively. We incurred $6.5 million and $13.2 million in shipping and handling costs in the three and six months ended October 31, 2020, respectively.

**Note 5 — Operating Leases**

We have contractual obligations as a lessee with respect to offices, warehouses and distribution centers, automobiles, and office equipment.

We determine if an arrangement is a lease at inception of the contract in accordance with guidance detailed in the lease standard and we perform the lease classification test as of the lease commencement date. Right-of-use (ROU) assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term.

The present value of the lease payments is calculated using an incremental borrowing rate, which was determined based on the rate of interest that we would have to pay to borrow an amount equal to the lease payments on a collateralized basis over a similar term. We use an unsecured borrowing rate and risk-adjust that rate to approximate a collateralized rate.

Under the leasing standard, leases that are more than one year in duration are capitalized and recorded on our Unaudited Condensed Consolidated Statements of Financial Position. Some of our leases offer an option to extend the term of such leases. We utilize the reasonably certain threshold criteria in determining which options we will exercise. Furthermore, some of our lease payments are based on index rates with minimum annual increases. These represent fixed payments and are captured in the future minimum lease payments calculation.

For operating leases, the ROU assets and liabilities are presented on our Unaudited Condensed Consolidated Statement of Financial Position as follows:

| | October 31, 2021 | April 30, 2021 |
|---|---|---|
| Operating lease ROU assets | **$ 121,708** | $ 121,430 |
| Short-term portion of operating lease liabilities | **22,353** | 22,440 |
| Operating lease liabilities, non-current | **$ 143,638** | $ 145,832 |

During the six months ended October 31, 2021, we added $9.2 million to the ROU assets and $9.1 million to the operating lease liabilities due to new leases, including due to acquisitions, as well as modifications and remeasurements to our existing operating leases.

Our total net lease costs are as follows:

| | Three Months Ended October 31, | | Six Months Ended October 31, | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| Operating lease cost | **$ 6,325** | $ 6,611 | **$ 12,242** | $ 13,246 |
| Variable lease cost | **397** | 730 | **741** | 1,251 |
| Short-term lease cost | **36** | 92 | **56** | 180 |
| Sublease income | **(190)** | (175) | **(391)** | (345) |
| Total net lease cost (1) | **$ 6,568** | $ 7,258 | **$ 12,648** | $ 14,332 |

(1) Total net lease cost does not include those costs and sublease income included in Restructuring and related (credits) charges on our Unaudited Condensed Consolidated Statements of Net Income. This includes those operating leases we had identified in the year ended April 30, 2021 as part of our Business Optimization program that would be subleased. See Note 9, "Restructuring and Related (Credits) Charges" for more information on this program.

Other supplemental information includes the following:

| | Six Months Ended October 31, | |
|---|---|---|
| | **2021** | **2020** |
| Weighted-average remaining contractual lease term (years) | **9** | 9 |
| Weighted-average discount rate | **5.79%** | 5.91% |
| Cash paid for amounts included in the measurement of lease liabilities: | | |
| Operating cash flows from operating leases | **$ 14,846** | $ 16,866 |

The table below reconciles the undiscounted cash flows for the first five years and total of the remaining years to the operating lease liabilities recorded in our Unaudited Condensed Consolidated Statement of Financial Position as of October 31, 2021:

| **Fiscal Year** | **Operating Lease Liabilities** |
|---|---|
| 2022 (remaining 6 months) | $ 15,618 |
| 2023 | 28,159 |
| 2024 | 26,768 |
| 2025 | 25,364 |
| 2026 | 22,694 |
| Thereafter | 95,573 |
| Total future undiscounted minimum lease payments | 214,176 |
| Less: Imputed interest | 48,185 |
| Present value of minimum lease payments | 165,991 |
| Less: Current portion | 22,353 |
| Noncurrent portion | $ 143,638 |

**Note 6 — Stock-Based Compensation**

We have stock-based compensation plans under which employees may be granted performance-based stock awards, other restricted stock awards and options. We recognize the grant date fair value of stock-based compensation in net income on a straight-line basis, net of estimated forfeitures over the requisite service period. The measurement of performance for performance-based stock awards is based on actual financial results for targets established up to three years in advance, or less. For the three and six months ended October 31, 2021, we recognized stock-based compensation expense, on a pretax basis, of $6.7 million and $13.1 million, respectively. For the three and six months ended October 31, 2020, we recognized stock-based compensation expense, on a pretax basis, of $4.8 million and $9.1 million, respectively.

***Performance-Based and Other Restricted Stock Activity***

Under the terms of our long-term incentive plans, performance-based restricted unit awards are payable in restricted shares of our Class A Common Stock upon the achievement of certain three-year or less financial performance-based targets. During each three-year period or less, we adjust compensation expense based upon our best estimate of expected performance.

We may also grant individual restricted unit awards payable in restricted shares of our Class A Common Stock to key employees in connection with their employment.

The following table summarizes awards we granted to employees (shares in thousands):

| | Six Months Ended October 31, | |
|---|---|---|
| | **2021** | **2020** |
| Restricted Stock: | | |
| Awards granted (shares) | **455** | 390 |
| Weighted average fair value of grant | **$ 57.16** | $ 38.38 |

***Stock Option Activity***

During the six months ended October 31, 2021, we granted 260,000 stock option awards. Options are exercisable over a maximum period of ten years from the date of grant. For the six months ended October 31, 2021, options generally vest 10%, 20%, 30%, and 40% on April 30, or on each anniversary date after the award is granted.

The following table provides the estimated weighted average fair value for options granted during the six months ended October 31, 2021 using the Black-Scholes option-pricing model, and the significant weighted average assumptions used in their determination.

| | Six Months Ended October 31, 2021 |
|---|---|
| Weighted average fair value of options on grant date | $ 11.71 |
| | |
| Weighted average assumptions: | |
| Expected life of options (years) | 6.3 |
| Risk-free interest rate | 1.1% |
| Expected volatility | 30.7% |
| Expected dividend yield | 2.4% |
| Fair value of common stock on grant date | $ 56.79 |
| Exercise price of stock option grant | $ 62.36 |

Prior to the above stock option grants in the six months ended October 31, 2021, we did not grant any stock option awards since the year ended April 30, 2016. As of April 30, 2019, all outstanding stock options vested allowing the participant the right to exercise their awards, and there was no unrecognized share-based compensation expense remaining related to those stock options.

**Note 7 — Accumulated Other Comprehensive Loss**

Changes in Accumulated Other Comprehensive Loss by component, net of tax, for the three and six months ended October 31, 2021 and 2020 were as follows:

| | Foreign Currency Translation | Unamortized Retirement Costs | Interest Rate Swaps | Total |
|---|---|---|---|---|
| **Balance at July 31, 2021** | $ (263,878) | $ (226,557) | $ (4,165) | $ (494,600) |
| Other comprehensive (loss) income before reclassifications | (9,483) | 2,639 | 978 | (5,866) |
| Amounts reclassified from accumulated other comprehensive loss | — | 1,426 | 831 | 2,257 |
| Total other comprehensive (loss) income | (9,483) | 4,065 | 1,809 | (3,609) |
| **Balance at October 31, 2021** | **$ (273,361)** | **$ (222,492)** | **$ (2,356)** | **$ (498,209)** |
| | | | | |
| **Balance at April 30, 2021** | $ (257,941) | $ (228,146) | $ (4,703) | $ (490,790) |
| Other comprehensive (loss) income before reclassifications | (15,420) | 2,781 | 685 | (11,954) |
| Amounts reclassified from accumulated other comprehensive loss | — | 2,873 | 1,662 | 4,535 |
| Total other comprehensive (loss) income | (15,420) | 5,654 | 2,347 | (7,419) |
| **Balance at October 31, 2021** | **$ (273,361)** | **$ (222,492)** | **$ (2,356)** | **$ (498,209)** |

| | Foreign Currency Translation | Unamortized Retirement Costs | Interest Rate Swaps | Total |
|---|---|---|---|---|
| **Balance at July 31, 2020** | $ (293,850) | $ (233,585) | $ (6,683) | $ (534,118) |
| Other comprehensive (loss) income before reclassifications | (11,626) | 1,900 | (252) | (9,978) |
| Amounts reclassified from accumulated other comprehensive loss | — | 1,503 | 951 | 2,454 |
| Total other comprehensive (loss) income | (11,626) | 3,403 | 699 | (7,524) |
| **Balance at October 31, 2020** | $ (305,476) | $ (230,182) | $ (5,984) | $ (541,642) |
| | | | | |
| **Balance at April 30, 2020** | $ (340,703) | $ (227,920) | $ (6,874) | $ (575,497) |
| Other comprehensive income (loss) before reclassifications | 35,227 | (5,290) | (921) | 29,016 |
| Amounts reclassified from accumulated other comprehensive loss | — | 3,028 | 1,811 | 4,839 |
| Total other comprehensive income (loss) | 35,227 | (2,262) | 890 | 33,855 |
| **Balance at October 31, 2020** | $ (305,476) | $ (230,182) | $ (5,984) | $ (541,642) |

During the three and six months ended October 31, 2021, pretax actuarial losses included in Unamortized Retirement Costs of approximately $1.9 million and $3.7 million, respectively, and in the three and six months ended October 31, 2020, approximately $2.0 million and $3.9 million, respectively, were amortized from Accumulated other comprehensive loss and recognized as pension and post-retirement benefit expense primarily in Operating and administrative expenses and Other income, net on our Unaudited Condensed Consolidated Statements of Net Income.

Our policy for releasing the income tax effects from accumulated other comprehensive (loss) income is to release when the corresponding pretax accumulated other comprehensive (loss) income items are reclassified to earnings.

**Note 8 — Reconciliation of Weighted Average Shares Outstanding**

A reconciliation of the shares used in the computation of earnings per share follows (shares in thousands):

| | Three Months Ended October 31, | | Six Months Ended October 31, | |
|---|---|---|---|---|
| | **2021** | **2020** | **2021** | **2020** |
| Weighted average shares outstanding | **55,806** | 56,005 | **55,833** | 55,961 |
| Less: Unvested restricted shares | **—** | — | **—** | (2) |
| **Shares used for basic earnings per share** | **55,806** | 56,005 | **55,833** | 55,959 |
| Dilutive effect of unvested restricted stock units and other stock awards | **582** | 160 | **644** | 223 |
| **Shares used for diluted earnings per share** | **56,388** | 56,165 | **56,477** | 56,182 |
| Antidilutive options to purchase Class A common shares, restricted shares, warrants to purchase Class A common shares, and contingently issuable restricted stock which are excluded from the table above | **1,074** | 1,223 | **1,006** | 1,318 |

The shares associated with performance-based stock awards are considered contingently issuable shares and will be included in the diluted weighted average number of common shares outstanding when they have met the performance conditions, and when their effect is dilutive.

**Note 9 — Restructuring and Related (Credits) Charges**

***Business Optimization Program***

Beginning in fiscal year 2020, we initiated a multiyear Business Optimization Program (the Business Optimization Program) to drive efficiency improvement and operating savings.

The following tables summarize the pretax restructuring (credits) charges related to this program:

| | Three Months Ended October 31, | | Six Months Ended October 31, | | Total Charges Incurred to Date |
|---|---|---|---|---|---|
| | **2021** | **2020** | **2021** | **2020** | |
| (Credits) Charges by Segment: | | | | | |
| Research Publishing & Platforms | **$ 22** | $ (103) | **$ 238** | $ (300) | $ 3,883 |
| Academic & Professional Learning | **(465)** | 1,541 | **(294)** | 1,314 | 13,410 |
| Education Services | **6** | 84 | **(28)** | 223 | 4,277 |
| Corporate Expenses | **(896)** | 584 | **(1,525)** | 3,054 | 43,083 |
| Total Restructuring and Related (Credits) Charges | **$ (1,333)** | $ 2,106 | **$ (1,609)** | $ 4,291 | $ 64,653 |
| | | | | | |
| (Credits) Charges by Activity: | | | | | |
| Severance and termination benefits | **$ (1,956)** | $ 1,683 | **$ (2,570)** | $ 2,793 | $ 35,825 |
| Impairment of operating lease ROU assets and property and equipment | **—** | — | **—** | — | 15,079 |
| Acceleration of expense related to operating lease ROU assets and property and equipment | **—** | — | **—** | — | 3,378 |
| Facility related charges, net | **623** | 423 | **961** | 1,498 | 8,631 |
| Other activities | **—** | — | **—** | — | 1,740 |
| Total Restructuring and Related (Credits) Charges | **$ (1,333)** | $ 2,106 | **$ (1,609)** | $ 4,291 | $ 64,653 |

The credits in severance and termination benefits activities for the three and six months ended October 31, 2021, primarily reflects changes in the number of headcount reductions and estimates for previously accrued costs.

Facilities related charges, net include sublease income related to those operating leases we had identified in the year ended April 30, 2021 as part of our Business Optimization program that would be subleased.

The following table summarizes the activity for the Business Optimization Program liability for the six months ended October 31, 2021:

| | April 30, 2021 | (Credits) | Payments | Foreign Translation & Other Adjustments | October 31, 2021 |
|---|---|---|---|---|---|
| Severance and termination benefits | $ 11,465 | $ (2,570) | $ (4,366) | $ (133) | **$ 4,396** |
| Total | $ 11,465 | $ (2,570) | $ (4,366) | $ (133) | **$ 4,396** |

The restructuring liability for accrued severance and termination benefits is reflected in Accrued employment costs on our Unaudited Condensed Consolidated Statement of Financial Position as of October 31, 2021.

**Note 10 — Segment Information**

We report our segment information in accordance with the provisions of FASB Accounting Standards Codification (ASC) Topic 280, "Segment Reporting". These segments reflect the way our chief operating decision maker evaluates our business performance and manages the operations. The performance metric used by our chief operating decision maker to evaluate performance of our reportable segments is Adjusted Contribution to Profit. Our segment reporting structure consists of three reportable segments, which are listed below, as well as a Corporate category, which includes certain costs that are not allocated to the reportable segments:

- Research Publishing & Platforms
- Academic & Professional Learning
- Education Services

Segment information is as follows:

| | Three Months Ended October 31, | | Six Months Ended October 31, | |
|---|---|---|---|---|
| | **2021** | **2020** | **2021** | **2020** |
| **Revenue**: | | | | |
| Research Publishing & Platforms | **$ 275,154** | $ 251,334 | **$ 549,910** | $ 492,144 |
| Academic & Professional Learning (1) | **176,529** | 169,913 | **315,793** | 296,345 |
| Education Services (1) | **81,320** | 69,764 | **155,688** | 133,848 |
| Total revenue | **$ 533,003** | $ 491,011 | **$ 1,021,391** | $ 922,337 |
| | | | | |
| **Adjusted Contribution to Profit:** | | | | |
| Research Publishing & Platforms | **$ 77,053** | $ 73,850 | **$ 156,077** | $ 143,471 |
| Academic & Professional Learning (1) | **40,606** | 31,548 | **48,929** | 31,303 |
| Education Services (1) | **727** | 7,380 | **(1,134)** | 7,975 |
| Total adjusted contribution to profit | **118,386** | 112,778 | **203,872** | 182,749 |
| Adjusted corporate contribution to profit | **(45,831)** | (40,953) | **(90,625)** | (78,667) |
| Total adjusted contribution to profit | **$ 72,555** | $ 71,825 | **$ 113,247** | $ 104,082 |
| | | | | |
| **Depreciation and Amortization:** | | | | |
| Research Publishing & Platforms | **$ 23,464** | $ 19,765 | **$ 47,226** | $ 39,466 |
| Academic & Professional Learning (1) | **18,148** | 17,720 | **36,512** | 36,524 |
| Education Services (1) | **8,813** | 7,210 | **17,116** | 14,489 |
| Total depreciation and amortization | **50,425** | 44,695 | **100,854** | 90,479 |
| Corporate depreciation and amortization | **4,130** | 3,735 | **8,267** | 7,458 |
| Total depreciation and amortization | **$ 54,555** | $ 48,430 | **$ 109,121** | $ 97,937 |

(1) In May 2021, we moved the WileyNXT product offering from Academic & Professional Learning to Education Services. As a result, the prior period results related to the WileyNXT product offering have been included in Education Services. The Revenue, Adjusted Contribution to Profit and Depreciation and Amortization for WileyNXT was $0.7 million, $(0.1) million, and none, respectively, for the three months ended October 31, 2020. The Revenue, Adjusted Contribution to Profit and Depreciation and Amortization for WileyNXT was $1.2 million, $(0.2) million, and none, respectively, for the six months ended October 31, 2020. There were no changes to our total consolidated financial results.

The following table shows a reconciliation of our consolidated US GAAP Operating Income to Non-GAAP Adjusted Contribution to Profit:

| | Three Months Ended October 31, | | Six Months Ended October 31, | |
|---|---|---|---|---|
| | **2021** | **2020** | **2021** | **2020** |
| **US GAAP Operating Income** | **$ 73,888** | $ 69,905 | **$ 114,856** | $ 99,944 |
| Adjustments: | | | | |
| Restructuring and related (credits) charges [1] | **(1,333)** | 1,920 | **(1,609)** | 4,138 |
| **Non-GAAP Adjusted Contribution to Profit** | **$ 72,555** | $ 71,825 | **$ 113,247** | $ 104,082 |

(1) See Note 9, "Restructuring and Related (Credits) Charges" for these charges by segment.

See Note 4, "Revenue Recognition, Contracts with Customers," for revenue from contracts with customers disaggregated by segment and product type for the three and six months ended October 31, 2021 and 2020.

**Note 11 — Inventories**

Inventories, net consisted of the following:

| | **October 31, 2021** | **April 30, 2021** |
|---|---|---|
| Finished goods | **$ 29,288** | $ 31,704 |
| Work-in-process | **1,576** | 2,060 |
| Paper and other materials | **313** | 331 |
| Total inventories before estimated sales returns and LIFO reserve | **$ 31,177** | $ 34,095 |
| Inventory value of estimated sales returns | **10,991** | 10,886 |
| LIFO reserve | **(2,443)** | (2,443) |
| Inventories, net | **$ 39,725** | $ 42,538 |

**Note 12 — Goodwill and Intangible Assets**

***Goodwill***

The following table summarizes the activity in goodwill by segment as of October 31, 2021:

| | **April 30, 2021 (1)** | **Acquisition (2)** | **Foreign Translation Adjustment** | **October 31, 2021** |
|---|---|---|---|---|
| Research Publishing & Platforms | $ 619,203 | $ 7,893 | $ (5,104) | **$ 621,992** |
| Academic & Professional Learning | 512,512 | — | (4,683) | **507,829** |
| Education Services | 172,625 | — | (212) | **172,413** |
| Total | $ 1,304,340 | $ 7,893 | $ (9,999) | **$ 1,302,234** |

(1) The Education Services goodwill balance as of April 30, 2021 includes a cumulative pretax noncash goodwill impairment of $110.0 million.
(2) Refer to Note 3, "Acquisitions," for more information related to the acquisition that occurred in the six months ended October 31, 2021.

***Intangible Assets***

Intangible assets, net were as follows:

| | October 31, 2021 | April 30, 2021 (1) |
|---|---|---|
| Intangible assets with definite lives, net (2): | | |
| Content and publishing rights | **$ 537,493** | $ 564,229 |
| Customer relationships | **254,297** | 266,477 |
| Developed technology | **34,206** | 34,961 |
| Brands and trademarks | **17,858** | 19,536 |
| Covenants not to compete | **80** | 58 |
| Total intangible assets with definite lives, net | **843,934** | 885,261 |
| Intangible assets with indefinite lives: | | |
| Brands and trademarks | **37,000** | 37,000 |
| Publishing rights | **89,102** | 93,041 |
| Total intangible assets with indefinite lives | **126,102** | 130,041 |
| Total intangible assets, net | **$ 970,036** | $ 1,015,302 |

(1) The developed technology balance as of April 30, 2021 is presented net of accumulated impairments and write-offs of $2.8 million. The indefinite-lived brands and trademarks as of April 30, 2021 is net of accumulated impairments of $93.1 million.

(2) Refer to Note 3, "Acquisitions," for more information related to the acquisition that occurred in the six months ended October 31, 2021.

**Note 13 — Income Taxes**

The effective tax rate for the three and six months ended October 31, 2021 was 20.7% and 39.1%, respectively, compared with 0.1% and 13.7% for the three and six months ended October 31, 2020, respectively.

The rate for the three months ended October 31, 2021 was slightly lower than the US statutory rate due to the mix of income at lower rates. The rate for the six months ended October 31, 2021, was greater than the US statutory rate due to increases in the UK statutory rate, resulting in a noncash deferred tax expense from the re-measurement of our applicable UK net deferred tax liabilities.

The rate for the six months ended October 31, 2021 was greater than the rate for the six months ended October 31, 2020 due to a larger increase in the UK statutory rate than the prior period. In addition, during the three and six months ended October 31, 2020, as a result of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and certain regulations issued in late July 2020, we were able to carry back certain US net operating losses (NOLs), decreasing the rates for both the three and six months ended October 31, 2020. We claimed a $20.7 million tax refund which was received in February 2021, plus interest.

During the three months ended July 31, 2021, the UK enacted legislation that increased its statutory rate from 19% to 25% effective April 1, 2023, resulting in a $20.7 million non-cash deferred tax expense. During the three months ended July 31, 2020, the UK officially enacted legislation that increased its statutory rate from 17% to 19%, resulting in a $6.7 million non-cash deferred tax expense.

**Note 14 — Retirement Plans**

The components of net pension income for the defined benefit plans were as follows:

| | Three Months Ended October 31, | | Six Months Ended October 31, | |
|---|---|---|---|---|
| | **2021** | **2020** | **2021** | **2020** |
| Service cost | **$ 300** | $ 347 | **$ 607** | $ 680 |
| Interest cost | **5,178** | 4,610 | **10,401** | 9,131 |
| Expected return on plan assets | **(10,142)** | (9,649) | **(20,401)** | (19,027) |
| Amortization of prior service cost | **(22)** | (24) | **(44)** | (49) |
| Amortization of net actuarial loss | **1,877** | 2,033 | **3,774** | 4,020 |
| Net pension income | **$ (2,809)** | $ (2,683) | **$ (5,663)** | $ (5,245) |

The service cost component of net pension income is reflected in Operating and administrative expenses on our Unaudited Condensed Consolidated Statements of Net Income. The other components of net pension income are reported separately from the service cost component and below Operating income. Such amounts are reflected in Other income, net on our Unaudited Condensed Consolidated Statements of Net Income.

Employer defined benefit pension plan contributions were $4.0 million and $8.5 million for the three and six months ended October 31, 2021, respectively, and $3.8 million and $8.9 million for the three and six months ended October 31, 2020, respectively.

***Defined Contribution Savings Plans***

The expense for employer defined contribution savings plans was $6.5 million and $15.6 million for the three and six months ended October 31, 2021, respectively, and $5.2 million and $11.8 million for the three and six months ended October 31, 2020, respectively.

**Note 15 — Debt and Available Credit Facilities**

Our total debt outstanding consisted of the amounts set forth in the following table:

| | **October 31, 2021** | **April 30, 2021** |
|---|---|---|
| Short-term portion of long-term debt (1) | **$ 12,500** | $ 12,500 |
| | | |
| Term loan A - Amended and Restated RCA (2) | **217,187** | 222,928 |
| Revolving credit facility - Amended and Restated RCA | **815,318** | 586,160 |
| Total long-term debt, less current portion | **1,032,505** | 809,088 |
| | | |
| Total debt | **$ 1,045,005** | $ 821,588 |

(1) Relates to our term loan A under the Amended and Restated RCA.

(2) Amounts are shown net of unamortized issuance costs of $0.4 million as of October 31, 2021 and $0.5 million as of April 30, 2021.

***Amended and Restated RCA***

On May 30, 2019, we entered into a credit agreement that amended and restated our existing revolving credit agreement (Amended and Restated RCA). The Amended and Restated RCA provides for senior unsecured credit facilities comprised of a (i) five-year revolving credit facility in an aggregate principal amount up to $1.25 billion, and (ii) a five-year term loan A facility consisting of $250 million.

Under the terms of the Amended and Restated RCA, which can be drawn in multiple currencies, we have the option of borrowing at the following floating interest rates: (i) at a rate based on the London Interbank Offered Rate (LIBOR) plus an applicable margin ranging from 0.98% to 1.50%, depending on our consolidated net leverage ratio, as defined, or (ii) at the lender's base rate plus an applicable margin ranging from zero to 0.50%, depending on our consolidated net leverage ratio. The lender's base rate is defined as the highest of (i) the US federal funds effective rate plus a 0.50% margin, (ii) the Eurocurrency rate, as defined, plus a 1.00% margin, or (iii) the Bank of America prime lending rate. In addition, we pay a facility fee for the revolving credit facility ranging from 0.15% to 0.25% depending on our consolidated net leverage ratio. We also have the option to request an increase in the revolving credit facility by an amount not to exceed $500 million, in minimum increments of $50 million, subject to the approval of the lenders.

The Amended and Restated RCA contains certain customary affirmative and negative covenants, including a financial covenant in the form of a consolidated net leverage ratio and consolidated interest coverage ratio, which we were in compliance with as of October 31, 2021.

The amortization expense of the costs incurred related to the Amended and Restated RCA related to the lender and non-lender fees is recognized over the five-year term of the Amended and Restated RCA. Total amortization expense was $0.3 million and $0.5 million for the three and six months ended October 31, 2021, respectively and is included in Interest expense on our Unaudited Condensed Consolidated Statements of Net Income. Total amortization expense was $0.3 million and $0.5 million for the three and six months ended October 31, 2020, respectively and is included in Interest expense on our Unaudited Condensed Consolidated Statements of Net Income.

As of October 31, 2021, we had approximately $435.3 million of unused borrowing capacity under our Amended and Restated RCA and other facilities.

**Note 16 — Derivative Instruments and Hedging Activities**

From time-to-time, we enter into forward exchange and interest rate swap contracts as a hedge against foreign currency asset and liability commitments, changes in interest rates and anticipated transaction exposures, including intercompany sales and purchases. All derivatives are recognized as assets or liabilities and measured at fair value. Derivatives that are not determined to be effective hedges are adjusted to fair value with a corresponding adjustment to earnings. We do not use financial instruments for trading or speculative purposes.

***Interest Rate Contracts***

As of October 31, 2021, we had total debt outstanding of $1,045.0 million, net of unamortized issuance costs of $0.4 million of which $1,045.4 million are variable rate loans outstanding under the Amended and Restated RCA, which approximated fair value.

We had outstanding interest rate swap agreements with combined notional amounts of $400.0 million as of October 31, 2021 and April 30, 2021. These agreements were accounted for as cash flow hedges which fixed a portion of the variable interest due on our Amended and Restated RCA.

We record the fair value of our interest rate swaps on a recurring basis using Level 2 inputs of quoted prices for similar assets or liabilities in active markets. The fair value of the interest rate swaps as of October 31, 2021 was a deferred loss of $3.2 million and a deferred gain of $0.7 million. Based on the maturity dates of the contracts, $2.1 million of the deferred loss as of October 31, 2021 was recorded within Other accrued liabilities and $1.1 million of the deferred loss was recorded within Other long-term liabilities. The deferred gain was recorded within Other non-current assets.

The fair value of the interest rate swaps as of April 30, 2021 was a deferred loss of $5.6 million. Based on the maturity dates of the contracts, the entire deferred loss as of April 30, 2021 was recorded within Other long-term liabilities.

The pretax losses that were reclassified from Accumulated other comprehensive loss into Interest expense for the three and six months ended October 31, 2021 were $1.1 million and $2.2 million, respectively. The pretax losses that were reclassified from Accumulated other comprehensive loss into Interest expense for the three and six months ended October 31, 2020 were $0.9 million and $1.8 million, respectively.

***Foreign Currency Contracts***

We may enter into forward exchange contracts to manage our exposure on certain foreign currency denominated assets and liabilities. The forward exchange contracts are marked to market through Foreign exchange transaction losses on our Unaudited Condensed Consolidated Statements of Net Income and carried at fair value on our Unaudited Condensed Consolidated Statements of Financial Position. Foreign currency denominated assets and liabilities are remeasured at spot rates in effect on the balance sheet date, with the effects of changes in spot rates reported in Foreign exchange transaction losses on our Unaudited Condensed Consolidated Statements of Net Income.

As of October 31, 2021, and April 30, 2021, we did not maintain any open forward exchange contracts. In addition, we did not maintain any open forward contracts during the six months ended October 31, 2021 and 2020.

**Note 17 — Capital Stock and Changes in Capital Accounts**

***Share Repurchases***

The following table summarizes the share repurchases of Class A and Class B Common Stock (shares in thousands):

| | Three Months Ended October 31, 2021 | Six Months Ended October 31, 2021 |
|---|---|---|
| Shares repurchased - Class A | **183** | **312** |
| Shares repurchased - Class B | **—** | **1** |
| Average price - Class A and Class B | **$ 54.54** | **$ 55.51** |

There were no share repurchases during the three and six months ended October 31, 2020.

***Dividends***

The following table summarizes the cash dividends paid during the six months ended October 31, 2021:

| Date of Declaration by Board of Directors | Quarterly Cash Dividend | Total Dividend | Class of Common Stock | Dividend Paid Date | Shareholders of Record as of Date |
|---|---|---|---|---|---|
| June 22, 2021 | $0.3450 per common share | $19.3 million | Class A and Class B | July 21, 2021 | July 6, 2021 |
| September 29, 2021 | $0.3450 per common share | $19.2 million | Class A and Class B | October 27, 2021 | October 12, 2021 |

***Changes in Common Stock***

The following is a summary of changes during the six months ended October 31, in shares of our common stock and common stock in treasury (shares in thousands):

| **Changes in Common Stock A:** | **2021** | **2020** |
|---|---|---|
| **Number of shares, beginning of year** | **70,208** | 70,166 |
| Common stock class conversions | **3** | 13 |
| **Number of shares issued, end of period** | **70,211** | 70,179 |
| | | |
| **Changes in Common Stock A in treasury:** | | |
| **Number of shares held, beginning of year** | **23,419** | 23,405 |
| Purchase of treasury shares | **312** | — |
| Restricted shares issued under stock-based compensation plans – non-PSU Awards | **(129)** | (96) |
| Restricted shares issued under stock-based compensation plans – PSU Awards | **(108)** | (88) |
| Shares issued under the Director Plan to Directors | **(2)** | (4) |
| Restricted shares issued from exercise of stock options | **(24)** | (33) |
| Shares withheld for taxes | **93** | 69 |
| **Number of shares held, end of period** | **23,561** | 23,253 |
| **Number of Common Stock A outstanding, end of period** | **46,650** | 46,926 |

| **Changes in Common Stock B:** | **2021** | **2020** |
|---|---|---|
| **Number of shares, beginning of year** | **12,974** | 13,016 |
| Common stock class conversions | **(3)** | (13) |
| **Number of shares issued, end of period** | **12,971** | 13,003 |
| | | |
| **Changes in Common Stock B in treasury:** | | |
| **Number of shares held, beginning of year** | **3,922** | 3,920 |
| Purchase of treasury shares | **1** | — |
| **Number of shares held, end of period** | **3,923** | 3,920 |
| **Number of Common Stock B outstanding, end of period** | **9,048** | 9,083 |

**Note 18 — Commitments and Contingencies**

We are involved in routine litigation in the ordinary course of our business. A provision for litigation is accrued when information available to us indicates that it is probable a liability has been incurred and the amount of loss can be reasonably estimated. Significant judgment may be required to determine both the probability and estimates of loss. When the amount of the loss can only be estimated within a range, the most likely outcome within that range is accrued. If no amount within the range is a better estimate than any other amount, the minimum amount within the range is accrued. When uncertainties exist related to the probable outcome of litigation and/or the amount or range of loss, we do not record a liability, but disclose facts related to the nature of the contingency and possible losses if management considers the information to be material. Reserves for legal defense costs are recognized when incurred. The accruals for loss contingencies and legal costs are reviewed regularly and may be adjusted to reflect updated information on the status of litigation and advice of legal counsel. In the opinion of management, the ultimate resolution of all pending litigation as of October 31, 2021, will not have a material effect upon our consolidated financial condition or results of operations.

**Note 19 – Subsequent Events**

On November 30, 2021, we completed the acquisition of certain assets of Precision Computer Works, Inc. (PCW) for approximately $15.0 million, and another smaller acquisition for approximately $8.0 million. PCW is a technology platform company with an established journal submission and peer review management system. The results for both acquisitions will be included in our Research Publishing & Platforms segment.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information in our Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) should be read together with our Condensed Consolidated Financial Statements and related notes set forth in Item 1 of Part I of this Quarterly Report on Form 10-Q, our MD&A set forth in Item 7 of Part II of our 2021 Form 10-K and our Consolidated Financial Statements and related notes set forth in Item 8 of Part II of our 2021 Form 10-K. See Part II, Item 1A, "Risk Factors," below and "Cautionary Notice Regarding Forward-Looking Statements "Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995," above, and the information referenced therein, for a description of risks that we face and important factors that we believe could cause actual results to differ materially from those in our forward-looking statements. All amounts and percentages are approximate due to rounding and all dollars are in thousands, except per share amounts or where otherwise noted. When we cross-reference to a "Note," we are referring to our "Notes to Unaudited Condensed Consolidated Financial Statements," unless the context indicates otherwise.

### Overview

Wiley is a global leader in research and education, unlocking human potential by enabling discovery, powering education, and shaping workforces. For over 200 years, Wiley has fueled the world's knowledge ecosystem. Today, our high-impact content, platforms, and services help researchers, learners, institutions, and corporations achieve their goals in an ever-changing world. Wiley is a predominantly digital company with over 80% of revenue for the six months ended October 31, 2021 generated by digital products and services.

We report financial information for the following segments, as well as a Corporate category, which includes certain costs that are not allocated to the reportable segments:

- Research Publishing & Platforms
- Academic & Professional Learning
- Education Services

Through the Research Publishing & Platforms segment, we provide peer-reviewed scientific, technical, and medical (STM) publishing, content platforms, and related services to academic, corporate, and government customers, academic societies, and individual researchers. The Academic & Professional Learning segment provides Education Publishing and Professional Learning content and courseware, training and learning services, to students, professionals, and corporations. The Education Services segment provides online program management (OPM) services for academic institutions and talent development services for professionals and businesses.

Wiley's business strategies are tightly aligned with accelerating growth trends, including open research, career-connected education, and talent development. Research strategies include driving publishing output to meet the increasing demand for peer-reviewed research and expanding platform and service offerings for corporations and societies. Education strategies include expanding online degree programs and driving online enrollment for university partners, scaling digital content and courseware, and expanding IT talent placement and reskilling programs for corporate partners.

### RESULTS OF OPERATIONS – THREE MONTHS ENDED OCTOBER 31, 2021

### SECOND QUARTER SUMMARY:

- **US GAAP Results**: Consolidated Revenue of $533 million (+9%, compared with the prior year), Operating Income of $74 million (+6%, compared with the prior year), and EPS of $0.99 (-19%, compared with the prior year)
- **Adjusted Results** (at constant currency compared with the prior year): Consolidated Revenue of $533 million (+8%, compared with the prior year), Adjusted EBITDA of $127 million (+7%, compared with the prior year), and Adjusted EPS of $1.29 (+6%, compared with the prior year)
- **Acquisition:** On October 1, 2021, we completed the acquisition of certain assets of J&J Editorial Services, LLC. (J&J) for $12.0 million which expands our Partner Solutions offerings within our Research Publishing & Platforms segment.

## CONSOLIDATED RESULTS OF OPERATIONS

**Revenue:**

Revenue for the three months ended October 31, 2021 increased $42.0 million, or 9%, as compared with the prior year. On a constant currency basis, revenue increased 8% as compared with the prior year including contributions from acquisitions. Excluding the inorganic contributions from acquisitions, revenue increased in each of our segments and 5% overall on a constant currency basis.

See the “Segment Operating Results” below for additional details on each segment’s revenue and Adjusted EBITDA performance.

**Cost of Sales:**

Cost of sales for the three months ended October 31, 2021 increased $19.9 million, or 13%, as compared with the prior year. On a constant currency basis, cost of sales increased 11% as compared with the prior year. This increase was primarily due to higher employee costs in Education Services, and, to a lesser extent, higher student acquisition costs also in Education Services.

**Operating and Administrative Expenses:**

Operating and administrative expenses for the three months ended October 31, 2021 increased $17.0 million, or 7%, as compared with the prior year. On a constant currency basis, operating and administrative expenses increased 6% as compared with the prior year primarily reflecting higher editorial costs due to additional resources to support investments in growth and, to a lesser extent, advertising and marketing costs, and technology costs.

**Restructuring and Related (Credits) Charges:**

For the three months ended October 31, 2021 and 2020, we recorded pretax restructuring credits of $1.3 million and charges of $2.1 million, respectively, related to our Business Optimization Program. We anticipate $10.0 million in run rate savings from actions starting in fiscal 2022. These (credits) charges are reflected in Restructuring and related (credits) charges in our Unaudited Condensed Consolidated Statements of Net Income. See Note 9, “Restructuring and Related (Credits) Charges” for more details on these charges.

In November 2020, in response to the COVID-19 pandemic and the Company’s successful transition to a virtual work environment, we increased use of virtual work arrangements for post-pandemic operations. As a result, we expanded the scope of the Business Optimization Program to include the exit of certain leased office space beginning in the third quarter of fiscal 2021, and the reduction of our occupancy at other facilities. We are reducing our real estate square footage occupancy by approximately 12%.

These actions yielded annualized cost savings of approximately $8.0 million. We anticipate ongoing facility-related costs associated with certain properties to result in additional restructuring charges in future periods.

For the impact of our restructuring program on diluted earnings per share, see the section below, “Diluted Earnings per Share (EPS).”

**Amortization of Intangible Assets:**

Amortization of intangible assets was $21.5 million for the three months ended October 31, 2021, an increase of $4.3 million, or 25%, as compared with the prior year. On a constant currency basis, amortization of intangible assets increased 24% as compared with the prior year primarily due to the intangible assets acquired as part of the Hindawi acquisition completed in fiscal year 2021. See Note 3, “Acquisitions” for more details on this acquisition.

**Operating Income, Adjusted Contribution to Profit (CTP) and Adjusted EBITDA:**

Operating income for the three months ended October 31, 2021 increased $4.0 million, or 6%, as compared with the prior year. On a constant currency basis, operating income increased 9% as compared with the prior year, primarily due to the increase in revenue, partially offset by an increase in cost of sales, and operating and administrative expenses.

Adjusted CTP and Adjusted EBITDA on a constant currency basis and excluding restructuring (credits) charges, increased 4% and 7% respectively, as compared with the prior year. The increase in Adjusted CTP and Adjusted EBITDA was primarily due to revenue performance described above, partially offset by an increase in cost of sales, and operating and administrative expenses. In addition, the increase in Adjusted CTP was partially offset by higher depreciation and amortization.

*Adjusted CTP*

Below is a reconciliation of our consolidated US GAAP Operating Income to Non-GAAP Adjusted CTP:

| | Three Months Ended October 31, | |
|---|---|---|
| | **2021** | **2020** |
| **US GAAP Operating Income** | **$ 73,888** | $ 69,905 |
| Adjustments: | | |
| Restructuring and related (credits) charges | **(1,333)** | 1,920 |
| **Non-GAAP Adjusted CTP** | **$ 72,555** | $ 71,825 |

*Adjusted EBITDA*

Below is a reconciliation of our consolidated US GAAP Net Income to Non-GAAP EBITDA and Adjusted EBITDA:

| | Three Months Ended October 31, | |
|---|---|---|
| | **2021** | **2020** |
| **Net Income** | **$ 55,967** | $ 68,432 |
| Interest expense | **4,997** | 4,461 |
| Provision for income taxes | **14,648** | 81 |
| Depreciation and amortization | **54,555** | 48,430 |
| **Non-GAAP EBITDA** | **130,167** | 121,404 |
| Restructuring and related (credits) charges | **(1,333)** | 1,920 |
| Foreign exchange transaction losses | **1,370** | 697 |
| Loss on sale of certain assets | **56** | — |
| Other income, net | **(3,150)** | (3,766) |
| **Non-GAAP Adjusted EBITDA** | **$ 127,110** | $ 120,255 |

**Interest Expense:**

Interest expense for the three months ended October 31, 2021 was $5.0 million compared with the prior year of $4.5 million. This increase was due to a higher average debt balance outstanding, which included borrowings for the funding of acquisitions in fiscal year 2021, partially offset by a lower weighted average effective interest rate for the current fiscal year compared with the prior fiscal year.

**Foreign Exchange Transaction Losses:**

Foreign exchange transaction losses were $1.4 million for the three months ended October 31, 2021 and were primarily due to losses on our foreign currency denominated third-party and intercompany accounts receivable and payable balances due to the impact of the change in average foreign exchange rates as compared to the US dollar.

Foreign exchange transaction losses were $0.7 million for the three months ended October 31, 2020 and were primarily due to losses on foreign currency denominated third-party and intercompany receivable and payable balances due to the impact of the change in average foreign exchange rates as compared to the US dollar.

**Provision for Income Taxes:**

Below is a reconciliation of our US GAAP Income Before Taxes to Non-GAAP Adjusted Income Before Taxes:

| | Three Months Ended October 31, | |
|---|---|---|
| | **2021** | **2020** |
| **US GAAP Income Before Taxes** | **$ 70,615** | $ 68,513 |
| Pretax Impact of Adjustments: | | |
| Restructuring and related (credits) charges | **(1,333)** | 1,920 |
| Foreign exchange losses on intercompany transactions | **567** | 231 |
| Amortization of acquired intangible assets | **22,608** | 18,381 |
| Loss on sale of certain assets | **56** | — |
| **Non-GAAP Adjusted Income Before Taxes** | **$ 92,513** | $ 89,045 |

Below is a reconciliation of our US GAAP Income Tax Provision to Non-GAAP Adjusted Income Tax Provision, including our US GAAP Effective Tax Rate and our Non-GAAP Adjusted Effective Tax Rate:

| | Three Months Ended October 31, | |
|---|---|---|
| | **2021** | **2020** |
| **US GAAP Income Tax Provision** | **$ 14,648** | $ 81 |
| Income Tax Impact of Adjustments [1]: | | |
| Restructuring and related (credits) charges | **(277)** | 654 |
| Foreign exchange losses on intercompany transactions | **120** | 122 |
| Amortization of acquired intangible assets | **5,420** | 4,335 |
| Loss on sale of certain assets | **14** | — |
| Income Tax Adjustments: | | |
| Impact of increase in UK statutory rate on deferred tax balances [2] | — | (83) |
| Impact of US CARES Act [3] | — | 13,998 |
| **Non-GAAP Adjusted Income Tax Provision** | **$ 19,925** | $ 19,107 |
| | | |
| **US GAAP Effective Tax Rate** | **20.7%** | 0.1% |
| **Non-GAAP Adjusted Effective Tax Rate** | **21.5%** | 21.5% |

(1) For the three months ended October 31, 2021 and 2020, substantially all of the tax impact was from deferred taxes.

(2) For the three months ended October 31, 2020, the tax impact was from deferred taxes.

(3) For the three months ended October 31, 2020, the tax impact was $8.4 million from current taxes and $5.6 million from deferred taxes.

The effective tax rate for the three months ended October 31, 2021 was 20.7% compared with 0.1% for the three months ended October 31, 2020. The rate for the three months ended October 31, 2021, was slightly lower than the US statutory rate due to the mix of income at various rates. As depicted above in the table, the rate for the three months ended October 31, 2020 benefited from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and certain regulations issued in late July 2020, which enabled us to carry back certain US net operating losses (NOL).

**Diluted Earnings per Share (EPS):**

EPS for the three months ended October 31, 2021 was $0.99 per share compared with $1.22 per share for the three months ended October 31, 2020. This decrease was due to a higher provision for income taxes driven by the CARES Act benefit of $0.25 per share in the three months ended October 31, 2020, partially offset by higher operating income.

Below is a reconciliation of our US GAAP EPS to Non-GAAP Adjusted EPS. The amount of the pretax, and the related income tax impact for the adjustments included in the table below, are presented in the section above, "Provision for Income Taxes".

| | Three Months Ended October 31, | |
|---|---|---|
| | **2021** | **2020** |
| **US GAAP EPS** | **$ 0.99** | $ 1.22 |
| Adjustments: | | |
| Restructuring and related (credits) charges | **(0.02)** | 0.02 |
| Foreign exchange losses on intercompany transactions | **0.01** | 0.01 |
| Amortization of acquired intangible assets | **0.31** | 0.25 |
| Income tax adjustments | **—** | (0.25) |
| **Non-GAAP Adjusted EPS** | **$ 1.29** | $ 1.25 |

On a constant currency basis, Adjusted EPS increased 6% primarily due to an increase in Adjusted EBITDA, partially offset by higher interest expense.

**SEGMENT OPERATING RESULTS**

| | Three Months Ended October 31, | | | Constant Currency |
|---|---|---|---|---|
| **RESEARCH PUBLISHING & PLATFORMS:** | **2021** | **2020** | **% Change Favorable (Unfavorable)** | **% Change Favorable (Unfavorable)** |
| **Revenue:** | | | | |
| Research Publishing | **$ 262,873** | $ 240,691 | 9% | 9% |
| Research Platforms | **12,281** | 10,643 | 15% | 15% |
| **Total Research Publishing & Platforms Revenue** | **275,154** | 251,334 | 9% | 9% |
| | | | | |
| Cost of Sales | **73,700** | 69,015 | (7)% | (5)% |
| Operating Expenses | **112,729** | 100,445 | (12)% | (11)% |
| Amortization of Intangible Assets | **11,672** | 8,024 | (45)% | (43)% |
| Restructuring Charges (Credits) (see Note 9) | **22** | (238) | # | # |
| | | | | |
| **Contribution to Profit** | **77,031** | 74,088 | 4% | 8% |
| Restructuring Charges (Credits) (see Note 9) | **22** | (238) | # | # |
| **Adjusted Contribution to Profit** | **77,053** | 73,850 | 4% | 8% |
| Depreciation and amortization | **23,464** | 19,765 | (19)% | (18)% |
| **Adjusted EBITDA** | **$ 100,517** | $ 93,615 | 7% | 10% |
| Adjusted EBITDA Margin | **36.5%** | 37.2% | | |

# Not meaningful

**Revenue:**

Research Publishing & Platforms revenue for the three months ended October 31, 2021 increased $23.8 million, or 9%, as compared with the prior year on a reported basis and on a constant currency basis. Excluding revenue from acquisitions, organic revenue increased 4% on a constant currency basis. This increase was primarily due to continued growth in Open Access in Research Publishing due to Transitional Agreements (read and publish), sometimes referred to as Comprehensive Agreements, and, to a lesser extent, a 17% increase in corporate solutions, and Research Platforms. Open Access revenue for the three months ended October 31, 2021 increased 28% as compared with the prior year. This was partially offset by a decline in traditional subscriptions revenue primarily attributable to new read and publish agreements and, to a lesser extent, the previously anticipated libraries and academic budget challenges as a result of COVID-19.

**Adjusted EBITDA:**

On a constant currency basis, Adjusted EBITDA increased 10% as compared with the prior year. This increase was primarily due to higher revenue, partially offset by higher editorial costs due to additional resources to support investments in growth, which includes the impact of the acquisition of Hindawi and, to a lesser extent, higher cost of sales.

| | Three Months Ended October 31, | | | | % Change Favorable (Unfavorable) | Constant Currency % Change Favorable (Unfavorable) |
|---|---|---|---|---|---|---|
| **ACADEMIC & PROFESSIONAL LEARNING:** | | **2021** | | **2020** | | |
| **Revenue:** | | | | | | |
| Education Publishing [1] | **$** | **98,581** | $ | 102,428 | (4)% | (5)% |
| Professional Learning | | **77,948** | | 67,485 | 16% | 15% |
| **Total Academic & Professional Learning** | | **176,529** | | 169,913 | 4% | 3% |
| | | | | | | |
| Cost of Sales | | **45,842** | | 45,115 | (2)% | (1)% |
| Operating Expenses | | **86,473** | | 89,138 | 3% | 4% |
| Amortization of Intangible Assets | | **3,608** | | 4,112 | 12% | 12% |
| Restructuring (Credits) Charges (see Note 9) | | **(465)** | | 1,541 | # | # |
| | | | | | | |
| **Contribution to Profit** | | **41,071** | | 30,007 | 37% | 36% |
| Restructuring (Credits) Charges (see Note 9) | | **(465)** | | 1,541 | # | # |
| **Adjusted Contribution to Profit** | | **40,606** | | 31,548 | 29% | 28% |
| Depreciation and amortization | | **18,148** | | 17,720 | (2)% | (2)% |
| **Adjusted EBITDA** | **$** | **58,754** | $ | 49,268 | 19% | 18% |
| Adjusted EBITDA Margin | | **33.3%** | | 29.0% | | |

# Not meaningful

(1) In May 2021, we moved the WileyNXT product offering from Academic & Professional Learning – Education Publishing to Education Services – Talent Development Services. As a result, the prior period results related to the WileyNXT product offering have been included in Education Services - Talent Development Services. The Revenue, Adjusted Contribution to Profit and Adjusted EBITDA for WileyNXT was $0.7 million, $(0.1) million, and $(0.1) million, respectively, for the three months ended October 31, 2020. There were no changes to our total consolidated financial results.

**Revenue:**

Academic & Professional Learning revenue increased $6.6 million, or 4%, as compared with the prior year on a reported basis. On a constant currency basis, revenue increased 3% as compared with the prior year. This increase was driven by strong recovery in Professional Learning from prior year COVID-19 lockdown impacts primarily due to a 24% increase in corporate training, and an increase in professional publishing compared with the prior year. This more than offset a 5% decline in Education Publishing due to softer US enrollment and some easing of the prior year COVID-19 related favorability in content and courseware. Print textbooks decreased 15% compared with the prior year.

**Adjusted EBITDA:**

On a constant currency basis, Adjusted EBITDA increased 18% as compared with the prior year. This increase was primarily due to higher revenues, and to a lesser extent, lower sales costs.

| EDUCATION SERVICES: | Three Months Ended October 31, 2021 | 2020 | % Change Favorable (Unfavorable) | Constant Currency % Change Favorable (Unfavorable) |
|---|---|---|---|---|
| **Revenue:** | | | | |
| University Services [1] | **$ 58,081** | $ 56,261 | 3% | 3% |
| Talent Development Services [2][3] | **23,239** | 13,503 | 72% | 67% |
| **Total Education Services Revenue** | **81,320** | 69,764 | 17% | 15% |
| | | | | |
| Cost of Sales | **55,241** | 40,725 | (36)% | (34)% |
| Operating Expenses | **19,157** | 16,630 | (15)% | (14)% |
| Amortization of Intangible Assets | **6,195** | 5,029 | (23)% | (23)% |
| Restructuring Charges (see Note 9) | **6** | 84 | 93% | 93% |
| | | | | |
| **Contribution to Profit** | **721** | 7,296 | (90)% | (91)% |
| Restructuring Charges (see Note 9) | **6** | 84 | 93% | 93% |
| **Adjusted Contribution to Profit** | **727** | 7,380 | (90)% | (91)% |
| Depreciation and amortization | **8,813** | 7,210 | (22)% | (22)% |
| **Adjusted EBITDA** | **$ 9,540** | $ 14,590 | (35)% | (35)% |
| Adjusted EBITDA Margin | **11.7%** | 20.9% | | |

# Not meaningful

(1) University Services was previously referred to as Education Services OPM.

(2) Talent Development Services was previously referred to as mthree.

(3) In May 2021, we moved the WileyNXT product offering from Academic & Professional Learning – Education Publishing to Education Services – Talent Development Services. As a result, the prior period results related to the WileyNXT product offering have been included in Education Services - Talent Development Services. The Revenue, Adjusted Contribution to Profit and Adjusted EBITDA for WileyNXT was $0.7 million, $(0.1) million, and $(0.1) million, respectively, for the three months ended October 31, 2020. There were no changes to our total consolidated financial results.

**Revenue:**

Education Services revenue increased $11.6 million, or 17%, as compared with the prior year on a reported basis. On a constant currency basis, revenue increased 15% as compared with the prior year. This was primarily due to an increase in placements in Talent Development Services and, to a lesser extent, higher student enrollment in University Services. For the three months ended October 31, 2021, University Services experienced a 3% increase in online enrollment and signed 14 new degree programs. For the three months ended October 31, 2021, we delivered approximately 130% growth in IT talent placements in Talent Development Services.

**Adjusted EBITDA:**

On a constant currency basis, Adjusted EBITDA decreased 35% as compared with the prior year. This was due to an increase in employee related costs due to increased investments to accelerate growth in Talent Development Services and, to a lesser extent, higher student acquisition costs in University Services, partially offset by higher revenue.

**Education Services Partners and Programs:**

As of October 31, 2021, Wiley had 65 full service university partners under contract. As of October 31, 2020, Wiley had 67 university partners under contract.

**CORPORATE EXPENSES:**

Corporate expenses for the three months ended October 31, 2021 increased $3.4 million, or 8%, as compared with the prior year. On a constant currency basis and excluding restructuring (credits) charges, these expenses increased 12% as compared with the prior year. This was primarily due to higher employee-related costs.

**RESULTS OF OPERATIONS – SIX MONTHS ENDED OCTOBER 31, 2021**

**CONSOLIDATED RESULTS OF OPERATIONS**

**Revenue:**

Revenue for the six months ended October 31, 2021 increased $99.1 million, or 11%, as compared with the prior year. On a constant currency basis, revenue increased 9% as compared with the prior year including contributions from acquisitions. Excluding the inorganic contributions from acquisitions, revenue increased in each of our segments and 6% overall on a constant currency basis.

See the “Segment Operating Results” below for additional details on each segment’s revenue and Adjusted EBITDA performance**.**

**Cost of Sales:**

Cost of sales for the six months ended October 31, 2021 increased $41.1 million, or 14%, as compared with the prior year. On a constant currency basis, cost of sales increased 11% as compared with the prior year. This increase was primarily due to higher employee costs in our Education Services business and, to a lesser extent higher student acquisition costs in Education Services, and increased print product costs in Academic & Professional Learning.

**Operating and Administrative Expenses:**

Operating and administrative expenses for the six months ended October 31, 2021 increased $40.2 million, or 8%, as compared with the prior year. On a constant currency basis, operating and administrative expenses increased 6% as compared with the prior year primarily reflecting higher editorial costs due to additional resources to support investments in growth, advertising and marketing costs, and technology costs. These costs were partially offset by lower occupancy related costs.

**Restructuring and Related (Credits) Charges:**

For the six months ended October 31, 2021 and 2020, we recorded pretax restructuring credits of $1.6 million and charges of $4.3 million, respectively, related to our Business Optimization Program. These (credits) charges are reflected in Restructuring and related (credits) charges in our Unaudited Condensed Consolidated Statements of Net Income. See Note 9, “Restructuring and Related (Credits) Charges” for more details on these charges.

For the impact of our restructuring program on diluted earnings per share, see the section below, “Diluted Earnings per Share (EPS).”

**Amortization of Intangible Assets:**

Amortization of intangible assets was $42.6 million for the six months ended October 31, 2021, an increase of $8.6 million, or 25%, as compared with the prior year. On a constant currency basis, amortization of intangible assets increased 23% as compared with the prior year primarily due to the intangible assets acquired as part of the Hindawi acquisition completed in fiscal year 2021. See Note 3, “Acquisitions” for more details on our acquisitions.

**Operating Income, Adjusted Contribution to Profit (CTP) and Adjusted EBITDA:**

Operating income for the six months ended October 31, 2021 increased $14.9 million, or 15%, as compared with the prior year. On a constant currency basis, operating income increased 15% as compared with the prior year, primarily due to the increase in revenue, partially offset by an increase in cost of sales, and operating and administrative expenses.

Adjusted CTP and Adjusted EBITDA on a constant currency basis and excluding restructuring (credits) charges, both increased 9%, as compared with the prior year. The increase in Adjusted CTP and Adjusted EBITDA was primarily due to revenue performance described above, partially offset by an increase in cost of sales, and operating and administrative expenses. In addition, the increase in Adjusted CTP was partially offset by higher depreciation and amortization.

*Adjusted CTP*

Below is a reconciliation of our consolidated US GAAP Operating Income to Non-GAAP Adjusted CTP:

| | Six Months Ended October 31, 2021 | Six Months Ended October 31, 2020 |
|---|---|---|
| **US GAAP Operating Income** | **$ 114,856** | $ 99,944 |
| Adjustments: | | |
| Restructuring and related (credits) charges | **(1,609)** | 4,138 |
| **Non-GAAP Adjusted CTP** | **$ 113,247** | $ 104,082 |

*Adjusted EBITDA*

Below is a reconciliation of our consolidated US GAAP Net Income to Non-GAAP EBITDA and Adjusted EBITDA:

| | Six Months Ended October 31, 2021 | Six Months Ended October 31, 2020 |
|---|---|---|
| **Net Income** | **$ 69,797** | $ 84,766 |
| Interest expense | **9,636** | 9,075 |
| Provision for income taxes | **44,820** | 13,481 |
| Depreciation and amortization | **109,121** | 97,937 |
| **Non-GAAP EBITDA** | **233,374** | 205,259 |
| Restructuring and related (credits) charges | **(1,609)** | 4,138 |
| Foreign exchange transaction losses | **1,000** | 779 |
| Gain on sale of certain assets | **(3,694)** | — |
| Other income, net | **(6,703)** | (8,157) |
| **Non-GAAP Adjusted EBITDA** | **$ 222,368** | $ 202,019 |

**Interest Expense:**

Interest expense for the six months ended October 31, 2021 was $9.6 million compared with the prior year of $9.1 million. This increase was due to a higher average debt balance outstanding, which included borrowings for the funding of acquisitions in fiscal year 2021, partially offset by a lower weighted average effective interest rate for the current fiscal year compared with the prior fiscal year.

**Foreign Exchange Transaction Losses:**

Foreign exchange transaction losses were $1.0 million for the six months ended October 31, 2021 and were primarily due to losses on our foreign currency denominated third-party accounts receivable and payable balances due to the impact of the change in average foreign exchange rates as compared to the US dollar.

Foreign exchange transaction losses were $0.8 million for the six months ended October 31, 2020 and were primarily due to losses on foreign currency third-party receivable and payable balances, partially offset by gains on foreign currency denominated intercompany accounts receivable and payable balances due to the impact of the change in average foreign exchange rates as compared to the US dollar.

**Gain on Sale of Certain Assets:**

The gain on the sale of certain assets is due to the sale of our world languages product portfolio which was included in our Academic & Professional Learning segment and resulted in a pretax gain of approximately $3.7 million during the six months ended October 31, 2021.

**Provision for Income Taxes:**

Below is a reconciliation of our US GAAP Income Before Taxes to Non-GAAP Adjusted Income Before Taxes:

| | Six Months Ended October 31, | |
|---|---|---|
| | **2021** | **2020** |
| **US GAAP Income Before Taxes** | **$ 114,617** | $ 98,247 |
| Pretax Impact of Adjustments: | | |
| Restructuring and related (credits) charges | **(1,609)** | 4,138 |
| Foreign exchange gains on intercompany transactions | **(228)** | (1,338) |
| Amortization of acquired intangible assets | **44,892** | 36,530 |
| Gain on sale of certain assets | **(3,694)** | — |
| **Non-GAAP Adjusted Income Before Taxes** | **$ 153,978** | $ 137,577 |

Below is a reconciliation of our US GAAP Income Tax Provision to Non-GAAP Adjusted Income Tax Provision, including our US GAAP Effective Tax Rate and our Non-GAAP Adjusted Effective Tax Rate:

| | Six Months Ended October 31, | |
|---|---|---|
| | **2021** | **2020** |
| **US GAAP Income Tax Provision** | **$ 44,820** | $ 13,481 |
| Income Tax Impact of Adjustments [(1)]: | | |
| Restructuring and related (credits) charges | **(232)** | 1,397 |
| Foreign exchange losses (gains) on intercompany transactions | **19** | (490) |
| Amortization of acquired intangible assets | **10,263** | 8,633 |
| Gain on sale of certain assets | **(922)** | — |
| Income Tax Adjustments: | | |
| Impact of increase in UK statutory rate on deferred tax balances [(2)] | **(20,726)** | (6,772) |
| Impact of US CARES Act [(3)] | **—** | 13,998 |
| **Non-GAAP Adjusted Income Tax Provision** | **$ 33,222** | $ 30,247 |
| | | |
| **US GAAP Effective Tax Rate** | **39.1%** | 13.7% |
| **Non-GAAP Adjusted Effective Tax Rate** | **21.6%** | 22.0% |

(1) For the six months ended October 31, 2021 and 2020, substantially all of the tax impact was from deferred taxes.
(2) These adjustments impacted deferred taxes in the six months ended October 31, 2021 and 2020.
(3) For the six months ended October 31, 2020, the tax impact was $8.4 million from current taxes and $5.6 million from deferred taxes.

The effective tax rate for the six months ended October 31, 2021 was 39.1%, compared with 13.7% for the six months ended October 31, 2020. The rate for the six months ended October 31, 2021, was greater than the US statutory rate due to an increase in the UK statutory rate, resulting in a noncash deferred tax expense from the re-measurement of our applicable UK net deferred tax liabilities. The 6-percentage point increase in the UK statutory rate during the six months ended October 31, 2021 was greater than the 2-percentage point increase during the six months ended October 31, 2020. In addition, during the six months ended October 31, 2020, as a result of the CARES Act and certain regulations issued in late July 2020, we were able to carry back certain US NOL decreasing the rate for the six months ended October 31, 2020.

During the first three months of fiscal 2022, the UK enacted legislation that increased its statutory rate from 19% to 25% effective April 1, 2023, resulting in a $20.7 million non-cash deferred tax expense. During the first three months of fiscal 2021, the UK officially enacted legislation that increased its statutory rate from 17% to 19%, resulting in a $6.7 million non-cash deferred tax expense.

**Diluted Earnings per Share (EPS):**

EPS for the six months ended October 31, 2021 was $1.24 per share compared with $1.51 per share for the six months ended October 31, 2020. This decrease was due to a higher provision for income taxes driven by the CARES Act benefit of $0.25 per share in the six months ended October 31, 2020, partially offset by higher operating income and, to a lesser extent, the gain on sale of certain assets.

Below is a reconciliation of our US GAAP EPS to Non-GAAP Adjusted EPS. The amount of the pretax, and the related income tax impact for the adjustments included in the table below, are presented in the section above, "Provision for Income Taxes".

| | Six Months Ended October 31, 2021 | Six Months Ended October 31, 2020 |
|---|---|---|
| **US GAAP EPS** | **$ 1.24** | $ 1.51 |
| Adjustments: | | |
| Restructuring and related (credits) charges | **(0.02)** | 0.05 |
| Foreign exchange gains on intercompany transactions | — | (0.02) |
| Amortization of acquired intangible assets | **0.60** | 0.50 |
| Gain on sale of certain assets | **(0.05)** | — |
| Income tax adjustments | **0.37** | (0.13) |
| **Non-GAAP Adjusted EPS** | **$ 2.14** | $ 1.91 |

On a constant currency basis, Adjusted EPS increased 10% primarily due to an increase in Adjusted EBITDA, partially offset by a higher provision for income taxes.

## SEGMENT OPERATING RESULTS

| **RESEARCH PUBLISHING & PLATFORMS:** | Six Months Ended October 31, 2021 | Six Months Ended October 31, 2020 | % Change Favorable (Unfavorable) | Constant Currency % Change Favorable (Unfavorable) |
|---|---|---|---|---|
| **Revenue:** | | | | |
| Research Publishing | **$ 526,231** | $ 471,155 | 12% | 9% |
| Research Platforms | **23,679** | 20,989 | 13% | 13% |
| **Total Research Publishing & Platforms Revenue** | **549,910** | 492,144 | 12% | 10% |
| | | | | |
| Cost of Sales | **146,332** | 134,716 | (9)% | (5)% |
| Operating Expenses | **223,924** | 198,266 | (13)% | (10)% |
| Amortization of Intangible Assets | **23,577** | 15,691 | (50)% | (46)% |
| Restructuring Charges (Credits) (see Note 9) | **238** | (435) | # | # |
| | | | | |
| **Contribution to Profit** | **155,839** | 143,906 | 8% | 9% |
| Restructuring Charges (Credits) (see Note 9) | **238** | (435) | # | # |
| **Adjusted Contribution to Profit** | **156,077** | 143,471 | 9% | 9% |
| Depreciation and amortization | **47,226** | 39,466 | (20)% | (18)% |
| **Adjusted EBITDA** | **$ 203,303** | $ 182,937 | 11% | 11% |
| Adjusted EBITDA Margin | **37.0%** | 37.2% | | |

# Not meaningful

**Revenue:**

Research Publishing & Platforms revenue for the six months ended October 31, 2021 increased $57.8 million, or 12%, as compared with the prior year on a reported basis. On a constant currency basis, revenue increased 10% as compared with the prior year. Excluding revenue from acquisitions, organic revenue increased 4% on a constant currency basis. This increase was primarily due to continued growth in Open Access in Research Publishing due to Transitional Agreements (read and publish), sometimes referred to as Comprehensive Agreements, and, to a lesser extent, 25% increase in corporate solutions, and Research Platforms. Open Access revenue for the six months ended October 31, 2021 increased 41% as compared with the prior year. This was partially offset by a decline in traditional subscriptions revenue partially attributable to new read and publish agreements and, to a lesser extent, the previously anticipated libraries and academic budget challenges as a result of COVID-19.

**Adjusted EBITDA:**

On a constant currency basis, Adjusted EBITDA increased 11% as compared with the prior year. This increase was primarily due to higher revenue, partially offset by higher editorial costs due to additional resources to support investments in growth, which includes the impact of the acquisition of Hindawi and, to a lesser extent, higher cost of sales, technology, and sales related costs.

| | Six Months Ended October 31, | | | |
|---|---|---|---|---|
| **ACADEMIC & PROFESSIONAL LEARNING:** | **2021** | **2020** | **% Change Favorable (Unfavorable)** | **Constant Currency % Change Favorable (Unfavorable)** |
| **Revenue:** | | | | |
| Education Publishing [(1)] | $ **164,961** | $ 166,031 | (1)% | (3)% |
| Professional Learning | **150,832** | 130,314 | 16% | 14% |
| **Total Academic & Professional Learning** | **315,793** | 296,345 | 7% | 5% |
| | | | | |
| Cost of Sales | **87,914** | 81,596 | (8)% | (6)% |
| Operating Expenses | **171,718** | 175,196 | 2% | 4% |
| Amortization of Intangible Assets | **7,232** | 8,250 | 12% | 13% |
| Restructuring (Credits) Charges (see Note 9) | **(294)** | 1,574 | # | # |
| | | | | |
| **Contribution to Profit** | **49,223** | 29,729 | 66% | 61% |
| Restructuring (Credits) Charges (see Note 9) | **(294)** | 1,574 | # | # |
| **Adjusted Contribution to Profit** | **48,929** | 31,303 | 56% | 52% |
| Depreciation and amortization | **36,512** | 36,524 | — | 1% |
| **Adjusted EBITDA** | $ **85,441** | $ 67,827 | 26% | 23% |
| Adjusted EBITDA Margin | **27.1%** | 22.9% | | |

# Not meaningful

(1) In May 2021, we moved the WileyNXT product offering from Academic & Professional Learning – Education Publishing to Education Services – Talent Development Services. As a result, the prior period results related to the WileyNXT product offering have been included in Education Services – Talent Development Services. The Revenue, Adjusted Contribution to Profit and Adjusted EBITDA for WileyNXT was $1.2 million, $(0.2) million, and $(0.2) million, respectively, for the six months ended October 31, 2020. There were no changes to our total consolidated financial results.

**Revenue:**

Academic & Professional Learning revenue increased $19.4 million, or 7%, as compared with the prior year on a reported basis. On a constant currency basis, revenue increased 5% as compared with the prior year. This increase was primarily driven by strong recovery in Professional Learning from prior year COVID-19 lockdown impacts primarily due to a 34% increase in corporate training, and an increase in professional publishing compared with the prior year. This more than offset a 3% decline in Education Publishing due to softer US enrollment and some easing of prior year COVID-19 related favorability in content and courseware. Print textbooks decreased 8% compared with the prior year.

**Adjusted EBITDA:**

On a constant currency basis, Adjusted EBITDA increased 23% as compared with the prior year. This increase was due to higher revenues, and to a lesser extent, lower sales costs. This was partially offset by higher print product costs.

| | Six Months Ended October 31, | | | Constant Currency |
|---|---|---|---|---|
| **EDUCATION SERVICES:** | **2021** | **2020** | **% Change Favorable (Unfavorable)** | **% Change Favorable (Unfavorable)** |
| **Revenue:** | | | | |
| University Services (1) | $ **112,475** | $ 106,523 | 6% | 5% |
| Talent Development Services (2)(3) | **43,213** | 27,325 | 58% | 50% |
| **Total Education Services Revenue** | **155,688** | 133,848 | 16% | 14% |
| | | | | |
| Cost of Sales | **106,493** | 83,349 | (28)% | (26)% |
| Operating Expenses | **38,512** | 32,408 | (19)% | (17)% |
| Amortization of Intangible Assets | **11,817** | 10,116 | (17)% | (16)% |
| Restructuring (Credits) Charges (see Note 9) | **(28)** | 223 | # | # |
| | | | | |
| **Contribution to Profit** | **(1,106)** | 7,752 | # | # |
| Restructuring (Credits) Charges (see Note 9) | **(28)** | 223 | # | # |
| **Adjusted Contribution to Profit** | **(1,134)** | 7,975 | # | # |
| Depreciation and amortization | **17,116** | 14,489 | (18)% | (17)% |
| **Adjusted EBITDA** | **$ 15,982** | $ 22,464 | (29)% | (30)% |
| Adjusted EBITDA Margin | **10.3%** | 16.8% | | |

# Not meaningful

(1) University Services was previously referred to as Education Services OPM.

(2) Talent Development Services was previously referred to as mthree.

(3) In May 2021, we moved the WileyNXT product offering from Academic & Professional Learning – Education Publishing to Education Services – Talent Development Services. As a result, the prior period results related to the WileyNXT product offering have been included in Education Services – Talent Development Services. The Revenue, Adjusted Contribution to Profit and Adjusted EBITDA for WileyNXT was $1.2 million, $(0.2) million, and $(0.2) million, respectively, for the six months ended October 31, 2020. There were no changes to our total consolidated financial results.

**Revenue:**

Education Services revenue increased $21.8 million, or 16%, as compared with the prior year on a reported basis. On a constant currency basis, revenue increased 14% as compared with the prior year. This increase was primarily due to an increase in placements in Talent Development Services and, to a lesser extent, higher student enrollments in University Services. For the six months ended October 31, 2021, University Services experienced a 6% increase in online enrollment and signed 31 new degree programs. For the six months ended October 31, 2021, we delivered approximately 130% growth in IT talent placements in Talent Development Services.

**Adjusted EBITDA:**

On a constant currency basis, Adjusted EBITDA decreased 30% as compared with the prior year. This was due to an increase in employee related costs due to increased investments to accelerate growth in Talent Development Services and, to a lesser extent, higher student acquisition costs in University Services and sales related costs, partially offset by higher revenue.

**CORPORATE EXPENSES:**

Corporate expenses for the six months ended October 31, 2021 increased $7.7 million, or 9%, as compared with the prior year. On a constant currency basis and excluding restructuring (credits) charges, these expenses increased 14% as compared with the prior year. This was primarily due to higher employee-related costs.

**FISCAL YEAR 2022 OUTLOOK:**

Given performance through the six months ended October 31, 2021 and leading indicators, the Company is reaffirming its full year outlook. As previously disclosed, we have added the newly defined Adjusted EPS metric described below. Going forward, Wiley will discontinue reporting on the former Adjusted EPS metric.

*Amounts in millions, except Adjusted EPS*

| Metric | Fiscal Year 2020 Actual | Fiscal Year 2021 Actual | Fiscal Year 2022 Outlook |
|---|---|---|---|
| **Revenue** | $1,831 | $1,942 | $2,070 to $2,100 |
| **Adjusted EBITDA** | $356 | $419 | $415 to $435 |
| **Adjusted EPS - newly defined** | $3.30 | $4.00 | $4.00 to $4.25 |
| **Free Cash Flow** | $173 | $257 | $200 to $220 |

- **Revenue Outlook:** Wiley expects consolidated revenue growth of mid-to-high single digits, to a range of $2.07 to $2.1 billion.
- **Adjusted EBITDA Outlook:** Wiley expects a range between $415 and $435 million, with profit gains on higher revenue tempered by investments to accelerate growth initiatives.
- **Adjusted EPS Outlook (newly defined):** Wiley expects a range between $4.00 to $4.25 reflecting investments, and a higher effective tax rate. Again, this is a reaffirmation of guidance but now excludes the non-cash amortization of acquired intangible assets totaling $1.20 per share.
- **Free Cash Flow Outlook:** Wiley expects a range between $200 and $220 million. While cash earnings are again expected to be strong, we see certain headwinds compared to Fiscal Year 2021, including higher capital expenditures, higher net cash taxes due to the CARES Act related tax refund received in Fiscal Year 2021, and higher annual incentive compensation payments related to Fiscal Year 2021 outperformance, which were issued in the three months ended July 31, 2021.

**Adjusted EPS Change**:

Going forward, Wiley's Adjusted EPS metric will exclude the impact of certain non-cash items directly related to acquisitions, most notably the amortization of acquired intangible assets. The Company does not consider these non-cash items to be indicative of its ongoing operating performance. The amortization of intangible assets is reflected in Amortization of intangible assets on the Unaudited Condensed Consolidated Statements of Net Income. It also includes the amortization of acquired product development assets, which is reflected in Cost of sales in the Unaudited Condensed Consolidated Statements of Net Income. For the three months ended October 31, 2021, under the new measurement, Adjusted EPS (excluding the impact of amortization of acquired intangible assets) was $1.29 compared to $1.25 in the three months ended October 31, 2020. For the six months ended October 31, 2021, under the new measurement, Adjusted EPS (excluding the impact of amortization of acquired intangible assets) was $2.14 compared to $1.91 in the six months ended October 31, 2020. See the reconciliation tables below for more information.

| | Three Months Ended October 31, | | Six Months Ended October 31, | | Fiscal Year | Fiscal Year |
|---|---|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| **US GAAP Earnings (Loss) Per Share** | **$ 0.99** | $ 1.22 | **$ 1.24** | $ 1.51 | $ 2.63 | $ (1.32) |
| Adjustments: | | | | | | |
| Restructuring and related (credits) charges | **(0.02)** | 0.02 | **(0.02)** | 0.05 | 0.44 | 0.43 |
| Foreign exchange losses (gains) on intercompany transactions | **0.01** | 0.01 | **—** | (0.02) | (0.02) | 0.02 |
| Gain on sale of certain assets | **—** | — | **(0.05)** | — | — | — |
| Income tax adjustments | **—** | (0.25) | **0.37** | (0.13) | (0.13) | (0.03) |
| Impairment of goodwill | **—** | — | **—** | — | — | 1.94 |
| Impairment of Blackwell trade name | **—** | — | **—** | — | — | 1.31 |
| Impairment of developed technology intangible | **—** | — | **—** | — | — | 0.04 |
| EPS impact of using weighted-average dilutive shares for adjusted EPS calculation [(1)] | **—** | — | **—** | — | — | 0.01 |
| **Non-GAAP Adjusted EPS (Previously Reported)** | **$ 0.98** | $ 1.00 | **$ 1.54** | $ 1.41 | $ 2.92 | $ 2.40 |
| Amortization of acquired intangible assets | **0.31** | 0.25 | **0.60** | 0.50 | 1.08 | 0.90 |
| **Non-GAAP Adjusted EPS (Newly Defined)** | **$ 1.29** | $ 1.25 | **$ 2.14** | $ 1.91 | $ 4.00 | $ 3.30 |
| | | | | | | |
| **Weighted average number of common shares outstanding:** | | | | | | |
| **Diluted (shares in 000's) [(1)]** | **56,388** | 56,165 | **56,477** | 56,182 | 56,461 | 56,729 |

(1) For Fiscal Year 2020, represents the impact of using diluted weighted-average number of common shares outstanding (56.7 million shares for the year ended April 30, 2020) included in the Non-US GAAP Adjusted EPS calculation in order to apply the dilutive impact on adjusted net income due to the effect of unvested restricted stock units and other stock awards. This impact occurs when a US GAAP net loss is reported and the effect of using dilutive shares is antidilutive.

Below is a reconciliation of our US GAAP Income (Loss) Before Taxes to Non-GAAP Adjusted Income Before Taxes:

| | Three Months Ended October 31, | | Six Months Ended October 31, | | Fiscal Year | Fiscal Year |
|---|---|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| **US GAAP Income (Loss) Before Taxes** | **$ 70,615** | $ 68,513 | **$ 114,617** | $ 98,247 | $ 175,912 | $ (63,092) |
| Pretax Impact of Adjustments: | | | | | | |
| Restructuring and related (credits) charges | **(1,333)** | 1,920 | **(1,609)** | 4,138 | 33,310 | 32,607 |
| Foreign exchange losses (gains) on intercompany transactions | **567** | 231 | **(228)** | (1,338) | (1,457) | 1,256 |
| Loss (gain) on sale of certain assets | **56** | — | **(3,694)** | — | — | — |
| Impairment of goodwill | **—** | — | **—** | — | — | 110,000 |
| Impairment of Blackwell trade name | **—** | — | **—** | — | — | 89,507 |
| Impairment of developed technology intangible | **—** | — | **—** | — | — | 2,841 |
| **Non-GAAP Adjusted Income Before Taxes (Previously Reported)** | **$ 69,905** | $ 70,664 | **$ 109,086** | $ 101,047 | $ 207,765 | $ 173,119 |
| Amortization of acquired intangible assets | **22,608** | 18,381 | **44,892** | 36,530 | 79,421 | 68,269 |
| **Non-GAAP Adjusted Income Before Taxes (Newly Defined)** | **$ 92,513** | $ 89,045 | **$ 153,978** | $ 137,577 | $ 287,186 | $ 241,388 |

Below is a reconciliation of our US GAAP Income Tax Provision to Non-GAAP Adjusted Income Tax Provision, including our US GAAP Effective Tax Rate and our Non-GAAP Adjusted Effective Tax Rate:

| | Three Months Ended October 31, | | Six Months Ended October 31, | | Fiscal Year | Fiscal Year |
|---|---|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| **US GAAP Income Tax Provision** | **$ 14,648** | $ 81 | **$ 44,820** | $ 13,481 | $ 27,656 | $ 11,195 |
| Income Tax Impact of Adjustments [1]: | | | | | | |
| Restructuring and related (credits) charges | **(277)** | 654 | **(232)** | 1,397 | 8,065 | 7,949 |
| Foreign exchange losses (gains) on intercompany transactions | **120** | 122 | **19** | (490) | (363) | 242 |
| Loss (gain) on sale of certain assets | **14** | — | **(922)** | — | — | — |
| Impairment of Blackwell trade name | **—** | — | **—** | — | — | 15,216 |
| Impairment of developed technology intangible | **—** | — | **—** | — | — | 686 |
| Income Tax Adjustments: | | | | | | |
| Impact of increase in UK statutory rate on deferred tax balances [2] | — | (83) | **(20,726)** | (6,772) | (3,511) | — |
| Impact of US CARES Act [3] | — | 13,998 | — | 13,998 | 13,998 | — |
| Impact of change in certain US state tax rates in 2021 and tax rates in France in 2020 [2] | — | — | — | — | (3,225) | 1,887 |
| **Non-GAAP Adjusted Income Tax Provision (Previously Reported)** | **$ 14,505** | $ 14,772 | **$ 22,959** | $ 21,614 | $ 42,620 | $ 37,175 |
| Amortization of acquired intangible assets [1] | **5,420** | 4,335 | **10,263** | 8,633 | 18,511 | 16,820 |
| **Non-GAAP Adjusted Income Tax Provision (Newly Defined)** | **$ 19,925** | $ 19,107 | **$ 33,222** | $ 30,247 | $ 61,131 | $ 53,995 |
| | | | | | | |
| **US GAAP Effective Tax Rate** | **20.7%** | 0.1% | **39.1%** | 13.7% | 15.7% | (17.7)% |
| **Non-GAAP Adjusted Effective Tax Rate (Previously Reported)** | **20.7%** | 20.9% | **21.0%** | 21.4% | 20.5% | 21.5% |
| **Non-GAAP Adjusted Effective Tax Rate (Newly Defined)** | **21.5%** | 21.5% | **21.6%** | 22.0% | 21.3% | 22.4% |

(1) These adjustments substantially impacted deferred taxes.
(2) These adjustments impacted deferred taxes.
(3) The tax impact was $8.4 million from current taxes and $5.6 million from deferred taxes.

Below is a reconciliation of our consolidated US GAAP Net Income to Non-GAAP EBITDA and Adjusted EBITDA for the year ended April 30, 2021:

| | Fiscal Year 2021 |
|---|---|
| **Net Income** | $ 148,256 |
| Interest expense | 18,383 |
| Provision for income taxes | 27,656 |
| Depreciation and amortization | 200,189 |
| **Non-GAAP EBITDA** | 394,484 |
| Restructuring and related charges | 33,310 |
| Foreign exchange transaction losses | 7,977 |
| Other income, net | (16,761) |
| **Non-GAAP Adjusted EBITDA** | $ 419,010 |

Below are the details of Free Cash Flow Less Product Development Spending for the year ended April 30, 2021:

| | Fiscal Year 2021 |
|---|---|
| **Net cash provided by operating activities** | $ 359,923 |
| Less: Additions to technology, property and equipment | (77,407) |
| Less: Product development spending | (25,954) |
| **Free cash flow less product development spending** | $ 256,562 |

## LIQUIDITY AND CAPITAL RESOURCES

### Principal Sources of Liquidity

We believe that our operating cash flow, together with our revolving credit facilities and other available debt financing, will be adequate to meet our operating, investing and financing needs in the foreseeable future. There can be no assurance that continued or increased volatility in the global capital and credit markets will not impair our ability to access these markets on terms commercially acceptable in the future. In addition, our liquidity could be adversely impacted by COVID-19 due to the continued impact on our customers, including cash collections. We do not have any off-balance-sheet debt. We will continue to pursue attractive opportunities to add scale and provide enhanced tech-enabled services in research and online education.

As of October 31, 2021, we had cash and cash equivalents of $100.9 million, of which approximately $95.6 million, or 95%, was located outside the US. Maintenance of these cash and cash equivalent balances outside the US does not have a material impact on the liquidity or capital resources of our operations. Notwithstanding the Tax Cuts and Jobs Act of 2017 (the Tax Act), which generally eliminated federal income tax on future cash repatriation to the US, cash repatriation may be subject to state and local taxes or withholding or similar taxes. Since April 30, 2018, we no longer intend to permanently reinvest earnings outside the US. We have a $2.5 million liability related to the estimated taxes that would be incurred upon repatriating certain non-US earnings.

On May 30, 2019, we entered into a credit agreement that amended and restated our existing revolving credit agreement (Amended and Restated RCA). The Amended and Restated RCA provides for senior unsecured credit facilities comprised of a (i) five-year revolving credit facility in an aggregate principal amount up to $1.25 billion, and (ii) a five-year term loan A facility consisting of $250 million. The agreement contains certain customary affirmative and negative covenants, including a financial covenant in the form of a consolidated net leverage ratio and consolidated interest coverage ratio.

As of October 31, 2021, we had approximately $1,045.0 million of debt outstanding, net of unamortized issuance costs of $0.4 million, and approximately $435.3 million of unused borrowing capacity under our Amended and Restated RCA and other facilities. Our Amended and Restated RCA contains certain restrictive covenants related to our consolidated leverage ratio and interest coverage ratio, which we were in compliance with as of October 31, 2021.

### Analysis of Historical Cash Flows

The following table shows the changes in our Unaudited Condensed Consolidated Statements of Cash Flows for the six months ended October 31, 2021 and 2020.

| | Six Months Ended October 31, 2021 | Six Months Ended October 31, 2020 |
|---|---|---|
| Net cash used in operating activities | **$ (75,622)** | $ (76,622) |
| Net cash used in investing activities | **(62,571)** | (61,679) |
| Net cash provided by financing activities | **147,046** | 18,599 |
| Effect of foreign currency exchange rate changes on cash, cash equivalents and restricted cash | **$ (1,742)** | $ 3,301 |

Cash flow from operations is seasonally a use of cash in the first half of Wiley's fiscal year principally due to the timing of collections for annual journal subscriptions, which typically occurs in the beginning of the second half of our fiscal year.

Free cash flow less product development spending helps assess our ability, over the long term, to create value for our shareholders, as it represents cash available to repay debt, pay common dividends, and fund share repurchases, and acquisitions. Below are the details of Free cash flow less product development spending.

*Free Cash Flow less Product Development Spending:*

| | Six Months Ended October 31, | |
|---|---|---|
| | 2021 | 2020 |
| **Net cash used in operating activities** | **$ (75,622)** | $ (76,622) |
| Less: Additions to technology, property and equipment | **(37,676)** | (36,430) |
| Less: Product development spending | **(13,001)** | (10,999) |
| **Free cash flow less product development spending** | **$ (126,299)** | $ (124,051) |

***Net Cash Used In Operating Activities***

The following is a summary of the $1.0 million change in Net cash used in operating activities for the six months ended October 31, 2021 as compared with the six months ended October 31, 2020 (amounts in millions).

| | |
|---|---|
| **Net cash used in operating activities – Six months ended October 31, 2020** | $ (76.6) |
| Net income adjusted for items to reconcile net income to net cash used in operating activities, which would include such noncash items as, depreciation and amortization, and the change in deferred taxes | 0.9 |
| Working capital changes: | |
| Accounts receivable, net and contract liabilities | (44.2) |
| Accounts payable, accrued royalties and other accrued liabilities | (8.2) |
| Income taxes | 38.5 |
| Other working capital items | 14.0 |
| **Net cash used in operating activities – Six months ended October 31, 2021** | **$ (75.6)** |

The change in accounts receivable, net and contract liabilities was primarily due to sales growth, and the timing of billings to customers.

The change in income taxes was due to lower international tax payments primarily due to overpayments in prior years, and to a lesser extent, timing in the six months ended October 31, 2021. In addition, in the three months ended October 31, 2020, we recorded a receivable in connection with the impact of the CARES Act, see Note 13, “Income taxes” which was received in February 2021.

The change in other working capital items noted in the table above was primarily due to a decrease in restructuring payments.

Our negative working capital (current assets less current liabilities) was $144.0 million and $462.7 million as of October 31, 2021 and April 30, 2021, respectively. This $318.7 million change in negative working capital was primarily due to the seasonality of our business. The primary driver of the negative working capital is the benefit realized from unearned contract liabilities related to subscriptions for which cash has been collected in advance. The contract liabilities will be recognized as income when the products are shipped or made available online to the customers over the term of the subscription. Current liabilities as of October 31, 2021 and as of April 30, 2021 includes $267.9 million and $545.4 million, respectively, primarily related to deferred subscription revenue for which cash was collected in advance.

Cash collected in advance for subscriptions is used by us for a number of purposes including funding: operations, capital expenditures, acquisitions, debt repayments, dividend payments, and share repurchases. Many of our customers have been adversely impacted by COVID-19, and we expect some continued delays in payments due to widespread disruption and pervasive cash conservation behaviors in the face of uncertainty. We have recorded provisions for bad debt where appropriate.

***Net Cash Used In Investing Activities***

Net cash used in investing activities for the six months ended October 31, 2021 was $62.6 million compared to $61.7 million in the prior year. The increase in cash used in investing activities was due to an increase of $13.4 million in cash used to acquire businesses, which primarily included the acquisition of J&J, and an increase in product development spending of $2.0 million. This was partially offset by a decrease of $13.6 million for the acquisition of publication rights and other activities, and cash proceeds of $3.4 million in the six months ended October 31, 2021 due to the sale of our world language product portfolio as described above.

*Net Cash Provided By Financing Activities*

Net cash provided by financing activities was $147.0 million for the six months ended October 31, 2021 compared to $18.6 million for the six months ended October 31, 2020. This increase in cash provided by financing activities was primarily due to an increase in net borrowings of long-term debt of $167.9 million, partially offset by an increase in cash used from book overdrafts of $18.0 million, and $17.4 million of cash used for purchases of treasury shares in the six months ended October 31, 2021.

*Dividends and Share Repurchases*

In June 2021, Wiley increased its quarterly dividend to shareholders to $1.38 per share annualized versus $1.37 per share annualized.

The following table summarizes the shares repurchased of Class A and Class B Common Stock for the six months ended October 31, 2021 (shares in thousands):

| | Six Months Ended October 31, 2021 |
|---|---|
| Shares repurchased – Class A | 312 |
| Shares repurchased – Class B | 1 |
| Average price – Class A and Class B | $ 55.51 |

There were no share repurchases during the six months ended October 31, 2020.

## ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk primarily related to interest rates, foreign exchange, and credit risk. It is our policy to monitor these exposures and to use derivative financial investments and/or insurance contracts from time to time to reduce fluctuations in earnings and cash flows when it is deemed appropriate to do so. We do not use derivative financial instruments for trading or speculative purposes.

**Interest Rates**

From time to time, we may use interest rate swaps, collars, or options to manage our exposure to fluctuations in interest rates. It is management's intention that the notional amount of interest rate swaps be less than the variable rate loans outstanding during the life of the derivatives.

The information set forth in Note 16, "Derivatives Instruments and Hedging Activities," of the Notes to Unaudited Condensed Consolidated Financial Statements under the caption "Interest Rate Contracts," is incorporated herein by reference.

On an annual basis, a hypothetical one percent change in interest rates for the $645.4 million of unhedged variable rate debt as of October 31, 2021 would affect net income and cash flow by approximately $5.1 million.

**Foreign Exchange Rates**

Fluctuations in the currencies of countries where we operate outside the US may have a significant impact on financial results. We are primarily exposed to movements in British pound sterling, euros, Canadian and Australian dollars, and certain currencies in Asia. The statements of financial position of non-US business units are translated into US dollars using period-end exchange rates for assets and liabilities and the statements of income are translated into US dollars using weighted-average exchange rates for revenues and expenses.

Our significant investments in non-US businesses are exposed to foreign currency risk. Adjustments resulting from translating assets and liabilities are reported as a separate component of Accumulated other comprehensive loss, net of tax within Shareholders' Equity under the caption Foreign currency translation adjustment. During the three and six months ended October 31, 2021, we recorded foreign currency translation losses in Accumulated other comprehensive loss, net of tax of approximately $9.5 million and $15.4 million, respectively, primarily as a result of the fluctuations of the US dollar relative to the euro and, to a lesser extent the British pound sterling. During the three and six months ended October 31, 2020, we recorded foreign currency translation (losses) gains in Accumulated other comprehensive loss, net of tax of approximately $(11.6) million and $35.2 million, respectively, primarily as a result of the fluctuations of the US dollar relative to the British pound sterling, and to a lesser extent the euro.

Exchange rate gains or losses related to foreign currency transactions are recognized as transaction gains or losses on the Unaudited Condensed Consolidated Statements of Net Income as incurred. Under certain circumstances, we may enter into derivative financial instruments in the form of foreign currency forward contracts to hedge against specific transactions, including intercompany purchases and loans.

The information set forth in Note 16, "Derivatives Instruments and Hedging Activities," of the Notes to Unaudited Condensed Consolidated Financial Statements under the caption "Foreign Currency Contracts," is incorporated herein by reference.

**Sales Return Reserves**

The estimated allowance for print book sales returns is based upon historical return patterns, as well as current market trends in the businesses in which we operate, including the impact of COVID-19. In connection with the estimated sales return reserves, we also include a related increase to inventory and a reduction to accrued royalties as a result of the expected returns.

The reserves are reflected in the following accounts of our Unaudited Condensed Consolidated Statements of Financial Position:

| | **October 31, 2021** | **April 30, 2021** |
|---|---|---|
| Increase in Inventories, net | **$ 10,991** | $ 10,886 |
| Decrease in Accrued royalties | **$ (5,426)** | $ (4,949) |
| Increase in Contract liabilities | **$ 42,309** | $ 38,034 |
| Print book sales return reserve net liability balance | **$ (25,892)** | $ (22,199) |

A one percent change in the estimated sales return rate could affect net income by approximately $1.1 million. A change in the pattern or trends in returns could affect the estimated allowance.

**Customer Credit Risk**

In the journal publishing business, subscriptions are primarily sourced through journal subscription agents who, acting as agents for library customers, facilitate ordering by consolidating the subscription orders/billings of each subscriber with various publishers. Cash is generally collected in advance from subscribers by the subscription agents and is principally remitted to us between the months of December and April. Although currently we have minimal credit risk exposure to these agents, future calendar-year subscription receipts from these agents are highly dependent on their financial condition and liquidity. Subscription agents account for approximately 20% of total annual consolidated revenue, and no one affiliated group of subscription agents accounts for more than 10% of total annual consolidated revenue.

Our book business is not dependent upon a single customer; however, the industry is concentrated in national, regional, and online bookstore chains. No single book customer accounts for more than 8% of total consolidated revenue and more than 16% of accounts receivable at October 31, 2021. The top 10 book customers account for approximately 13% of total consolidated revenue and approximately 29% of accounts receivable at October 31, 2021.

Many of our customers have been adversely impacted by COVID-19, and we expect some continued delays in payments due to widespread disruption and pervasive cash conservation behaviors in the face of uncertainty.

**ITEM 4. CONTROLS AND PROCEDURES**

The Company's Chief Executive Officer and Chief Financial Officer, together with the Chief Accounting Officer and other members of the Company's management, have conducted an evaluation of the Company’s disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”) as of the end of the period covered by this report. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective to ensure that information required to be disclosed by the Company in reports filed or submitted under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified by the Securities and Exchange Commission's rules and forms and (ii) accumulated and communicated to the Company’s management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

*Changes in Internal Control over Financial Reporting:* During the three months ended October 31, 2021, we closed on the acquisition of J&J Editorial Services, LLC (J&J). We excluded J&J from the scope of management’s report on internal control over financial reporting for the six months ended October 31, 2021. During fiscal year 2021, we closed on the acquisition of Hindawi. We excluded Hindawi from the scope of management’s report on internal control over financial reporting for the year ended April 30, 2021. We are in the process of integrating J&J and Hindawi to our overall internal control over financial reporting and will include them in scope for the year ending April 30, 2022. This process may result in additions or changes to our internal control over financial reporting.

We continue to implement additional functionality and enhancements to our previously disclosed global ERP implementation. As with any new information system we implement, this application, along with the internal controls over financial reporting included in this process, will require testing for effectiveness. In connection with this ERP implementation, we are updating our internal controls over financial reporting, as necessary, to accommodate modifications to our business processes and accounting procedures. We do not believe that the ERP implementation will have an adverse effect on our internal control over financial reporting.

Except as described above, there were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) during the quarter ended October 31, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**PART II - OTHER INFORMATION**

**ITEM 1. LEGAL PROCEEDINGS**

There have been no significant developments related to legal proceedings during the three months ended October 31, 2021. For information regarding legal proceedings, see our Annual Report on Form 10-K for the fiscal year ended April 30, 2021 Note 16, “Commitment and Contingencies”.

**ITEM 1A. RISK FACTORS**

See Part I, Item 1A, "Risk Factors," of our Annual Report on Form 10-K for the fiscal year ended April 30, 2021. Except as required by the federal securities law, we undertake no obligation to update or revise any risk factor, whether as a result of new information, future events or otherwise.

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

During the three months ended October 31, 2021, we made the following purchases of Class A and Class B Common Stock under our publicly announced stock repurchase programs:

| | Total Number of Shares Purchased | Average Price Paid Per Share | Total Number of Shares Purchased as part of a Publicly Announced Program | Maximum Number of Shares that May be Purchased Under the Program | Maximum Dollar Value of Shares that May be Purchased Under Additional Plans or Programs (Dollars in millions) |
|---|---|---|---|---|---|
| August 2021 | — | $ — | — | 367,684 | $ 200 |
| September 2021 | 121,270 | 55.61 | 121,270 | 246,414 | 200 |
| October 2021 | 62,086 | 52.44 | 62,086 | 184,328 | 200 |
| **Total** | 183,356 | $ 54.54 | 183,356 | 184,328 | $ 200 |

**ITEM 6. EXHIBITS**

**Material Contracts**

10.1* Employment Agreement dated August 7, 2020 between Todd Zipper, Executive Vice President & General Manager, Education Services and the Company.

10.2 Senior Executive Employment Agreement dated as of October 25, 2021 between Christina Van Tassell and the Company (incorporated by reference to the Company's Report on Form 8-K dated as of October 28, 2021).

**Certifications Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

31.1* Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2* Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

**Certifications Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

32.1* Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2* Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

**Inline XBRL**

**101.INS*** Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).
**101.SCH*** Inline XBRL Taxonomy Extension Schema Document.
**101.CAL*** Inline XBRL Taxonomy Extension Calculation Linkbase Document.
**101.DEF*** Inline XBRL Taxonomy Extension Definition Linkbase Document.
**101.LAB*** Inline XBRL Taxonomy Extension Label Linkbase Document.
**101.PRE*** Inline XBRL Taxonomy Extension Presentation Linkbase Document.
**104** Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* Filed herewith

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**JOHN WILEY & SONS, INC.**
Registrant

By /s/ Brian A. Napack
Brian A. Napack
President and Chief Executive Officer

By /s/ Christina Van Tassell
Christina Van Tassell
Executive Vice President and Chief Financial Officer

By /s/ Christopher F. Caridi
Christopher F. Caridi
Senior Vice President, Global Corporate Controller and Chief Accounting Officer

Dated: December 8, 2021

**Exhibit 31.1**

**CERTIFICATIONS PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Brian A. Napack, certify that:

1. I have reviewed this quarterly report on Form 10-Q of John Wiley & Sons, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

By: /s/ Brian A. Napack
Brian A. Napack
President and Chief Executive Officer

Dated: December 8, 2021

**Exhibit 31.2**

**CERTIFICATIONS PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Christina Van Tassell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of John Wiley & Sons, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Christina Van Tassell

Christina Van Tassell
Executive Vice President and Chief Financial Officer

Dated: December 8, 2021

**Exhibit 32.1**

**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350,**
**AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of John Wiley & Sons, Inc. (the “Company”) on Form 10-Q for the period ended October 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Brian A. Napack, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that based on my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Brian A. Napack
Brian A. Napack
President and Chief Executive Officer

Dated: December 8, 2021

**Exhibit 32.2**

**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350,**
**AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of John Wiley & Sons, Inc. (the "Company") on Form 10-Q for the period ended October 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Christina Van Tassell, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that based on my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Christina Van Tassell
Christina Van Tassell
Executive Vice President and Chief Financial Officer

Dated: December 8, 2021

WILEY

August 7, 2020

Todd Zipper

Dear Todd,

I am very pleased to confirm your new compensation package as EVP & GM, Education Services.

Effective June 16, 2020, your base salary will be $425,000 annually, excluding any temporary pay reduction.

Beginning in fiscal year 2021, you will be eligible to participate in the Executive Annual Incentive Plan. Your fiscal year 2021 target incentive is equal to 100% of your base salary, or $425,000. Payout will be based on individual, company and business performance, in accordance with plan provisions.

Beginning in fiscal year 2021, you will be eligible to receive annual equity grants under the Executive Long-Term Incentive Plan (ELTIP), with a target long-term incentive equal to 250% of your base salary, or $1,062,500. The ELTIP delivers sixty percent of the long-term value in the form of target performance share units which vest 100% after the end of the three-year cycle, and forty percent in restricted share units that vest 25% per year over a four-year period. All payouts under the ELTIP are subject to and in accordance with plan provisions.

As reflected in your employment letter from October 8, 2018, you will be eligible to receive the second cash acquisition-related payment of $750,000 on November 15, 2020, assuming continued employment by Wiley on that date.

As an executive officer, your compensation is subject to the approval of the President and CEO and the Executive Compensation and Development Committee of the Board of Directors.

All compensation is subject to withholding and payroll taxes.

You will be eligible for our Executive Perquisites Program, including annual reimbursement for financial counseling and tax preparation services up to $16,385, club memberships up to $3,000, and commutation and/or parking in our Hoboken facility (if needed), up to $3,900.

You will continue to be eligible to participate in Wiley's benefits plans in accordance with Company policy.

While we look forward to a mutually beneficial relationship, your employment continues "at-will." This offer letter is not a contract and does not guarantee any employment duration, terms, or conditions.

111 River Street, Hoboken, NJ 07030-5774, U.S.
T +1 201 748 6000
F +1 201 748 6088
www.wiley.com

Should your employment be involuntarily terminated without Cause or due to Constructive Discharge before receipt of the second cash acquisition-related payment of $750,000 on November 15, 2020, the unpaid portion will be paid upon termination, subject to your signing a release and waiver of claims and compliance with the restrictive covenants included in the attached document, which will apply as material terms of your employment in any event.

Should your employment be involuntarily terminated without Cause or due to Constructive Discharge following receipt of the second cash acquisition-related payment of $750,000 on November 15, 2020, you will receive as severance (in addition to any unpaid base salary earned at the date of termination, and prorated annual incentive paid at the regular time based on actual performance if active for nine months or more of the fiscal year):

- Absent a Change in Control: One month of base salary for each year of employment, subject to a minimum of 12 months and a maximum of 18 months. Continued health insurance for the number of months of the cash severance period.
- Within Twenty-Four Months of a Change in Control: Eighteen months of base salary and eighteen months of "target" annual incentive to be paid in a lump sum, full acceleration of all unvested equity awards (with performance share units vested at "target") and Benefit Continuation for eighteen months.

All severance is payable under the Executive Severance Plan and is subject to your signing a release and waiver of claims and compliance with the restrictive covenants included in the attached document, which apply as material terms of your employment in any event. For the avoidance of doubt, you will be entitled to any applicable benefits under the Executive Severance Plan, the relevant equity plan or grant agreement to the extent not covered in or greater than the benefits set forth in this letter.

Todd, I know that you will continue to contribute significantly to the success of the Company, and I look forward to working with you in your expanded role.

Please sign and return this letter, and the Agreements and Restrictive Covenants document, to me at shyland@wiley.com by August 10, 2020.

Sincerely,

/s/ Suzanne Hyland
Suzanne Hyland
VP, Global Rewards

Acknowledged and Agreed:

/s/ Todd Zipper
Todd Zipper

Date: August 7, 2020

## Agreements and Restrictive Covenants

**Definitions**

For purposes of the attached letter, the following definitions shall apply:

Cause is defined as: (A) your refusal or willful and continued failure to substantially perform your material duties to the best of your ability (for reasons other than death or disability), in any such case after written notice thereof and your failure to remedy such refusal or failure; (B) your gross negligence in the performance of your material duties; (C) any act of fraud, misappropriation, material dishonesty, embezzlement, willful misconduct or similar conduct; (D) your conviction of or plea of guilty or nolo contendere to a felony or any crime involving moral turpitude; or (E) your material and willful violation of any of the Company's reasonable rules, regulations, policies, directions and restrictions.

Constructive Discharge is defined as: (A) any material reduction of your base salary or total compensation opportunity other than a general reduction in base salary and/or total compensation opportunity that affects all substantially similar executives in substantially the same proportion; (B) a material and adverse change to, or a material reduction of, your duties and responsibilities to the Company (other than temporarily while you are physically or mentally incapacitated, or as required by applicable law); or (C) the relocation of your primary office to any location more than fifty (50) miles from the Company's principal executive offices, resulting in a materially longer commute for you.

**Business Expenses**

The Company will reimburse you for all reasonable travel and other expenses incurred by you in connection with the performance of your duties and obligations under this letter, including attendance at industry and other relevant conferences. You will comply with such limitations and reporting requirements with respect to expenses as may be established by Company from time to time and will promptly provide all appropriate and requested documentation in connection with such expenses.

**Indemnification**

The Company will indemnify you to the fullest extent permitted by the laws of the state of the Company's incorporation in effect at that time, or the certificate of incorporation and by-laws of the Company, whichever affords you the greater protection.

**Intellectual Property Rights**

You hereby confirm that inventions, trade secrets and other work product produced by you or with your participation during the term of your employment with Wiley, in any form (collectively the "Work Product") shall be deemed work for hire on behalf of Wiley and you agree that Wiley shall be the sole owner of the Work Product, and all underlying rights therein, in all media now known or hereinafter devised, throughout the universe and in perpetuity without any further obligations to you. If the Work Product, or any portion thereof, is deemed not to be Work for Hire, you hereby irrevocably convey, transfer and assign to Wiley, all rights, in all media now known or hereinafter devised, throughout the universe and in perpetuity, in and to the Work Product, including without limitation, all of your right, title and interest in the copyrights and patents thereto, free and clear of all liens and other encumbrances. You shall make such applications, sign such papers (including without limitation assignments), take all rightful oaths, and perform all acts as may be reasonably requested, during or after the term of your employment, with respect to evidencing ownership of the Work Product. You shall assist Wiley to obtain any registrations covering Work Product assigned hereunder to Wiley and you hereby irrevocably designate and appoint Wiley and its duly authorized officers and agents as your attorney in fact, to act for and in your behalf and stead, to execute and further the prosecution and issuance of registrations thereon with the same legal force and effect as if executed by you.

**Protection of Confidential Information**

You acknowledge that during the course of employment with Wiley, you may be privy to certain confidential information which may be communicated to you verbally or in writing, relating to Wiley, its information, sales and marketing plans, business plans and information, products, current and potential business partners, customers or other third parties (collectively, “Third Parties”), or other information which is not known to the public, and which may include material developed by you. You acknowledge that all such information is and shall be deemed to be “Confidential Information” belonging to Wiley or Third Parties. You agree to protect such Confidential Information from disclosure with the same degree of care that you normally use to protect your own confidential information, but not less than reasonable care, shall not divulge any such Confidential Information to anyone and shall not make use of the same without prior written consent of Wiley. All Confidential Information is and shall remain the property of Wiley (or the applicable Third Party), and you shall not acquire any rights therein. At the conclusion of your employment by Wiley, you shall promptly return all Wiley materials, including Confidential Information, in your possession and shall not retain any copies of any such material. In addition, both parties agree that this agreement is confidential and that neither of us shall disclose its contents to others without the other’s prior approval.

**Business Opportunities**

Should your role with Wiley expose you to business opportunities that might be attractive to Wiley as well as to others (including yourself), you agree to give Wiley consideration of any opportunity before you allow others to consider the opportunity.

**Non-Compete, Non-Solicitation**

During your employment with Wiley, you have and will become familiar with Wiley’s trade secrets, information related to the operations, products and services of the Wiley, and with other Confidential Information concerning Wiley, its subsidiaries, affiliates, and companies acquired by Wiley. Therefore, during your employment period and for a period of one year thereafter, you agree that you shall not directly or indirectly own any interest in, manage, control, participate in, consult with, or render services for any Competing Business; provided that for purposes of the portion of the noncompete period occurring after the end of your employment period, nothing herein shall prohibit you from being a passive owner of less than 2% of the outstanding stock of any class of a corporation which is publicly traded, so long as you have no active participation in the business of such corporation.

A “Competing Business” is any person or entity that (i) conducts or is planning to conduct a business similar to and/or in competition with any Wiley business unit to which you rendered services during the two year period prior to the date at issue or (ii) creates, develops, distributes, produces, offers for sale or sells a product or service that can be used as a substitute for, or is generally intended to satisfy the same customer needs for, any one or more products or services created, developed, distributed, produced or offered for sale or sold by the Wiley business unit to which you rendered services during the two year period prior to the date at issue. In the event that you have an enterprise role at Wiley, you will be deemed to render services to all Wiley business units.

During your employment and for a period of one year thereafter, you agree that you shall not directly, or indirectly through another entity, (i) induce or attempt to induce any employee of Wiley or any affiliate to leave the employ of Wiley or such affiliate, or in any way interfere with the relationship between Wiley or any affiliate and any employee thereof, (ii) hire any person who was an employee of Wiley or any affiliate at any time during your employment with Wiley or (iii) induce or attempt to induce any customer, supplier, licensee, licensor, franchisee or other business relation of Wiley or any affiliate to cease doing business with Wiley or such affiliate, or in any way interfere with the relationship between any such customer, supplier, licensee, licensor, franchisee or business relation and Wiley or any affiliate (including, without limitation, making any negative statements or communications about Wiley or its affiliates).

You agree that during the term of your employment with Wiley, you will devote full time to the business of Wiley and will not engage in any activity that conflicts with your obligations to Wiley.

**Representations**

You hereby represent and warrant that: (a) you have the right to enter into this Agreement, to grant the rights granted in this Agreement and to perform fully all their obligations under this Agreement. No consent of any other person or entity is necessary for you to enter into and fully perform this Agreement and you have not done and shall not do any act and have not made and shall not make any grant, assignment or agreement which shall or would likely conflict or interfere with the complete enjoyment of all of Wiley’s rights under this Agreement; (b) the material contributed by you, including without limitation, any Work Product, (i) shall not violate or infringe in any way upon the rights of others, including, without limitation, any copyright, patent, trademark or other proprietary right or the right of privacy or publicity, (ii) shall not contain any libelous, obscene or other unlawful matter, and (iii) shall not violate any applicable law.

**Modification**

It is the intention of the parties to make these restrictive covenants and agreements binding to the fullest extent permitted under existing applicable laws. In the event that any part of any of these restrictive covenants and agreements is determined by a court of law of competent jurisdiction to be overly broad or too long in duration or otherwise objectionable, thereby making the covenants unenforceable, the parties hereto agree, and it is their desire, that such a court shall substitute a reasonable judicial enforceable limitation in place of the offensive part of the covenant, and that as so modified the covenant shall be as fully enforceable as if set forth herein by the parties themselves in the modified form.

**Miscellaneous**

This Offer Letter and any and all related issues – including but not limited to interpretation, enforcement, and performance – shall be governed by the laws of the State of New York, without reference to the conflicts of law provisions thereof.

**General**

This document, those documents expressly referred to herein and other documents of even date herewith embody the complete agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way. This document may be signed in one or more counterparts, each of which once signed shall be deemed to be an original. All such counterparts together shall constitute one and the same instrument.

By /s/ Suzanne Hyland
Suzanne Hyland
VP, Global Rewards

/s/ Todd Zipper
Todd Zipper

Date: August 7, 2020

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