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First Quarter Fiscal 2021 Earnings Review

Sept 3, 2020

Safe Harbor Statement

This presentation contains certain forward-looking statements concerning the Company's operations, performance, and financial condition. Reliance should not be placed on forward-looking statements, as actual results may differ materially from those in any forward-looking statements. Any such forward-looking statements are based upon many assumptions and estimates that are inherently subject to uncertainties and contingencies, many of which are beyond the control of the Company and are subject to change based on many important factors. Such factors include, but are not limited to: (i) the level of investment in new technologies and products; (ii) subscriber renewal rates for the Company's journals; (iii) the financial stability and liquidity of journal subscription agents; (iv) the consolidation of book wholesalers and retail accounts; (v) the market position and financial stability of key retailers; (vi) the seasonal nature of the Company's educational business and the impact of the used book market; (vii) worldwide economic and political conditions; (viii) the Company's ability to protect its copyrights and other intellectual property worldwide (ix) the ability of the Company to successfully integrate acquired operations and realize expected opportunities; (x) the Company's ability to realize operating savings over time and in fiscal year 2021 in connection with our multi-year 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 the Company's filings with the Securities and Exchange Commission. The Company undertakes no obligation to update or revise any such forward-looking statements to reflect subsequent events or circumstances.

Non-GAAP Measures

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

- Adjusted Earnings Per Share ("Adjusted EPS");
- Free Cash Flow less Product Development Spending;
- Adjusted Revenue;
- Adjusted Operating Income and margin;
- Adjusted Contribution to Profit ("Adjusted CTP") and margin;
- Adjusted EBITDA;
- Organic revenue; and
- Results on a constant currency ("CC") basis.

Management believes non-GAAP financial measures, which exclude the impact of restructuring charges and credits and other items, provide supplementary information to support analyzing operating results and earnings and are commonly used by shareholders to measure our performance. Free Cash Flow less Product Development Spending helps assess our ability over the long term to create value for our shareholders. Results on a constant currency basis removes distortion from the effects of foreign currency movements to provide better comparability of our business trends from period to period. We measure our performance before the impact of foreign currency (or at "constant currency" "CC"), which means that we apply the same foreign currency exchange rates for the current and equivalent prior period.

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Driving the World Forward with Research & Education

Business Review

Brian Napack, President and CEO



Business Update – Advancing Through the Global Pandemic

Remote work yielding productivity gains and high engagement: digital company, tech-enabled workflows

Solid momentum in Research and Education Services

Continued disruption to legacy print books and in-person training

Favorable trends continue – demand for high-quality research, online education and digital courseware

Optimization and cost savings initiatives accelerating

Strong balance sheet and liquidity provide a foundation for continued investment in profitable growth

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First Quarter 2021 Summary

Revenue	GAAP EPS	Adj. EPS	Adj. EBITDA
+2%*	+$0.23	+124%*	+42%*
$431M	$0.29	$0.42	$82M

- Revenue performance driven by:
  - Accelerating demand to publish peer-reviewed research and access it through our platforms
  - Increasing uptake of digital content and courseware
  - Increasing demand for online education services
- Academic & Professional Learning challenged by continued COVID-19 disruption
- Earnings improvement driven by Research revenue, lower discretionary spend, and savings from restructuring

*At constant currency. Revenue down 1% excluding acquisitions.

Research Publishing & Platforms

Strong momentum in Open Access, Platforms, and Partnerships

Revenue
+6%
$241M

Adj. EBITDA
+19%
$89M

- Publishing up 5% driven by robust open access growth and favorable timing (contracts delayed from Q4); article submissions and output up significantly
- Society partnerships continue strong momentum; CY21 net wins up $11M
- Platforms up 10% reflecting new client launches and high retention; prominent partnership with AAAS (*Science*); Literatum platform usage all-time high
- EBITDA performance (37% margin) from revenue growth and expense management

Change at constant currency.

Revenue +5% as reported.

Article Output

+13%

YoY

Content Usage

+10%

YoY

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Research Publishing & Platforms – Rest of Year Viewpoint

Pricing pressure anticipated for Calendar Year ‘21 journal subscription renewals – university library budgets challenged by COVID; peak renewal season runs from Oct ‘20 to Jan ‘21; CY20 renewals locked through December ‘20

Pricing pressure offset by continued double-digit open access growth – industry leader in OA and comprehensive publishing agreements; underlying demand accelerating; not funded by university libraries

Strong society partnership net win position for CY21

Continued platform revenue growth – long term contracts, high predictive revenue, and dominant market position; not funded by university libraries

Accelerating workflow, publishing efficiency and cost base improvements

Academic & Professional Learning

Digital growth offset by COVID-related impact on print books and in-person training

Revenue
-12%
$127M

Adj. EBITDA
-23%
$18M

- Inflection point for digital courseware and content; growth accelerating
- Print books and test prep affected by COVID-related store and testing center closings
- Corporate training challenged by disruption to in-person training; post-pandemic recovery anticipated
- EBITDA decline mainly from revenue performance, partly offset by lower discretionary spending

Change at constant currency.

Revenue at constant currency down 13% excluding acquisitions.

Digital Courseware Revenue

+88%*

YoY

*part of this proforma

Digital Content Revenue

+32%

YoY

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Academic & Professional Learning – Rest of Year Viewpoint

Strong digital courseware growth to continue, partly offsetting overall enrollment challenges

Print book declines to continue with diminishing impact to overall business

Test prep and corporate training largely dependent on reopening of physical sites; this is accelerating virtual and blended training adoption; long term confidence in corporate e-learning

New business models and pricing initiatives accelerating

Rapidly improving cost structure and workflows to improve efficiency and mitigate revenue impact

Education Services

Accelerating interest from universities; profitable growth strategy yielding strong margin gains

Revenue
+29%
$64M

Adj. EBITDA
+$8M
$8M

- Education Services organic growth of 4% from higher enrollment and new program launches; revenue growth constrained by portfolio optimization
- Two full-service partners signed this quarter – University of New Haven (CT) and Carlow University (PA); additional universities signed for unbundled services
- *mthree* inorganic contribution of $12M for the quarter; demand for IT talent more stable so far than initially anticipated
- Profitable growth strategy working; Adjusted EBITDA margin of 13%, reflecting business process optimization

Change at constant currency.

Revenue at constant currency up 4% excluding m*three* acquisition (+$12M)

Enrollments

+9%

Q1'21

University Partners

67

Total

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Education Services – Rest of Year Viewpoint

Enrollment momentum and solid pipeline of university partnerships and programs

Existing partners seeking online expansion opportunities

Unbundled services facing some near-term pressure due to university financial pressure

Steady placement opportunities for IT talent

Continued progress in improving student acquisition costs and overall efficiency

Continued EBITDA margin rate improvement on path to mid-teens target

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Driving the World Forward with Research & Education



Financial Review

John Kritzmacher, Executive Vice President & CFO

Cash Flow, Balance Sheet, and Return to Shareholders

- **Free Cash Flow:** lower by $20M primarily due to timing of working capital activity. Free Cash Flow historically a use in first half of fiscal year due to timing of journal subscriptions collections. $173M of Free Cash Flow generated in fiscal year 2020
- **Modest Leverage:** Net Debt / EBITDA at 2.0 (ttm)
- **Ample Liquidity:** $750M including $101M cash on hand and $650M of undrawn debt facilities
- **Targeted Investment:** focused on the development of tech-enabled services and platforms, and workflow and process redesign. Opportunistic on M&A front to add scale or capabilities in key strategic areas
- **Select Group of Dividend Growers:** dividend raised in June; Wiley among a highly select group of S&P 400 midcap companies with 25+ years of consecutive increases

Free Cash Flow

Q120	Q121	Change
($125M)	($145M)	($20M)

Dividend

27 Years
Consecutive annual increases

4% Yield
Current as of Sept 2

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Cost Measures and Business Optimization

Expense Management	• Discretionary spending controls • Temporary senior executive and BOD compensation reductions
Reorganization and Restructuring	• $15M charge in Q4/ $30M in run rate savings expected • Further cost structure initiatives anticipated in fiscal year 2021
Real Estate Optimization	• Effective remote work environment enabling reduced office footprint and lease savings • Success in sub-leasing our remaining distribution facility to printers
Process Re-engineering & Automation	• Investment in Research infrastructure to further reduce cycle time and cost per article, enabling scale efficiencies and cascade strategy • Investment in ecommerce and DTC platforms to take advantage of digital-only environment • Reduction in print across our businesses • Optimization of student acquisition and marketing cost in Ed Services
Offshoring and Outsourcing	• IT back office services consolidation improved data management, workflow, and reduced labor cost • Retirement of legacy systems

Summary

Solid momentum in Research and Education Services

Continued disruption to legacy print books and in-person training

Favorable trends continue – demand for high-quality research, online education and digital courseware

Optimization and cost savings initiatives accelerating

Strong balance sheet and liquidity provide a foundation for continued investment in profitable growth

Research and Education markets are strong and our strategies are working

Thank you for joining us

Earnings material and events calendar at
https://www.wiley.com/en-us/investors

Q2 2021 Earnings Call – December

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APPENDIX

JOHN WILEY & SONS, INC.
SUPPLEMENTARY INFORMATION [1]
RECONCILIATION OF GAAP EPS to NON-GAAP ADJUSTED EPS - DILUTED
(unaudited)

	Three Months Ended July 31,	
	2020	**2019**
GAAP Earnings Per Share - Diluted	**$ 0.29**	**$ 0.06**
Adjustments:		
Restructuring and related charges (A)	0.03	0.14
Foreign exchange (gains) losses on intercompany transactions (A)	(0.02)	0.01
Impact of increase in U.K. statutory rate on deferred tax balances in fiscal year 2021 (B)	0.12	-
Non-GAAP Adjusted Earnings Per Share - Diluted	**$ 0.42**	**$ 0.21**

Notes:

(A) The table below shows the net of tax impact of our adjustments to GAAP Earnings Per Share noted above.

	Three Months Ended July 31,	
(amounts in millions)	**2020**	**2019**
Net of tax, charges related to the Business Optimization Program	$ 1.5	$ 8.1
Net of tax, credits related to the Restructuring and Reinvestment Program	$ (0.0)	$ (0.1)
Net of tax, foreign exchange transaction (gains) losses	$ (1.0)	$ 0.3

(B) During the first quarter of fiscal 2021, the U.K. officially enacted legislation that increased its statutory rate, beginning April 1, 2020, from 17% to 19%. This resulted in a $6.7 million non-cash deferred tax expense from the re-measurement of the Company's applicable U.K. net deferred tax liabilities.

(1) See Explanation of Usage of Non-GAAP performance measures included in this supplementary information for additional details on the reasons why management believes presentation of each non-GAAP performance measure provides useful information to investors. The supplementary information included in this press release for the three months ended July 31, 2020 is preliminary and subject to change prior to the filing of our upcoming Quarterly Report on Form 10-Q with the Securities and Exchange Commission.

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SUPPLEMENTARY INFORMATION [1]

RECONCILIATION OF GAAP NET INCOME to NON-GAAP EBITDA AND ADJUSTED EBITDA

(unaudited)

	Three Months Ended July 31,	
	2020	**2019**
Net Income	**$ 16,334**	**$ 3,624**
Interest expense	4,614	6,077
Provision for income taxes	13,400	343
Depreciation and amortization	49,507	42,219
Non-GAAP EBITDA	**83,855**	**52,263**
Restructuring and related charges	2,218	10,735
Foreign exchange transaction losses (gains)	82	(2,652)
Interest and other income	(4,391)	(2,833)
Non-GAAP Adjusted EBITDA	**$ 81,764**	**$ 57,513**
Adjusted EBITDA Margin	*19.0%*	*13.6%*

Notes:

(1) See Explanation of Usage of Non-GAAP performance measures included in this supplementary information for additional details on the reasons why management believes presentation of each non-GAAP performance measure provides useful information to investors. The supplementary information included in this press release for the three months ended July 31, 2020 is preliminary and subject to change prior to the filing of our upcoming Quarterly Report on Form 10-Q with the Securities and Exchange Commission.