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ENABLING DISCOVERY | POWERING EDUCATION | SHAPING WORKFORCES



# Investor Presentation

July 1, 2022

## 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 2022 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 Contribution to Profit (“Adjusted CTP”) and margin;
- Adjusted EBITDA and margin;
- 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 applying the same foreign currency exchange rates for the current and equivalent prior period. We have not provided our 2022 outlook for the most directly comparable U.S. GAAP financial measures, as they are not available without unreasonable effort due to the high variability, complexity, and low visibility with respect to certain items, including restructuring charges and credits, gains and losses on foreign currency, and other gains and losses. These items are uncertain, depend on various factors, and could be material to our consolidated results computed in accordance with U.S. GAAP.

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Wiley is unlocking human potential by enabling discovery,  powering education, and shaping workforces





# WILEY

| | |
|---|---|
| **$2.08B**<br>Revenue | **83%**<br>Digital & Services |
| **$433M**<br>Adjusted EBITDA | **58%**<br>Recurring Revenue* |
| **$223M**<br>Free Cash Flow | **29 Years**<br>Dividend Increases |

**Recurring revenue is revenue that is contractually obligated or set to recur with a high degree of certainty*




# WILEY

From NY print shop to global leader in scientific research and career-connected education

- 1807 – Founded by Charles Wiley
- 1962 – First shares go public
- 1995 – Listed on NYSE
- 2006 – Surpasses $1B in revenue
- 2022 – Surpasses $2B in revenue; raises dividend for 29th consecutive year

# Investing in Wiley

- ✓ Wide moat from long-established brands and platforms in research and learning
- ✓ Recession-tolerant profile with counter-cyclical dynamics
- ✓ Strong growth trends in open research, digital learning, and corporate reskilling
- ✓ Consistently strong free cash flow and balance sheet
- ✓ Long track record of returns to shareholders; 29 years of dividend increases
- ✓ Impact company driving life-changing outcomes; highly rated for ESG

# Powering the Global Knowledge Ecosystem

## WILEY RESEARCH
*Connecting research to innovation outcomes*

### Research Publishing & Platforms

53% of Wiley revenue

9% revenue growth

35% EBITDA margin

95% digital & services

## WILEY EDUCATION
*Connecting education to career outcomes*

### Academic & Professional Learning

31% of Wiley revenue

1% revenue growth

28% EBITDA margin

55% digital & services

### Education Services

16% of Wiley revenue

14% revenue growth

11% EBITDA margin

100% digital & services

**Researchers** **Learners** **Universities** **Corporations**

# Wiley Research Deep Dive

## Products and Services

- Scientific, technical, and medical (STM) content in 1,900 journal brands
- Content platform hosting nearly half of the world's English language research
- Publishing, infrastructure, and transactional services for over 900 society partners
- Career centers, advertising, and databases for corporations

## Customers and Partners

- STM Researchers
- University libraries and library consortia
- Academic societies
- Corporations
- Government agencies

## Peers

- RELX (Europe)
- Springer Nature (Europe)
- Informa - Taylor and Francis (Europe)
- Wolters Kluwer (Europe)

## Sampling of Journal Brands

- *Advanced Materials*
- *Cancer*
- *Angewandte Chemie*
- *Mass Spectroscopy*

## Sampling of Wiley Partners

- American Cancer Society
- American Geophysical Union
- European Molecular Biology Organization

# Wiley Education Deep Dive

## Products and Services

- Higher education content and courseware
- Professional content
- University services (online programs)
- Corporate talent development
- Corporate training

## Customers and Partners:

- University students
- Professionals and lifelong learners
- Corporate HR executives
- University administrators
- University libraries

## Peers

- Pearson (Content, Courseware, Online Programs)
- McGraw Hill (Content and Courseware)
- Cengage (Content and Courseware)
- 2U (Online Programs)
- FDM Group (Corporate Talent Development)

## Sampling of Wiley Brands

- *Wiley Edge* (Corporate Talent Development)
- *Wiley Education Services* (University Services)
- *Dummies* (Content)
- *zyBooks* (Courseware)

## Sampling of Wiley Partners

- *George Mason University* (Online Programs)
- *Morgan Stanley* (Corporate Talent Development)
- *University of Phoenix* (Courseware)

# Consistent Strategies Aligned with Seismic Trends

Cross the divide to
**lead the transition to open research**

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Bridge the gap to
**connect education to career outcomes**



# Leading in Scientific Research

## Cross the divide to lead the transition to open research

### Research Publishing

- Wide moat from the enduring value and draw of our 1,900 journal brands
- Top 3 global market position in consolidated industry (10% share in ~$10B market)
- Open access transition resulting in higher incremental growth than recent historical rates
- Publishing models – (1) read-only/library pays, (2) publish-only/researcher pays, (3) read-and-publish/national or regional library consortia pays

### Research Solutions

- Wide moat - World's #1 research platform (4B user sessions/year) and World's #1 society partner (900 societies)
- Society partner focus – deliver platforms and services that enable open research content delivery, production, transaction processing and audience monetization
- Corporate client focus – deliver platforms and services that enable audience activation, researcher career centers, and knowledge hubs to achieve commercial objectives

# Leading in Career-Connected Education

## Bridge the gap to connect education to career outcomes

### Education Products

- Wiley a globally recognized brand and leading publisher in Education
- Content and courseware for learners and professionals in STEM and finance disciplines
- Corporate training programs focused on leadership and soft-skills
- Corporate learning programs for customized reskilling and learning needs

### Education Services

- Wiley uniquely positioned on both the supply (university) and demand (corporate) side
- Online degree programs and short course credentialing services for university partners
- Tech talent placement and training services to address huge skills gap for corporations
- Tech upskilling and reskilling programs for large multi-national corporations

# Primary Growth Drivers

## Research Publishing

**Publish more to meet global demand for scientific research.** Strong demand to publish correlated with global R&D spend; Open Access and article transfer drives additional growth by unlocking more volume

## Research Solutions

**Extend further across society and corporate value chains by upselling multiple services.** Expand existing partnerships to include publishing, platforms, infrastructure and OA support services

## Education Products

**Drive adoption of digital courseware and learning programs** in high-demand disciplines for university and corporate environments

## Education Services

**Expand corporate and university partnerships** for talent placement, training, and reskilling services, and for online degree programs and enrollment services

# University and Corporate Reach

## Universities

- 11,000 research institutions
- 6,000 courseware institutions
- 65+ online degree partners

## Corporations

- 1,000 corporate clients
- Clients for content delivery, advertising, talent placement, upskilling and reskilling

## Societies

- 900 society partners
- Partners for publishing, platforms, career centers, editorial, production, and transactional services

# Strategic Acquisitions

| | | |
|---|---|---|
| 2016 | ATYPON | World's #1 research platform (~$120M) |
| 2019 | LEARNINGHOUSE | Leader in online education (~$200M) |
| | zyBooks | Leader in digital education courseware (~$55M) |
| 2020 | mthree | Leader in corporate talent development (~$130M) |
| 2021 | Hindawi | Leader in open research publishing (~$300M) |

# Impact Company

## Core Business Drives Social Good

- **Open research** increases speed, accessibility, and impact of knowledge
- **Career-connected education** closes skill gaps and enables personal advancement

## Highly Rated for ESG and Sustainability

- **Certified 2021 Carbon Neutral** and 100% Renewable Energy
- **Driving real-world impact across multiple United Nation SDGs,** including Climate Action, Reducing Inequalities, and Quality Education

| | | | |
|---|---|---|---|
| **A** | **100%** | **Top 4%** | **#1** |
| ESG Rating | Corporate Equality Score | Low ESG Risk | Most Trusted Co. in Media |
| MSCI | HUMAN RIGHTS CAMPAIGN | SUSTAINALYTICS a Morningstar company | Newsweek |

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# Financial Performance and Profile



# Fiscal 2022 Review

| Metric (Millions, ex-EPS) | FY22 Outlook | FY22 Reported | FY22 Growth* |
|---|---|---|---|
| Revenue | $2,070 to $2,100 | **$2,083** | **+7%** |
| Adj. EBITDA | $415 to $435 | **$433** | **+3%** |
| Adj. EPS** | $4.00 to $4.25 | **$4.16** | **+4%** |
| Free Cash Flow** | $200 to $220 | **$223** | **-13%#** |

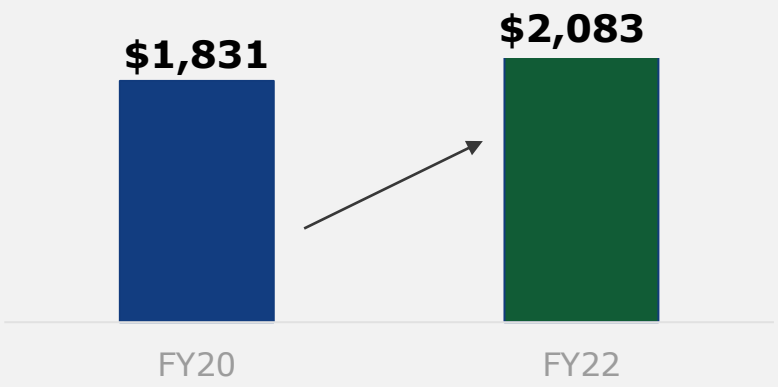
- Delivered on outlook even with market-related challenges in higher education (US enrollment declines)
- Materially improved our organic revenue growth profile, driven by Research and Talent Development
- Earnings growth muted by planned strategic and operational investments and challenges in higher education
- Surpassed $2B in revenue for the first time ever

^

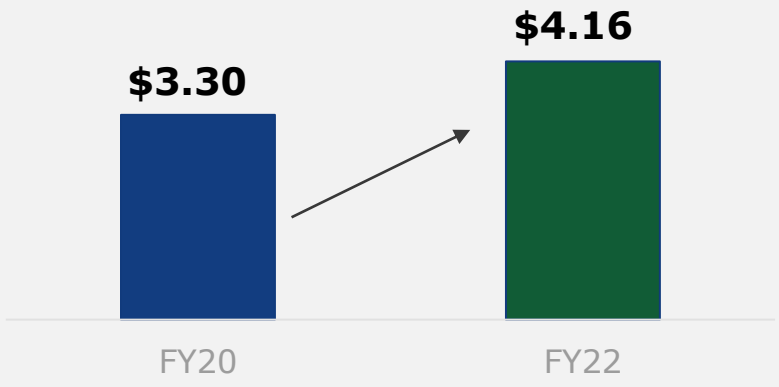
**As reported (including currency impact and acquisitions)*
*#FY22 Free Cash Flow change due to prior year one-time favorable items, including cash tax refund and timing of higher incentive comp*

# Financial Performance Over Time (FY20-FY22)

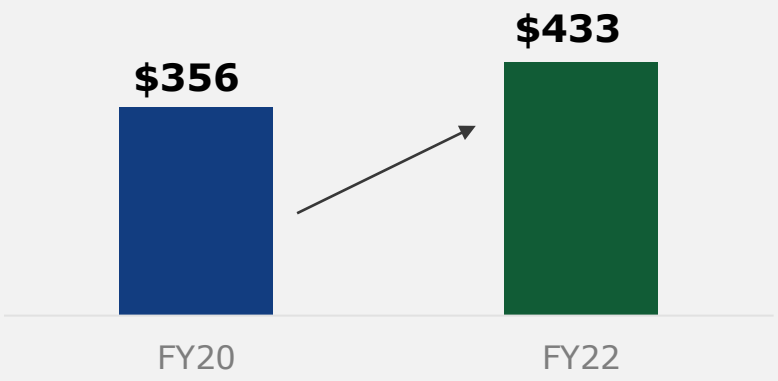
## Revenue CAGR +7%



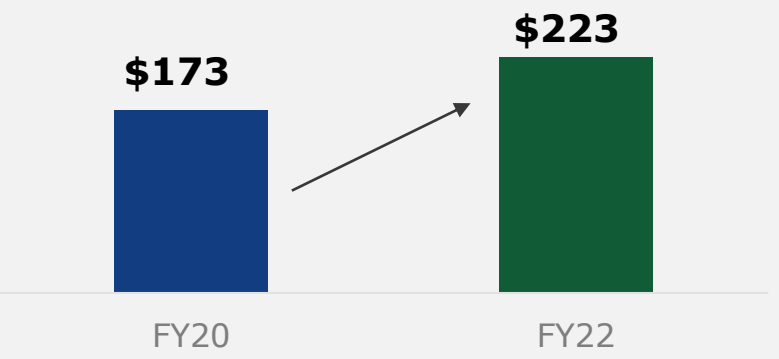

## Adjusted EPS CAGR +10%




## Adjusted EBITDA CAGR +12%




## Free Cash Flow CAGR +14%

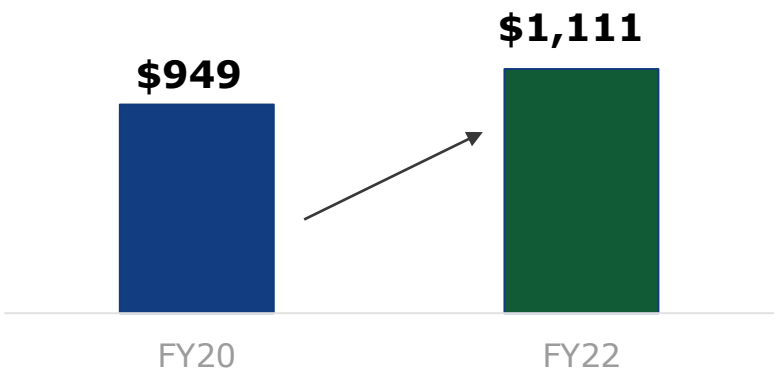



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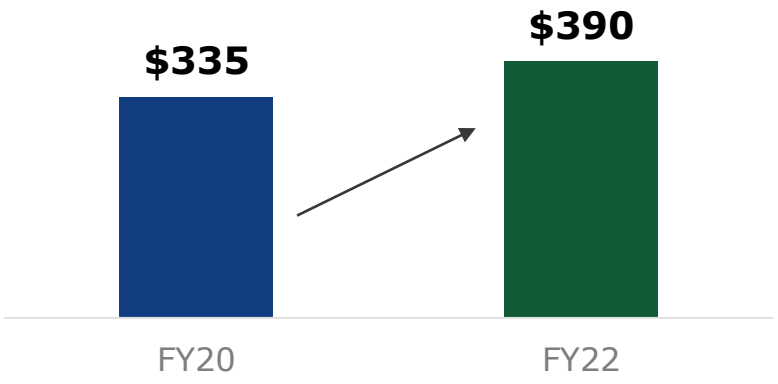
*All variances are as reported (including FX and acquisitions)*

# Research Segment (Fiscal 2020-22)

## Revenue CAGR +8%



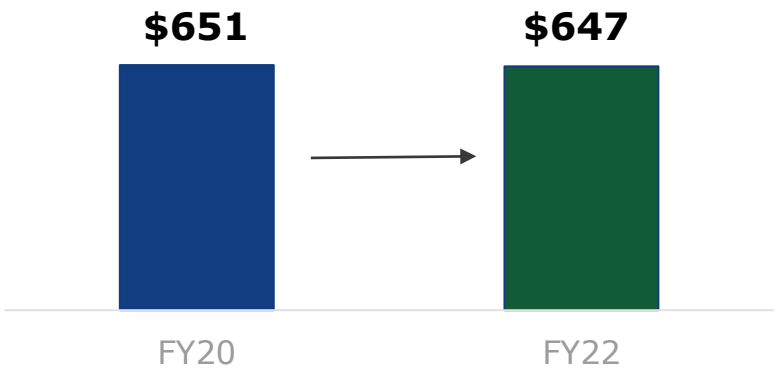

## Adjusted EBITDA CAGR +8%



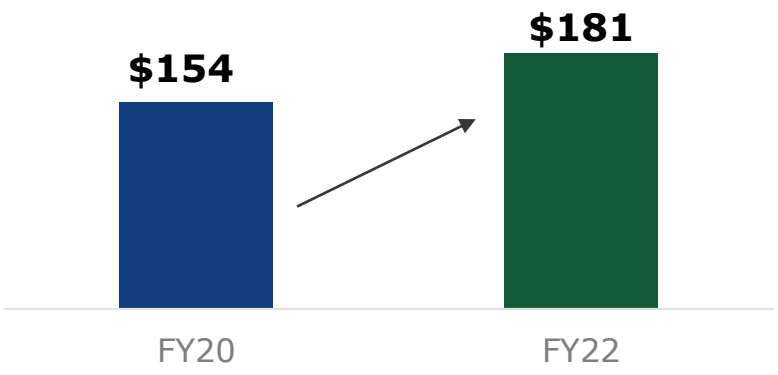

- Solid multi-year period driven by research publishing volume growth and pricing power
- Uptake accelerating for transformational 'read and publish' models, a positive trend for Wiley
- Acquisition of Hindawi makes Wiley a leader in open research, adding 200+ quality journal brands
- Buildout of Research Solutions business seeing good momentum

# Academic & Professional Learning Segment (Fiscal 2020-22)

## Revenue CAGR -0.3%




## Adjusted EBITDA CAGR +8%

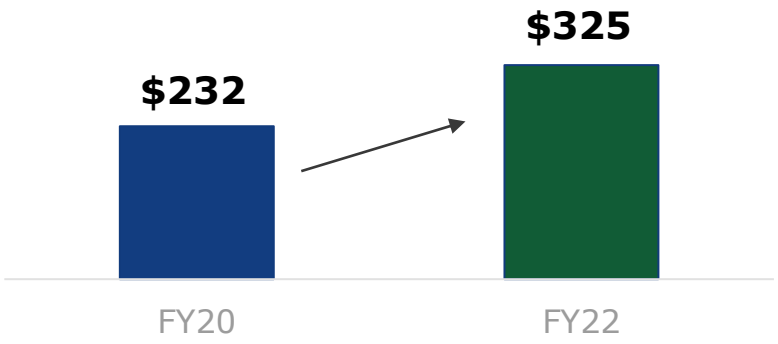



**Multi-year period**

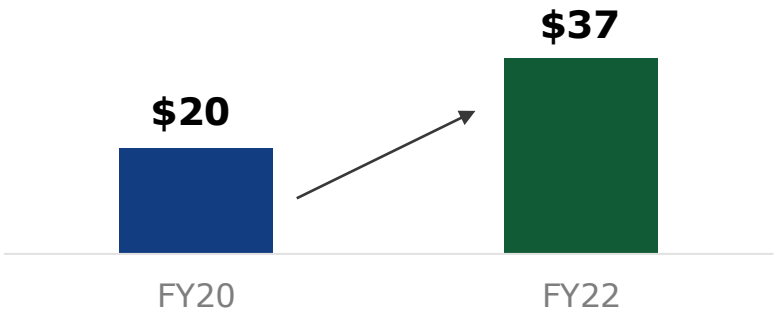
- **Fiscal 2021** – shift to online education a benefit in for education content and courseware. Corporate training in recovery from COVID lockdowns.
- **Fiscal 2022** – Education content and courseware pressured by US enrollment pressures from counter-cyclical effects of strong labor market. Offsetting this was strong demand for corporate training and professional content.

# Education Services Segment (Fiscal 2020-22)

## Revenue CAGR +18%




## Adjusted EBITDA CAGR +16%

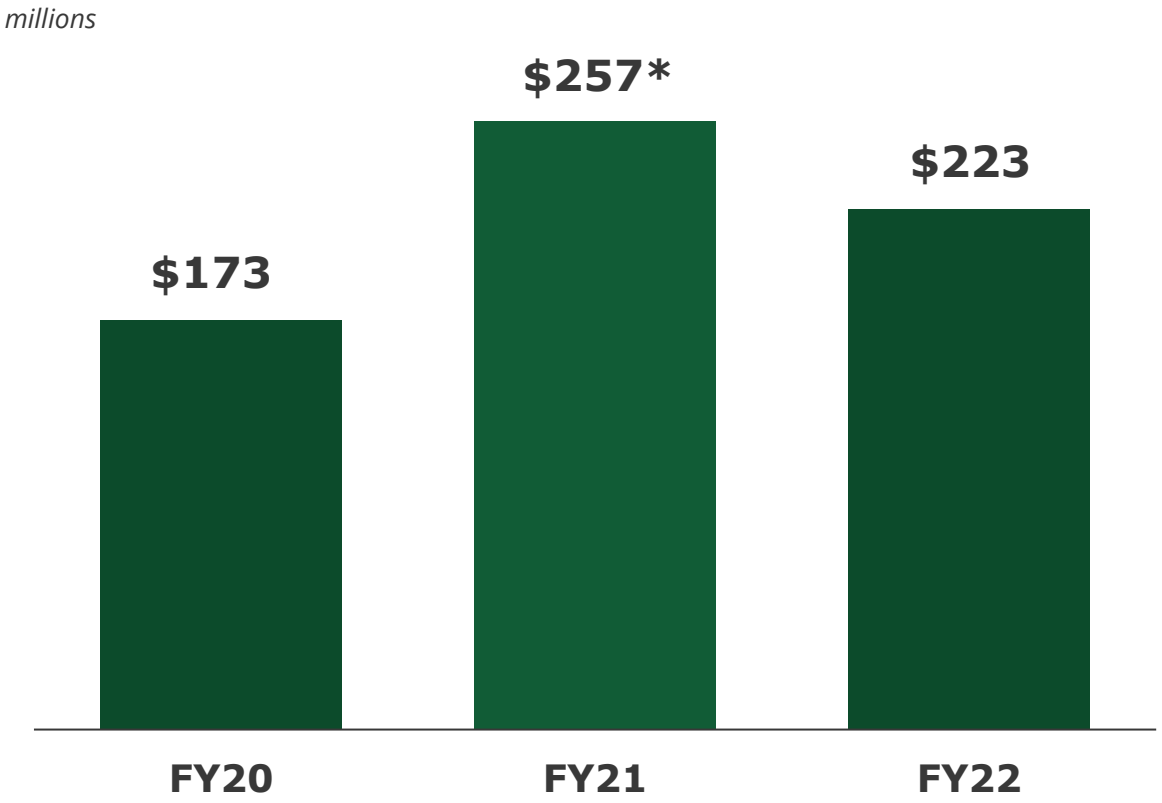



**Multi-year period**

- **Fiscal 2021** – online enrollment in Wiley degree programs jumps due to COVID. Corporate Talent Development challenged by lockdowns.
- **Fiscal 2022** – Wiley degree programs pressured by US enrollment pressures from counter-cyclical effects of strong labor market. Corporate Talent Development growth accelerates as IT hiring and reskill demand soars.

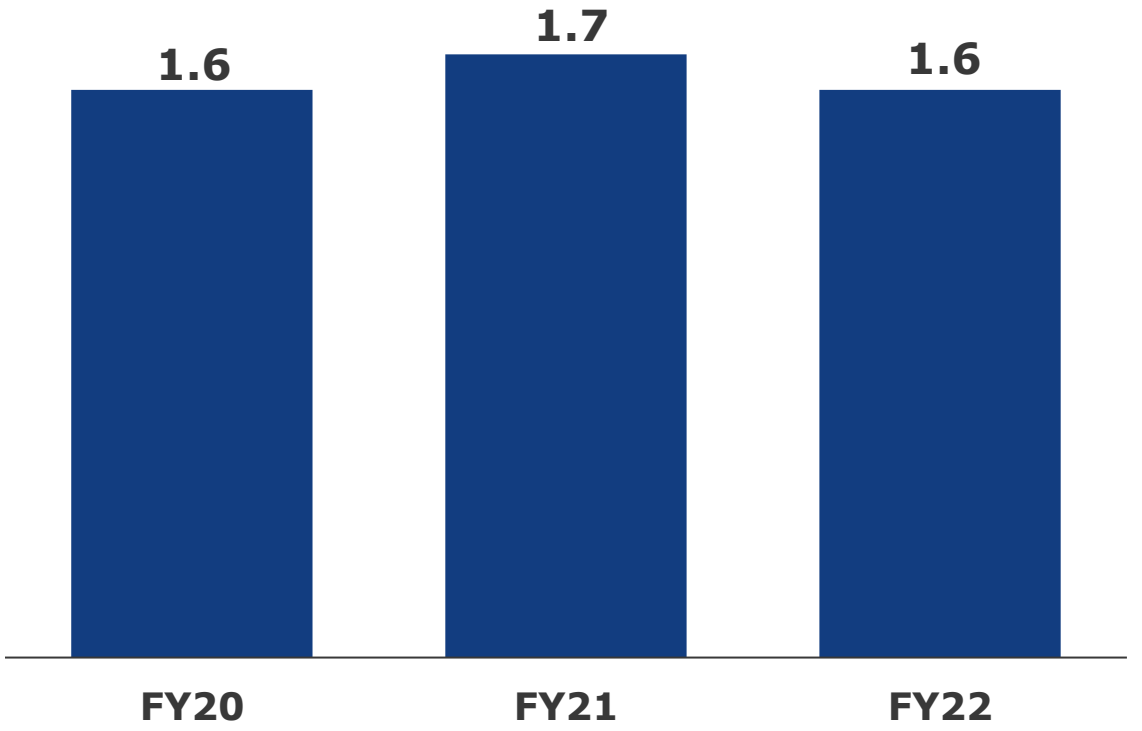
# Strong Cash Flow and Balance Sheet

## Free Cash Flow




*elevated by $21M tax refund and lower capex spend due to COVID

## Net Debt to EBITDA




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# Balanced Capital Allocation

| Item | Recent Highlights | FY20 | FY21 | FY22 |
|---|---|---|---|---|
| **Capex** | Research: Automation and Platform development<br>Education: Courseware development<br>Corporate: Backoffice systems | $115 | $103 | **$116** |
| **Acquisitions** | J&J Editorial (Research)<br>Knowledge Unlatched (Research)<br>eJournal Press (Research)<br>XYZ Media (Education) | $230 | $300 | **$76** |
| **Dividends** | 29th consecutive annual raise;<br>~3% current yield; 30% payout ratio | $76.7 | $76.9 | **$77.2** |
| **Repurchases** | $197M remaining in current program | $47 | $16 | **$30** |

- Targeted M&A strategy focused on expanding journal portfolio, research solutions offerings, and corporate talent development capabilities
- Typically, half of Wiley's FCF is returned annually to shareholders in the form of dividends and repurchases

# Looking Ahead to Fiscal 2023



Driving solid organic revenue growth through consistent strategies aligned with market trends

Prioritizing reinvestment in Research Publishing & Solutions, and Corporate Talent Development

Accelerating operational excellence initiatives and focusing on margin expansion beyond Fiscal 2023

Balancing capital allocation for profitable growth investments and return to shareholders

Company to share long range financial targets at Fiscal 23 Investor Day

# Fiscal 2023 Outlook

| **Metric** (Millions, except EPS) | **Fiscal 2022*** | **Fiscal 2023 Outlook*** At Constant Currency | **FX Impact**** | **Fiscal 2023 Outlook^** At Spot Rates |
|---|---|---|---|---|
| **Revenue** | $2,083 | $2,175 to $2,215 | ($50) | $2,125 to $2,165 |
| **Adjusted EBITDA** | $433 | $425 to $450 | Immaterial | $425 to $450 |
| **Adjusted EPS** | $4.16 | $3.70 to $4.05 | Immaterial | $3.70 to $4.05 |
| **Free Cash Flow** | $223 | $210 to $235 | Immaterial | $210 to $235 |

**At constant currency**

- Revenue: mid-single digit growth mainly driven by Research and Education Services
- EBITDA: higher revenue partially offset by higher employee costs and targeted growth investments
- EPS: impacted by higher interest expense, higher tax expense, and lower pension income (combined -$0.35)
- FCF: positive cash earnings and lower incentive payouts offset by higher cash taxes, interest and capex

*Based on Fiscal 2022 average rates of 1.15 euro and 1.36 British pound
**Variance between Fiscal 2022 average rates and spot rates as of June 10: 1.06 euro and 1.24 British pound
^Fiscal 2023 outlook at spot rates as of June 10

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