

John Wiley & Sons: Sequencing the Emerald Integration

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Decision scope: Allocation and sequence of integration and discretionary investment capacity across Emerald, AI/data commercialization, and Wiley's Research platforms

Case convention: This is an author-created decision exercise based on public information. The alternatives are hypothetical; no private Wiley deliberations are represented. Use only information available by the cutoff.

The decision

On 4 September 2026, John Wiley & Sons had filed its first quarterly report since acquiring scholarly publisher Emerald. The report showed Emerald contributing revenue and income, while also recording acquisition and integration costs. Wiley's management said integration was "ahead of schedule," but did not provide a quantitative completion rate. [S3], lines 4-11; [S4], Note 3, pp.13-14.

At the same time, Wiley was investing in artificial-intelligence licensing and research platforms. That business had produced meaningful revenue, but its latest quarterly comparison was sharply lower than the prior year. Debt had increased after the acquisition, and the company's outlook included both capital spending and expected Emerald-related free-cash-flow dilution. [S1], Item 7, p.29; [S2], lines 50-72; [S4], Notes 3 and 15, pp.13, 32-33.

Wiley had publicly described a multiyear target for Emerald cost synergies. It had not disclosed initiative-level integration budgets, a detailed staffing plan, or the expected returns from alternative AI and platform investments. The question was therefore not how to execute a published allocation, but how to set priorities with incomplete information.

Assignment: Recommend how Wiley should allocate and sequence scarce integration and discretionary investment capacity across Emerald, AI/data commercialization, and its core Research platforms. Explain what to fund or protect first, what milestones should govern later commitments, and what evidence would cause you to change course. All choices are hypothetical classroom alternatives, not announced management plans.

A scholarly publishing portfolio

Wiley's businesses span scholarly journals and books, research tools and services, and academic and professional learning. Its FY2026 filing described more than 85% of revenue as digital and 48% as "recurring," using Wiley's own definition: contractually obligated or expected to recur with high certainty. These figures describe the company's portfolio; they do not mean all digital revenue is subscription software or that any particular AI license will recur. [S1], Item 1, p.5.

Research Publishing includes journal and book content and related services. Research Solutions includes products and services around research and content, including AI licensing. Wiley works with scholarly societies and other rights holders under a range of contracts. Its filing said about 46% of **Journal Subscriptions revenue** related to journals whose publication rights were held by societies or partners, or jointly. That is a Wiley-wide subscription-revenue denominator; the filing did not disclose Emerald's title-level rights mix. [S1], Item 1, pp.6-8.

Emerald added more than 480 peer-reviewed journals, 8,000 books, and 3,000 business cases, according to Wiley's post-close filing. It also brought customer relationships, content, contracts, and operating processes that Wiley would need to absorb. The public filings did not describe the technical compatibility or migration sequence of the two companies' platforms. [S4], overview, p.37.

A transaction with targets and open questions

Wiley completed the all-cash acquisition on 1 June 2026. Its 2 June announcement described consideration of £337.5 million, approximately \$452 million, subject to customary purchase-price adjustments. The first-quarter filing later reported a preliminary fair value of consideration of \$462.7 million: \$462.1 million paid at acquisition and \$0.6 million payable later. Wiley recorded \$11.7 million of cash acquired, making the net acquisition cash outflow approximately \$450.4 million. Purchase-price allocation remained preliminary. [S5], 8-K Items 1.01 and 2.01, lines 59-75, and Exhibit 99.1, lines 9-11; [S4], Note 3, pp.13-14.

Wiley's transaction presentation set out an estimated \$30 million of annual run-rate cost synergies, with meaningful savings in Years 2 and 3 and full realization by Year 3. It estimated \$18 million in one-time integration costs, split between Years 1 and 2. The presentation listed potential revenue opportunities but did not quantify them. These were management estimates, not reported savings or a detailed approved integration budget. The presentation did not label Years 1-3 as Wiley fiscal years. [S6], slide 11.

The first post-close quarter provided an early, partial view. Wiley recorded approximately \$7 million of acquisition-related costs and \$4 million of integration costs. It expected additional integration costs, with amount and timing depending on the pace of integration. Emerald contributed \$13.3 million in revenue and \$1.2 million in net income to Wiley's consolidated quarter. Those amounts covered the period included in Wiley's statements and were not a standalone run rate. [S4], Note 3, p.13; MD&A, p.39.

The financing disclosures used different descriptions at different dates. The 2 June 8-K said the purchase price was funded from company cash on hand; the transaction presentation referred to revolving-credit-facility financing. Wiley's FY2026 10-K later described available cash and revolver proceeds, and its Q1 10-Q said the cash consideration was financed primarily through borrowing under the amended credit agreement and cash on hand. These passages do not reconcile the precise sequence of cash and facility draws. [S5], 8-K line 62; [S6], slide 11; [S1], Note 21, p.103; [S4], Note 3, p.13.

As of 31 July, Wiley reported \$106.4 million of cash and equivalents, \$1.291 billion of debt, and approximately \$296.1 million of unused borrowing capacity. The company reported covenant compliance. Unused capacity was not cash and remained subject to facility terms. Wiley's FY2027 outlook projected \$205 million of free cash flow and \$80 million of capital expenditure, and included an estimated \$15 million of Emerald-related free-cash-flow dilution. The outlook also expected about \$78 million of Emerald revenue for 11 months, approximately \$0.10 of adjusted EPS accretion, and free-cash-flow accretion in FY2028. These were management forecasts, and adjusted figures were non-GAAP. [S2], lines 57-72; [S4], Note 15, pp.32-33; MD&A, pp.45-47.

Two engines, uneven signals

Wiley had presented Research as a foundational growth engine and AI/data analytics as an emerging one. FY2026 AI-license revenue was \$49.1 million, compared with \$40.0 million in FY2025; \$19.4 million related to content Wiley licensed from other publishers. The filing cautioned that comparisons could fluctuate with timing and content mix. [S1], Item 7, p.29.

The Q1 FY2027 comparison underscored that variability: AI-license revenue was \$13.7 million, compared with \$28.9 million a year earlier. Research Publishing generated \$10.1 million and Research Solutions \$3.6 million in the latest quarter; Learning reported none, versus \$13.1 million in the prior-year quarter. Wiley said that the period comparison could vary with the timing and underlying mix of content. Revenue alone did not reveal renewal rates, partner royalties by contract, margins, or the durability of demand. [S4], MD&A, pp.38, 44-45.

Segment results also differed. Research Publishing revenue increased 12% at constant currency, or 6% excluding Emerald. Research Solutions revenue declined 30%, largely reflecting lower AI licensing. Learning revenue declined 20% at constant currency, and adjusted EBITDA declined 56%. Research adjusted EBITDA increased 9%, including Emerald and lower royalty costs. These were issuer-reported segment results; they did not compare the returns from an additional dollar allocated to integration with a dollar allocated to AI or platforms. [S4], MD&A, pp.44-45.

AI created possible licensing and product opportunities as well as content-rights, cannibalization, and compliance questions. Wiley's filing identified intellectual-property enforcement and possible disruption to existing products as risks. A 2024 publisher-and-library interview study described both licensing opportunities and concern that AI summaries could weaken subscription value; it did not estimate Wiley demand or returns. [S1], Item 1A, pp.13-14; A4, pp.8-10.

Competitors were also developing researcher-facing AI products. Elsevier described LeapSpace as an AI-assisted workspace combining content from Elsevier and other publishers with research tools, citations, and transparency features. It separately announced a next-generation researcher solution under development using cross-publisher content. These announcements offered qualitative context, not comparable data on adoption, price, performance, or economics. [S7]-[S8].

Choices for the next phase

Wiley had not publicly announced an allocation among these initiatives. For the classroom decision, consider three hypothetical approaches:

1. **Prioritize Emerald integration and cash discipline.** Direct the largest share of scarce execution capacity toward content and systems integration, with the aim of pursuing the disclosed cost-synergy schedule while protecting liquidity and reducing leverage. This approach would need safeguards for authors, societies, customers, and service quality.
2. **Protect AI/data and core Research investment.** Preserve discretionary investment and specialist capacity for AI commercialization and Research platforms while integrating Emerald at a controlled pace. This approach would need evidence that AI and platform opportunities have repeatable economics and that slower integration does not undermine customer or synergy goals.

3. **Stage commitments across both.** Fund essential integration and shared rights/data/security foundations first, then release later resources against measured cost-to-achieve, customer and author retention, platform readiness, AI usage and renewal economics, and cash milestones. This approach would need clear triggers and a limit on the cost of waiting.

The alternatives are not necessarily mutually exclusive. Public sources do not disclose the internal project budgets, initiative-level spending, staffing capacity, Emerald rights by title, platform overlap, AI contract economics, synergy dependencies, or realized savings needed to calculate an optimal allocation. Wiley's "ahead of schedule" description provides no independent completion measure. [S1], Item 1, pp.6-8; [S3], lines 4-11 and [S4], Note 3, p.13; [S6], slide 11.

Prepare a decision memo that selects an approach, identifies what should receive scarce capacity first, and sets out two or three measurable conditions for releasing or redirecting later resources. Address the strongest argument against your choice and distinguish published facts, management forecasts, and assumptions you introduce. Do not treat the synergy target, AI-license revenue, or FY2027 outlook as guaranteed outcomes.

Sources and citation key

- S1.** Wiley, FY2026 Form 10-K, filed 24 June 2026, fiscal year ended 30 April 2026. [SEC filing](#).
- S2.** Wiley, FY2026 Q4 earnings release and presentation, 16 June 2026. [Release](#); [presentation](#).
- S3.** Wiley, Q1 FY2027 earnings release, Exhibit 99.1 to 8-K, 3 September 2026. [SEC release](#).
- S4.** Wiley, Q1 FY2027 Form 10-Q, filed 4 September 2026, quarter ended 31 July 2026. [SEC filing](#).
- S5.** Wiley, 1 June 2026 Emerald acquisition 8-K and release, filed 2 June 2026. [8-K](#); [release](#).
- S6.** Wiley, Emerald supplemental investor presentation, Exhibit 99.2 to the 2 June 2026 8-K. [SEC presentation](#).
- S7.** Elsevier, "Elsevier launches LeapSpace," 19 November 2025. [Company release](#).
- S8.** Elsevier, "Redefining research: Elsevier announces next-generation AI-powered researcher solution," 17 September 2025. [Company release](#).
- A4.** Bergstrom and Ruediger, *A Third Transformation? Generative AI and Scholarly Publishing*, Ithaka S+R (2024). [Report](#).

All financial amounts are U.S. dollars unless stated otherwise. Constant-currency, organic-growth, adjusted, and free-cash-flow measures follow Wiley's stated definitions and are not GAAP equivalents.