



# Introduction to Pearson

August 2025



# Forward-looking statements

Except for the historical information contained herein, the matters discussed in this statement include forward-looking statements.

In particular, all statements that express forecasts, expectations and projections with respect to future matters, including trends in results of operations, margins, growth rates, overall market trends, the impact of interest or exchange rates, the availability of financing, anticipated costs savings and synergies and the execution of Pearson's strategy, are forward-looking statements.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will occur in future. They are based on numerous assumptions regarding Pearson's present and future business strategies and the environment in which it will operate in the future.

There are a number of factors which could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including a number of factors outside Pearson's control. These include international, national and local conditions, as well as competition.

They also include other risks detailed from time to time in Pearson's publicly-filed documents and you are advised to read, in particular, the risk factors set out in Pearson's latest annual report and accounts, which can be found on its website ([pearsonplc.com](https://www.pearsonplc.com)).

Any forward-looking statements speak only as of the date they are made, and Pearson gives no undertaking to update forward-looking statements to reflect any changes in its expectations with regard thereto or any changes to events, conditions or circumstances on which any such statement is based. Readers are cautioned not to place undue reliance on such forward-looking statements.



# Helping People Realise The Life They Imagine Through Learning

The World's Lifelong Learning Company

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# Pearson Overview

# Pearson: A snapshot

## Experienced Senior Team



**Omid Kordestani**  
Chair



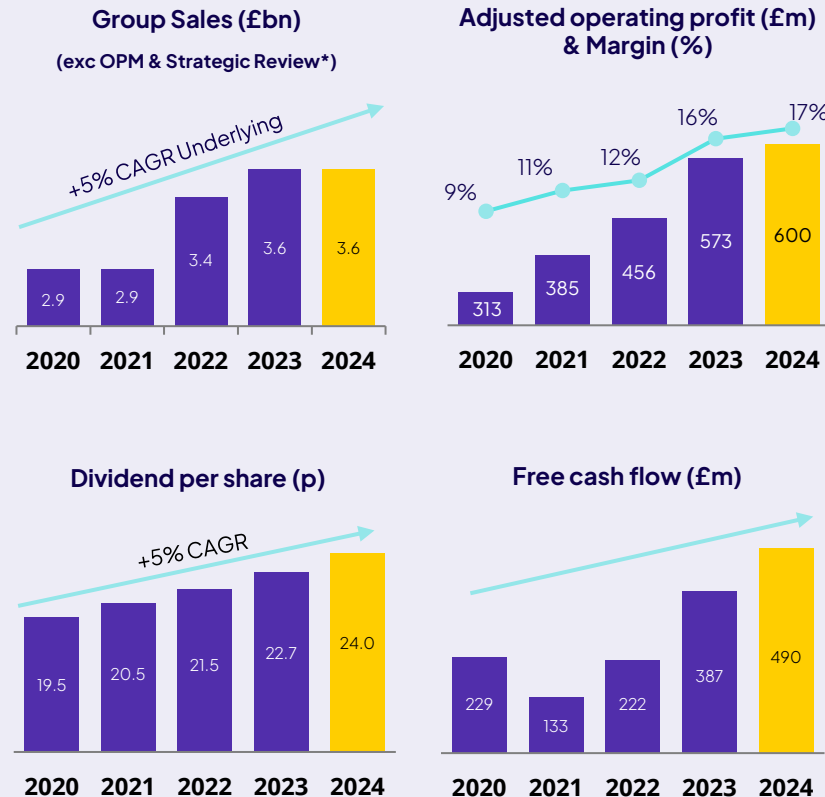
**Omar Abbosh**  
Chief Executive Officer



**Sally Johnson**  
Chief Financial Officer



## Strong Financials



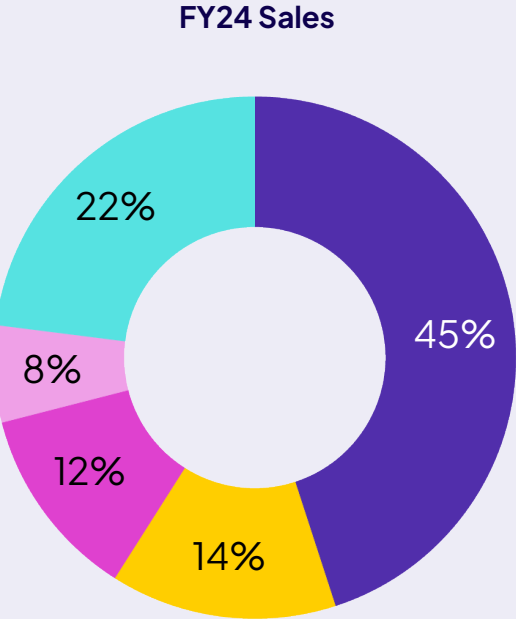
## Company Overview

- **The world's lifelong learning company:** services and software focused company, serving all ages and stages of learning, with a diverse customer set across institutions, enterprises and consumers.
- **Scaled business:** £3.6bn of sales across five scaled, global and highly digital business units.
- **Trusted business:** Customer-centric focus with deep domain and industry knowledge makes us trusted by governments, professional organisations, institutions, companies and learners
- **Three priorities for 2025:**
  - Deliver financial performance in line with market expectations
  - Continue to lead on application of innovative technologies, like AI, across our products and services
  - Grow Pearson's business across the enterprise customer segment

\*Group Sales at reported FX rates. Group sales CAGR on an underlying basis excluding OPM and Strategic Review businesses  
The average US dollar rate for the year against sterling was: 2020 \$1.28, 2021 \$1.38, 2022 \$1.24, 2023 \$1.25, 2024 \$1.28

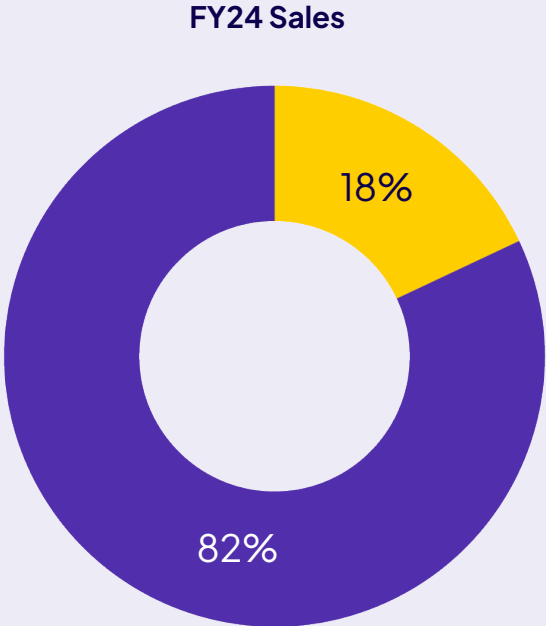
# Diversified, global and highly digital business

Pearson by business unit



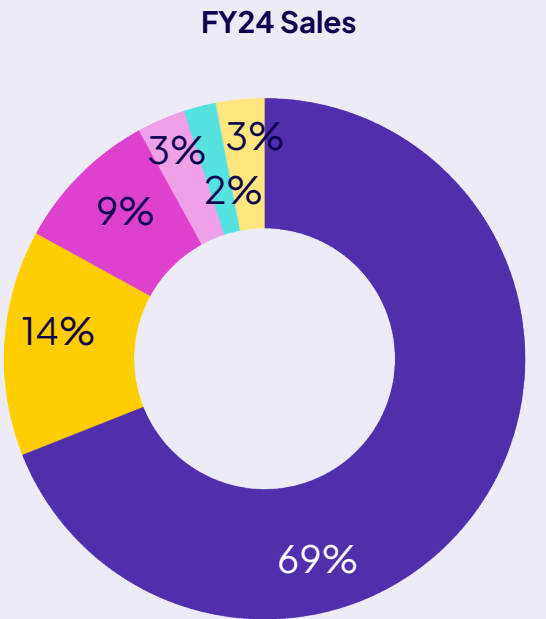
- Assessment & Qualifications
- Virtual Learning
- English Language Learning
- Enterprise Learning & Skills\*
- Higher Ed

Pearson by digital %



- Digital
- Non-digital

Pearson by region



- US
- United Kingdom
- APAC
- Europe
- Canada
- Other countries

\*In January 2025, Workforce Skills evolved to become Enterprise Learning and Skills, bringing together Pearson's enterprise sales capabilities globally (excluding those of Pearson VUE) and incorporating IT & Professional Learning (IT Pro) from Higher Education. This business generated £45m of sales and £12m of adjusted operating profit in 2024. 2024 amounts have been restated to reflect the move between operating segments.

# Pearson Does Three Things

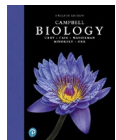
## Create and Curate Content

### Produce Assessments

Learning Courseware

Design Courses

Write Curriculum Standards



## Distribute Content Digitally and Physically

### Deliver Assessments

Distribute Lessons

Interactive Content

Facilitate Teaching



## Build and Verify Skills

### Score Assessments

Assess Gaps

Credential Skills

Evaluate Talent



Assessment and Verification core: ~2/3 of business is pure assessments with remaining ~1/3 products and services with assessments embedded



# We have five business units

## Assessment and Qualifications



Delivers the assessments that help people demonstrate their knowledge from school to professional careers

**45% of Sales**  
**23% margin\***

## Virtual Learning



Delivers high quality, affordable, accessible online learning

**14% of Sales**  
**13% margin\***

## Higher Education



Delivers digital, high quality study materials to millions of students

**22% of Sales**  
**12% margin\***

## English Language Learning



Helps people learn and prove their English proficiency

**12% of Sales**  
**12% margin\***

## Enterprise Learning & Skills



Helps employers future proof their workforce and helps employees gain new skills

**8% of Sales<sup>+</sup>**  
**7% margin<sup>+</sup>**

\*Adjusted operating profit margin

<sup>+</sup>In January 2025, Workforce Skills evolved to become Enterprise Learning and Skills, bringing together Pearson's enterprise sales capabilities globally (excluding those of Pearson VUE) and incorporating IT & Professional Learning (IT Pro) from Higher Education. This business generated £45m of sales and £12m of adjusted operating profit in 2024. 2024 amounts have been restated to reflect the move between operating segments.

# Two Seismic Trends Changing Education and Work

## Demographic Shift

10%

Of US jobs will be vacated by  
**retiring Boomers** ('24-'30)

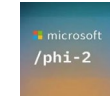
**The birth rate** is below the replacement  
rate in many developed countries

~7%

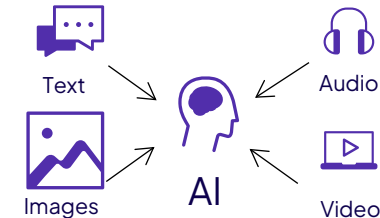
**Risk to US GDP growth** by 2030 as a  
direct result of Peak Boomer retirements

## AI, AI, AI

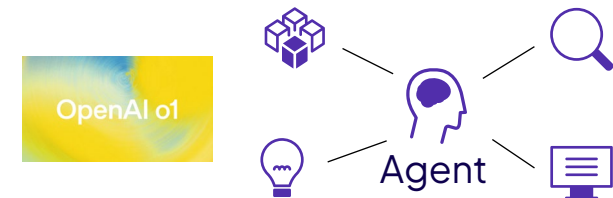
GenAI



Multi-Modal  
Models

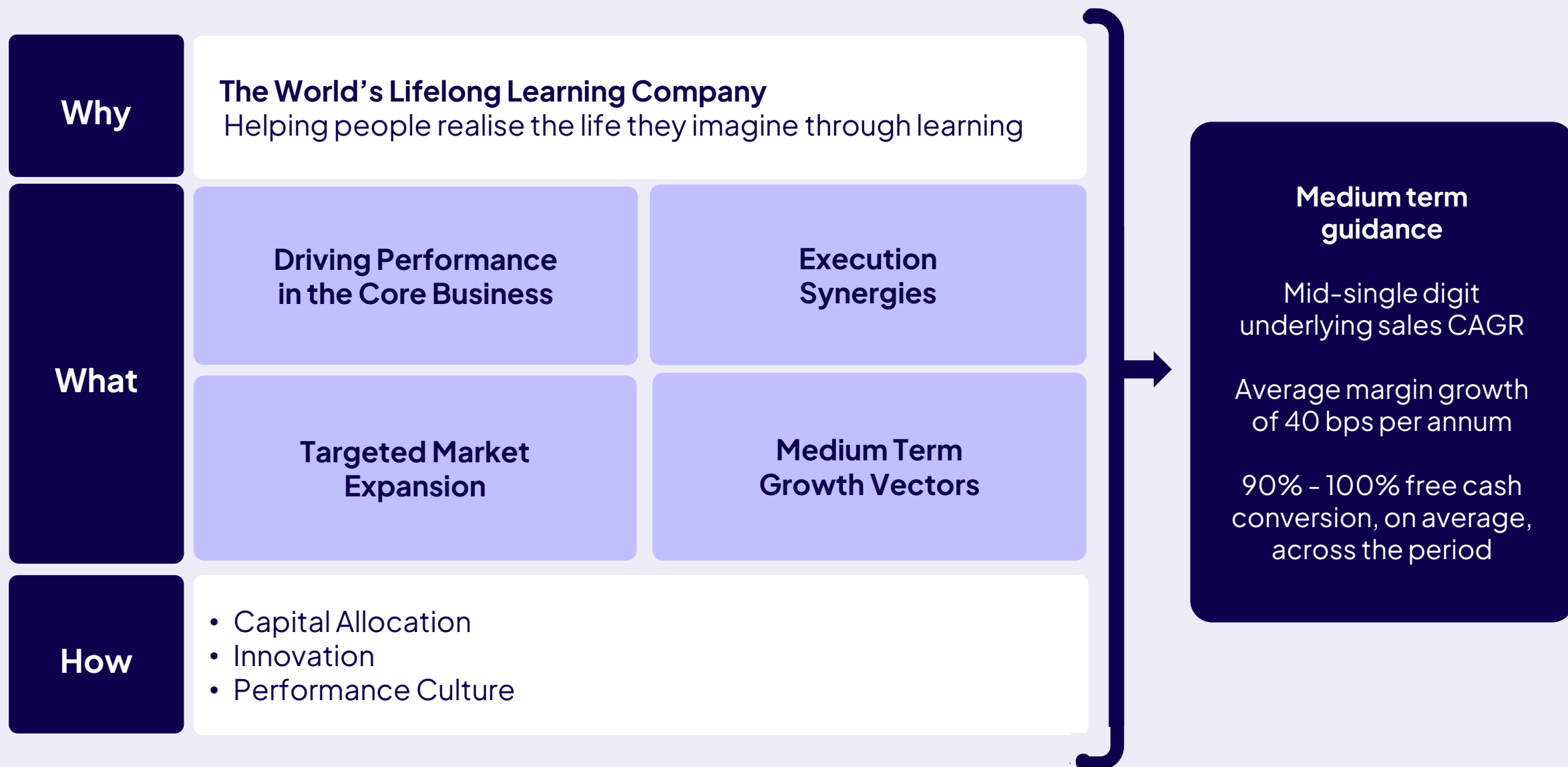


AI Models  
Moving to  
Reasoning  
& Agentic



Driving demand for Pearson's trusted lifelong learning software & services powered by learning science and technology

# Strategic framework unpinning medium-term outlook



# Why invest in Pearson?

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## **Unique Breadth**

Access to a strong education market with a well-diversified business. Our offerings span all stages of learning and professional development

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## **Established leaders in many of our segments**

Our products and services hold strong competitive positions in our chosen sectors, providing attractive adjacent market opportunities

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## **Trusted brand embedded within learning ecosystem**

We have trusted learning products and services built on deep insight into how people learn. We benefit from an extensive network of deep relationships with authors, institutions, educators, policy makers, students and companies

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## **Disciplined capital allocation policy**

Clear and disciplined approach to capital allocation driving long term shareholder value, supported by a strong balance sheet and robust cash generation

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## **Well-positioned for future compounding growth**

Strong track record of attractive returns for shareholders. Four strategic growth priorities supports our medium-term outlook.



# Strategic Priorities



# Our Strategic Priorities

We drive long-term shareholder growth through four strategic priorities:



## Driving performance in the Core Business

- We will continue to unlock opportunities across each of our business units to deliver better products with greater efficiency.
- Driving operational performance through areas ranging from sales, to sales operations, go-to-market execution and process optimisation, all leveraging the power of AI.



## Execution Synergies

- We will realise opportunities for sales and margin synergies across our business units from:
  - product and service bundling
  - a modern approach to software and product development
  - a focus on strategic partnerships.



## Targeted Market Expansion

- Targeted expansion into larger and faster growing adjacent segments of the learning market where we are confident we can build a strong position



## Medium Term Growth Vectors

- We have identified two growth areas - early careers and enterprise skilling - in which we are well positioned to thrive given our strengths, IP and relationships.



# Driving performance in the Core Business

## ASSESSMENT & QUALIFICATIONS

### Execution

- Contract wins and 99% customer retention in VUE
- VUE enterprise customer wins (ServiceNow & Salesforce) and enhanced customer relationships (Microsoft & AWS)
- US Student Assessment customer renewals
- Commercial expansion of Digital Assessment Library for Schools platform subscription model
- Successful international expansion for UK & International Qualifications

### Product & Services

- Building test prep content and sales capabilities for VUE
- Expanded formative assessment capabilities in US Student Assessment – Arizona and North Dakota
- Successful launch of the Wechsler Adult Intelligence Scale (5<sup>TH</sup> edition) in Clinical
- Content expansion of Digital Assessment Library for Schools platform in Clinical
- Developing new AI features within Exam Practice Assistant for GCSE students

## HIGHER EDUCATION

### Execution

- Improved selling performance leading to adoption share gain and sales growth
- Built direct US K12 sales channel for AP / Dual Enrollment / Career + Technical Education
- Successful monetisation of Channels features

### Product & Services

- Accelerated roll out of AI study tools to US students
- AI powered tools for instructors
- Roll out of AI study tools into leading titles internationally

2024

2025

- Continued customer wins and retention momentum
- Monetisation of test prep offering
- Continued strategic focus on formative assessment within US Student Assessment
- International expansion
- AI scoring and proctoring
- Product launches, including pharma in Clinical

- Building upon adoption share wins
- Continued focus on AI product enhancements
- Continued scaling of Channels features
- Growth focus in International Higher Education
- Scaling direct US K12 sales channel
- Expanding market opportunity into new collar skills



# Driving performance in the Core Business

2024

## VIRTUAL LEARNING

### Execution

- 3 new school openings
- Scaling career and college readiness programmes – now in 24 schools
- New enrolment portal pilots

### Product & Services

- AI powered custom assessments
- AI study tools embedded into curriculum for certain subjects and to enable teachers to design assessments

## ENTERPRISE LEARNING & SKILLS

### Execution

- Landed strategic partnerships with enterprise customers – ServiceNow, Microsoft & AWS
- Partner expansion with Degreed
- Credly crossed the 100 million unique badge milestone

### Product & Services

- Faethm competency levels added to skills ontology
- Launched GED & Me mobile app

## ENGLISH LANGUAGE LEARNING

### Execution

- Strong sales performance in Institutional
- Market share gains in PTE
- Wizard expansion in Brazil

### Product & Services

- PTE Core launch
- AI products – Digital Language Tutor launched and piloted Smart Lesson Generator for teachers

2025

- Career and college readiness programme expansion
- Improving core enrolment performance and scaling enrolments in new schools
- Expanding school network
- New school models

- Key account / strategic account management
- Product bundling focus
- International expansion in Vocational Qualifications

- Ongoing international market expansion in Institutional (LATAM/MENA)
- AI product enhancements
- Proficiency assessments

# Driving performance in the Core Business

Improvements in core operations  
benefitting Pearson as a whole



AI content generation



AI in customer services



Driving a Performance culture



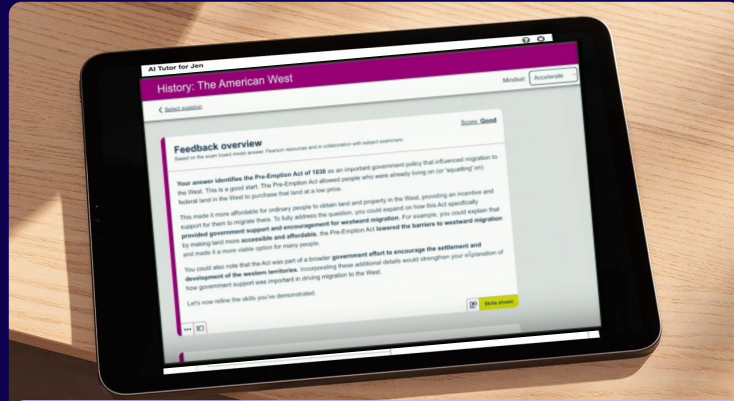
**Drive Operational Performance – Improved Customer Service – Enhanced Productivity**



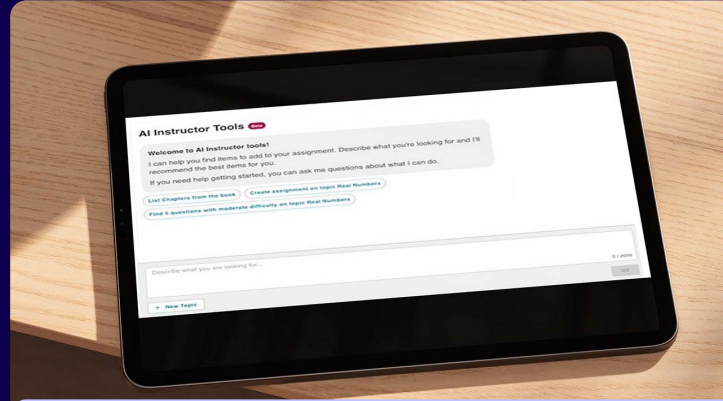


# Driving performance in the Core Business

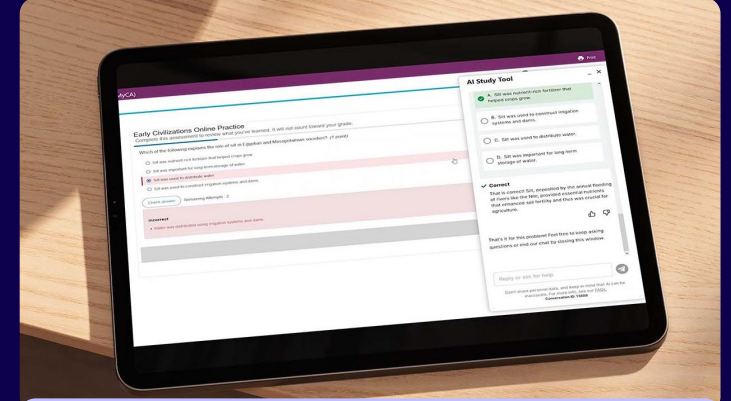
Significantly expanded our AI powered products and services across the whole business



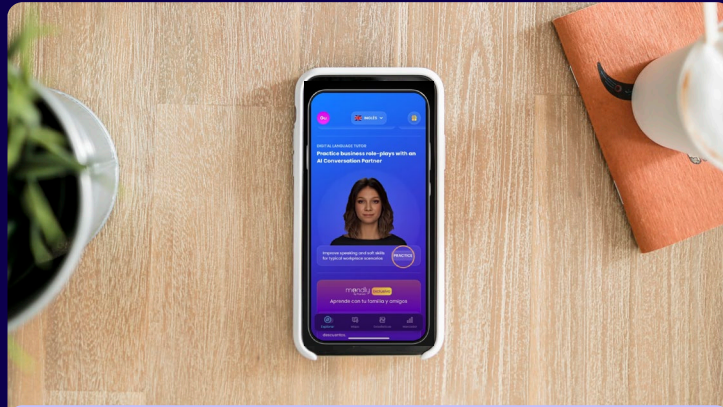
Assessment & Qualifications – Exam Practice Assistant  
([See Video Here](#))



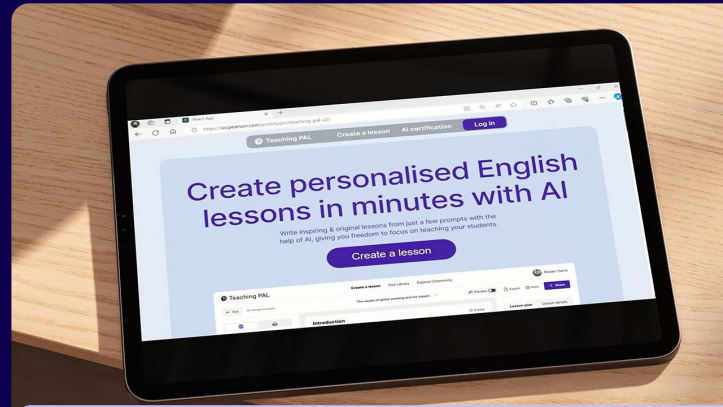
Higher Education – MLM Instructor AI Tools  
([See Video Here](#))



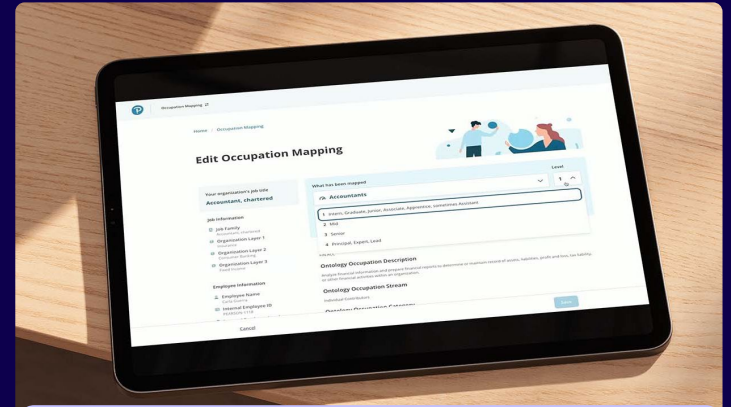
Virtual Schools – AI Study Tools  
([See Video Here](#))



English Language Learning – Digital Language Tutor  
([See Video Here](#))



English Language Learning – Smart Lesson Generator  
([See Video Here](#))



Enterprise Learning & Skills – Faethm  
([See Video Here](#))



# Execution Synergies

We will realise opportunities for sales and margin synergies across the business from:

## Product and Service Bundling

Select examples:

VERSANT™  
by Pearson

+

 Pearson  
TalentLens

 Pearson  
VUE

+

 Credly  
by Pearson

 Pearson  
TalentLens

+

 pdri  
by Pearson

 Pearson  
VUE

+

 Credly  
by Pearson

 FÆTHM  
by Pearson

## Product Management

Pearson Product Group  
implementing modern software  
management

A&Q

HE

VL

ELL

EL&S

Product

Product

Product

Design

Automation

Personalisation

Data Engine

## Strategic Partnerships

Consolidate down to a smaller  
number of strategic partners



Learning



Content



Technology

# Targeted Market Expansion



- Pearson strongly established in ~\$15B worth of segments growing at ~2% CAGR
- Identified another set of segments where we have a presence or close adjacency and confident we can build a strong position
- These segments, inclusive of core, are worth ~\$80B+, growing at 5% or faster per annum
- Pearson will invest at a faster rate in higher growth areas

	School	Higher Ed	Enterprise
Delivery			
Tech & Services			
Content			

**Simplified our Go-To-Market approach for Enterprise segment:**

- Large market opportunity
- Building dedicated strategic account management
- Customer Proof Points



Scale of above visual is not indicative of segment size

# Targeted Market Expansion

Capital allocation targeting investment into faster growth segments

## Adjacent Market Opportunities

~\$15B  
(2% CAGR)  
Core



~\$80B+  
(5%+ CAGR)  
Core + Adjacent  
Opportunities

Partnership with McGraw Hill  
**Formative Assessment**

College & Career Readiness  
**K12 district channel**

Pearson Skilling Suite  
**Test Prep**

## Innovation to Support Future Growth



**STUDIO  
NETWORK**



# Medium Term Growth Vectors

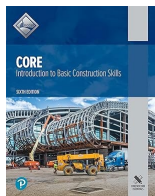
We have identified two growth areas – early careers and enterprise skilling – in which we are well positioned to thrive given our strengths, IP and relationships.

## Early Careers

In Early Careers, we see a strong need for new approaches and alliances for talent development, based around career and technical education and apprenticeships, along with partnerships with educational institutions and enterprises.

**CERTIPORT®**

A PEARSON VUE BUSINESS



Career and College  
Readiness K12 offering in  
Higher Ed



**eDynamic  
Learning**



**CONNECTIONS  
ACADEMY®**  
by Pearson

## Enterprise Skilling

We continue to see the Enterprise Skilling market as significant, and we have several relevant capabilities that will scale through expanded go-to-market capabilities.



Microsoft



Google Cloud

**servicenow**



**degreeed**

**aws**

**O'REILLY®**

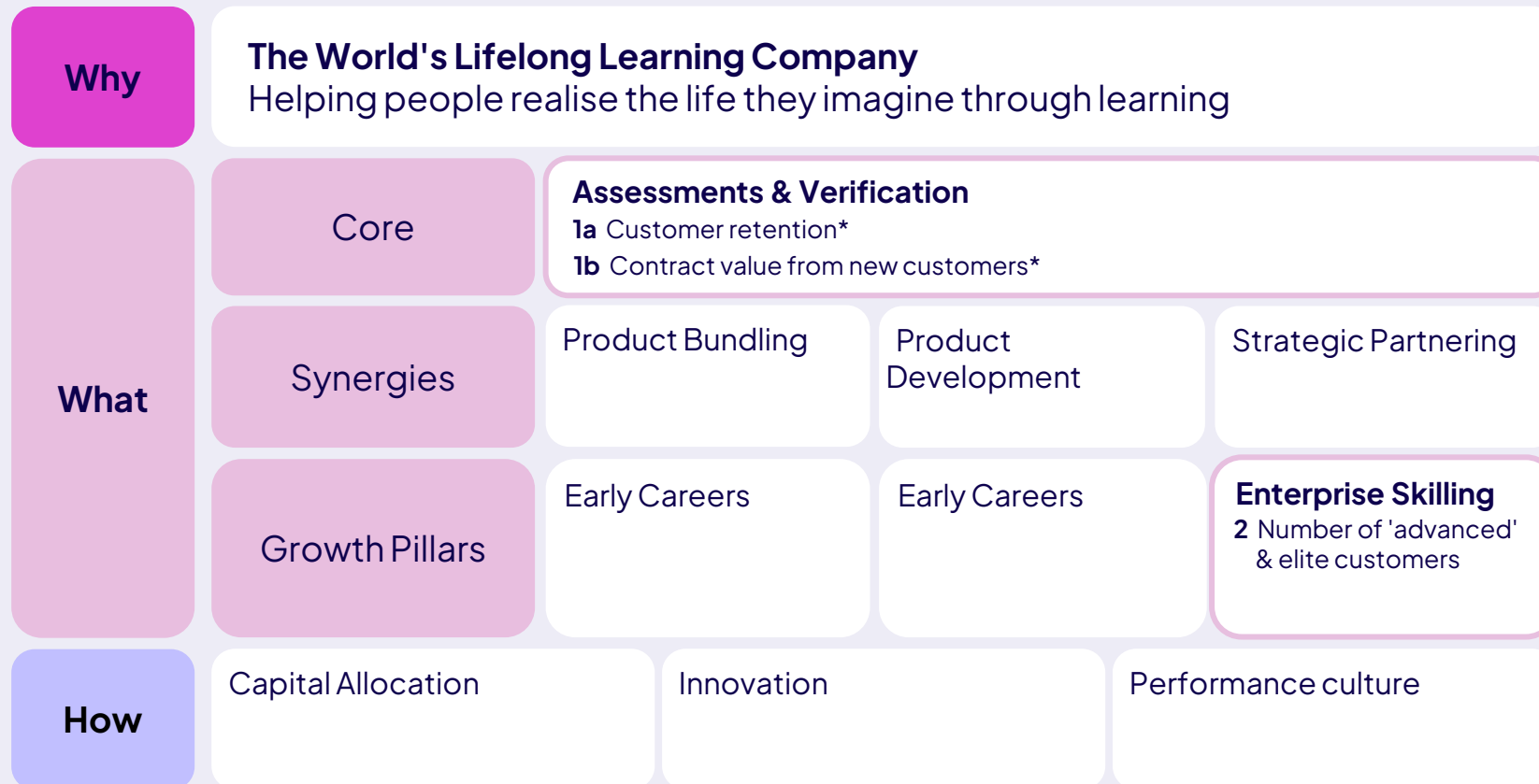
# M&A Principles

<b>Strategic Rationale</b>	Deals must be part of <b>pre-agreed strategy</b> , aligned with our corporate priorities.
<b>Returns</b>	Deals need to <b>demonstrate strong financial returns</b> , with confidence in value creation.
<b>Synergies</b>	Deals need to have <b>very clear synergies</b> with our core business.
<b>Strategic Focus Areas</b>	M&A to focus on well-run, profitable and growing business units.
<b>Deal Sourcing</b>	Expect our business teams to <b>develop proactive pipelines</b> , with strong preference to bilateral transactions.



# Pearson's Power Metrics

Introducing two power metrics to serve as leading indicators and help track progress against our strategic priorities. Given Assessments forms approximately two-thirds of our business and that we are very focused on driving growth in the Enterprise segment, the two power metrics are linked to these two themes.



# Financial Overview

# 2024 Financial Highlights

- **10% increase** in adjusted operating profit with margin expanding from **15.6% to 16.9%**
- Adjusted EPS increased **7% to 62.1p**
- Cash performance was excellent with operating cash conversion of **110%** and free cashflow conversion of **117%**
- Increased the dividend by **6%** and launched a Share Buyback of **£350m** in 2025

Sales £3,552m  
up 3% underlying\*

(2023: £3,674m)

Adjusted operating  
profit £600m up 10%  
underlying

(2023: £573m)

Operating cash flow £662m,  
110% conversion

(2023: £587m)

Free cash flow £490m,  
117% conversion

(2023: £387m)

Adjusted earnings per share  
62.1p up 7%

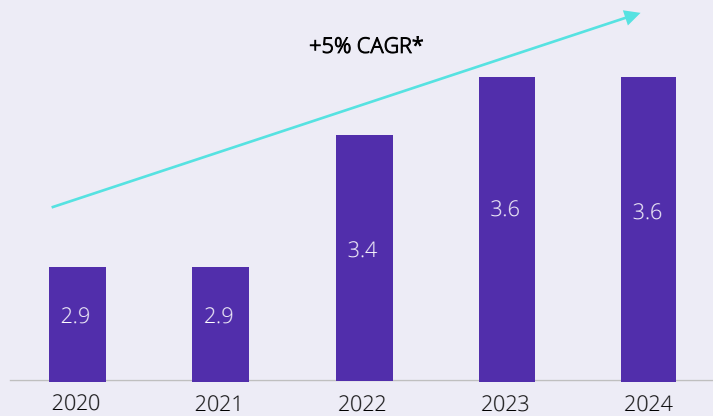
(2023: 58.2p)

Full year dividend  
24.0p up 6%

(2023: 22.7p)

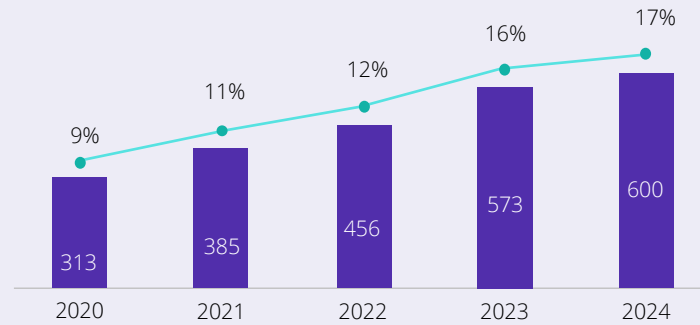
# Financial progress provides foundation for ongoing confidence

## Sales



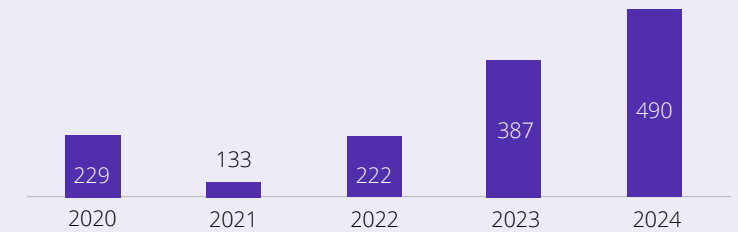
■ Group Sales excluding OPM and Strategic Review businesses\* (£bn)

## Adjusted operating profit and margin



■ Group Adjusted Operating Profit (£m)  
— Group Adjusted Operating Margin (%)

## Free cash flow



■ Free Cash Flow (£m)

\*Group Sales at reported FX rates. Group sales CAGR on an underlying basis excluding OPM and Strategic Review businesses  
The average US dollar rate for the year against sterling was: 2020 \$1.28, 2021 \$1.38, 2022 \$1.24, 2023 \$1.25, 2024 \$1.28

# Segment Sales & Adjusted Operating Profit

£m	Sales		
	2024	2023	Underlying growth*
Assessment & Qualifications	1,591	1,559	3%
Virtual Learning	489	616	(4%)
Higher Education**	826	855	1%
English Language Learning	420	415	8%
Workforce Skills**	226	220	6%
Strategic Review	-	9	(100%)
<b>Total</b>	<b>3,552</b>	<b>3,674</b>	<b>2%</b>
<b>Total, excluding OPM*** and Strategic Review****</b>			<b>3%</b>

Adjusted Operating Profit				
2024	2023	2024 Margin	2023 Margin	Underlying growth*
368	350	23%	22%	7%
66	76	13%	12%	(9%)
108	110	13%	13%	12%
50	47	12%	11%	30%
8	(8)	4%	(4%)	200%
-	(2)	-	(22%)	100%
<b>600</b>	<b>573</b>	<b>16.9%</b>	<b>15.6%</b>	<b>10%</b>

\*Underlying growth rates exclude currency movements, and portfolio changes. Constant exchange rates are calculated by assuming the average FX in the prior year prevailed through the current year.

\*\*In January 2025, Workforce Skills evolved to become Enterprise Learning and Skills, bringing together Pearson's enterprise sales capabilities globally (excluding those of Pearson VUE) and incorporating IT & Professional Learning (IT Pro) from Higher Education. This business generated £45m of sales and £12m of adjusted operating profit in 2024. The 2024 Key Financials figures have not been restated to aid comparison to previous years.

\*\*\*We completed the sale of the Pearson Online Learning Services (POLS) business in June 2023 and as such have removed from underlying measures throughout. Within this specific measure we exclude our entire OPM business (POLS and ASU) to aid comparison to guidance.

\*\*\*\*Strategic Review is sales in international courseware local publishing businesses which have been wound down. As expected, there are no sales in these businesses in 2024.



# H1 2025 Financial Highlights

- H1 financial performance **in line with our expectations**
- Full year outlook **reaffirmed**
- **Sales and adj. operating profit up 2%** on an underlying basis
- Adjusted EPS impacted by FX headwinds
- **Strong** free cash performance
- **Share buyback** well underway – **balance sheet strength** remains
- Interim dividend **up 5%**

**Sales £1,722m  
up 2% underlying**

(2024: £1,754m)

**Adjusted operating profit  
£242m up 2% underlying**

(2024: £250m)

**Adjusted earnings per  
share 24.5p down 4% headline**

(2024: 25.6p)

**Free cash flow £156m,  
up £129m from last year**

(2024: £27m)

**Net Debt £1.0bn**

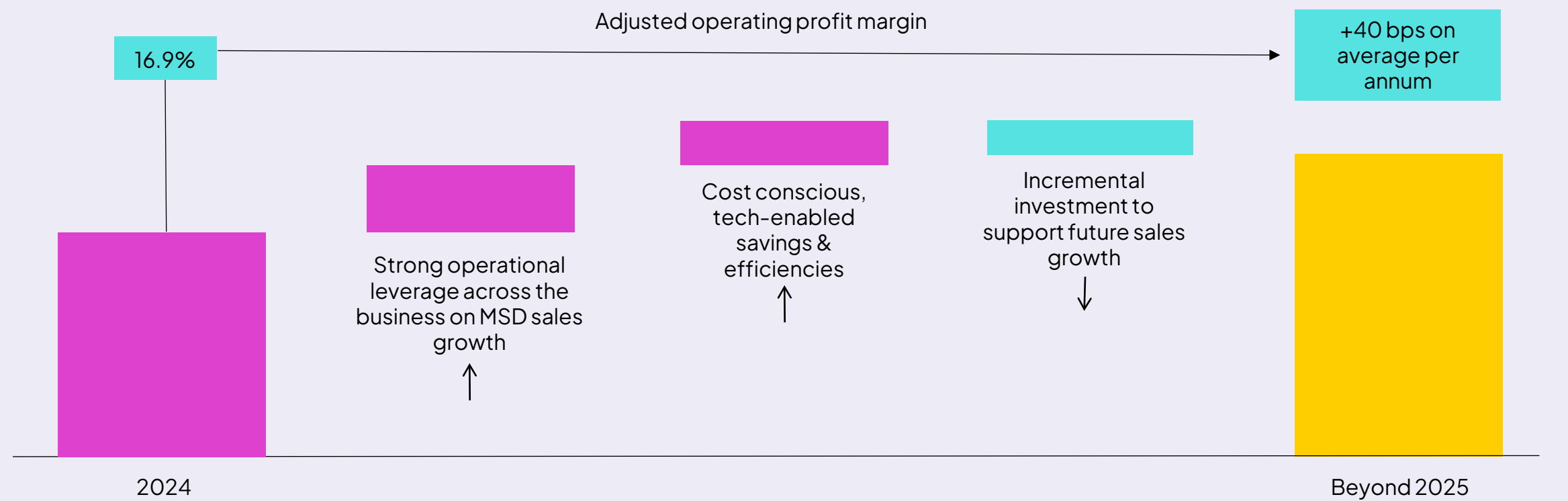
(2024: £1.2bn)

**Interim dividend  
7.8p up 5%**

(2024: 7.4p)

# Driving long-term value through sustainable profitable growth

Ample runway for margin improvement through our strong operating leverage on sales growth combined with being cost conscious and implementing technology-enabled cost efficiencies, partially offset by investments to drive growth.



# 2025 Outlook & Phasing

		Full year	H2 phasing considerations
Underlying sales growth	Group	In line with market expectations*	Stronger sales growth in H2, in particular in Q4
	Assessment & Qualifications	Grow low to mid-single digit	Growth will be H2 weighted, in particular to Q4, due to new and renewed contracts and the new test prep business
	Virtual Learning	Return to growth	Return to growth in H2 driven by enrolment increases, partially from new school openings, for the 25/26 academic year
	Higher Education	Growth in 2025 will be higher than in 2024	Growth in H2 2025
	English Language Learning	Growth will moderate	Growth will be H2 weighted, in particular to Q4, PTE will decline
	Enterprise Learning & Skills	Grow high single digit	Growth will increase quarter on quarter supported by recent customer announcements and pipeline activity

\*2025 consensus on the Pearson website dated 27<sup>th</sup> January 2025; underlying sales growth 4.4%

# Group Financial Expectations

2025 Group expectations	Adjusted Operating profit	In line with market expectations*
	Interest	c.£65m – cashflow strength offsetting acquisition funding
	Tax	24 – 25%
	Cash flow	Free cash flow conversion** of 90-100% + £0.1bn State Aid repayment received in Q1 2025
	FX	Every 1c movement in GBP:USD rate equates to approximately £5m adjusted operating profit impact
2026+ Medium-term guidance	<ul style="list-style-type: none"> <li>• Mid-single digit underlying sales CAGR</li> <li>• Average margin growth of 40 bps per annum</li> <li>• 90% – 100% free cash conversion, on average, across the period</li> </ul>	

\*2025 consensus on the Pearson website dated 27th January 2025; adjusted operating profit of £656m at £:\$ 1.23. Taking the average FX rate for H1 2025 (£:\$1.31) and assuming the July 2025 month end rate of (£:\$1.32) for the rest of the year, results in an implied FX rate for the full year of £:\$1.32. This results in an updated adjusted operating profit of c.£611m.

\*\*Free cash flow conversion calculated as free cash flow divided by adjusted earnings.

# Focus on disciplined capital allocation

Strong balance sheet | Net debt / EBITDA around 2x

## 1. Invest in the business to accelerate growth opportunities

Capex and product development for organic growth

Focused and disciplined approach to M&A

## 2. Dividends

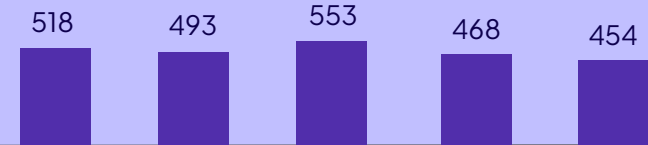
Progressive and sustainable  
Dividend per share growth 5% CAGR 2020-2024.

## 3. Surplus cash returns

Buybacks or special dividends as and when appropriate £1.0bn of surplus cash returned since 2020, £350m buyback launched in 2025

2020 2021 2022 2023 2024

Capex + Product Development spend (£m)



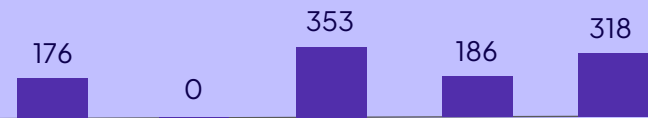
Acquisition consideration (£m)



Dividend per share (p)



Share buyback (£m)



# Strong financial position

Five years of positive cash flow characteristics, comfortable leverage and improved return on capital.

	Net debt (£m)	Net debt: Adj. EBITDA	ROC	Operating cash flow (£m)	Operating cash flow conversion	Free cash flow (£m)
2024	853	1.1x	10.5%	662	110%	490
2023	744	1.0x	10.3%	587	102%	387
2022	577	0.8x	8.7%	401	88%	222
2021	350	0.6x	7.9%	388	101%	133
2020	463	0.8x	6.6%	315	101%	229
	Strong balance sheet retained		ROC improvement +390bps	Operating cash flow growth 20% CAGR	Average cash conversion 100%	Free cash flow growth 21% CAGR

# Business Units



# Assessment & Qualifications (A&Q)

## Business Unit Overview

- Comprises of four sub-business units with significant scale and strong competitive positions, with over 90m interactions per year
- A&Q offerings span all stages of learning and professional development
- Majority of business unit underpinned by long-term contracts, with business delivering high renewal rates
- Pearson's largest and most profitable business unit with strong margins, cash flows, and Group synergies – together with good financial visibility

**c.21m** VUE test volumes in 2024 and **99%** VUE partner retention

**Over 90% retention rate** for Clinical Assessment digital subscription model

**Over 2,000** International Schools working with Pearson

US Student Assessment presence in **over 50% of US states**

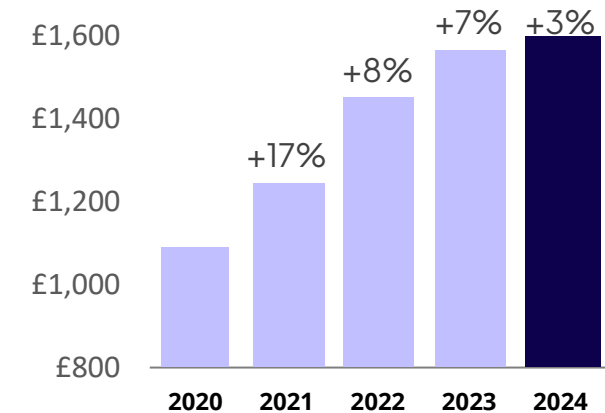
FY24 Sales Mix

A&Q **45%**

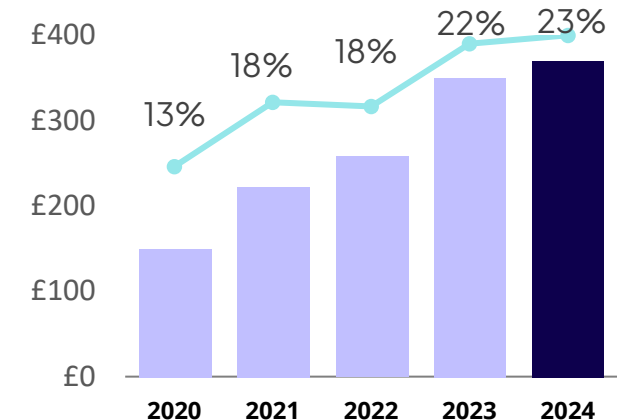


## Key Financials

### Sales (m) / Underlying Growth



### Adjusted operating profit (m) / margin



# Assessment & Qualifications (A&Q) (continued)

FY24 Sales Mix

A&Q 45%



Sub-Business Unit	Description	Sales & Mix (2024)	Underlying Sales Growth (2024)	2025 Growth Drivers	Core Capability	Purchase Decision Maker
<b>Pearson VUE</b>	Excels as a global leader in scaled testing services, serving a range of industry sectors with an extensive test centre network and flexible delivery options.	£0.67bn (42%)	+3%	New customer contracts and renewal; Expanding into test prep	Services	Enterprises & Institutions
<b>US Student Assessment</b>	Specialises in customized large-scale testing programmes for US K-12 education, focusing on state-specific criteria and providing insights to stakeholders.	£0.36bn (22%)	+1%	Key customer renewals; expanding into formative testing	Services	Institutions
<b>Clinical Assessment</b>	Provides high-quality, research-backed assessment products for mental health and learning evaluations, serving the healthcare and education sectors.	£0.28bn (18%)	+4%	New products; expansion of Digital Assessment Library for Schools platform subscription model	Software	Institutions
<b>UK &amp; International Qualifications</b>	Offers globally recognised UK-curriculum-based qualifications, such as GCSEs and A levels, as well as courseware for English-speaking regions throughout the world, supporting foundational student progression worldwide.	£0.28bn (18%)	+8%	International expansion	Services & Software	Institutions

# Virtual Learning (VL)

## Business Unit Overview

- Provides high-quality, highly accountable online learning solutions for K-12 students through two main offerings: Partner Schools and District Partnerships
- Pearson operates all aspects of the Virtual School experience including hiring teachers, providing curriculum in line with state requirements, marketing and enrolment, back-office support, etc
- Two large partner school losses impacted 2023 and 2024, however, enrolments were up 4% for the 2024/25 academic year on a same school basis
- We operate 40 schools across 30 states for the 2024/25 academic year

Established Virtual School provider with **National presence**

**96k**  
Virtual US enrolments

**Over 50%** of Connections Academies have College and Early Career programs

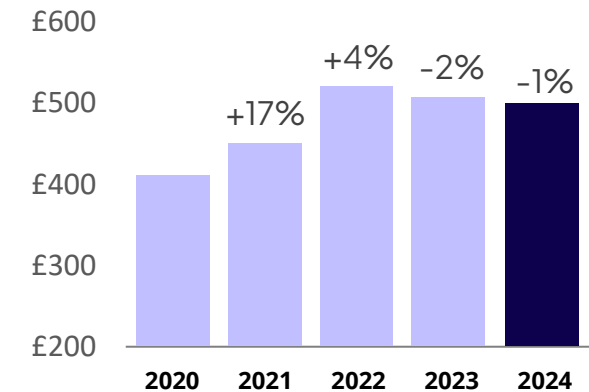
FY24 Sales Mix

VL 14%

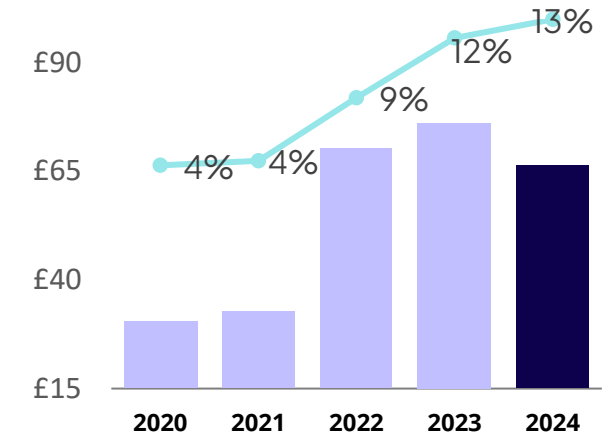


## Key Financials

### Sales (m) / Underlying Growth\*



### Adjusted operating profit (m) / margin



\*Sales and underlying growth are only for Virtual Schools (excludes OPM, which we have since exited)

# Virtual Learning (VL) (continued)

FY24 Sales Mix

VL 14%



Main Offerings	Description	Sales Mix (2024)	Underlying Sales Growth (2024)	2025 Growth Drivers	Core Capability	Purchase Decision Maker
Partner Schools	Provides tailored virtual school solutions to public K-12 districts in the US, combining Pearson's courseware, instructional services and support for high-quality, flexible online learning.	c.96%	-1%	Enrolment increases, partially from new school openings for the 2025/26 academic year, and operational changes	Services	Institutions
District Partnerships	Offers customisable virtual education solutions for K-12 districts, focusing on smaller student cohorts with a more disaggregated approach than Partner Schools, ensuring access to quality, adaptable remote learning for various needs.	c.3%				

# Higher Education (HE)

## Business Unit Overview

- Market leader in providing world-class learning experiences in the post-secondary market with strength in both eText and courseware digital learning products that serve millions of students worldwide
- Partner with thousands of expert authors to create learning materials across many academic disciplines, with particular strength in science, technology, engineering and maths (STEM)
- First major higher education publisher to integrate generative AI study tools into our proprietary academic materials
- We are also expanding our footprint in secondary education, having recently built direct US K12 sales channel for Advanced Placement / Dual Enrollment / Career + Technical Education

**c.11m**  
US Higher Ed  
Units

**c.90%** of  
units being  
delivered  
digitally

Students  
are **4x** as likely to  
engage in active  
and efficient  
studying when  
using our AI tools

FY24 Sales Mix

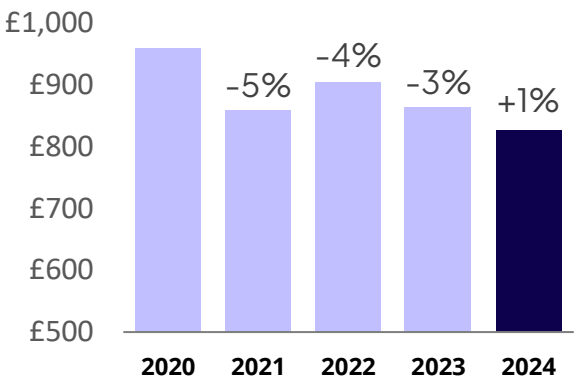
HE 22%\*



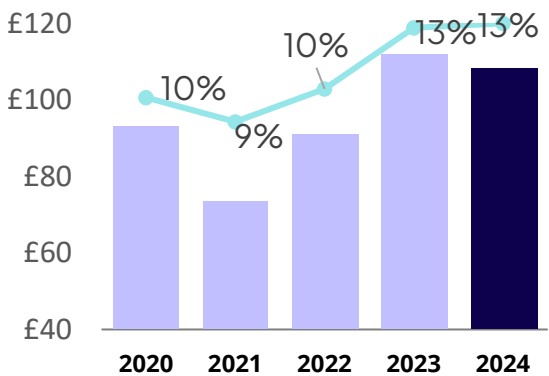
\*Restated to reflect the move of IT Pro between operating segments.

## Key Financials

### Sales (m) / Underlying Growth



### Adjusted operating profit (m) / margin



Note: The enterprise focused business within Higher Education (IT Pro) has been transferred into Enterprise Learning and Skills from January this year. This business generated £45m of sales and £12m of adjusted operating profit in 2024. The 2024 Key Financials figures have not been restated to aid comparison to previous years.



# Higher Education (HE) (continued)

FY24 Sales Mix

HE 22%\*



\*Restated to reflect the move of IT Pro between operating segments.

Sub-Business Unit	Description	Sales & Mix (2024)	Underlying Sales Growth (2024)	2025 Growth Drivers	Core Capability	Purchase Decision Maker
<b>US Higher Education</b>	Market leader in providing world-class learning experiences in the post-secondary market. We also sell some of this content into the US K12 channel.	<b>£0.70bn (84%)</b>	+2%	Continuing to scale AI-enhanced offerings, winning adoption share and expanding our footprint in secondary education (e.g. AP, Dual Enrolment, CTE), and post-secondary markets	Software	Institutions
<b>International Higher Education</b>	Provides world-class learning experiences in international post-secondary education markets.	<b>£0.13bn (16%)</b>	-5%	Expansion, particularly within emerging markets and our digital offerings	Software	Institutions

# English Language Learning (ELL)

## Business Unit Overview

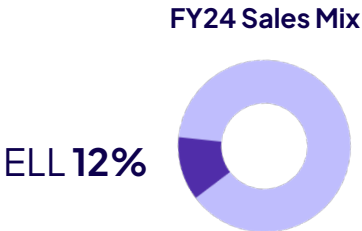
- We offer comprehensive English learning and assessment solutions, including the Pearson Test of English (PTE)
- We aim to become the world’s leading destination for language learners to build and prove their proficiency in English
- Central to the success of all our products is our proprietary Global Scale of English – a scale that allows learners to track the progress of their language learning journey
- We blend pedagogical expertise in English language education with advanced technology to deliver personalised, scalable learning and assessment solutions for individuals pursuing personal, academic, or professional objectives

**c.1.1B**  
English  
Language  
Learners Globally

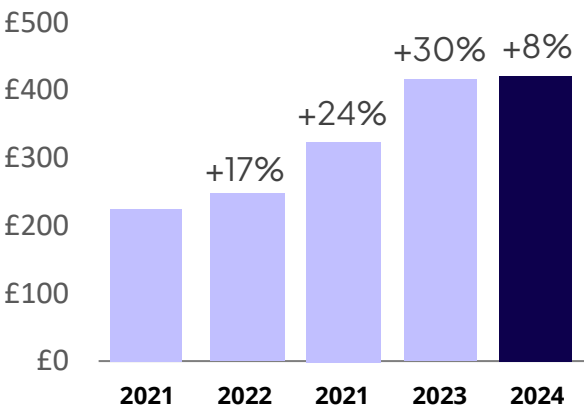
**Established  
player**  
in high-stakes  
English  
assessment

**c.1.1m**  
PTE volume  
in 2024

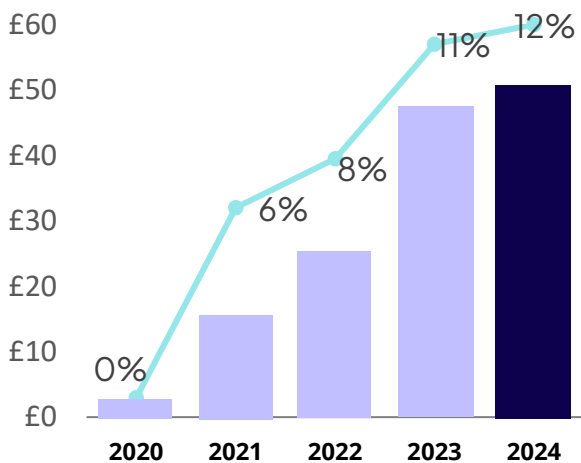
## Key Financials



Sales (m) / Underlying Growth



Adjusted operating profit (m) / margin



# English Language Learning (ELL) (continued)

FY24 Sales Mix

ELL 12%



Sub-Business Unit	Description	2025 Growth Drivers	Core capability	Purchase Decision Maker
<b>Pearson Test of English (PTE)</b>	Trusted brand providing secure, high-stakes English language testing for study applications worldwide, and for visa applications for work and migration in Australia, the UK, New Zealand, and Canada.	Expect PTE to decline due to a continuation of the challenging market backdrop, including upcoming elections in Australia and Canada, but remain confident in the medium-term outlook given demographic projections and our competitive strength	Software	Institutions
<b>Institutional</b>	Catering to a wide range of learners, including those in enterprise (via our Versant suite of tests), schools/institutions (via proficiency assessments, courseware and the Wizard platform).	Continued expansion in the Middle East and Latin America markets, AI product enhancements and proficiency assessments	Software	Enterprises & Institutions
<b>Online</b>	Online English language learning tools, including Mondly by Pearson, which has c.500k paid subscribers.	AI product enhancements & enterprise	Software	Enterprises & Institutions

# Enterprise Learning & Skills (EL&S)

## Business Unit Overview

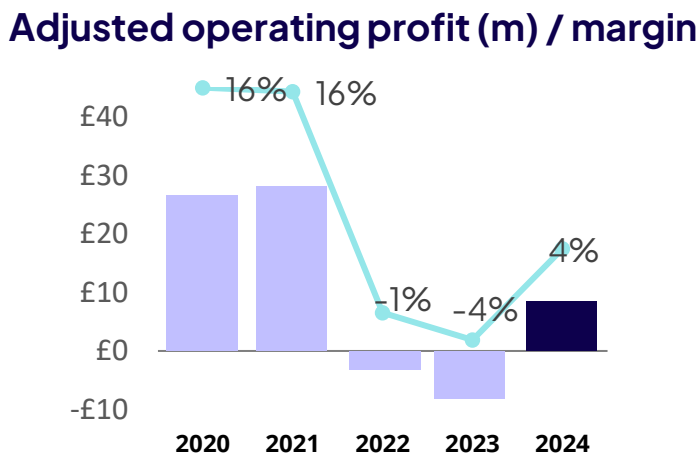
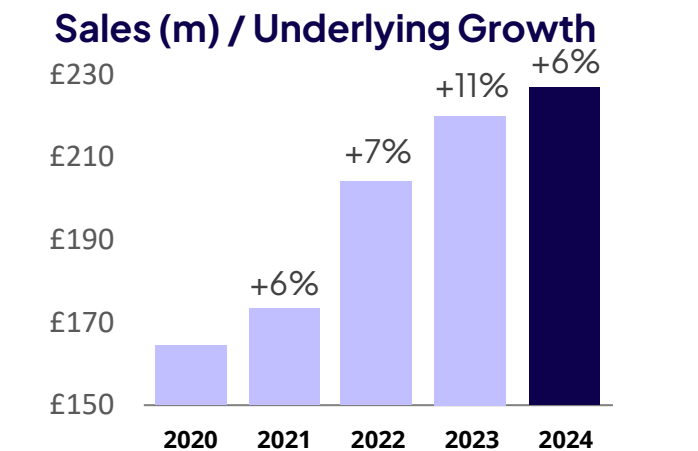
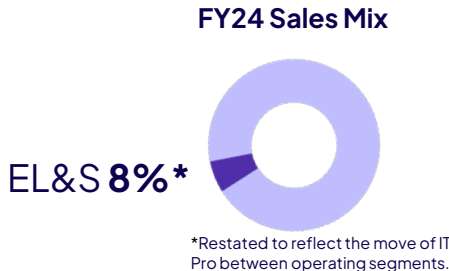
- Workforce Skills became Enterprise Learning & Skills in January 2025, bringing together Pearson’s enterprise sales capabilities globally (excluding those of Pearson VUE)
- We offer career-focused qualifications and enterprise talent solutions through two distinct offerings: Vocational Qualifications (VQ) and Enterprise Solutions, which includes the General Education Development (GED) US High School certification alternative
- We are building dedicated strategic account management and a joined-up go-to-market approach so that we can better service this customer segment with the full suite of Pearson solutions

**1 in 5**  
working-age  
individuals  
in UK holds  
Pearson BTEC

**c.1,500**  
EL&S enterprise  
customers

**Over 100m**  
unique Credly  
badges issued

## Key Financials



Note: The enterprise focused business within Higher Education (IT Pro) has been transferred into Enterprise Learning and Skills from January this year. This business generated £45m of sales and £12m of adjusted operating profit in 2024. The 2024 Key Financials figures have not been restated to aid comparison to previous years.

# Enterprise Learning & Skills (EL&S) (continued)

FY24 Sales Mix

EL&S 8%\*



\*Restated to reflect the move of IT Pro between operating segments.

Sub-Business Unit	Description	Underlying Sales Growth (2024)	2025 Growth Drivers	Core capability	Purchase Decision Maker
<b>Enterprise Solutions</b>	Enterprise Solutions addresses the evolving needs of businesses for skilled talent in a rapidly changing economy, including responding to the opportunity and challenge of AI. We assist companies in understanding and bridging their skills gaps, through talent planning and sourcing and genuine skills development to deliver commercial objectives.	+6%	Enterprise sales momentum, aided by the new business unit structure and go-to-market approach, and the addition of several new contracts	Software & Services	Enterprises & Institutions
<b>Vocational Qualifications</b>	Global leader in career-focused qualifications, offering programmes that are rooted in real-world work scenarios. These qualifications enable students, apprentices and workers in the UK and globally to develop and apply knowledge, skills and behaviours essential for employability.	+5%	International expansion	Services	Enterprises & Institutions

# Investor Relations Contacts

## Alex Shore

SVP, Head Investor of Relations

[alex.shore@pearson.com](mailto:alex.shore@pearson.com)  
+44(0)7720 947 853

## Steph Crinnegan

Director, Investor Relations

[steph.crinnegan@pearson.com](mailto:steph.crinnegan@pearson.com)  
+44(0)7780 555 351

## Gemma Terry

Director, Investor Relations

[gemma.terry@pearson.com](mailto:gemma.terry@pearson.com)  
+44(0)7841 363 216

## Brennan Matthews

VP, Investor Relations

[brennan.matthews@pearson.com](mailto:brennan.matthews@pearson.com)  
+1(332)238-8785

Please visit [here](#) for the Pearson Investor Relations website  
or e-mail the IR team at [ir@pearson.com](mailto:ir@pearson.com).





# Thank you

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