



# Introduction to Pearson

May 2026



# 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



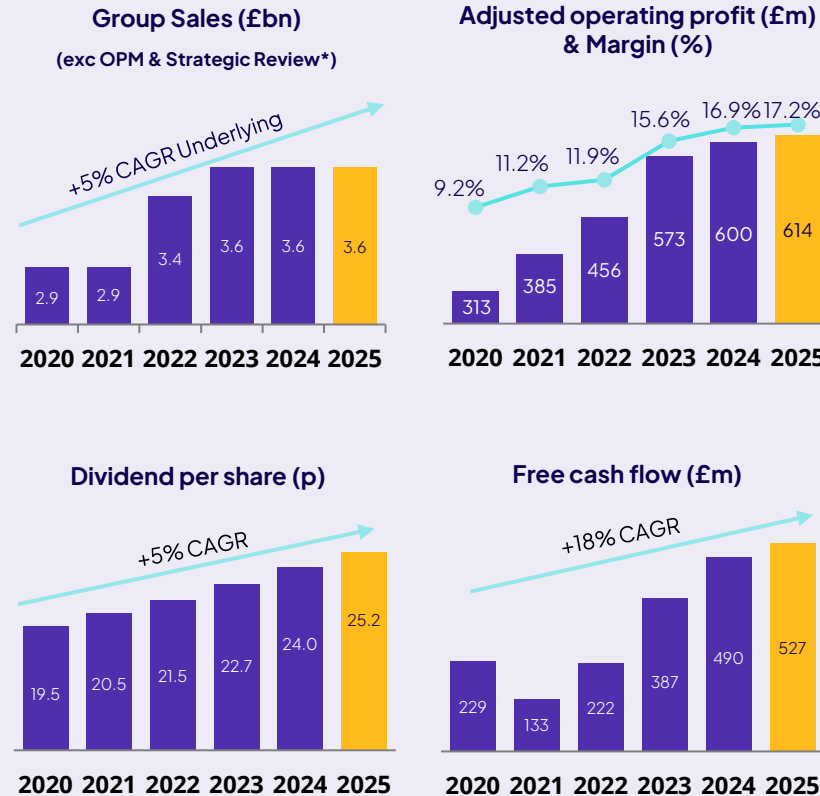
**Omar Abbosh**  
Chief Executive Officer



**Simon Robson**  
Chief Financial Officer



## Strong Financials



## Company Overview

- **The world's lifelong learning company:** assessment & verification at our core, 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 global business units with unique characteristics and enduring competitive strengths
- **Trusted business:** gained through a long track record of operational excellence in our large-scale services businesses and through our quality IP, expertise in how people learn and how to deliver evidence of learning outcomes within formal education institutions
- **Three priorities for 2026:**
  - Deliver on 2026 group guidance
  - Lead on application of innovative technologies, like AI, driving better attainment outcomes and enhanced experiences
  - Progress core business and enterprise power metrics

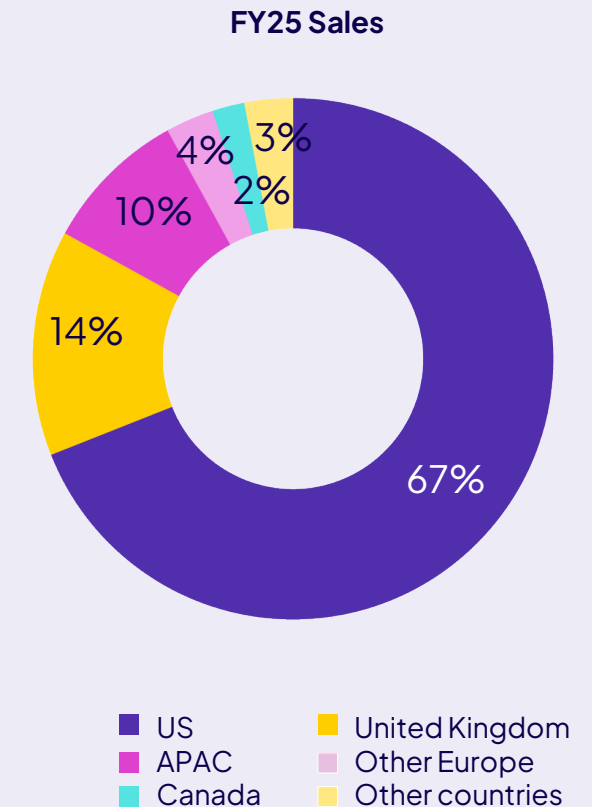
\*Group Sales at reported FX rates. Group sales CAGR on an underlying basis excluding OPM and Strategic Review businesses  
The average US dollar rate for the year against sterling was: 2020 \$1.28, 2021 \$1.38, 2022 \$1.24, 2023 \$1.25, 2024 \$1.28, 2025 \$1.32

# Diversified portfolio, with broadest scope of any education company

## Pearson by business unit

<b>Assessment and Qualifications</b>	Delivers the assessments that help people demonstrate their knowledge from school to professional careers	<b>45% of sales</b> <b>59% of profit*</b> <b>23% margin*</b>
<b>Virtual Learning</b>	Delivers high quality, affordable, accessible online learning for K12 students	<b>14% of sales</b> <b>13% of profit*</b> <b>16% margin*</b>
<b>Higher Education</b>	Delivers digital, high quality learning experiences to millions of college students worldwide	<b>22% of sales</b> <b>15% of profit*</b> <b>12% margin*</b>
<b>English Language Learning</b>	Helps people develop and validate their English proficiency	<b>11% of sales</b> <b>8% of profit*</b> <b>12% margin*</b>
<b>Enterprise Learning &amp; Skills</b>	Provides career-focused qualifications and enterprise talent solutions, including skilling content, assessments and digital credentialing.	<b>8% of sales</b> <b>5% of profit*</b> <b>10% margin*</b>

## Pearson by region



\*Adjusted operating profit

# Our unique characteristics deliver strong, durable cash flows

**~ 90% Profit**

Operationally complex  
physical and digital  
workflows and print

**~10% Profit**

Digital courseware, embedded  
in critical workflows

**~80%+**  
Assessment and  
Verification  
&  
Virtual Schools

## Assessment & Verification

- Interconnected physical and digital workflows enable large scale delivery in highly regulated markets
- High levels of security requirements, statistical evidence bases, meeting regulatory outcomes
- **AI can enhance the productivity of our operations and improve services to customers**

## Virtual Schools

- Complex, human led services deliver a complete K12 school online, aligned to high state regulatory standards
- **AI can be used to improve teacher and student experience**

Print  
Courseware

- Many countries and customers will require print-based products for foreseeable future

Digital  
Courseware

- Products to enable educators to deliver courses end to end
- Established customer relationships with high switching costs
- Tightly integrated into higher ed platforms
- **AI plays important role in personalization and is leading to improved learning outcomes**

# Enduring competitive strengths provide platform for future growth



# Two seismic trends provide a tailwind for Pearson

Demographic shifts and the advance of AI are driving major demand for skilling and the validation of skills. Enterprises will need to upskill workforces at pace to keep up with rapid technology changes, and institutions will need to provide alternative skilling pathways for vocational and career and technical education.

## Mega trends

Demographics

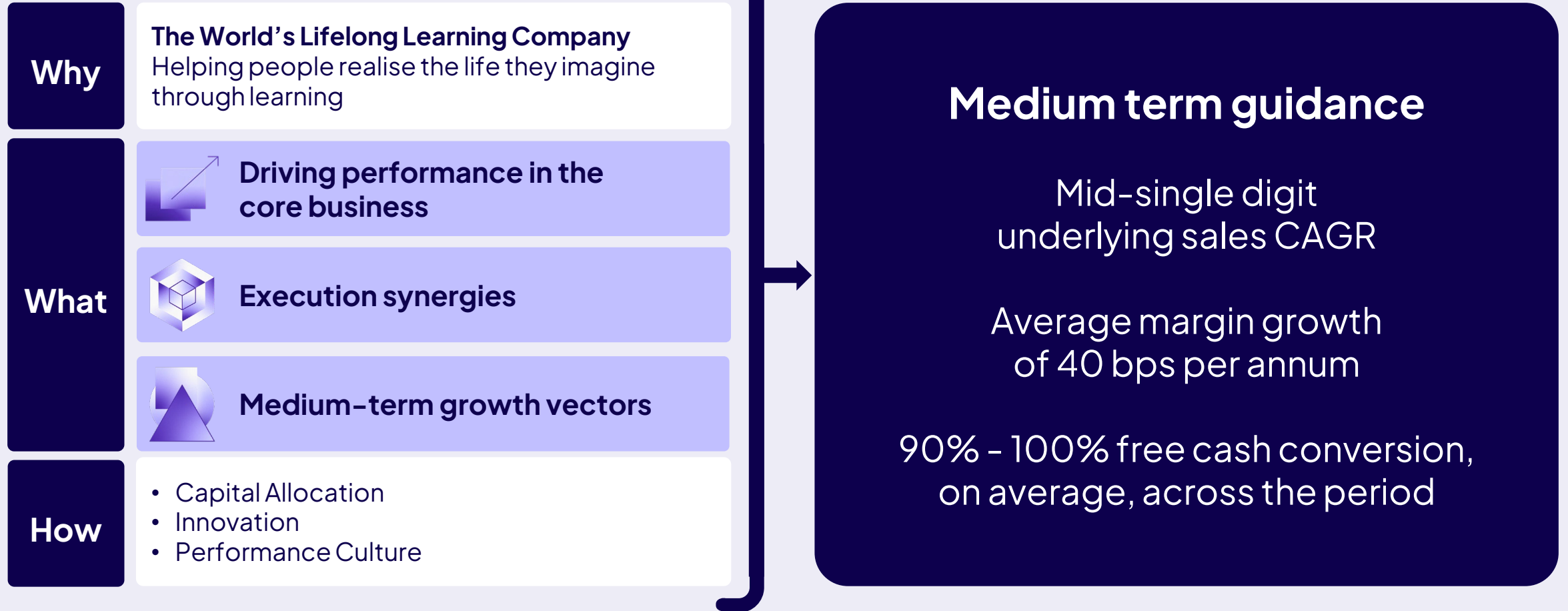
AI



Upskilling  
demand

Pearson is perfectly positioned to benefit from increased global demand for human skilling

# Strategic outline underpinning mid-single digit growth outlook



# Why invest in Pearson?

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## Diversified business with unique characteristics

- Pearson is well-diversified across learning and education
- Our core capability is measuring skills through assessments & verification
- We are a trusted, established leader across almost all of our businesses

## Clear strategic priorities to drive compounding sales and margin growth

- Three strategic priorities supports our medium-term outlook
- Moving from holding company to unified operating company creates significant opportunity
- Relevant products, services, IP, and capabilities provide expansion opportunities in fast growth Early Careers and Enterprise Skilling segments

## Innovative technologies, like AI, are benefiting us

- AI is driving demand for what we do - skilling and skills validation
- We are enhancing our products and services with technology, including AI
- AI is already driving efficiencies and cost savings across our business

## Disciplined capital allocation policy driving long term shareholder value

- Clear approach to capital allocation
- Strong balance sheet and robust cash generation provides optionality
- Our breadth and scale provide significant investment capacity and strategic partnership opportunities

# Strategic Priorities

# Our Strategic Priorities

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



## Driving performance in the Core Business

- Moving from a holding company to a unified operating company creates opportunity for improved top line performance and margin expansion
- Increased commercial intensity and embedding a strong performance culture across the company to drive market share gains



## Execution Synergies

- Unlock value across our business units, through:
  - Company-wide operational systems
  - Implementing a modern software development approach, accelerating innovation
  - Establish long-term strategic partnerships



## Medium Term Growth Vectors

- We continue to see significant growth opportunities in our two medium-term growth vectors: Early Careers and Enterprise Skilling
- We will further strengthen Pearson's leadership in career and technical education (CTE)
- We will support enterprises as they develop the capabilities needed for talent planning, sourcing and development in the AI era



# Performance in the core business

## Assessment & Qualifications

## English Language Learning

## Higher Education




## Enterprise Learning & Skills

## Virtual Learning

### 2025 milestones

-  Renewals and contract wins
-  Digital growth
-  International expansion

-  Customer wins
-  Product innovation / expansion
-  Enterprise growth + Communication Coach launch




-  Inclusive access
-  Study prep monetisation
-  Early careers progression



-  Global go to market
-  Strategic partners signed
-  Contract wins

-  Enrolment portal launched
-  Targeted marketing investment
-  Enhanced Early Careers offering




### 2026 priorities

-  Enterprise growth
-  International expansion
-  Product innovation

-  Enterprise upskilling growth
-  Adjacent market expansion
-  Product upgrades

-  Inclusive access growth
-  Platform convergence
-  AI product innovation

-  Partnership monetisation
-  Strategic account growth
-  Joint innovation with partners

-  School network expansion
-  AI product enhancements
-  Further operational improvements

See more detail in the appendix



# Execution synergies

We are driving synergies across our business units, supported by AI enabled cost optimization opportunities and ongoing process improvements, while enabling faster product innovation.



## 360 degree Strategic Partnerships

- Deepened relationship with smaller number of key partners to create customer impact, drive efficiencies, and grow our businesses



## Operational Systems

- AI driven improvements & efficiencies
- Newly established RevOps function to improve sales discipline
- New, more unified Pearson branding



## Modern Software & Product Development

- Pearson wide set of tools to accelerating the rate of innovation
- Maximise value from sector leading product & technology cash spend (c.£1bn in FY25)

**Generated c.200 basis points of margin in 2025 through cost savings, enabling investment and margin progression within our P&L envelope**

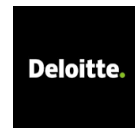


# Medium-term growth vector – Enterprise Skilling

Enterprises moving towards partners that can co-develop learning experiences and connect skills, data and talent intelligence into a unified ecosystem

- Pearson has unlocked 9 important partnerships with key enterprises impacting the future of technology
- These partners have committed to being Pearson customers, and Pearson is a customer of their engineering skills and services
- We are engaging in joint innovation and go to market activity that unlocks new opportunities

## Strategic Partnerships



Hundreds of \$ millions in incremental revenue contracted up to 2030



# Medium-term growth vector – Early Careers

Early Careers TAM  
~\$6B+

## Why we are excited about Early Careers

- Large, fast-growing market for job-ready skills
- Demand accelerated by AI disruption to entry-level roles
- Strengthened position through eDL acquisition
- Clear cross-sell opportunity across K-12 and post-secondary

## Why Pearson is well positioned to win

- Scaled, standards-aligned academic and career content
- Deep institutional and employer relationships
- Proven go-to-market capability across education segments
- Trusted global learning and assessment brand



CERTIPORT®

A PEARSON VUE BUSINESS



**CONNECTIONS**  
ACADEMY®  
by Pearson

# Power metrics

Power metrics serve as leading indicators and help track progress against our strategic priorities. Under Assessment & Verification, we track metrics on renewal and the level of new business growth. For Enterprise, we track the number of enterprise customers in our most commercially and strategically material tiers.

## Assessment & Verification

### Renewals

**96%**

2024: 99%

2023: 87%

### Growth

**£33m**

2024: £36m

2023: £7m

## Enterprise Skilling

### 'Advanced' & 'Elite' customers

**49**

2024: 45

2023: 47

# Financial Overview

# 2025 Financial highlights

- **4% underlying sales growth**
- **6% increase in underlying profit** with margin expanding from 16.9% to 17.2%
- Adjusted EPS up **4% to 64.5p** and **up 9% at constant exchange rates<sup>2</sup>**
- **Strong cash performance**, with free cashflow conversion of 125% including £0.1bn State Aid repayment (98% without)
- **Increasing the dividend by 5%**

## Underlying<sup>1</sup> Sales Growth

**+4%**

Year-on-year increase to £3,577m  
(2024: £3,552m)

## Underlying<sup>1</sup> Adj. Operating Profit Growth

**+6%**

Year-on-year increase to £614m  
(2024: £600m)

## Adj. Operating Profit Margin

**17.2%**

(2024: 16.9%)

## Free Cash Flow Conversion

**125%**

Year-on-year cash flow increase to £527m  
(2024: £490m)

## Adjusted EPS Growth

**+4%**

Year-on-year increase to 64.5p  
(2024: 62.1p)

## Dividend Per Share Growth

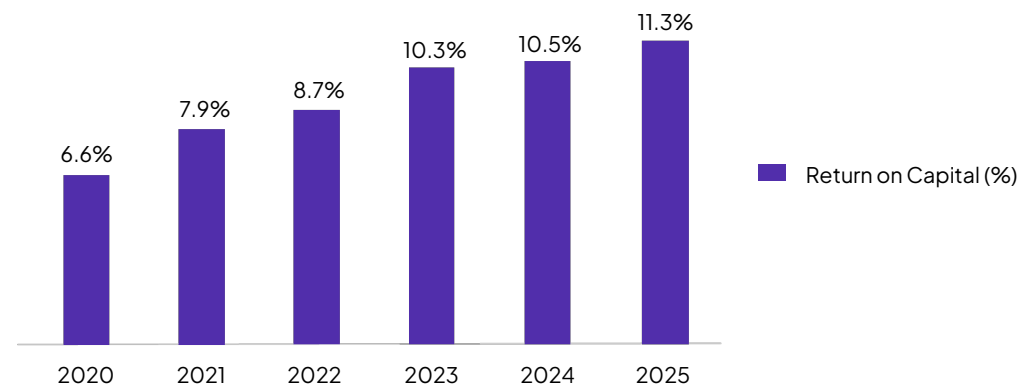
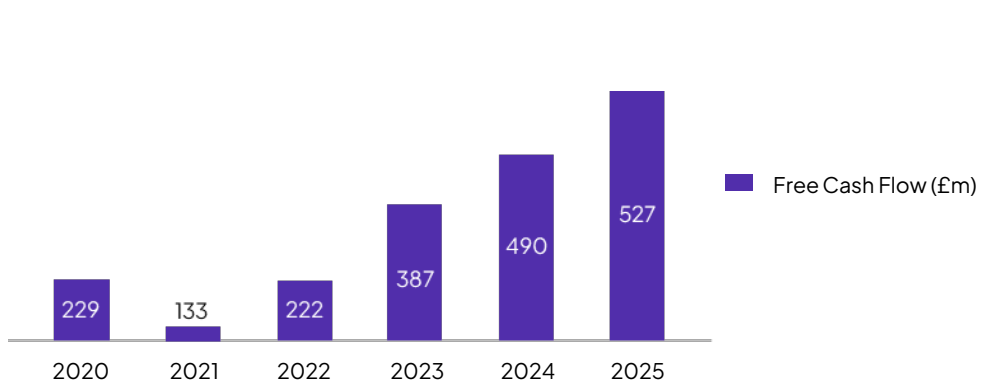
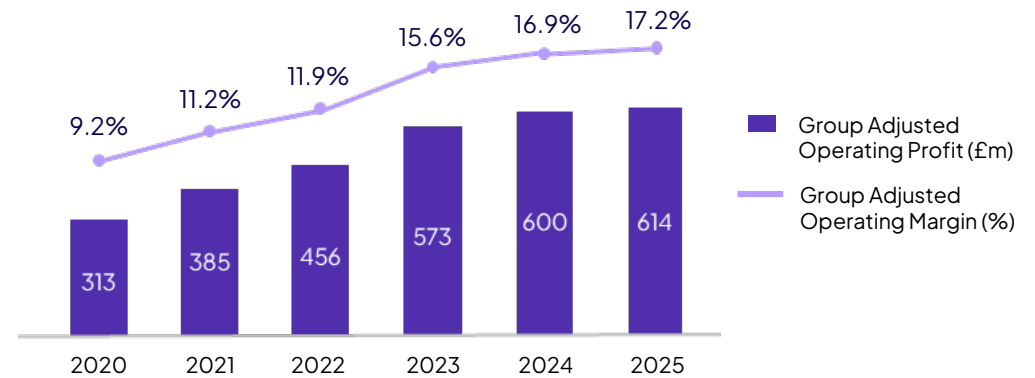
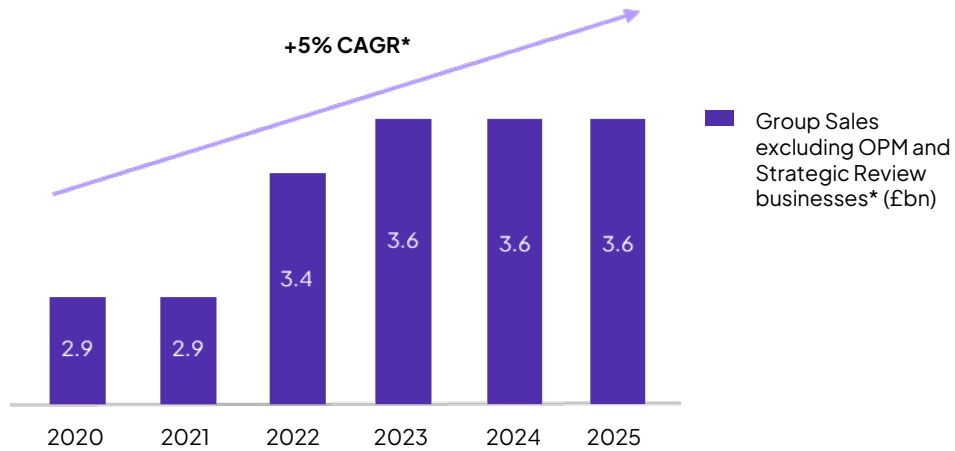
**+5%**

Year-on-year increase to 25.2p  
(2024: 24.0p)

<sup>1</sup>Underlying growth rate: exclude currency movements, and portfolio changes.

<sup>2</sup>Calculated using adjusted operating profit at constant exchange rates. Constant exchange rates are calculated by assuming the average FX in the prior year prevailed through the current year.

# Financial progress provides foundation for ongoing confidence



\*Group sales are headline figures excluding OPM and Strategic Review businesses. CAGR is 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, 2025 \$1.32

# Segment Sales & Adjusted Operating Profit

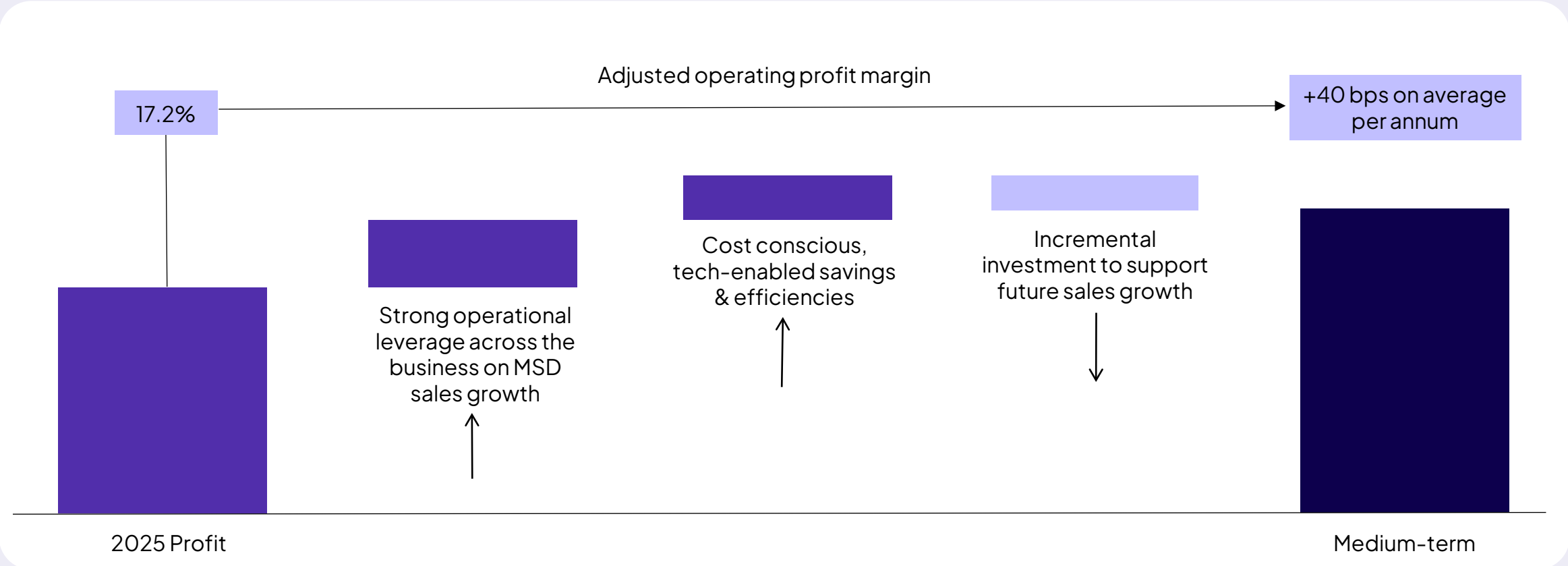
£m	Sales		
	2025	2024	Underlying growth*
Assessment & Qualifications	1,604	1,591	4%
Virtual Learning	511	489	8%
Higher Education	775	781	2%
English Language Learning	405	420	1%
Enterprise Learning & Skills	282	271	6%
<b>Total</b>	<b>3,577</b>	<b>3,552</b>	<b>4%</b>

Adjusted Operating Profit				
2025	2024	2025 Margin	2024 Margin	Underlying growth*
361	368	23%	23%	1%
81	66	16%	13%	29%
93	96	12%	12%	0%
50	50	12%	12%	16%
29	20	10%	7%	40%
<b>614</b>	<b>600</b>	<b>17.2%</b>	<b>16.9%</b>	<b>6%</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.

# 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.



# 2026 Group financial expectations

<b>Group sales</b>	Underlying sales growth	Mid-single digit
<b>Group profit</b>	Adjusted operating profit	£640m-£685m at FX rates as at the end of 2025 (£:\$ 1.35)
	Interest	c.£80m
	Tax	c.25%
<b>Cash flow</b>	Free cash flow conversion <sup>1</sup> of 90%-100%	
<b>FX</b>	Every 1c movement in £:\$ rate equates to approximately £5m adjusted operating profit impact	

<sup>1</sup> Free cash flow conversion calculated as free cash flow divided by adjusted earnings.

# 2026 Group financial expectations

		Full year
<b>Underlying sales growth</b>	<b>Group</b>	Mid-single digit growth
	<b>Assessment &amp; Qualifications</b>	Low to mid-single digit growth, driven by new contracts, products and pricing
	<b>Virtual Learning</b>	Stronger growth than 2025 driven by a full year of enrolment growth
	<b>Higher Education</b>	Will grow more than 2025, supported by product and platform innovation, pricing and Inclusive Access in our core US courseware business, with improvement in the K12 channel
	<b>English Language Learning</b>	Higher growth than 2025 driven by market share gains and pricing, with PTE returning to growth
	<b>Enterprise Learning &amp; Skills</b>	Growth driven by a solid Vocational Qualifications performance and strategic account growth in Enterprise Solutions

# Focus on disciplined capital allocation

Strong balance sheet – Net debt / EBITDA capped 2x

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

Capex and product development for organic growth, **running at c.14% of sales**

Focused and disciplined approach to M&A

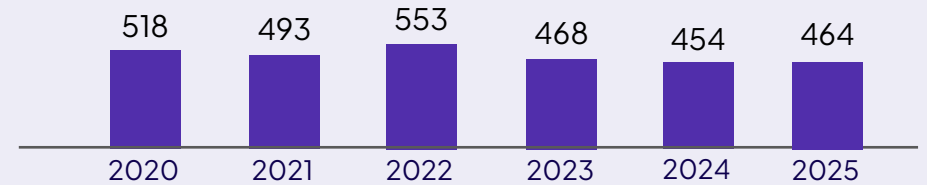
**2. Dividends**

Progressive and sustainable  
Dividend per share growth 5% CAGR 2020-2025

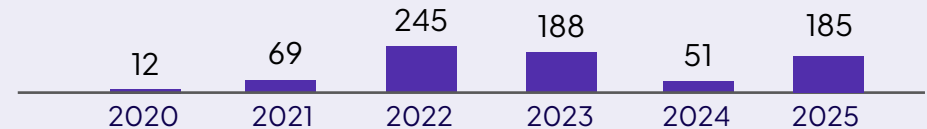
**3. Surplus cash returns**

Buybacks or special dividends as appropriate  
**£1.7bn of surplus cash returned since 2020**

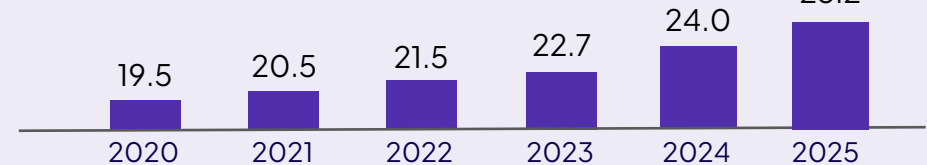
Capex + Product Development spend (£m)



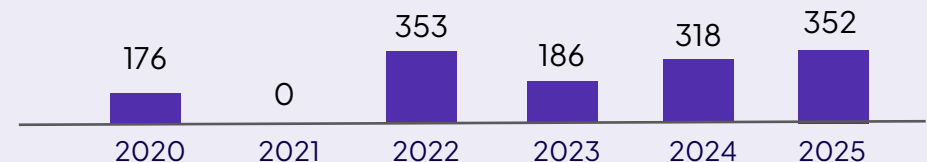
Acquisition consideration (£m)



Dividend per share (p)



Share buyback (£m)



# 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.

# Strong financial position

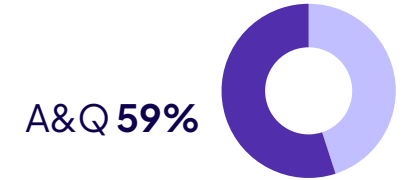
6 years of positive cash flow characteristics, comfortable leverage and improved return on capital.

	Net debt (£m)	Net debt: Adj. EBITDA	ROC	Operating cash flow (£m)	Operating cash flow conversion	Free cash flow (£m)
<b>2025</b>	<b>1,069</b>	<b>1.3x</b>	<b>11.3%</b>	<b>571</b>	<b>93%</b>	<b>527</b>
<b>2024</b>	853	1.1x	10.5%	662	110%	490
<b>2023</b>	744	1.0x	10.3%	587	102%	387
<b>2022</b>	577	0.8x	8.7%	401	88%	222
<b>2021</b>	350	0.6x	7.9%	388	101%	133
<b>2020</b>	463	0.8x	6.6%	315	101%	229
<b>Strong balance sheet retained</b>			<b>ROC improvement +470bps</b>	<b>Operating cash flow growth 13% CAGR</b>	<b>Average cash conversion c.100%</b>	<b>Free cash flow growth 18% CAGR</b>

# Business Units

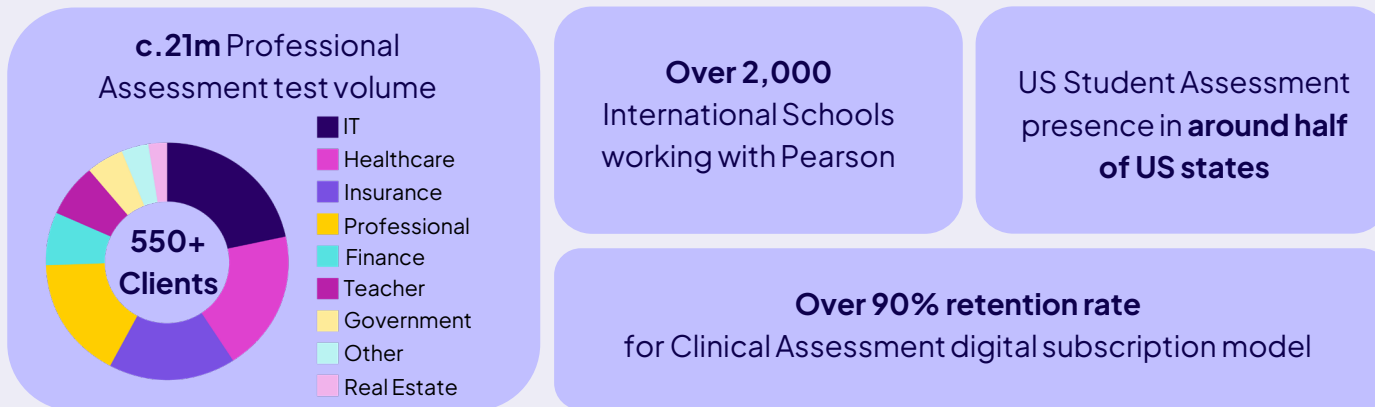
# Assessment & Qualifications (A&Q)

FY25 Profit\* Mix



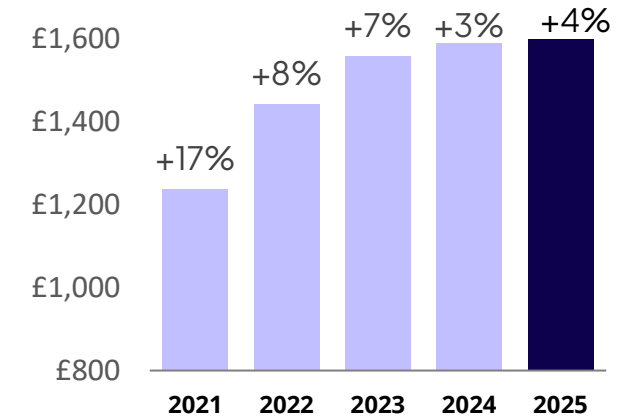
## Business Unit Overview

- Comprises of four sub-business units with significant scale and strong competitive positions, with over 90m interactions per year, and spanning all stages of learning and professional development
- Our services must meet a very high bar for accreditation authorities and regulators, acting as verification infrastructure for companies, industry associations, states and government agencies
- 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

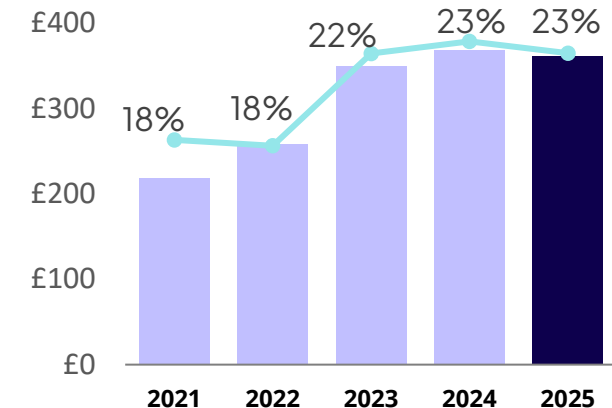


## Key Financials

### Sales (m) / Underlying Growth



### Adjusted operating profit (m) / margin



\*Adjusted Operating Profit

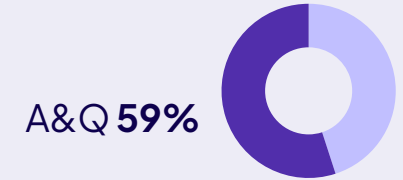
# Assessment & Qualifications (A&Q) (continued)

A&amp;Q 59%



Sub-Business Unit	Description	Sales & Mix (2025)	Underlying Sales Growth (2025)	2026 Growth Drivers	Core Business Model
<b>Pearson Professional Assessments</b>	A leader in the global market in large-scale testing services, supporting workforce certification and reskilling across professional and government sectors; acting as verification infrastructure for companies, industry associations, states and government agencies	£0.66bn (41%)	+1%	New contracts, renewals, and pricing; High stakes test prep; International expansion	Services
<b>US Student Assessment</b>	Strategic assessment partner to states and districts, delivering comprehensive assessment systems spanning formative, interim and summative programmes	£0.38bn (24%)	+2%	Key customer renewals & expansions; Expanding into formative testing	Services
<b>Clinical Assessment</b>	Provides high-quality, research-backed assessment products for mental health and learning evaluations, serving the healthcare and education sectors	£0.26bn (16%)	+8%	New products, and pricing; Digital growth (Digital Assessment Library for Schools subscription model)	Software & Print
<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	£0.30bn (19%)	+9%	New contracts; International expansion	Services & Print

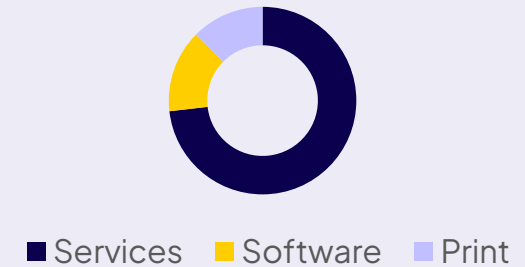
# Assessment & Qualifications (A&Q) (continued)



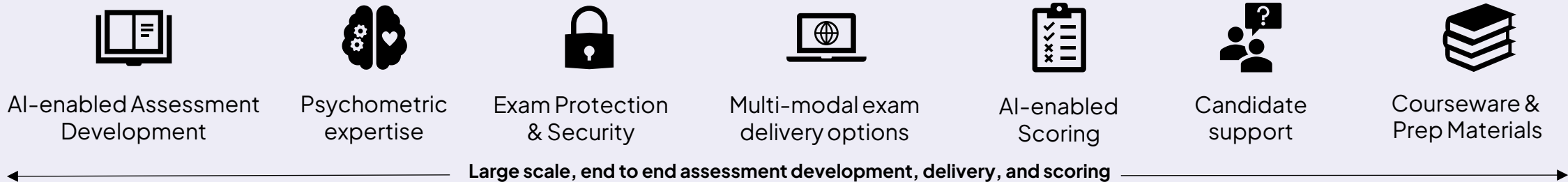
## Key Strengths

- A leading player across all sub-business units, with global scale
- Long standing relationships built on high levels of customer service and trust
- Excellence in complex operational delivery across physical & digital infrastructure drives very strong retention rates
- Global recognition of owned assessment and qualifications IP

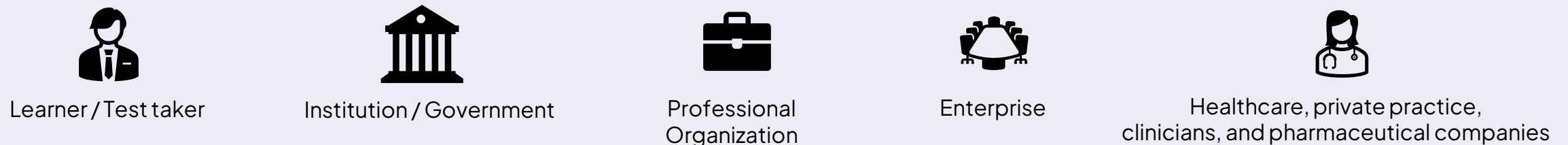
## Sales by Business Model



## Key capabilities



## Monetisation



\*Adjusted Operating Profit

# Virtual Learning (VL)

## Business Unit Overview

- Provides high-quality, highly accountable online learning solutions for K-12 students
- Pearson operates an end to-end virtual school including technology, content, marketing and enrolment and a range of services
- Enrolments were up 13% for the Fall 2025 academic semester
- We operate 41 schools across 31 states for the 2025/26 academic year and renewed all six of our long term school contracts

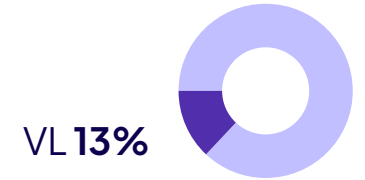
Established Virtual School provider with **National presence**

**109k** Virtual US enrolments<sup>+</sup>

AI Study Tools supported up to **11% increase in pass rates**

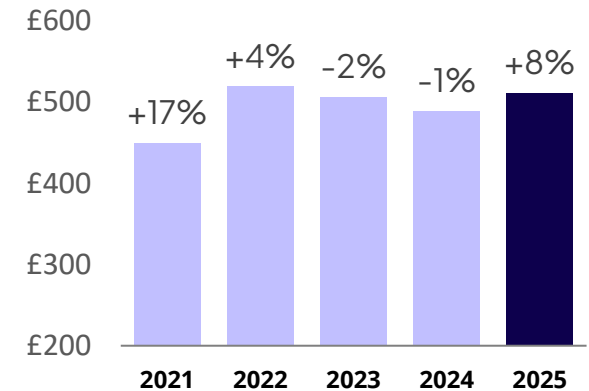
<sup>+</sup>Enrolments as of September 30, 2025

FY25 Profit\* Mix

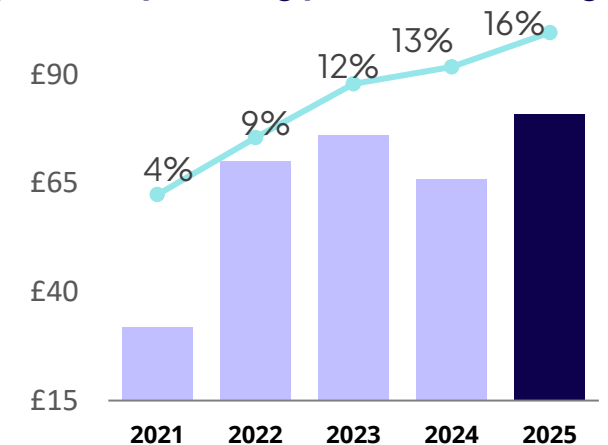


## Key Financials

### Sales (m) / Underlying Growth<sup>+</sup>

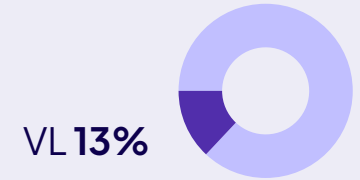


### Adjusted operating profit (m) / margin



\* Adjusted Operating Profit

<sup>+</sup>Sales and underlying growth are only for Virtual Schools (excludes OPM, which we have since exited)



# Virtual Learning (VL) (continued)

Main Offerings	Description	Sales Mix (2025)	Underlying Sales Growth (2025)	2026 Growth Drivers	Core Business Model
<b>Partner Schools</b>	Provides state-wide, turnkey virtual school solutions for public K12 students in the US, integrating courseware, platform technology, instructional services and a range of support services to deliver flexible, high-quality online learning	<b>c.96%</b>		Continuing to capture growing demand for US virtual schooling;	
<b>District Partnerships</b>	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	<b>c.3%</b>	+8%	Further strengthening of our marketing and enrollment capabilities;  Targeted school expansion	Services

# Virtual Learning (VL) (continued)

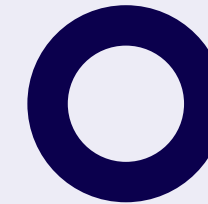
VL 13%



## Key Strengths

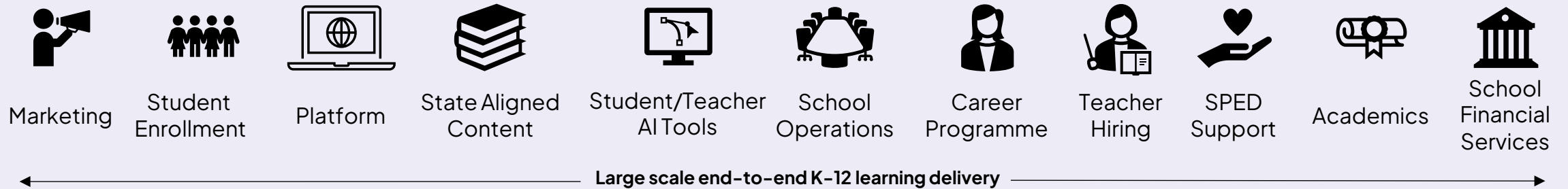
- Attractive market characteristics and growth dynamics, driven by the school choice movement in the U.S.
- One of two scaled providers in a complex, regulated market
- Trusted brand name
- Bespoke bundled product/service offering to operate a school
- Strong focus on student outcomes, generally outperforming other virtual school operators

## Sales by Business Model



■ Services

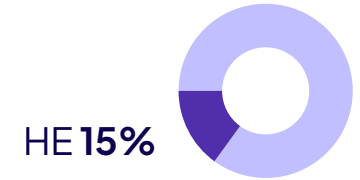
## Key capabilities



## Monetisation



Parent decision - State-funded per student enrolled



# Higher Education (HE)

## Business Unit Overview

- A market leader in providing world-class learning experiences in the post-secondary segment, serving millions of students worldwide. Our products are designed to manage a course end to end, tightly integrated within Higher Education ecosystem.
- Partner with thousands of expert authors to create learning materials across many academic disciplines, with particular strength in science, technology, engineering and maths (STEM)
- Continued focus on providing AI-powered learning experiences that delivered measurable improvements in learning outcomes
- We made significant progress expanding into the fast growing Early Careers space, establishing a dedicated direct sales force to deepen and expand our relationships with US school administrators and completed the acquisition of eDynamic Learning – North America’s largest provider of digital Career and Technical Education

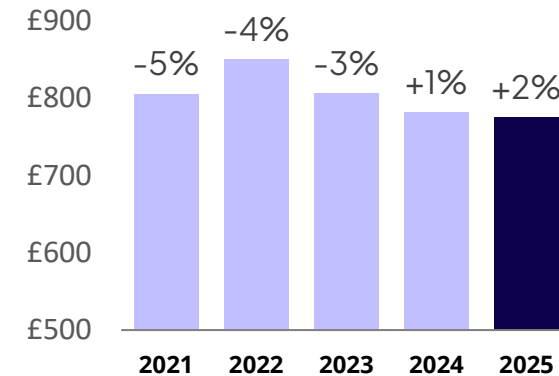
**c.10m**  
Higher Education  
US digital  
subscriptions

**c.19%** Inclusive  
Access growth  
in FY25

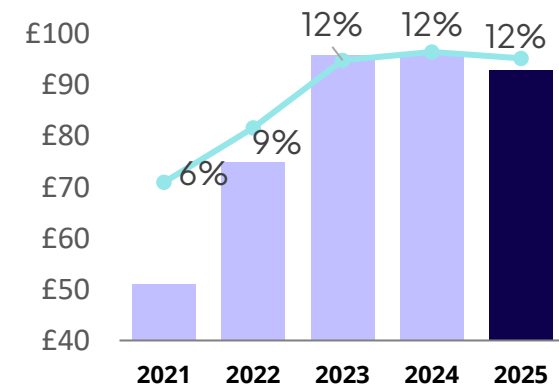
Usage of our AI study  
tools **increases** the  
likelihood of a  
student becoming  
an **active reader by**  
**24x**

## Key Financials

Sales (m) / Underlying Growth

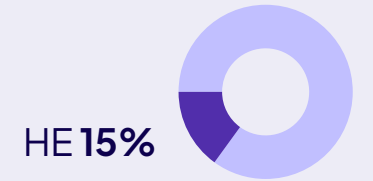


Adjusted operating profit (m) / margin



Note: The enterprise focused business within Higher Education (IT Pro) has been transferred into Enterprise Learning and Skills from January 2025. Comparative sales, adjusted operating profit, and margin amounts have been restated for 2020, 2021, 2022, 2023, and 2024 to reflect the move between operating segments.

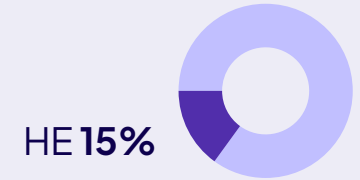
\*Adjusted Operating Profit



# Higher Education (HE) (continued)

Sub-Business Unit	Description	Sales & Mix (2025)	Underlying Sales Growth (2025)	2026 Growth Drivers	Core Business Model
<b>US Higher Education</b>	A market leader in providing world-class learning experiences in the post-secondary and Early Careers segments, with additional reach into K12 education through Honours, AP®, Dual Enrolment, and Career and Technical Education (CTE)	<b>£0.67bn (86%)</b>	+3%	Product and platform innovation, pricing and Inclusive Access in our core US courseware business; Improvement in the K12 channel and building on our Early Careers offerings	Software & Print
<b>International Higher Education</b>	Provides world-class learning experiences in international post-secondary education markets	<b>£0.11bn (14%)</b>	-7%	Emerging markets, digital expansion, and content localisation	Software & Print

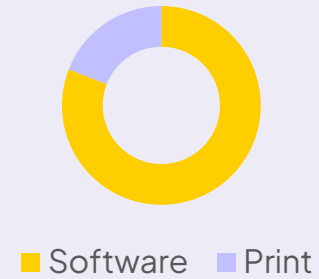
# Higher Education (HE) (continued)



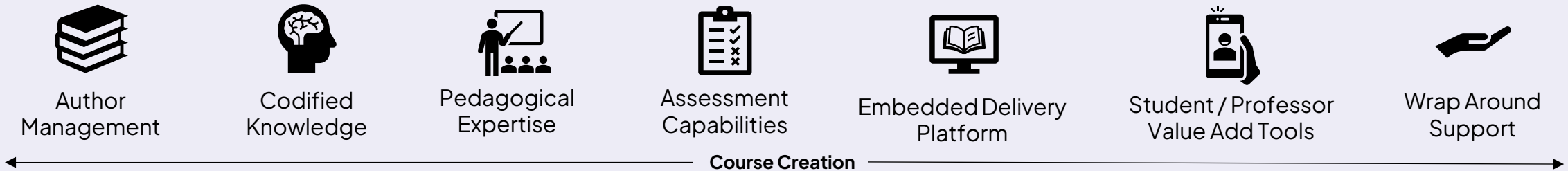
## Key Strengths

- Deeply integrated in the critical workflows & platforms that educators use
- Data from billions of student engagements and submissions, and hundreds of thousands of instances of instructor feedback occurring on our platforms
- IP expertise in how people learn and how to deliver evidence of learning outcomes with formal education institutions
- Large, on the ground sales teams serving US Higher Ed, International Higher Ed, and US K-12

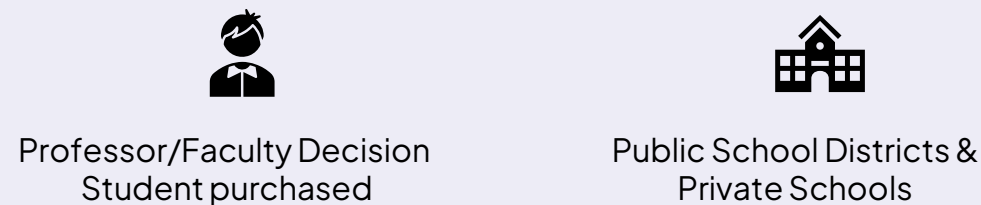
## Sales by Business Model



## Key capabilities



## Monetisation



# English Language Learning (ELL)

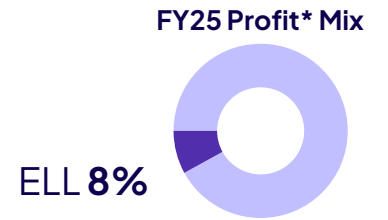
## Business Unit Overview

- We offer comprehensive English learning and assessment solutions, including the Pearson Test of English (PTE), by blending pedagogical expertise in English language education with advanced technology
- 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
- In 2025, in collaboration with Enterprise Learning & Skills unit and co-developed with Microsoft, we launched Communication Coach, which is designed to improve the communication ability of both native English and non-native English speakers

**c.1B+**  
English  
Language  
Learners Globally

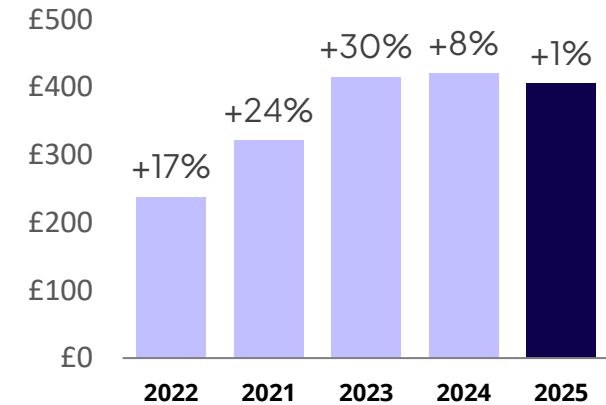
Smart Lesson  
Generator **saved  
up to 45 minutes**  
per lesson plan  
for educators

**c.1.1m**  
PTE volume  
in 2025

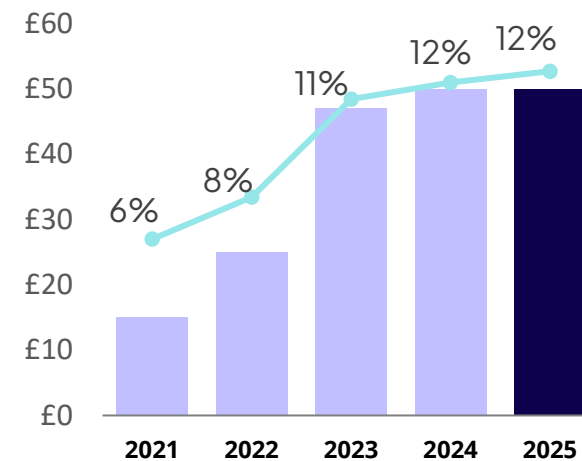


## Key Financials

### Sales (m) / Underlying Growth

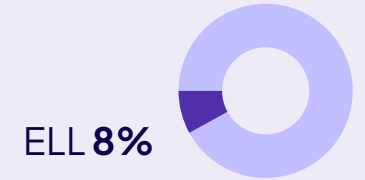


### Adjusted operating profit (m) / margin



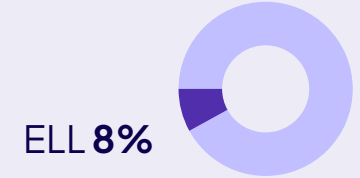
\*Adjusted Operating Profit

# English Language Learning (ELL) (continued)



Sub-Business Unit	Description	2026 Growth Drivers	Core Business Model
<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 return to growth on continued market share gains and pricing	Service
<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)	Refreshing our current Institutional product suite and developing next-generation educational products for institutional and government partners, and supporting enterprise customers with advanced upskilling solutions; continued market share gains and pricing	Print & Software
<b>Online</b>	Online English language learning tools, including Mondly by Pearson	AI product enhancements & enterprise	Software

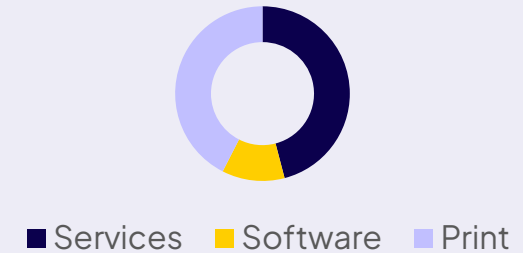
# English Language Learning (ELL) (continued)



## Key Strengths

- Ownership of high stakes English assessment that meets high regulatory burden and approval by Australian, Canadian, New Zealand, and UK governments
- Excellence in complex global operational delivery of high stakes English Assessment
- Expertise in understanding how people best learn English and measuring their exact proficiency level against our proprietary Global Scale of English

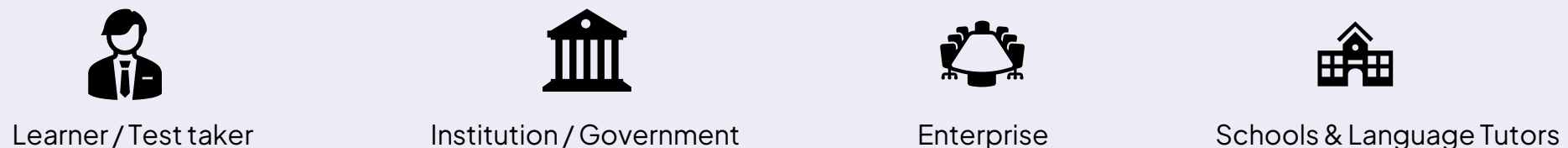
## Sales by Business Model



## Key capabilities



## Monetisation



\*Adjusted Operating Profit

+PTE delivery in partnership with Pearson Professional Assessment

# Enterprise Learning & Skills (ELS)

## Business Unit Overview

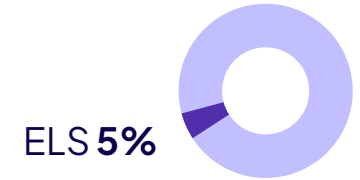
- Provides career-focused qualifications and enterprise talent solutions through Vocational Qualifications (VQ) and Enterprise Solutions, which includes skilling content, assessments and digital credentialing
- In 2025, we launched a global go-to-market approach, including a Global Enterprise Sales team, supported by marketing and delivery, securing 9 key strategic partnerships
- We are seeing increased demand to help our customers with market development (e.g. training and certifying users of their products/software) and training customer sales teams to drive improved productivity

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

As of 2025, **more than 20m learners** have earned the GED

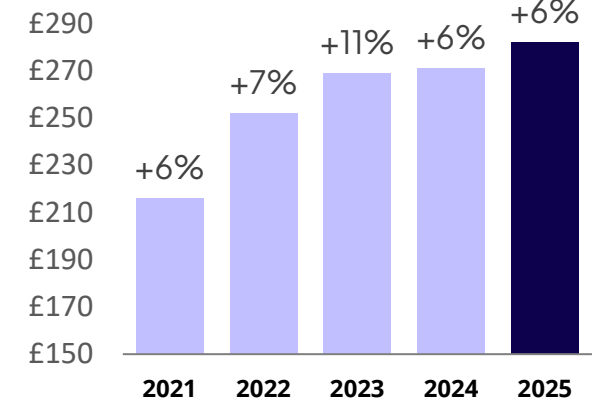
**Over 100m**  
unique Credly  
badges issued

FY25 Profit\* Mix

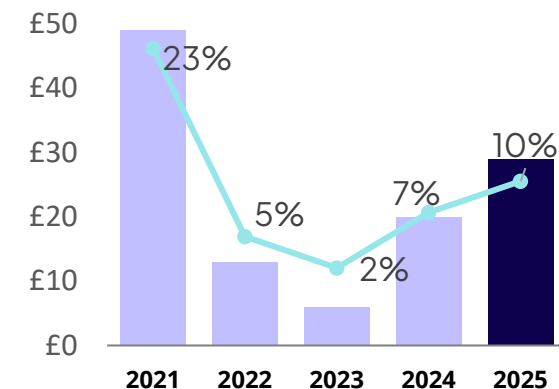


## Key Financials

### Sales (m) / Underlying Growth

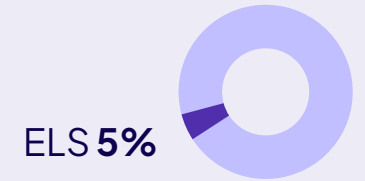


### Adjusted operating profit (m) / margin



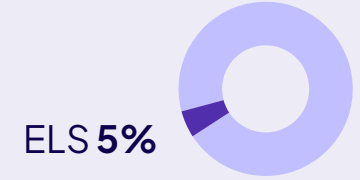
Note: The enterprise focused business within Higher Education (IT Pro) has been transferred into Enterprise Learning and Skills from January 2025. Comparative sales, adjusted operating profit, and margin amounts have been restated for 2020, 2021, 2022, 2023, and 2024 to reflect the move between operating segments.  
\*Adjusted Operating Profit

# Enterprise Learning & Skills (ELS) (continued)



Sub-Business Unit	Description	Underlying Sales Growth (2025)	2026 Growth Drivers	Core Business Model
<b>Enterprise Solutions</b>	Enterprise Solutions helps companies address evolving talent needs in a rapidly changing economy, particularly as AI reshapes workforce requirements. Through digital badges and credentials, skills assessments, skills intelligence and skilling content, we support businesses in assessing skills gaps, planning talent strategies, sourcing talent and delivering skills development aligned to commercial objectives.	+6%	Strategic account growth while driving value from our existing partners	Software & Services
<b>Vocational Qualifications</b>	Vocational Qualifications continues to be the UK leader in applied, career-focused credentials rooted in real-world work scenarios, with an additional presence in 58 markets globally.		International expansion	Services

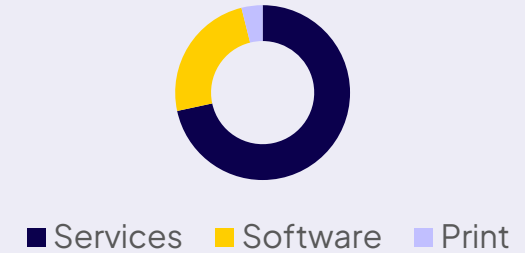
# Enterprise Learning & Skills (ELS) (continued)











## Key Strengths

- Our core strength of identifying, measuring, and verifying skills at scale enables organizations to build adaptable and future-ready workforces
- Global enterprise sales team selling products & solutions to enterprises from across Pearson
- Ownership of trusted credentials and content including BTECs in the UK and globally, and GED in the US

## Sales by Business Model



## Key capabilities

							
Diagnose Skills & Talent Gaps	Embed Learning	Measure & Assess Skills	Verify Skills	Credentialing	Customer Support & Solutions	Customer Market Develop	Sales Team Training

## Monetisation

		
Enterprise	Institution / Government	Learner / Test taker

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# Appendix



# Driving performance in the core business

## 2025 milestones

## 2026 priorities

### Assessment & Qualifications

- Pearson Professional Assessment: new contract wins and strong renewals
- US Student Assessment: renewed and extended key contracts including Maryland and others at later stage of contract completion. McGraw Hill partnership into adjacent market
- Clinical Assessment: first statewide adoption, Revibe innovation, pharma expansion
- UK & International Qualifications: Ongoing international expansion

- Maintain strong competitive performance – renewals and new wins
- Adjacent market growth – including pharma, formative, test prep and PDRI enterprise expansion
- Continued international expansion
- Product innovation and AI-enabled delivery

### Virtual Learning

- Opened 2 new schools and secured all six contract renewals
- Launched new enrolment portal network wide
- Improved marketing effectiveness
- Enhanced career programmes and extended network wide

- Continue expansion of the school network
- Further operational improvements – marketing, enrolment, retention and funding capture
- Improved AI capabilities for students and teachers
- Ongoing early career enhancements



# Driving performance in the core business

	2025 milestones	2026 priorities
Enterprise Learning & Skills	<ul style="list-style-type: none"><li>• Established global enterprise sales team and key-account structure</li><li>• Secured strategic partnerships</li><li>• New contract wins, including UK Ministry of Defence apprenticeship delivery</li><li>• Continued international expansion, including vocational skilling in Saudi Arabia</li></ul>	<ul style="list-style-type: none"><li>• Monetise strategic partnerships</li><li>• Strategic account growth</li><li>• Develop solutions bundles for enterprise offerings</li><li>• Continued product innovation, including co-creation with partners</li></ul>
English Language Learning	<ul style="list-style-type: none"><li>• Institutional strength, customer wins in LATAM and Asia</li><li>• Strong operational performance in PTE driving share gains</li><li>• Product expansion addressing new markets – PTE Express</li><li>• Building enterprise momentum – including Communication Coach</li></ul>	<ul style="list-style-type: none"><li>• Continued market-share growth</li><li>• Adjacent market growth – including test prep</li><li>• Improve go-to-market execution and channel effectiveness</li><li>• Accelerate product innovation for institutional and enterprise customers</li><li>• Support enterprise customers with English upskilling</li></ul>
Higher Education	<ul style="list-style-type: none"><li>• eDynamic Learning acquisition and ongoing integration</li><li>• Operationalisation of career and college readiness K12 sales coverage</li><li>• Study Prep monetisation and scaled internationally</li><li>• Ongoing platform simplification</li><li>• AI tools driving improved learning outcomes</li></ul>	<ul style="list-style-type: none"><li>• Improve IA channel execution</li><li>• Accelerate platform convergence</li><li>• Ongoing AI-led product innovation</li><li>• Expand digital offerings internationally with content localisation</li></ul>

# Power metrics definitions

Metric	Definition
<b>Renewals</b> (Scope: Pearson Professional Assessment & US Student Assessment)	Total value of contracts renewed / (total value of contracts renewed + lost). Contracts renewed include wins and scope increases from existing customers.
<b>Growth</b> (Scope: Pearson Professional Assessment & US Student Assessment)	Average annual bookings for contracts with net new customers.
<b>Number of 'Advanced' tier customers</b> (Scope: All enterprises and non-education government bodies within Assessment & Qualifications, English Language Learning and Enterprise Learning & Skills)	Number of enterprise customers with total recognised sales across Pearson enterprise products in the reported year of between £2.5m and £10m.
<b>Number of 'Elite' tier customers</b> (Scope: All enterprises and non-education government bodies within Assessment & Qualifications, English Language Learning and Enterprise Learning & Skills)	Number of enterprise customers with total recognised sales across Pearson enterprise products in the reported year above £10m.



# Thank you

Please visit [here](#) for further information on our targets and KPIs.

[pearson.com](https://www.pearson.com)