

Pearson Interim Results 2026 Pre-Close Aide Memoire

26th June 2026

This aide memoire brings together certain previous public communications made by Pearson as extracted from their original source, which readers may find helpful to consider ahead of Pearson's Interim Results on 31st July 2026. All statements have had their source attributed and reflect views as at the date they were made and they do not reflect subsequent or recent events, circumstances, or developments. No new information or disclosure is given in this document. Any updates to the information contained in this document and other previous public communications would only be included in further communications by Pearson to the market and the inclusion of the extracted statements herein should not be taken to indicate that they will not be updated in the future.

2026 Guidance

In the Q1 2026 Trading Update RNS, dated 1 May 2026, we provided the following 2026 guidance:

Underlying Sales Growth	Group	Mid-single digit growth.
	Assessment & Qualifications	Low to mid-single digit growth, driven by new contracts, products and pricing. Returning to growth from Q2, supported by new business and recently awarded contracts.
	Virtual Learning	Stronger growth than 2025, particularly in H1, driven by a full year of enrolment growth.
	Higher Education	Will grow more than 2025, supported by continued product and platform innovation, pricing and Inclusive Access in our core US courseware business, with improvement in the K12 channel.
	English Language Learning	Higher growth than 2025 driven by market share gains and pricing, with PTE returning to growth. Growth will again be Q4 weighted given the seasonality of the business.
	Enterprise Learning & Skills	Growth to be driven by a solid performance in Vocational Qualifications and strategic account growth in Enterprise Solutions.
Group Profit	Adjusted Operating Profit	£640m-£685m at FX rates as at the end of 2025 (£:\$ 1.35), which includes lower amortisation in 2026 following the 2025 product development impairment ¹ .
	Interest	Adjusted net finance costs of c.£80m – includes associated costs of funding the £350m share buyback.
	Tax rate	We expect the effective tax rate on adjusted profit before tax to be c.25%.
Cash flow		We expect a free cash flow conversion ² of 90%-100%.
FX		Every 1c movement in £:\$ rate equates to approximately £5m adjusted operating profit impact.

¹The 2025 product development impairment relates to a £87m non-cash, one-off impairment of legacy product development assets arising from a strategic platform convergence. This convergence is expected to deliver ongoing operational improvements and results in a c.£15m per annum adjusted operating profit improvement, on average, over the next 6 years in Higher Education. (source: Q1 2026 Trading Update RNS, 1 May 2026)

²Free cash flow conversion calculated as free cash flow divided by adjusted earnings. (source: Q1 2026 Trading Update RNS, 1 May 2026)

Other 2026 guidance considerations

Underlying sales growth

- During the 2025 Full Year Results presentation the CFO said, “In terms of phasing, growth is again H2 weighted, but not as markedly as in 2025.” (source: 2025 Full Year Results Transcript, 27 February 2026)
- During Q&A at the Q1 Trading Update Ciaran Donnelly of Citi said, “Could you just remind us of the dynamics going into Q2 around any impact from the New Jersey contract loss, PDRI and just trying to help us understand the return to growth comments in Q2 within A&Q?” The CFO responded, “A&Q in Q1, you will remember, has the comp for PDRI because the federal impact happened in Q2 last year, Q1 had not got that. So that is part of the dynamic in Q1, along with New Jersey. The New Jersey impact is across Q1 and Q2. So it is still relevant in Q2, but the PDRI piece is not so relevant in Q2. Then we have growth coming from the underlying businesses, but also some new contracts that we have had. The new contracts like Salesforce and ServiceNow that started in the second half of last year. Also in our qualifications business, we have our NCT contract, so that is the delivery of exams for primary school kids in the UK. Of course, if you have got primary school kids in the UK, you will know that they take those exams in the summer term. That will also be part of the growth that we see in A&Q for Q2. So very confident in A&Q growth in Q2.” (source: Q1 Trading Update Transcript, 1 May 2026)
- During Q&A at the Q1 Trading Update Steve Liechti of Deutsche Numis said, “Just going back to Virtual Learning. It looks to me as though the second quarter comp is still relatively easy...and then it gets more difficult in the second half. Is it fair to assume that the second quarter growth rate can be at a similar rate to the first quarter and then it starts slowing down? Is that the way to think about it?” The CFO responded, “The one thing I would point out is that we have highlighted that we got a small amount of funding upside in Q1, which we would normally get in Q2. Whilst the growth in Q2 will be very good for virtual schools, it would not be quite as high as it was in Q1. The way I would encourage you to think about it is that H1 will look very much like H2 last year, and H2 last year we told you was 18%.” (source: Q1 Trading Update Transcript, 1 May 2026)
- During Q&A at the Q1 Trading Update Steve Liechti of Deutsche Numis said, “I heard you refer in Vocational [Qualifications], I know it is first half-weighted. There was some phasing benefits in the first quarter. Can you just clarify whether I was correct on that?” The CFO responded, “Yes, I mean it is really small in pound terms, but we have had a very small phasing benefit in Vocational in Q1 that normalises in Q2.” (source: Q1 Trading Update Transcript, 1 May 2026)

Adjusted operating profit

- During the 2025 Full Year Results presentation the CFO said, “Statutory profit declined 6%, predominantly due to a non-cash one off impairment relating to our higher ed platforms... in 2026, we plan to accelerate the convergence of our Higher Ed platforms to streamline and modernise our courseware offering and reduce support costs. A consequence of this is an impairment of £87 million in some of our assets, which is one off and non-cash in nature. This write off now generates a mechanical circa £15 million per annum profit improvement in Higher Ed on average over the next six years.” (source: 2025 Full Year Results Transcript, 27 February 2026)
- During the 2025 Full Year Results presentation the CFO said, “Included within this guidance is new investment to support our strategy and drive growth, including higher than average transformation costs which are weighted to H1. This investment is more than offset by the margin on sales growth and operational improvements, which drive the group's margin expansion.” (source: 2025 Full Year Results Transcript, 27 February 2026)

H1 2025 business unit comments

- Assessment & Qualifications sales were up 2% with strong growth in Clinical Assessments and UK & International Qualifications, partially offset by declines in Pearson VUE (now Pearson Professional Assessments) and US Student Assessment. (source: Interim Results RNS, 1 August 2025)
 - Adjusted operating profit decreased 6% in underlying terms due to operating leverage on sales growth more than offset by cost phasing, and 9% in headline terms due to this and currency movements. (source: Interim Results RNS, 1 August 2025)
- Virtual Learning sales were down 1% on an underlying basis, as expected, due to the final portion of the impact of previously announced school losses. 2024/25 academic year enrolments increased 5% in the Spring semester on a same school basis and grew 7% including new school openings. We have also seen favorable retention trends in H1. (source: Interim Results RNS, 1 August 2025)
 - Adjusted operating profit increased 32% in underlying terms driven by cost savings and phasing partially offset by trading, and increased 26% in headline terms due to this and currency movements. (source: Interim Results RNS, 1 August 2025)
- In Higher Education, sales increased 4% on an underlying basis, benefitting from growth in Inclusive Access of 21% and US digital subscriptions of 3%. We continued to see good monetisation of our Study Prep tool and ongoing engagement with our AI study tools. (source: Interim Results RNS, 1 August 2025)
 - Adjusted operating profit increased in underlying terms driven by operating leverage on sales growth, with the headline result also reflecting currency movements. (source: Interim Results RNS, 1 August 2025)
- In English Language Learning, sales were down 3% on an underlying basis, in line with expectations, with our Institutional business performing well in Q2 but impacted by a strong comparator period in H1 last year. PTE sales were flat, performing well against a tough market backdrop, with volumes decreasing 10%. (source: Interim Results RNS, 1 August 2025)
 - Adjusted operating profit decreased due to the decline in trading and decreased in headline terms due to this and currency movements. (source: Interim Results RNS, 1 August 2025)
- In Enterprise Learning & Skills, sales were up 4% on an underlying basis. Vocational Qualifications delivered solid growth while Enterprise Solutions improved quarter on quarter as we build momentum in our Enterprise approach and related sales capability, including new wins such as HCLTech. (source: Interim Results RNS, 1 August 2025)
 - Adjusted operating profit increased by 20% in underlying terms due to operating leverage on sales and increased 23% in headline terms due to this and currency movements. (source: Interim Results RNS, 1 August 2025)

H1 2025 Group profit comments

- Adjusted operating profit up 2% on an underlying basis to £242m. Underlying performance driven by operating leverage on sales growth partially offset by inflation. On a headline basis, profit was down 3% with positive underlying performance more than offset by translation currency headwinds. First half adjusted profit margin was flat against the prior period at 14% (H1 2024: 14%). (source: Interim Results RNS, 1 August 2025)
- The average £:\$ rate for H1 2025 was 1.31. (source: Interim Results RNS, 1 August 2025)
- Adjusted earnings per share declined to 24.5p (H1 2024: 25.6p) with positive underlying trading performance, and a reduction in share count due to the share buyback programmes, more than offset by currency headwinds and increased interest. (source: Interim Results RNS, 1 August 2025)

Prior year comparatives and recent performance

	Underlying sales growth											
	HI 2024	Q3 2024	9M 2024	Q4 2024	FY 2024	Q1 2025	HI 2025	Q3 2025	9M 2025	Q4 2025	FY 2025	Q1 2026
Assessment & Qualifications	2%	6%	3%	4%	3%	1%	2%	4%	2%	8%	4%	(1%)
Pearson Professional Assessments	4%		3%		3%		(3%)		(1%)		1%	
US Student Assessment	(3%)		1%		1%		(1%)		(1%)		2%	
Clinical Assessment	1%		3%		4%		11%		9%		8%	
UK & International Qualifications	7%		7%		8%		10%		8%		9%	
Virtual Learning	(8%)		(4%)		(4%)		(1%)	17%	4%	20%	8%	21%
Virtual Schools ⁵	(1%)	4%	1%	(5%)	(1%)	(4%)	(1%)					
Higher Education	(2%)	4%	0%	2%	1%	6%	4%	(1%)	2%	0%	2%	2%
English Language Learning	11%	2%	7%	11%	8%	(6%)	(3%)	1%	(1%)	8%	1%	2%
Enterprise Learning & Skills ⁶	6%	6%	6%	4%	6%	1%	4%	2%	3%	13%	6%	8%
Strategic Review	(100%)	(100%)	(100%)	(100%)	(100%)	-	-	-	-	-	-	-
Total	1%	4%	2%	3%	2%							
Total, excluding OPM³ and Strategic Review⁴	2%	5%	3%	3%	3%	1%	2%	4%	2%	8%	4%	4%

Throughout this document: a) Growth rates are stated on an underlying basis unless otherwise stated. Underlying growth rates exclude currency movements and portfolio changes. For growth rates on a reported basis, without such adjustments, please refer to full year and half-year results for further detail. b) The 'business performance' measures are non-GAAP measures. Please refer to full year and half-year results for further detail and reconciliations to the equivalent statutory heading under IFRS.

³We completed the sale of the Pearson Online Learning Services (POLs) business in June 2023 and as such have removed it from underlying measures from H1 2023 onwards. Within this specific measure we exclude our entire OPM business (POLs and ASU) to aid comparison to guidance for FY24. This presentational adjustment is not relevant for FY25 onwards.

⁴Strategic Review is sales in international courseware local publishing businesses which have been wound down. This presentational adjustment is not relevant for FY25 onwards.

⁵Underlying sales growth rates for Virtual Schools were not disclosed for Q3 2024 or Q4 2024. For 2025 and Q1 2026, Virtual Schools is in line with Virtual Learning.

⁶In January 2025, Workforce Skills evolved to become Enterprise Learning & Skills incorporating IT & Professional Learning (IT Pro) from Higher Education. This business generated £45m of sales in 2024. The 2024 figures have not been restated.

Other comments for consideration

Medium Term Outlook

- Over the medium term, Pearson continues to be positioned to deliver a mid-single digit underlying sales growth CAGR, sustained margin improvement that will equate to an average increase of 40 basis points per annum and strong free cash conversion, in the region of 90% to 100%, on average, across the period. (source: Q1 2026 Trading Update RNS, 1 May 2026)

Pearson's unique characteristics and enduring competitive strengths

- During the Q1 Trading Update the CEO said, "Pearson is successful, thanks to our unique characteristics and enduring competitive strengths. You will remember that about 90% of our profit comes from operationally complex, interconnected, hybrid physical and digital services, which comprise assessments, virtual schools and print. These demand uncompromising quality levels and trust. The remaining approximately 10% of profit comes from primary digital courseware, where we are deeply integrated in the critical workflows that decision-makers use to perform their roles." (source: Q1 Trading Update Transcript, 1 May 2026)

Pearson Test of English

- [In Q1 2026] Pearson Test of English (PTE) declined slightly due to a continued tough market backdrop. (source: Q1 2026 Trading Update RNS, 1 May 2026)
- During the Q1 Trading Update the CEO said [In relation to the conflict in the Middle East], "We are seeing early signs of possible disruption to the migration and study abroad market relevant for our PTE business." (source: Q1 Trading Update Transcript, 1 May 2026)

Acquisition of eDynamic Learning

- Higher Education...completed the acquisition of eDynamic Learning [in July 2025], a leading Career and Technical Education (CTE) curriculum solutions provider for an enterprise value of \$225m, enabling us to broaden capabilities and scale our position in the fast-growing Early Careers space. (source: 2025 Interim Results RNS, 1 August 2025)
- During the interim results presentation the CFO said, "The announced acquisition of eDynamic Learning has recently closed, with consideration paid of \$225 million, at a 13x adjusted EBITDA. We do not expect this to have a material impact to 2025 Group guidance, given near-term integration costs and the acquisition accounting for deferred revenue, which impacts the first 18 months sales recognised. eDynamic Learning has a highly attractive financial profile with strong margins and cash flow and a track record of delivering good growth. We expect this acquisition to be supportive of our medium-term guidance." (source: 2025 Interim Results Transcript, 1 August 2025)

Dividend

- The Directors are proposing a final dividend in respect of the financial year ended 31 December 2025 of 17.4p per equity share which will absorb an estimated £109m of shareholders' funds. It will be paid on 8 May 2026 to shareholders who are on the register of members on 20 March 2026. (source: 2025 Annual Report & Accounts, 13 March 2026)
- Proposed interim dividend of 7.8p (H1 2024: 7.4p), represents an increase of 5%. (source: Interim Results RNS, 1 August 2025)

Share Buyback

- We commenced a further £350m share buyback in January 2026. (source: Full Year 2025 Results RNS, 27 February 2026)
- Completed the second £175 million tranche of the Company's £350 million share buyback programme on 8 May 2026. (source: Transaction in Own Shares RNS, 11 May 2026)
- Shares outstanding as at 31 December 2025 – 635.1m (source: Full Year 2025 Results Presentation, 27 February 2026)
- As at close of business on 31 May 2026, the Company had 601,140,494 ordinary shares of 25p each admitted to trading. (source: Total Voting Rights RNS, 1 June 2026)

Consensus

- Consensus for Pearson was updated on Vuma on 25 June 2026. For further details, please visit our website: [Analyst Consensus | Pearson plc](#)

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About Pearson

At Pearson, our purpose is simple: to help people realise the life they imagine through learning. We believe that every learning opportunity is a chance for a personal breakthrough. That's why our Pearson employees are committed to creating vibrant and enriching learning experiences designed for real-life impact. We are the world's lifelong learning company, serving customers with digital content, assessments, qualifications, and data. For us, learning isn't just what we do. It's who we are. Visit us at pearsonplc.com.

Notes

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 cost 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 (www.pearsonplc.com). Any forward-looking statements speak only as of the date they were 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.