



Pearson 2026 Interim Results

Friday 31st July 2026

Forward-looking statements

Except for the historical information contained herein, the matters discussed in this presentation 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 (plc.pearson.com).

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Key takeaways



**Good H1
financial
performance**



**On track to
deliver guidance**



**Excited about
the future**

+4%

Revenue¹

Mid-single digit

underlying revenue growth

Technology
advancements driving
major upskilling demand

+14%

Adj. operating profit¹

£640–685m

Adj. operating profit

**Pearson uniquely
placed to benefit**

+19%

Adj. EPS²

90–100%

Free cash flow conversion

¹ Underlying growth rate: exclude currency movements, and portfolio changes.

² Constant exchange rates.



Unique characteristics and enduring strengths

~ 90% Profit

Operationally complex physical
and digital workflows and print

~10% Profit

Digital courseware, embedded
in critical workflows

Leadership positions

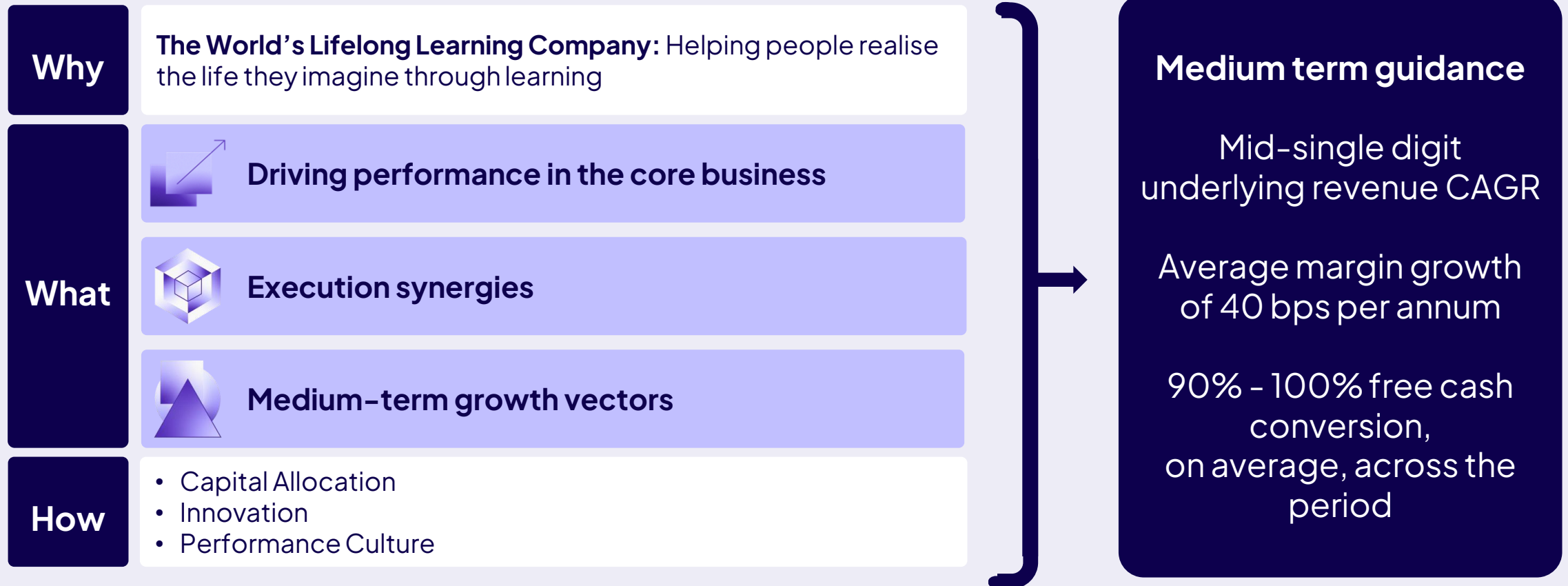
Long history of operational
excellence

Deeply embedded

Proprietary data sets

Trust

Ongoing execution against strategic framework





Driving performance in the core business

Assessment & Qualifications	Continued Enterprise growth	Google Cloud certification	Digital Clinical strength	International expansion
Virtual Learning	Delivering a standout year	15% Spring enrolment growth	100% contract renewal rate	5 new schools opening
Higher Education	Accelerating Inclusive Access	Go to Market improvements	IA 50% of core US Courseware	Early Careers integration
Enterprise Learning & Skills	Powering Enterprise AI upskilling	Cognizant AI programme	Vocational execution	International contract delivery
English Language Learning	Outperforming challenging market	Institutional enterprise growth	New customer wins	Resilient operational performance



Progress on driving execution synergies

Driving cost performance, agility and consistency of growth



Operational Systems

Fix fragmented approaches

Standardising tools and approaches

40%

AI-handled customer interactions

75%

Reduction in # of Sales Incentive Plans



Modern Software & Product Development

Leveraging our data and IP



Communication Coach
Ambient assessment

Clinical AI functionality

90%

More likely to achieve mastery



360 degree Strategic Partnerships

Deepening key partner relationships



Adobe Relationship

Upgrading digital estate
Aligned to customers groups



Enterprise Skilling

Momentum across Enterprise offerings

↑ Professional Assessment

↑ Enterprise Solutions

↑ English Enterprise

Strategic account growth

8→10

Strategic partners

New H1



AI skills verification

New global certification
programme



Reinforces leadership in
skills verification



Rapid programme launch



Technology advances
driving demand for
validated new skills



Pearson uniquely
positioned to benefit

Early Careers

Large
attractive
market

TOTAL ADDRESSABLE MARKET¹

~\$6B

LOW PENETRATION TODAY²

~4%

Fragmented market

Pearson well positioned to win

Continued
progress in
unlocking

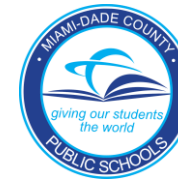
 eDynamic
Learning

 CERTIPORT[®]

CTE

 Pearson
Career Ready

Customers



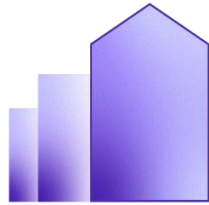
¹ Total estimated addressable market across elective and CTE curriculum ("Learn"), college and career readiness platforms ("Explore"), and certifications and licensing exams ("Verify").

² Relates to relevant businesses in Higher Education and Assessment & Qualifications.

Financial Review & Outlook

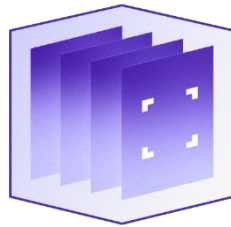
Early priorities

01



**Continued
disciplined
investment**

02



**Operational
excellence**

03



**Simplification
and
transparency**

H1 2026 Financial highlights

- Delivered good H1 financial performance
- Underlying revenue growth in line with expectations, with underlying profit and adjusted EPS growing strongly
- Strong free cash flow performance, including timing benefit
- Strong balance sheet enabling investment and shareholder returns
- Completed £350m share buy back
- Sustained dividend growth

Underlying¹ Revenue Growth

+4%

Revenue: £1,779m
(H1 2025: £1,722m)

Underlying¹ Adj. Operating Profit

+14%

Adj. Operating Profit:
£276m
(H1 2025: £ 242m)

Underlying¹ Adj. Operating Profit Margin Growth

+140 bps

Adj. Operating Profit
Margin: 15.5%
(H1 2025: 14.1%)

Adj. EPS Growth

Headline Constant Currency²

+18% +19%

Adj. EPS:
28.9p
(H1 2025: 24.5p)

Free Cash Flow Growth

+66%

Free cash flow: £259m
(H1 2025: £156m)

Interim Dividend Growth

+5%

Interim Dividend: 8.2p
(2025: 7.8p)

¹ Underlying growth rate: exclude currency movements, and portfolio changes.

² 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.

H1 2026 Revenue & Adjusted operating profit

£m	Revenue	Underlying Revenue Growth ¹	Adj. Operating Profit	Adj. Operating Profit Margin	Underlying Adj. Operating Profit Growth ¹
Assessment & Qualifications	803	2%	157	20%	(6)%
Virtual Learning	280	19%	49	18%	31%
Higher Education	350	2%	21	6%	nm ²
English Language Learning	166	(3)%	(2)	(1)%	nm ²
Enterprise Learning & Skills	180	7%	51	28%	18%
Total	1,779	4%	276	16%	14%

¹ Underlying growth rates exclude currency movements, and portfolio changes.

² "nm" means not meaningful.

H1 2026 Cash Performance

- Continued strong free cash flow performance
- Disciplined working capital management
- Balance sheet remains robust

£m	H1 2026	H1 2025	YoY Change
Adjusted Operating Profit	276	242	34
Net capex investment	(5)	13	(18)
Net product development investment	(2)	14	(16)
Working capital, FX and other	68	(143)	211
Operating Cash Flow	337	126	211
Cash interest paid	(28)	(5)	(23)
Cash tax received (paid)	(50)	35	(85)
Free Cash Flow	259	156	103
Net Debt at 30 June	1,343	1,027	316

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

2026 outlook unchanged

**Underlying revenue
growth**

Mid-single digit

**Adjusted operating
profit**

£640m-£685m at £:\$ 1.35

Includes lower amortisation following the
2025 product development impairment

Cash flow

Free cash flow conversion* of 90-100%

H2

Growth to improve in H2
Weighted to Q3 given the shape of last year and known
business unit dynamics

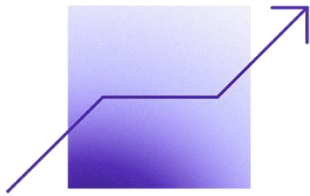
Business unit expectations

Full year		
Underlying revenue growth	Assessment & Qualifications	Low to mid-single digit growth, driven by new contracts, products and pricing.
	Virtual Learning	Stronger growth than 2025 driven by a full year of enrolment growth.
	Higher Education	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.
	English Language Learning	Institutional is expected to grow, driven by market share gains and pricing. PTE is expected to decline given the challenging market backdrop.
	Enterprise Learning & Skills	Growth driven by a solid Vocational Qualifications performance and strategic account growth in Enterprise Solutions.

Wrap up

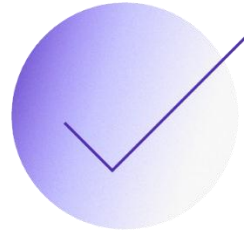
Key takeaways

01



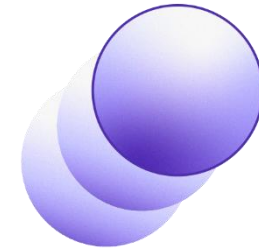
**Good
H1 financial
performance**

02



**On track
to deliver
guidance**

03



**Excited
about the
future**

Appendix

Technical guidance

Tax

c.25%

Interest

c.£80m

FX

Every 1c movement in £:\$ rate equates to approximately £5m
adjusted operating profit impact

Selected data points for reference

	Inclusive Access Growth	Higher Education US digital subscriptions ¹	PTE volume	Professional Assessments test volume ²	No. of virtual schools
H1 2026	20%	4.8m	474k	11.4m	School year 26/27: 46 virtual schools
H1 2025	21%	4.6m	491k	10.8m	School year 25/26: 41 virtual schools

¹Methodology change from reporting Pearson+ units to Pearson+ subscriptions and the addition of Study Prep.
²Test volumes include PTE and GED tests but revenue for each of these tests are reflected in the English Language Learning and Enterprise Learning & Skills business units respectively.

Other modelling assumptions

	H1 2026	H1 2025	FY2025
Exchange rate £:\$ (Average rate for profits)	1.34	1.31	1.32
Exchange rate £:\$ (Period end rate)	1.32	1.37	1.35
Shares outstanding (basic) ¹	599m	651m	635m
Shares outstanding (basic average) ¹	616m	662m	651m

¹ Excludes ordinary shares purchased by the company and held as treasury shares.

H1 2026 Revenue

£m	2026	2025	Headline growth	Underlying growth ¹
Assessment & Qualifications	803	802	0%	2%
Virtual Learning	280	242	16%	19%
Higher Education	350	337	4%	2%
English Language Learning	166	171	(3)%	(3)%
Enterprise Learning & Skills	180	170	6%	7%
Total revenue	1,779	1,722	3%	4%

¹ Underlying growth rates exclude currency movements, and portfolio changes.

H1 2026 Adjusted operating profit

£m	2026	2025	Margin 2026	Margin 2025	Headline growth	Underlying growth ¹
Assessment & Qualifications	157	170	20%	21%	(8)%	(6)%
Virtual Learning	49	39	18%	16%	26%	31%
Higher Education	21	(3)	6%	(1)%	800%	700%
English Language Learning	(2)	(7)	(1)%	(4)%	71%	43%
Enterprise Learning & Skills	51	43	28%	25%	19%	18%
Total adjusted operating profit	276	242	16%	14%	14%	14%

¹ Underlying growth rates exclude currency movements, and portfolio changes.

