Pearson

# Nine Month Trading Update

Thursday 22nd October 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**).

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.

# Key Takeaways

- Good 9M performance, with growth accelerating in Q3
- On track for Full Year 2026 guidance
- Disciplined capital allocation to drive long-term shareholder value
- Optimising Pearson's structure to drive growth

# Good nine-month performance, with growth accelerating in Q3, as expected

| UNDERLYING REVENUE GROWTH[1] | 9M YTD | Q3 | |
|---|---|---|---|
| **Group** | **+5%** | **+6%** | |
| **BY BUSINESS UNIT** | | | **KEY DRIVERS** |
| **Assessment & Qualifications** | **+4%** | | Growth of 10% in Q3, driven by new contracts and strong demand for the verification of AI skills |
| **Virtual Learning** | **+17%** | | +8% enrolment growth for Fall semester – underpins academic year |
| **English Language Learning** | **(4)%** | | Tough PTE market conditions – we continue to perform well |
| **Enterprise Learning & Skills** | **+7%** | | Continued growth with strategic partners, solid Vocational Qualifications performance |
| **Higher Education** | **+2%** | | Solid performance in core Courseware, taking action to improve further |

[1] Underlying growth rates exclude currency movements and portfolio changes.

# On track to deliver Full Year 2026 guidance: narrowing the profit range

**Mid-single digit**
Underlying rev. growth[1]

**£650-675m**
Adj. operating profit[2]

**90-100%**
Free cash flow conversion

**Driven by the RESILIENCE of Pearson's portfolio and our role as VERIFICATION INFRASTRUCTURE for skills globally**

[1] Underlying growth rates exclude currency movements and portfolio changes.
[2] At FX rates as at the end of 2025 (£:$1.35).

# Accelerating growth through disciplined, strategic M&A

## OUR CORE BUSINESS

### Assessment & Verification

Trusted assessment technology partner, brought in house

**HOW IT HELPS US GROW**

- **Broadens our assessment services**
- Opens growth adjacencies in **mid-stakes assessment** and **international markets**
- Opportunity to unlock **cost synergies**

**Acquired 2026**

## OUR MEDIUM-TERM GROWTH VECTORS

### Enterprise Skilling

AI-native skills intelligence platform that measures and verifies workforce skills

**HOW IT HELPS US GROW**

- Creates a more **comprehensive skills product portfolio**
- Expands **blue-chip customer base**
- **Talented AI-native team**

**Acquired 2026**

### Early Careers

Career and technical education curriculum provider across 40+ career pathways

**HOW IT HELPS US GROW**

- **Leader in career skills space**
- Broadens capabilities in **career-readiness solutions**
- Clear **cross-sell opportunity** across K-12 and post-secondary

**Acquired 2025**

Note: Workera expected to close in 4Q26

# Optimising Pearson’s structure to drive growth

# Simpler organisation and new operating model to drive growth

## TODAY

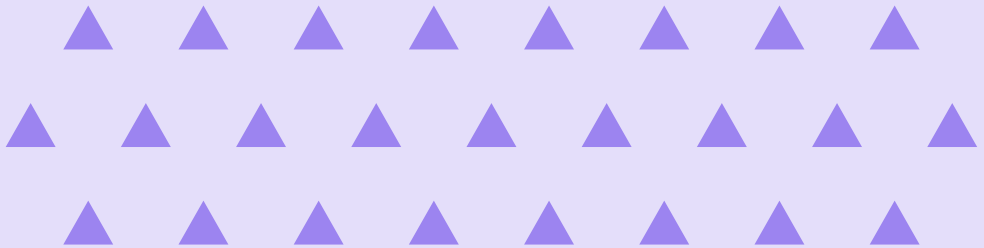
Assessment & Qualifications

Virtual Learning

Enterprise Learning & Skills

English Language Learning

Higher Education



20+ sub-units, each with its own corporate functions, vendors, tech and processes

**Multiple customer interfaces, separate sales motions, fragmented platforms and resources**

## FUTURE

US K12

US HE

UK & Int Education

Enterprise

**Strengthening and standardising core capabilities**

Four customer-led business units, with clearer accountability, bringing teams and offerings closer to end markets

**Structure that unlocks full potential**

= Offering

# Focused organisational design, centred around customers and growth

## Customer-led businesses

### Learning Institutions

| US K12 | US Higher Education | UK & International Education |
|---|---|---|
| c.£1.2bn | c.£0.6bn | c.£0.8bn |

### Enterprises

| Enterprise |
|---|
| c.£1.0bn |

**Assessment & Verification Remains at the Core of Pearson**

## Investing in core capabilities to unlock growth

**Product and services**
Greater alignment of customer offerings and product investment decisions made closer to end customers

**Business development**
Building capability to support clearer ownership of strategic customers and growth opportunities

**Commercialisation**
More consistent selling approach with stronger data, incentives and routes to market

**Customer service and delivery**
A simpler, more joined-up experience that supports deeper customer relationships and removes duplication

Figures above represent approximate FY25 revenue

# New approach unlocks full potential for Pearson



## Growth

Sharpening customer focus to drive growth

**Better for sustained growth**



## Performance

Strengthening core capabilities to improve our performance

**Better for customers**



## Agility

Reducing fragmentation and improving processes to drive speed and efficiency

**Better for our business**



## Simplicity

Clearer visibility of growth drivers and progress

**Simpler for investors**

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# Appendix

# Customer focused units, with assessments and verification infrastructure at the core

| | | | | |
|---|---|---|---|---|
| CUSTOMER GROUPS | Learning Institutions | | | Enterprises |
| BUSINESS UNITS | US K12 | US Higher Education | UK & International Education | Enterprise |
| INDICATIVE FY25 REVENUE | c.£1.2bn | c.£0.6bn | c.£0.8bn | c.£1.0bn |
| OFFERINGS | K12 Assessments<br>Virtual Schools<br>College & Career Ready<br>Special Education | US Higher Education | Qualifications<br>Learning & Assessment Services | Professional Assessments<br>Talent & Clinical Assessments<br>Workforce Skilling |

**Assessment & Verification Remains at the Core of Pearson**

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