

Key performance indicators for 2025

Monitoring our progress

We have replaced our previous set of strategic KPIs with power metrics to make it easier to 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

Objective: To track the stability and growth of our core assessments & verification business

Scope: Pearson Professional Assessments and US Student Assessment

Enterprise Skilling

Objective: To monitor how we are tracking against our enterprise growth ambition

Scope: Enterprise customers include all enterprises and non-education government bodies within Assessment & Qualifications, English Language Learning and Enterprise Learning & Skills

Renewals

96%

(2024: 99%)

(2023: 87%)

Definition: Total value of contracts renewed / (total value of contracts renewed + lost). Contracts renewed include wins and scope increases from existing customers.

Growth

£33m

(2024: £36m)

(2023: £7m)

Definition: Average annual bookings for contracts with new customers.

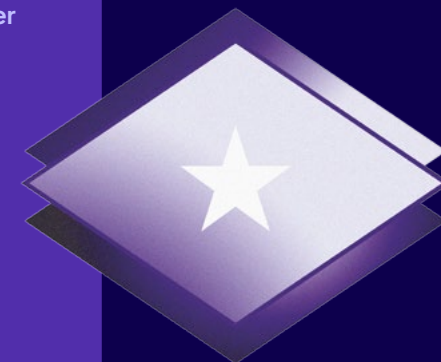
Total 'Advanced' and 'Elite' tier customers

49

(2024: 45 Enterprises)

(2023: 47 Enterprises)

Definition of 'Advanced' and 'Elite' tier customers: Enterprise customers with total recognised sales across Pearson enterprise products in the reported year of £2.5m-£10m (Advanced) or above £10m (Elite).



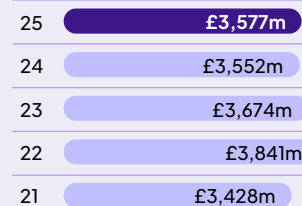
Key performance indicators for 2025 *continued*

A strong financial position

Sales^b

This is our sales as reported in our income statement.

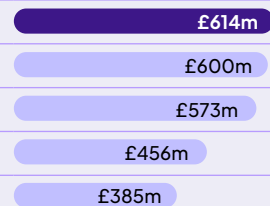
£3,577m



Adjusted operating profit^a

A non-GAAP financial measure that enables management to consistently track the underlying operational performance of the Group.

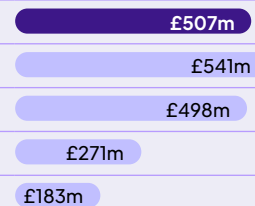
£614m



Operating profit^b

This is our operating profit as reported in our income statement.

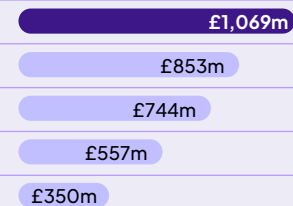
£507m



Net debt

This is a non-GAAP financial measure and is used by management to assess the Group's debt position.

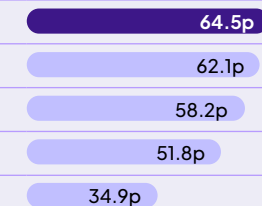
£1,069m



Adjusted earnings per share^a

A non-GAAP financial measure used to evaluate performance.

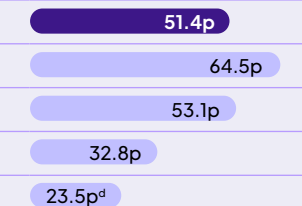
64.5p



Basic earnings per share^b

A measure of the amount of profit that can be allocated to one share of our common stock.

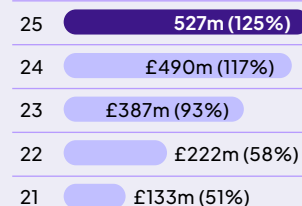
51.4p



Free cash flow and conversion^a

Free cash flow is an adjusted measure and is presented in order to align the cash flows with corresponding adjusted earnings measures.

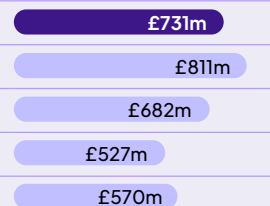
£527m



Net cash generated from operations^b

This is our net cash generated from operations as reported in our cash flow statement.

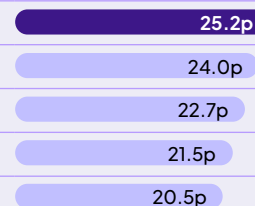
£731m



Dividend per share

This is the proposed full-year dividend. Our dividend policy is to be progressive and sustainable.

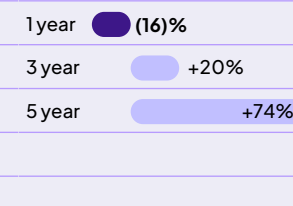
25.2p



Total shareholder returns^c

This is a measure of financial performance of shares over time.

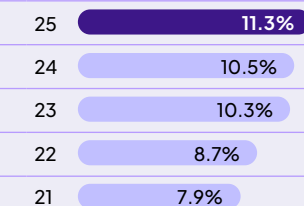
(16)%



Return on capital^a

A non-GAAP measure of how efficiently we are generating returns from our asset base.

11.3%



- See pages 235-240 for an explanation and reconciliation of these alternative performance measures and non-GAAP measures
- Statutory measure
- Source: Eikon from Refinitiv
- Comparatives were restated in 2022