

Strategic framework

An integrated strategy

Overview

In 2024, we launched a refreshed strategy with a single, unifying purpose: to help people everywhere to realise the life they imagine through learning (the 'why' section of our framework). This strategy is now deeply embedded across the organisation, and its execution has generated strong momentum across the business. We continue to accelerate our transformation – harnessing the power of AI and capitalising on the demographic shifts reshaping the world.

As we move into the second year of this journey, our execution plan rests on three interconnected components:

1. Drive performance in our core business

We are driving excellence across our business units, focusing on strengthening core performance and capturing market share, with specific examples outlined in the business unit overview section. We will continue to drive value by scaling our presence across multiple verticals and solution types. We will build on our commercial execution and accelerate the introduction of innovative products and services, providing a solid foundation for future growth.

2. Deliver execution synergies

We will unlock value from execution synergies. We remain committed to further advancing our ambition of a fully integrated, customer-centric operation which executes at pace. We are implementing new approaches to company-wide operational systems that will support more effective workflows, such as transforming revenue operations and AI-driven simplification to customer services. We will refine and modernise our software, as well as simplifying our product estate to improve customer navigation and enhance product discovery and development. In parallel, we aim to establish long-term strategic partnerships that support sales expansion, create unique go-to-market pathways and advance innovation.

3. Expand into medium-term growth vectors in Early Careers and Enterprise Skilling

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, to support learners as they transition from formal education into the workforce. Additionally, we will support enterprises as they develop the capabilities needed for talent planning, sourcing and development in the AI era.

Lastly, to support the execution of our strategy (the 'how' section of our framework), we will continue to invest in our people, strengthen our performance culture, drive innovation and optimise our capital allocation. Our focus is on creating a highly motivated and customer-centric organisation by delivering a strong employee-employer contract, quickly allocating capital to faster-growing opportunities and making innovation a core part of our DNA. We believe we are well-positioned to capture growth in the rapidly evolving learning market.

1. Why

The world's lifelong learning company

Helping people realise the life they imagine through learning

2. What



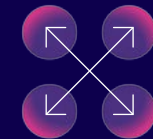
Driving performance in the core business

Excellence in business units



Execution synergies

Operational systems
Modern software & product development
Strategic partnerships



Medium-term growth vectors

Early Careers
Enterprise Skilling

3. How

Performance culture

Innovation

Capital allocation

Our business model and value drivers

1. Why

Helping people realise the life they imagine through learning

Brand

Our brand stands as a symbol of trust, respect and excellence, embodying the quality that defines our company and strengthens our position in the marketplace. In 2025, we delivered a refreshed Pearson brand, modernising our visual identity, tone of voice and value proposition.

Thought leadership

Our industry expertise and unique position in the learning ecosystem allow us to be a global thought leader. We develop deep, rigorous and analytical perspectives, share domain insights and shape the conversation on key trends. We launched our 'Lost in Transition' and 'Mind the Learning Gap'¹ research reports, anchored in proprietary insights covering skills gaps, digital disruption, learner behaviour and the impact of AI on learning and the workforce.

For our stakeholders



- Individuals
- Institutions
- Enterprises



AI is creating transformative opportunities across education and we have a responsibility to harness it for the benefit of those we serve. Through our strategy we are building a stronger business, unlocking new growth, driving better outcomes for our customers and delivering value for our stakeholders."

Sue Kolloru
Chief Strategy Officer

Learning is a very human trait. Like sleep and nutrition, learning is vital in our lives, and we know that when we learn more we get happier, we get healthier, we live longer and we can earn more.



1. Published in Jan 2026

Our business model and value drivers *continued*

2. What

What we're doing to progress against our strategy

Growth drivers



Core performance

Progress in FY25

Excellence in business units

We continued to strengthen our core business through high contract renewal rates, the acquisition of new customers, increased share of wallet and disciplined improvements in execution across our business units. Further detail on strategic progress within our business units is set out on pages 4-5, with performance against our 'power metrics' reported on page 23.

Plans for FY26

We will focus on delivering strong contract renewals, generating incremental revenue across our established customer base and building a robust pipeline of 'Elite' and 'Advanced' customers as reported in our 'power metrics' on page 23. We will maintain this momentum through a continued emphasis on disciplined execution and ongoing innovation. Our 2026 priorities across the business units are outlined on pages 4-5.

Operational systems

We merged several teams into a dedicated Revenue Operations unit to standardise sales processes, strengthen pipeline management and unify data sources – delivering clearer, more actionable insights – while launching the next phase of the Pearson Promise to reinforce our high-performance culture and streamline the organisation, bringing teams closer to customers and accelerating decision-making.

At the same time, we significantly expanded our AI capabilities, scaling our Content Generation Suite, leveraging AI code assist capabilities, expanding chatbot use, and embedding AI in customer services to boost efficiency and impact. For example, we are also deploying Claude and Claude Code across engineering and business functions to accelerate development and enhance productivity and quality.

We will accelerate our data-driven, customer-centric sales motion by refining incentives to reward growth and harnessing AI for deeper customer insights, while building on our 'One Marketing & Communications' foundation to elevate our global brand and embed AI-powered tools that amplify creativity and measurable performance.

In parallel, we will increase our use of agentic operations by deploying AI agents, including a transformative knowledge agent that redefines customer support, alongside specialised agents that verify customer identity during enrolment, review statements of work and conduct deep competitive and market analysis – increasing speed, accuracy and intelligence across every touchpoint. Underpinning these efforts is our continued commitment to developing future-ready talent, cultivating adaptive leadership and increasing organisational agility to ensure flawless execution and sustained, profitable growth.

Execution synergies

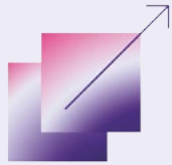
Modern software & product development

We accelerated the shift to true customer-centricity and rolled out our product operating model organisation-wide, delivering significant improvements in product governance and aligning Pearson to a unified architecture. We launched targeted training pilots to deepen customer empathy and embed real-time feedback into every product cycle, while strengthening business reviews to drive disciplined capital allocation and strategic planning – establishing the foundation for consistent, measurable and market-leading product outcomes.

We will continue to roll out our Product Excellence programme to establish a unified product operating model. Key priorities include disciplined discovery, standardised artefacts, as well as tools and training, backed by rigorous governance through roadmap reviews and financial alignment. We will accelerate reusable services and empower cross-functional teams to deliver faster, higher-quality outcomes with greater accountability.

2. What

Growth drivers



Execution synergies

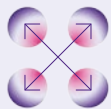
Progress in FY25

Strategic partnerships

We have consolidated our suppliers and deepened our relationships with a smaller number of key partners to create customer impact, drive efficiencies and grow our businesses. We signed and established robust operational governance for 360° partnerships, encompassing balanced trade, joint go-to-market programmes and co-innovation with leading hyperscalers (AWS, Microsoft and Google Cloud) and professional services partners (including Deloitte, IBM, HCLTech and Cognizant). These strategic alliances are unlocking significant commercial opportunities, and enabling innovation and product advancements to deliver market-leading, customer-aligned solutions.

Plans for FY26

We will deepen and expand our strategic partnerships to drive product innovation, co-create solutions for new markets and tap the vast client ecosystems of our global partners. We will also continue to scale collaboration in high-impact domains – sales operations, marketing and software technology – with multiple transformative projects already underway.



Growth pillars

Early Careers

We established a dedicated direct sales force to deepen and expand our relationships with US school administrators and completed the acquisition of eDynamic Learning, strengthening our leadership in digital Career and Technical Education (CTE) and career-pathway programmes while accelerating our vision of a seamless learner journey from exploration through certification. We deepened partnerships with industry associations tackling critical workforce shortages, including early collaboration with the Ohio Health Care Association. Through Certiport, we also forged meaningful enterprise partnerships, engaging students worldwide in Microsoft and Adobe certification competitions.

We will continue shaping a scalable Early Careers ecosystem: supporting learners from early exploration in middle school to industry-recognised certifications that open pathways to high-demand careers. We see significant potential to deepen partnerships with industry associations, workforce boards and employers in high-demand sectors – building a sustainable, skills-ready talent pipeline. Internationally, we will extend this proven model through localised programmes in technology, digital skills, data and AI. At the same time, we will also leverage existing assets – including our Career and College Readiness portfolio and Certiport assessment capabilities – to expand into adjacent markets such as workforce training within higher education.

Enterprise Skilling

We unified our sales, marketing, revenue operations, delivery, product and technology under one cohesive framework. Our newly established go-to-market approach led to nine important strategic enterprise partnerships, piloted high-impact bundles in priority segments and forged new go-to-market collaborations that significantly broaden our reach and accelerate growth in the corporate market. Our enterprise business will contribute meaningful shareholder value over the medium term and we are pleased by the progress so far.

We will scale comprehensive Enterprise Skilling solutions built on our DEEP framework:

- Diagnose skill gaps and align talent to business strategy
- Embed learning directly into workflows
- Evaluate mastery with rigorous, data-backed assessment
- Prioritise verified skills, fix signalling gaps, deliver AI-driven coaching and unlock workforce potential at scale – creating clear competitive advantage for our customers

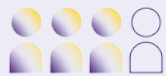
We will also scale bundling globally, embedding it deeply into pricing and incentive structures to accelerate adoption while expanding bundles to include emerging products and services.

Our business model and value drivers *continued*

3. How

How we create long-term stakeholder value

Growth drivers



Performance culture

Progress in FY25

People

Our people are the driving force behind our mission, passionately dedicated to empowering learners worldwide. Their commitment and expertise form the foundation of our success, shaping our identity and achievements as a company.

Plans for FY26

We will remain committed to the needs, interests and development of our people by continuing to invest in their growth. We will provide greater clarity on what success looks like and what it takes to progress through the evolution of our Career Navigation System and Learning Hub, where we will also empower our people to explore new roles and possibilities.



Innovation

Data & insight

We established a dedicated data function to enable data as a strategic asset, standardise capabilities and ensure a governed, accessible foundation for better decisions and insights. We are building a scalable data ecosystem with event-driven architecture, positioning us to move from enablement to enterprise-wide execution and strategic impact.

Ventures & labs

We unified our Ventures, Ecosystem Partnerships, Responsible AI and Labs into a powerful engine for applied research and emerging-technology acceleration. We officially launched our first Innovation Lab in London – designed for deep customer and stakeholder collaboration – and expanded innovation partnerships with Meta for Education, Google's Android XR, and Vū Technologies.

Artificial Intelligence

We established our AI Centre for Enablement (C4E) to unify standards, tools and expertise, enabling the responsible and scalable deployment of AI solutions. This operating model has accelerated our shift from experimentation to operational scale, highlighted by launches such as Communication Coach in Microsoft Teams and the Exam Prep feature in Study Prep, both based on rigorous learning science principles.

We will drive greater consistency and parity across business units and corporate functions, underpinned by a streamlined, well-governed and accessible data foundation. This foundation will enable better decision-making, deeper insights and measurable outcomes.

We will scale our London Innovation Lab into a global hub for prototyping and customer co-creation, and plan to establish a second lab in North America. Across this expanded footprint, our work will remain grounded in learning science and focused on delivering meaningful outcomes for learners and educators.

We will further embed AI across our product ecosystem, guided by learning science and enabled by the C4E. We will focus on scaling proven solutions, advancing responsible practices, investing in targeted ventures and leveraging strategic partnerships to deliver innovative, research-driven learning experiences to more learners, educators and enterprise customers worldwide.



Capital allocation

Capital allocation

We aligned our investment priorities with clear opportunities for growth, returns and value creation. We established a Capital Committee that allocates investment towards faster growth segments across time horizons to optimise capital deployment and drive shareholder returns.

We will continue to apply our disciplined capital allocation policy to drive long-term stakeholder value, including continuing to invest both organically and inorganically in high-growth segments to contribute to a higher, sustained growth rate over time. We demonstrated proactive capital management through the launch of our £350m share buyback programme in January 2026.