

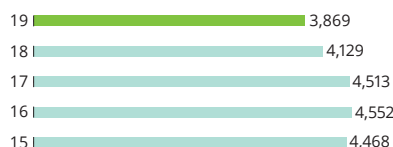
Key performance indicators

Financial measures

Sales

£million ^R

£3,869m



Adjusted operating profit¹

£million ^R

£581m



Adjusted earnings per share¹

pence ^R

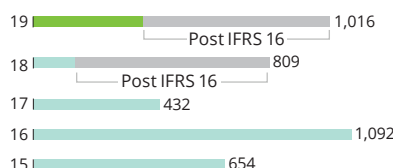
57.8p



Net debt²

£million

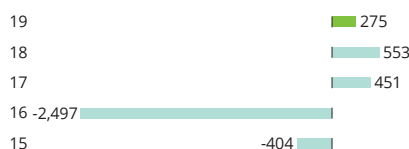
£1,016m



Operating profit/loss³

£million

£275m



Basic earnings per share³

pence

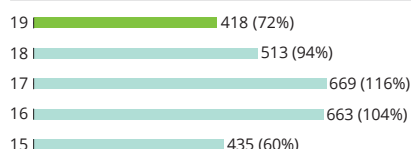
34.0p



Operating cash flow and cash conversion¹

£million ^R

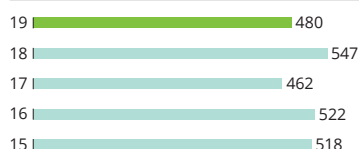
£418m



Net cash generated from operations³

£million

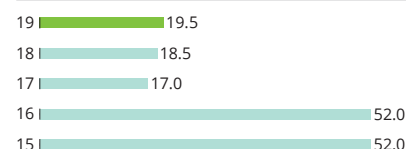
£480m



Dividend per share

pence

19.5p



Total shareholder returns⁴ ^R

-30.55%

-34.28%
+6.42%

1-year TSR

5-year TSR

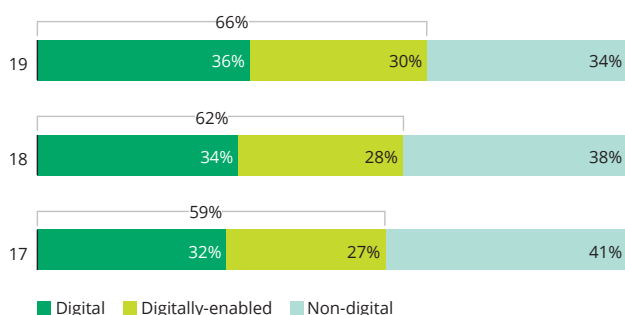
10-year TSR

- 1 See p30–32 for an explanation of these alternative performance measures.
- 2 2019 includes impact of IFRS 16 (see note 1b to the consolidated financial statements). 2018 is presented on a post IFRS 16 basis for comparability.
- 3 Equivalent statutory measure.
- 4 Source: Datastream.

Note: See p201–204 for full reconciliation of the alternative performance measures to the equivalent statutory measure.

Business measures

Digital revenue¹



¹ Excludes GEDU, Wall Street English (WSE) and US K12 Courseware. GEDU was sold in 2017, WSE was sold in 2018; US K12 Courseware was held for sale in 2018 and was sold in 2019.

Digital platforms

- › Launch of the Pearson Learning Platform (PLP)
 - Revel launched commercially with 17 titles in 2019
- › Launch of AI-enabled calculus app, Aida

Simplification

In-year incremental cost savings achieved in 2019	£130m
Annualised cost savings achieved from simplification programme	£335m
Percentage of revenue on one Enterprise Planning Resource (ERP) system	c.80%

Business growth in our key businesses

Virtual Schools	
Underlying revenue	+6%
Full Time Equivalent (FTE) students in continuing partner schools	+5%

Global Online Program Management	
Underlying revenue	+10%
Enrolments	+6%

Professional Certification (Pearson VUE)	
Underlying revenue	+10%
Test volume	+8%

US Student Assessment	
Underlying revenue	(1)%
Digital/print test volume %	57%/43%

English	
English Courseware underlying revenue	+3%
PTE Academic test volume	+17%

UK Assessments & Qualifications	
Underlying revenue	+6%

US Higher Education Courseware	
Underlying revenue	(12)%
Digital/print revenue split %	63%/37%

Non-financial measures

Talent and employee engagement

p21 →

Active Employee Resource Groups	50
Employee Engagement Network meetings connecting employees with the Board	2

Reduce our carbon footprint

	2019	vs. 2018
Global greenhouse gas emissions (tCO ₂ e)	80,421	(14)%

Improve gender diversity

	2019	2018
Female Board members	33%	30%
Female senior managers ²	34%	31%
Female employees	59%	62%
GB median gender pay gap	12%	14%

² Two reporting lines from the Chief Executive.