## Key performance indicators

### Financial measures

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong> £million</td>
<td>3,869</td>
<td>4,129</td>
<td>4,513</td>
<td>4,552</td>
<td>4,468</td>
</tr>
<tr>
<td><strong>Adjusted operating profit</strong> £million</td>
<td>581</td>
<td>546</td>
<td>576</td>
<td>635</td>
<td>723</td>
</tr>
<tr>
<td><strong>Adjusted earnings per share</strong> pence</td>
<td>57.8</td>
<td>70.3</td>
<td>54.1</td>
<td>58.8</td>
<td>70.3</td>
</tr>
<tr>
<td><strong>Net debt</strong> £million</td>
<td>1,016</td>
<td>809</td>
<td>432</td>
<td>1,092</td>
<td>654</td>
</tr>
<tr>
<td><strong>Operating profit/loss</strong> £million</td>
<td>275</td>
<td>553</td>
<td>451</td>
<td>275</td>
<td>404</td>
</tr>
<tr>
<td><strong>Basic earnings per share</strong> pence</td>
<td>34.0</td>
<td>75.6</td>
<td>49.9</td>
<td>101.2</td>
<td></td>
</tr>
<tr>
<td><strong>Operating cash flow and cash conversion</strong> £million</td>
<td>418 (72%)</td>
<td>513 (94%)</td>
<td>669 (116%)</td>
<td>663 (104%)</td>
<td>435 (60%)</td>
</tr>
<tr>
<td><strong>Net cash generated from operations</strong> £million</td>
<td>480</td>
<td>547</td>
<td>462</td>
<td>522</td>
<td>518</td>
</tr>
<tr>
<td><strong>Dividend per share</strong> pence</td>
<td>19.5</td>
<td>18.5</td>
<td>17.0</td>
<td>52.0</td>
<td>52.0</td>
</tr>
</tbody>
</table>

### Notes:
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).
3. 2018 is presented on a post IFRS 16 basis for comparability.
4. Equivalent statutory measure.
5. Source: Datastream.

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

**Digital revenue**

<table>
<thead>
<tr>
<th>Year</th>
<th>Digital</th>
<th>Digitally-enabled</th>
<th>Non-digital</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>19</td>
<td>36%</td>
<td>30%</td>
<td>34%</td>
<td>66%</td>
</tr>
<tr>
<td>18</td>
<td>34%</td>
<td>28%</td>
<td>38%</td>
<td>62%</td>
</tr>
<tr>
<td>17</td>
<td>32%</td>
<td>27%</td>
<td>41%</td>
<td>59%</td>
</tr>
</tbody>
</table>

Digital revenue includes services delivered digitally-enabled and non-digital. Underlying revenue is defined as revenue excluding any impacts from portfolio changes, currency movements and accounting changes.

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.

**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%

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### 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%

### Non-financial measures

- **Talent and employee engagement**
  - Active Employee Resource Groups: 50
  - Employee Engagement Network meetings connecting employees with the Board: 2

- **Reduce our carbon footprint**
  - Global greenhouse gas emissions (tCO₂e): 80,421 (14)%

### Improve gender diversity

<table>
<thead>
<tr>
<th>Measure</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female Board members</td>
<td>33%</td>
<td>30%</td>
</tr>
<tr>
<td>Female senior managers(^2)</td>
<td>34%</td>
<td>31%</td>
</tr>
<tr>
<td>Female employees</td>
<td>59%</td>
<td>62%</td>
</tr>
<tr>
<td>GB median gender pay gap</td>
<td>12%</td>
<td>14%</td>
</tr>
</tbody>
</table>

\(^2\) Two reporting lines from the Chief Executive.

**Note:** Underlying growth rates exclude currency movements, portfolio changes and accounting changes.