

Thomson Reuters Corporation
Revised Adjusted Earnings and Adjusted Earnings Per Share (EPS) ⁽¹⁾

(millions of U.S. dollars, except for per share amounts and share data)

As of September 30, 2023, Thomson Reuters amended its definition of adjusted earnings to exclude amortization from acquired computer software. While the company has always excluded amortization from acquired identifiable intangible assets other than computer software from its definition of adjusted earnings, this change aligns its treatment of amortization for all acquired intangible assets. Prior period amounts were revised for comparability.

Reported to Revised Adjusted Earnings and EPS	2021 Full Year	2022					2023		
		Q1	Q2	Q3	Q4	Full Year	Q1	Q2	June YTD
Adjusted earnings as Reported	\$965	\$322	\$291	\$274	\$352	\$1,239	\$391	\$397	\$788
Add back Amortization of Acquired Software	43	9	11	7	12	39	7	20	27
Less taxes on add back	(10)	(2)	(2)	(2)	(2)	(8)	(2)	(5)	(7)
Revised Adjusted earnings	\$998	\$329	\$300	\$279	\$362	\$1,270	\$396	\$412	\$808
Adjusted EPS as Reported	\$1.95	\$0.66	\$0.60	\$0.57	\$0.73	\$2.56	\$0.82	\$0.84	\$1.67
Add back Amortization of Acquired Software	0.09	0.02	0.02	0.01	0.03	0.08	0.01	0.04	0.06
Less taxes on add back	(0.02)	0.00	0.00	0.00	0.00	(0.02)	0.00	(0.01)	(0.01)
Revised Adjusted EPS	\$2.02	\$0.67	\$0.61	\$0.58	\$0.75	\$2.62	\$0.84	\$0.88	\$1.71
Weighted average shares	494.5	487.5	487.9	483.9	479.5	484.9	474.2	470.4	472.5

Due to rounding, the sum of adjusted EPS as reported and the impact of the revision does not always equal the revised adjusted EPS.

Revised Reconciliation of Net Earnings to Adjusted Earnings and EPS ⁽¹⁾	2021 Full Year	2022					2023		
		Q1	Q2	Q3	Q4	Full Year	Q1	Q2	June YTD
Net earnings (loss)	\$ 5,689	\$ 1,007	\$ (115)	\$ 228	\$ 218	\$ 1,338	\$ 756	\$ 894	\$ 1,650
Adjustments to remove:									
Fair value adjustments	(8)	7	(12)	(16)	3	(18)	13	5	18
Amortization of acquired computer software	43	9	11	7	12	39	7	20	27
Amortization of other identifiable intangible assets	119	26	25	25	23	99	25	23	48
Other operating (gains) losses, net	(34)	1	(2)	(25)	(185)	(211)	(17)	(347)	(364)
Other finance (income) costs	(8)	(94)	(320)	(448)	418	(444)	90	102	192
Share of post-tax (earnings) losses in equity method investments	(6,240)	(798)	825	525	(120)	432	(570)	(419)	(989)
Tax on above items	1,465	204	(157)	(53)	(24)	(30)	110	148	258
Tax items impacting comparability	(24)	(44)	(1)	-	60	15	-	(2)	(2)
(Earnings) loss from discontinued operations, net of tax	(2)	11	44	37	(39)	53	(19)	(5)	(24)
Interim period effective tax rate normalization	-	1	2	-	(3)	-	2	(5)	(3)
Dividends declared on preference shares	(2)	(1)	-	(1)	(1)	(3)	(1)	(2)	(3)
Adjusted earnings	\$998	\$329	\$300	\$279	\$362	\$1,270	\$396	\$412	\$808
Adjusted EPS	\$2.02	\$0.67	\$0.61	\$0.58	\$0.75	\$2.62	\$0.84	\$0.88	\$1.71
Diluted weighted average common shares (millions)	494.5	487.5	487.9	483.9	479.5	484.9	474.2	470.4	472.5

(1) Adjusted earnings and the related earnings per share (EPS) are non-IFRS measures. Thomson Reuters uses non-IFRS financial measures as supplemental indicators of its operating performance as well as for internal planning and other purposes. These measures do not have any standardized meanings prescribed by International Financial Reporting Standards (IFRS) and therefore are unlikely to be comparable to the calculation of similar measures used by other companies and should not be viewed as alternatives to measures of financial performance calculated in accordance with IFRS.

Adjusted earnings represents net earnings or loss including dividends declared on preference shares but excluding the post-tax impacts of fair value adjustments, including those related to acquired deferred revenue, amortization of acquired intangible assets (attributable to other identifiable intangible assets and acquired computer software), other operating gains and losses, certain asset impairment charges, other finance costs or income, Thomson Reuters share of post-tax earnings or losses in equity method investments, discontinued operations and other items affecting comparability. While amortization of acquired intangible assets is excluded from this measure, the revenues from the acquired companies is included. The acquired intangible assets contribute to the generation of revenues and earnings. The post-tax amount of each item is excluded from adjusted earnings based on the specific tax rules and tax rates associated with the nature and jurisdiction of each item. Adjusted EPS is calculated from adjusted earnings using diluted weighted-average shares and does not represent actual earnings or loss per share attributable to shareholders.

Adjusted earnings and adjusted EPS provide a more comparable basis to analyze earnings. These measures are commonly used by shareholders to measure performance.