

THOMSON REUTERS

2021
INVESTOR DAY
MARCH 16

Financial Perspectives & Value Creation Drivers

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Chief Financial Officer

Investor Day 2021

Agenda

1. 2018 IR Day Goals vs. 2019 & 2020 Results

2. 2020 Recap

3. Change Program - Two Powerful Levers to Drive Both Growth & Efficiencies

- Lever #1 - Holding Company to Operating Company
- Lever #2 - Content Provider Company to Content-Driven Technology Company

4. Value Creation Drivers

- Organic Revenue Growth + Margin Expansion – Lower Capital Intensity = Free Cash Flow per Share Growth
- LSEG Interest Provides Substantial Optionality
- Significant Value Creation Opportunity

2018 IR Day Goals vs. Actual Results

What We Said in 2018

Greater focus on leading positions we have in Legal, Tax, Corporates & Government businesses

Accelerate organic revenue growth

Reduce costs, increase margins & FCF per share

Well capitalized with significant capacity for organic & inorganic investment & maintain strong capital structure

Where We Are Today

- Big 3 segments growing mid-single digit
- Reported Adjusted EBITDA margin 33%
- Reduced Corporate costs by half
- Generated 2020 FCF of \$1.3B
- Deployed ~\$1.3B of Investment Fund in core markets and Big 3 businesses
 - Significant capacity before LSEG proceeds
 - \$700 million remains
 - Net debt to Adj. EBITDA ratio of ~1.1x as of 12/31/20

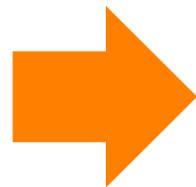
December 2018 Investor Day Goals compared to 2020 Actual Results

December 2018 Key Questions

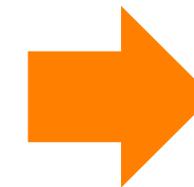
December 2018 Goals

2020

How fast can TRI overcome the loss of FCF/share resulting from Refinitiv transaction?

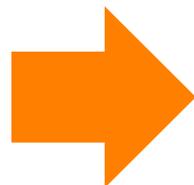


FCF/share of **~\$2.40 in 2020**

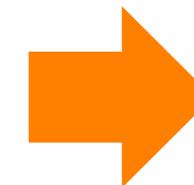


Achieved \$2.67

Does the growth profile of “New” TRI warrant a higher valuation multiple?

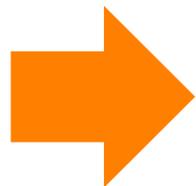


Big 3 Organic revenue growth of **3.5% to 4.5% in 2020**

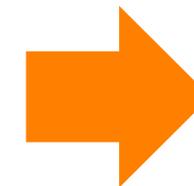


Organic revenue growth +3.8%
Total revenue growth +4.2% before currency

What is the value of TRI’s 45% stake in Refinitiv?



45% interest in Refinitiv expected to **appreciate under Blackstone partnership**



Refinitiv/LSEG value

- From - \$3.0B
\$6 per TRI share
- To - \$9.8B
\$20 per TRI share

(All pre-tax as of 1/29/21)

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Thomson Reuters - Successful Execution Through COVID-19

1. Acted Early Implementing Key Initiatives to Combat COVID-19 Impact

- Revised 2020 Outlook with transparent dialogue with investor community
- Opportunistic acceleration of investments in core franchises to emerge stronger & take advantage of operating scale & efficiencies alongside cost reduction initiatives
- Proven adaptability by transitioning nearly entire TR workforce to working effectively from home
- Robust capital management to ensure ample financial flexibility alongside strategic hires in C-suite

2. Resulting in Successful Execution & Resilient Performance Despite Headwinds

- Operational execution & efficiencies drove positive top-line and bottom-line results
- Prudent balance sheet management ensured flexibility & sustained investments
- Focus on core portfolio & leadership positioning created opportunities to drive organic growth in key end-markets

3. Current Position of Strength Provides TR with Flexibility to Invest for Growth while Executing Change Program

FY 2020 Actual Results vs. Updated Q3 2020 Guidance

Met or Exceeded All Guidance Metrics Provided with Q3 2020 Earnings

Total Thomson Reuters 2020 Outlook

	2020 Outlook Before Currency	2020 Results Before Currency	2020 Reported
Total Revenue Growth	1.0% - 2.0%	2.1% ✓	1.3%
Organic Revenue Growth	0% - 1.0%	1.2% ✓	1.2%
Adjusted EBITDA Margin	~ 32.0%	32.9% ✓	33.0%
Corporate Costs	\$140 - \$150 million	\$125 million ✓	\$131 million
Free Cash Flow	~ \$1.1 billion	\$1.3 billion ✓	\$1.3 billion
Capital Expenditures as % of Revenue	8.0% - 8.5%	8.4% ✓	8.4%
Depreciation & Amortization of computer software	\$650 - \$675 million	\$672 million ✓	\$669 million
Interest Expense (P&L)	\$190 - \$215 million	\$195 million ✓	\$195 million
Effective Tax Rate on Adjusted Earnings	~ 17% - 19%	16.9% ✓	16.9%

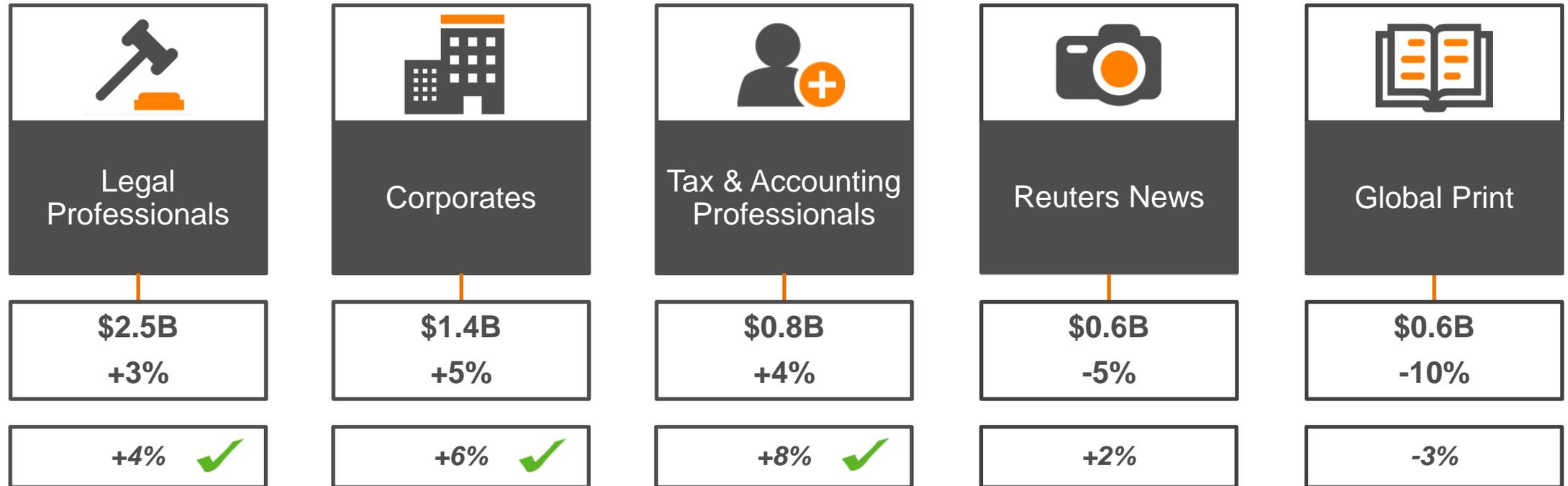
"Big 3" 2020 Outlook

	2020 Outlook Before Currency	2020 Results Before Currency	2020 Reported
Total Revenue Growth	3.0% - 4.0%	4.2% ✓	3.4%
Organic Revenue Growth	3.0% - 4.0%	3.8% ✓	3.8%
Adjusted EBITDA Margin	37.0% - 38.0%	37.5% ✓	37.8%

2020 Results Illustrate the Strength & Resiliency of Our Big 3 Franchises

Legal, Corporates & Tax Achieved 2018 IR Day Growth Targets Set Before COVID-19

“Big 3” = ~80% of revenues grew 4% organically



Dec 2018 IR Day
Target Growth by 2020

4% - 5%

6% - 8%

6% - 8%

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Thomson Reuters Change Program

Key Financial Takeaways

Change Program is Operationally & Financially Structured to Execute Successfully

1

Rigorously
Designed Value
Creation Agenda

2

Will Rapidly
Execute Against
Clear Timetable &
Clear Operational
& Financial
Metrics

3

This is an Organic
Growth Plan

4

Designed to
Deliver Sustained
Higher Organic
Growth – Nearing
40% Margins &
FCF Per Share of
\$4.00

- Robust & Growing Legal, Tax and Risk, Fraud & Compliance Businesses
- Strong Prevailing Tailwinds in Our Markets Play to Our Strengths & Contribute to Growth
- Two Powerful Levers to Drive Both Growth & Efficiencies
- This is an Organic Growth Plan Led by a Seasoned Team
- LSEG Ownership Interest Provides Substantial Optionality to Strengthen Our Position

Thomson Reuters Change Program Have Begun to Implement a 24-month Program

1. Estimated investment of \$500 - \$600 million (2021 & 2022)

- Will accelerate organic revenue growth, reduce operating costs, significantly increase margins, lower Capex intensity & increase free cash flow

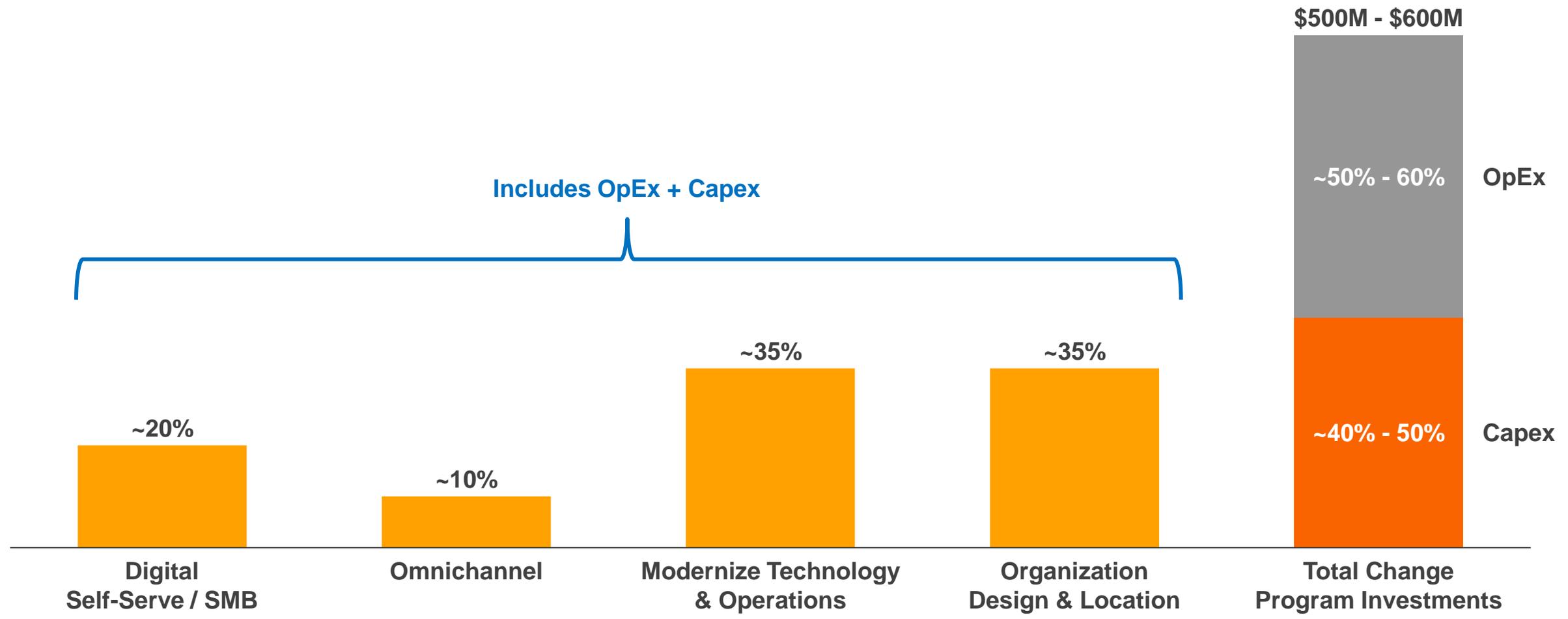
2. Estimated to generate additional annual revenues of \$100 million in 2023

3. Estimated to achieve annual Operating Expense (OpEx) savings of \$600M by 2023

- \$200M of OpEx savings to be reinvested in growth initiatives
- \$400M OpEx savings net of investment (10% reduction)

Change Program Investments by Workstream

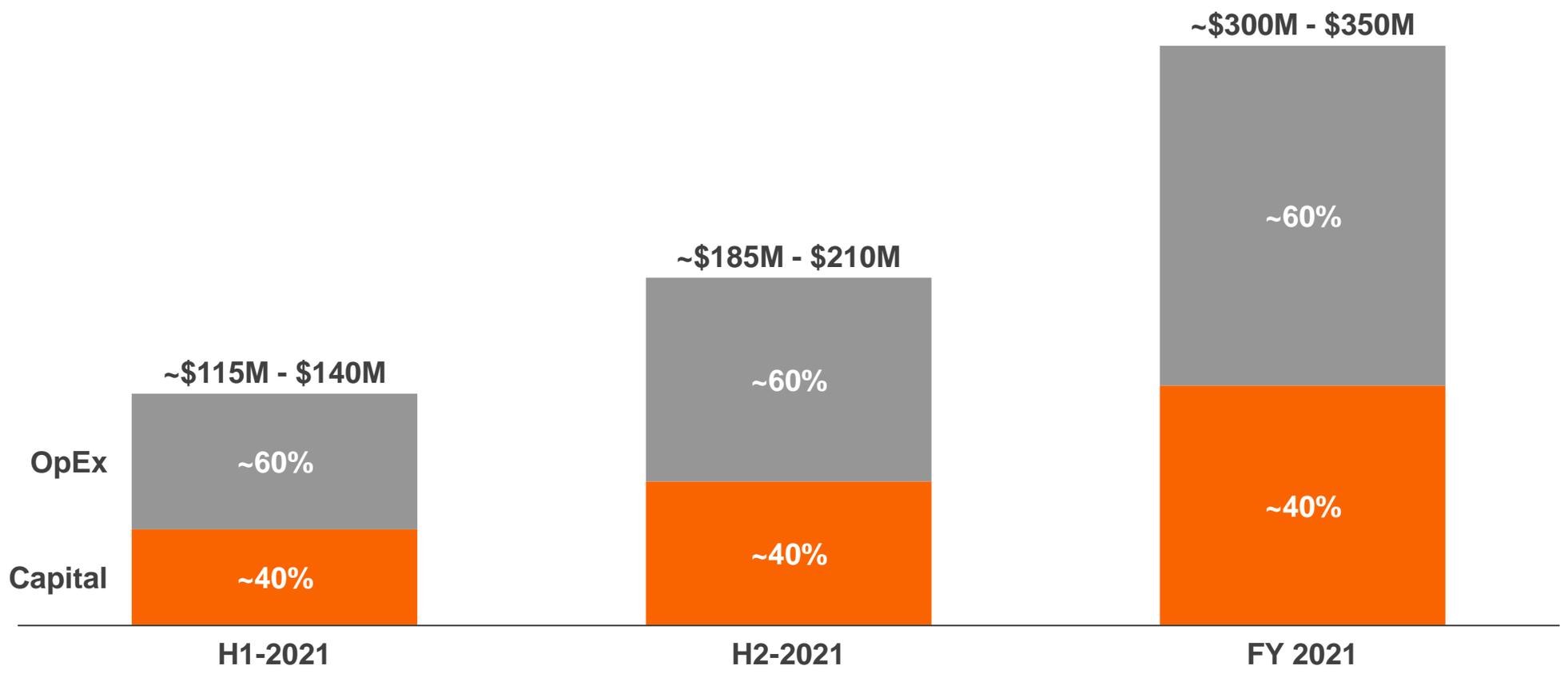
Targeting to Save ~\$400M (~10%) of Operating Expenses in 2023



Phasing of Change Program Investments - 2021

Forecast More Than Half of Change Program Costs Will Be Incurred in 2021

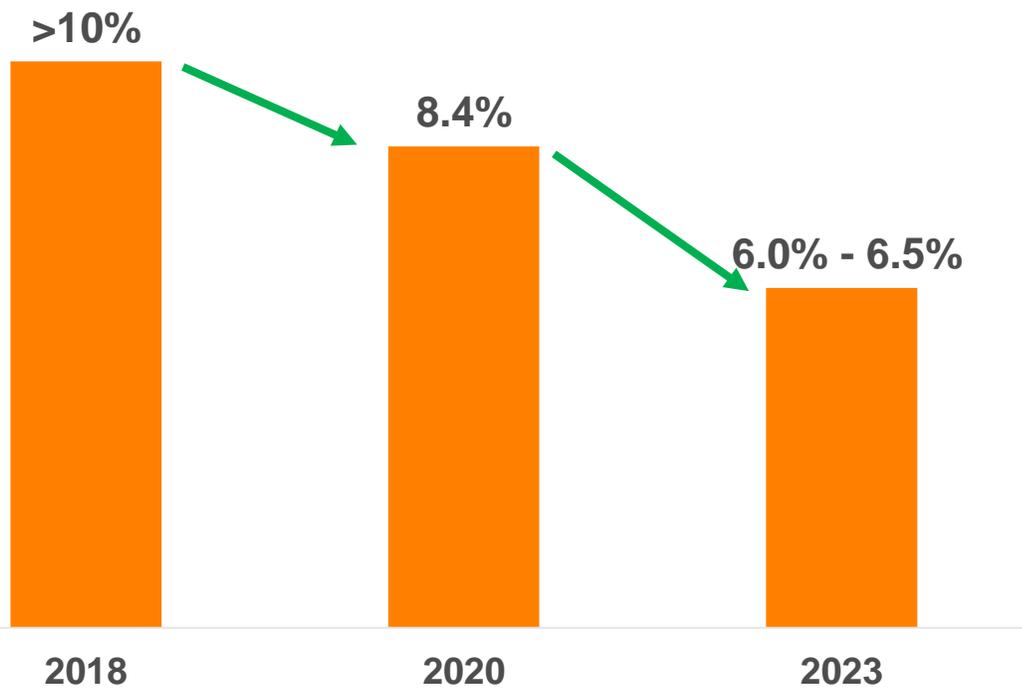
2021 Phasing



Tech Modernization, Product Integration & Focused Capital Agenda Will Improve Capital Efficiency

Targeting to Reduce Capex to 6.0% - 6.5% of Revenues in 2023

Capital Efficiency Evolution
(Capital Expenditures as % of Revenue)



Capital Efficiency Drivers

- 1 Technology Modernization**
 - Modernized & simplified technology architecture
 - Completing shift to the Cloud
- 2 Integration & Shared Capabilities**
 - Reducing the number of product versions while increasing the adoption of cross-product capabilities
- 3 Value-Based Provisioning Process**
 - Placing fewer bets
 - Channel investment toward growth acceleration projects
 - Reducing KTLO & infrastructure project spend across the business

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7 Strategic Investment Priorities

Strong Growth Verticals Accelerating Organic Growth

	Strategic Priorities	2020 Revenue
Legal ⁽¹⁾	1 THOMSON REUTERS® Practical Law™	~\$400M
	2 THOMSON REUTERS® HighQ THOMSON REUTERS CONTRACT EXPRESS™	~\$200M
	3 THOMSON REUTERS WESTLAW™	~\$1,500M ⁽⁴⁾
Government ⁽²⁾ (Risk, Fraud & Compliance)	4 THOMSON REUTERS CLEAR TRSS P O N D E R A PART OF THOMSON REUTERS	~\$400M
Tax & Accounting	5 THOMSON REUTERS® ONVIO™	~\$500M
	6 THOMSON REUTERS Cloud Audit Suite CONFIRMATION Part of Thomson Reuters	~\$100M ⁽³⁾
Corporate Tax & Trade	7 THOMSON REUTERS THOMSON REUTERS Direct Tax Indirect Tax	~\$400M

~\$3.4B

7 Priorities
Est. Revenue CAGR
Upper Single-Digit
2020 – 2023
+ SMB Opportunity

(1) Products reported in Legal Professionals and Corporates Segments
 (2) Government is reported within the Legal Professionals Segment
 (3) Products reported in Tax & Accounting Professionals and Corporates Segments
 (4) Includes \$100M of revenue also recorded in Government

Thomson Reuters & Big 3 - 2021 – 2023 Outlook

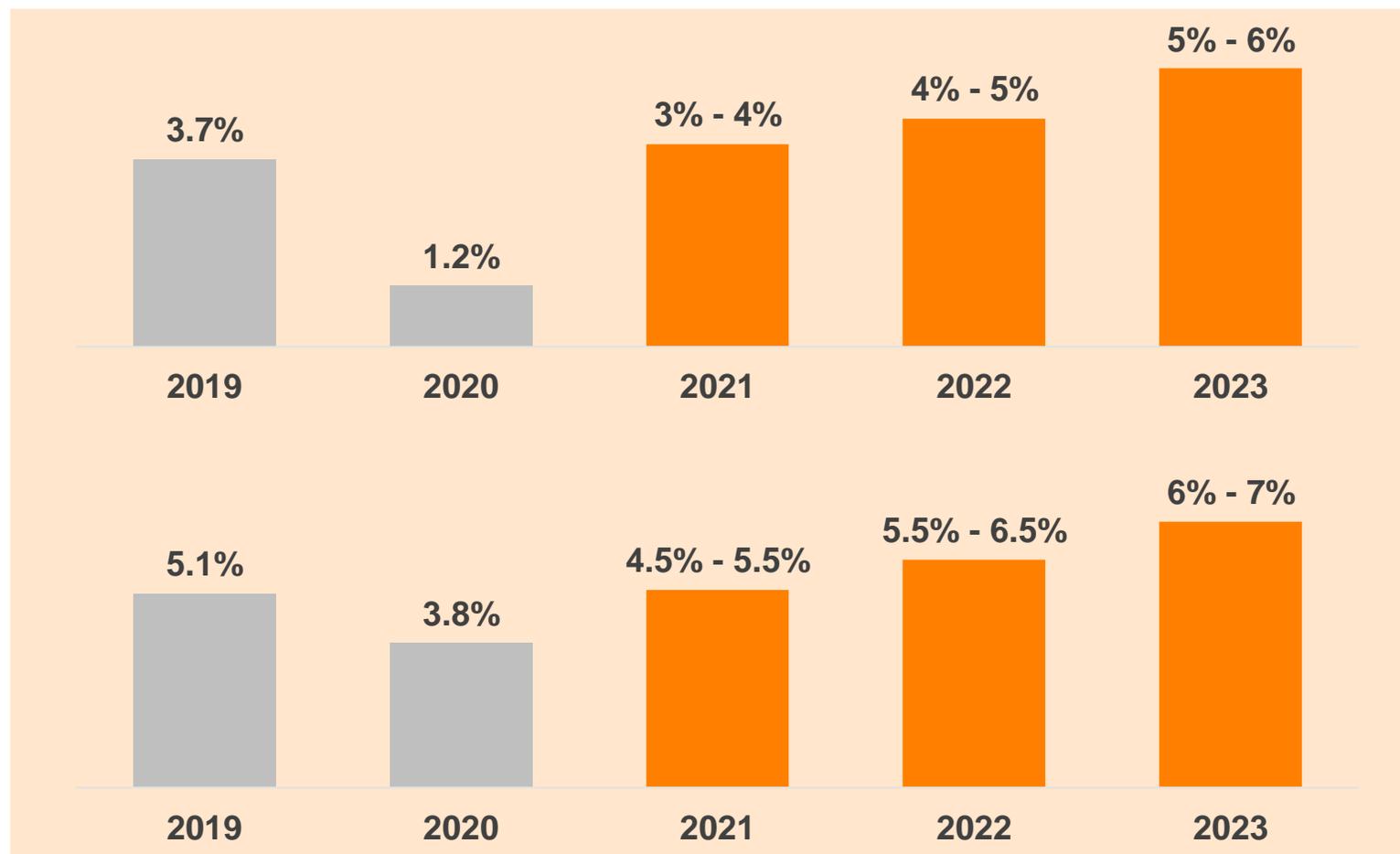
Targeting Higher Organic Revenue Growth

Forecasting 2021 Total TR and Big 3 Organic Revenue Growth to Rebound to 2019 levels

Forecasting Consistent Revenue Growth – 2023 TR Revenue Growth of ~5% to 6% & Big 3 Growth of ~6% to 7%

Total TR
Organic Revenue
Growth

Big 3
Organic Revenue
Growth
(~80% of Total Revenues)



*2019 included the Q4 2019 UltraTax acceleration.

Excluding this acceleration, Total TR organic growth was 3.4% and 4.8% for the Big 3

Thomson Reuters 2023 Outlook

The Path to 5% - 6% Organic Revenue Growth



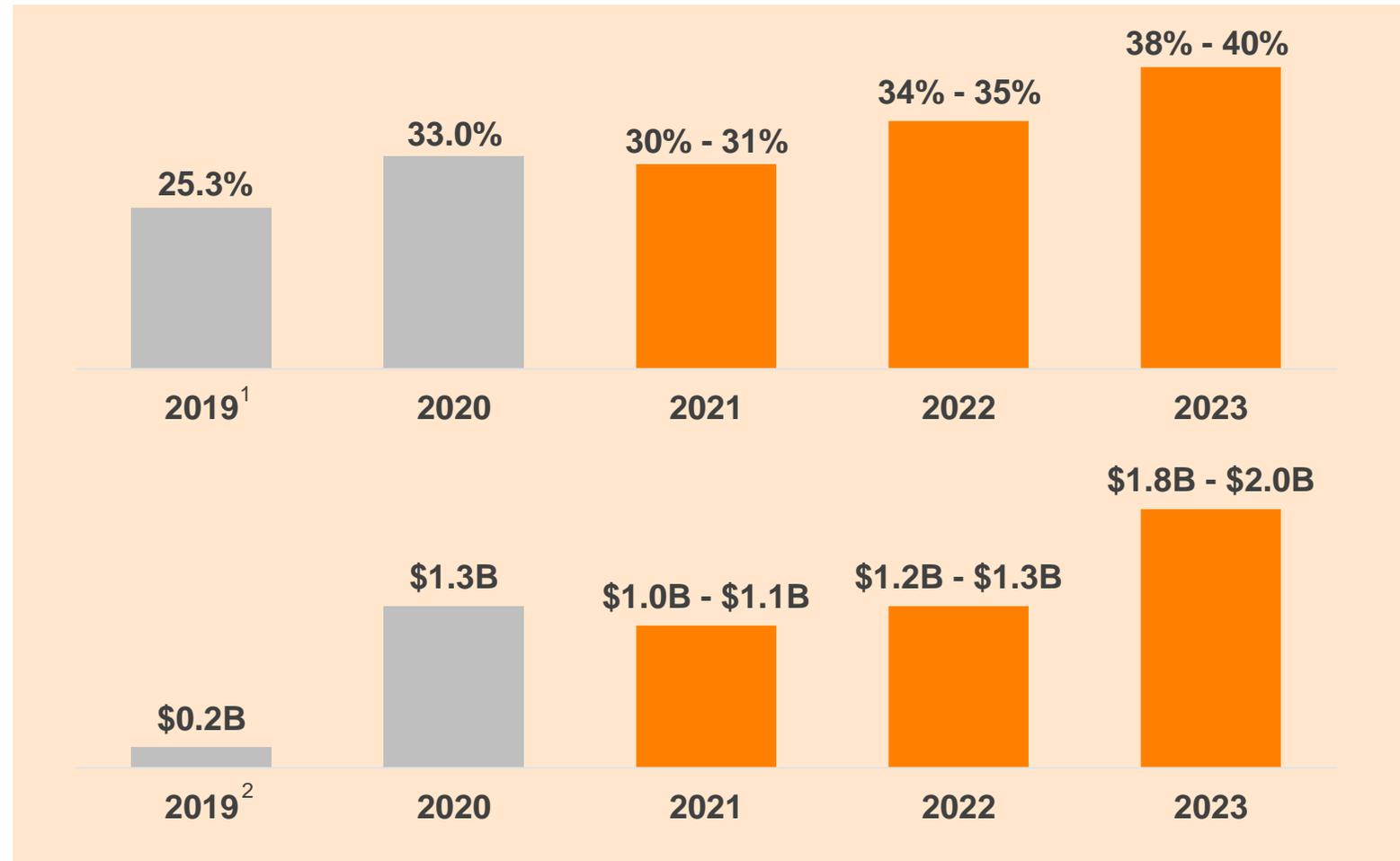
Thomson Reuters 2021 – 2023 Outlook

Targeting Higher Adj. EBITDA Margin & Free Cash Flow

Strong Adj. EBITDA Margin Improvement & Free Cash Flow Growth

Total TR
Adj. EBITDA Margin

Total TR
Free Cash Flow



Note: 2021 – 2023 before currency

1) Excluding Stranded and Separation costs Total TR EBITDA margin was 31.5%

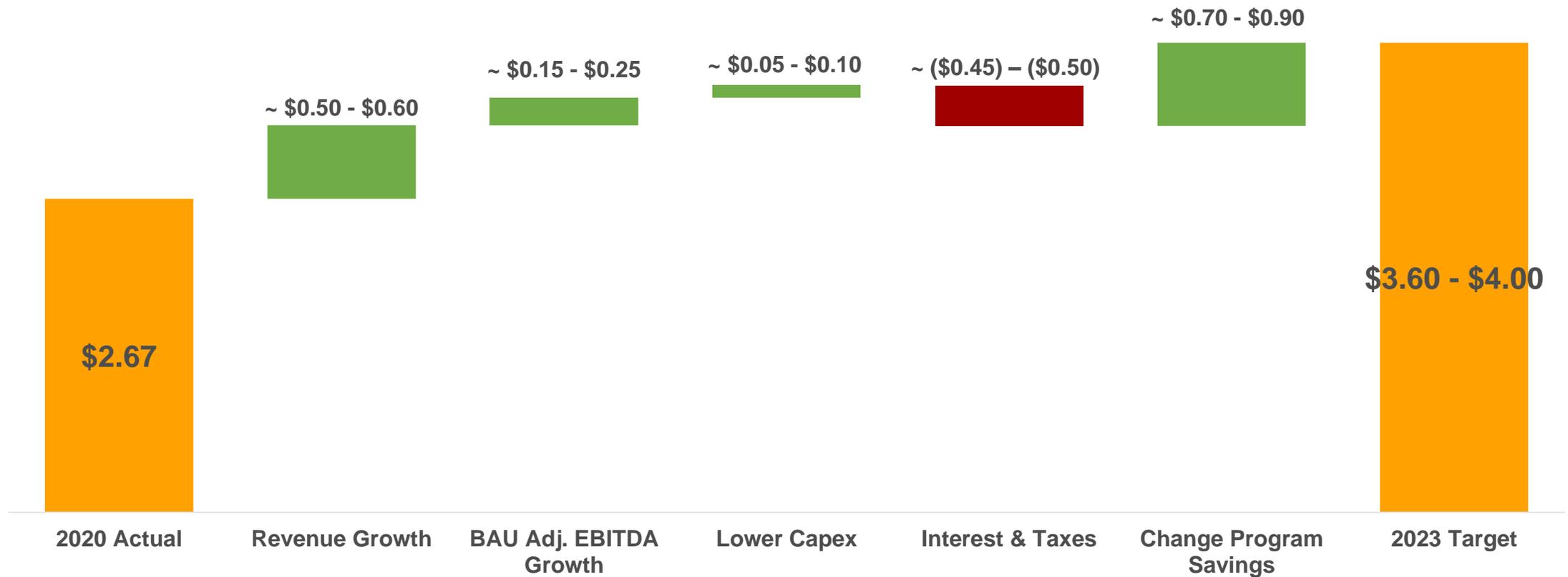
2) Excluding Separation costs, one-time Cash taxes and one-time Pension Plan contributions Total TR FCF was \$1.1B

Thomson Reuters 2023 Outlook

Free Cash Flow per Share

4 Designed to Deliver Sustained Higher Organic Growth - 40% margins & FCF per share nearing \$4.00

Higher Revenue Growth + Higher EBITDA – Lower Capital Intensity = Record Free Cash Flow per Share



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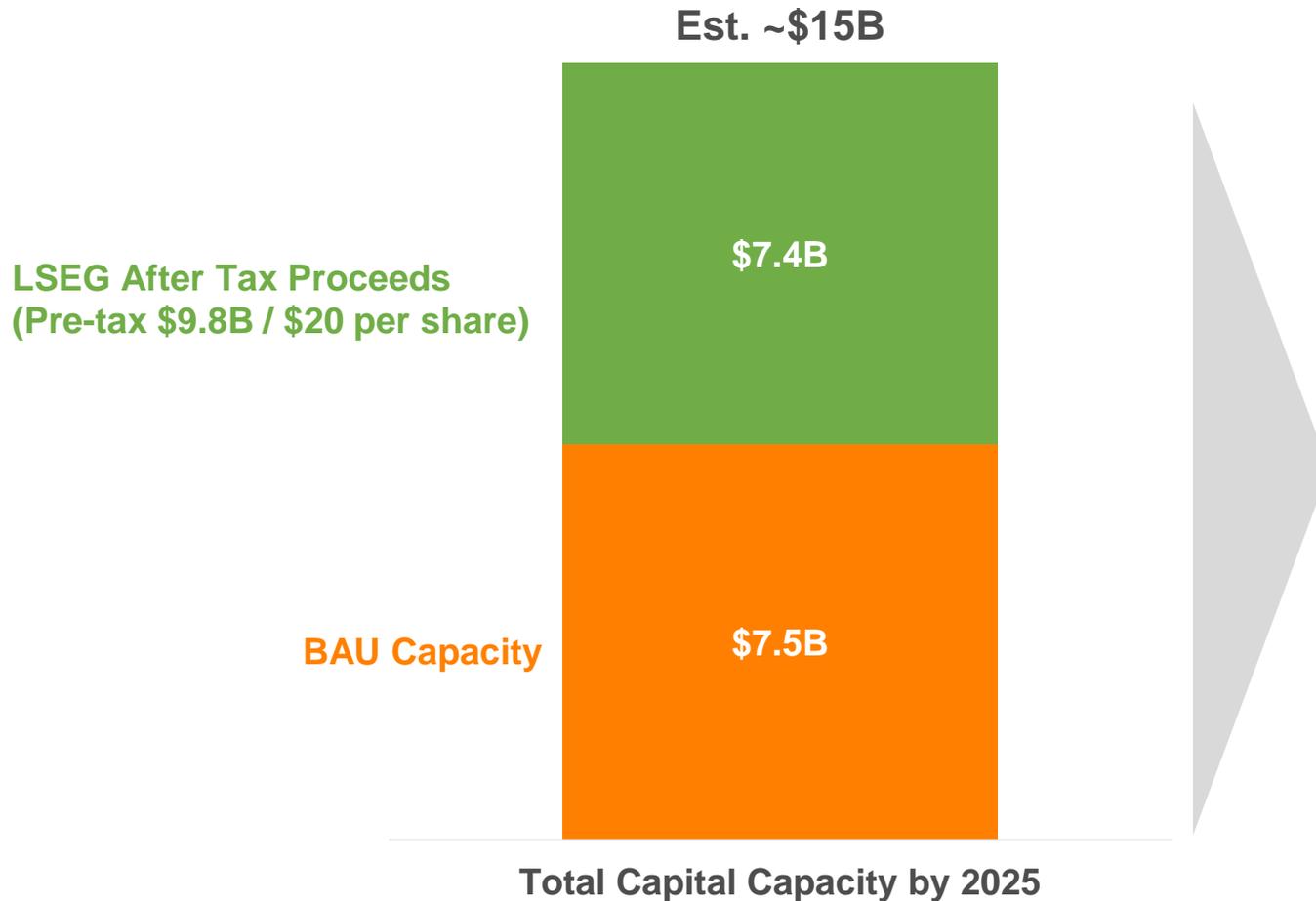
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- Significant Value Creation Opportunity

Thomson Reuters Ownership Stake in London Stock Exchange Group Significant Store of Value - Provides Substantial Optionality

- **Refinitiv / LSEG transaction closed January 29, 2021**
- **At the time of closing:**
 - TRI ownership interest in LSEG = 82.5 shares
 - LSEG Value = ~\$9.8B / ~\$20 value within TRI stock price [LSEG 01/29/21 closing price]
 - Tax of \$700 million payable on gain on sale of Refinitiv
 - Liquidate(d) \$1 billion of LSEG shares (net proceeds \$750 million) to pay \$700 million
 - Estimate TR will receive dividends = ~\$75 million per year (after sale of \$1B of LSEG shares)
- **Will be assessing optimal uses of proceeds**
 - First tranche can be sold in January 2023

2025 Capital Capacity Forecast

Total Capital Capacity as much as ~ \$15 billion by 2025 (final 1/3 of LSEG shares exercisable)



Potential Allocation Options

- 1 Acquisitions
- 2 Share Buybacks
- 3 Debt Reduction
- 4 Return of Capital / Special Dividend

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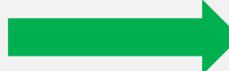
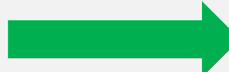
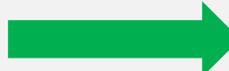
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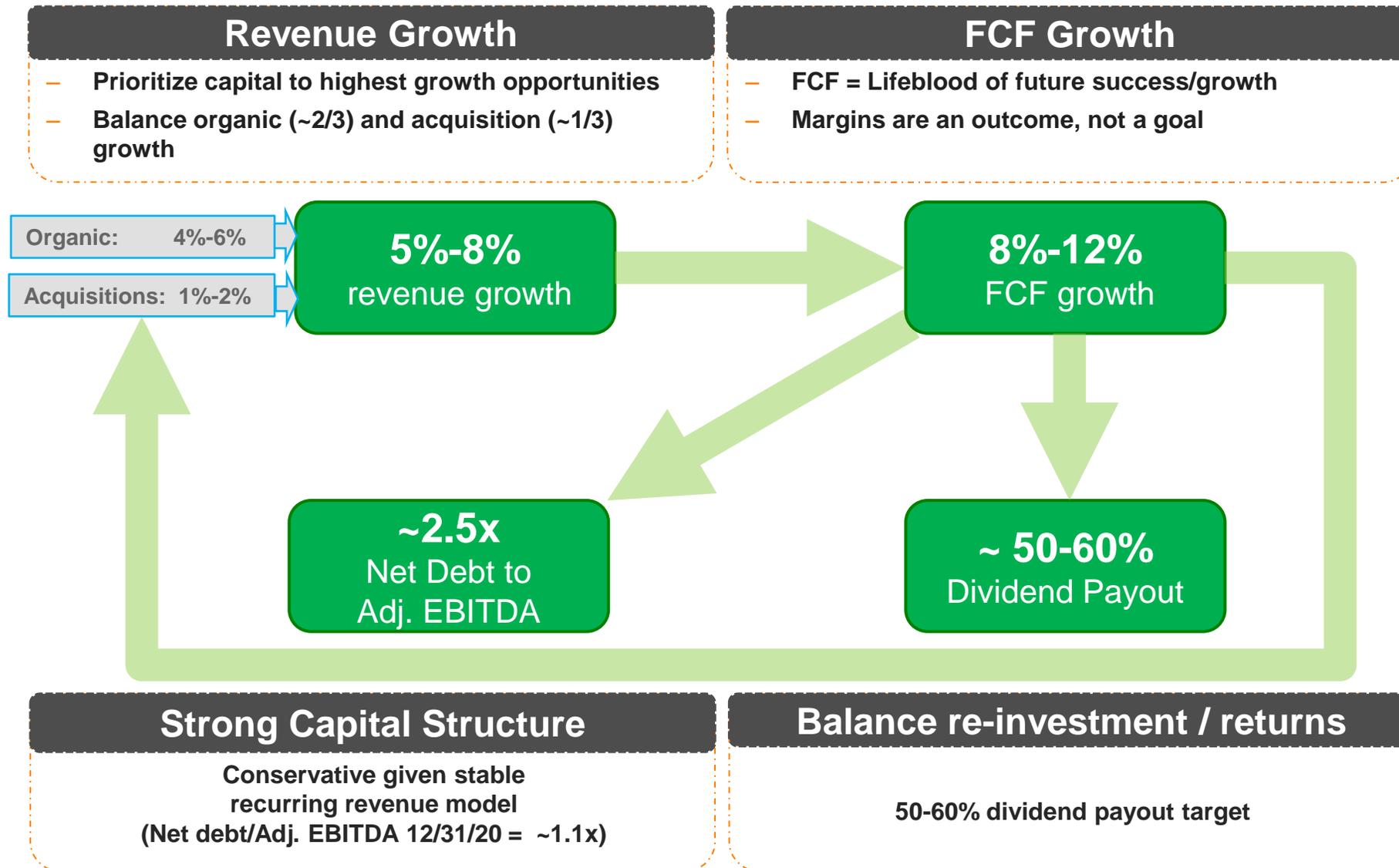
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Change Program is Forecast to Deliver Higher Revenue Growth, Margins & Free Cash Flow

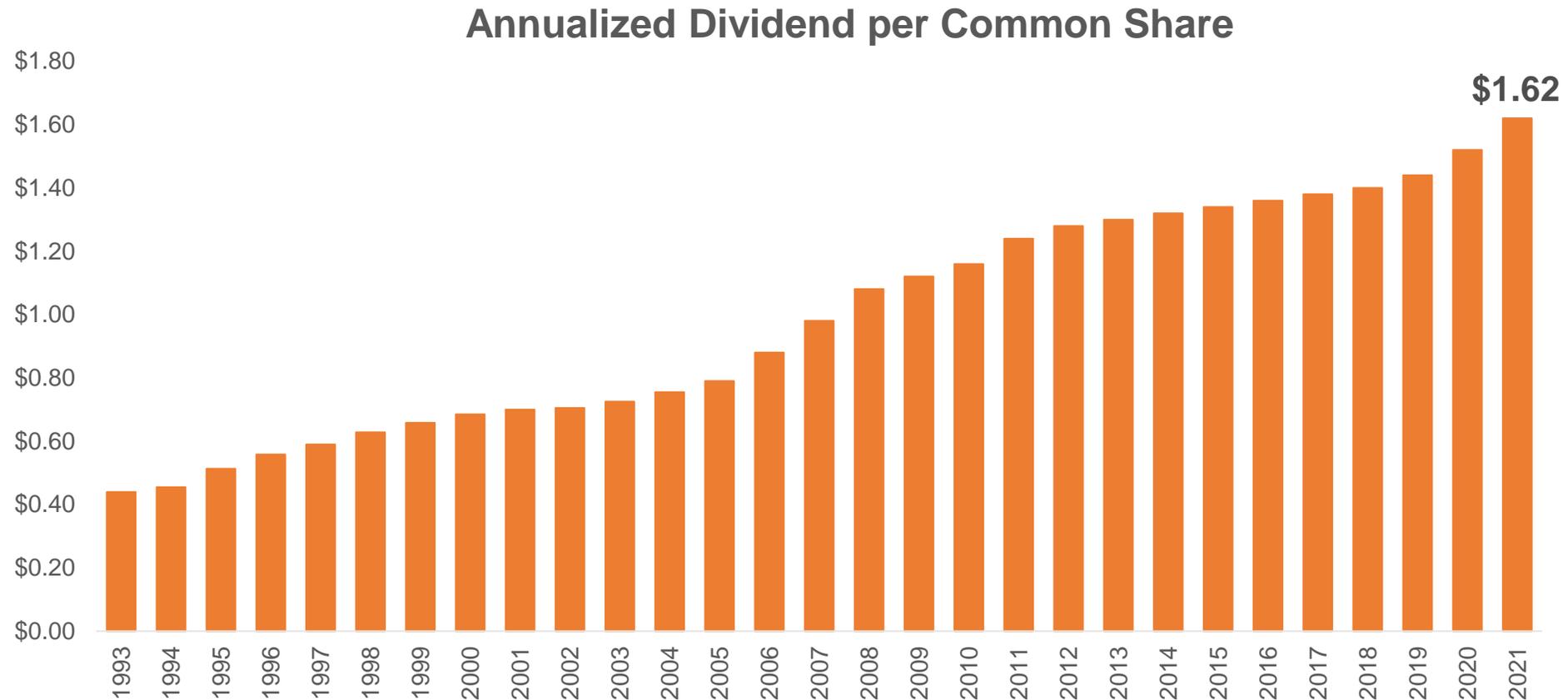
	2020		2023
Organic Growth <ul style="list-style-type: none"> Total TR Big 3 Segments 	1.2% 3.8%		5% - 6% 6% - 7%
Adj. EBITDA Margin 	33.0%		38% - 40%
Capex as % of Revenue 	8.4%		6.0% - 6.5%
Operating Expense Savings (net of investment) 	n/a		~ \$400M
Free Cash Flow 	\$1.3B		\$1.8B - \$2.0B

Success = Sustainable Value Creation



Long History of Returning Cash to Shareholders

28 Consecutive Years of Annual Dividend Increases
2021 Annualized Dividend Increase of \$0.10 (+7%) – Largest Increase Since 2008



Q&A