

# Thomson Reuters 2024 Fourth-Quarter Results

February 6, 2025

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## Agenda

- **Welcome / Introduction**

**Gary Bisbee**

- **Fourth-Quarter & Full-Year 2024 Highlights**  
**Tax & Accounting Professionals Overview**  
**SafeSend Acquisition**

**Steve Hasker**

- **Financial Review**  
**Fourth-Quarter & Full-Year 2024 Results**  
**2025 Full-Year Outlook and Updated 2026 Financial Framework**

**Mike Eastwood**

- **Q & A**

# Special Note

## Special Note Regarding Forward-Looking Statements, Material Assumptions and Material Risks

This presentation consists of these slides and the associated remarks and comments, which are related and intended to be presented and understood together.

Certain statements in this presentation and discussion are forward-looking, including, but not limited to, statements regarding the company's full-year 2025 outlook and 2026 financial framework and other expectations regarding the future financial and operational performance of the company and its individual business segments, including the future financial and operational performance of SafeSend, the company's strategic priorities, initiatives and opportunities, statements regarding its intention related to future share repurchases, statements regarding the potential impact of the company's recent acquisitions on the financial performance of the company, statements regarding investments in AI and the application and impact of AI in current and future products and the company's expectations regarding its liquidity and capital resources. While the company believes that it has a reasonable basis for making forward-looking statements in this presentation, they are not a guarantee of future performance or outcomes and there is no assurance that any of the events described in any forward-looking statement will materialize. Forward-looking statements are subject to a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from current expectations. Many of these risks, uncertainties and assumptions are beyond our company's control and the effects of them can be difficult to predict. Some of the factors that could cause actual results to differ materially from current expectations are discussed in the "Risk Factors" section of our annual report and in other materials that we from time to time file with, or furnish to, the Canadian securities regulatory authorities and the U.S. Securities and Exchange Commission.

Our company has provided a full-year 2025 business outlook and 2026 financial framework for the purpose of presenting information about current expectations for the periods presented. This information may not be appropriate for other purposes. You are cautioned not to place undue reliance on forward-looking statements which reflect expectations only as of the date of this presentation. Except as may be required by applicable law, Thomson Reuters disclaims any obligation to update or revise any forward-looking statements.

The company's business outlook and financial framework are based on information currently available to the company and are based on various external and internal assumptions made by the company in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the company believes are appropriate under the circumstances. Please refer to the third quarter management's discussion and analysis and our earnings release dated February 6, 2025, each of which is available on [www.tr.com](http://www.tr.com), for a discussion of material assumptions and material risks related to our business outlook and financial framework.

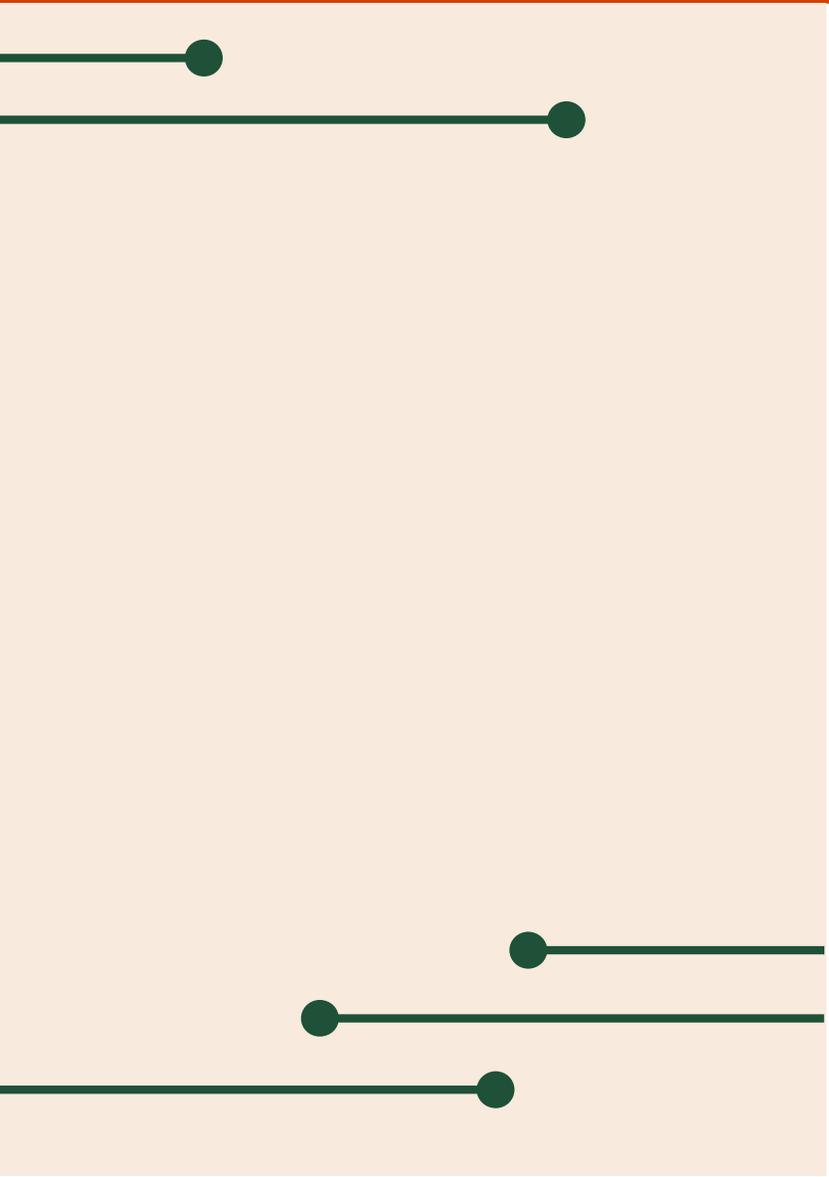
## Non-IFRS and Other Supplementary Financial Measures

This presentation contains disclosures of certain non-IFRS financial measures. These measures include adjusted EBITDA and the related margin (other than at the customer segment level), free cash flow, adjusted earnings, adjusted EPS, effective tax rate on adjusted earnings, accrued capital expenditures expressed as a percentage of revenues, net debt to adjusted EBITDA leverage ratio, selected measures excluding the impact of foreign currency, changes in revenues computed on an organic basis as well as all financial measures for the "Big 3". See Appendix A of our management's discussion and analysis for the three and nine months ended September 30, 2024 for a description of our non-IFRS financial measures, including an explanation of why we believe they are useful measures of our performance.

Please see our earnings release dated February 6, 2025 for a reconciliation of each of Thomson Reuters' measures to the most directly comparable IFRS financial measure. The earnings release can be found on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com).

As discussed in this presentation, generative AI as a percent of our annualized contract value (ACV) and capital capacity are supplementary financial measures. ACV is the annualized value of all active subscription product contracts at a particular point in time. Generative AI enabled products are those that have such capabilities embedded as part of the offering. Capital Capacity is a measure of the company's capacity to invest, and assumes cumulative free cash flow after dividend payments and net leverage of 2.5x through the period discussed.





**Thomson Reuters**

**Fourth-Quarter & Full-Year  
2024 Highlights**

**Steve Hasker  
President & CEO**

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## Fourth-Quarter & Full-Year 2024 Highlights

### 1. Good momentum continues with Q4 results meeting expectations

- Q4 organic revenue growth of 5%, driven by 8% recurring revenue growth
  - “Big 3” (Legal, Corporates, and Tax & Accounting) organic revenue growth of 8%
- Modest Q4 adjusted EBITDA margin upside vs. expectations despite continued investments

### 2. 2025 outlook anticipates 7.0% - 7.5% organic revenue growth, ~39% adjusted EBITDA margin, and ~\$1.9B of free cash flow

- Updated 2026 financial framework: organic revenue growth of 7.5% - 8.0%, adjusted EBITDA margin +50 basis points year-over-year, free cash flow of \$2.0-\$2.1B

### 3. Generative AI progress highlights strong year of innovation and product success

- Key product successes: launches of CoCounsel 2.0, CoCounsel Drafting, Checkpoint Edge with CoCounsel; product enhancements across the portfolio
- Continuation of “Build, Partner, Buy” approach: strategic bolt-ons of Safe Sign and Materia bolstering AI capabilities for Legal, Tax & Accounting

### 4. Deploying capital while optimizing portfolio for growth; robust liquidity and capital remain

- Since January 2024, put ~\$1.6B to work in strategic M&A, including Pagero, The Insurer, Safe Sign, Materia and SafeSend
- Completed FindLaw and two smaller divestitures in December
- Repurchased \$0.6B of common shares in 2024; raising common dividend 10% in 2025
- Robust capital position with net leverage of 0.4x at December 31; we estimate ~\$10B of capital capacity by 2027



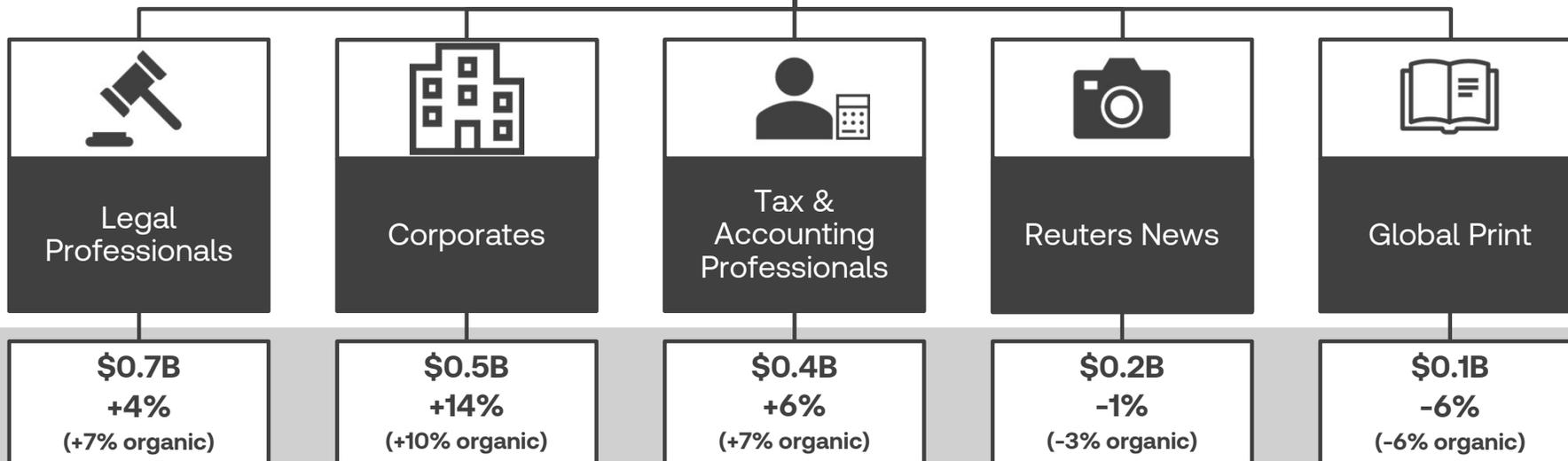
## Fourth-Quarter 2024 Consolidated Results

IFRS Financial Measures (\$ millions)	2024	2023	Change
Revenues	\$1,909	\$1,815	Up 5%
Operating profit	\$722	\$558	Up 29%
Diluted earnings per share (EPS)	\$1.30	\$1.49	Down 13%
Net cash provided by operating activities	\$564	\$705	Down 20%

Non-IFRS Financial Measures (\$ millions)	2024	2023	Change	Change at Constant Currency	Organic Growth
Revenues	\$1,909	\$1,815	Up 5%	Up 5%	Up 5%
Adjusted EBITDA	\$718	\$707	Up 2%	Up 1%	
<i>Adjusted EBITDA margin</i>	<i>37.6%</i>	<i>38.9%</i>	<i>Down 130 bps</i>	<i>Down 160 bps</i>	
Adjusted EPS	\$1.01	\$0.98	Up 3%	Up 1%	
Free cash flow	\$425	\$613	Down 31%		

## Fourth-Quarter 2024 Revenue Growth by Segment

Reported revenues up 5% to \$1.9 billion  
Organic revenues up 5%  
Organic recurring revenues up 8%



“Big 3” grew 8% organically (81% total revenues)

## Full-Year 2024 Consolidated Results

IFRS Financial Measures (\$ millions)	2024	2023	Change
Revenues	\$7,258	\$6,794	Up 7%
Operating profit	\$2,109	\$2,332	Down 10%
Diluted EPS	\$4.89	\$5.80	Down 16%
Net cash provided by operating activities	\$2,457	\$2,341	Up 5%

Non-IFRS Financial Measures (\$ millions)	2024	2023	Change	Change at Constant Currency	Organic Growth
Revenues	\$7,258	\$6,794	Up 7%	Up 7%	Up 7%
Adjusted EBITDA	\$2,779	\$2,678	Up 4%	Up 4%	
<i>Adjusted EBITDA margin</i>	<i>38.2%</i>	<i>39.3%</i>	<i>Down 110 bps</i>	<i>Down 130 bps</i>	
Adjusted EPS	\$3.77	\$3.51	Up 7%	Up 7%	
Free cash flow	\$1,828	\$1,871	Down 2%		

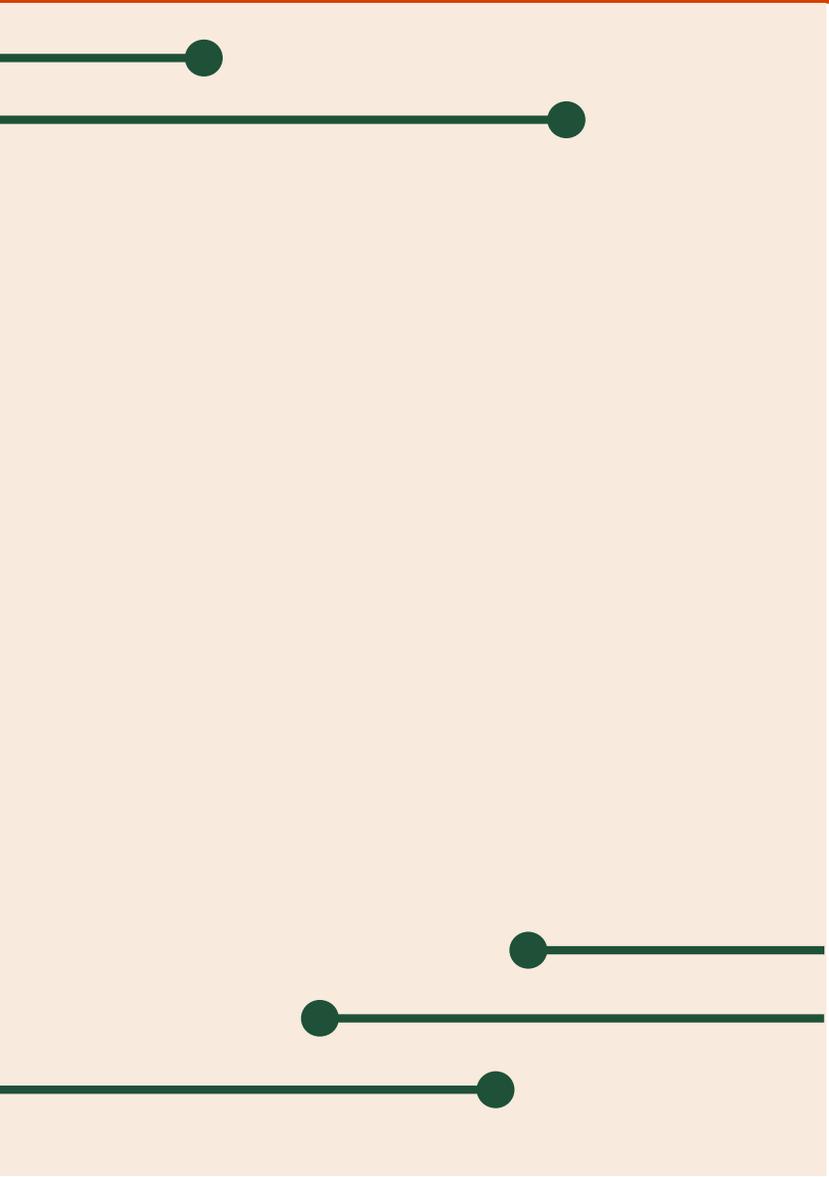
## Full-Year 2024 Actual Results vs. Updated Guidance

<b>Total Thomson Reuters</b>	<b>2024 Outlook 11.05.24 Before Currency</b>	<b>2024 Results Before Currency</b>	<b>2024 Reported</b>
Total Revenue Growth	~ 7.0%	7.1% ✓	6.8%
Organic Revenue Growth <sup>(1)</sup>	~ 7.0%	7.1% ✓	7.1%
Adjusted EBITDA Margin <sup>(1)</sup>	~ 38%	38.1% ✓	38.2%
Corporate Costs	\$120 - \$130 million	\$108 million ✓	\$105 million
Free Cash Flow <sup>(1)(2)</sup>	~ \$1.8 billion	\$1.8 billion ✓	\$1.8 billion
Accrued Capex as % of Revenue <sup>(1)</sup>	~ 8.5%	8.4% ✓	8.4%
Depreciation & Amortization of Computer Software	\$730 - \$750 million	\$732 million ✓	\$731 million
Interest Expense (P&L)	\$125 - \$145 million	\$125 million ✓	\$125 million
Effective Tax Rate on Adjusted Earnings <sup>(1)</sup>	~ 18%	17.9% ✓	17.6%
<b>Big 3 <sup>(1)</sup></b>	<b>2024 Outlook 11.05.24 Before Currency</b>	<b>2024 Results Before Currency</b>	<b>2024 Reported</b>
Total Revenue Growth	~ 8.5%	8.4% ✓	8.1%
Organic Revenue Growth	~ 8.5%	8.7% ✓	8.7%
Adjusted EBITDA Margin	~ 43%	42.0% ✗	42.1%

(1) Non-IFRS financial measures. All measures reported for the "Big 3" segments are non-IFRS

(2) Free cash flow is at actual rates





# **Tax & Accounting Professionals Overview**

## **SafeSend Acquisition**

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# Tax & Accounting Professionals: Well Positioned to Continue Strong Track Record

## Tax & Accounting Professionals “Thesis”

- Tax & Accounting Professionals has a track record of delivering **strong, consistent growth**
- We compete in a large and growing market with workflows **ripe for automation**
- Driven by an ongoing **talent shortage**, Tax & Accounting firms are **prioritizing technology investment to improve efficiency and productivity**
- Thomson Reuters is uniquely positioned to lead, and **we are investing heavily** in our customers’ future

## Strong Track Record of Growth



# SafeSend Acquisition: Strong Strategic Fit and Accretive to Growth

SafeSend's cloud-native software **automates key tasks** required to deliver and file a prepared return, **eliminating time consuming manual steps**

## Core Platform – Delivery & eSign Capabilities

 SafeSend Returns	Secure platform for clients to review and electronically sign completed tax returns, pay firm invoices & taxing agencies, and distribute K1s.
 SafeSend Extensions	Automates digital delivery of Federal & State Extension forms and payment options to clients.
 SafeSend Signatures	Provides the ability to securely and electronically review and sign any document.

Key Facts
<ul style="list-style-type: none"><li>• Headquartered in Ann Arbor, MI</li><li>• Founded in 2008</li><li>• 2025E revenue of ~\$60M <sup>(1)</sup></li><li>• 35%+ CAGR (2021-2024)</li><li>• 2,700+ customers<ul style="list-style-type: none"><li>– Including 70% of top 500 accounting firms</li></ul></li></ul>

(1) Before the impact of purchase accounting fair value adjustment to deferred revenue

## SafeSend delivers on key customer needs in the tax and accounting market today:

### Customers Need



Time savings and elimination of waste



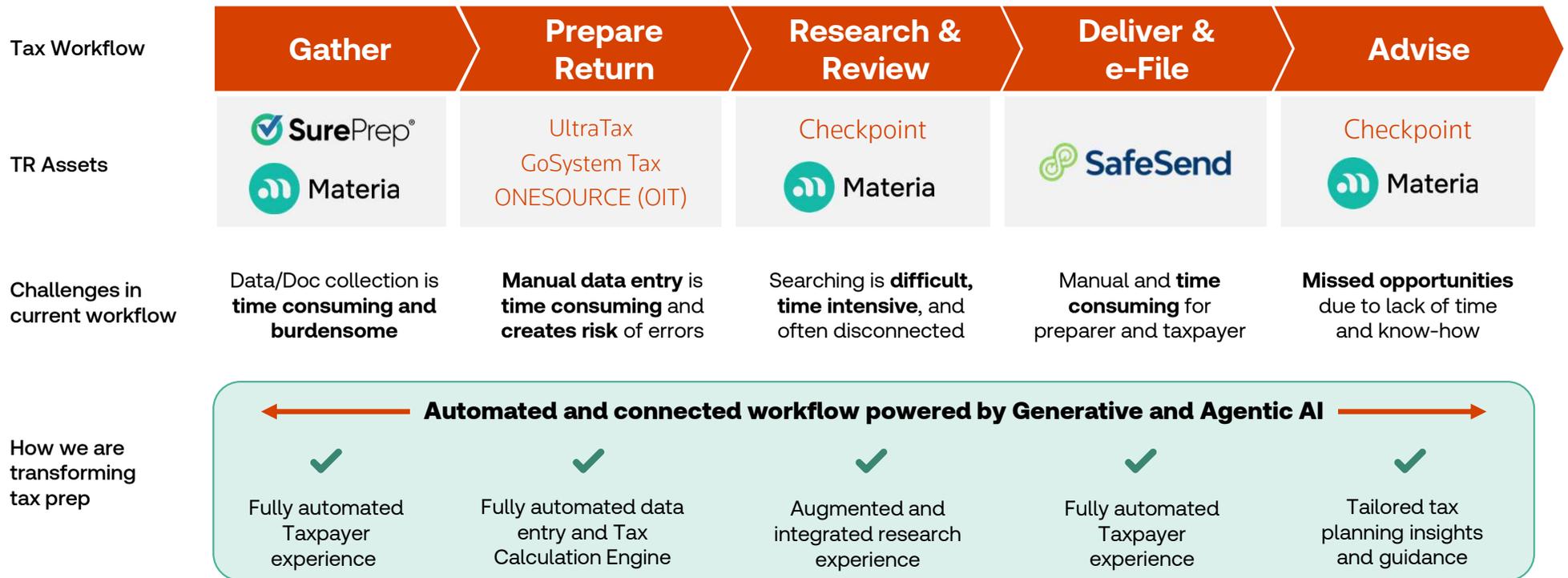
Connected products that delight customers and their clients

### How SafeSend helps

- ✓ Streamlined tax preparation workflow
  - ✓ Automates “last mile” of the return, including assembly, review, taxpayer e-signature, and delivery
- ✓ Intuitive, easy-to-use tax preparation tools
- ✓ Cloud-native, category leading software
- ✓ Integrations across the tax ecosystem

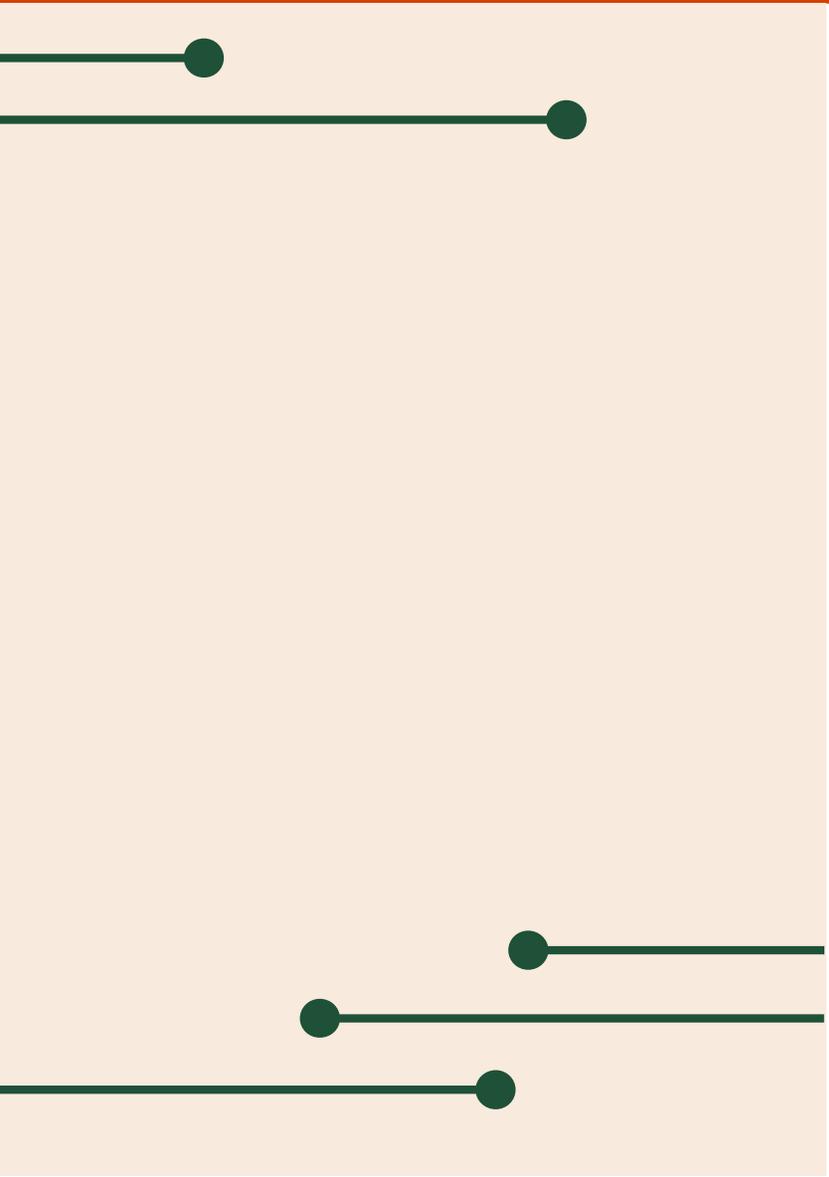
# Tax & Accounting Professionals: end-to-end tax automation platform

SafeSend integrates with our upstream capabilities to create an end-to-end tax automation solution and along with Materia accelerates our transformative Tax AI vision.



**Automated and connected workflow powered by Generative and Agentic AI**





**Financial Review**  
**Fourth-Quarter & Full-Year**  
**2024 Results**  
**2025 Outlook and Updated**  
**2026 Financial Framework**

**Mike Eastwood**  
**Chief Financial Officer**

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## Fourth-Quarter & Full-Year 2024 Legal Professionals, Corporates, Tax & Accounting Professionals Revenues

(\$ millions)

	Fourth Quarter					Full Year				
	2024	2023	Constant			2024	2023	Constant		
Revenues			Total	Currency	Organic			Total	Currency	Organic
Legal Professionals	729	700	+4%	+4%	+7%	2,922	2,807	+4%	+4%	+7%
Corporates	458	402	+14%	+15%	+10%	1,844	1,620	+14%	+14%	+10%
Tax & Accounting Professionals	366	344	+6%	+7%	+7%	1,165	1,058	+10%	+11%	+10%
“Big 3” Revenues	1,553	1,446	+7%	+7%	+8%	5,931	5,485	+8%	+8%	+9%

## Fourth-Quarter & Full-Year 2024 Consolidated Revenues

(\$ millions)

Revenues	Fourth Quarter					Full Year				
	2024	2023	Total	Constant Currency	Organic	2024	2023	Total	Constant Currency	Organic
Legal Professionals	729	700	+4%	+4%	+7%	2,922	2,807	+4%	+4%	+7%
Corporates	458	402	+14%	+15%	+10%	1,844	1,620	+14%	+14%	+10%
Tax & Accounting Professionals	366	344	+6%	+7%	+7%	1,165	1,058	+10%	+11%	+10%
<b>“Big 3” Revenues</b>	<b>1,553</b>	<b>1,446</b>	<b>+7%</b>	<b>+7%</b>	<b>+8%</b>	<b>5,931</b>	<b>5,485</b>	<b>+8%</b>	<b>+8%</b>	<b>+9%</b>
Reuters News	218	220	-1%	-1%	-3%	832	769	+8%	+8%	+6%
Global Print	144	154	-6%	-6%	-6%	519	562	-8%	-7%	-7%
Eliminations / Rounding	(6)	(5)				(24)	(22)			
<b>Total Revenues</b>	<b>1,909</b>	<b>1,815</b>	<b>+5%</b>	<b>+5%</b>	<b>+5%</b>	<b>7,258</b>	<b>6,794</b>	<b>+7%</b>	<b>+7%</b>	<b>+7%</b>

## Fourth-Quarter & Full-Year 2024 Consolidated Adjusted EBITDA

(\$ millions)

Adjusted EBITDA	Fourth Quarter				Full Year			
	2024	2023	Total	Constant Currency	2024	2023	Total	Constant Currency
Legal Professionals <i>Margin</i>	299 41.0%	298 42.5%	-	-1%	1,302 44.6%	1,299 46.2%	-	-
Corporates <i>Margin</i>	153 33.5%	138 34.5%	+11%	+8%	671 36.3%	619 38.1%	+8%	+8%
Tax & Accounting Professionals <i>Margin</i>	196 53.4%	188 54.6%	+4%	+5%	527 45.2%	490 45.8%	+8%	+9%
“Big 3” Adjusted EBITDA <i>Margin</i>	648 41.7%	624 43.1%	+4%	+3%	2,500 42.1%	2,408 43.8%	+4%	+4%
Reuters News <i>Margin</i>	45 20.8%	61 27.9%	-26%	-26%	196 23.6%	172 22.4%	+14%	+16%
Global Print <i>Margin</i>	55 38.2%	55 36.4%	-1%	-1%	188 36.2%	213 38.0%	-12%	-12%
Corporate Costs	(30)	(33)			(105)	(115)		
Total Adjusted EBITDA <i>Margin</i>	718 37.6%	707 38.9%	+2%	+1%	2,779 38.2%	2,678 39.3%	+4%	+4%

## Adjusted Earnings Per Share (EPS)

(\$ millions except per share amounts & share count)

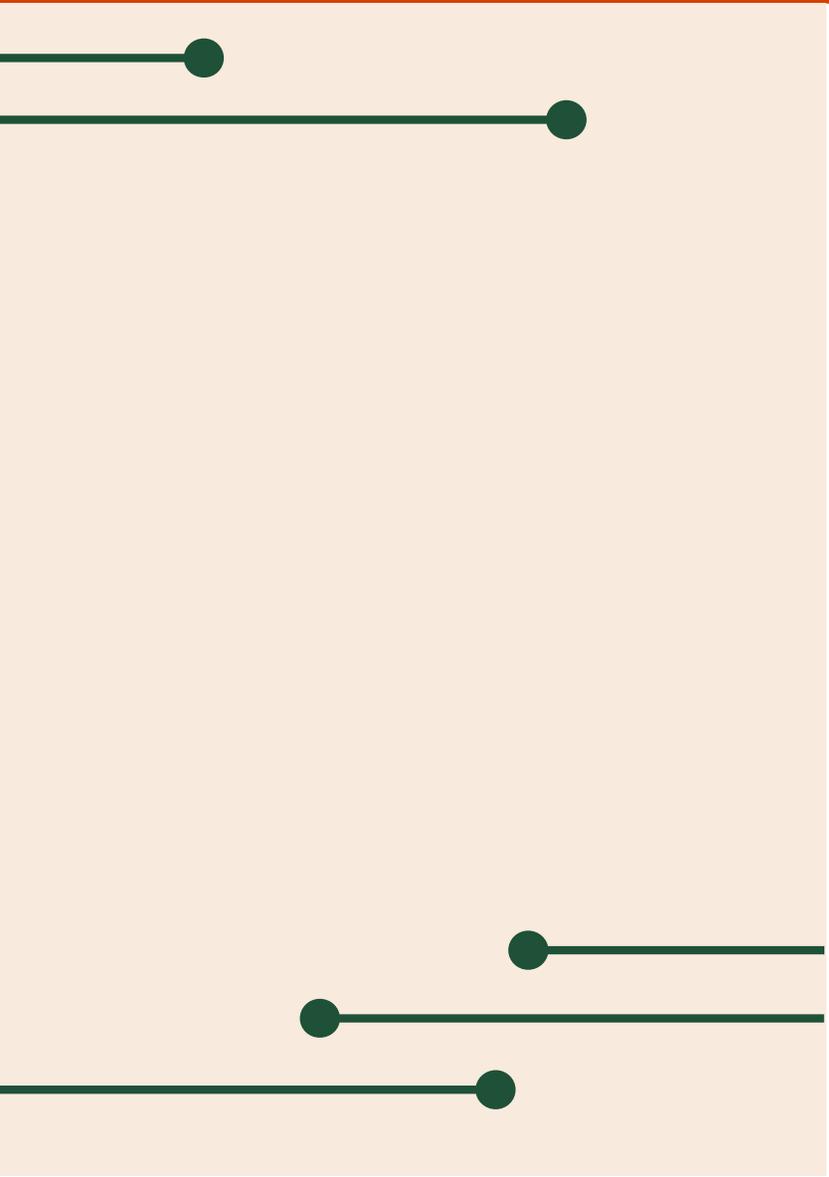
	Fourth Quarter			Full Year		
	2024	2023	% Change	2024	2023	% Change
<b>Adjusted EBITDA</b>	<b>718</b>	<b>707</b>	<b>+2%</b>	<b>2,779</b>	<b>2,678</b>	<b>+4%</b>
Depreciation & Amortization of Computer Software	(186)	(164)		(731)	(628)	
Add back: Acquired Software Amortization	38	24		147	72	
Interest Expense <sup>(1)</sup>	(28)	(31)		(125)	(164)	
Income Tax	(87)	(89)		(364)	(324)	
Dividend declared on preference shares	(1)	(1)		(5)	(5)	
<b>Adjusted Earnings</b>	<b>454</b>	<b>446</b>		<b>1,701</b>	<b>1,629</b>	
<b>Adjusted EPS</b>	<b>\$1.01</b>	<b>\$0.98</b>	<b>+3%</b>	<b>\$3.77</b>	<b>\$3.51</b>	<b>+7%</b>
<i>Foreign Currency Impact</i>	0.02			0.03		
<i>Diluted Weighted Average Common Shares</i>	450.6M			451.2M		

(1) 2023 amounts exclude a \$12 million benefit from the release of a tax reserve that is removed from adjusted earnings



## Consolidated Free Cash Flow

(\$ millions)	Fourth Quarter			Full Year		
	2024	2023	Change	2024	2023	Change
<b>Net Cash from Operations, before change in WC</b>	<b>640</b>	<b>665</b>	<b>(25)</b>	<b>2,281</b>	<b>1,884</b>	<b>397</b>
Changes in working capital and other items	(76)	40	(116)	176	457	(281)
<b>Net Cash Provided by Operating Activities</b>	<b>564</b>	<b>705</b>	<b>(141)</b>	<b>2,457</b>	<b>2,341</b>	<b>116</b>
Capital Expenditures	(161)	(132)	(29)	(607)	(544)	(63)
Other Investing Activities	40	55	(15)	46	137	(91)
Payments of Lease Principal	(17)	(14)	(3)	(63)	(58)	(5)
Dividends Paid on Preference Shares	(1)	(1)	-	(5)	(5)	-
<b>Free Cash Flow</b>	<b>425</b>	<b>613</b>	<b>(188)</b>	<b>1,828</b>	<b>1,871</b>	<b>(43)</b>



## Capital Structure and Allocation Updates

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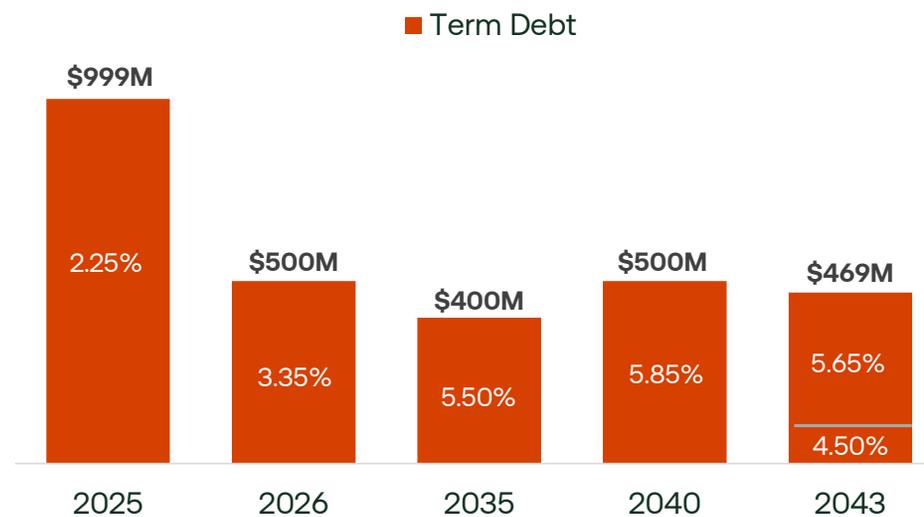
## Significant Financial Capacity – Fortress Balance Sheet

- **Capital structure and liquidity position remain strong:**
  - Capital Capacity expected to grow to ~\$10B by 2027
  - Expected to provide significant organic and inorganic growth opportunities; continue to assess acquisition candidates
- **Net Debt / Adjusted EBITDA Ratio of 0.4x vs. 2.5x Target (0.3x calculated under credit facility vs. maximum of 4.5x)**
- **Next debt maturity in May 2025 (\$999M)**

- Term Debt Outstanding @ 12/31/24 = \$2.9B
- Cash on Balance Sheet @ 12/31/24 = \$2.0B
- Credit Revolver @ 12/31/24 = ~ \$2.0B (undrawn)
- Avg. Interest Cost for Term Debt = 4.1%
- Avg. Term Debt Maturity Remaining = ~ 8.0 years
- Net Debt / Reported EBITDA Ratio = 0.4x vs. 2.5x Target <sup>(1)</sup>

(1) Includes lease liability of \$0.3B

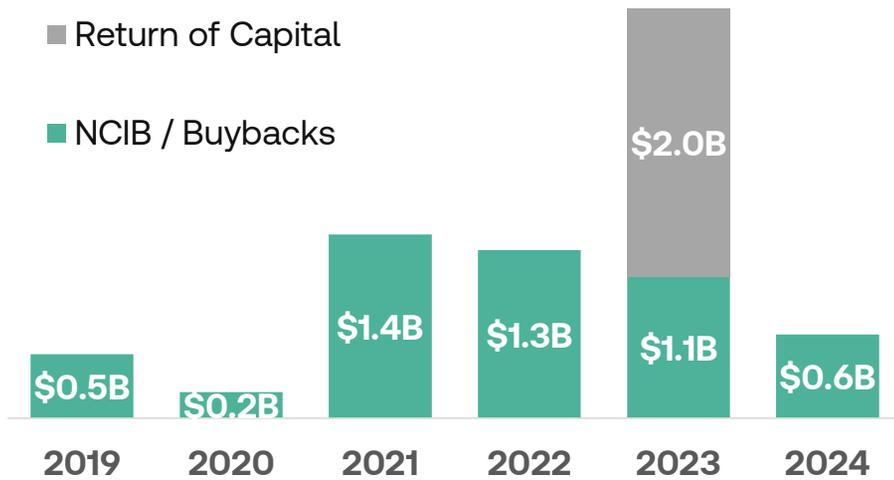
Debt Maturity (as of 12/31/2024)



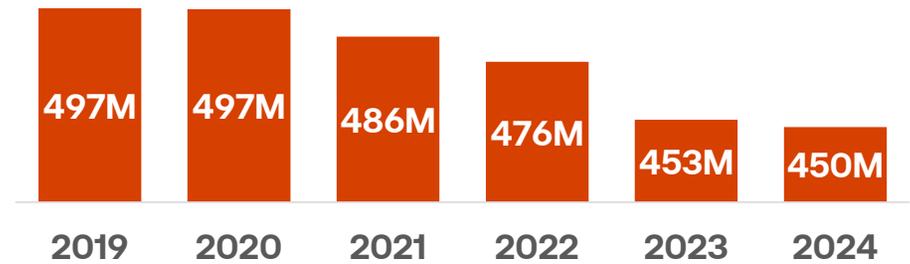
## Balanced Capital Allocation: Buybacks/Return of Capital

Returned \$7.1 billion to shareholders over the past 6 years  
 Completed \$1.0B NCIB in May 2024

### Annual Share Buyback / Return of Capital



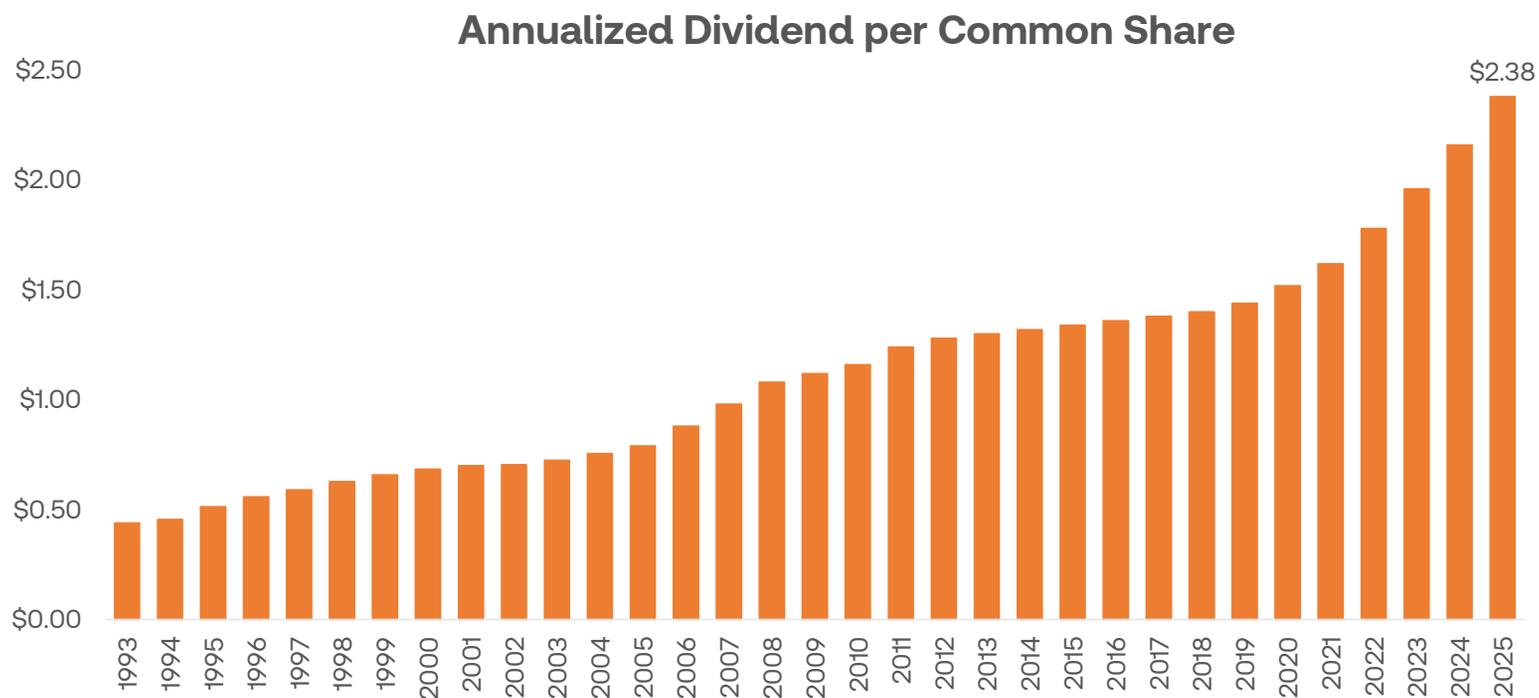
### Share Count (Period End)



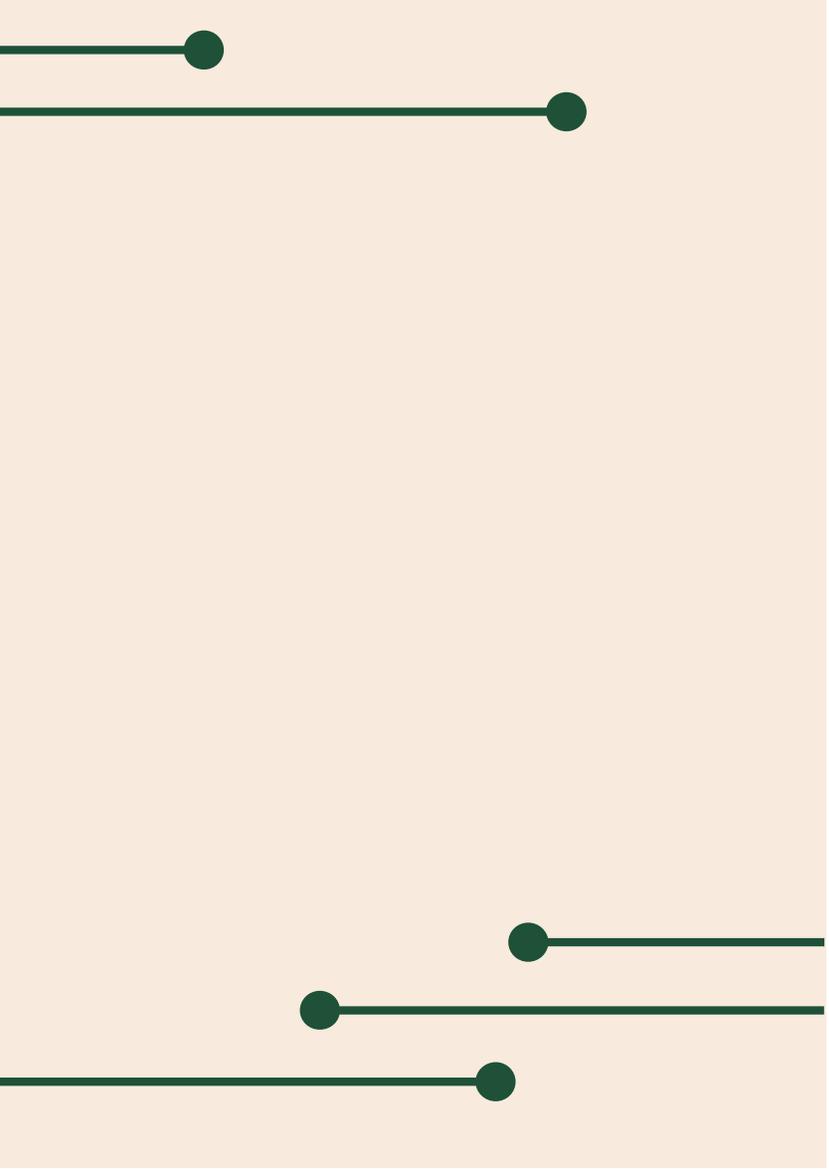
## Balanced Capital Allocation: Long History of Dividend Growth

32 Consecutive Years of Annual Dividend Increases

2025 Annualized Dividend Increased \$0.22 to \$2.38, a Fourth Consecutive 10% Increase



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# 2025 Outlook Updated 2026 Financial Framework

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## Additional Financial Updates

### SafeSend Acquisition

- We expect 2025 revenue to be ~\$60 million, before the fair value adjustment to acquired deferred revenue
- SafeSend has healthy profitability, though we see it being roughly neutral to 2025 profits including integration and growth investments

### Divestitures

- The FindLaw divestiture closed on December 2
- Two other small divestitures closed at year-end; these were in Corporates and contributed ~\$30M to 2024 revenue

### Other Updates

- We have committed to a \$150M second fund for Thomson Reuters Ventures

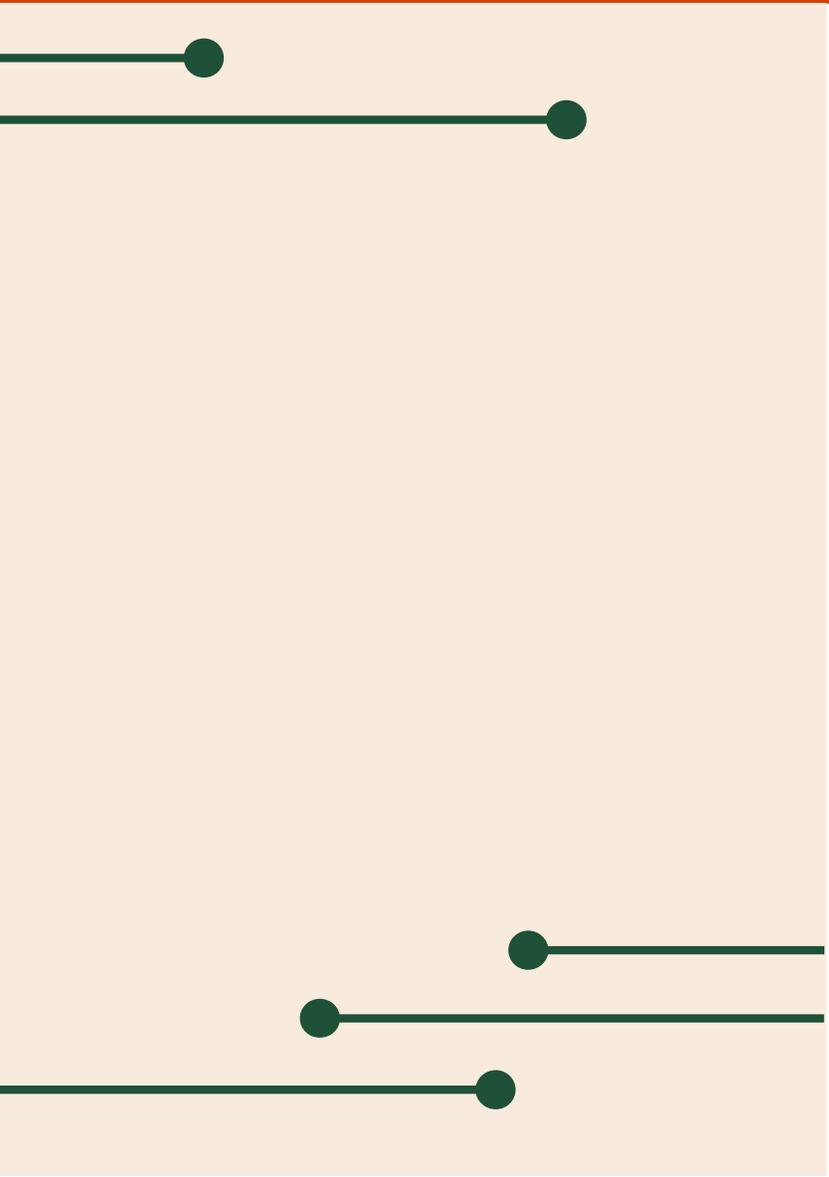
## 2025 Outlook and 2026 Framework

<b>Total Thomson Reuters</b>	<b>FY 2024 Reported</b>	<b>FY 2025 Outlook <sup>(2)</sup> 2/6/25</b>	<b>2026 Framework <sup>(2)</sup></b>
Total Revenue Growth	7%	3.0% - 3.5%	
Organic Revenue Growth <sup>(1)</sup>	7%	7.0% - 7.5%	7.5% - 8.0%
Adjusted EBITDA Margin <sup>(1)</sup>	38.2%	~ 39%	+50 bps Y/Y
Corporate Costs	\$105 million	\$120 - \$130 million	
Free Cash Flow <sup>(1)</sup>	\$1.8 billion	~ \$1.9 billion	\$2.0 - \$2.1 billion
Accrued Capex as % of Revenues <sup>(1)</sup>	8.4%	~ 8%	~8%
Depreciation & Amortization of Computer Software	\$731 million	\$835 - \$855 million	
Depreciation & Amortization of Internally Developed Software	\$584 million	\$635 - \$655 million	
Amortization of Acquired Software	\$147 million	~ \$200 million	
Interest Expense (P&L)	\$125 million	~ \$150 million	
Effective Tax Rate on Adjusted Earnings <sup>(1)</sup>	17.6%	~ 19%	~ 19%
<b>Big 3 <sup>(1)</sup></b>	<b>FY 2024 Reported</b>	<b>FY 2025 Outlook <sup>(2)</sup> 2/6/25</b>	<b>2026 Framework <sup>(2)</sup></b>
Total Revenue Growth	8%	~ 4%	
Organic Revenue Growth	9%	~ 9%	~ 9.5%
Adjusted EBITDA Margin	42.1%	~ 43%	

(1) Non-IFRS financial measures. All measures reported for the "Big 3" segments are non-IFRS

(2) Before currency and excludes the impact of future acquisitions / dispositions





## Q&A

