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2021
INVESTOR DAY

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# Legal Professionals

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Investor Day 2021

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# Legal Professionals
## Key Highlights

| **Attractive End Market Segments** | + | **Leadership Position** | + | **Change Program Expected to Further Accelerate Growth** |
|---|---|---|---|---|

**Attractive End Market Segments**

✓ Est. $11B global market segment

✓ Est. 4% - 6% market segment growth

✓ Historically stable & recession-resistant

✓ **Strong Prevailing Tailwinds in Our Market Segments Play to Our Strengths & Contribute to Growth**

**Leadership Position**

✓ #1 position in global legal market segment

✓ 93% recurring revenues

✓ 90% retention (94% US Westlaw)

✓ 99 of Am Law 100 firms use TR legal research

✓ All of the Global 100 firms are TR customers
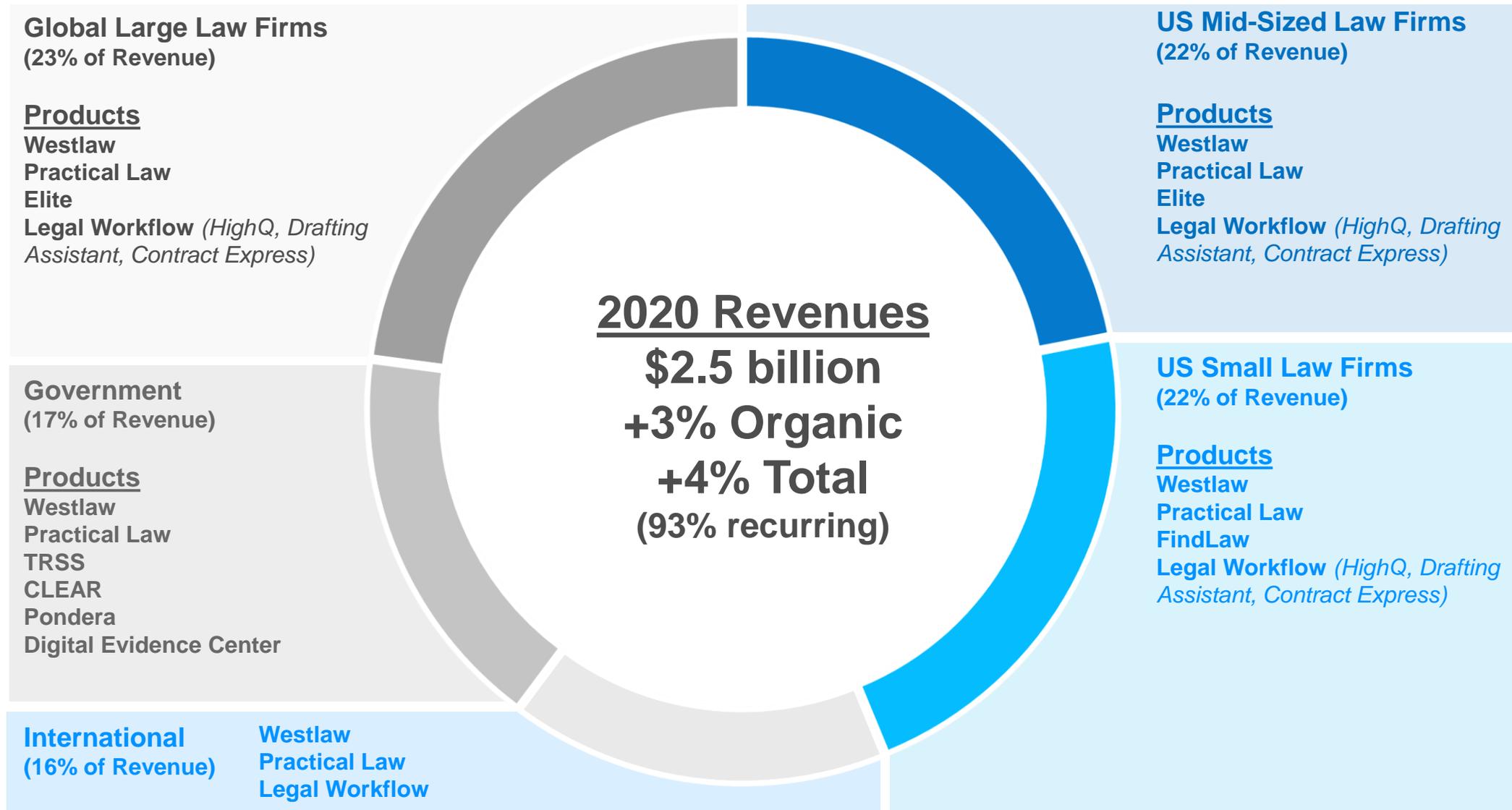
✓ Strength in depth with ~235,000 customers

**Change Program Expected to Further Accelerate Growth**

✓ Q4 2020 organic growth 4% FY 2020 organic growth 3%

✓ **Westlaw & Legal Workflow Solutions are Strategic Investment Priorities**

✓ **Change Program digital investments will reach broader customer base (long tail)**

✓ **Change Program innovative product solutions & AI/ML enhancements will bring more value to customers across workflows**

✓ Targeted & selective inorganic investments to fill product gaps & supplement growth

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## Customer Segments

**Global Large Law Firms**
**(23% of Revenue)**

**Products**
**Westlaw**
**Practical Law**
**Elite**
**Legal Workflow** *(HighQ, Drafting Assistant, Contract Express)*

**Government**
**(17% of Revenue)**

**Products**
**Westlaw**
**Practical Law**
**TRSS**
**CLEAR**
**Pondera**
**Digital Evidence Center**

**International**
**(16% of Revenue)**

**Westlaw**
**Practical Law**
**Legal Workflow**

**2020 Revenues**
**$2.5 billion**
**+3% Organic**
**+4% Total**
**(93% recurring)**

**US Mid-Sized Law Firms**
**(22% of Revenue)**

**Products**
**Westlaw**
**Practical Law**
**Elite**
**Legal Workflow** *(HighQ, Drafting Assistant, Contract Express)*

**US Small Law Firms**
**(22% of Revenue)**

**Products**
**Westlaw**
**Practical Law**
**FindLaw**
**Legal Workflow** *(HighQ, Drafting Assistant, Contract Express)*

*Note: Before currency*

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# Legal Professionals

## Market Trends - Prevailing Tailwinds Provide *New* Growth Opportunities

**Demand for TR's Advanced, Trusted & Branded "How-To" Products is Increasing**
**Deep, Long-term Customer Relationships Provide Advantaged Position**

**Global Addressable Market Segment Growing 4% - 6%**

**Est. $11B**

**$4B Online Legal Information**

**$7B Software and Solutions**

### Pressure on law firms
- Greater demands on GCs for value
- Push to reduce costs & drive productivity
- Intensified competition including from new entrants

### Technology advances
- AI bringing more legal work within scope
- Online collaboration as the new normal
- Blurring of product and service

### Access to justice challenges
- 85% of civil legal need unmet
- Shift to online courts & dispute resolution
- Increase in consumer use of DIY tools

### Competitive dynamics
- Numerous large & small competitors
- Growing legal tech consolidation
- Distinguished from horizontal providers

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## Strong Positions, High Retention, High Recurring Revenues

**Powerful Businesses Built with Proprietary Content, AI/ML & Experts = Competitive Advantage**

| | Westlaw | Practical Law | FindLaw. | THOMSON REUTERS ELITE |
|---|---|---|---|---|
| **Description** | • Primary online legal research delivery platform<br>• Offers authoritative content, search, research organization & team collaboration<br>• Finds & shares specific points of law & analytical commentary | • Practice notes, standard documents, checklists & What's Market tools<br>• Areas include commercial, corporate, labor, employment, IP, finance & litigation | • Online legal directory, website creation & hosting services<br>• Law firm marketing solutions & peer rating services | • Integrated software applications that assist with business management<br>• Covers financial, practice, matter, document & email, accounting, billing, timekeeping & records |
| **Strong Positions** | #1 | #1 | #1 | #1 |
| **Target Customer** | Law firms, students, law librarians, government agencies, trademark professionals | Law firms, government agencies | Law firm professionals, marketers & consumers | Law firm & professional services, legal, finance & technology professionals |
| **Pricing Model** | Subscription | Subscription | Subscription | Software License + Maint. Subscription for Cloud |

**We Have the Broadest & Most Complete Set of Solutions for Legal Professionals**
Unparalleled legal content - access to law firms - at the forefront of rolling out new generation technologies

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# Legal Professionals
## Strong Positions, High Retention, High Recurring Revenues

**Powerful Software Businesses Powered by Proprietary Content  AI/ML & Experts**

|  | **HighQ** | **Contract Express** | **Drafting Assistant** |
|---|---|---|---|
| **Description** | • Integrated digital workspace where lawyers can get work done<br>• Enables seamless collaboration w/others, sharing of valuable insights and engagement w/clients & colleagues to deliver legal services | • End-to-end document automation workflow solution<br>• Enables legal professionals to create their own templates via intelligent rules engine<br>• Integrated with model documents from Practical Law de-risking legal contract creation | • Streamline the creation of documents from scratch<br>• Format documents making sure authorities are highlighted, citations are valid & formatted correctly<br>• Directly linked to Authorities on Westlaw & integrated the leading Legal AI solution - QuickCheck |
| **Strong Positions** | #1 | #1 | #1 |
| **Target Customer** | Law firms & Corporate Legal departments | Law firms, Corporate Legal departments and Government Agencies | Law firms, Corporate Legal departments and Government Agencies |
| **Pricing Model** | Subscription | Subscription | Subscription |

**Built to Meet the Challenges of Customers in Current Market Environment
Drives Efficiency & Online Collaboration**

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# Legal Professionals
## Strong Positions, High Retention, High Recurring Revenues

**Powerful Businesses Built with Proprietary Content, AI/ML & Experts = Competitive Advantage**

| | TRSS | CLEAR | Pondera | Digital Evidence Center (formerly CaseLines) |
|---|---|---|---|---|
| **Description** | • Analyst backed data fusion, technology & professional services<br>• 3rd party risk, enhanced due diligence, global situational awareness, risk mitigation, & insider threat detection | • Public & proprietary records about individuals & companies<br>• Web-based & API enabled investigative, identity & risk assessment tools | • Fraud detection software & analytics<br>• Integrated case management & reporting | • Integrated court exhibit & evidence sharing platform<br>• Organize, present, and annotate evidence<br>• Facilitates virtual, in-court, and hybrid hearings |
| **Strong Positions** | #1 | #2 | #2 | #1 |
| **Target Customer** | Defense & intelligence agencies, Federal law enforcement, & global corporations | Government agencies & law enforcement | Government agencies & program integrity offices, healthcare programs | Courts, prosecutors, public defenders, & law firms |
| **Pricing Model** | Subscription, services | Subscription, transactional | Subscription, transactional | Subscription |

**We have the broadest & most complete set of solutions for targeted government professionals**
Unparalleled content – deep domain expertise – at the forefront of rolling out new generation technologies

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# Legal Professionals
## Change Program Will Improve Customer Experience & Accelerate Growth

### Organic Revenue Growth Drivers

| | |
|---|---|
| **Westlaw** | Drive penetration of Westlaw Edge & launch Edge extensions to reinforce competitive differentiation |
| **Practical Law** | Scale Practical Law, leveraging AI & global content to drive up-sells & retention while expanding into compliance use cases |
| **Legal Workflow** | Deliver next phase of legal workflow solutions to unify customer experience, maximize new sales opportunities & increase retention & upsell with existing clients |
| **Government** | Build on strong position with CLEAR, TRSS & Pondera in a rapidly growing market |

**+ PLUS**

### Benefits of Transition to Operating Company

- Digital as a significant contributor to sales & renewals & Improved Customer Experience
- More targeted, integrated set of products, modular entitlement & single customer ID that drive valuable outcomes for customers
- Secure, modernized & simplified technology architecture & operations
- Self-replenishing pipeline of world-class internal talent

**Targeting Revenue Growth of 5% - 6% by 2023 with Significant Margin Expansion**

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# Legal Professionals
## Strong Growth Verticals Accelerating Organic Growth

| | Strategic Priorities | Key Focus Areas |
|---|---|---|
| **Legal**[1] | 1. THOMSON REUTERS® **Practical Law**™  ~$400M | *Unique content – Fast growing Legal & Corporates "How-To" product* |
| | 2. THOMSON REUTERS® **HighQ** THOMSON REUTERS **CONTRACT EXPRESS**™  ~$200M | *Firms investing in productivity & efficiency solutions* |
| | 3. THOMSON REUTERS **WESTLAW**™  ~$1,500M | *Trusted, proprietary, unique content - strong market presence WL Edge 2.0 in development* |
| **Government**[2] | 4. THOMSON REUTERS **CLEAR** **TRSS** **PONDERA** PART OF THOMSON REUTERS  ~$400M | *Strong position in the sector & unique content Expert backed AI in rapidly growing market* |
| Tax & Accounting | 5. THOMSON REUTERS® | ONVIO | *Strong market presence Migrating to next generation cloud-based suite* |
| | 6.[3] THOMSON REUTERS **Cloud Audit Suite** **CONFIRMATION** Part of Thomson Reuters | *Strong content combined with global scale & comprehensive cloud-based AI & software (incl. Confirmation)* |
| Corporate Tax & Trade | 7. THOMSON REUTERS **Direct Tax** THOMSON REUTERS **Indirect Tax** | *Direct Tax - Large footprint, very reliable solution, loyal customer base* |
| | | *Indirect Tax – Fast-growing scalable solution & market* |
| + SMB Opportunity | | *Access to new customer groups* |

(1) Products reported in Legal Professionals and Corporates Segments
(2) Government reported in Legal Professionals Segment
(3) Products reported in Tax & Accounting Professionals and Corporates Segments

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