



# THOMSON REUTERS

## 2019 SECOND-QUARTER RESULTS

August 1, 2019

# Agenda

Welcome / Introduction

Frank Golden

Second-Quarter 2019 Results

Jim Smith

Financial Review

Stephane Bello

LSE Group Acquisition of Refinitiv

Jim Smith

Q & A

# Special Note

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

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 including, but not limited to, statements about the company's 2019 and 2020 outlook, the expected impact of recently completed acquisitions/dispositions and recently launched products, adjusted EBITDA performance, Global Print's 2019 revenue performance, plans to release additional AI solutions, the company's expectations for Corporate Costs and its ability to eliminate stranded costs related to the F&R transaction by 2020, the company's strategic priorities and initiatives, Refinitiv's run-rate savings targets, the parties' expectations for a combined LSEG/Refinitiv business, LSEG's expected cost and revenue synergies from the proposed LSEG/Refinitiv transaction, potential dividends to be paid by LSEG to its shareholders and the company's current expectations regarding the timing for closing of the proposed LSEG/Refinitiv transaction, are forward-looking. 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 the proposed LSEG/Refinitiv transaction will be completed or that any of the other 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 2018 annual report as well as 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 business outlook for the purpose of presenting information about current expectations for 2019 and 2020. 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. Forward-looking information with respect to the proposed LSEG/Refinitiv business has been prepared by LSEG and Thomson Reuters assumes no obligation to update or revise it.

The company's 2019 and 2020 business outlook is based on information currently available to the company and is 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 our 2018 annual report and our earnings release dated August 1, 2019, which are available on [www.thomsonreuters.com](http://www.thomsonreuters.com), for a discussion of material assumptions related to our business outlook.

## Non-IFRS Financial Measures

This presentation contains disclosures of certain non-IFRS financial measures. These measures include adjusted EBITDA and the related margin, free cash flow, adjusted earnings and adjusted EPS, selected measures before the impact of currency and changes in revenues computed on an organic basis.

Please see our earnings release dated August 1, 2019, which is available on [www.thomsonreuters.com](http://www.thomsonreuters.com), for a reconciliation of each of Thomson Reuters' measures to the most directly comparable IFRS financial measure. You can also find IFRS reconciliations in the "Investor Relations" section of our website.

You are encouraged to consult LSEG's public disclosures for additional information about the proposed LSEG/Refinitiv transaction (including its announcement today) and its definition of adjusted EBITDA

**THOMSON REUTERS**

**SECOND-QUARTER 2019 HIGHLIGHTS**

**JIM SMITH  
PRESIDENT & CEO**

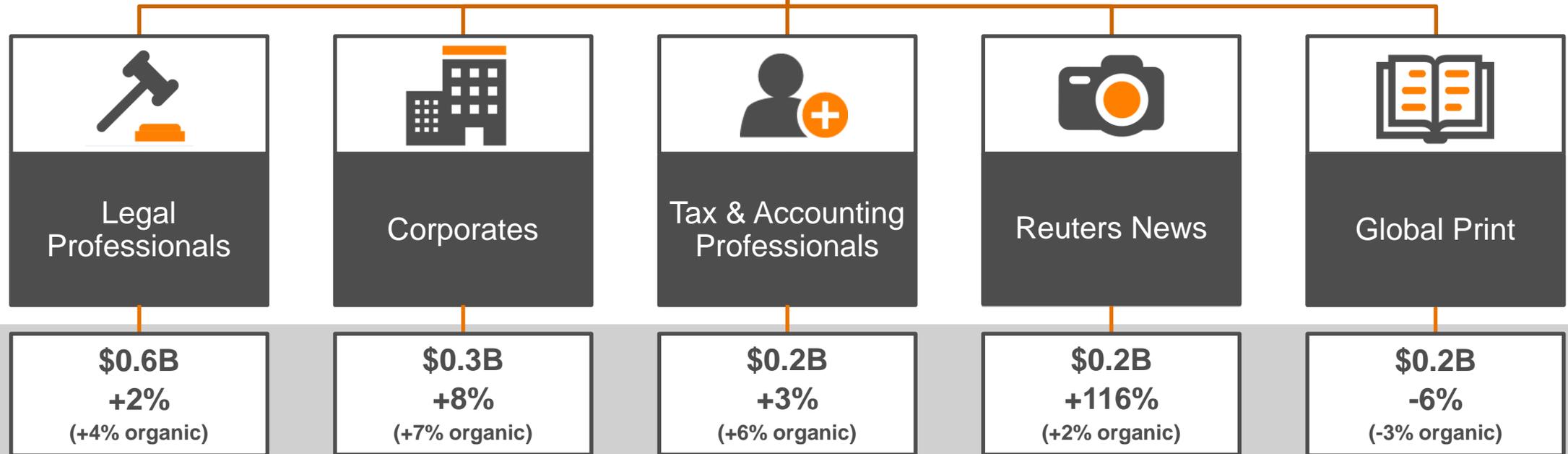
# Second-Quarter 2019 Consolidated Results

|                               | Reported Results   | Change at Constant Currency | Organic Growth |
|-------------------------------|--------------------|-----------------------------|----------------|
| Revenues vs prior-year period | Up 9%              | Up 10%                      | Up 4%          |
| Adjusted EBITDA               | Up 2%              | 0%                          |                |
| <i>Q2 2019 Margin: 25.0%</i>  | <i>Down 160 bp</i> | <i>Down 240 bp</i>          |                |
| Adjusted EPS                  | Up 71%             | Up 65%                      |                |
| <i>Q2 2019: \$0.29</i>        | <i>Up \$0.12</i>   | <i>Up \$0.11</i>            |                |

**Raising Full Year 2019 & 2020 Outlook  
for Revenue Growth & Adjusted EBITDA**

# Second-Quarter 2019 Revenue Growth by Segment

Reported Revenues up 9% to \$1.4 billion  
Organic revenues up 4%  
Recurring revenues up 5%



78% of TRI revenues grew 5% organically

Recurring revenues grew 6% organically  
(88% of 3 Core segments)

# Building a Growing Sustainable Recurring Revenue Model

## 1. Focusing on the fundamentals to achieve 2019 & 2020 targets

- Revenue growth tracking ahead of plan with strong recurring revenue growth (H1 +5% organic growth)
- Improving underlying margin trajectory from revenue flow-through and efficiency initiatives
- Strong H1 2019 net sales with book-of-business continuing to grow

## 2. Continuing to invest and build on our strengths as a market leader

- Investing more in AI and Cloud to better meet our customers needs and further differentiate us from our peers
  - *Westlaw Edge, Checkpoint Edge, Quick Check* - seeing strong demand, generating premium & improving retention
- Building front & back-end solutions that help customers automate daily workflow tasks - easier to do business with us

## 3. Selectively deploying \$2 billion investment fund to add capabilities and supplement growth

- Acquiring closely aligned businesses that complement our highly specialized information-enabled software & tools and fortify our product offerings and platforms
  - *Confirmation (Tax/Corporates), HighQ (Legal/Corporates) & Integration Point (Corporates) acquisitions each fit that objective*

# Building Organically On Our Strengths

## State-Of-The-Art Artificial Intelligence

Combines unique proprietary content, talented technologists and experienced domain experts



- Legal Professionals & Corporates
- Sold at a premium above Westlaw
- Enables lawyers to deliver answers faster and with more insight
- WestSearch Plus – *Responsive*
- Litigation Analytics – *Strategic*
- KeyCite Overruling Risk – *Confident*
- Statutes Compare - *Efficient*



- Legal Professionals & Corporates
- Fully integrated into Westlaw Edge
- Further strengthens our premium position
- AI Analysis for litigant motions & briefs
- Suggests highly relevant authorities not cited in the document
- Perform quality checks
- Finds weaknesses in opposing document



- Tax & Accounting Professionals & Corporates
- Sold at a premium above Checkpoint
- Delivers the most relevant & up-to-date information through AI-powered search – *Responsive*
- Suggests relevant concepts and trusted authorities to deal with ever-changing regulations - *Confident*
- Fluid, modern & intuitive user experience to help find the answers faster - *Efficient*

**“If clients know this exists, every firm will have to have Quick Check.”**

Law Firm Partner

# Supplementing Organic Growth with Fast Growing Strategically Aligned Acquisitions

Targeting closely aligned businesses that are additive to our solutions in high-growth market segments  
Will drive higher revenue growth and higher Adj. EBITDA and Free Cash Flow



October 2018



July 2019



July 2019

|   |  |   |  |
|---|--|---|--|
| Complementary to existing products & geographies? | Significantly increases Global Trade Management presence in North America & APAC                   | Strengthens offering to our core tax, accounting and audit customers and provides services across 170 countries                                 | Accelerates our platform strategy with a presence across all existing geographies (UK, US, EMEA & APAC)  |
| High-growth market segment?                       | Global trade management software market segment growing double-digit (Business growing ~10%)       | Fast-growing market segment with low market penetration (Business growing ~25%)   | Fast-growing legal software market segment (Business growing ~35%)   |
| Deployable across current distribution network?   | Sold across Corporates salesforce  | Sold across Corporates and Tax & Accounting salesforce  | Sold across Legal & Corporates salesforce  |
| Closely fits core acquisition criteria?           | SaaS solution that complements TRI's GTM business and strengthens and expands N. American presence | Global, SaaS & cloud-based product automates the workflow of confirmations process of an audit that will be integrated in our Cloud Audit Suite | Ability to integrate our cloud-based software capabilities on a single platform connecting all sides of the ecosystem and drive market penetration |

\$1.0 Billion of investment fund deployed

# Raising 2019 & 2020 Outlook

*Before currency and excluding the impact of future acquisitions and dispositions*

|                        | Original 2019 Outlook                | Updated 2019 Outlook                           | Original 2020 Outlook        | Updated 2020 Outlook                 |
|------------------------|--------------------------------------|--|------------------------------|--------------------------------------|
| <b>Revenue Growth</b>  | 7% - 8.5%<br>3.0% - 3.5% Organic     | <b>7% - 8.5%</b><br><b>3.5% - 4.0% Organic</b> | 3.5% - 4.5%<br>Organic       | <b>4.0% - 4.5%</b><br><b>Organic</b> |
| <b>Adjusted EBITDA</b> | \$1.4 - \$1.5 billion <sup>(1)</sup> | <b>\$1.45 - \$1.5 billion<sup>(1)</sup></b>    | 30.0% - 31.0% <sup>(1)</sup> | <b>~31%<sup>(1)</sup></b>            |
| <b>Corporate Costs</b> | ~\$570 million                       | <b>~\$570 million</b>                          | \$140 - \$190 million        | <b>\$140 - \$150 million</b>         |
| Core Corporate costs   | ~\$140 million                       | ~\$140 million                                 | ~\$140 million               | <b>\$140 - \$150 million</b>         |
| Stranded costs         | ~\$100 million                       | ~\$100 million                                 | ~\$0 - \$50 million          | <b>\$0</b>                           |
| One-Time costs         | ~\$330 million                       | ~\$330 million                                 | -                            | -                                    |

(1) The impact of the new lease accounting standard (IFRS 16) is expected to increase both adjusted EBITDA and depreciation and amortization of computer software by an estimated \$40 million in 2019 and \$50 million in 2020 and is reflected in this Outlook. IFRS 16 has no impact on free cash flow.

**NOTE: All 2019 and 2020 guidance previously provided in February 2019 and not reflected on this slide remains unchanged.**

# **FINANCIAL REVIEW**

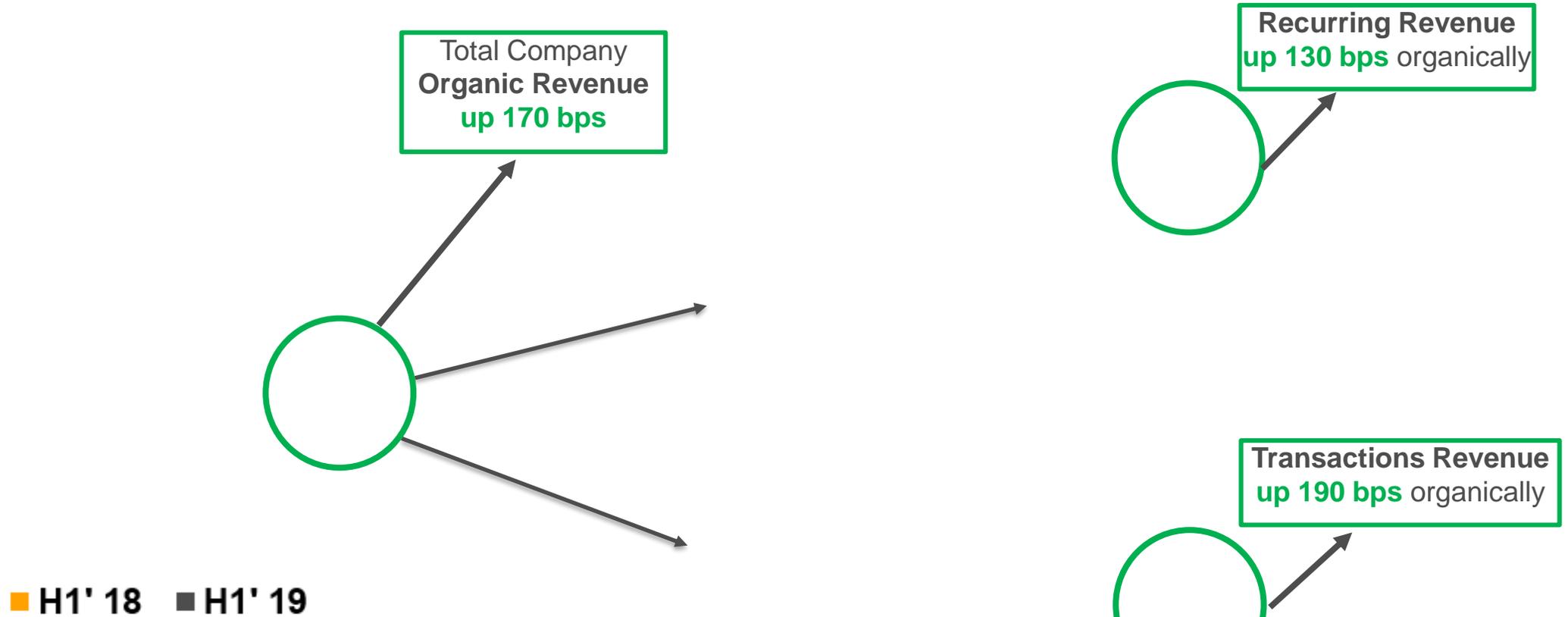
**STEPHANE BELLO**  
**CHIEF FINANCIAL OFFICER**

# Consolidated Results

(Excludes Refinitiv)

| (\$ millions)                 | Second-Quarter |              |                |                        | Six-Months   |              |                |                        |
|-------------------------------|----------------|--------------|----------------|------------------------|--------------|--------------|----------------|------------------------|
|                               | <u>2019</u>    | <u>2018</u>  | <u>Change</u>  | Change Before Currency | <u>2019</u>  | <u>2018</u>  | <u>Change</u>  | Change Before Currency |
| Revenues                      | 1,423          | 1,311        | +9%            | +10%                   | 2,910        | 2,690        | +8%            | +10%                   |
| <i>Recurring</i>              | 1,115          | 984          | +13%           | +15%                   | 2,250        | 1,989        | +13%           | +15%                   |
| <i>Transactions</i>           | 144            | 153          | -6%            | -5%                    | 332          | 351          | -5%            | -4%                    |
| <i>Global Print</i>           | 164            | 174          | -6%            | -3%                    | 329          | 351          | -6%            | -4%                    |
| Adjusted EBITDA               | 355            | 348          | +2%            | +0%                    | 752          | 778          | -3%            | -4%                    |
| <i>Adjusted EBITDA Margin</i> | <i>25.0%</i>   | <i>26.6%</i> | <i>-160 bp</i> | <i>-240 bp</i>         | <i>25.8%</i> | <i>28.9%</i> | <i>-310 bp</i> | <i>-380 bp</i>         |

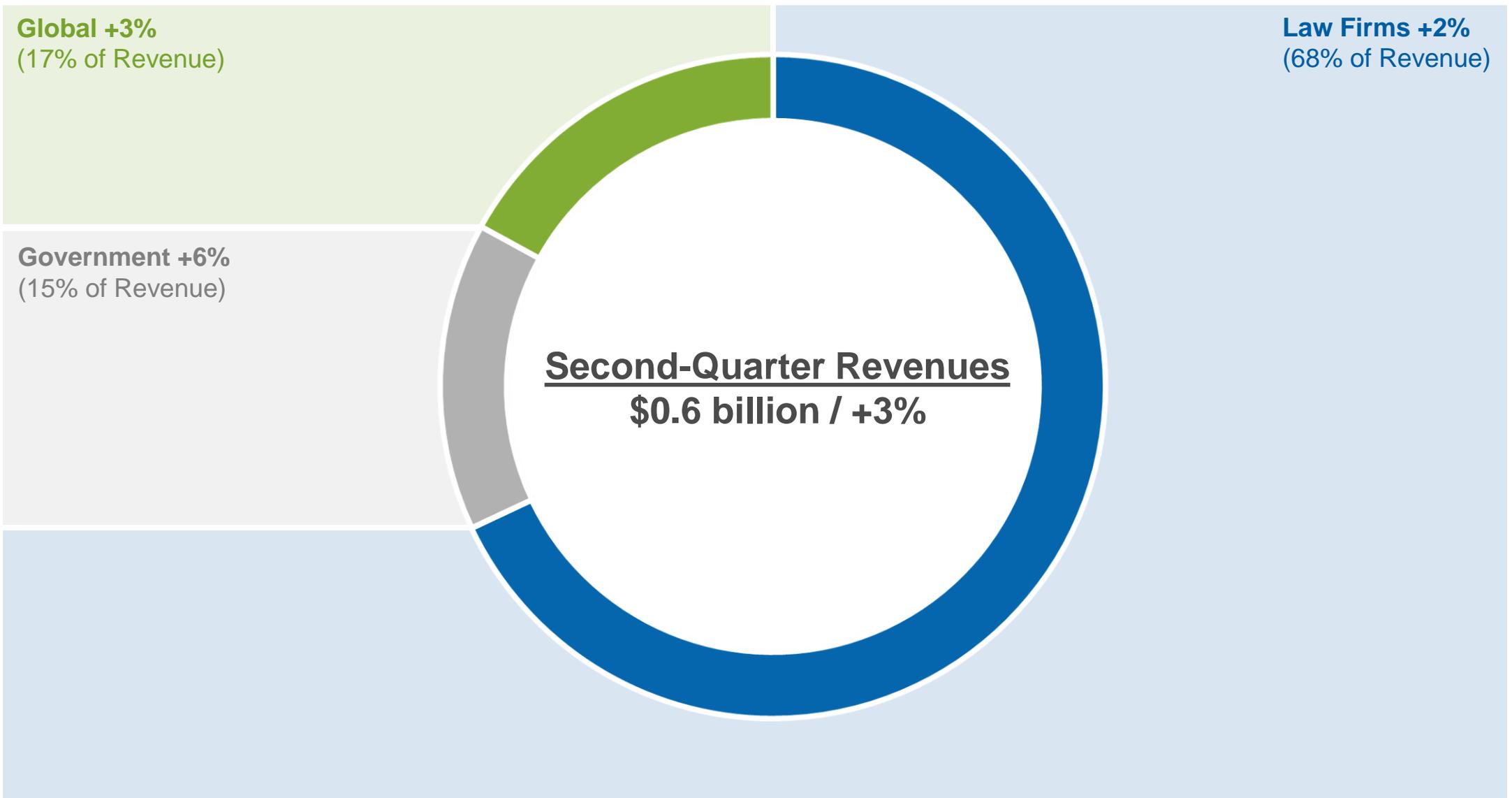
# First-Half 2019 vs. First-Half 2018 Organic Revenue Growth Details



# Legal Professionals

| (\$ millions)                 | Second-Quarter |              |                |                        | Six-Months   |              |                |                        |
|-------------------------------|----------------|--------------|----------------|------------------------|--------------|--------------|----------------|------------------------|
|                               | <u>2019</u>    | <u>2018</u>  | <u>Change</u>  | Change Before Currency | <u>2019</u>  | <u>2018</u>  | <u>Change</u>  | Change Before Currency |
| Revenues                      | 603            | 593          | +2%            | +3%                    | 1,197        | 1,178        | +2%            | +3%                    |
| <i>Recurring</i>              | 555            | 539          | +3%            | +4%                    | 1,105        | 1,072        | +3%            | +4%                    |
| <i>Transactions</i>           | 48             | 54           | -10%           | -9%                    | 92           | 106          | -12%           | -11%                   |
| Adjusted EBITDA               | 232            | 198          | +17%           | +16%                   | 459          | 389          | +18%           | +18%                   |
| <i>Adjusted EBITDA Margin</i> | <i>38.5%</i>   | <i>33.5%</i> | <i>+500 bp</i> | <i>+430 bp</i>         | <i>38.4%</i> | <i>33.1%</i> | <i>+530 bp</i> | <i>+470 bp</i>         |

# Legal Professionals Revenues

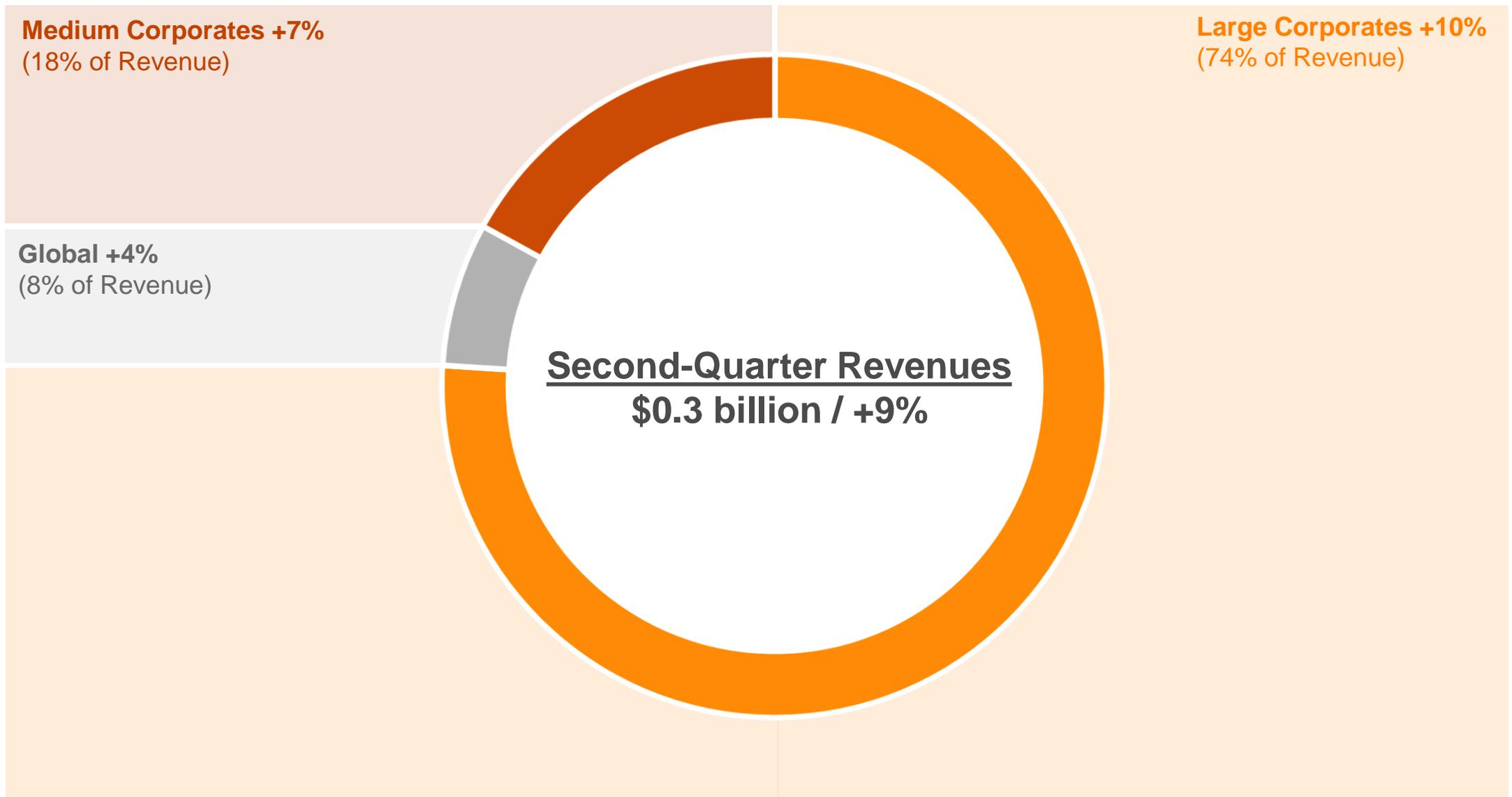


Above chart reflected at constant currency rates

# Corporates

| (\$ millions)                 | Second-Quarter |              |               |                        | Six-Months   |              |               |                        |
|-------------------------------|----------------|--------------|---------------|------------------------|--------------|--------------|---------------|------------------------|
|                               | <u>2019</u>    | <u>2018</u>  | <u>Change</u> | Change Before Currency | <u>2019</u>  | <u>2018</u>  | <u>Change</u> | Change Before Currency |
| Revenues                      | 318            | 296          | +8%           | +9%                    | 670          | 625          | +7%           | +9%                    |
| <i>Recurring</i>              | 269            | 243          | +11%          | +12%                   | 538          | 486          | +11%          | +12%                   |
| <i>Transactions</i>           | 49             | 53           | -8%           | -6%                    | 132          | 139          | -5%           | -3%                    |
| Adjusted EBITDA               | 102            | 95           | +8%           | +7%                    | 220          | 206          | +7%           | +6%                    |
| <i>Adjusted EBITDA Margin</i> | <i>32.2%</i>   | <i>32.0%</i> | <i>+20 bp</i> | <i>-70 bp</i>          | <i>32.9%</i> | <i>32.9%</i> | <i>+0 bp</i>  | <i>-80 bp</i>          |

# Corporates Revenues

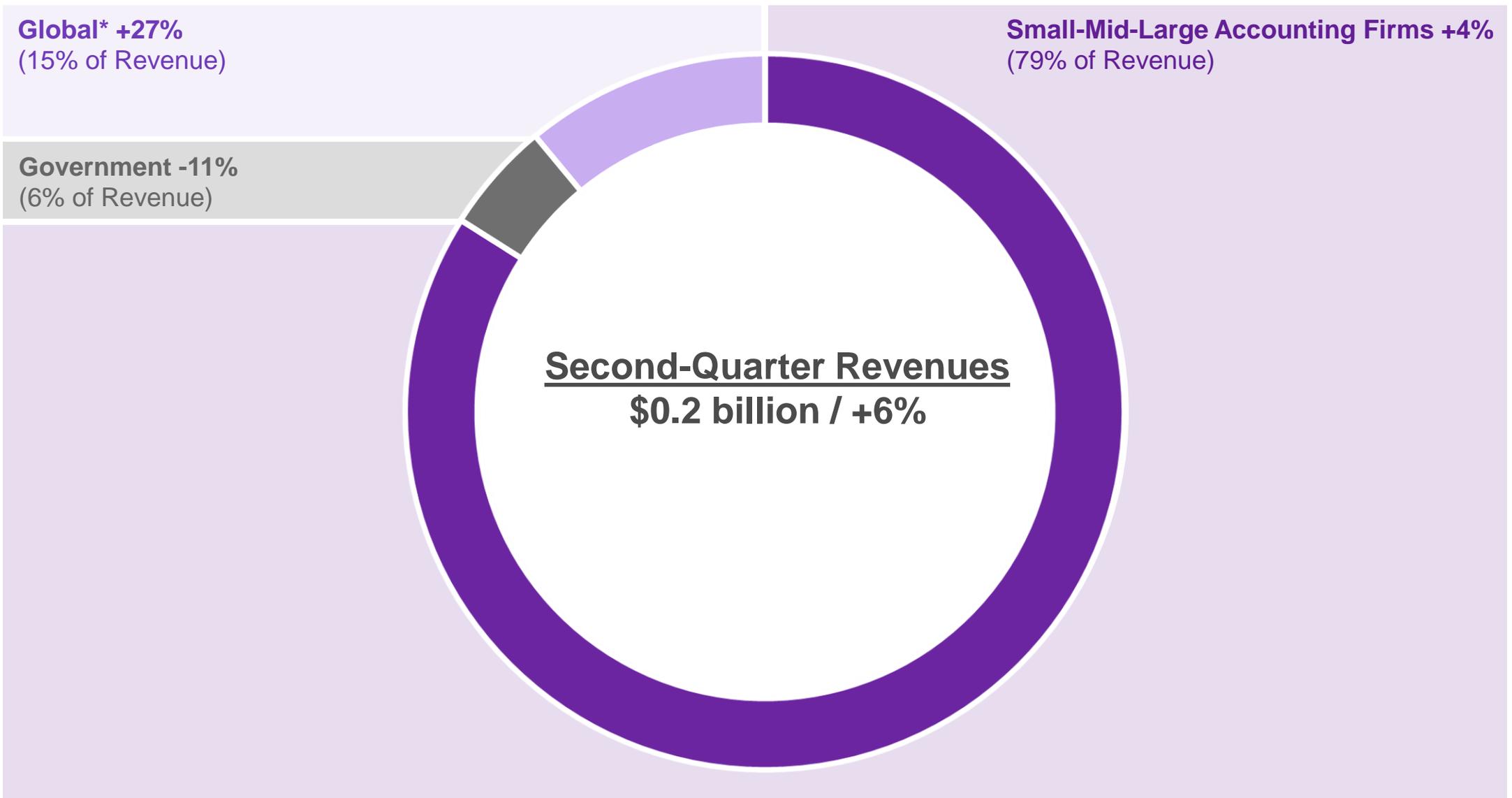


*Above chart reflected at constant currency rates*

# Tax & Accounting Professionals

| (\$ millions)                 | Second-Quarter |              |                |                        | Six-Months   |              |                |                        |
|-------------------------------|----------------|--------------|----------------|------------------------|--------------|--------------|----------------|------------------------|
|                               | <u>2019</u>    | <u>2018</u>  | <u>Change</u>  | Change Before Currency | <u>2019</u>  | <u>2018</u>  | <u>Change</u>  | Change Before Currency |
| Revenues                      | 182            | 176          | +3%            | +6%                    | 404          | 393          | +3%            | +6%                    |
| <i>Recurring</i>              | 147            | 139          | +6%            | +9%                    | 320          | 306          | +5%            | +8%                    |
| <i>Transactions</i>           | 35             | 37           | -6%            | -4%                    | 84           | 87           | -4%            | -2%                    |
| Adjusted EBITDA               | 60             | 41           | +47%           | +45%                   | 153          | 121          | +26%           | +29%                   |
| <i>Adjusted EBITDA Margin</i> | <i>33.0%</i>   | <i>23.2%</i> | <i>+980 bp</i> | <i>+880 bp</i>         | <i>37.9%</i> | <i>30.9%</i> | <i>+700 bp</i> | <i>+690 bp</i>         |

# Tax & Accounting Professionals Revenues



Above chart reflected at constant currency rates

\*Global includes Latin America & Asia regions

# Reuters News

| (\$ millions)                 | Second-Quarter |              |                |                        | Six-Months  |              |                |                        |
|-------------------------------|----------------|--------------|----------------|------------------------|-------------|--------------|----------------|------------------------|
|                               | <u>2019</u>    | <u>2018</u>  | <u>Change</u>  | Change Before Currency | <u>2019</u> | <u>2018</u>  | <u>Change</u>  | Change Before Currency |
| Revenues                      | 156            | 72           | +116%          | +118%                  | 311         | 144          | +116%          | +120%                  |
| Adjusted EBITDA               | 10             | 8            | +36%           | +0%                    | 26          | 16           | +67%           | +42%                   |
| <i>Adjusted EBITDA Margin</i> | <i>6.6%</i>    | <i>10.5%</i> | <i>-390 bp</i> | <i>-580 bp</i>         | <i>8.4%</i> | <i>10.9%</i> | <i>-250 bp</i> | <i>-400 bp</i>         |

# Global Print

| (\$ millions)                 | Second-Quarter |              |               |                        | Six-Months   |              |               |                        |
|-------------------------------|----------------|--------------|---------------|------------------------|--------------|--------------|---------------|------------------------|
|                               | <u>2019</u>    | <u>2018</u>  | <u>Change</u> | Change Before Currency | <u>2019</u>  | <u>2018</u>  | <u>Change</u> | Change Before Currency |
| Revenues                      | 164            | 174          | -6%           | -3%                    | 329          | 351          | -6%           | -4%                    |
| Adjusted EBITDA               | 73             | 76           | -5%           | -4%                    | 147          | 157          | -7%           | -6%                    |
| <i>Adjusted EBITDA Margin</i> | <i>44.2%</i>   | <i>43.8%</i> | <i>+40 bp</i> | <i>-30 bp</i>          | <i>44.5%</i> | <i>44.7%</i> | <i>-20 bp</i> | <i>-100 bp</i>         |

# Merger & Acquisitions - 2019

## Recent Acquisitions

## Recent Divestitures



October 2018

'19 Revenues  
(Annualized)

~\$40M

'19 Revenue  
Growth

~10%

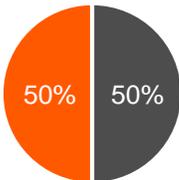
Segment  
Breakdown



July 2019

~\$55M

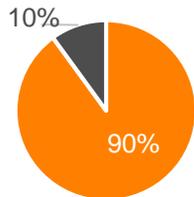
~25%



July 2019

~\$40M

~35%



May 2019

~\$45M

Negative



Mar 2019

~\$25M

~3%



# Refinitiv

| (\$ millions)                 | Second-Quarter                            |  |               |  | Six-Months                                |  |               |  |
|-------------------------------|---|--|---------------|--|---|--|---------------|--|
|                               | <u>2019</u><br>(Reported<br>by Refinitiv) | <u>2018</u><br>(Reported<br>by Thomson<br>Reuters) | <u>Change</u> | <u>Change<br/>Before<br/>Currency</u><br>(Excludes<br>Disposals) | <u>2019</u><br>(Reported<br>by Refinitiv) | <u>2018</u><br>(Reported<br>by Thomson<br>Reuters) | <u>Change</u> | <u>Change<br/>Before<br/>Currency</u><br>(Excludes<br>Disposals) |
| Revenues                      | 1,550                                     | 1,553  | +0%           | +3%  | 3,117                                     | 3,136  | -1%           | +3%  |
| Adjusted EBITDA               | 555                                       |  |               |  | 1,112                                     |  |               |  |
| <i>Adjusted EBITDA Margin</i> | <i>35.8%</i>                              |  |               |  | <i>35.7%</i>                              |  |               |  |
| Capital Expenditures          | \$106                                     |  |               |  | \$238                                     |  |               |  |
| Free Cash Flow                | \$89                                      |  |               |  | (\$252)                                   |  |               |  |
| Debt Outstanding              |   |  |               |  | \$12,954                                  |  |               |  |
| Preferred Equity              |   |  |               |  | \$1,111                                   |  |               |  |

**ADJUSTED EARNINGS PER SHARE**

**FREE CASH FLOW**

**CORPORATE COSTS**

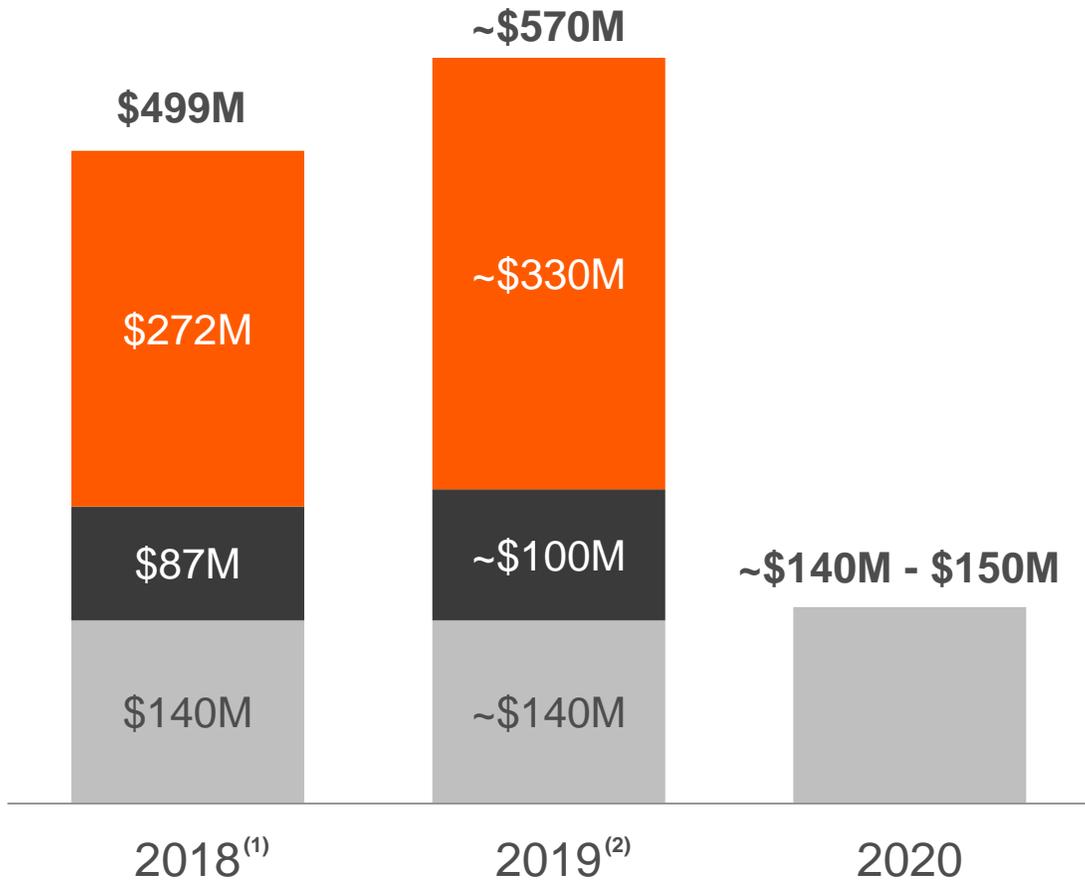
# Adjusted Earnings Per Share (EPS)

| (\$ millions except per share amounts & share count) | Second-Quarter |               |                 | Six-Months    |               |                 |
|--|----------------|---------------|-----------------|---------------|---------------|-----------------|
|  | <u>2019</u>    | <u>Change</u> | <u>% Change</u> | <u>2019</u>   | <u>Change</u> | <u>% Change</u> |
| <b>Adjusted EBITDA</b>                               | <b>\$355</b>   | <b>\$7</b>    |                 | <b>\$752</b>  | <b>(\$26)</b> |                 |
| Depreciation & Amortization                          | (\$142)        | (\$13)        |                 | (\$281)       | (\$24)        |                 |
| Interest Expense                                     | (\$37)         | \$44          |                 | (\$72)        | \$87          |                 |
| Income Tax   | (\$29)         | (\$10)        |                 | (\$70)        | (\$25)        |                 |
| Dividend declared on preference shares               | (\$1)          | (\$1)         |                 | (\$2)         | (\$1)         |                 |
| <b>Adjusted Earnings</b>                             | <b>\$146</b>   | <b>\$27</b>   |                 | <b>\$327</b>  | <b>\$11</b>   |                 |
| <b>Adjusted EPS</b>                                  | <b>\$0.29</b>  | <b>\$0.12</b> | <b>+71%</b>     | <b>\$0.65</b> | <b>\$0.21</b> | <b>+48%</b>     |
| <i>Currency Impact</i>                               | <i>\$0.01</i>  |               |                 | <i>\$0.02</i> |               |                 |
| <i>Diluted Weighted Average Common Shares</i>        | <i>503.0M</i>  |               |                 | <i>503.2M</i> |               |                 |

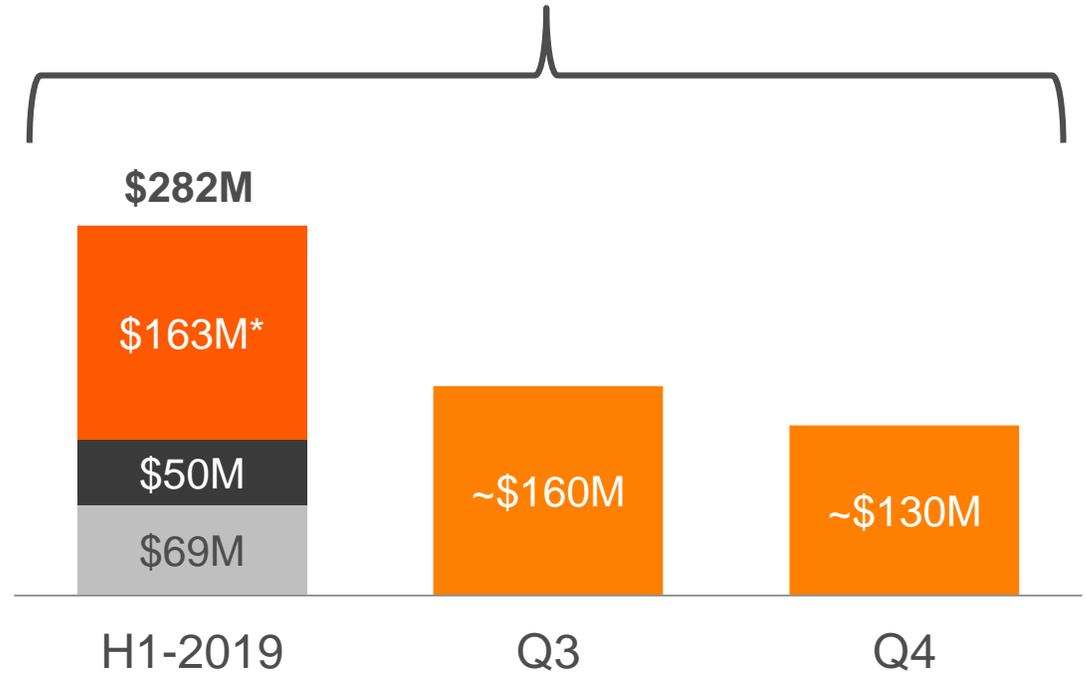
# Consolidated Free Cash Flow

| (\$ millions)   | Second-Quarter |              |                | Six-Months     |              |                |
|---|----------------|--------------|----------------|----------------|--------------|----------------|
|   | <u>2019</u>    | <u>2018</u>  | <u>Change</u>  | <u>2019</u>    | <u>2018</u>  | <u>Change</u>  |
| <b>Comparable Free Cash Flow (Continuing Operations)</b>          | <b>\$159</b>   | <b>\$267</b> | <b>(\$108)</b> | <b>\$318</b>   | <b>\$297</b> | <b>\$21</b>    |
| Other Items (Q1-19 pension contribution and F&R separation costs) | \$93           | \$1          | (\$92)         | \$372          | \$2          | (\$370)        |
| <b>Free Cash Flow (Continuing Operations)</b>                     | <b>\$66</b>    | <b>\$266</b> | <b>(\$200)</b> | <b>(\$54)</b>  | <b>\$295</b> | <b>(\$349)</b> |
| Free Cash Flow – Refinitiv related/F&R                            | (\$65)         | \$289        | (\$354)        | (\$122)        | \$380        | (\$502)        |
| <b>Free Cash Flow</b>   | <b>\$1</b>     | <b>\$555</b> | <b>(\$554)</b> | <b>(\$176)</b> | <b>\$675</b> | <b>(\$851)</b> |

# Corporate Costs



2019 Full Year Estimate<sup>(2)</sup>: ~\$570 Million



■ One-Time Costs 
 ■ Stranded Costs 
 ■ Core Corporate Costs

(1) Includes \$33 million of Capital Expenditures

(2) Includes Capital Expenditures

\*Includes \$29 million of Capital expenditures

# Raising 2019 & 2020 Outlook

*Before currency and excluding the impact of future acquisitions and dispositions*

|                        | Original 2019 Outlook                | Updated 2019 Outlook                           | Original 2020 Outlook        | Updated 2020 Outlook                 |
|------------------------|--------------------------------------|--|------------------------------|--------------------------------------|
| <b>Revenue Growth</b>  | 7% - 8.5%<br>3.0% - 3.5% Organic     | <b>7% - 8.5%</b><br><b>3.5% - 4.0% Organic</b> | 3.5% - 4.5%<br>Organic       | <b>4.0% - 4.5%</b><br><b>Organic</b> |
| <b>Adjusted EBITDA</b> | \$1.4 - \$1.5 billion <sup>(1)</sup> | <b>\$1.45 - \$1.5 billion<sup>(1)</sup></b>    | 30.0% - 31.0% <sup>(1)</sup> | <b>~31%<sup>(1)</sup></b>            |
| <b>Corporate Costs</b> | ~\$570 million                       | <b>~\$570 million</b>                          | \$140 - \$190 million        | <b>\$140 - \$150 million</b>         |
| Core Corporate costs   | ~\$140 million                       | ~\$140 million                                 | ~\$140 million               | <b>\$140 - \$150 million</b>         |
| Stranded costs         | ~\$100 million                       | ~\$100 million                                 | ~\$0 - \$50 million          | <b>\$0</b>                           |
| One-Time costs         | ~\$330 million                       | ~\$330 million                                 | -                            | -                                    |

(1) The impact of the new lease accounting standard (IFRS 16) is expected to increase both adjusted EBITDA and depreciation and amortization of computer software by an estimated \$40 million in 2019 and \$50 million in 2020 and is reflected in this Outlook. IFRS 16 has no impact on free cash flow.

**NOTE: All 2019 and 2020 guidance previously provided in February 2019 and not reflected on this slide remains unchanged.**

# Refinitiv acquisition by LSEG

# London Stock Exchange Group to Acquire Refinitiv for \$27 Billion

Transaction is a sign of market trends & has strategic merit for both companies

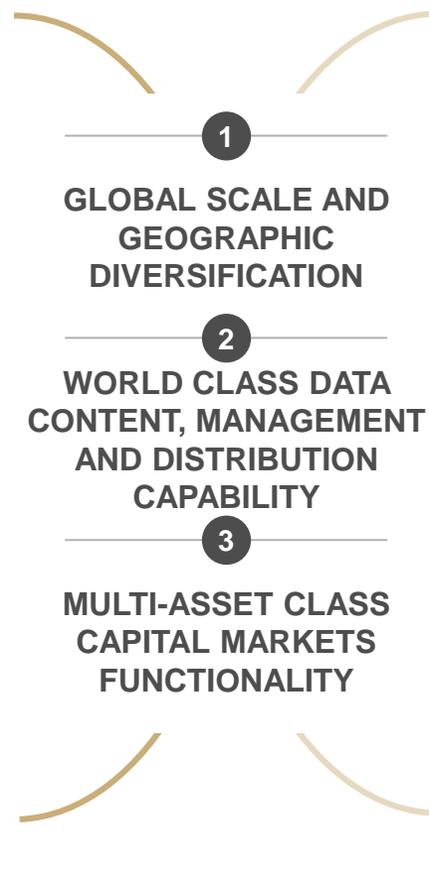
1. Transforms LSEG's position as a leading ***global financial markets infrastructure group***
2. LSEG has a ***strong track record*** of integrating acquisitions, realizing synergies and driving growth & profitability
3. ***Significant revenue synergies*** from cross-selling & distribution, enhanced and new products
4. ***Substantial cost synergies*** expected from corporate, technology, property & other
5. Offers TRI shareholders ***greater certainty and safer path to liquidity*** than standalone alternatives

# Creates a New Global Financial Markets Infrastructure Leader



- A leading global financial markets infrastructure business
- Successful open access philosophy and customer partnership approach
- Systemically important, world-class businesses serving global customer base
- Leading global OTC clearer with over \$1,000tn of notional cleared in 2018: **LCH**
- Leading global multi-asset index company with \$15tn in AuM and \$705bn ETF AuM: **FTSE Russell**
- Leading European equities trading business
- Strong track record of top-line organic growth and strategic M&A

2018 Total Revenue: £2.1bn<sup>(1)</sup>  
2018 Adj. EBITDA: £1.1bn



- A leading global provider of data, analytics and financial markets solutions
- Open platform promoting partner community, solutions and efficiency
- Global reach and significant customer connectivity
- Best-in-class capabilities in data collection, management and distribution
- Leading trading venues in FX and fixed income: **FXall** and **Tradeweb**
- 150,000 data sources, over 10,000 data partners and 24,000 developer community
- Significant recent investment to accelerate growth
- High quality, highly recurring subscription-based revenue base

2018 Total Revenue: £4.3bn<sup>(2) (3)</sup>  
2018 Adj. EBITDA: £1.5bn<sup>(3)</sup>

Note: This slide provided by LSE Group

(1) Total revenue includes treasury income and other income

(2) Revenues adjusted for business not transferred and excludes recoveries

(3) Refinitiv's performance for the 12 months to 31 December 2018 has been translated to USD to GBP using an FX rate of 1.34

# Delivers Attractive Financial Returns for LSEG Shareholders

- 1 Enhanced revenue<sup>(1)</sup> mix with attractive growth**
  - **c.70%** recurring subscription-based revenue up from c.40%
  - **5-7%** revenue CAGR targeted over the first three years post completion
- 2 Significant synergies**
  - Annual run rate cost synergies in excess of **£350m**
  - Annual run rate revenue synergies in excess of **£225m**
- 3 Attractive returns**
  - **Over 30% adjusted EPS accretion** in the first full year post completion and increasing in years 2 and 3
  - ROIC to exceed investment criteria in the 3<sup>rd</sup> year post completion
- 4 Maintains current capital management framework**
  - **1.0 – 2.0x** target leverage in 24-30 months post completion, from around 3.5x at completion
  - Maintaining current progressive dividend policy
- 5 Committed, long-term new shareholders with interests fully aligned**

**Note: This slide provided by LSE Group**

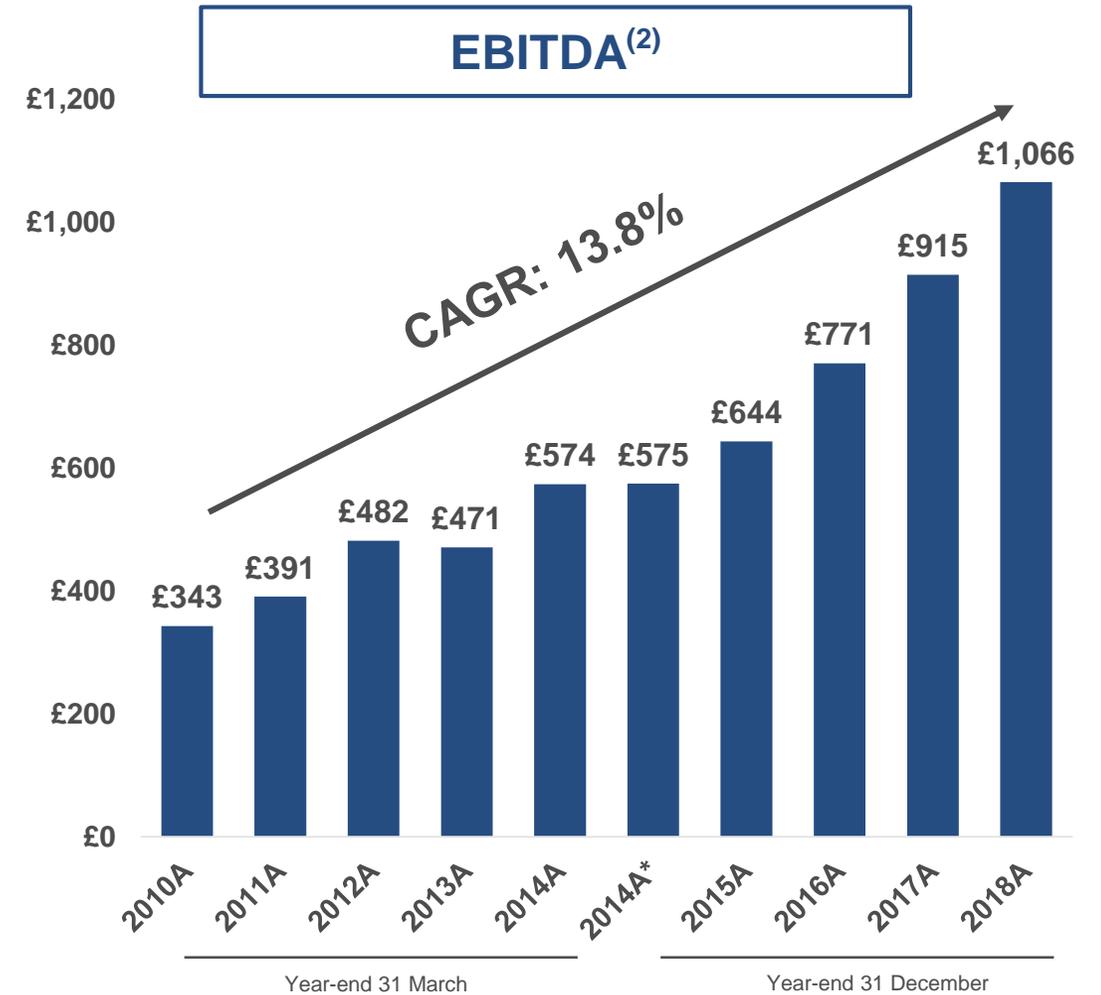
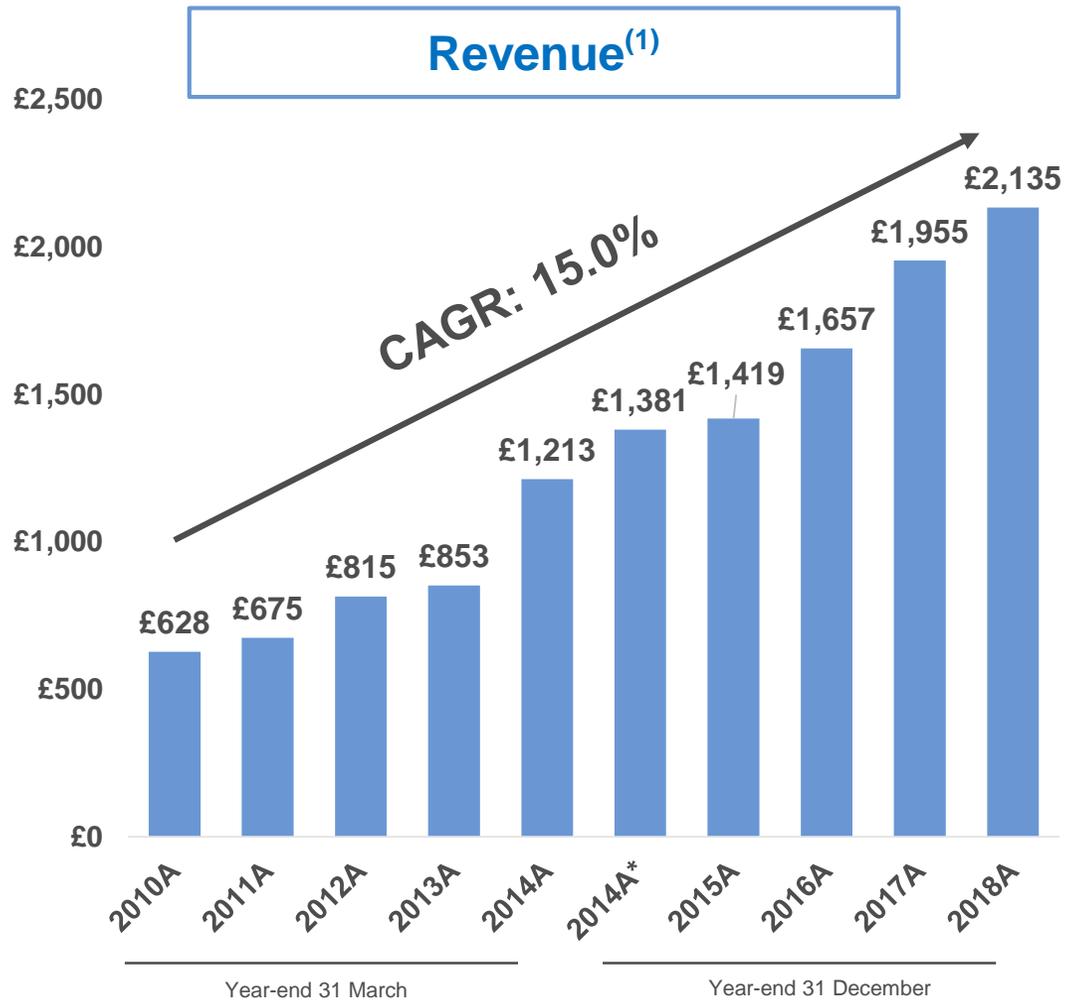
Note: These statements are based on non-IFRS financial projections on Refinitiv. These statements may be subject to amendment by LSEG in the Circular and Prospectus when based on Refinitiv financial projections under IFRS and / or IFRS-consistent accounting policies adopted by LSEG in its own internal Group projections

(1) Revenue excludes recoveries and includes treasury income and other income

# LSEG Historical Financial Performance

(£ in millions)

## Strong and Consistent Operating Performance



Source: LSEG Annual Reports

\* Unaudited due to year-end change

(1) Revenue is classified as Total Income in LSEG Filings and figures used exclude non-underlying items as stated in the annual report

(2) EBITDA excludes non-underlying items as stated in the annual report

# Transaction Highlights

- 1. Significant increase in Refinitiv's value from TRI's sale of a 55% interest in the business to Blackstone**
  - Enterprise Value increased from ~\$20 billion to \$27 billion
- 2. TRI expected to receive approximately 82.5 million LSEG Group shares – valued at \$6.7 billion (or ~\$13 per TRI share) as of the closing price yesterday**
  - TRI's warrants to be exercised upon Refinitiv change of control increasing TRI's ownership to 47.6% (reflected above)
  - 2 year lock-up on all LSEG shares received by TRI and Blackstone after closing
  - 1/3rd of LSEG shares become saleable in each of years 3, 4 and 5 after closing
- 3. Crystallizes Refinitiv value**
  - TRI retains potential upside from additional cost synergies of the combined company (est. in excess of £350M)
  - LSEG targeting more attractive revenue growth rate with 5%-7%<sup>(1)</sup> CAGR targeted over the first 3 years post completion
- 4. Significantly de-risks Refinitiv investment through greater diversification and significantly lower leverage**
- 5. TRI will receive ongoing cash flow from LSEG dividends and a publicly traded currency**

(1) Note: Revenue excludes recoveries and includes treasury income and other income

# Q&A