



REUTERS / Jean-Paul Pelissier

# THOMSON REUTERS

## 2017 FULL-YEAR AND FOURTH-QUARTER RESULTS

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# Special Note

## 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 EPS, return on invested capital and selected measures before the impact of currency.

Please see our earnings release dated February 8, 2018, which is available on [www.thomsonreuters.com](http://www.thomsonreuters.com), for a reconciliation of each of these measures to the most directly comparable IFRS financial measure. You can also find IFRS reconciliations in the “Investor Relations” section of our website.

# THOMSON REUTERS 2017 HIGHLIGHTS

# 2017 – A Year of Delivery & Continued Progress

## Record High EBITDA Margin & Adjusted EPS

- Full-Year 2017 Adj. EPS of \$2.51
  - **Record high** for the company & exceeded target set in 2014
- Full-Year Adj. EBITDA margin 30.3%
  - **Record high** for the company
- Performance driven by transformation programs

## Revenue Growth Achieved by Each Business Unit – first time since 2012 (constant currency)

- Legal and Tax & Accounting delivered as expected
- F&R growth in H2 constrained by regulatory uncertainty and continued cost pressure

## Returned Cash to Shareholders

- Repurchased \$1.0 billion of TRI stock in 2017 (\$5.5 billion since 2013)
- 24th consecutive year of dividend increases

# Full-Year 2017 Results vs. 2017 Outlook

**Achieved or exceeded guidance for each metric**

	<b>2017 Revised Outlook</b> (Before impact of currency)	<b>2017 Results</b> (Before impact of currency)	
Revenues	Low Single Digit	2%	✓
Adjusted EBITDA Margin	29.3% - 30.3%	30.2%	✓
Free Cash Flow	\$0.9 - \$1.2 billion	\$1.0 billion	✓
Adjusted EPS	\$2.40 - \$2.45 top end of range	\$2.49	✓

2017 Outlook & 2017 Results are measured at constant currency rates relative to 2016, except free cash flow, which is reflected at actual currency rates. Currency had an 10 basis point positive impact on Adjusted EBITDA margin and \$0.02 positive impact on EPS.

# Q4 2017 Consolidated Results

	Reported	Change at Constant Currency	Change at Constant Currency Excl. Q4-16 Charge
Revenues	Up 3%	Up 1%	Up 1%
Adjusted EBITDA	Up 38%	Up 36%	Up 1%
<i>Margin 29.7% vs. 22.2% in Q4 2016</i>	<i>Up 750bp</i>	<i>Up 760bp</i>	<i>Up 10bp</i>
Adjusted EPS	Up 94%	Up 87%	Down 5%
<i>\$0.60 vs. \$0.31 in Q4 2016</i>	<i>Up \$0.29</i>	<i>Up \$0.27</i>	<i>Down \$0.03</i>

# Q4 2017 Revenues by Business



## Financial & Risk +1%

Financial

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Risk

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## Legal +1%

U.S. Online Legal Information

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Solutions Businesses

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U.S. Print

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## Tax & Accounting +6%

Professional

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Corporate

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Knowledge Solutions

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Government

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Note: Revenue growth rates are at constant currency

# FINANCIAL REVIEW



# Consolidated Results

(\$ millions)	Fourth-Quarter				Full-Year			
	<u>2017</u>	<u>2016</u>	<u>Change</u>	Change at Constant Currency Exc. Q4-16 Charge <sup>(1)</sup>	<u>2017</u>	<u>2016</u>	<u>Change</u>	Change at Constant Currency Exc. Q4-16 Charge <sup>(1)</sup>
Revenues	2,944	2,860	+3%	+1%	11,333	11,166	+1%	+2%
Adjusted EBITDA	874	635	+38%	+1%	3,437	2,954	+16%	+8%
<i>Adjusted EBITDA Margin</i>	<i>29.7%</i>	<i>22.2%</i>	<i>+750bp</i>	<i>+10bp</i>	<i>30.3%</i>	<i>26.5%</i>	<i>+380bp</i>	<i>+170bp</i>

(1) Change presented at constant currency and excluding \$212m of charges from the prior-year period

# Legal

(\$ millions)

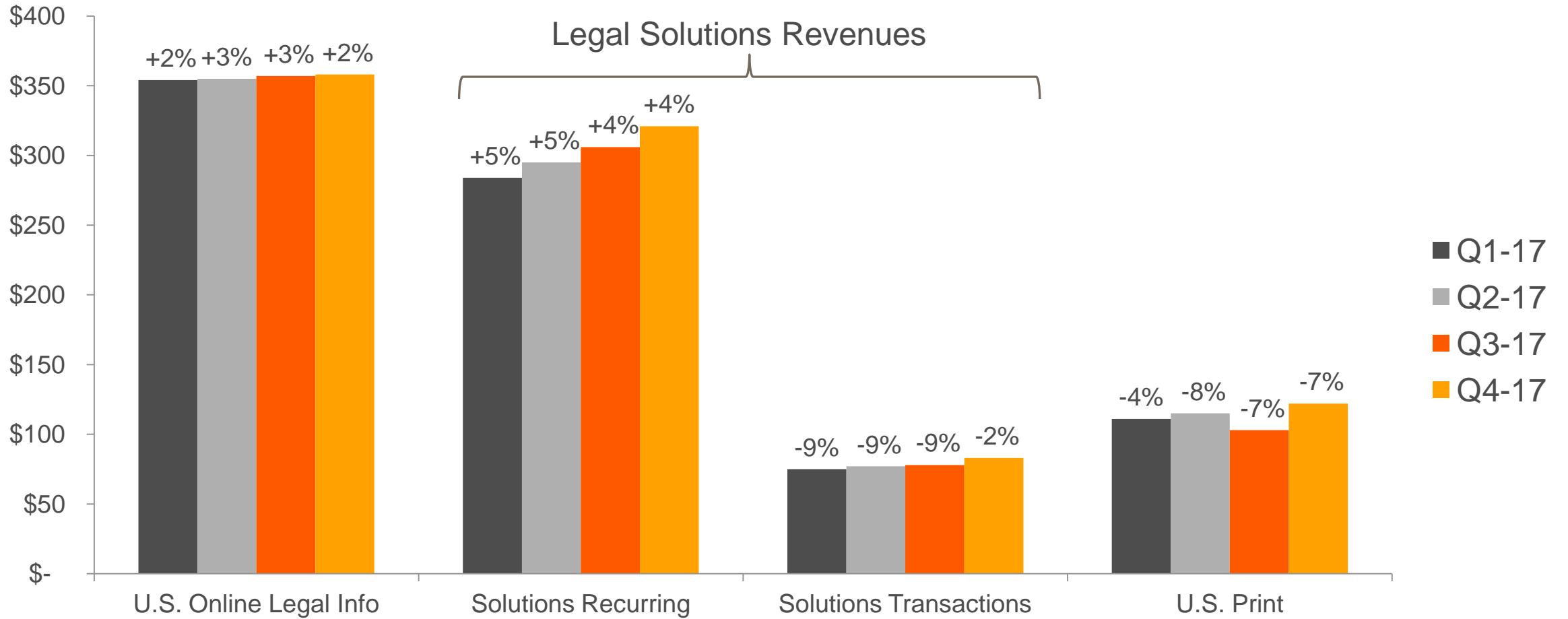
Fourth-Quarter

Full-Year

	<u>2017</u>	<u>2016</u>	<u>Change</u>	Change at Constant Currency Exc. Q4-16 Charge <sup>(1)</sup>	<u>2017</u>	<u>2016</u>	<u>Change</u>	Change at Constant Currency Exc. Q4-16 Charge <sup>(1)</sup>
Revenues	881	864	+2%	+1%	3,390	3,367	+1%	+1%
Adjusted EBITDA	314	296	+6%	-3%	1,279	1,232	+4%	+2%
<i>Adjusted EBITDA Margin</i>	<i>35.6%</i>	<i>34.3%</i>	<i>+130bp</i>	<i>-150bp</i>	<i>37.7%</i>	<i>36.6%</i>	<i>+110bp</i>	<i>+30bp</i>

(1) Change presented at constant currency and excluding \$26m of charges from the prior-year period

# Legal Revenue Growth By Type



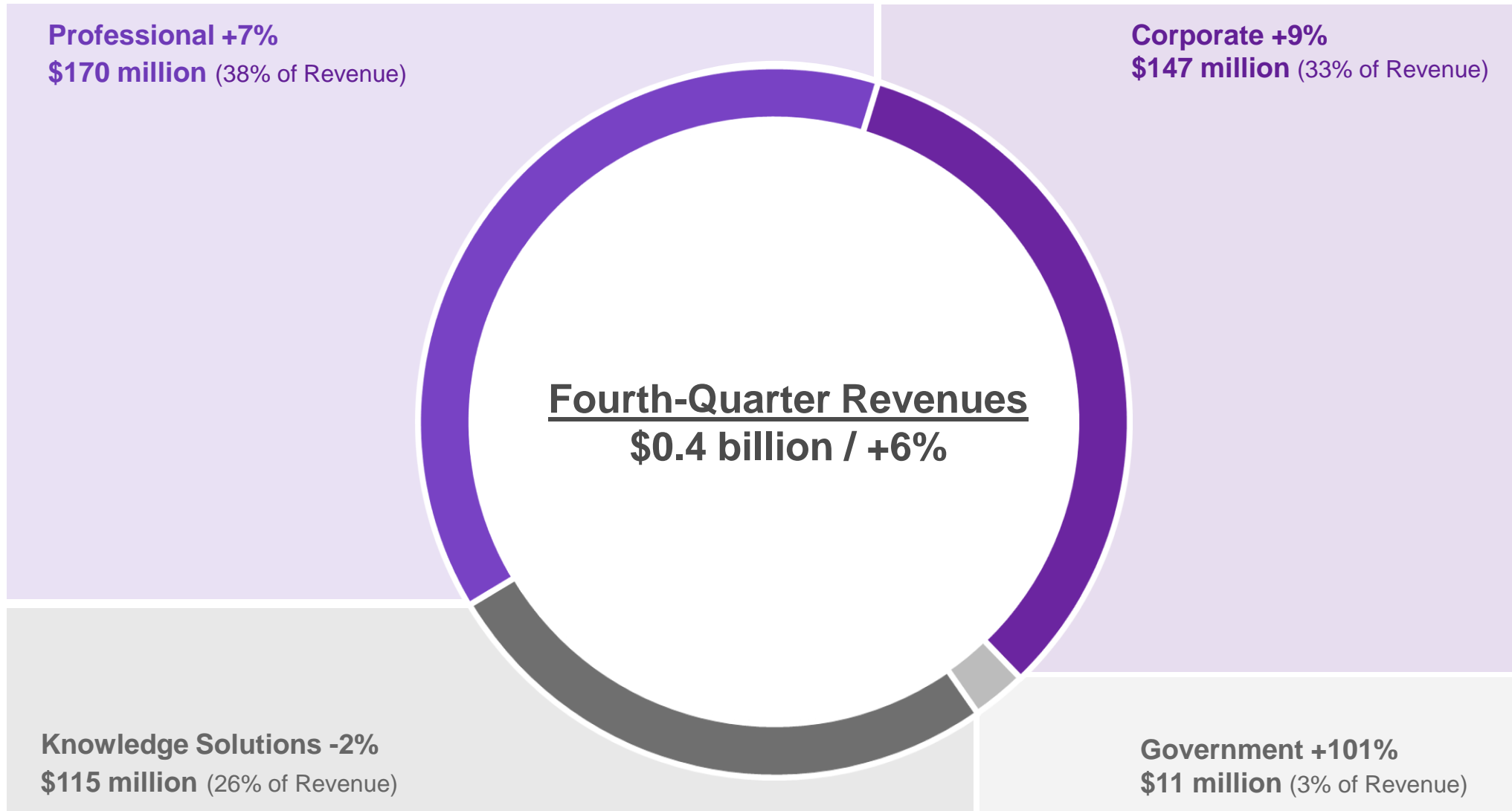
% of Fourth-Quarter Revenues	41%	36%	9%	14%
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# Tax & Accounting

(\$ millions)	Fourth-Quarter				Full-Year			
	<u>2017</u>	<u>2016</u>	<u>Change</u>	Change at Constant Currency Exc. Q4-16 Charge <sup>(1)</sup>	<u>2017</u>	<u>2016</u>	<u>Change</u>	Change at Constant Currency Exc. Q4-16 Charge <sup>(1)</sup>
Revenues	443	416	+6%	+6%	1,551	1,452	+7%	+6%
Adjusted EBITDA	156	131	+19%	+5%	495	414	+20%	+14%
<i>Adjusted EBITDA Margin</i>	<i>35.2%</i>	<i>31.5%</i>	<i>+370bp</i>	<i>-20bp</i>	<i>31.9%</i>	<i>28.5%</i>	<i>+340bp</i>	<i>+220bp</i>

(1) Change presented at constant currency and excluding \$18m of charges from the prior-year period

# Tax & Accounting Revenue By Segment



# Financial & Risk

(\$ millions)

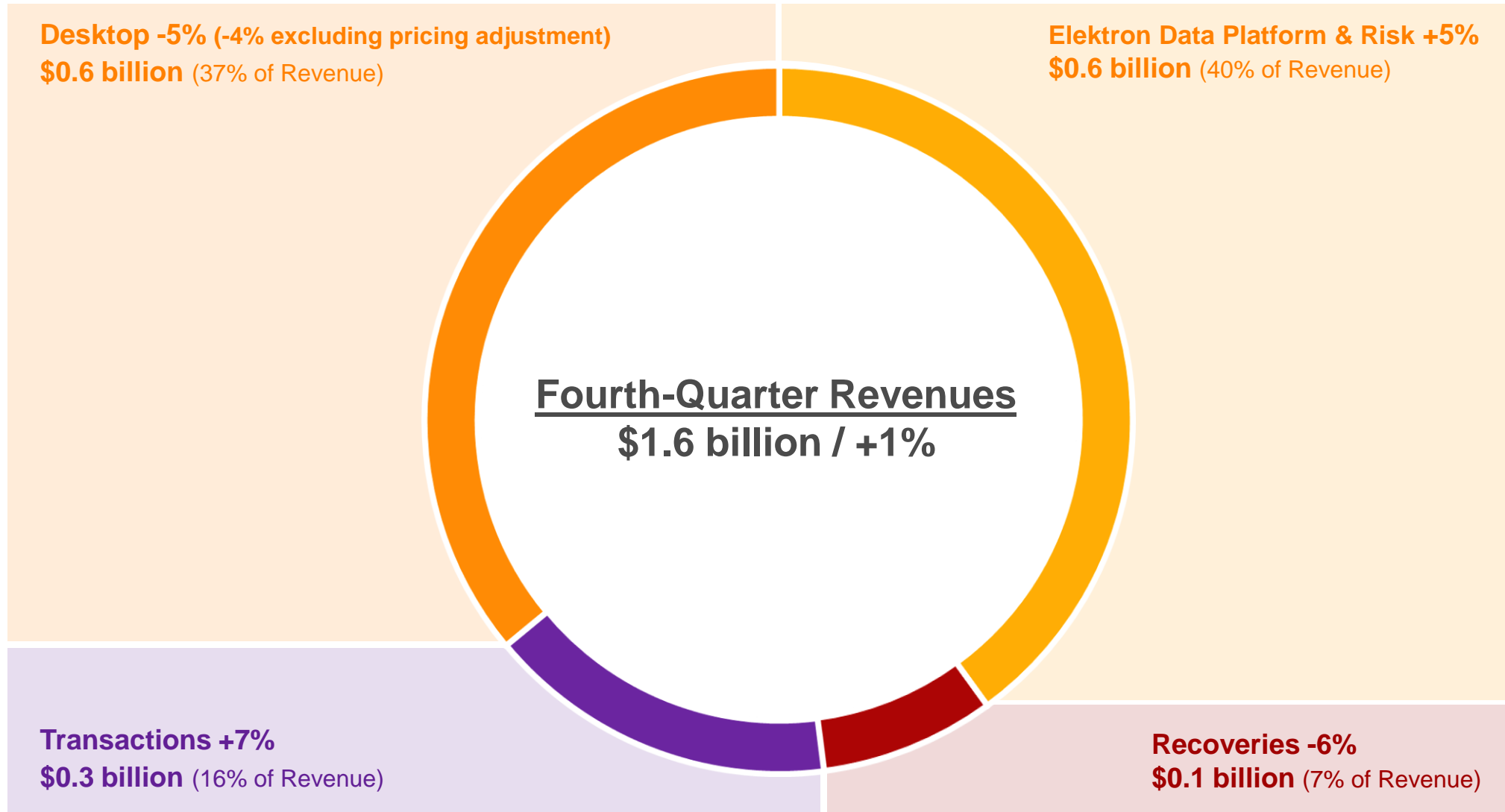
Fourth-Quarter

Full-Year

	<u>2017</u>	<u>2016</u>	<u>Change</u>	Change at Constant Currency Exc. Q4-16 Charge <sup>(1)</sup>	<u>2017</u>	<u>2016</u>	<u>Change</u>	Change at Constant Currency Exc. Q4-16 Charge <sup>(1)</sup>
Revenues	1,551	1,508	+3%	+1%	6,112	6,057	+1%	+1%
Adjusted EBITDA	481	289	+66%	+3%	1,916	1,629	+18%	+6%
<i>Adjusted EBITDA Margin</i>	<i>31.0%</i>	<i>19.2%</i>	<i>+1180bp</i>	<i>+80bp</i>	<i>31.3%</i>	<i>26.9%</i>	<i>+440bp</i>	<i>+140bp</i>

(1) Change presented at constant currency and excluding \$167m of charges from the prior-year period

# Financial & Risk Revenue By Segment



# F&R Progress

		2013	2017	Variance
Revenue Metrics	Total Revenue Growth (constant currency)	-1%	+1%	+200bp
	Retention Rate	86%	90%	+400bp
Revenue Mix	Desktop	48%	40%	-800bp
	Sell-Side	62%	56%	-600bp
	EMEA	42%	40%	-200bp
Profitability / Scale	Adj. EBITDA Margin	25%	31%	+600bp
	# of Products	415	240	-42%



**ADJUSTED EARNINGS PER SHARE**

**FREE CASH FLOW**

**BALANCE SHEET UPDATE**

# Adjusted Earnings Per Share (EPS)

(\$ millions except per share amounts)	Fourth-Quarter				Full-Year			
	<u>2017</u>	<u>Change</u>	<u>Change Exc. Q4-16 Charge</u>		<u>2017</u>	<u>Change</u>	<u>Change Exc. Q4-16 Charge</u>	
<b>Adjusted EBITDA</b>	<b>\$874</b>	<b>\$239</b>			<b>\$3,437</b>	<b>\$483</b>		
Depreciation & Computer Software Amortization	(\$254)	\$13			(\$995)	\$29		
Interest Expense	(\$90)	\$9			(\$362)	\$41		
Income Tax	(\$87)	(\$61)			(\$205)	(\$70)		
Other <sup>(1)</sup>	(\$15)	-			(\$66)	(\$13)		
<b>Adjusted Earnings</b>	<b>\$428</b>	<b>\$200</b>			<b>\$1,809</b>	<b>\$470</b>		
<b>Adjusted EPS</b>	<b>\$0.60</b>	<b>\$0.29</b>	-	0%	<b>\$2.51</b>	<b>\$0.72</b>	<b>\$0.44</b>	<b>+21%</b>
<i>Currency Impact</i>	<i>\$0.02</i>				<i>\$0.02</i>			

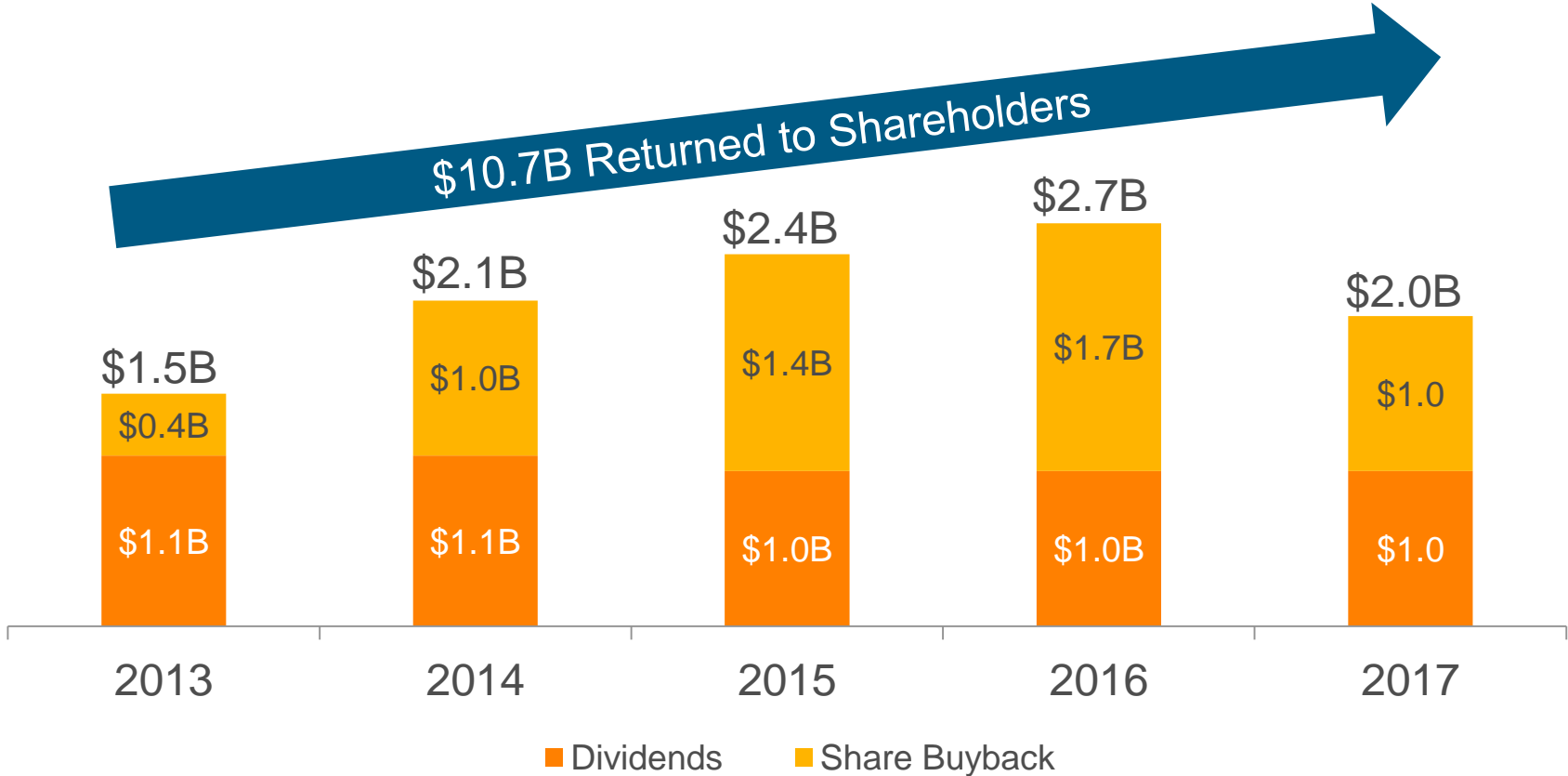
(1) Other includes earnings attributable to non-controlling interests and dividends on preference shares

# Consolidated Free Cash Flow

(\$ millions)	Fourth-Quarter				Full-Year			
	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>
<b>Comparable Free Cash Flow</b>	<b>\$513</b>	<b>\$693</b>	<b>(\$180)</b>	<b>-26%</b>	<b>\$1,730</b>	<b>\$1,815</b>	<b>(\$85)</b>	<b>-5%</b>
Payment Related To Fourth-Quarter 2016 Charge	(\$5)	(\$39)	\$34		(\$142)	(\$39)	(\$103)	
Pension Contribution	\$0	\$200	(\$200)		(\$500)	\$200 <sup>(1)</sup>	(\$700)	
<b>Free Cash Flow (excluding IP &amp; Science)</b>	<b>\$508</b>	<b>\$854</b>	<b>(\$346)</b>	<b>-41%</b>	<b>\$1,088</b>	<b>\$1,976</b>	<b>(\$888)</b>	<b>-45%</b>
Free Cash Flow - IP & Science	(\$2)	(\$99)	\$97		(\$56)	\$46	(\$102)	
<b>Free Cash Flow</b>	<b>\$506</b>	<b>\$755</b>	<b>(\$249)</b>	<b>-33%</b>	<b>\$1,032</b>	<b>\$2,022</b>	<b>(\$990)</b>	<b>-49%</b>

(1) Tax benefit associated with the \$500m pension contribution was recognized in the fourth-quarter of 2016

# Returning Capital To Shareholders

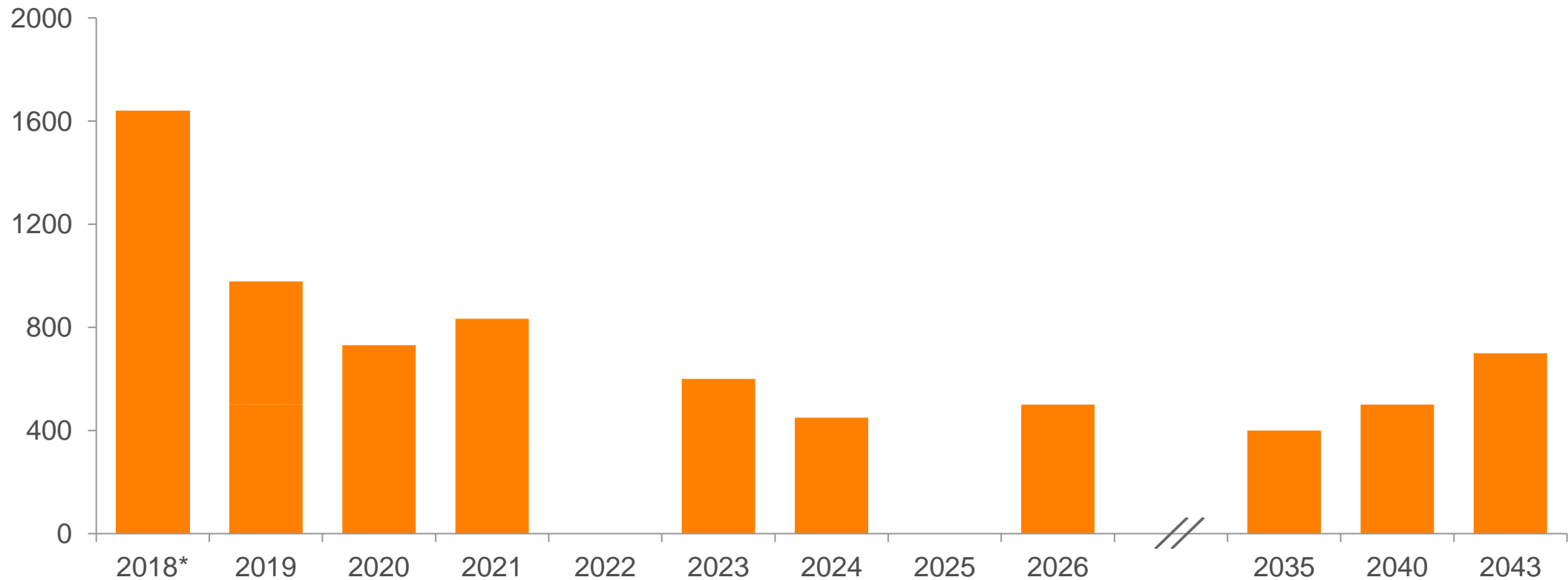


Shares Repurchased (millions)	10.9	28.3	35.9	41.9	22.8
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Net Debt To Adj. EBITDA	2.1x	2.2x	2.3x	1.8x	1.9x
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# 2017 Debt Profile

- Debt Outstanding = \$7.3 billion
- Net Debt / EBITDA <2.5x
- Average maturity of term debt ~7 years
- Average interest rate <5%



\*Commercial Paper

# Positive Return on Invested Capital Trend

