

THOMSON REUTERS

2021
INVESTOR DAY
MARCH 16

Tax & Accounting Professionals

Charlotte Rushton
President, Tax & Accounting Professionals

Investor Day 2021

Tax & Accounting Professionals

Key Highlights

Attractive End Market Segments

- Est. \$6B global market segment
- Est. 5% - 7% market segment growth
- Historically stable & Recession-resistant
- Customer workflows prime for innovation



Leadership Position

- #1 position - U.S. & Latin America
- 82% recurring revenues
75% revenues software
- 90% retention
- ALL of the top 100 U.S. CPA firms are TR customers
- ~145,000 customers

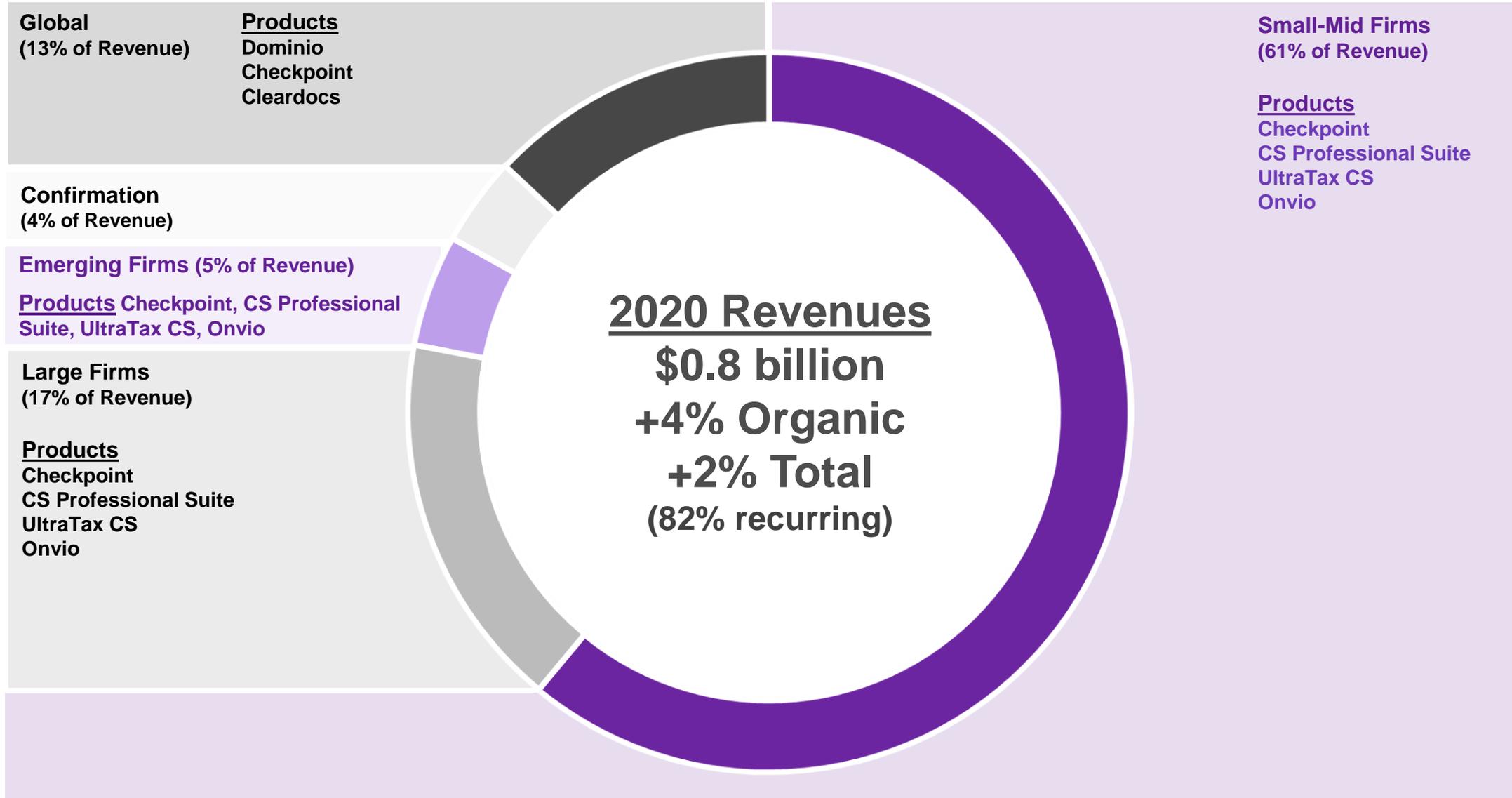


Change Program Expected to Further Accelerate Growth

- Q4 2020 8% organic growth
FY 2020 4% organic growth
- Onvio & Audit – Two of TR's Strategic Investment Priorities
- Change Program digital investments will reach broader customer base (long tail)
- Change Program will accelerate innovation initiatives *integrating AI & data analytics into our tax solutions*
- Revenues 75% software based

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Customer Segments



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Strong Positions, High Retention, High Recurring Revenues

Powerful Businesses Built with Proprietary Content & Experts = Competitive Advantage

Checkpoint / Checkpoint Edge

- Integrated tax, accounting & audit online research solution
- Streamlines customer workflow with integrated research, editorial insight, productivity tools, online learning & news updates
- Checkpoint Edge leverages AI to get better answers faster

CS Professional Suite / Onvio

- Most comprehensive line of tax, accounting & audit solutions available
- Includes UltraTax CS, the leading tax preparation & compliance software relied on by tax professionals
- Our next generation cloud solution (Onvio) brings cloud benefits to our customers, improving efficiency with advanced client collaboration, automation & advisory solutions

Cloud Audit Suite / Confirmation

- Integrated suite of cloud solutions that help manage, provide guidance & automate the audit process
- Confirmation deters fraud by validating parties in system
- Multiple confirmation types, including cash, legal & asset verification

Description

Strong Positions

#1

#2

#2 & #1

Target Customer

Accounting firms, corporations,
international trade professionals,
law firms & governments

Accounting firms

Accounting firms, law firms, banks

Pricing Model

Subscription

Subscription

Subscription Software &
Recurring Transactional Confirmation

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Market Trends - Prevailing Tailwinds Provide New Growth Opportunities

A Growing & Dynamic Global Market Sector

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 5% - 7%

Est. \$6B

COVID-19 is accelerating shift to cloud and adding regulatory complexity



Cloud is now a business necessity



Remote working, new ways of collaborating with clients



Government stimulus has created complexity & opportunity

Traditional work is being commoditized, necessitating a shift to advisory



Our customers want to be seen as trusted business advisors



95% of clients want business advice from tax professionals



59% of tax professionals are confident giving business advice

Technology is transforming the nature of practice



Client collaboration & data flow pain points being addressed with new technology



AI & data analytics automate tax, accounting & audit workflows



Customers & their clients bring expectations from their consumer experience

Talent dynamics are shifting beneath our customers' feet



75% of today's CPAs will likely retire over the next 15 years



Remote working, outsourcing bring new solutions for busy season compression



Focus on workflow efficiency & automation

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Change Program Will Improve Customer Experience & Accelerate Growth

Organic Revenue Growth Drivers

Onvio / UltraTax

Grow our premium tax solutions & launch Onvio

- Will drive cross-sell migration & new customer acquisition

Cloud Audit Suite / Confirmation

Drive integration & client collaboration

- Will bring increased value to audit customers
- Further accelerate Confirmation adoption

Dominio

Accelerate Onvio localization in Brazil

- Will drive new sales & up-sell
- Will expand capabilities through partnerships & integrations

Checkpoint Edge

Continue to add-value & differentiate with premium content driven by AI

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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 6-8% by 2023 with Significant Margin Expansion

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Strong Growth Verticals Accelerating Organic Growth

Strategic Priorities

Key Focus Areas

Legal ⁽¹⁾	1  THOMSON REUTERS® Practical Law™	<i>Unique content – Fast growing Legal & Corporates “How-To” product</i>
	2  THOMSON REUTERS® HighQ  THOMSON REUTERS CONTRACT EXPRESS	<i>Firms investing in productivity & efficiency solutions</i>
	3 THOMSON REUTERS WESTLAW™	<i>Trusted, proprietary, unique content - strong market presence WL Edge 2.0 in development</i>
Government ⁽²⁾	4 THOMSON REUTERS CLEAR TRSS  PONDERA <small>PART OF THOMSON REUTERS</small>	<i>Strong position & unique content Expert backed AI in rapidly growing market</i>
Tax & Accounting	5  THOMSON REUTERS® ONVIO™ ~\$500M	<i>Strong presence in the sector Migrating to next generation cloud-based suite</i>
	6 ⁽³⁾ THOMSON REUTERS Cloud Audit Suite  CONFIRMATION <small>Part of Thomson Reuters</small> ~\$100M	<i>Strong content combined with global scale & comprehensive cloud-based AI & software (incl. Confirmation)</i>
Corporate Tax & Trade	7 THOMSON REUTERS Direct Tax THOMSON REUTERS Indirect Tax	<i>Direct Tax - Large footprint, very reliable solution, loyal customer base Indirect Tax – Fast-growing scalable solution & market</i>
+ SMB Opportunity		<i>Access to new customer groups</i>

(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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Cloud Audit Suite

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Firms are Transforming the Way They Perform Financial Audits

Market Trends - Prevailing Tailwinds Provide New Growth Opportunities

The audit market is in transition as firms adopt new technologies & the scope of audit changes

Major Trends

Technology

From	To
<ul style="list-style-type: none"> Manual, paper-based process Solutions focused on methodology / guidance 	<ul style="list-style-type: none"> Automated workflow Tech-enabled data analysis Continuous audit

Ways of Working / Role of Audit

From	To
<ul style="list-style-type: none"> On-site / face-to-face Feeder to other firm services 	<ul style="list-style-type: none"> Remote auditing Audit viewed as profit center

Fraud Detection

From	To
<ul style="list-style-type: none"> Limited emphasis on fraud detection 	<ul style="list-style-type: none"> Increasing expectations for auditors to find fraud as part of financial audit

This transition is driving increased spend on Audit solutions & opportunity to help customers through the change

Financial Audit Solutions Global Market Segment



Key Competitors



Cloud Audit Suite

A Modern, Cloud Native, End-to-End Audit Solution

Cloud Audit Suite

Integrated suite of cloud solutions that help manage, provide guidance & automate the audit process

Solutions include:

Checkpoint Engage

Risk assessment workflow and tailored methodology for audit engagements

AdvanceFlow

Manages trial balance, workpapers, and reporting throughout engagement

Confirmation

Initiates, tracks, and receives responses to audit confirmations from validated parties

Customers **look to Thomson Reuters** to meet their most important audit needs

Delivering awesome client experiences

Improving audit quality & staff confidence

Saving time & eliminating waste

Our customers **trust the Cloud Audit Suite** to power their audit engagements



Seamless integration across solutions



Plays end-to-end across the audit workflow



Cloud benefits of mobility, data integration, easy client collaboration

The **Cloud Audit Suite** modernizes our customers' audit experience

Desktop

Manual Processes

Discrete Solutions

Accuracy Focus



Cloud Native

Automated Workflows

Integrated Solutions

User Experience, Efficiency Focus

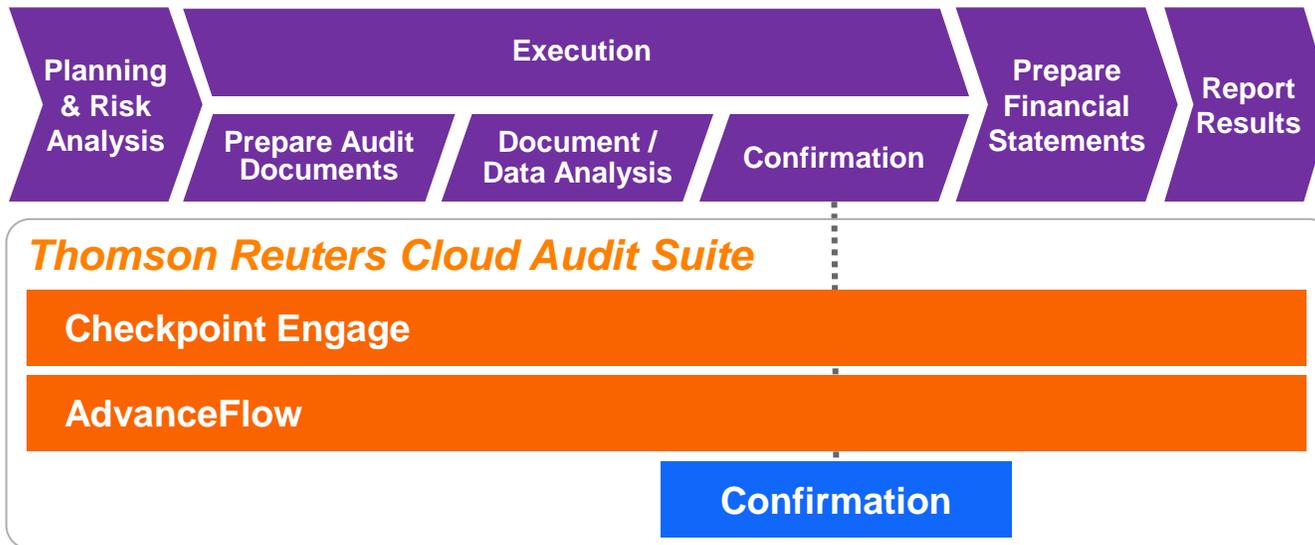
Confirmation

Streamlining the Audit Confirmation Process for Customers

A global, automated, cloud-based platform used by audit firms and an extensive network of financial institutions to confirm the existence of assets

- Acquired in July 2019
- Double digit growth

Confirmation integrates with the Cloud Audit Suite with critical audit workflow capabilities



Confirmation is the leading provider of electronic bank confirmations in the world and has room to grow

Global Confirmation Volume

1.7B



Market Trends & Dynamics

- Automation of manual processes
- Digitalization of financial data
- Renewed scrutiny on auditors in the wake of high-profile frauds (e.g., Wirecard, Luckin Coffee)
- Other use cases beyond audit drive non-bank confirmation opportunity

Growth Opportunities

- Increase adoption and usage
- New geographic markets
- Non-bank confirmations

Powerful Business Built with Proprietary Content & Experts = Competitive Advantage

Cloud Audit Suite

Change Program Will Improve Customer Experience & Accelerate Growth

Organic Revenue Growth Drivers

Accelerating & Refining Our Go-To-Market

- Cross-sell Cloud Audit Suite to loyal Audit content customers
- Accelerate bank adoption of Confirmation
- Thought leadership for Audit and Fraud Prevention

Driving Product Innovation

- Focus on improving the customer and client experience with collaboration and usability tools
- Delivering new features that drive time savings
- Leverage AI / data analytics

New Content in New Markets

- Further integrate Audit guidance and data analytics into workflow experience
- Explore new jurisdictions for Cloud Audit Suite, leveraging Confirmation's global presence

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Onvio / CS Professional Suite

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CS Professional Suite Transitioning to Onvio

CS Trusted & Reliable Product → Onvio Delivers Modern, Cloud Native, Holistic Solution

CS Professional Suite

Set of integrated desktop solutions that meet the breadth of our customers' tax, accounting, and workflow needs

CS Professional Suite



Our customers trust the CS Professional Suite to power their firm

- ✓ +30,000 customers
- ✓ #1 U.S. position
- ✓ 90% retention
- ✓ 2020 Winner of CPA Practice Adviser Awards for Practice Management and Workflow

But the market is changing & customers look to Thomson Reuters to meet their most pressing needs

Be a strategic advisor to my client

Leverage strength in tax to build new advisory practices

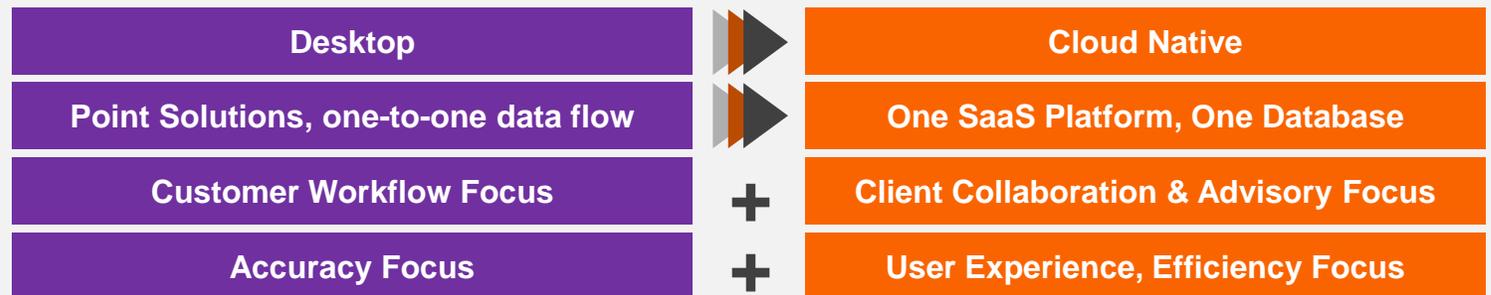
Save time / eliminate waste

Improve productivity with workflow automation & seamless dataflow

Deliver an awesome client experience

Clients & staff expect consumer grade, delightful & secure experience

Reimagining our customers' experience with Onvio



Onvio Meets Customers Evolving Needs & Ways of Working

Market Trends, Prevailing Tailwinds Provide New Growth Opportunities

Updated technology infrastructure

- ✓ Cloud native engineering
- ✓ Scalable and modular
- ✓ Interoperable solutions – extensible via APIs
- ✓ Integrated usage analytics
- ✓ Flexible, faster to market

A re-imagined customer experience only TR can deliver

Client collaboration



Virtual and secure data and document transfer

Data driven advisory



Supports complex planning scenarios

Re-imagined UX



Drive efficiency and save time

AI and automation



Predictive coding and increased accuracy, efficiency

Digital Buying Journeys



Awareness Trial Purchase

Provide omnichannel options

Integrated Content



The right content delivered at the moment of need

Delivers Additional Value Where & When it Matters Most

Onvio Roadmap & Vision

Powerful Business Built with Proprietary Content & Experts = Competitive Advantage

Onvio Development Approach

Deliver the most needed functionality immediately to maximize addressable market



Onvio Tax release in 2021

Monetize new features as they are added



New features planned for Onvio Tax, Firm Management, Client Collaboration, Advisory

Cloud, AI, modern UX appeal to early adopters and fast followers



Leveraging modern technology tools and customer beta programs to produce a delightful customer experience

Scale solution for complex needs of larger firms



Open architecture with APIs for third party integration

Onvio Vision

We envision an integrated platform that meets our customers' most critical needs and is flexible enough to meet the needs of the future



Onvio

Change Program Will Improve Customer Experience & Accelerate Growth

Organic Revenue Growth Drivers

Accelerating & Refining Our Go-To-Market

- Creating digital buying journeys for an omnichannel experience
- Initially targeting early adopters and fast followers
- Pursue long tail with digital experience and easy to understand commercials

Driving Product Innovation

- Partnering closely with customers to meet highest priority needs first
- Leveraging AI, data analytics, cloud to innovate on our customers' behalf

New Content in New Markets

- Releasing Onvio Tax for U.S. market in 2021
- Integrate content into workflow to deliver at moment of need
- Global expansion

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