

REFINITIV STREETEVENTS

# EDITED TRANSCRIPT

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**Stephen John Hasker** *Thomson Reuters Corporation - President, CEO & Director*

## CONFERENCE CALL PARTICIPANTS

**Gary Elftman Bisbee** *BofA Securities, Research Division - MD & Research Analyst*

## PRESENTATION

**Gary Elftman Bisbee** - *BofA Securities, Research Division - MD & Research Analyst*

Okay. We're back. So I'm Gary Bisbee, the business and information services analyst here at BofA Securities. And I'm pleased to have the management team of Thomson Reuters here with me today, Steve Hasker, President and CEO; Mike Eastwood, CFO. Guys, thanks. Welcome, and thanks for joining us.

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**Michael Eastwood** - *Thomson Reuters Corporation - CFO*

Thanks, Gary.

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**Stephen John Hasker** - *Thomson Reuters Corporation - President, CEO & Director*

Thanks, Gary. Good to be with you.

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**Gary Elftman Bisbee** - *BofA Securities, Research Division - MD & Research Analyst*

Well, I feel really lucky. Two days after the Investor Day, they have 35 minutes. Frankly, I wish it was 90 minutes because I feel like there was a lot of detail and certainly, a lot of areas I'd love to dig into some more, but the timing here is really good. I thought what I'd do is start the questioning by asking a question or 2 about 4 key priorities that you laid out, both, I guess, first on the fourth quarter call, but then on Tuesday at the Investor Day. And maybe just ask for a little more color, and then we'll move on to some other questions about the targets and a few other areas.

## QUESTIONS AND ANSWERS

**Gary Elftman Bisbee** - *BofA Securities, Research Division - MD & Research Analyst*

But as you discussed, the 2 overarching goals moving from a holding company to an operating company structure and from a content provider to more of a tech-enabled content business, I think you laid out 4 tactical goals. And the first one I wanted to ask about was this concept of reimagining the customer experience. And I think the opportunity to modernize and upgrade your technology and sort of standardize and do a bunch of things to improve the customer experience, all clearly is very logical, and it seems needed, given a lot of the anecdotes you provided about what that's like today.

A question I've got from investors, given that the retention is so high in your business already, how should we think about what executing on improving the customer experience will deliver for the business? Is this about cross-sell? Is this about new sales? And really, how much more room is there on the retention front to drive improvement, given that you're 90% plus already in most of your businesses?

**Stephen John Hasker** - Thomson Reuters Corporation - President, CEO & Director

Yes. Thanks, Gary. I'll start just with a couple of comments as to why we think this is a big opportunity for us. And then I turn it over to Mike to talk a little bit about sort of the retention rates and other things because retention differs by different subsegments of our company. So I think I had the luxury in my first year, last year, of really doing a pretty comprehensive survey of our customers. Most days, I was initially in person and then on video calls with our customers across our Big 3 and across geographies. And what I heard time and time again was, "We love your content. It's best content out there," and in many cases, "We love your people. We love the individual folks who sort of bring that content to life and ensure that we're properly served, but we do not like the customer." And whether that was sort of the onboarding process, whether that was getting sort of to the right answer we can (inaudible) or whether it was some sort of more medial billing or administrative issue, we make it hard for our customers. So we are very focused, Gary, on reinventing this and using the latest best-in-breed technologies in terms of our customer experience and customer service to do that.

And if you look at retention rates, yes, they are healthy, but there's lots of room for improvement, particularly amongst the smaller law firms, the smaller tax accounting firms, the SMBs. But really, this -- we think that if we can get our customer experience right, we can drive our NPS from pretty subscale substandard today, well below the B2B averages to hopefully above those B2B averages. And the appetite to consume more from Thomson Reuters, whether that be cross-selling our existing offerings, which is very modest today; or just opening the aperture and the acceptance of our new products, where we've got a very aggressive new product development plan, getting in behind David Wong and Shawn Malhotra, who you've seen at our Investor Day.

And obviously, David and Shawn and their teams can come up with great products, but the end customers need to be open to it. Best way to get that sort of acceptance up is to provide a great experience that is in mind today, which we think will enable good things to happen on the cross-sell and new sale front.

Mike, anything to add to that?

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**Michael Eastwood** - Thomson Reuters Corporation - CFO

Yes. I would just supplement, Gary. You mentioned the B2B industry average is 27. We're significantly below that industry average of 27. Our goal is not to get to 27. It's to far exceed it. And we're at 90% retention today with our NPS significantly below the industry average. We're quite optimistic that we can increase that 90%. I've mentioned on recent calls, at least, 1 percentage point. 1 percentage point is about \$50 million of annualized revenue, about 90 basis points for us.

And as Steve mentioned, 90% is the overall average for TR. That varies quite a bit. But if you look at our government business, 95%-plus, less overall is 94%. We have other businesses that are below 90%. We're getting that compositive 90% to 91%. We think it is quite reasonable, and we're very optimistic about that opportunity, Gary.

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**Gary Elftman Bisbee** - BofA Securities, Research Division - MD & Research Analyst

Okay. And that's helpful. And then the SMB was an area that was called out, in particular, digital and omnichannel capabilities, self-service approach. Again, that's very logical. Now there were a number of things in the 2018 Investor Day. I realize, Steve, you weren't there; and Mike, you were in the top seat at that time. But about digitizing to help the SMB market. And so is the right way to think about that, there just wasn't enough progress made in that opportunity, still is ahead of you? And I asked just because this SMB story has been talked about at Thomson Reuters for a long time. And why -- how are you confident now you can do this in the next couple of years?

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**Michael Eastwood** - Thomson Reuters Corporation - CFO

Yes. Gary, it's a fair question. It's a very cautious one that we talked very candidly about. I'll start and ask Steve to supplement there. As I mentioned on the recent call, if you go back to 2018 and 2019, and press all over -- I think it's all over it. We did 2 things. We have 3 big goals. We did 2 of them

really, really well. First one, we eliminated our stranded costs. We got the total corporate costs from \$280 million pre-Refinitiv, down to \$130 million in 2020, with checkmark there. Second item we did, which was the separation from Refinitiv, very pleased with the progress and work we did there. The third area was really developing the new TR, which included the digital self-serve. We made some progress with far from what we -- where we need to be there.

But right now, we're focused on the customer back in 2018, 2019. Full transparency, we had to know stranded policy. We had to separate from Refinitiv with the full dedication and focus now and with the new talent that we brought in. Karen Stroup, new Chief Digital Officer, has been with us for 12 months now. She's added more talent. So I think the focus that we have now, the key learnings from 2018 through 2019, the additional talent are quite optimistic that we can move there.

Gary, just to mention, when we are successful with it, we've been at about 500,000 net customers now for a period of time. As we add those new customers, as we move forward, that will also help us with the top line. And the cross-sell, we're about 15% of our overall sales activity today is from cross-sell activity. But I think cross-sell plus the opportunities we have with SMB also help add to the optimism on the top line.

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**Stephen John Hasker** - Thomson Reuters Corporation - President, CEO & Director

I'll just add something, Gary, on the talent front. So I obviously wasn't here for the previous incarnation. But what I've observed in my 12-plus months with the company is we have a lot of talent that's very well-trained and tuned to serve the largest customers. That's within legal. It's within tax accounting. It's in incorporate. And what we've done is we've really been focused on adding talent of various types to that existing bench. But if you think about sort of David Wong and what he did at Facebook, very much focused around a huge set of products in and around measuring advertising effectiveness for SMBs. Charlie Claxton came from Amazon, who, of course, have a tremendous focus on SMBs. Kirsty Roth from HSBC, she built these capabilities at HSBC to serve a very wide number of large and particularly smaller customers. And we've got another couple of folks who'll join us in the next few months, who come out of this SMB world. We think that's a really important addition. We -- and that gives us much more confidence that at this time, we'll get it right because we do have talent who have done it before. It's not new news for them as it was for the prior team.

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**Gary Elftman Bisbee** - BofA Securities, Research Division - MD & Research Analyst

Okay. Great. Let's move on to the second of those 4 priorities, optimizing products in the portfolio. You've highlighted 7 key offerings or families of offerings, maybe a better way to put it, that contributed 55% or 60% of revenue as your key investment priorities. And you're calling for those to grow at an upper single-digit compound rate over the next 3 years. Can you just help us understand, were they growing at that rate in recent years? Or is part of the increased focus and investment here driving acceleration in the performance of that portfolio?

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**Michael Eastwood** - Thomson Reuters Corporation - CFO

Yes. Gary, I'll start there. These products have been very solid for us, but they have picked up in recent time. And as we move forward into '21 to '23, we see accelerated growth from each of these 7. We talked in more detail than we had previously on Tuesday on regarding Practical Law. I'll just mention that one and a couple of others illustratively. Practical Law, nearly \$400 million in revenue for us, double digit there. Elizabeth, who you met on Tuesday, dedicated focus now on Practical Law. We see that definitely accelerating.

Steve Rubley, who you met on Tuesday, in regards to the government business, but probably more importantly, with risk, fraud and compliance there, we see that double-digit growth in 2020 from the overall government business. We see that accelerating. With Westlaw Edge, you know the story there, 52% ACV penetration by year-end, getting to 60% to 65% by the end of 2021. Andy, who spoke on Tuesday, continuing now to work on Westlaw Edge 2.0 that will be released most likely some time in 2022. So really solid product offerings for us, Gary, but even stronger growth to be accelerated as we move forward. So the short answer would be we are forecasting accelerated growth from those 7 strategic priorities in '21 through '23.

**Gary Elftman Bisbee** - *BofA Securities, Research Division - MD & Research Analyst*

Okay. And then...

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**Stephen John Hasker** - *Thomson Reuters Corporation - President, CEO & Director*

Sorry, one other flavor to sort of add to this, which I think is important. Under the sort of previous incarnation of a portfolio or holding company, the capital allocation process, we've very much put some capital allocated to each silo, if you like, and it was a pretty democratic process. In other words, everyone got a bit. And I think what we've done in moving to an operating company structure and identifying these 7 growth initiatives is to say, this is no longer a democracy, right? If we see an advantaged position with higher growth prospects, have real confidence around the team to execute, we're going to bet more. I'm going to bet heavier risks, which I hope explains why we see these products as good as having really good starting points. We think we can accelerate their growth rate because we're allocating more talent, more capital and more focused to them than previously when they were sort of got a little bit within the portfolio.

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**Gary Elftman Bisbee** - *BofA Securities, Research Division - MD & Research Analyst*

Yes. No, that makes sense.

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**Michael Eastwood** - *Thomson Reuters Corporation - CFO*

Sorry to interrupt you. In that 7, you'll notice a couple of recent acquisitions that we did, HighQ, and then also Confirmation. So as we drive accelerated growth in '21 through '23, that will come only from organically, which we emphasized at Investor Day, but we see opportunities to supplement that with some acquisitions as we move forward.

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**Gary Elftman Bisbee** - *BofA Securities, Research Division - MD & Research Analyst*

Yes. My brother-in-law is an internal auditor, and he raves about Confirmation, by the way. It -- can't say enough good about it. I should have mentioned it because he brings it up every time I see him now. But anyway, what -- one thing we haven't talked about and you didn't really talk about is what about the other 40% of revenue? Is there some risk that you will deemphasize or shutter some of that? And is maybe the risk of that happening contemplated in this 3-year revenue targets you've laid out?

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**Michael Eastwood** - *Thomson Reuters Corporation - CFO*

Yes. If you look at the overall customer offering, what's not in the 55% are things like FindLaw, things like Elite and Checkpoint. So those are really, really important offerings for our customer. We will continue to invest in those, not at the same levels as we would at the top 7 that you asked about earlier. We do not anticipate any significant divestitures like you saw in recent years with F&R or IP & Science there. If you look at the full portfolio effect, those are really, really important offering for our customers. With that said, might there be a few items or smaller items that we consider transitioning, migrating from, yes, very, very possibly, but nothing significant within that overall growth contemplated here.

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**Gary Elftman Bisbee** - *BofA Securities, Research Division - MD & Research Analyst*

Okay. That's helpful. And then if we could move on to the next priority, which was simplifying operations and leveraging technology. And I think a good part of this is -- encouraging to me is the playbook we've seen other information and data services companies do in recent years, which is this concept of upgrading to a cloud architecture, streamlining legacy technology infrastructure and several benefits we've seen, cost side, innovation acceleration from that. And so that's a key part of it. But I guess, I wanted to ask on that portion of this. What's the time line to make substantial progress? Like what gets done this year versus what do we think is '22 and '23 in terms of the technology? Because it sounds like there's a lot to do there.

**Stephen John Hasker** - Thomson Reuters Corporation - President, CEO & Director

Yes, there is a lot to do. As Kirsty said on Tuesday, we're late to the game, right? We're not doing anything, Gary, that dozens, if not hundreds, of other companies haven't already done. And we'll benefit from their wins and losses as they went through this. This is work that many of us have done before, in particular, Kirsty and her team has done. So it is a complicated process. We've got 13 or 14 audit cash systems. We've got 83 call centers. We still have some very significant products that are run out of data centers, needed to be migrated to cloud. What we're seeing so far, and Kirsty profiled a little bit of this, is real progress in terms of building some of the new capabilities in and around custom service, like chat bots, like e-billing. Some of those is fundamental. We made really good progress in the first quarter in doing that, firstly.

Secondly, as you think about a migration to the cloud, I mean, we're going to do the heavy-lifting this year and next, and that will occur early 2023. So that, if you like, is a long pole, okay? And we need -- and it needs to be because it's complicated, and we want to take our time to do it properly.

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**Gary Elftman Bisbee** - BofA Securities, Research Division - MD & Research Analyst

Okay. That makes sense. The technology piece, I think, we're all familiar with, as I said. I wanted to ask about non-technology operations as well. That slide Kirsty had like 50-plus call centers, and there was a bunch of other statistics that weren't so much tech infrastructure but support and others. How meaningful is sort of the -- and I realize that's tech-related, but the non-technology part of just streamlining and simplifying this business. Is that a key part of this initiative?

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**Stephen John Hasker** - Thomson Reuters Corporation - President, CEO & Director

Yes, absolutely. I mean we have north of 80 call centers today, right? So 80 different locations, 80 different teams, managed differently with different tech supporting technology, none of which are best of breed, right? And so this is a really important part of what we're going to do. And that work has started and is continuing at pace and will take hold in '22, right? And we'll see the full benefits in '23.

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**Michael Eastwood** - Thomson Reuters Corporation - CFO

Gary, let's be clear. Technology is one aspect. If you look at our Change Program, it includes every functional area within TR, every support area on all of the segments. Your direct question there, are there other opportunities outside technology? There are, and they're incorporated within our Change Program. They're included in the very granular work streams that we have, that Kirsty is leading -- we on it. Kirsty is leading it, with it. But it is a very fulsome program that includes product editorial, technology, all the back office teams. And then as we make progress with the go-to-market, lower cost is there. It's very fulsome here.

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**Gary Elftman Bisbee** - BofA Securities, Research Division - MD & Research Analyst

And then one goal that I think you've cited is 90% of revenue available on the cloud by the end of this 3-year period. Can you just level set for us, where are you today? I mean should we think it's substantially below that at this point?

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**Michael Eastwood** - Thomson Reuters Corporation - CFO

Yes. We're around 20%, 25%, Gary, available on the cloud at the end of 2020. At the end of 2022, we were roughly 60%; 80% to 90% by 2023. The big piece, Gary, that's remaining there is where Steve and I are today. We're in our, Eagan, Minnesota facility. This is the data center that we own that really supports Westlaw, Westlaw Edge and also Checkpoint, all of our research products. Kirsty is also here with us this week. So this is the large data center that we have remaining. The other data centers that were co-mingled with Refinitiv. We completed the separation from Refinitiv on the data center side by the end of 2020.

**Gary Elftman Bisbee** - *BofA Securities, Research Division - MD & Research Analyst*

Okay. And then if I could go quickly to talent, which was effectively the last of those 4 priorities. Two quick questions. The senior team, you've added a lot of talent in the last year, obviously. Are there further needs on the senior executive team? Or do you feel like you're in the right place with the right team today?

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**Stephen John Hasker** - *Thomson Reuters Corporation - President, CEO & Director*

I think we're in, broadly speaking, at the right place. As a company, we've lifted our aspirations, and we'll continue to raise the bar. And that goes for all of us. But I think the adds we've made over the last 12 months, I think, positions us really well. And now it's a case of adding more talent where we need it. And that's in AI and machine learning, that's in cloud and SaaS-based business models, things like that. But from a senior team perspective, I think we're pretty well-placed.

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**Gary Elftman Bisbee** - *BofA Securities, Research Division - MD & Research Analyst*

Okay. And yes, I guess, you just alluded to the final one on talent, it's technology. I've seen some other companies go through portions of what you're targeting here and have needed to go through an upgrade cycle of their technology talent. I know you brought in new senior leadership and appear to have a strong team. But the level of your programmers and all the workers, do you have the horses in the company already that can do the shift to cloud architecture that can improve the user interface and integration of your offerings? Or is that an area you're going to have to add a lot of talent to deliver?

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**Stephen John Hasker** - *Thomson Reuters Corporation - President, CEO & Director*

I think by and large, we're pretty well-placed because remember, a lot of these people who worked on Refinitiv, in addition to the professionals of the business, they're used to operating to create scale, they're used to very complex environments and high stakes. And so I think our sort of starting point is pretty solid, Gary. And -- but we continue to add talent, and we'll do that through this year and next, for sure.

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**Gary Elftman Bisbee** - *BofA Securities, Research Division - MD & Research Analyst*

Okay. If I could shift to a couple of questions about the targets that you've laid out. When I think about the revenue acceleration to 5% to 6% and 6% to 7% for the Big 3 businesses in the next 3 years, what are the key 2 to 3 factors that you'd highlight that will be the most important to delivering that organic revenue growth acceleration?

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**Stephen John Hasker** - *Thomson Reuters Corporation - President, CEO & Director*

Yes. I'll start, and I'm sure Michael will supplement. So if you think about sort of -- we've said 5% to 6% in 2023 -- well, let's go back to 2019 because sort of pre-pandemic is probably the best comp. Our growth rate then was 3.6%, 3.7%. So we're talking about a leap up, for sure, but it's not -- it's sort of not unfavorable by any means. There's a couple of things here. The first is -- the first and maybe most important, is just getting this customer experience right, enabling cross-sells and new sales, enabling receptivity to our new product innovation and development plans. I think that's a big part of it.

The second we've already talked about, which is to see these 7 growth initiatives show higher growth than they have before because we're putting more capital, more talent, more focus on. And then beyond that, I think there's obviously a significant push into SMB, and that's where we've been most concerned just in terms of sort of the mathematics of this. We basically said we're probably most excited about that one overall, but we've been most conservative in terms of what we'll deliver and when we'll deliver [if we factor that in].

Anything else, Mike?

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**Michael Eastwood** - Thomson Reuters Corporation - CFO

Yes, good summary. Just a reminder for everyone, the Big 3 in 2020, those environment grew 4%. So quite optimistic about that as we go into 2021. We had really good net sales activity in the Big 3 (inaudible) 2021.

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**Gary Elftman Bisbee** - BofA Securities, Research Division - MD & Research Analyst

And then shifting to margins, the -- obviously, a terrific outlook you're calling for in '21 will be depressed initially by the investments. But it's not like it's sort of hockey stick all in '23. You've got a big step-up in your 2022 plan from 2021. What are the key things you need to deliver or key drivers of the improvement? Is falling off of a slowing of investment a big part? And what are the other levers for the first of those -- or second, I should say, of the 3 years?

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**Michael Eastwood** - Thomson Reuters Corporation - CFO

Yes. Gary, I would just say to everyone, 2020, we were at 33% EBITDA margin. (inaudible) will be 34% in 2021. This will go to 34% to 35% in 2022. I mean the first item, most importantly, is the top line. As we go to that 4% to 5% organic growth in '22, given our cost base, 60% to 65% with fixed costs, the flow through, the operating leverage that we get is quite significant as we go to that 4% to 5% range. Also, with the investments that we're making in 2021, we're going to begin to see those benefits in 2022. We're quite confident, Gary, with the margin expansion in '22 and (inaudible)

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**Gary Elftman Bisbee** - BofA Securities, Research Division - MD & Research Analyst

Understanding that confidence and certainly the history of achieving targets that the company has recently and over the long term, I'd argue. Acknowledging that, what are the risks or the sort of key couple of things that have to go right to deliver the 3-year targets on profitability?

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**Michael Eastwood** - Thomson Reuters Corporation - CFO

Yes. First of all, as I said on Tuesday, we're very confident with the overall plan. Steve referenced SMB. And then you asked a question earlier about this, Gary. I would say we have to absolutely execute ourselves in regards to digital self-serve and the SMB. We have more improved internally, and we're improved externally in those high areas. Those would be the 2 that I would highlight, Gary, but they really go hand-in-hand between digital self-serve and...

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**Gary Elftman Bisbee** - BofA Securities, Research Division - MD & Research Analyst

Okay. And then if we could shift to capital allocation and M&A. Let me start with one on the LSE stake. You've stated you'll sell \$1 billion to cover the taxes due on the close of that transaction. Does the pullback in LSE shares fairly meaningful one year-to-date change that plan at all? And I guess, would you consider using cash on the balance sheet, given how well capitalized you are rather than selling that many shares at this point? Or is that not...

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**Michael Eastwood** - Thomson Reuters Corporation - CFO

Gary, we plan to stay the course in regards to monetizing the \$1 billion, with the deal \$750 million net with a 25% tax rate associated there with -- bringing up a good point, it's certainly something that we contemplated internally. We had \$1.8 billion of cash on hand at year-end. We've got untapped revolvers, et cetera. We want to keep that available for acquisition targets as we move forward. Our acquisition pipeline remains very healthy, and

we're looking at acquisition candidates as we speak. So we want to keep the available cash on hand and our revolver for acquisition targets to supplement our Big 3. We'll move forward with monetizing the \$1 billion at the right time period.

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**Gary Elftman Bisbee** - *BofA Securities, Research Division - MD & Research Analyst*

Okay. All right. And that dovetails nicely into the next question, which is you're sitting on a lot of cash. And I'm getting the question from investors, having not done anything beyond a modest amount of buybacks and certainly paying and growing the dividend, which I don't want to diminish the importance of that. But it's really been since the summer of 2019 when the company was last in sort of pretty aggressive acquisition mode. One might argue, given your attempt to reduce complexity, that M&A that's not truly a seamless fit into the core platforms, might not be -- make that much sense. Software multiples are up a lot in the last 2 years. Your buybacks are capped at a fairly low number to maintain the float. So just, I guess, what's the likelihood or potential you could really be aggressive with the balance sheet? And maybe as part of that, is it realistic to think you could put \$1.2 billion to work like you did from the fall of 2018 to the fall of 2019, in a 12-month period? And obviously, I won't hold you to that. But is that in the realm of possibility given how you're thinking about the pipeline and opportunities that are out there?

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**Michael Eastwood** - *Thomson Reuters Corporation - CFO*

Gary, there's multiple items there. Let me start and ask Steve to add on. First, in regards to buyback, it's a fair question. But what kind of restricts us is that Woodbridge on 66% of our common shares. Based on our analysis, probably the limit is about 70% to maintain adequate public float. So the amount of buybacks that we could do without having Woodbridge participate proportionately like they did a couple of years ago is fairly minimal on the buyback side.

In regard to the acquisition, I prefer not to specify the number that you just referenced there. I think our position would be, we have significant availability in regards to doing M&A. And as I said, we are -- we have the ability, we have the desire, with that capital to work when we identify the right asset, but we're not going to jump the gun just to do an acquisition. We're going to make damn sure that's the right acquisition for our customers and shareholders. Steve?

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**Stephen John Hasker** - *Thomson Reuters Corporation - President, CEO & Director*

Yes. Look, I think that's well said. It's -- look, the -- Gary, you pointed about the software multiples is not lost on us, right? I mean we want to buy quality assets that are complementary to the Change Program. We're very, very focused on improving the customer experience within the Big 3. Those are high bars. And if we can find those deals, we'll definitely do them. But they are high bars, and we're not going to compromise just to put some money to work.

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**Gary Elftman Bisbee** - *BofA Securities, Research Division - MD & Research Analyst*

Okay. All right. Fair enough. A couple of final questions. You talked a lot about government, the government opportunity at the Investor Day. And certainly, that's been growing quite well, and it sounds like there's a robust outlook in that business. I wanted to ask a question about that and then a question about risk and compliance more broadly. Is -- I know that Westlaw has been a big -- the government has been a big customer in growth from that upgrade cycle. But is it right to think that those other assets, the risk and compliance assets, are sort of the key growth driver for government going forward? Or do you see those core legal products is still underpenetrated?

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**Stephen John Hasker** - *Thomson Reuters Corporation - President, CEO & Director*

No. We see some room to grow in the core legal, Gary. So Westlaw, Westlaw Edge, as Andy Martens and Paul Fischer outlined on Tuesday, we have seen really good uptake within the core systems. But the value and utility of that product to government agencies is -- I think we're just starting to scratch the surface of that. The same goes with Practical Law, and we're starting to see, I think, some real green shoots around HighQ and its relevance to our government customers. So that -- so there's definitely, I think, room to grow there, and we're optimistic about it.

To your second point, the combination of a clear data set, TRSS capabilities and a small and recently "acquisition" called Pondera, are really excited to give us confidence in our broader risk, fraud and compliance play. We think we are one of the few companies that has the sort of practices and methodologies to really protect data, to respect privacy and to navigate what is a complicated situation. And certainly, we've got a chance to spend time during COVID with some of our bigger and growing government customers through those services, and they really see it that way. They say, look, this is not a place where we can have lots and lots of vendors. We need to truly trust the providers, and we think the new folks have what it takes. So you'll see us over the next year or 2, I think, get more aggressive as our confidence grows in that space, both organically and inorganically.

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**Gary Elftman Bisbee** - *BofA Securities, Research Division - MD & Research Analyst*

And then, when I was doing customer diligence before Dun & Bradstreet's IPO last year, I heard about Thomson Reuters as a competitor to corporate customers in a couple of cases for know your customer, anti-money laundering type of offerings that seem to be the way you described some of those offerings in government. So are -- is that driven out of the government practice? Or is the corporate segment selling these services as well into the corporate market? And since I haven't heard you talk a lot about that, do you see that as a legitimate opportunity? First of all, today, are you doing a lot of that? And is that a growth driver you're focused on within corporates going forward?

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**Stephen John Hasker** - *Thomson Reuters Corporation - President, CEO & Director*

Yes. Today, we're not doing a lot of it. It's mostly the government sector. It's mostly led by Steve Rubley. But Sunil Pandita, who joined us late last year to run our corporate sector, is looking hard at this. I think it's pretty clear to him that this will still be one of the growth factors that he really explores because any inorganic or organic play that we look at, the business case very quickly gravitates to, okay, where and how can we sell this in the corporate sector. So this is going to be a place where Steve and Sunil is very much to collaborate to figure it out.

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**Gary Elftman Bisbee** - *BofA Securities, Research Division - MD & Research Analyst*

And maybe I'll close with one question that you were asked a slightly different way at the Investor Day. But clearly, the pandemic has accelerated digital transformation of the economy overall. And it would seem that you have a number of businesses that likely benefit greatly from that. And yet we saw, not surprisingly, revenue decelerate because of transactional revenue and some other aspects of the pandemic. But how does this digital transformation acceleration really impact the business in the short term? And were you able to benefit the way you'd like to? Or is really getting a lot of this turnaround plan, technology progress needed to fully harness that acceleration that the economy has seen because of the pandemic?

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**Stephen John Hasker** - *Thomson Reuters Corporation - President, CEO & Director*

Yes, Gary, it's a great question. So we -- as you know, we took it in 3 places. One was Reuters Events, which was a recently acquired business. We put that in 2019, prior to my time. The second was Print, where we were sort of holding a bunch of shipments as librarians moved out of the office at off-campus and so forth, to home. And the third was, as you say, transaction. The -- against that, we saw lots and lots of interesting and demand for Westlaw Edge, Practical Law, HighQ, these kinds of solutions. And we see really excitement in the tax and accounting space around Onvio. And so the Change Program is about rapidly accelerating our ability to deliver those content-driven technology solutions to a customer set who are well and truly [reliable].

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**Gary Elftman Bisbee** - *BofA Securities, Research Division - MD & Research Analyst*

Okay. Great. Well, I think we're at the time limit. So I'll leave it there. Thank you both for your participation, Yes, thanks.

**Stephen John Hasker** - Thomson Reuters Corporation - President, CEO & Director

Thanks, Gary.

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**Michael Eastwood** - Thomson Reuters Corporation - CFO

Thanks, Gary. Have a good day.

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**Gary Elftman Bisbee** - BofA Securities, Research Division - MD & Research Analyst

Bye-bye.

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