



REUTERS / Vasily Fedosenko
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Leonhard Foeger

THOMSON REUTERS

2018

FOURTH-QUARTER & FULL-YEAR RESULTS

February 26, 2019

Agenda

Welcome / Introduction

Frank Golden

2018 Fourth-Quarter & Full-Year Results
2019 & 2020 Outlook

Jim Smith

Financial Review - Fourth-Quarter 2018

Stephane Bello

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, its strategic priorities and the company's anticipated uses of the remaining proceeds from the F&R 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 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 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.

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 earnings release dated February 26, 2019, which is available on 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 and selected measures before the impact of currency.

Please see our earnings release dated February 26, 2019, which is available on 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

2018 HIGHLIGHTS & FOURTH-QUARTER RESULTS

**JIM SMITH
PRESIDENT & CEO**

2018 – A Watershed Year for Thomson Reuters

Completed Three Key Objectives in 2018

1. Closed transaction with Blackstone / solidified capital structure / separated F&R from TR

- Returned \$10 billion to shareholders
- Repaid \$4 billion of debt with \$2.7 billion cash on balance sheet
- Increased dividend for the 25th consecutive year
- Refinitiv launched successfully

2. Restructured the company to a Customer-Focused organization

- Organized around core customer segments
- Appointed new leadership & flattened the organization

3. Repositioned “New” Thomson Reuters to accelerate organic growth through 3 go-to-market priorities:

- Increase cross-sell & up-sell
- Increase retention & commercial levers
- New customer acquisition

Q4 2018 – Consolidated Results

(Excludes Refinitiv)

	Reported	Change at Constant Currency
Revenues vs prior-year period	Up 7%	Up 9%
Adjusted EBITDA	Down 30%	Down 33%
<i>Q4 2018 Margin: 18.8%</i>	<i>Down 1010 bp</i>	<i>Down 1120 bp</i>
Adjusted EPS	Down 9%	Down 18%
<i>Q4 2018: \$0.20</i>	<i>Down \$0.02</i>	<i>Down \$0.04</i>

Full-Year 2018 Revenue Growth by Segment

Revenues up 4% to \$5.5 billion
Organic revenues up 3%



Legal Professionals

\$2.4B
+4%



Corporates

\$1.2B
+5%



Tax Professionals

\$0.8B
+6%



Reuters News

\$0.4B
+24%



Global Print

\$0.7B
-3%

Revenues & % Growth

80% of revenues grew 4% organically - FY 2018

Full-Year 2018 Results vs 2018 Outlook

Achieved or exceeded each guidance target

	2018 Outlook⁽¹⁾ Before Currency	2018 Results Before Currency	
Revenue Growth	Low single digit ⁽²⁾	2.5% ⁽²⁾	✓
Adjusted EBITDA	~\$1.3 billion (previously \$1.2B - \$1.3B)	\$1.3 billion	✓
Corporate Costs ⁽³⁾	\$500 - \$600 million	\$499 million	✓
Depreciation & Amortization of computer software	\$500 million - \$525 million	\$510 million	✓
Capital Expenditures % of Revenue	In line with 2017	~10%	✓
Effective Tax Rate on Adjusted Earnings	17% - 19%	15%	✓

(1) 2018 Outlook is before currency

(2) Revenue Growth Outlook excludes the impact of Reuters News payment from Refinitiv in the fourth-quarter of 2018

(3) Corporate Costs are at actual rates and include \$33 million of capital expenditures

2019 & 2020 OUTLOOK

The “New” Thomson Reuters

5 Key Priorities

1. Deliver Higher Revenue Growth – 3.5% to 4.5% by 2020

- Programmatic approach to acquiring new customers, increasing cross-selling, optimizing pricing & improving retention

2. Create a Customer Focused Organization

- Deliver an unmatched customer experience
- Organize our go-to-market channels to better align with customers, enabling us to better understand & serve them

3. Serving Customers through Digital Channels

- Enhance the end-to-end digital customer experience & generate more leads through digital marketing

4. Simplify Our Company

- Increase sales effectiveness, deliver on productivity targets & sunset non-strategic products

5. Create an Empowered & Flatter Organization to Better Serve the Customer

- Support speed-to-market by focusing on talent, reducing management layers & embedding more rapid innovation

2019 - 2020 Outlook

	2018 Reported	2019 Outlook Before Currency	2020 Outlook Before Currency
Revenue Growth	4% ⁽¹⁾	7% - 8.5% ⁽²⁾	3.5% - 4.5%
Adjusted EBITDA	\$1.4 billion (\$1.3 billion before currency)	\$1.4 - \$1.5 billion ⁽³⁾	30.0% - 31.0% ⁽³⁾

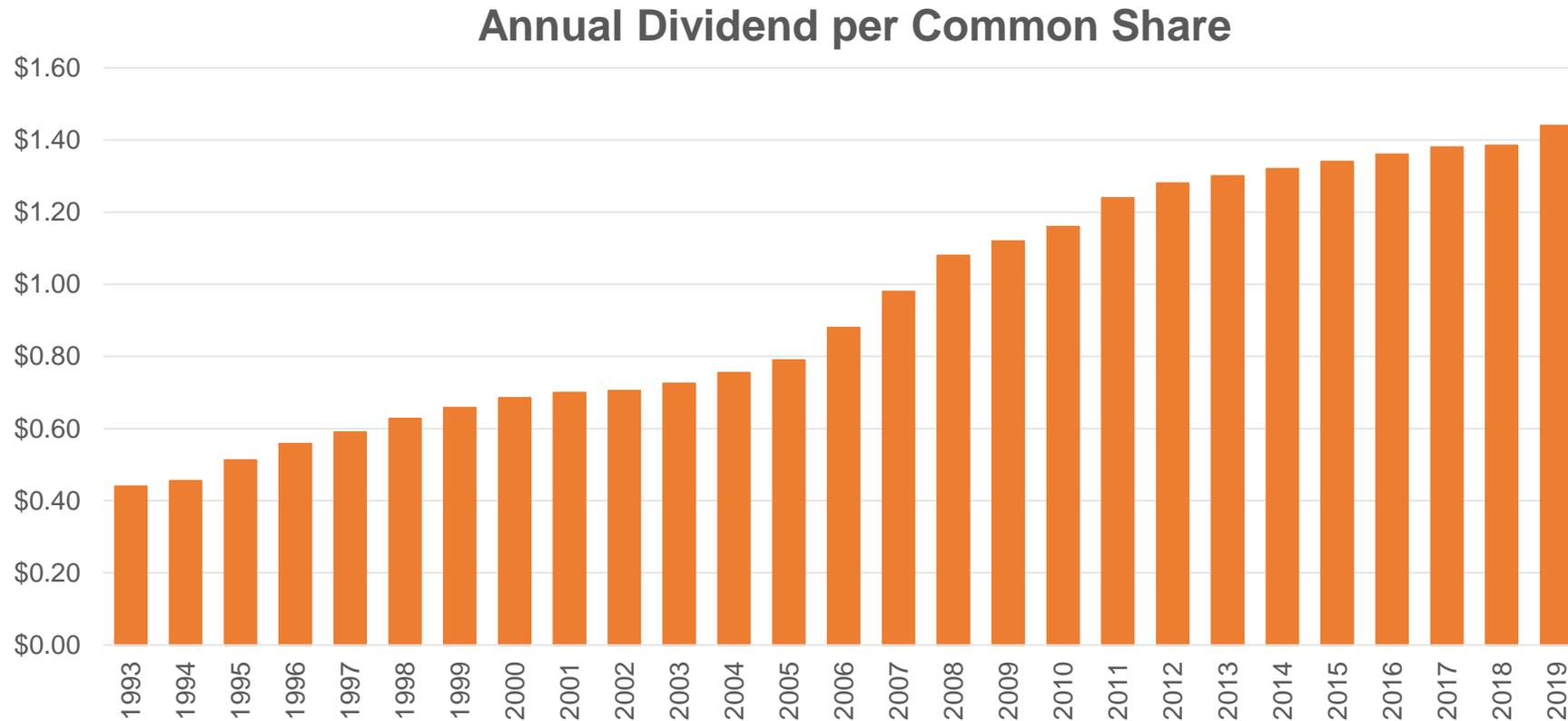
(1) 2018 Organic revenue growth was 2.5%

(2) 2019 Organic revenue growth is expected to be 3% - 3.5%

(3) 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.

2019 Dividend Increased \$0.04 Per Share to \$1.44 Announced \$250 million share buyback program

26 Consecutive Years of Annual Dividend Increases



FINANCIAL REVIEW

STEPHANE BELLO
CHIEF FINANCIAL OFFICER

Consolidated Results

(Excludes Refinitiv)

(\$ millions)	Fourth-Quarter				Full-Year			
	<u>2018</u>	<u>2017</u>	<u>Change</u>	Change Before Currency	<u>2018</u>	<u>2017</u>	<u>Change</u>	Change Before Currency
Revenues	1,519	1,414	+7%	+9%	5,501	5,297	+4%	+4%
<i>Recurring</i>	1,172	1,042	+12%	+14%	4,139	3,884	+7%	+7%
<i>Transactions</i>	145	153	-5%	-3%	636	649	-2%	-1%
<i>Global Print</i>	203	219	-7%	-4%	728	764	-5%	-3%
Adjusted EBITDA	285	408	-30%	-33%	1,365	1,591	-14%	-15%
<i>Adjusted EBITDA Margin</i>	<i>18.8%</i>	<i>28.9%</i>	<i>-1010 bp</i>	<i>-1120 bp</i>	<i>24.8%</i>	<i>30.0%</i>	<i>-520 bp</i>	<i>-560 bp</i>

Impact of Reuters News Contract with Refinitiv & Integration Point Acquisition on 2019 Revenue Growth Rate

Reuters News contract with Refinitiv will distort reported revenue growth rate from Q4 2018 to Q3 2019

The contract is low margin and will be dilutive to Adj. EBITDA margin



2018

2019

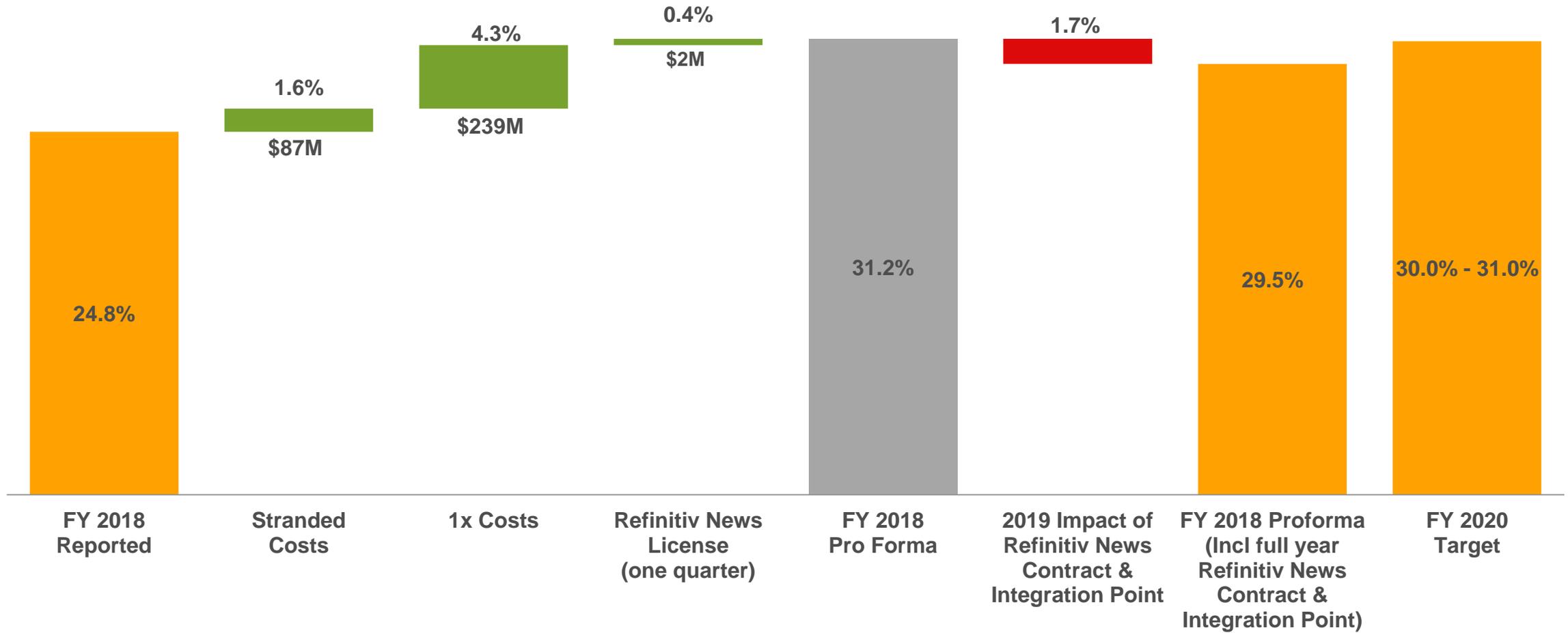
2020

Outlook

} Impact of Reuters News Contract with Refinitiv & Integration Point Acquisition

} Impact of Reuters News Contract with Refinitiv & Integration Point Acquisition

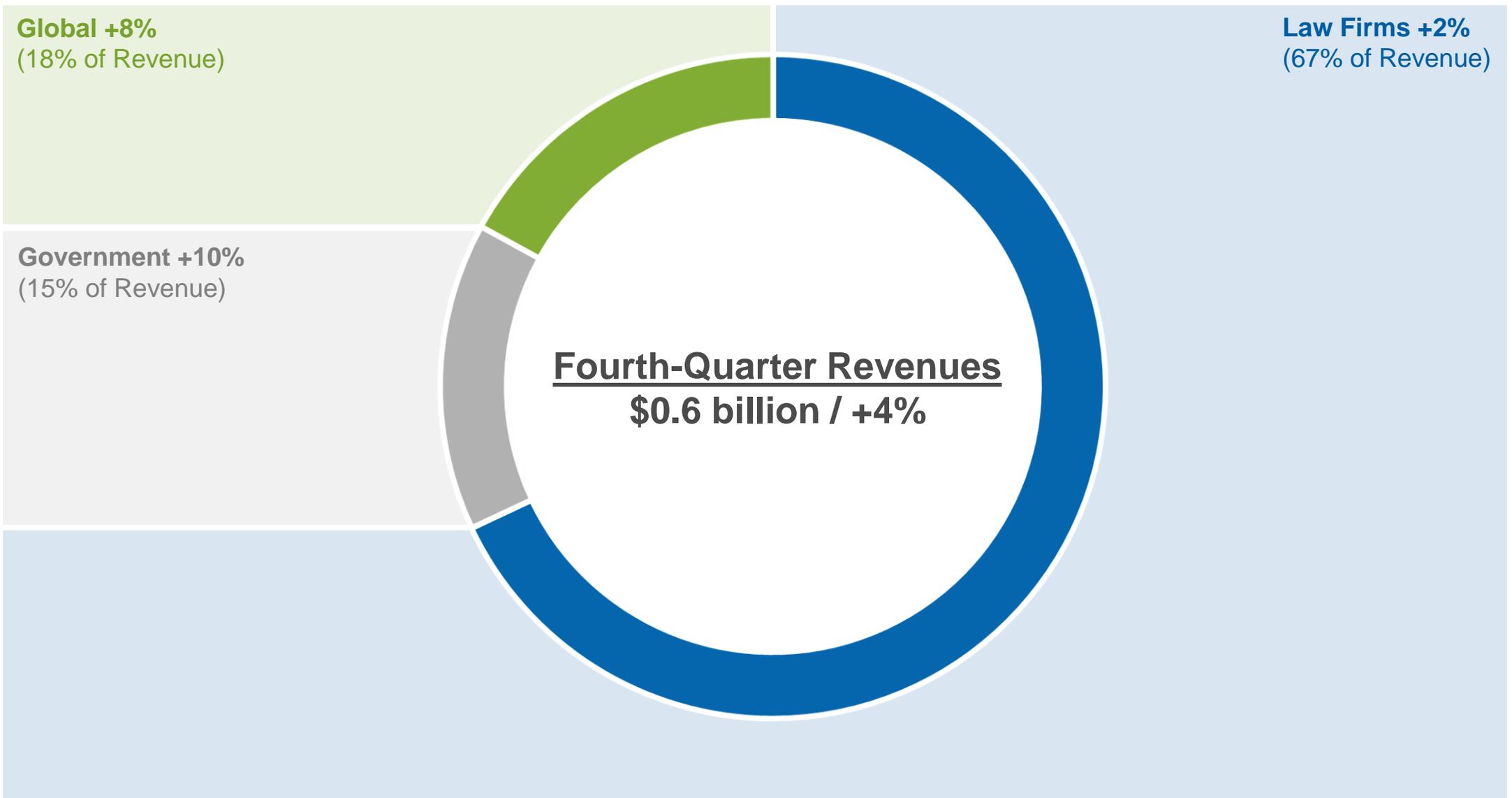
Full Year 2018 Adjusted EBITDA Margin Results



Legal Professionals

(\$ millions)	Fourth-Quarter				Full-Year			
	<u>2018</u>	<u>2017</u>	<u>Change</u>	Change Before Currency	<u>2018</u>	<u>2017</u>	<u>Change</u>	Change Before Currency
Revenues	599	580	+3%	+4%	2,373	2,284	+4%	+4%
<i>Recurring</i>	545	527	+3%	+4%	2,159	2,079	+4%	+4%
<i>Transactions</i>	54	53	+2%	+4%	214	205	+4%	+5%
Adjusted EBITDA	221	185	+19%	+17%	816	794	+3%	+2%
<i>Adjusted EBITDA Margin</i>	<i>36.9%</i>	<i>31.9%</i>	<i>+500 bp</i>	<i>+400 bp</i>	<i>34.4%</i>	<i>34.8%</i>	<i>-40 bp</i>	<i>-60 bp</i>

Legal Professionals Revenues

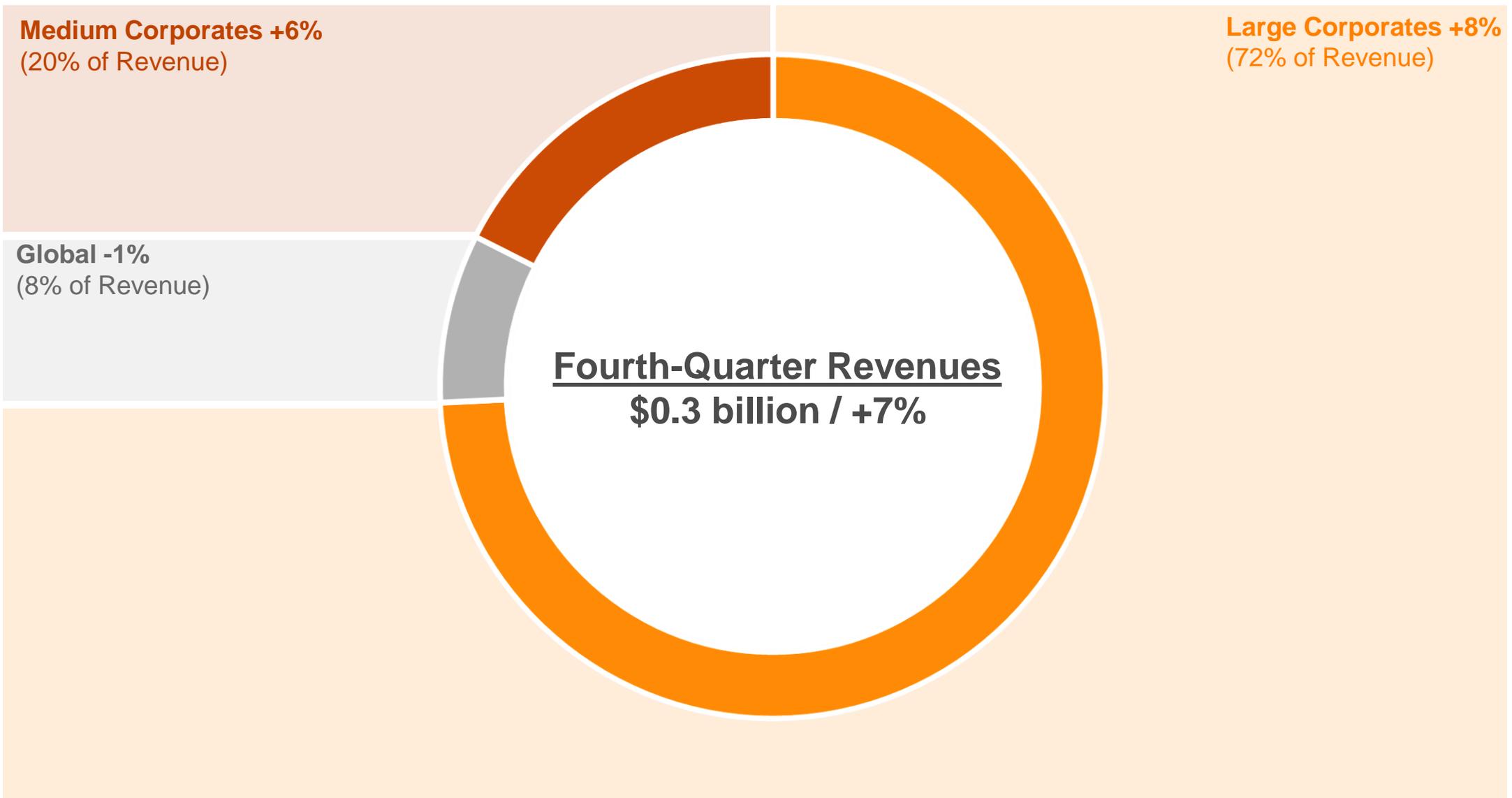


Above chart reflected at constant currency rates

Corporates

(\$ millions)	Fourth-Quarter				Full-Year			
	<u>2018</u>	<u>2017</u>	<u>Change</u>	Change Before Currency	<u>2018</u>	<u>2017</u>	<u>Change</u>	Change Before Currency
Revenues	315	301	+5%	+7%	1,238	1,186	+4%	+5%
<i>Recurring</i>	262	242	+8%	+11%	993	925	+7%	+8%
<i>Transactions</i>	53	59	-10%	-10%	245	261	-6%	-6%
Adjusted EBITDA	87	99	-12%	-13%	395	411	-4%	-4%
<i>Adjusted EBITDA Margin</i>	<i>27.6%</i>	<i>32.9%</i>	<i>-530 bp</i>	<i>-610 bp</i>	<i>31.9%</i>	<i>34.7%</i>	<i>-280 bp</i>	<i>-320 bp</i>

Corporates Revenues

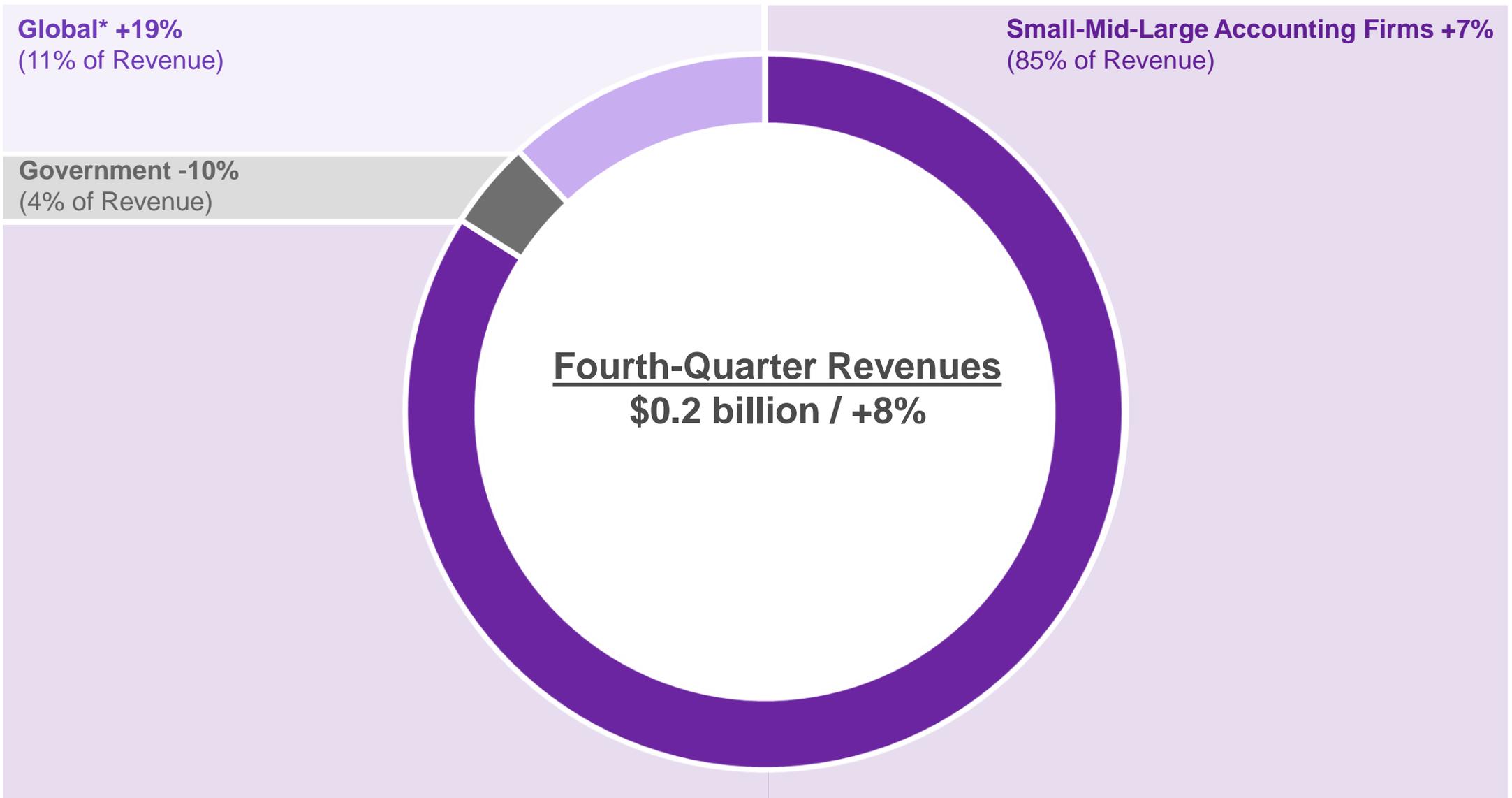


Above chart reflected at constant currency rates

Tax Professionals

(\$ millions)	Fourth-Quarter				Full-Year			
	<u>2018</u>	<u>2017</u>	<u>Change</u>	Change Before Currency	<u>2018</u>	<u>2017</u>	<u>Change</u>	Change Before Currency
Revenues	248	239	+4%	+8%	794	767	+4%	+6%
<i>Recurring</i>	221	210	+5%	+9%	658	630	+4%	+7%
<i>Transactions</i>	27	29	-7%	-3%	136	137	-1%	+1%
Adjusted EBITDA	118	97	+22%	+21%	273	252	+8%	+9%
<i>Adjusted EBITDA Margin</i>	<i>47.6%</i>	<i>40.6%</i>	<i>+700 bp</i>	<i>+530 bp</i>	<i>34.4%</i>	<i>32.9%</i>	<i>+150 bp</i>	<i>+90 bp</i>

Tax Professionals Revenues



Reuters News

(Q4 includes Refinitiv quarterly payment)

(\$ millions)	Fourth-Quarter				Full-Year			
	<u>2018</u>	<u>2017</u>	<u>Change</u>	Change Before Currency	<u>2018</u>	<u>2017</u>	<u>Change</u>	Change Before Currency
Revenues	155	75	+107%	+111%	370	296	+25%	+24%
Adjusted EBITDA	6	-2	n/m	n/m	27	27	+0%	-19%
<i>Adjusted EBITDA Margin</i>	<i>3.9%</i>	<i>-2.7%</i>	<i>+660 bp</i>	<i>+330 bp</i>	<i>7.3%</i>	<i>9.1%</i>	<i>-180 bp</i>	<i>-310 bp</i>

Global Print

(\$ millions)	Fourth-Quarter				Full-Year			
	<u>2018</u>	<u>2017</u>	<u>Change</u>	Change Before Currency	<u>2018</u>	<u>2017</u>	<u>Change</u>	Change Before Currency
Revenues	203	219	-7%	-4%	728	764	-5%	-3%
Adjusted EBITDA	88	94	-6%	-5%	320	335	-4%	-4%
<i>Adjusted EBITDA Margin</i>	<i>43.3%</i>	<i>42.9%</i>	<i>+40 bp</i>	<i>-50 bp</i>	<i>44.0%</i>	<i>43.8%</i>	<i>+20 bp</i>	<i>-30 bp</i>

Refinitiv

(\$ millions)	Fourth-Quarter			
	<u>2018</u> (Reported by Refinitiv)	<u>2017</u> (Reported by TR)	<u>Change</u>	Change Before Currency
Revenues	1,550	1,532	+1%	+3%
Adjusted EBITDA	486			
<i>Adjusted EBITDA Margin</i>	<i>31.4%</i>			
Capital Expenditures	\$70			
Free Cash Flow	\$210			
Debt Outstanding ⁽¹⁾	\$12,989			
Preferred Equity	\$963			

(1) As of 12/31/2018

ADJUSTED EARNINGS PER SHARE

FREE CASH FLOW

CORPORATE COSTS

CAPITAL STRUCTURE

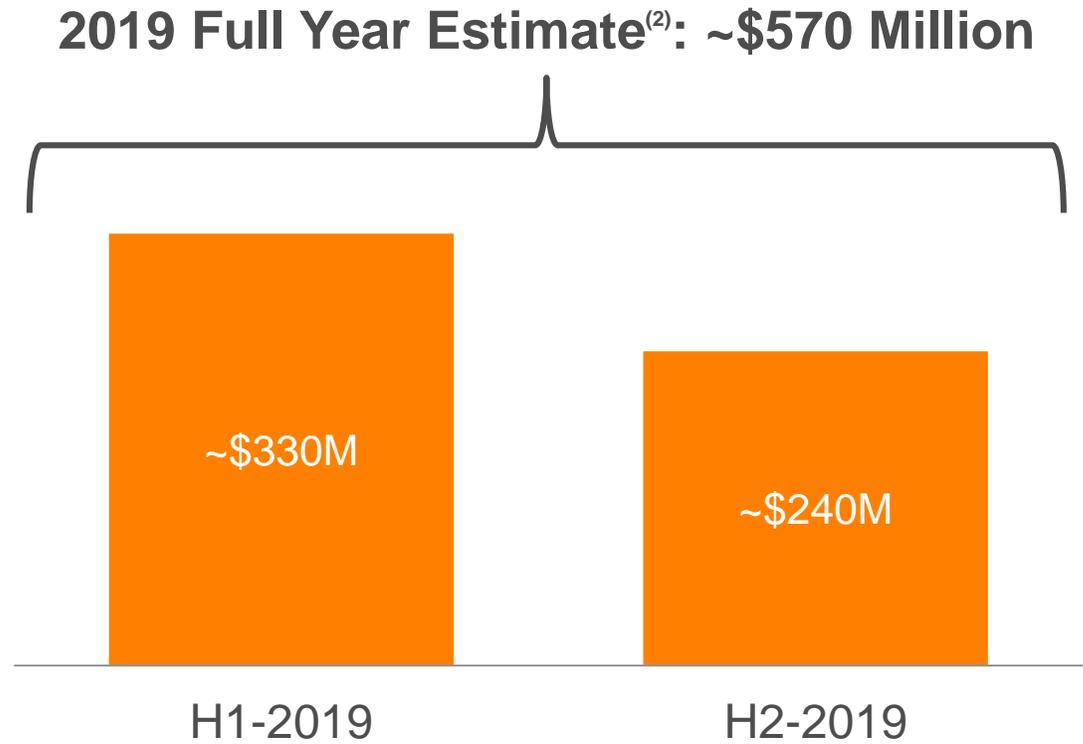
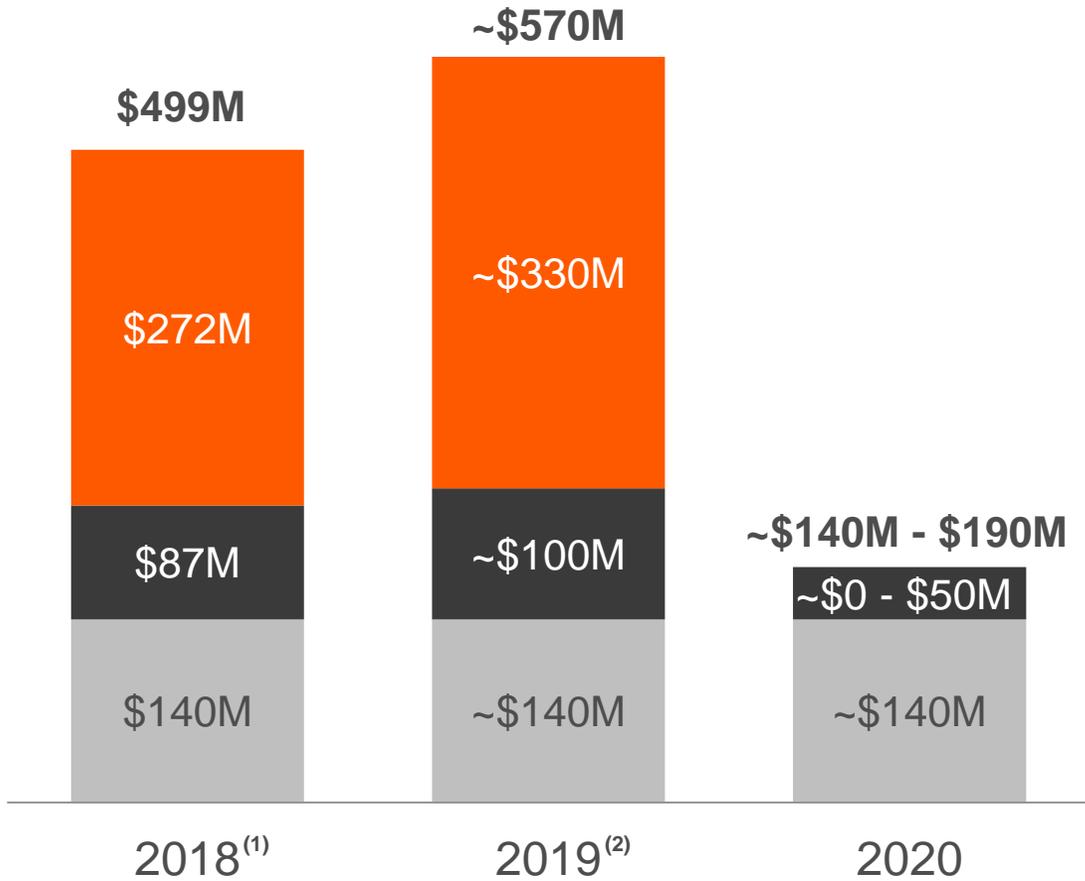
Adjusted Earnings Per Share (EPS)

(\$ millions except per share amounts & share count)	Fourth-Quarter			Full-Year		
	<u>2018</u>	<u>Change</u>	<u>% Change</u>	<u>2018</u>	<u>Change</u>	<u>% Change</u>
Adjusted EBITDA	\$285	(\$123)		\$1,365	(\$226)	
Depreciation & Amortization	(\$133)	(\$13)		(\$510)	(\$40)	
Interest Expense	(\$19)	\$68		(\$260)	\$97	
Income Tax	(\$19)	\$23		(\$89)	(\$2)	
Dividend declared on preference shares	(\$1)	(\$1)		(\$3)	(\$1)	
Adjusted Earnings	\$113	(\$46)		\$503	(\$172)	
Adjusted EPS	\$0.20	(\$0.02)	-9%	\$0.75	(\$0.19)	-20%
<i>Currency Impact</i>	<i>\$0.02</i>			<i>\$0.02</i>		
<i>Diluted Weighted Average Common Shares</i>	<i>551.3M</i>			<i>668.2M</i>		

Consolidated Free Cash Flow

(\$ millions)	Fourth-Quarter			Full-Year		
	<u>2018</u>	<u>2017</u>	<u>Change</u>	<u>2018</u>	<u>2017</u>	<u>Change</u>
Comparable Free Cash Flow (Continuing Operations)	\$197	\$112	\$85	\$685	\$686	(\$1)
Other Items (Q4-16 Charges paid, 2017 \$500m pension contribution and F&R deal/separation costs)	\$291	\$0	(\$291)	\$327	\$559	\$232
Free Cash Flow (Continuing Operations)	(\$94)	\$112	(\$206)	\$358	\$127	\$231
Free Cash Flow – IP & Science	\$0	(\$2)	\$2	\$0	(\$56)	\$56
Free Cash Flow – Refinitiv	(\$73)	\$396	(\$469)	\$749	\$961	(\$212)
Free Cash Flow	(\$167)	\$506	(\$673)	\$1,107	\$1,032	\$75

Corporate Costs



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

■ Total Corp Costs

Note: Q1 – Q3 2018 reflects a restatement of -\$8 million to segments from Corporate Center

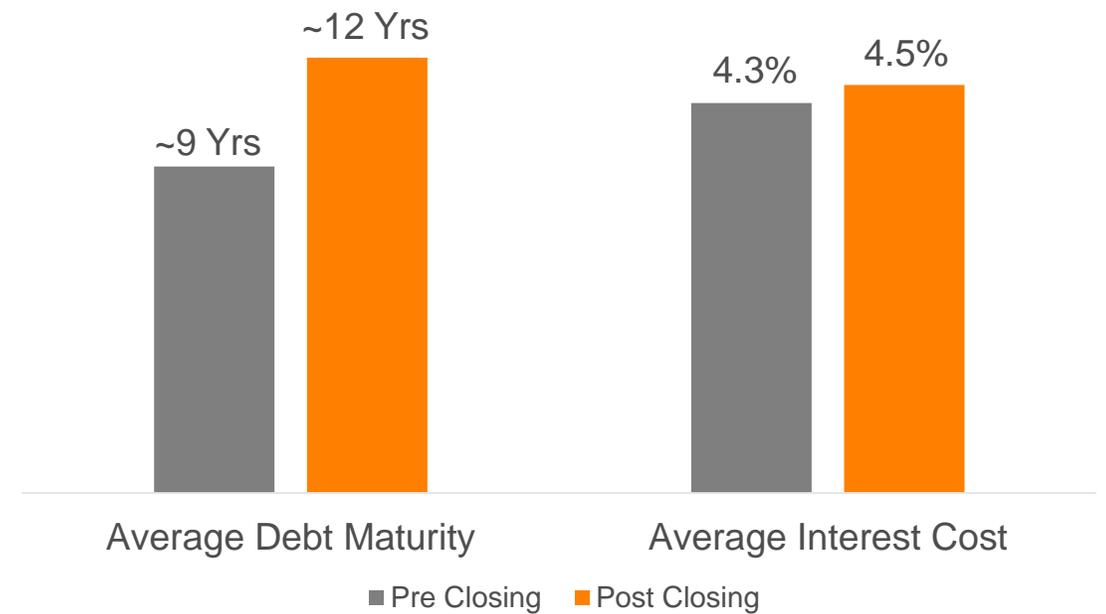
(1) Includes \$33 million of Capital Expenditures

(2) Includes Capital Expenditures

Year-End 2018 Capital Structure

- 1) Debt Outstanding = \$3.3 billion
- 2) Cash on Balance Sheet = \$2.7 billion
- 3) Net Debt Leverage Ratio 0.5x (net of cash on balance sheet)

- **Conservative debt portfolio profile**
 - Average maturity ~12 years
 - No principal/debt maturities due until 2021
- **Weighted avg common shares outstanding = 668 million**
- **Actual common shares outstanding = 501 million**



2019 & 2020 Outlook

	2018 Reported	2019 Outlook Before Currency	2020 Outlook Before Currency
Revenue Growth	4% ⁽¹⁾	7% - 8.5% ⁽²⁾	3.5% - 4.5%
Adjusted EBITDA	\$1.4 billion (\$1.3 billion before currency)	\$1.4 - \$1.5 billion ⁽³⁾	30.0% - 31.0% ⁽³⁾
Corporate Costs	\$499 million	~\$570 million	\$140 - \$190 million
Core Corporate costs	\$140 million	~\$140 million	~\$140 million
Stranded costs	\$87 million	~\$100 million	~\$0 - \$50 million
One-Time costs	\$272 million	~\$330 million	-
Free Cash Flow	\$1.1 billion	\$0 - \$300 million	\$1.0 - \$1.2 billion
Capital Expenditures % of Revenue	~10%	~9%	7.5% - 8.0%
Depreciation & Amortization of computer software	\$510 million	\$600 - \$625 million ⁽³⁾	TBD
Interest Expense (P&L)	\$260 million	\$150 - \$175 million	TBD
Effective Tax Rate on Adjusted Earnings	15%	16% - 19%	~20%

(1) 2018 Organic revenue growth was 2.5%.

(2) 2019 Organic revenue growth is expected to be 3% - 3.5%

(3) 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.

Conclusion

- 2019 off to a good start on the back of stronger sales in 2018
- Investing organically & inorganically to accelerate growth
- Confident in the trajectory of the business

Q&A