



REUTERS/Fayaz Kabli

THOMSON REUTERS

FIRST-QUARTER 2016 RESULTS



the answer company™

THOMSON REUTERS®

Agenda

- Welcome / Introduction Frank Golden
- First-Quarter 2016 Highlights Jim Smith
- Financial Review – Q1 2016 Stephane Bello
- Q & A

Special Note

Safe Harbor / Forward-Looking Statements

- 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, the company's 2016 outlook, are forward-looking. Forward-looking statements are those which are not historical facts and include the company's current expectations regarding adjusted earnings per share in 2017, the impact of foreign currency on the company's future results, growth and savings opportunities, its plans to sell the Intellectual Property & Science business (including timing for a transaction and potential uses of proceeds) and its stock buyback program. Forward-looking statements also include the company's expectations for 2016 regarding Financial & Risk's recoveries revenues and foreign exchange commercial pricing adjustments related to product migrations, Legal's Solutions business and U.S. print revenue performance and Tax & Accounting's margins.
- Our actual results in future periods may differ materially from those currently expected because of a number of risks, uncertainties and assumptions. The risks, uncertainties and assumptions that we believe are material are outlined in our disclosure filings and materials, which you can find on www.thomsonreuters.com. Please consult these documents for a more complete understanding of these risks, uncertainties and assumptions. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law. Our outlook is provided for the purpose of providing information about current expectations for 2016. This information may not be appropriate for other purposes.

Non-IFRS Financial Measures

- This presentation contains disclosures of certain non-IFRS financial measures. These measures include adjusted EBITDA and the related margin, underlying operating profit and the related margin, free cash flow, adjusted EPS and selected measures before the impact of currency.
- Please see our earnings release dated April 26, 2016, 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

FIRST-QUARTER 2016 HIGHLIGHTS

JIM SMITH
PRESIDENT & CEO

Consolidated Q1 2016 Results

Reported	Before Currency
Revenues down 1%	Up 1%
Adj. EBITDA up 2%	Up 1%
Margin 26.8% vs. 26.0% Q1 2015	Up 10 bps
Underlying operating profit up 8%	Up 6%
Margin 17.8% vs. 16.3% Q1 2015	Up 80 bps
Adjusted EPS up 23%	Up 21%
\$0.48 vs. \$0.39 in Q1 2015	Up \$0.08

2016 Outlook Affirmed

Note: IP & Science is presented as a discontinued operation and is therefore excluded from our consolidated results

Q1 2016 Revenue Results by Business



Financial & Risk
-1%

Financial

Risk



Legal
2%

U.S. Online Legal Information

Solutions Businesses

U.S. Print



Tax & Accounting
8%

Professional

Corporate

Knowledge Solutions

Government

Note:

IP & Science revenues grew 4% and is considered a discontinued operation

Revenue growth rates are before the impact of currency

2016 Priorities

Investing to Accelerate Growth & Profitability



ACCELERATING ORGANIC GROWTH

- **Increasing & prioritizing** investments to growth initiatives
- **Strategic priorities represent 25% of revenue growing double digits**
 - Legal Software & Solutions
 - Global Trade Mgmt.
 - Global Tax
 - Risk Solutions
- **Deploying World-Class Go-to-Market Capabilities**
 - Shared standards, processes & tools across TRI
 - Drive new sales & retention



IMPROVING PROFITABILITY

- **Deliver on 2017 EPS target**
- **2016 investments to benefit revenue & margins in 2017**
- **Executing on Transformation**
 - **“Enterprise Approach”** - scalable platforms to support growth & profitability
 - Drive scale opportunities across the business



CONSISTENT CAPITAL STRATEGY

- **Focusing on organic growth**
 - Reduced acquisition spend
- **Deliver consistent FCF growth**
- **Increased returns of capital to shareholders without sacrificing growth objectives or commitment to strong capital structure**
 - Attractive dividend
 - IP&S proceeds for general corporate purposes, repaying debt & share buybacks





FINANCIAL REVIEW

STEPHANE BELLO
CHIEF FINANCIAL OFFICER

Consolidated Results

(\$ millions)	First-Quarter			
	<u>2016</u>	<u>2015</u>	<u>Change</u>	Change Before Currency
Revenues	\$2,793	\$2,821	-1%	1%
Adjusted EBITDA	\$748	\$734	2%	1%
<i>Adjusted EBITDA Margin</i>	<i>26.8%</i>	<i>26.0%</i>		<i>+10 bp</i>
Underlying Operating Profit	\$498	\$461	8%	6%
<i>Underlying Op. Profit Margin</i>	<i>17.8%</i>	<i>16.3%</i>		<i>+80 bp</i>

Note: IP & Science is presented as a discontinued operation and is therefore excluded from our consolidated results

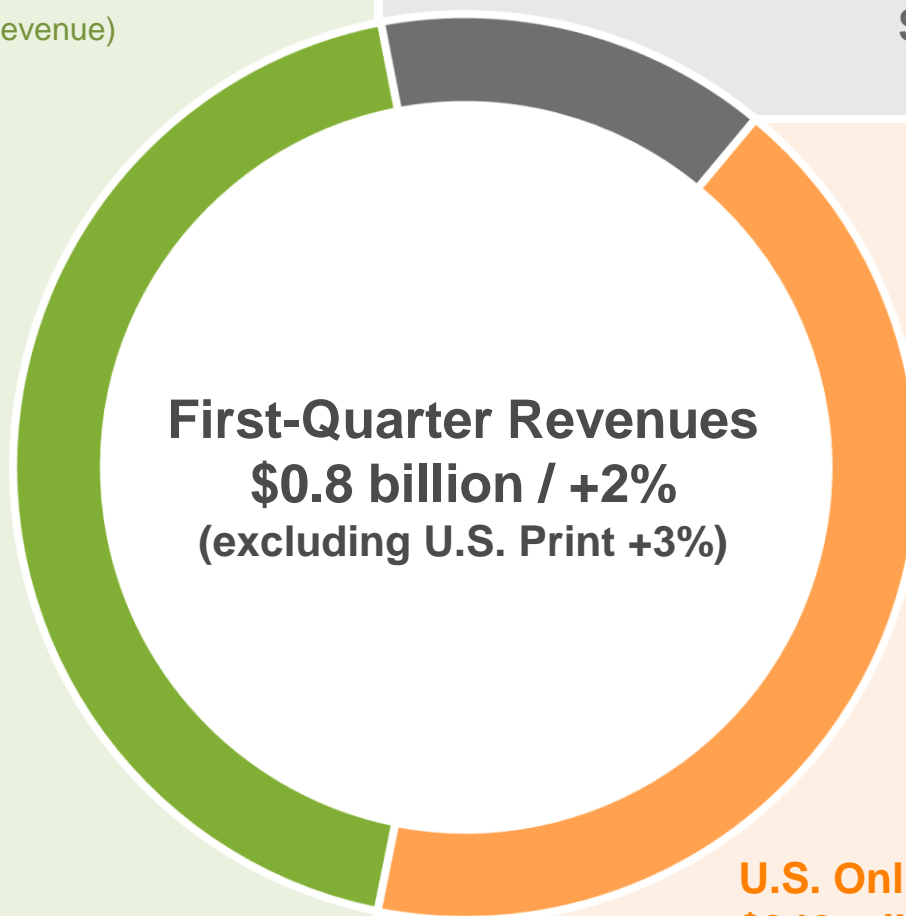
Legal

(\$ millions)	First-Quarter			
	<u>2016</u>	<u>2015</u>	<u>Change</u>	Before Currency
Revenues	822	824	0%	2%
EBITDA	298	286	4%	3%
<i>EBITDA Margin</i>	<i>36.3%</i>	<i>34.7%</i>		<i>+40 bp</i>
Operating Profit	238	219	9%	6%
<i>Op. Profit Margin</i>	<i>29.0%</i>	<i>26.6%</i>		<i>+120 bp</i>

Legal Business By Segment

Solutions Businesses +3%
\$360 million (44% of Revenue)

U.S. Print -3%
\$116 million (14% of Revenue)

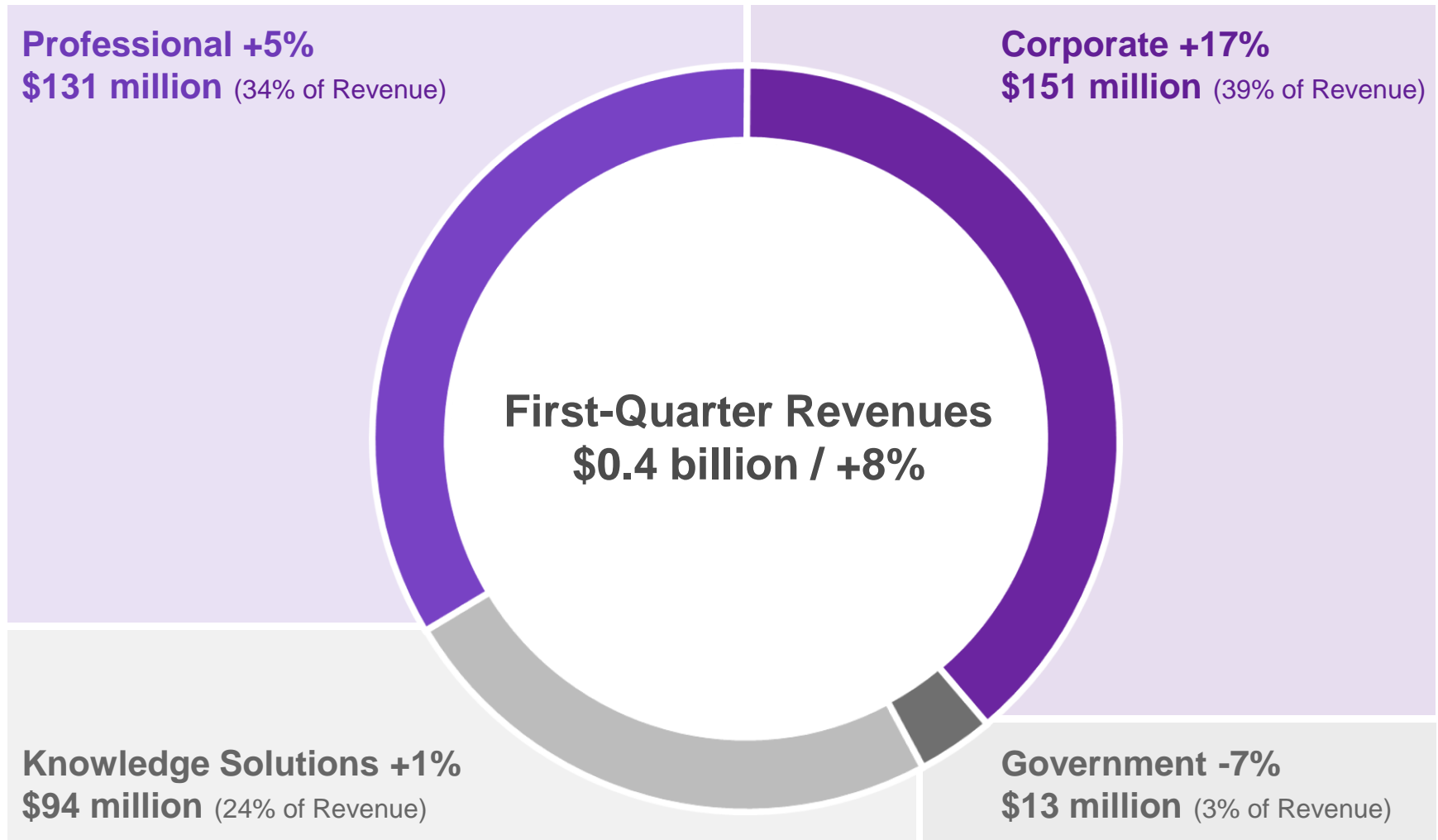


U.S. Online Legal Information +2%
\$346 million (42% of Revenue)

Tax & Accounting

(\$ millions)	First-Quarter			
	<u>2016</u>	<u>2015</u>	<u>Change</u>	Before Currency
Revenues	389	373	4%	8%
EBITDA	114	126	-10%	-10%
<i>EBITDA Margin</i>	<i>29.3%</i>	<i>33.8%</i>		<i>-580 bp</i>
Operating Profit	83	98	-15%	-17%
<i>Op. Profit Margin</i>	<i>21.3%</i>	<i>26.3%</i>		<i>-620 bp</i>

Tax & Accounting Business by Segment



Financial & Risk

(\$ millions)	First-Quarter			
	<u>2016</u>	<u>2015</u>	<u>Change</u>	Before Currency
Revenues	1,509	1,552	-3%	-1%
EBITDA	437	401	9%	9%
<i>EBITDA Margin</i>	<i>29.0%</i>	<i>25.8%</i>		<i>+260 bp</i>
Operating Profit	295	241	22%	23%
<i>Op. Profit Margin</i>	<i>19.5%</i>	<i>15.5%</i>		<i>+380 bp</i>

Financial & Risk Revenue By Segment

Recurring +1%
\$1.2 billion (77% of Revenue)

First-Quarter Revenues
\$1.5 billion / -1%

Transactions -1%
\$0.2 billion (14% of Revenue)

Recoveries -13%
\$0.1 billion (9% of Revenue)



FREE CASH FLOW
EARNINGS PER SHARE

Consolidated Free Cash Flow

(\$ millions)	First-Quarter		
	<u>2016</u>	<u>2015</u>	<u>Change</u>
Free Cash Flow excluding IP & Science	\$112	(\$172)	\$284
Free Cash Flow - IP & Science	\$111	\$107	\$4
Free Cash Flow	\$223	(\$65)	\$288

Adjusted Earnings Per Share

(\$ millions except per share amounts)	First-Quarter		
	<u>2016</u>	<u>Change</u>	<u>% Change</u>
Underlying Operating Profit	\$498	\$37	
Interest Expense	(\$93)	\$12	
Income Tax	(\$27)	\$5	
Other ⁽¹⁾	(\$11)	\$5	
Adjusted Earnings	\$367	\$59	
Adjusted EPS	\$0.48	\$0.09	+23%
Currency Impact	\$0.01		

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

2016 Outlook Affirmed

Excludes IP & Science	2015 Restated	2016 Outlook Before Currency
Revenue Growth <i>Revenue Growth Excluding Recoveries</i>	\$11.3 billion	Low single digit 2% - 3%
Adjusted EBITDA Margin	27.3%	27.3% - 28.3%
Underlying Operating Profit Margin	18.1%	18.4% - 19.4%
Capital Expenditures % of Revenue	8.4%	~8.0%
Free Cash Flow ⁽¹⁾	\$1.8 billion	\$1.7 - \$1.9 billion
Interest Expense (P&L)	\$416 million	\$420 - \$460 million
Effective Tax Rate on Adjusted Earnings	10%	10% - 13%

(1) Free Cash Flow is presented on a reported basis including IP & Science

Q&A

