



# Thomson Reuters

## 2021 SECOND-QUARTER RESULTS

August 5, 2021

# Agenda

- **Welcome / Introduction**

**Frank Golden**

- **Second-Quarter 2021 Results**

**Steve Hasker**

- **Financial Review**

**Mike Eastwood**

**Second-Quarter 2021**

**Third-Quarter 2021 Outlook / Full-Year 2021 Outlook Update**

- **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 are forward-looking, including, but not limited to, statements regarding the potential or expected impact of the COVID-19 pandemic on Thomson Reuters, its customers and the general economy, statements about the company's third-quarter 2021 and full-year 2021-2023 outlook and other expectations regarding the future financial and operational performance of the company and its individual business segments, the company's strategic priorities, initiatives and opportunities and the company's expectations regarding its Change Program and share repurchases. 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 any of the events described in any forward-looking statement will materialize. Forward-looking statements, including those related to the COVID-19 pandemic, 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. In particular, the full extent of the impact of the COVID-19 pandemic on our business, operations and financial results will depend on numerous evolving factors that we may not be able to accurately 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 and 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. Many of those risks are, and could be, exacerbated by the COVID-19 pandemic and any worsening of the global business and economic environment as a result.

Our company has provided a business outlook for the purpose of presenting information about current expectations for the third quarter of 2021 and full-year 2021-2023. 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 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 first quarter 2021 management's discussion and analysis, which is available on [www.tr.com](http://www.tr.com), for a discussion of material assumptions and material risks related to our business outlook. Material assumptions and material risks related to our business outlook will also be reflected in our second-quarter 2021 management's discussion and analysis for the period ended June 30, 2021, expected to be filed shortly.

### 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, adjusted EPS and net debt to adjusted EBITDA leverage ratio, selected measures before the impact of currency and changes in revenues computed on an organic basis.

Please see our earnings release dated August 5, 2021, which is available on [www.tr.com](http://www.tr.com), for a reconciliation of each of Thomson Reuters' 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

## Second-Quarter 2021 Highlights

**Steve Hasker**  
**President & CEO**

# Strong Second-Quarter & First-Half 2021 Results

*Prevailing Tailwinds Play to Our Strengths Contributing to Strong Revenue & Sales Growth*

## 1. Second-Quarter Organic Revenue Growth Highest in Over a Decade

- Total TR organic revenue growth = 7%
- Big 3 organic revenue growth = 7%

## 2. Second-Quarter & First-Half Sales – Highest since Refinitiv Separation

## 3. Change Program Tracking to Plan with H1 Run-Rate Savings = \$90 million

## 4. Raised Full-Year 2021 Guidance

- Total TR organic revenue growth increased to **4.0% - 4.5%**
- Big 3 organic revenue growth increased to **5.5% - 6.0%**
- Total TR Adjusted EBITDA margin increased to **31% - 32%**
- Big 3 Adjusted EBITDA margin increased to **~ 39%**
- Free Cash Flow increased to **\$1.1B - \$1.2B**

## 5. New \$1.2 billion Share Buyback Program Announced

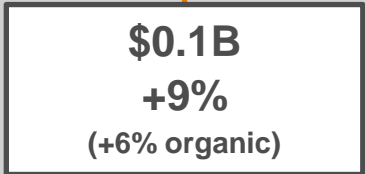
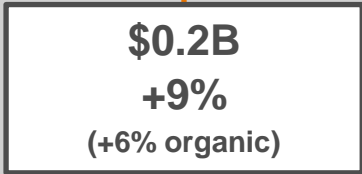
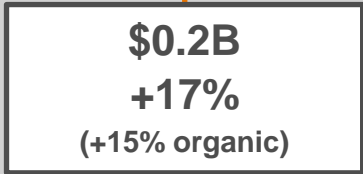
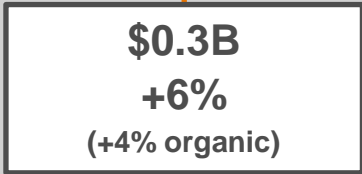
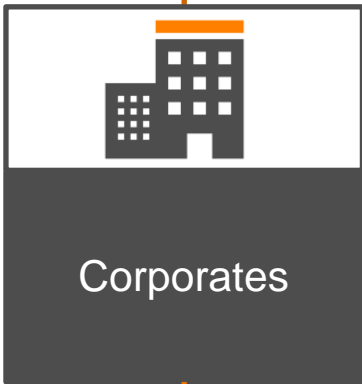
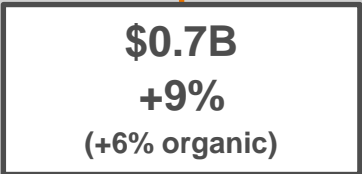
## Second-Quarter 2021 Consolidated Results

<b>IFRS Financial Measures</b> (\$ millions)	<b>2021</b>	<b>2020</b>	<b>Change</b>
Revenues	\$1,532	\$1,405	Up 9%
Operating profit	\$316	\$365	Down 14%
Diluted earnings per share (EPS)	\$2.15	\$0.25	n/m
Cash flow from operations	\$462	\$422	Up 10%

<b>Non-IFRS Financial Measures</b> (\$ millions)	<b>2021</b>	<b>2020</b>	<b>Change</b>	<b>Change at Constant Currency</b>	<b>Organic Growth</b>
Revenues	\$1,532	\$1,405	Up 9%	Up 7%	Up 7%
Adjusted EBITDA	\$502	\$479	Up 5%	Up 5%	
<i>Adjusted EBITDA margin</i>	<i>32.7%</i>	<i>34.1%</i>	<i>Down 140 bps</i>	<i>Down 70 bps</i>	
Adjusted EPS	\$0.48	\$0.44	Up 9%	Up 9%	
Free cash flow	\$379	\$305	Up 25%		

# Second-Quarter 2021 Revenue Growth by Segment

Reported revenues up 9% to \$1.5 billion  
Organic revenues up 7%  
Organic recurring revenues up 5%

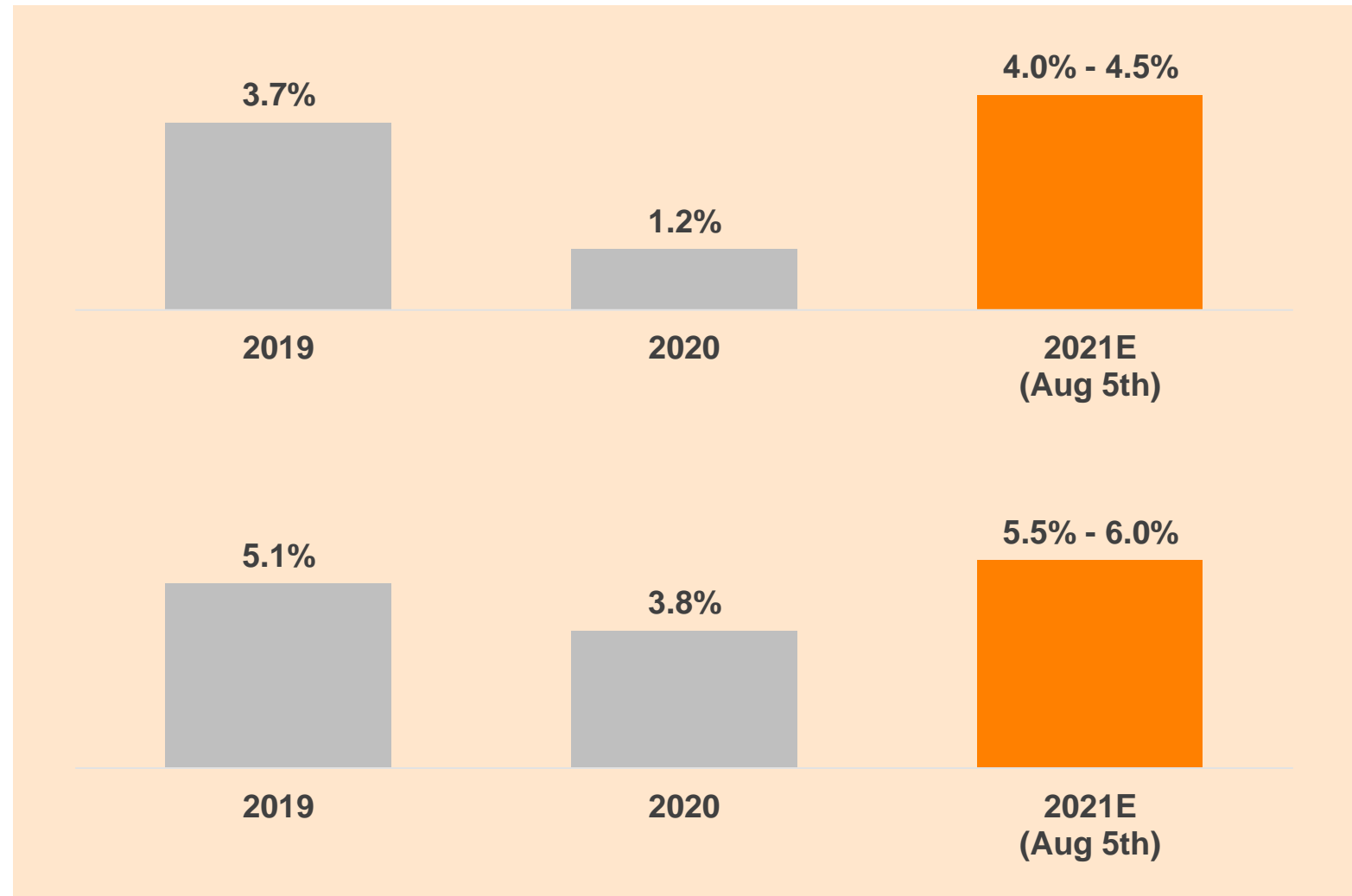


**“Big 3” grew 7% organically (~80% total revenues)**

# Total TR and Big 3 Organic Revenue Growth Forecast to Exceed 2019 Levels

**Total TR  
Organic Revenue  
Growth**

**Big 3  
Organic Revenue  
Growth  
(~80% of Total Revenues)**



*\*2019 included the permanent acceleration of the release date of UltraTax state tax software from Q1 2020 to Q4 2019. Excluding this acceleration, Total TR organic growth was 3.4% and Big 3 organic growth was 4.8%.*



# Financial Review

**Mike Eastwood**  
**Chief Financial Officer**

## Second-Quarter & Six-Months 2021

### “Big 3” - Legal, Corporates, and Tax & Accounting Revenues

(\$ millions)

Second Quarter

Six Months

Revenues	Second Quarter					Six Months				
	2021	2020	Total	Constant Currency	Organic	2021	2020	Total	Constant Currency	Organic
Legal Professionals	673	620	+9%	+7%	+6%	1,341	1,246	+8%	+6%	+6%
Corporates	348	329	+6%	+4%	+4%	732	696	+5%	+4%	+4%
Tax & Accounting Professionals	197	168	+17%	+15%	+15%	422	386	+9%	+9%	+9%
<b>Big 3 Revenues</b>	<b>1,218</b>	<b>1,117</b>	<b>+9%</b>	<b>+7%</b>	<b>+7%</b>	<b>2,495</b>	<b>2,328</b>	<b>+7%</b>	<b>+6%</b>	<b>+6%</b>

# Second-Quarter & Six-Months 2021 Consolidated Revenues

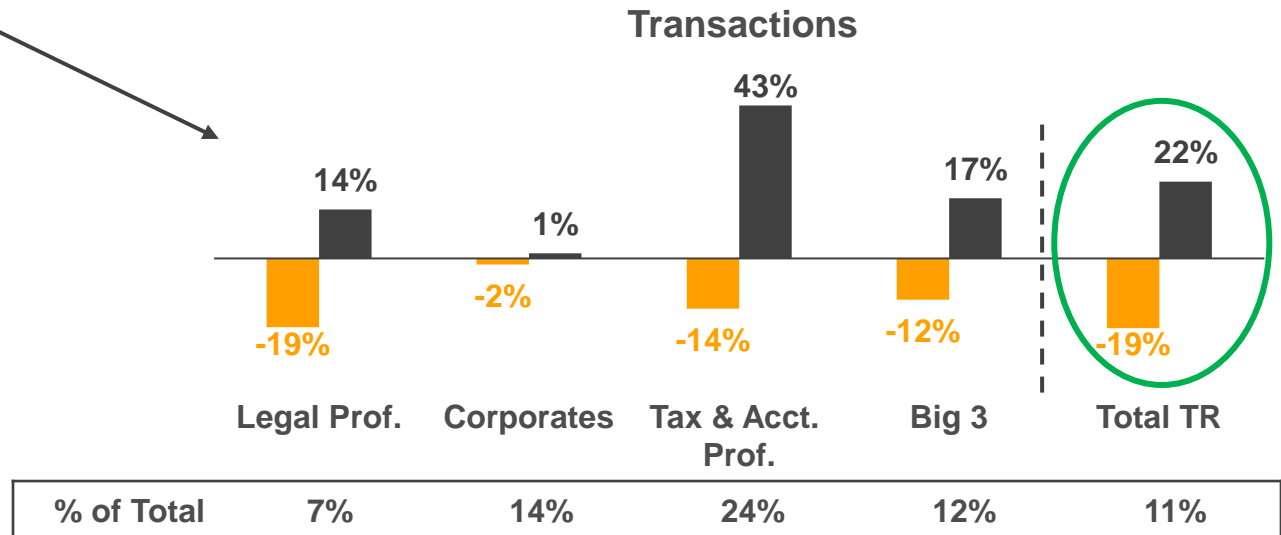
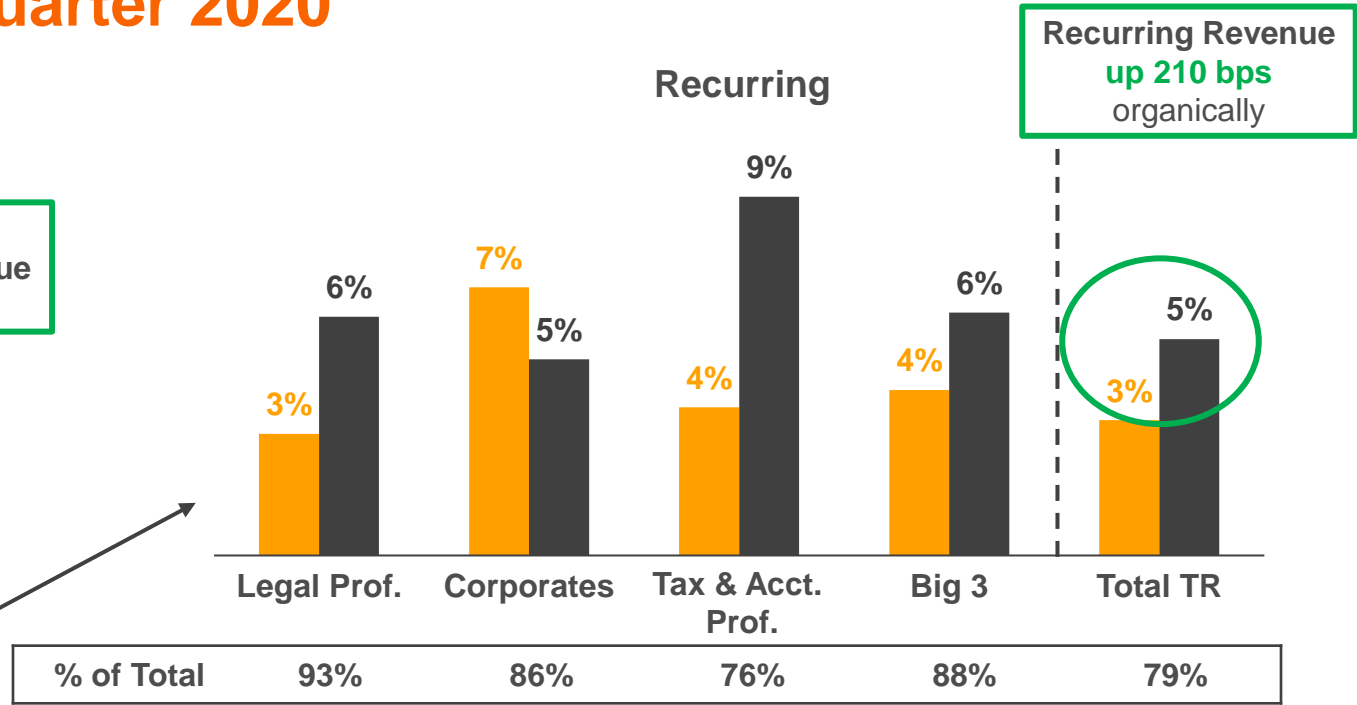
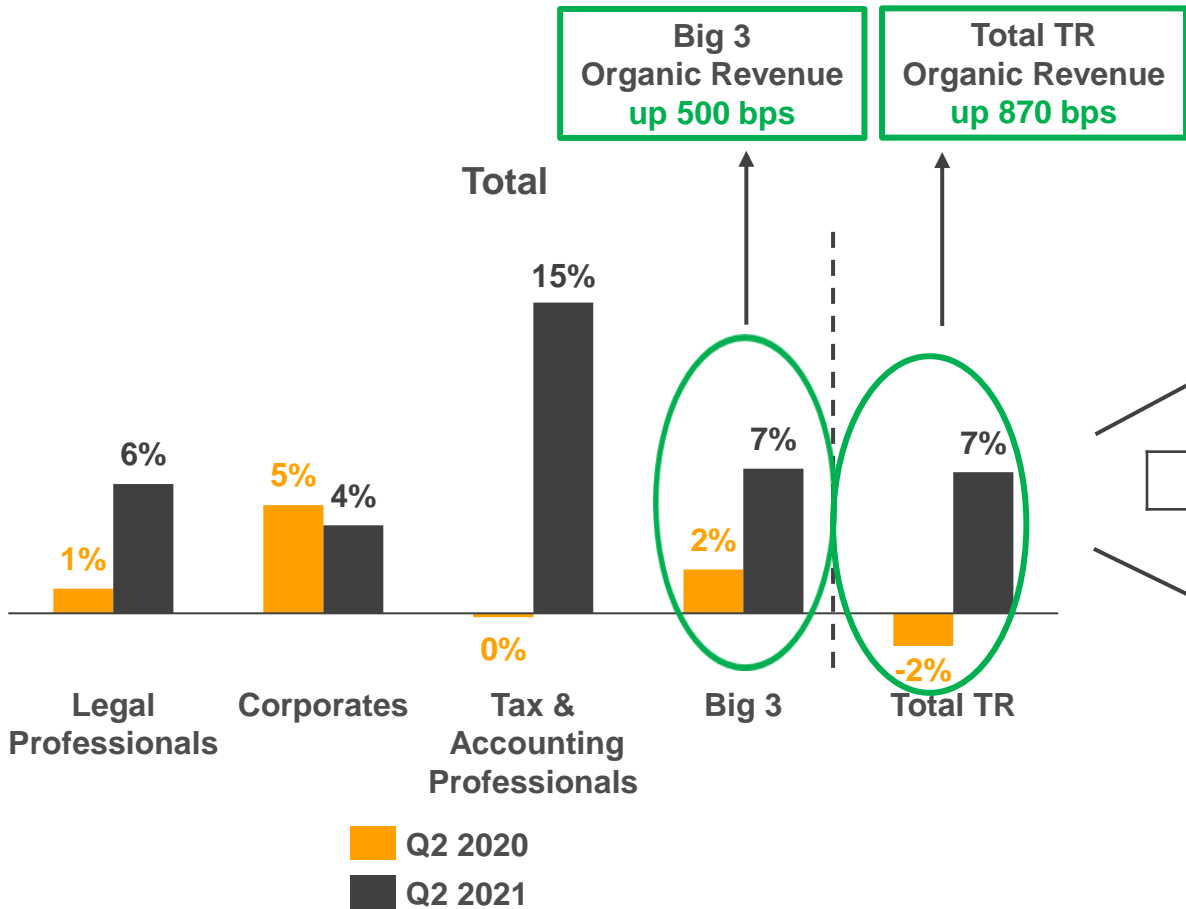
(\$ millions)

Second Quarter

Six Months

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Reuters News	168	155	+9%	+6%	+6%	328	310	+6%	+4%	+4%
Global Print	147	134	+9%	+6%	+6%	290	289	0%	-2%	-2%
Eliminations / Rounding	(1)	(1)				(1)	(2)			
<b>Total Revenues</b>	<b>1,532</b>	<b>1,405</b>	<b>+9%</b>	<b>+7%</b>	<b>+7%</b>	<b>3,112</b>	<b>2,925</b>	<b>+6%</b>	<b>+5%</b>	<b>+5%</b>

# Second-Quarter 2021 vs. Second-Quarter 2020 Organic Revenue Growth

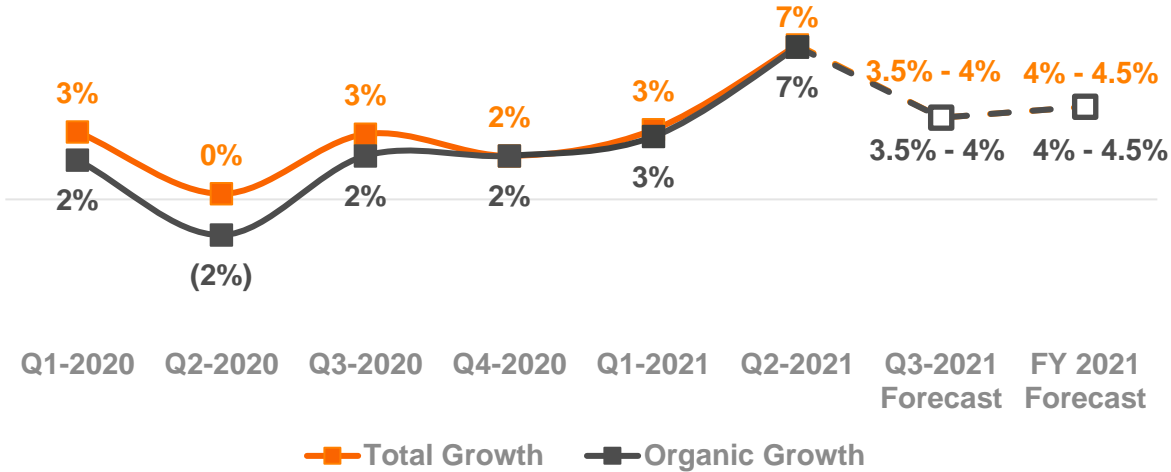


# Thomson Reuters

## Third-Quarter 2021 Forecast

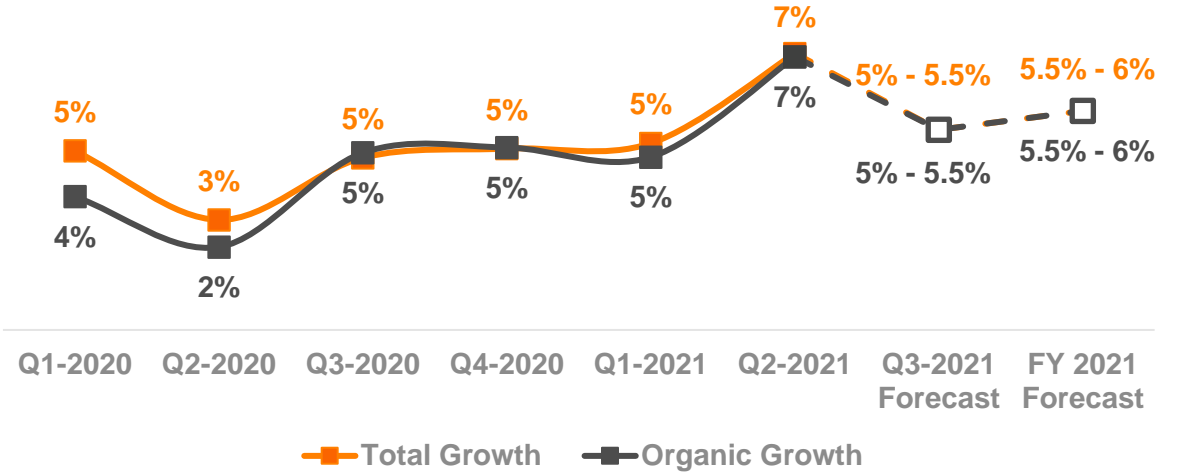
### Total Thomson Reuters

2020 FY  
Organic = 1.2%



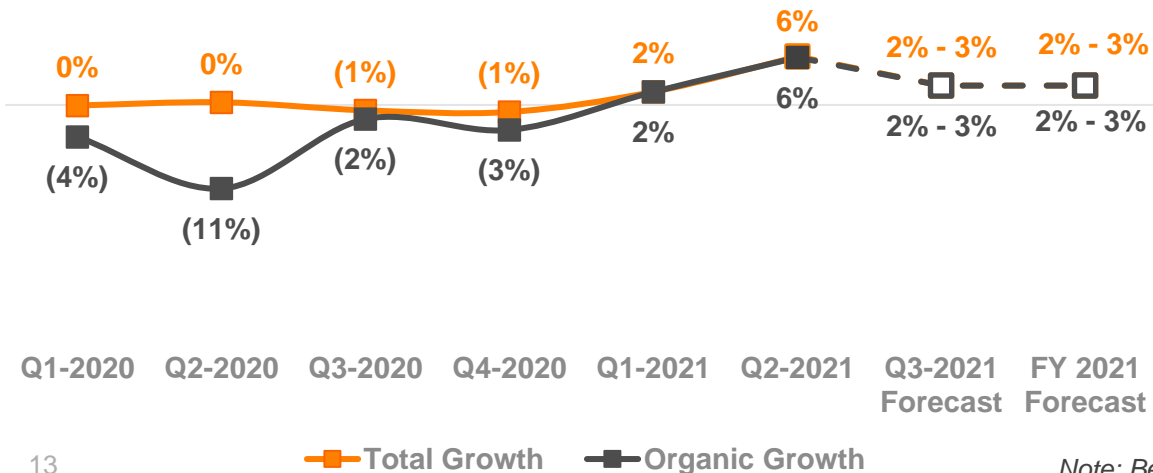
### Big 3 Segments

2020 FY  
Organic = 3.8%



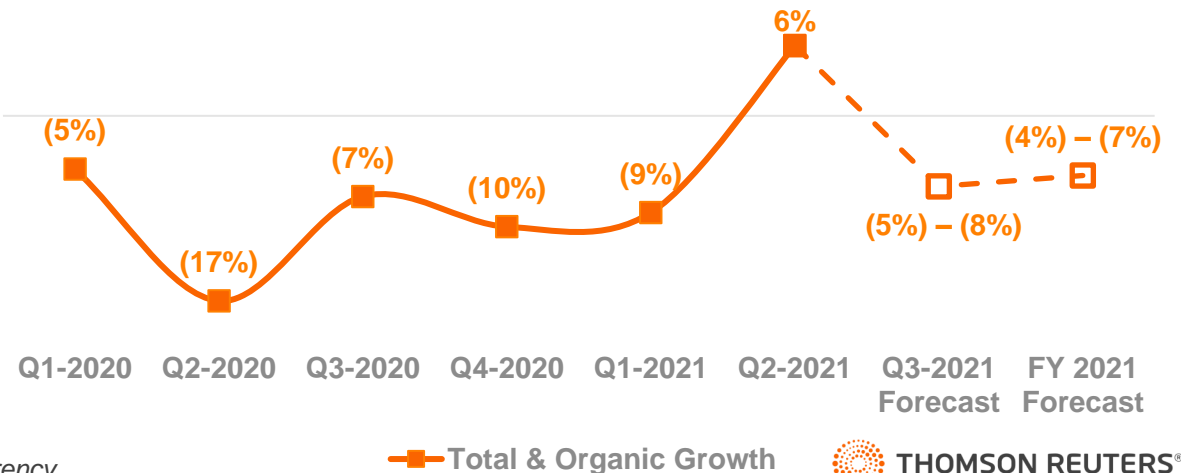
### Reuters News

2020 FY  
Organic = (5%)



### Global Print

2020 FY  
Organic = (10%)



## Second-Quarter & Six-Months 2021

### “Big 3” - Legal, Corporates, Tax & Accounting Adjusted EBITDA

(\$ millions)

Second Quarter

Six Months

	Second Quarter				Six Months			
	2021	2020	Total	Constant Currency	2021	2020	Total	Constant Currency
<b>Adjusted EBITDA</b>								
<b>Legal Professionals</b>	<b>285</b>	<b>254</b>	<b>+12%</b>	<b>+10%</b>	<b>564</b>	<b>484</b>	<b>+17%</b>	<b>+14%</b>
<i>Margin</i>	<i>42.3%</i>	<i>40.9%</i>			<i>42.1%</i>	<i>38.8%</i>		
<b>Corporates</b>	<b>130</b>	<b>118</b>	<b>+10%</b>	<b>+9%</b>	<b>276</b>	<b>235</b>	<b>+17%</b>	<b>+17%</b>
<i>Margin</i>	<i>37.2%</i>	<i>35.9%</i>			<i>37.7%</i>	<i>33.8%</i>		
<b>Tax &amp; Accounting Professionals</b>	<b>72</b>	<b>54</b>	<b>+32%</b>	<b>+32%</b>	<b>170</b>	<b>138</b>	<b>+23%</b>	<b>+23%</b>
<i>Margin</i>	<i>36.2%</i>	<i>31.9%</i>			<i>40.2%</i>	<i>35.7%</i>		
<b>Big 3 Adjusted EBITDA</b>	<b>487</b>	<b>426</b>	<b>+14%</b>	<b>+13%</b>	<b>1,010</b>	<b>857</b>	<b>+18%</b>	<b>+16%</b>
<i>Margin</i>	<i>39.9%</i>	<i>38.1%</i>			<i>40.5%</i>	<i>36.8%</i>		

# Second-Quarter & Six-Months 2021

## Consolidated Adjusted EBITDA

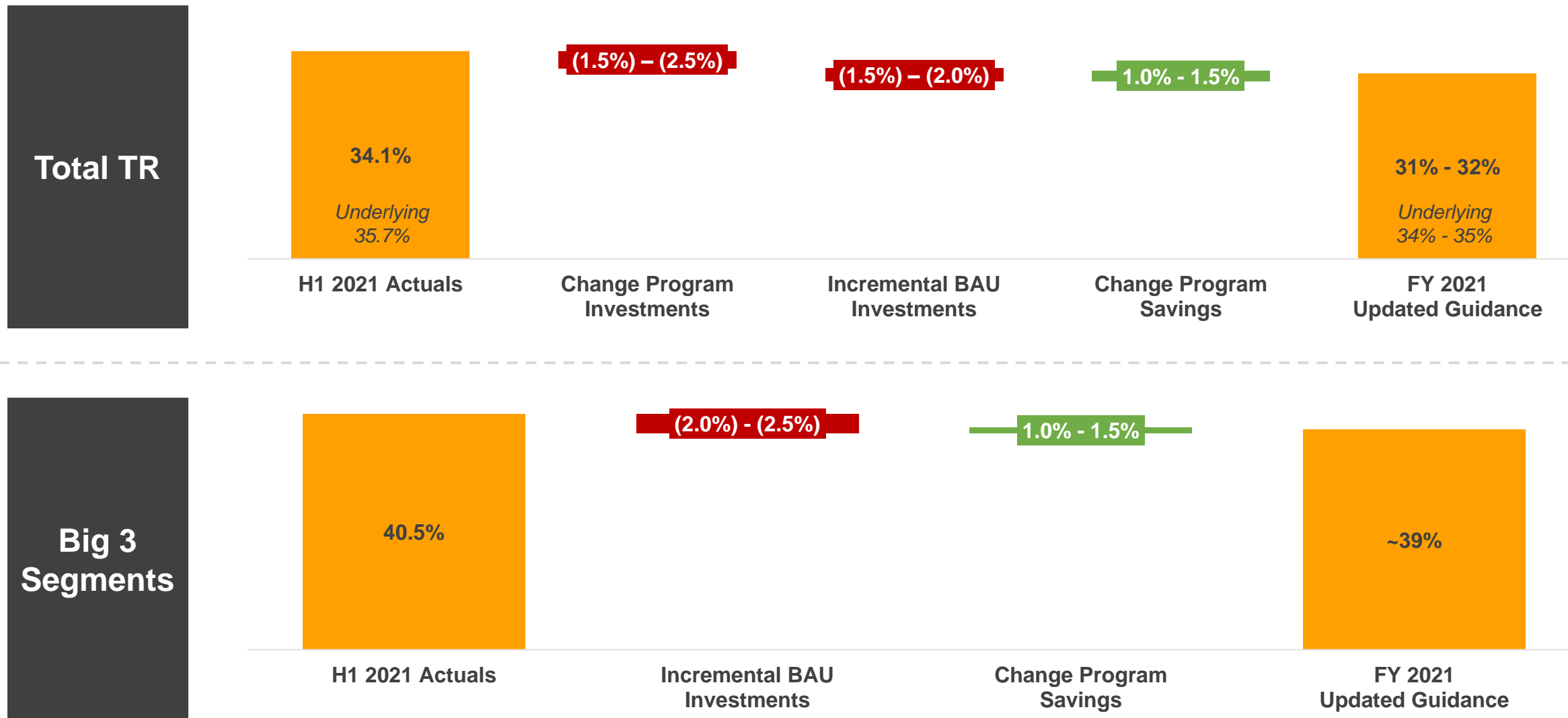
(\$ millions)

Second Quarter

Six Months

	Second Quarter				Six Months			
<b>Adjusted EBITDA</b>	<b>2021</b>	<b>2020</b>	<b>Total</b>	<b>Constant Currency</b>	<b>2021</b>	<b>2020</b>	<b>Total</b>	<b>Constant Currency</b>
Legal Professionals <i>Margin</i>	285 42.3%	254 40.9%	+12%	+10%	564 42.1%	484 38.8%	+17%	+14%
Corporates <i>Margin</i>	130 37.2%	118 35.9%	+10%	+9%	276 37.7%	235 33.8%	+17%	+17%
Tax & Accounting Professionals <i>Margin</i>	72 36.2%	54 31.9%	+32%	+32%	170 40.2%	138 35.7%	+23%	+23%
<b>Big 3 Adjusted EBITDA</b> <i>Margin</i>	<b>487</b> 39.9%	<b>426</b> 38.1%	<b>+14%</b>	<b>+13%</b>	<b>1,010</b> 40.5%	<b>857</b> 36.8%	<b>+18%</b>	<b>+16%</b>
Reuters News <i>Margin</i>	35 20.8%	25 15.6%	+45%	+66%	63 19.2%	44 14.1%	+45%	+65%
Global Print <i>Margin</i>	56 37.9%	54 40.5%	+2%	-1%	113 38.9%	117 40.5%	-4%	-6%
Corporate Costs	(76)	(26)			(126)	(59)		
<b>Total Adjusted EBITDA</b> <i>Margin</i>	<b>502</b> 32.7%	<b>479</b> 34.1%	<b>+5%</b>	<b>+5%</b>	<b>1,060</b> 34.1%	<b>959</b> 32.8%	<b>+11%</b>	<b>+10%</b>

# H1 2021 Actuals to FY 2021 Updated Guidance Adjusted EBITDA Margin





**Adjusted Earnings Per Share**

**Free Cash Flow**

**Change Program Costs**

# Adjusted Earnings Per Share (EPS)

(\$ millions except per share amounts & share count)	Second Quarter			Six Months		
	<u>2021</u>	<u>Change</u>	<u>% Change</u>	<u>2021</u>	<u>Change</u>	<u>% Change</u>
<b>Adjusted EBITDA</b>	<b>\$502</b>	<b>\$23</b>		<b>\$1,060</b>	<b>\$101</b>	
Depreciation & Amortization	(\$164)	(\$3)		(\$325)	(\$13)	
Interest Expense	(\$49)	\$3		(\$100)	(\$3)	
Income Tax	(\$49)	(\$4)		(\$106)	(\$17)	
Dividend declared on preference shares	-	-		(\$1)	-	
<b>Adjusted Earnings</b>	<b>\$240</b>	<b>\$19</b>		<b>\$528</b>	<b>\$68</b>	
<b>Adjusted EPS</b>	<b>\$0.48</b>	<b>\$0.04</b>	<b>+9%</b>	<b>\$1.06</b>	<b>\$0.14</b>	<b>+15%</b>
<i>Foreign Currency Impact</i>	-			-		
<i>Diluted Weighted Average Common Shares</i>	497.3M			497.1M		

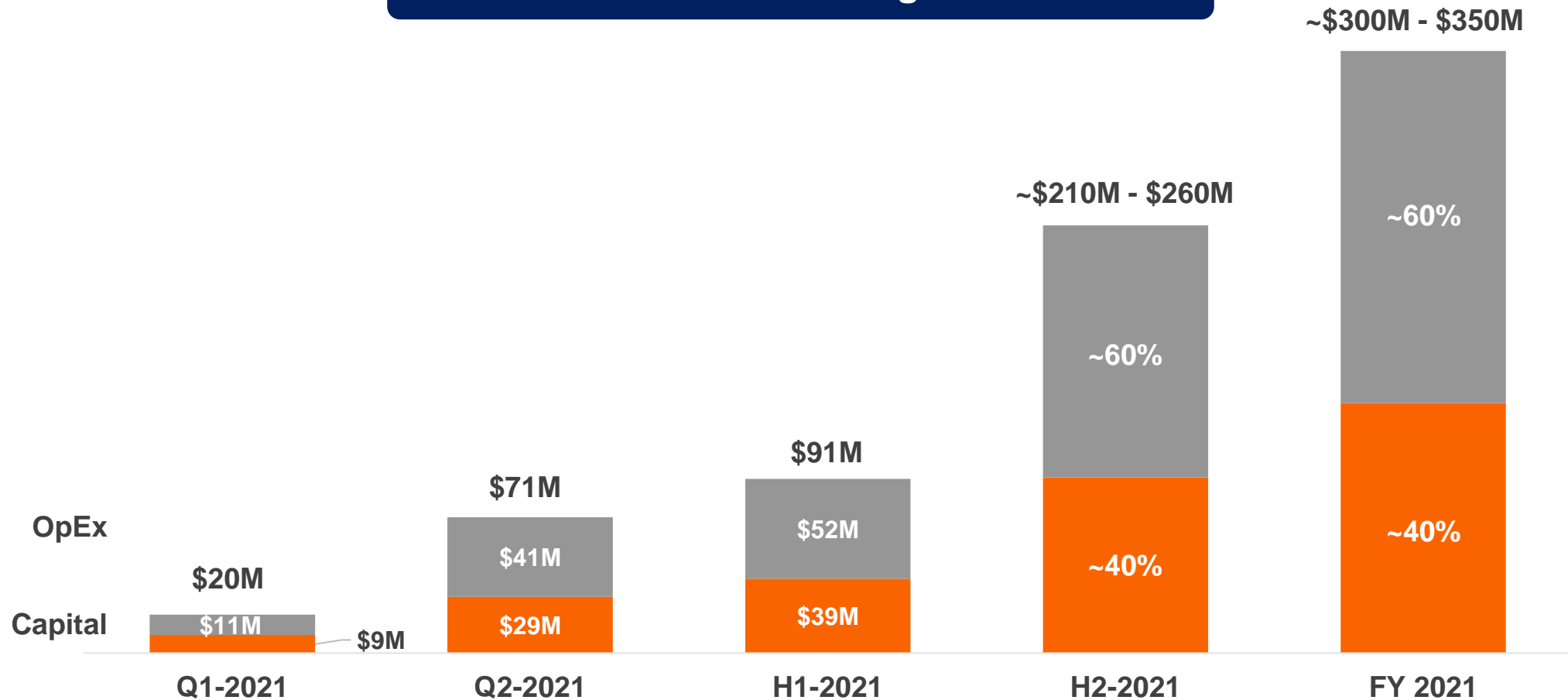
# Consolidated Free Cash Flow

(\$ millions)	Second Quarter			Six Months		
	<u>2021</u>	<u>2020</u>	<u>Change</u>	<u>2021</u>	<u>2020</u>	<u>Change</u>
<b>Comparable Free Cash Flow (Continuing Operations)</b>	<b>\$404</b>	<b>\$268</b>	<b>\$136</b>	<b>\$692</b>	<b>\$381</b>	<b>\$311</b>
Other Items (Refinitiv separation costs & Change Program costs)	(\$16)	\$32	(\$48)	(\$28)	(\$31)	\$3
<b>Free Cash Flow (Continuing Operations)</b>	<b>\$388</b>	<b>\$300</b>	<b>\$88</b>	<b>\$664</b>	<b>\$350</b>	<b>\$314</b>
Free Cash Flow – Discontinued Operations	(\$9)	\$5	(\$14)	(\$46)	(\$10)	(\$36)
<b>Free Cash Flow</b>	<b>\$379</b>	<b>\$305</b>	<b>\$74</b>	<b>\$618</b>	<b>\$340</b>	<b>\$278</b>

# Change Program Investments

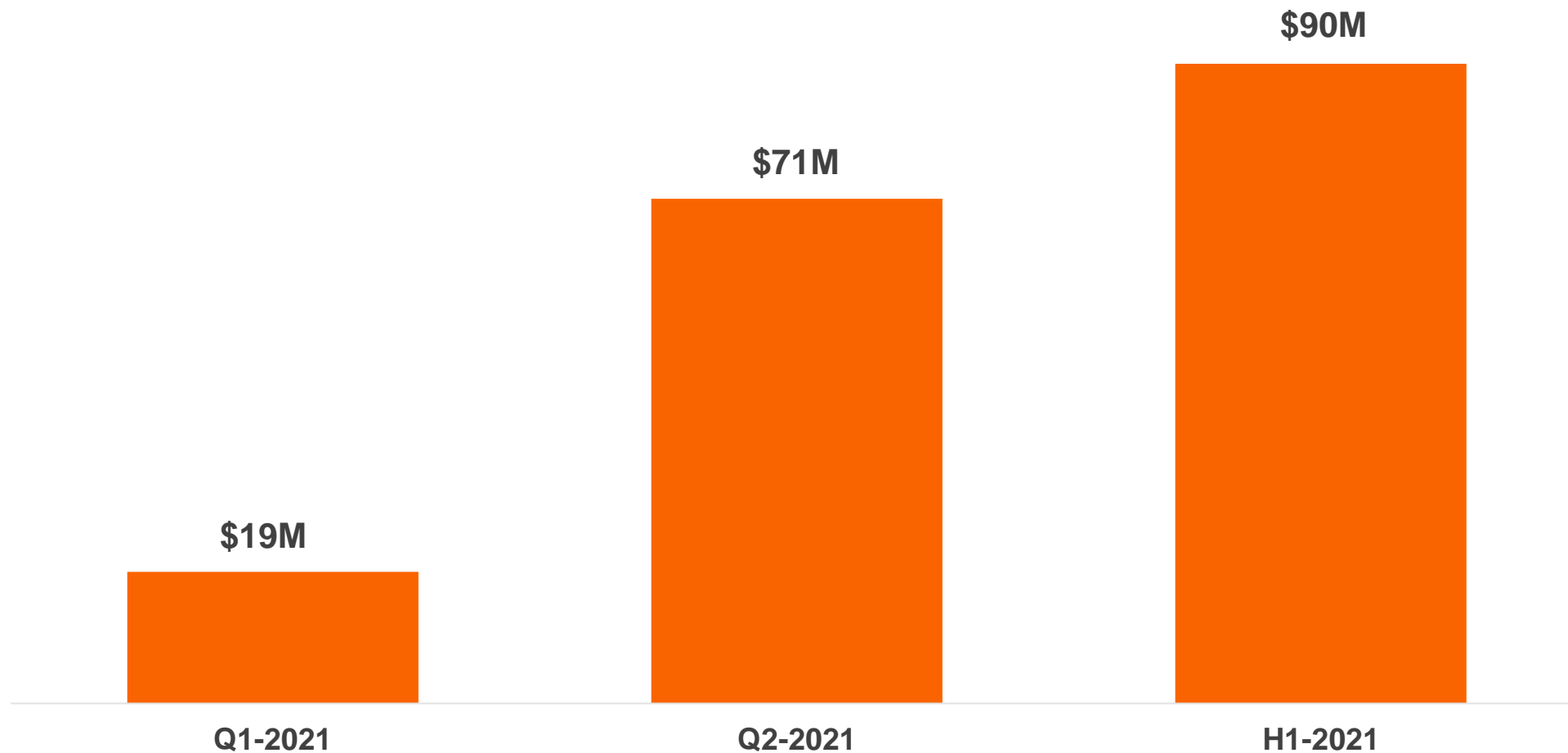
Forecast More Than 50% of Change Program Costs Will Be Incurred in 2021

## 2021 Phasing



## Change Program Run-Rate Savings

Achieved Run-Rate Operating Expense Savings of \$90M in H1 2021



## Increased FY 2021 Outlook for Total Company & Big 3

<b>Total Thomson Reuters</b>	<b>Q3 2021 Outlook</b>	<b>Feb. 23, 2021 FY Outlook<sup>(1)</sup></b>	<b>May 4, 2021 FY Outlook<sup>(1)</sup></b>	<b>August 5, 2021 FY Outlook<sup>(1)</sup></b>
Total Revenue Growth	3.5% - 4.0%	3.0% - 4.0%	3.5% - 4.0%	4.0% - 4.5%
Organic Revenue Growth	3.5% - 4.0%	3.0% - 4.0%	3.5% - 4.0%	4.0% - 4.5%
Adjusted EBITDA Margin		30% - 31%	Unchanged	31% - 32%
Corporate Costs		\$305 - \$340 million		
Core Corporate Costs		\$130 - \$140 million	Unchanged	Unchanged
Change Program OpEx		\$175 - \$200 million		
Free Cash Flow		\$1.0 - \$1.1 billion	Unchanged	\$1.1 - \$1.2 billion
Capital Expenditures as % of Revenue		9.0% - 9.5%	Unchanged	Unchanged
Change Program Capex		\$125 - \$150 million		
Depreciation & Amortization of computer software		\$650 - \$675 million	Unchanged	Unchanged
Interest Expense (P&L)		\$190 - \$210 million	Unchanged	Unchanged
Effective Tax Rate on Adjusted Earnings		16% - 18%	Unchanged	Unchanged
<b>Big 3</b>	<b>Q3 2021 Outlook</b>	<b>Feb. 23, 2021 FY Outlook<sup>(1)</sup></b>	<b>May 4, 2021 FY Outlook<sup>(1)</sup></b>	<b>August 5, 2021 FY Outlook<sup>(1)</sup></b>
Total Revenue Growth	5.0% - 5.5%	4.5% - 5.5%	5.0% - 5.5%	5.5% - 6.0%
Organic Revenue Growth	5.0% - 5.5%	4.5% - 5.5%	5.0% - 5.5%	5.5% - 6.0%
Adjusted EBITDA Margin		38% - 39%	Unchanged	~ 39%

(1) Before currency, includes Change Program impact and excludes the impact of future acquisitions / dispositions

# Q&A