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Hello, and thank you for joining us for the Thomson Reuters 2021 Investor Day. 3 weeks ago, we outlined our Change Program and how the program is designed to transition us from a holding company to an operating company, and from a content company to a content-driven technology company. And as Steve said at the time, it's really imperative that we elevate our value proposition, that we enhance the customer experience and that we also maximize our performance.

Well today, you will hear how we intend to do just that from members of our management team who are leading the program. They will take you through a series of presentations, starting with how we will change the way we manage customer service and support, technology and also product development. We will then turn to our Big 3 businesses, and we'll discuss how the 7 strategic growth priorities are expected to contribute to our forecast of achieving organic revenue growth of 5% to 6% in 2023.

Now as with so many things that have changed due to the pandemic, we're hosting today's event virtually, and we're disappointed we can't be with you in person. Nevertheless, I think you'll find today's program helpful and insightful, and you'll agree it was time well spent.

For those of you who've attended our previous investor days, we will follow a similar format, which you see reflected on this slide, Today's Agenda. Please note, we will have a 10-minute break around halfway through the program. And at the conclusion of today's formal program, we will open it up for Q&A, when Steve and Mike will be joined by Brian Peccarelli, Kirsty Roth and David Wong.

Today's series of presentations contain forward-looking statements and actual results may differ materially due to a number of risks and uncertainties related to the COVID-19 pandemic and other risks discussed in reports and filings that we provide from time-to-time to regulatory agencies. You may access these documents on our website or by contacting our Investor Relations department.

Now before I turn it over to our CEO, Steve Hasker, let's begin today by hearing from our customers.

(presentation)

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

Good morning and good afternoon, and thanks to all of you for joining us today. As you just heard in the clip, our customers feel very, very strongly about Thomson Reuters. They have high expectations of us, and they want us to do more as their needs change. We're excited about the opportunity to meet and exceed those expectations going forward. And as Frank said, we have a full agenda to share with you today, which we believe you will find compelling and exciting.

We will discuss Accelerating to 3.0, a strategy and a program that will transform the company and build on our tremendous strengths. On our Q4 earnings call, we introduced the Change Program. Today, we'll go deeper and provide you with the specifics of that program. We'll take you through the components of the program and show you how we will transition from a holding company to an operating company, and from a content company to a content-driven technology company. And you'll hear from the very talented and capable team that we've assembled to execute this program. Some of those faces will be quite familiar to you, and some will be new and reflect the caliber of people that we've brought on board to manage the transition and assist us in achieving our ambitious goals.

Upon completion of the program, I'm confident that Thomson Reuters will have significantly improved the customer experience and will be a more effective and efficient organization, the fruits of which will be faster-growing and a more profitable company.

So with that introduction, let's begin.

First, some context. It's important to emphasize that we're implementing our change program from a position of strength. The first point I'd like to make is that we operate in robust legal; tax; and risk, fraud and compliance markets. I believe our businesses are rock solid, and we are #1 or #2 in our core Legal, our core Tax & Accounting and our core Corporates business as well as risk, fraud and compliance franchise. This is supported by a trusted brand and a very highly engaged group of associates across the world.

Point number two. The prevailing tailwinds in our markets play to our strengths and will contribute to our growth. These tailwinds are blowing in our favor, and they play to those strengths, and they will help drive our growth going forward. COVID has changed how, when and where people work, which is an opportunity for us at Thomson Reuters. Additionally, our markets are healthy and they're growing. We operate in a stable competitive environment, and our markets are integral to the proper functioning of professional services ecosystems globally.

Point number three. We have 2 powerful levers to drive both growth and efficiencies. Lever number one is transitioning from an operating company to take full advantage of our scale and the customer experience we provide, the technologies we operate and the products we build. And lever number two is building a content-driven technology company by extending our unique content with AI and software to create significantly expanded use cases and deliver increased value for our customers. These 2 levers will expand our customer relationships and enable us to provide a far better customer experience at a lower cost to serve that also enable us to expand our market size.

Point number four. This is an organic growth plan, and we have a very seasoned team in place to execute it. We believe we can achieve our targets with the momentum we have in our current markets and our current businesses. Bolt-on acquisitions will therefore be additive. And more on this in a moment.

And we've developed a well defined plan, and we've begun executing. We've been hiring high-caliber, highly qualified, experienced talent, to help lead this transition and successfully -- and these are people who successfully undertook similar programs in their prior organizations. These leaders complement the very experienced Thomson Reuters teams that successfully executed large-scale projects in the past, including the separation from Refinitiv.

Point number five, our LSEG position provides substantial opportunity as we will have significant capital to deploy beginning in 2023.

Since joining the company 1 year ago, I've been more and more impressed with how attractive our market segments are and how resilient they have proven throughout the last year. Our Legal, Tax and Government businesses are healthy and growing, and those high retention rates are

directly related to the richness of our proprietary content and the thousands of experts that develop that content and wrap it with AI and machine learning.

And finally, the 4 business characteristics mentioned enable us to generate significant free cash flow, which we'll use to reinvest in the business and return to our shareholders. It's a model that we do not take for granted, and we're working to further strengthen and expand our positions.

I presented this slide in our Q4 earnings and noted how pleased we were with the performance of our Big 3 businesses in 2020 under very trying circumstances. 80% of our revenues grew 4% organically in a challenging global economic environment, which was an impressive result. And high levels of recurring revenue and high retention rates contribute to the resilience of these businesses. And although Reuters News and Global Print were negatively impacted by the challenging market environment, we're expecting a better performance this year for both of these businesses as the economic environment improves throughout the year.

And I must point out that although 80% of our revenues are in the United States today, we have strong franchises, talented associates and great customer relationships in over 75 countries. And going forward, we see plentiful opportunities for growth in key international markets that both take advantage of our core strengths in the Big 3, but will also benefit from and reinforce the Change Program. And more on this international momentum against the Change Program agenda as we progress through the year.

Now the reason these businesses are so resilient is because we've built strong positions across Legal; Tax; Corporates; fraud, waste and abuse; and news over many, many years. These strong positions provide us with a competitive advantage, and they are the byproduct of having key proprietary content assets which are built on a combination of editorial expertise combined with AI. The trusted, authoritative content we produce is a foundational strength, and it's highly valued by our customers and it's very, very difficult to replicate, and it helps differentiate us from our competitors.

Having addressed the strength of our markets and businesses. I'll now explain how we plan to further capitalize on those strengths and how our Change Program is designed to do just that. The goals and objectives of the program were determined after having assessed the strengths of our businesses, where we need to change in order to better serve our customers and what we need to do to address their rapidly evolving needs. It's clear we have strong market positions and our customers love our content, but it's imperative that we elevate our value proposition, enhance the customer experience and maximize our performance.

But before I delve into the specifics of the program, let me first discuss the current market dynamics. To begin, we are fortunate in that the business information sector, the sector where we operate, is benefiting from prevailing tailwinds in the market. For example, over the course of the past 12 months, we've all learned to work in ways we could never have imagined prior to the pandemic. And fundamental shifts are taking place. These changes are requiring our customers to rethink their strategy, their way of working, where they locate employees and how they allocate their budgets. We do know that trusted or authoritative, always-on, actionable content, combined with unique data, AI and software is a must-have, and the companies that provide it will win.

The second is that these accelerated changes are enabling us to better serve customers and are opening new markets for companies like ours. It's allowing us to deliver our quality content to anyone anywhere. Digital technologies and software are democratizing ways of working. Attorneys and accountants in small towns and cities now have the same access to high-quality legal and tax solutions as their counterparts in New York or Boston. Our self-serve, omnichannel offerings will enable us to reach these smaller customer groups and SMB firms, which we believe will contribute to higher growth.

And third, we have an advantaged position with exposure to high-growth verticals within our core markets. Demand for solutions in areas such as direct and indirect tax; audit; legal how-to; and broader workflow software tools for risk, fraud and compliance solutions, are all in growing markets, and we are very well positioned to serve those customers.

So these tailwinds are accelerating the pace of change, and we're changing to meet the needs of our customers. We're making it easy to work with us and enabling them to extract more value from our information, benefiting them commercially and competitively, which will enhance those customer relationships, competitive position and growth.

Now to the Change Program. We have 2 levers to pull as part of this program. Lever number one is the transition to an operating company. Our business segments will focus on go-to-market and will be supported by pan-TR functions that will manage the customer service and support, technology and product development. This will significantly enhance customer experience and will improve efficiencies by building once and deploying many times. Our overall cost to serve will decrease, which will free up investment to meet emerging customer needs and pursue new growth opportunities.

Our objectives are: To make it easier for our customers to do business with us; to significantly modernize and simplify our product portfolio and product development groups; to reduce complexity in our operations and technology organization; and from a talent standpoint, to continue to simplify the organization and shift to a more innovative culture.

Lever number two of the program is transitioning from content provider to content-driven technology company. Our content is a significant competitive advantage. It differentiates us and it builds our brand. And our new structure positions us to achieve greater success by leveraging that valuable content, enriching it with world-class AI and best-of-breed software and delivering it in the cloud. We started this journey with Westlaw Edge and Checkpoint Edge, and we're expanding the playbook to our other solutions. This will provide a better, more modern customer experience and will enable us to reach a wider number of clients, particularly in the SMB and international markets, where we can drive higher revenue growth.

I'll now discuss specifics regarding how we will better serve our customers and access new customer groups and geographies. This program is formulated to drive deep and long-lasting transformation at Thomson Reuters. It's designed to simultaneously drive revenue growth and improve efficiencies as we transition to a simpler, more integrated and fast company. The work streams for the 4 focus areas on this slide are well underway. And let me describe the changes in each area.

Firstly, reimagining the customer experience. We're creating fast, frictionless, connected, transparent and personalized customer experiences. This includes upgrading and scaling digital marketing and driving enhanced sales and service from data and analytics. The end result of this in 2023 will be significant portions of the customer experience will be enhanced through digitization and automation.

Secondly, optimizing products and portfolio means we're shifting our focus to a smaller number of higher-growth product categories, where synergies exist and where we can build and maintain leadership positions. This will be supported by a concerted push to world-class product proposition, strategy development, pricing, delivery and product management. The end result of this in 2023 will be a more focused and integrated set of products that drive valuable outcomes for our customers.

Thirdly, simplifying operations and leveraging technology. We're scaling up machine learning, reengineering the underlying processes and creating shared technology platforms that support agile product development and significantly enhance that customer experience. The end result of this in 2023 will be a modernized, simplified technology architecture and operations footprint.

And finally, we're building and strengthening an inclusive culture of world-class talent. We've implemented new talent management processes and supported these with external hires and increased investment in training and development. The end result in 2023 of these initiatives will be a self-replenishing pipeline of world-class internal talent.

In parallel with the Change Program and executing against the focus areas I discussed, we're also investing in 7 strategic growth priorities from within the Big 3 segments that operate in strong verticals. Several of these businesses will be familiar to you and are the cornerstone franchises such as Westlaw, others may be new to you. But each of the 7 have been identified as attractive opportunities that we plan to invest aggressively behind, and we believe that will accelerate our organic growth.

The 7 growth priorities were identified based on several characteristics: First, they currently have strong market positions; second, the product groups operate in healthy, growing markets; third, they are fast-growing products and have greater potential to scale; fourth, they have clear strategic fit in areas where we have a competitive advantage; fifth, they're financially attractive from an EBITDA growth and a capital intensity and return perspective. We've already begun shifting our focus and investment to these 7 priorities, and they're expected to grow upper single-digit over the next several years. We also continue to see operations for tuck-in M&A to accelerate our positions across these product categories, and

we have an active pipeline of potential acquisitions across the Big 3 business segments, which we regularly review and assess. We continue to believe there are attractive opportunities in which to invest inorganically in our current markets.

Now to the financial targets. The Change Program is expected to take 24 months to largely complete, and we've begun executing with urgency. It will require an investment of between \$500 million and \$600 million in 2021 and '22. This investment will deliver several things: Firstly, additional revenues of \$110 million per annum; secondary, operating expense savings of \$600 million, \$200 million of which will be reinvested in growth initiatives for a net savings of \$400 million; and lastly, a reduction in capital spending as a percent of revenue to between 6% and 6.5%. And I'll also note that these targets have been embedded in the Change Program and incorporated into our annual incentive plans as a team.

We've also set financial targets for each of the next 3 years. In 2023, we forecast our total company organic revenue growth of 5% to 6%, and Big 3 organic growth of 6% to 7%. This higher revenue growth, coupled with the efficiency benefits from the Change Program is forecast to deliver an EBITDA margin of between 38% and 40% in 2023. And with EBITDA margins and lower capital expenditures, we forecast free cash flow per share of \$3.60 to \$4 per share in 2023, substantially higher than 2020's \$2.67 per share. Given the resilience of our businesses, the health of our markets and the team we've assembled to execute this Change Program, I'm confident we'll achieve our goals.

The net result will be sustained faster revenue growth, significantly higher margins and record free cash flow and free cash flow per share.

I'll conclude by saying that we're excited, and we're energized with the rollout of this program. It's a truly transformative program for our company. And beyond the operational and structural changes we will make, which are essential, I'm confident the program will also lead to Thomson Reuters being acknowledged as a leading content-driven technology company and recognized as a leader wherever we operate, powering professionals in Legal; Tax; risk, fraud and compliance; and News.

We also want to be acknowledged by our customers as an innovator and a builder of products that delight them. This will afford us the opportunity to expand our customer relationships from delivering accurate content to powering customers' businesses. And by 2023, we expect to have essentially redesigned our customer experience to match our customer expectations by delivering a seamless experience and enabling access to new customer groups, including SMBs.

And finally, our ownership interest in LSEG provides a substantial optionality to further strengthen our position. We forecast we could have financial capacity of as much as \$15 billion by 2025, which will allow us to assess options to drive further growth and shareholder value. That said, we understand that we must successfully execute on the Change Program and earn the right to deploy that capital if opportunities were to present themselves.

Let me now introduce Kirsty Roth, our Chief Operations and Technology Officer. Kirsty joined the company last August from HSBC. She has many years of experience developing and executing change programs at global financial institutions, and she's been intimately involved in developing the program we will share with you today. It's my great pleasure to introduce Kirsty. Thank you.

Kirsty Roth - Thomson Reuters Corporation - Chief Operations & Technology Officer

Thank you, Steve. It is my pleasure to cover Lever 1, our transition from a holding company to an operating company. I have personally had significant experience creating global functions that manage customer service, leverage technology and develop products. At TR, these will significantly enhance customer experience and will improve efficiencies. Going forward, we will build once and deploy many times.

The good news is that we begin this transition from a position of strength. We have terrific businesses in growing markets. And as Steve mentioned, we are fortunate the market where we operate is benefiting from prevailing tailwinds.

Over the course of the past 12 months, we have all learned to work in new ways. Fundamental shifts are taking place for our customers, and we must change to meet their expectations. The significant programs that I have led in the past with financial services companies were implemented under very challenging market conditions and with structural changes taking place both in the company and the market. We have none of that here. That gives me great comfort and allows us to focus on the program and not the external noise.

In order to do this, we will need to remove significant complexity that has built up over many years to improve the customers' experience. This will in tune, drive revenue growth, improve efficiency and lead to improved EBITDA and free cash flow.

Our customers tell us that our complexity means that they don't always end up with a joined-up experience. And whilst they are always positive about our teams and they love our content, our colleagues spent too much time supporting this complexity. At all points of customer engagement, whether that is finding or understanding our product offerings, getting access to a trial, purchasing a product or calling one of our call centers as support, our complexity can make things harder than they should be for our customers, negatively impacting cross-sell opportunities and retention.

The transition we are undertaking has been done by corporations across the world for over a decade. So although late to the game, we will benefit from that work and new, more efficient and lower-cost technologies. It is a testament to the strength of our products and content that we continue to enjoy very high customer retention rates despite this complexity.

I wanted to give you some context behind how we constructed the Change Program. We did over 80 in-depth customer interviews, we undertook significant analysis of market opportunities, market sizing and competitive positioning. And throughout the sprints, over 150 TR colleagues provided input end-to-end. This resulted in 5 key focus areas.

Firstly, taking an end-to-end view of the customer to give our customers a seamless experience.

Secondly, providing omnichannel capabilities for our top customers who tell us they want to be able to do simple tasks. For example, adding employees to a product and paying bills themselves as well as continuing to have that white glass surface when they really need it.

Thirdly, we will be providing our colleagues with a 360-degree view of the customer so that when they're at a sales role, they can fully understand the customer support needs and vice versa. If they're in support, they can see, for example, a renewal is up and coming.

Fourthly, we will create shared capabilities to increase reusability and shorten time to market. We will enhance our data and analytics to really understand and improve our customer insights and improve their journeys. We will also take our industry-leading content, modernize it, so we can fully utilize the value of these assets, and we will complete our shift to the cloud.

Finally, we will make a material push into small and medium businesses using self-service, which we will start in 2021 with our Legal products, closely followed by Tax.

If you look at this slide, we have shared 1 illustration of what this new journey will be like for Kevin, a potential small law customer. Our customers have told us that they want easy-to-find, simple demos, easy-to-understand pricing, a personalized and guided trial experience. And when he wants to purchase, Kevin wants a seamless process. As his business grows, he wants to be able to add other employees and have further useful products or modules recommended to him based on his usage. Kevin wants to be able to manage his billing and invoicing for all his products in a simple way.

Our customers told us that we can be complex and that they would like to interact with us in a way that suits them, again, looking for more ways to seamlessly work with us. This means we will firstly improve the customer experience in our call centers by simplifying the footprint, introducing technology to enable us to better identify our customers and increase our first call resolution rate. Secondly, we will add chat bots and enable services to be done as self-serve via the Customer Success platform. Thirdly, our customers also told us that they want more timely training for their new employees or new functionality when it suits them. So we'll be launching more options here for them to access in a timely manner.

We have shown an example of what Anita, a mid-sized law customer is looking for from the omni experience. Similar to SMB, she wants easy access, but she also wants more integration for her own firm. In this example, utilizing her firm's own data for onboarding of her teams. She still wants to speak to sales for advice, but then she chooses to pay her bills and manage her user access directly as well as utilizing the digital training.

For our employees, we will give them a complete 360-degree view of what is happening with that customer, and improve our sales effectiveness with machine learning and in-product marketing capabilities. This will mean that our customers feel like we really know them and we are much more responsive to their needs.

In order to support our customer-facing products, we need to make some improvements to ourselves to enable these changes. Principally, we need to create shared capabilities in engineering to maximize reuse and reduce time to market. David Wong and Shawn Malhotra will address this next.

We also need to enhance our world-class data and analytics capabilities to support sales and enable product to have real insight into the customer experience in our products. We need to complete our shift to the cloud, fully exiting the TR data centers and continue to improve our security and our resiliency.

Finally, building a pure digital channel enables us to grow in small and medium-sized business segments, a real opportunity for Thomson Reuters. In order to do this, we have work to do to modularize the products, make them all SaaS-enabled and simplify our commercial policies. This will help us grow in this new area, reduce churn in small customers and drive down the cost to serve.

We will continue to drive revenue growth and deliver value throughout the program and have already made good progress in Q1. I thought I would share a few highlights from the program so far. We now have in-product messaging in Practical Law and Westlaw live. We have our first chatbot for Tax launched. Our 360-degree customer view from the medium law team is live. And we have over 30,000 customers on our self-serve platform already using account management and billing. As a reference, this represents about half of our small law customers. In addition, we have moved over 94% of all our customers to e-invoicing, which has improved efficiency, lowered costs and improved collections.

What I have outlined for you today will require a substantive investment in customer experience, an ambitious but realistic Change Program, which is expected to drive additional revenue and strong efficiencies for TR. As I mentioned, I've executed on similar programs twice before, and it is great to start from such a position of strength where our core product offerings are highly regarded by our customers and we don't have the additional challenges I have had to contend with in the past in financial services.

That said, in order to be successful, we do have some shifts to make. Firstly, supplementing the team with some tested talent and moving to a test and learn culture where mistakes can and will be made along the way. I am excited by the opportunity in front of us and confident we will be successful.

I will hand over to David Wong, our Chief Product Officer, who will tell you about how we will shift from a content company to a content-driven technology company.

David Wong - Thomson Reuters Corporation - Chief Product Officer

Thanks, Kirsty, and good day, everyone. My name is David Wong, Chief Product Officer at Thomson Reuters. I joined the company last August from Facebook, and I'm based here in Toronto.

Earlier today, Steve shared the 2 ways we are transforming Thomson Reuters. First, transitioning from a holding company into an operating company, which Kirsty covered in her presentation on our Change Program. And second, transitioning from a content provider to a content-driven technology company, which I'm excited to share more about this morning.

I will be focusing on the what: What we will be building to serve changing customer needs and to capture new organic growth opportunities. And Shawn Malhotra, my partner in product engineering, will be focusing on the how: How we will be building to encourage innovation and increase the scale and efficiency of our capital investments.

We are transitioning to a content-driven technology company to better meet the changing needs of our customers. Digital transformation will be the single largest driver of change for the professionals we serve in the next 3 to 5 years. In 2020, we experienced a once-in-a-generation shift in

how professionals and institutions work due to the pandemic and work from home. On top of this, advanced AI and data capabilities are becoming broadly available, allowing many more companies to deliver AI-enabled software. Added to this is the continuation of long-term trends of increasing regulatory complexity and demographic change in professions, especially in leadership.

As a result, our customers' needs are changing. They need products which are designed for remote and virtual work, they are demanding even greater cost and time efficiency, and they're seeking an edge versus their competitors through specialization and proprietary assets. All the while, they expect a delightful and well-designed experience from our sales, service and user interfaces. And so we are transitioning into a content-driven technology company to better serve our customers as they change.

Our content is a significant competitive advantage. It differentiates us and builds our brand. We are now focused on expanding and leveraging that valuable content, enriching it with world-class AI and ML, best-of-breed software and delivering it in the cloud.

So what does a content-driven technology company look like? It means that we start with our unique content and intellectual property assets and build technology to enrich and to exploit them. We will be faster to market and supported by world-class operations expertise and machine learning to deliver greater content coverage and depth in our content. Our edge in content and data enables us to build world-class AI and ML applications. AI models are only as good as the data that trains them. Industry-leading algorithmic innovations have been made broadly available, thanks to cloud computing providers, and so we believe that our edge in content and data will differentiate us in the market.

We will invest to create great customer experiences and workflows that depend on our content. Our software will be well-designed and focused on improving the efficiency of our customers, saving them time and effort through automation, assistance and ease of use.

Finally, building from our Change Program that Kirsty spoke about, we are focused on delivering our solutions with SaaS business models and increasingly as cloud software.

We start from an advantaged position in content and data. Across our portfolio, we have proprietary assets which are created, enriched and maintained by our talented people and enabled by know-how developed over decades. More than 80% of our editorial team have advanced degrees, have an average of 11 years of professional experience in their area of practice and are passionate about TR's mission.

Through our Change Program, we are investing to modernize the tools and technology that these professionals use, embedding automation and machine learning into the more routine processes they do like indexing, reconciling changes in law and classification so that our teams can focus on creating new content. The result of our investments will be an expanding content and data estate which will be increasingly difficult to replicate, and faster time to market to serve our customers as our businesses and practices change.

Let me now discuss specifics regarding how we will better serve our customers and access new customer groups. Our opportunity for growth is through serving expanding customer needs. The investments and changes we are making to become a content-driven technology company will enable TR to capture this growth. We've observed across our portfolio that we serve 2 needs very well today: We help our customers get work done correctly and in compliance, and we help to minimize risk and loss in their business by avoiding costly mistakes.

Going forward, we will drive growth in 2 ways: First, by focusing on our strengths and extending our lead in core franchises, combining our unique content with better software and AI capabilities to extend our lead; second, by capturing new opportunities by investing to serve adjacent needs, helping our customers to save time and effort in their work and to grow their firms and businesses. This is where we will reap the benefits of our investments to become a product innovator.

Our customers are asking us to help them with these needs today, and the demand for solutions that serve these needs is large and fast growing. We've made promising first steps with our emerging and fast-growing products like HighQ, Onvio and Legal Tracker. However, to fully capture this opportunity, we're building new skills, capabilities and adding talent to become a product innovator.

On the first lever, the 7 strategic investments that we've prioritized through rigorous portfolio review will drive incremental growth with attractive returns on investment. Nearly all of these solutions are supported by our proprietary content and data and are deeply embedded in our customers'

business workflows. Our investment to migrate to cloud-based delivery, improved software experiences and integrate automation and AI capabilities will enable us to reach a wider number of clients, particularly in the SMB markets, where we can drive higher revenue growth.

We are focused on becoming a product innovator to serve the growing needs of our customers to save time and effort and grow their firms and businesses. Our products will increasingly include 3 characteristics.

We will provide solutions to automate tasks and use machine learning and AI to reduce the burden of routine tasks, such as document review, data entry and collaboration on complex tasks and projects, and enable professionals to focus on high-value work.

Our products will increasingly integrate with customer data and generate value for customers through analysis and insights. This will include improving the integration of the data customers generate in our products with their infrastructure, and improving analysis and insight capabilities within our products as we've been developing with our API platform and advisory and insights products.

Finally, our products will increasingly have consumer-grade user experiences which are entirely self-service. This will enable TR to better serve the small firm and SMB segment of our customers, who are underserved by our products and represent a substantial market opportunity.

This is supported by investment in new talent and capabilities in design, product management, data science and AI. For example, we've recently had our new Head of Product Design, Charlie Claxton, joined us from Amazon, where he previously led design for a broad set of products at Amazon, including the third-party seller platform and Alexa integrations with smart devices, also known as Alexa Everywhere. We're recruiting and upskilling teams across these disciplines to build a team and culture, which embraces innovation, experimentation and customer understanding to build new products.

Let me now share some examples of how our Change Program will transform the experience of our products using the Legal business as an example. Our investments to modernize our technology and build cloud capabilities will allow us to integrate our products and increase our cross-sell to each of our customer personas. This will be powered by a consistent design system, shared components and a common cloud infrastructure for our products, where Shawn will go deeper.

The impact will be a more coherent customer experience with a clear TR look and feel, improved discovery of our products in day-to-day use and opportunities for upsell and cross-sell, accessed through this single navigation panel. On top of this, the customer will seamlessly be able to navigate between our applications to get their work done more easily and faster, thanks to a consistent TR design system. Our objective is to have users have consistency in their most common tasks in our product to reduce the time to value for our customers.

That upsell and cross-sell will increasingly be self-serve and delivered through an end-to-end digital commerce experience for discovery, trial and purchase by customers. These capabilities will accelerate our growth with small customers and promote our latest innovation to our largest customers, right inside our products.

In this example, our Practical Law customers will be able to learn, try and buy a new interactive content set called Knowledge Maps. Instead of receiving a marketing e-mail and setting up an appointment for a demo, we will showcase the value directly to customers through trials and self-serve learning materials. And once they're ready to purchase, they can add-on the feature, get support and manage their building right within our product experience.

So to summarize. We're transitioning to a content-driven technology company. We will be recognized as a market leader by serving customers' fastest-growing needs and leading them through their digital transformation journeys. We will be a product innovator, building from our advantaged position with unique content assets and serving emerging customer needs through world-class AI and automation, tight integration between TR solutions and our customers' data and industry-leading software design. Finally, we will provide a superior end-to-end customer experience supported by our Change Program.

I'm thrilled to now introduce Shawn Malhotra, TR's Head of Product Engineering, to share how we were -- we are building at TR and how it will help us deliver our growth agenda. But before Shawn presents, let's show you a little of our Toronto tech lab.

(presentation)

Shawn Malhotra

Hi. I'm Shawn Malhotra, Head of Engineering for Thomson Reuters, and I'm really excited to be with you today. In addition to leading engineering for the company, I've also been lucky enough to have led the build-out of our Toronto Technology Center, which includes our Cognitive Center for Computing, from its inception back in 2017, when we started it from scratch, to its current state with over 350 technologists, all working to build great technology for our customers.

I really do believe we've got a great team. But becoming an operating company not only impacts what we build, as David articulated, it also requires us to change how we build. Now these changes are all about creating leverage and achieving that proverbial 1 plus 1 equals 3 for our customers. Unlocking that leverage will require us to change how our engineering teams operate, how we're organized and how we architect our solutions.

First, we need to change how the teams operate on a day-to-day basis. We'll be driving a consistent set of engineering principles across all the teams that are based on modern cloud-based development. This makes it easier to rotate talent across teams because it flattens the learning curve for our engineers when they're pivoting to new areas. That in turn improves the agility of the organization, allowing us to more easily meet the dynamic needs of our customers. It also ensures we're making the most of our recent investments in cloud migrations. By tapping into the rich ecosystem of tools and data made available by our cloud service providers, we can improve productivity, quality and collaboration with partners and customers.

Next, we need to change how the teams are organized. Historically, much of the engineering organization sat in large vertical teams focused on a specific part of the product portfolio. And that leads to repeated work, it slows us down and leads to inefficient spending. By moving some of the common elements from across those verticals -- things like document management. By moving them into pan-Thomson Reuters horizontal organizations, we encourage more reuse of technology across our portfolio. That reuse enables more scalable innovation and experimentation because it lowers the cost of that experimentation and removes technical barriers. That makes it easier for us to explore new potential products with customers.

Finally, we need to change how we architect our software. If you think of a software solution as being made up of a set of building blocks. Today, each product development team is building their blocks in a way that makes it hard to reuse them in other products. By adopting a consistent API-first and service-based approach to development, we will be encouraging teams to build blocks that are engineered for reuse from the get-go.

Now that reuse creates a more consistent customer experience across our product lines; it lowers the cost of development; improves our time to market; and critically, it facilitates co-development with partners and customers because they can also access those same building blocks. It also provides a way to scale the great innovation that comes out of our labs and Cognitive Center for Computing to a wider part of the portfolio. As they create reusable building blocks that are powered by AI and ML, it just becomes easier to leverage those blocks across multiple product offerings.

Now let's see those 3 items in action to solve a real customer pain point. Corporate legal departments today spend a significant amount of time reviewing invoices for external legal services. They do that to make sure billing is fair and accurate. A customer research led by David's team told us that one thing that gets in their way is this concept of block billing. This is when a single item on an invoice actually represents multiple unrelated activities that have been lumped together. These items often require more investigation, but the problem is it's not always easy to tell if a given line item is actually a case of block billing just by looking at it.

So we worked directly with a few pilot customers to determine if we could apply natural language processing and machine learning models to help automatically identify where block billing could be happening. That's all in an effort to save our customers' time and money, and the results were great. The solution we created was able to detect block billing in our test data 94% of the time. That compares to just 76%, on average, across a group of subject matter experts. This ultimately does save our customers' time and potentially money depending on what their investigations find.

This work, which was released in Q4 of 2020, was a collaboration between our horizontal pan-Thomson Reuters Labs group and our vertical Legal Tracker product development team. The teams were able to easily share technology through the use of API-first design principles, and they accelerated their development by tapping into software services offered by our cloud service provider. All of that helps us bring emerging technology to our customers faster to solve a real pain point.

This example is a blueprint for our culture of scalable innovation. It's just one example, but it shows how when we act like an operating company, we can combine unique content to train machine learning models and deliver real customer value. That blueprint has application throughout our portfolio, and it really creates an exciting future for us and our customers.

David talked about our combined end state earlier. And hopefully, you can see how changing the way we operate, organize and architect in the technology organization directly enables that vision. These changes to how we build help us tap into leverage that will create more integrated experiences for our customers and allow us to innovate more quickly to meet their needs. That ultimately allows us to be a market-leading content-enabled technology company.

And now I'd like to turn it over to Brian Peccarelli.

Brian S. Peccarelli - Thomson Reuters Corporation - Executive VP & COO of Customer Markets

Thank you, Shawn. I'm Brian Peccarelli, Chief Operating Officer, Customer Markets, and it's nice to be with you again. This is an exciting time for me personally, having been with Thomson Reuters for over 23 years and seeing the opportunities and benefits the Change Program will deliver for our businesses.

You've heard from our previous presenters how the program is designed to improve the customer experience as we transition to an operating company, and from a content company to a content-driven technology company. This transition will be additive to growth but will also improve efficiency by reducing complexity and cost, and we're fortunate to begin this program from a position of strength.

As you know, we have strong businesses in growing markets, and our Big 3 businesses have already achieved the growth rates we outlined at our Investor Day in 2018. To that improved growth rate, the Change Program will enable us to access new markets and new customers that we believe will further accelerate revenue growth and will further strengthen our positions.

The balance of this morning's presentations will address how we expect to accelerate growth. In Part 1, you will hear from several members of our largest segment, Legal Professionals. They will discuss our core legal franchises, but will also highlight 4 of the 7 strategic investment priorities to accelerate growth. Following Legal's presentations, we will take a short break, and then we will return for Part 2 of the growth initiatives. And we'll hear from our Corporates and Tax & Accounting team.

So with that, it's my pleasure to now introduce Paul Fischer, Interim President of Legal Professionals.

Paul Fischer - Thomson Reuters Corporation - Interim President of Legal Professionals

Thank you, Brian. Good morning. I'm Paul Fischer, Interim President of our Legal Professionals business, and I am excited to introduce you to our largest segment this morning and the many growth opportunities we see ahead. We serve legal professionals in small, mid-sized and large law firms globally. We also serve legal and risk professionals working in government agencies and the judicial system.

Let me begin by touching on 3 highlights for the business. First, we operate in attractive end markets that are healthy and growing with strong prevailing tailwinds as we come out of the pandemic and lawyers adopting new ways of working. Second, we have a leadership position, with #1 positions in our markets with high levels of recurring revenues and high retention rates. And lastly, as you've heard this morning, the Change Program will provide the foundation to accelerate our growth through investments in our technology platforms and new digital sales capabilities to broaden our customer base.

Our business is organized around customers across 5 subsegments. We have market-leading products serving these customers, which I will talk about in more depth on the next slide.

Starting in the top left. We serve the largest global law firms. These firms work with some of the most systemically important institutions and corporations in the global economy, and their needs are highly complex.

Moving to the right. We serve the next tier of midsized firms in the U.S. with tools to help them drive efficiency and be competitive with larger firms.

Next, we serve U.S. small law firms, ranging from 1 to 10 attorneys. They are more focused on consumer needs, but also serve small businesses, and we help them to win new business and get their work done. We believe with the new digital self-serve capabilities Kirsty described earlier, we are positioned to not only serve more to our existing customers but also new customers, particularly in the small law segment.

In the bottom left, we have leading market positions in the U.K., Canada, Australia, and a strong presence in large emerging markets, such as Brazil, through our international subsegment.

And last, but by no means least, our Government segment serves legal professionals that work in government, including the judiciary, state and local institutions and federal government agencies. We also serve risk professionals in the same setting. We will cover more on the Government segment in a following session.

Now if you take a step back, you can see that we are in a unique position in our industry. Our customers span the ecosystem, law firms, government and also corporate legal department customers who buy many of the same solutions. Our global addressable market is \$11 billion growing at 4% to 6%. Within this, our core online legal content and analytics segment is approximately \$4 billion growing at 2% to 3%. The rest of the market where we play today comprises a number of faster-growing software solutions segments growing at 6%.

Within these, there are significant pockets of higher double-digit growth opportunities, where we are prioritizing investment and believe we have significant opportunity given our solutions, our customers' desire to simplify and maintain integrations with fewer providers and our deep long-term relationships across the entire landscape. Our solutions cover client collaboration, document automation and risk, fraud and compliance.

Turning to the dynamics in our markets. Since well before the pandemic, law firms have been under growing pressure from their corporate clients to demonstrate greater value with fewer suppliers. Technology can help deliver this, and the legal market is ripe for further technology-driven transition. A great example is our Quick Check service in Westlaw, which uses machine learning enabled and enhanced by our editorial enhancements. More on this shortly.

During the past year, in the COVID pandemic, our customers have demonstrated great resilience, and we are now seeing an acceleration in their appetite to adopt new technology to enable remote working and serve clients digitally. Our focus on investing in AI and content-enabled software through Westlaw, Practical Law, HighQ and other solutions addresses these dynamics head on.

Finally, turning to the competitive dynamics in our markets. In the higher growth, software and solutions markets, there is a great deal of fragmentation, a vibrant start-up landscape and a number of emerging software vendors. We actively monitor this landscape for opportunities to partner and acquire where we can add significant value to our customer experience. Let me highlight for you some of our industry-leading solutions.

Our portfolio of products has strong market positions, high retention and high recurring revenues. Westlaw is the market-leading legal research solution and an essential tool for lawyers. Westlaw demonstrates the power of applying new technologies on top of an industry-leading content set. Through our premium Westlaw Edge product, we have led the market in the application of artificial intelligence to enhance the quality of insights for our customers. And in doing so, we have driven accelerated growth. Our Head of Product for research products, Andy Martens, will go into more detail on Westlaw in the next session.

Practical Law created the category of legal expert guidance. Our large team of expert attorney editors, covering all major legal practice areas, keeps our customers up-to-date on changes in the law and equips them with templates, checklists and other crucial tools. Since the acquisition in 2013, Practical Law has been a major source of growth, particularly as we have rolled out the product in North America. You will hear more from our Head of Practical Law, Elizabeth Beastro, shortly.

FindLaw delivers industry-leading online marketing solutions to small law firms. For smaller firms, their #1 pain point is finding new business. This is where FindLaw operates, helping small firms attract new clients and grow their practices. Elite is the industry-leading financial and practice management solution for larger law firms. We know exactly how law firms operate and have embedded our domain expertise into the system, which makes it more attractive for firms than using a horizontal platform, such as an SAP. Firms truly rely on our lead solutions to manage their complex operations.

Now let me highlight for you some of our industry-leading software solutions. HighQ was acquired in 2019, and we couldn't be more pleased with its performance since acquisition. HighQ is the central platform for our practitioner workflow solutions, helping our customers reimagine how they serve their clients. Corporate legal departments are also users of HighQ. Andy Martens will talk you through our strategy for workflow solutions in the next session.

Contract Express is the industry-leading contract automation software and was one of our first HighQ integrations. The richness and the flexibility that Contract Express templates bring to our legal solution ecosystem is a true differentiator. Automating the creation of contracts and drafts not only speeds up lawyer workflows, but it reduces the chances of error as well.

Drafting Assistant is one of the best examples of a truly integrated product that leverages our AI-enabled content products. Accessible directly in Microsoft Word, Drafting Assistant helps litigation attorneys ensure that the authorities they cite are valid, and through Quick Check, identifies better authorities that the attorney's research had not found.

Taking a step back, we have the broadest and most complete set of solutions for legal professionals in the market across content and content-enabled software, which are difficult to replicate and provide us with an advantaged position. We also have a rapidly growing \$400 million government business in a rapidly expanding market that is reported within the Legal segment. We have strong propositions and market positions in this segment as well. This is also a market segment where we would like to invest further inorganically. Our President of Government, Steve Rubley, will go much deeper explaining these products shortly.

Now let me highlight our key organic growth drivers and how the Change Program can accelerate legal professionals. We will continue to build out our cutting-edge Westlaw Edge solution to further our lead in next-generation legal research, and through Quick Check, legal document creation. And we will scale and continue to grow Practical Law, leveraging AI-enabled capabilities and expanding into global content and new use cases.

Delivering a unified experience across our legal workflow solutions to make our deal set even more essential to practitioners will unlock new sales and cross-sell opportunity, and we will accelerate our government business, building on our strong proposition with CLEAR and Pondera. Combined, we are targeting revenue growth of 5% to 6% by 2023, with significant margin expansion. Lastly, the change program investments in digital, product integration, modernized and simplified technology and internal talent will provide legal professionals with a strong foundation to drive this growth performance.

Reflected on this slide are the 7 strategic priorities Steve Hasker previously discussed. 4 of these priorities sit squarely in the Legal Professionals segment, and I have touched on these already on the preceding slides. They are Westlaw, Practical Law, legal workflow and risk fraud and compliance, which is at the heart of our government business as well as being relevant for corporate customers.

In the next 30 minutes, we are going to dive deeper with you on these opportunities. First up, let me hand over to Andy Martens, Head of Product, to talk about how we are evolving our Westlaw and legal workflow solutions to drive new value for our customers.

Andy Martens - Thomson Reuters Corporation - Senior VP and Global Head of Legal Product & Editorial

Thanks, Paul. I'm Andy Martens, and I manage Thomson Reuters research, product and editorial teams. It's a pleasure to be with you again. When we last talked at the December 2018 Investor Day, I shared with you my excitement about our then recently launched Westlaw Edge. Today, I'd like to do 2 things: both check in on our progress with Westlaw Edge, provide you with some insight on how we will continue to drive growth in Westlaw in both the short and medium term, and also discuss our workflow solutions as another avenue for growth.

First, Westlaw Edge. I am really pleased with the adoption we've seen of Westlaw Edge since its launch in July 2018. All U.S. Federal Courts, the U.S. Department of Justice and courts in 42 states have all adopted Westlaw Edge. In addition to directly helping with the administration of justice in the United States, this endorsement by the courts has also encouraged law firms to make sure that they, too, have access to the same market-leading tools as the judiciary. 2/3 of the AM Law 100 have adopted Westlaw Edge, and more than half of Westlaw's annual contract value in the U.S. is on Edge. At the very same time, we've preserved the premium that we have achieved since launch.

We recently launched Westlaw Edge capabilities in the U.K. and are right now developing this product for Canada, targeting launch later in 2021. We have seen very strong commercial adoption for Westlaw Edge since launch and have rich opportunity yet in front of us. In fact, we are forecasting an ACV penetration exceeding 60% for 2021.

Westlaw Edge provides the very real benefits of artificial intelligence in the legal space to our clients. We are uniquely positioned to win here. Artificial intelligence, at its core, is simply looking for patterns in data. Artificial intelligence's effectiveness depends on the resolution or the clarity, the richness of the data it's working with. Low-resolution data results in low-impact artificial intelligence. High-resolution data, on the other hand, offers remarkable opportunity and benefit. Let's take a closer look.

Westlaw has the most detailed and deeply enriched legal data and metadata that exists. It's the highest resolution legal data there is, period. More than 100 years of editorial analysis, correction, summarization and classification tie facts and legal issues together across different types of legal data with extraordinary precision. Precision that simply cannot be found anywhere else. Competing providers offer much less detailed, much lower resolution data, which simply cannot offer the same insight for artificial intelligence techniques to leverage. And this differentiation will endure. More than 1,000 attorney editors provide unique metadata for our data scientists to use to maximize the benefit for our clients.

More recently, we've also begun AI optimizing our editorial systems to maximize quality and speed to market as well as to provide editorial efficiencies. The Change Program we have underway will help us ensure that this advantage is sustainable.

We have focused on continually enhancing Westlaw Edge to accelerate adoption while preserving our premium. We have a strong pipeline of quarterly enhancements teed up for the balance of this year, and we're also actively working on what will come next. There are plenty of big problems remaining to solve, and we are uniquely positioned to do so. Our unique advantages, combined with ongoing customer feedback regarding their evolving pain points, fuels our optimism both for short-term delivery and long-term sustained success.

Perhaps the most significant enhancements we've made to Westlaw Edge since launch is Quick Check, followed up by Quick Check Judicial. Before we dive into Quick Check, here's a short video to set the context.

(presentation)

Andy Martens - Thomson Reuters Corporation - Senior VP and Global Head of Legal Product & Editorial

Quick Check utilizes machine learning and other AI techniques, leveraging our unique editorial value-add to let users upload briefs, motions or memoranda and quickly get a report that identifies new, better authority that traditional research may have missed. This authority is better when it's from a higher, more authoritative court, is more recent or is more frequently cited by other courts for the key points of law.

We've also released Quick Check Judicial, an enhancement to this module optimized specifically for the judiciary, so that they can load opposing parties' documents and analyze them against each other. Quick Check Judicial has been enthusiastically received by the judiciary across the United

States and has been cited by 1 state Supreme Court Justice as an amazing internal control for the court. And because judges use it, attorneys appearing before those judges are greatly incented to use it as well. This is a really powerful benefit of working across the whole legal landscape as we do.

The quality and benefits of Westlaw Edge have been clearly recognized in the market. If we look at the 2020 American Bar Association survey, that survey found that 61% of firms with more than 500 attorneys use Westlaw most often of all the options for fee-based legal research. So significant opportunity remains for growth in Westlaw Edge.

We have a robust road map for '21 and '22 that will drive continued growth. A few of those enhancements are identified above, and we are nowhere near done. There remains opportunity for another wave of growth, very similar to what we have realized from Westlaw Edge. Even with the many benefits of Westlaw Edge, legal research remains difficult and time-consuming for practitioners. It's still hard for them to find all of the exact attributes that they are looking for. Our rich editorial work plus machine learning, natural language processing and other AI techniques allows us at Thomson Reuters to solve these problems while providers with lower resolution data cannot. These advantages, combined with the benefits of the Change Program, will continue to fuel the growth of our largest revenue base.

We also have an opportunity to accelerate growth of the legal business, utilizing our legal workflow solutions. As Paul mentioned in his earlier remarks on the legal market, law firms are under intense pressure from their clients to increase the quality of their work while at the same time decreasing the cost. Our unique content-enabled artificial intelligence, as illustrated by Westlaw Edge, provides an essential foundation for helping our clients meet that challenge. Add to our content-enabled artificial intelligence, the ubiquity of remote working and online collaboration and an additional growth vector starts to mature for our Legal business, bringing our clients our expert insight where they're collaborating with their teams and clients doing the actual work. Combining our insight with our leading workflow solutions is helping our clients transform how they deliver legal services to their clients.

We're seeing really strong traction with the adoption of these solutions, particularly in the U.K. and with large global firms. The U.K. firms and large global firms are frankly on the leading edge, adopting new technologies to drive efficiency and quality in their practice. There's room to expand for us, both in jurisdictions and firms as well as to penetrate smaller firms in the United States. This is, in fact, very similar to our product roadmap and go-to-market success, which fueled our growth in Practical Law following its acquisition in 2013. Elizabeth Beaström will discuss practical law with you in a little more detail shortly.

Foundational to our expansion in legal workflow solutions was the acquisition of HighQ in 2019. Here is a video explaining some of the key aspects of HighQ.

(presentation)

Andy Martens - Thomson Reuters Corporation - Senior VP and Global Head of Legal Product & Editorial

HighQ is the leading collaboration and productivity solution designed for legal professionals. We acquired HighQ in 2019 to establish a strong foothold and to serve as our foundational asset in the collaboration and workflow automation market. HighQ is uniquely suited to the current dynamics in the legal market, where clients are insisting on more value and productivity from their law firms at the same time as demanding lower costs.

Online collaboration was important even before the outbreak of COVID-19 taught us that we can all work fully remotely. HighQ also helps legal professionals standardize and automate time-consuming work and streamline matter and project management. HighQ provides an environment where we can seamlessly bring our insights to our clients where they're working and help them gain advantage in today's competitive legal market.

Insights from Westlaw data and Practical Law experts are both crucial to legal professionals, whether they're drafting documents or managing transactions or litigation. Our integrated solution, which brings practical law insights into Contract Express and delivers all of that through our HighQ platform, scratches the surface of the type of integrated propositions that we will be bringing to market.

Now let me give you a tangible example of what this solution looks like. One of the main pain points for transactional attorneys is efficient contract preparation. We identified this as an opportunity for synergy and immediately began the work of bringing our assets together. Within 12 months of the HighQ acquisition, we had integrated practical law insights and our Contract Express document automation capability into HighQ. And this software solution has been very well received by our customers. Bringing practical laws, expert curated document templates, automated by Contract Express into a virtual environment, where legal teams and their clients can work together, results in both a more efficient contracting process and a superior end product.

So our evolving markets provide another strong vector of growth for the legal business. Integrated solutions where the practitioner's workflow is automatically infused with our expert insights and our unique content-enabled artificial intelligence provides our clients precisely what they need to compete most effectively in today's legal market. It's really quite a remarkable time in the legal market, and it's also a time of real opportunity for our legal business.

Thank you for your attention. I would like now to introduce Steve Rubley, the President of our Government business.

Steve Rubley

Thank you, Andy. Good morning. I'm Steve Rubley, President of our Government business, and I'm excited today to share more about the growth and the opportunities for our government business.

Now Steve Hasker mentioned government as 1 of the 7 strategic growth initiatives. We are well positioned to help governments at all levels with the many challenges and the changes they're facing. The government market is large and growing, and the risk, fraud and compliance subsegment, in particular, is growing double digits. And we are outpacing the market. In the last 5 years, we've increased the size of the government business by over 150%. And during that time, we've earned a reputation as an invaluable partner in helping our customers fulfill their missions.

We are well positioned to continue to lead the segment. Government is a sector where fundamental shifts are taking place. These agencies are being forced to rethink how they work. They are faced with ever-increasing and sophisticated fraud schemes that are costing billions of U.S. taxpayer dollars. This presents a tangible opportunity for TR, given our advantaged position and the trust we've earned to our people and our content-driven technology. These tailwinds are accelerating the pace of change, and the change program that Kirsty and David discussed, will enable us to more quickly and thoroughly meet our customers' needs by delivering deep, rich, high-quality products and making it easier to work with us.

So here's a breakdown of Government's subsegments. We have a large diverse recurring revenue base with consistent and increasing growth. We've doubled our growth rate over the past 5 years and now generate over \$400 million of revenue.

Core legal research is the largest portion of our revenue base and continues to grow at strong rates, helped by strong sales of Westlaw Edge into all federal courts and 42 state court systems.

Risk, fraud and compliance, including global security, represents about 1/3 of the overall business and is the fastest-growing portion of the market, growing at over 20% in our portfolio. This is a market ripe with opportunities where we are aggressively investing organically, supplemented by inorganic investment, like our acquisition of Pondera 1 year ago.

Finally, legal solutions, which include software that enables our justice system to operate during the pandemic, has seen a spike in demand. In fact, we acquired CaseLines last year, which is a first mover in the virtual court space, now called Thomson Reuters Digital Evidence Center powered by CaseLines. This solution is a fully cloud-native set of tools to enable remote hearings. COVID has dramatically accelerated the adoption of remote hearings, which increased productivity and the throughput of many core systems. This has led prominent judges to decide to move much of the court's caseload to virtual environments on a permanent basis, another growth opportunity.

You heard from Paul about a few of our leading legal solutions. In addition to Westlaw and Practical Law, I'm going to share some other solutions we sell to government customers. Like our legal portfolio, these solutions have strong market positions, high retention and high recurring revenues.

Thomson Reuters special services combines leading technology, unique data and human expertise to tackle issues like threat detection, global risk management, financial crimes and combating human trafficking, by working with law enforcement and intelligence officials across the country.

CLEAR is a public record search and analytics tool for fraud prevention, investigations and enhanced due diligence. Used by law enforcement and government agencies and corporations, it's been a strong source of growth.

Now integrated with CLEAR, Pondera leverages advanced analytics, AI and deep domain expertise to prevent and detect potential fraud in government programs and commercial health plans.

Now as I mentioned earlier, Digital Evidence Center is our new leading solution for digital courts. Already, it's helping courts like those in Arizona and across the entire province of Ontario to reduce backlogs and improve access to justice.

Our business is organized into 3 ecosystems, and this allows us to partner with our customers in a way that enables us to meet their unique needs. And our structure allows our team to offer our customers a diverse set of products, enabling us to drive more cross-sell and drive more upsell. Equally important, it allows us to put the weight of our entire sales team behind these opportunities created by the recent acquisitions of Pondera and CaseLines.

As I said earlier, the government market is large and it's growing. Coming off a year like no other, it's clear the need to change has never been more important to our customers here. The estimated size of our current market is about \$3 billion, and it is growing mid to upper single digits. However, the risk, fraud and compliance portion of that market where we currently play is growing double digits and is where we are focusing our time and investment. And we believe our expertise, trusted brand and content assets developed in our Government segment provides advantaged platform for growth in the adjacent larger \$6 billion to \$7 billion risk, fraud and compliance market, including corporations. These are 4 macro trends impacting the public sector. And these tailwinds provide new growth opportunities.

COVID has accelerated the long overdue digital transformation of governments. The pandemic has led to extraordinarily large stimulus packages. Social service agencies face skyrocketing demand and new levels of fraud that are much more complex. Agencies have never needed data and analytics more to process funds for those in need while also combating fraud.

The events of 2020 have led to calls for police reform and increased accountability. And many leaders are focusing on equity and racial equality. Technology and analytics can absolutely play a role in forging that future. And there's been an increased call to improve access to justice, and technology can also play a role and a transformational role in this area. Last year, our team was able to capitalize on these trends, and we're well positioned to continue to ride these trends and drive growth for our business.

Finally, we built a formula for success in the Government segment. That formula includes best-in-class technology, a leadership position, positive macro trends and proven examples of success. We're confident this is a recipe for accelerating long-term growth with organic growth driven by 5 key focus areas: one, leveraging our strong position in combating fraud to help our customers preserve program integrity; two, scaling TRSS data platform, leveraging global content and AI to upsell customers and expand our global risk intelligence customer base; three, enabling the digital transformation of courts around the world by leveraging our acquisition of CaseLines and integrating with our full suite of legal solutions to provide customers with end-to-end solutions; four, continuing to grow our legal core, driving further penetration of Westlaw Edge and accelerating Practical Law for government, leveraging AI and public sector content to drive new sales and cross-sells; and finally, number five, we expect growth to be supplemented by the benefits of our change program, including product enhancements and applying digital capabilities, to reimagine our end-to-end customer experience, increased sales focus and capacity and enhanced brand and value proposition awareness.

So we believe these 5 focus areas, plus our trusted brand, solutions and reputation, will help us to continue to expand our public sector business on a global scale. So we are excited about the prospects for our Government business. And coupled with the benefits we expect to realize from the change program, we're ideally positioned to help them take advantage of this change.

So now let me introduce our next speaker, Elizabeth Beaström, who will discuss Practical Law.

Elizabeth Beastrom

Thank you, Steve.

Hi, I'm Elizabeth Beastrom, and I manage our Practical Law business, and I'm also President of our Global Print business. Practical Law has a long history of strong performance and operates in a growing market. That growth is further bolstered by the prevailing tailwinds related to the fundamental shifts taking place as customers rethink their ways of working and how they allocate budget. And as Steve mentioned, this playbook is being written in real time, with increasing demand for trusted always-on actionable content. That's what Practical Law delivers. This presents multiple vectors for increased investment and revenue growth.

You heard Steve Hasker identify Practical Law as 1 of 7 strategic growth priorities. Practical Law serves lawyers at large, mid and small firms, government agencies as well as corporate counsels, a significant growth area. It also operates internationally in the U.K., Canada and Australia and expect to continue to expand our international footprint.

The revenue Practical Law generates is recorded in both our legal segment and our corporate segment. More details on the financial results in a moment.

So what is Practical Law? Practical Law creates trusted guidance, checklists, forms that help our customers practice law effectively, efficiently and with less risk. Our customers use Practical Law as guidance to improve the quality of their work, when a novel issue arises, when they lack outside support or when they just need to get the job done faster.

Practical Law has a team of 600-plus attorney editors globally that creates this timely and relevant proprietary guidance. These editors have significant real-world experience in their areas of practice. They have lived as our customers, and our customers look at them as talent that they would hire today. This team and the experience they bring to the proprietary, high-quality content they create is Practical Law's main differentiator and competitive advantage.

Our customers tell us that Practical Law supplements their team, with one customer saying, "It's like having a large team supporting the practice at a fraction of the cost." Practical Law is always there to help, which is critical in today's remote working environment.

Practical law is one of TR's most successful acquisitions. When we bought the company in 2013, it was predominantly based in the U.K. with a nascent presence in the U.S. It's a great example of a bolt-on acquisition that filled a niche in our product portfolio, and we're able to capitalize on it by effectively scaling using the Westlaw go-to-market channel and brand power in the U.S. and internationally.

Since acquisition, it has demonstrated strong revenue growth, recording a 17% compound annual growth rate since 2013. That growth has been driven in part by strategic investment in editorial staff and expanding content coverage.

Significantly, customer acquisition in the corporate segment has also been a large driver of growth since acquisition, growing at a 21% CAGR from 2013 to 2020. As we'll discuss in a moment, Practical Law is a natural fit in this customer segment, given market dynamics, and we expect this growth trend to continue.

Practical Law has market opportunity in all customer segments, especially in the corporate space. What is truly exciting is that we have around \$500 million of white space for existing products with existing customer segments. Our biggest competition truly is the status quo, lawyers that don't know a tool like Practical Law exists or how big of an impact Practical Law can have. With focused awareness campaigns, more booths on the ground and getting our content in the hand of lawyers through our growing digital channels, we can change the way lawyers work today.

On top of that serviceable market, there is additional potential for expansion with new product investment for new content. In particular, there's a large demand for global content addressing a supply chain without borders, increasingly complex regulations and changing administrations. Building global content to address these needs on top of our existing base will serve the needs of our existing markets and open up new geos. This is why we are confident that Practical Law will continue to deliver strong growth to TR.

Like Westlaw, Practical Law's most significant competitor is LexisNexis, with smaller players like Bloomberg Law attempting to break into the space. Practical Law differentiates itself from its lower-cost competitors with the higher-quality product and its large team of experts. We've continued to see strong sales and customer loyalty and command retention rate of over 90% despite recent economic challenges. As one customer said, "Practical Law is the gold standard. Competitors don't measure up. They offer more shiny things at a lower price. But once you look under the hood, it becomes clear that Practical Law is superior."

Since the financial crisis of 2008, we've seen a transformation within the legal industry. There is pressure to do more for less, while managing increasing risk and complexity. This was magnified last year, not only by the introduction of a global pandemic, but in all of the legislation, contractual disputes and novel legal issues that followed. For our customers, that means they have to navigate this landscape and come up with right answers even faster.

Practical Law helps lawyers meet this challenge, helping them find answers quickly, do and manage the work more efficiently and stay on top of constantly changing laws and market dynamics. As our customers move to remote working, Practical Law guidance and the expert team behind it functions as the attorney down the hall that can help you with the task at hand.

Practical Law was launched in the U.S. in 2009, at a time when every law firm and legal department's budget contracted. The product was not only resilient but proved necessary to support our customers' drive to more efficient ways of working.

We saw a similar trend in 2020 as our customers needed to stay on top of changing laws, shift staff from areas like M&A to bankruptcy and move their teams off-site.

Our strong sales in the second half of 2020 showed Practical Law is highly resilient in times of economic uncertainty. And as one customer shared, "Practical Law is an attorney in a box."

Lastly, we have significant white space with existing product and existing customer segments. We plan to capture this by accelerating and refining our go-to-market motion. And to that, we expect growth to be supplemented by the benefits that will result from our Change Program, including enhanced brand and value proposition, awareness and the long tail of our smaller customers, increased sales focus and capacity and applying digital capabilities to reimagine our end-to-end customer experience.

We also have multiple avenues for additional growth with product investment. We will continue to innovate the way we deliver our content to help our customers get to the answer faster and continue to integrate with the software systems they are using to do their work.

And we also have the ability to reach new customers through content investments, expanding our jurisdictional and practice coverage footprint.

As you can see, we have multiple avenues to grow Practical Law. Putting that together with the historical performance, new market opportunity and fit with market conditions, we are confident Practical Law will remain an area of focus and strategic product within our portfolio.

We will now take a 10-minute break and return with Brian Peccarelli, our Chief Operating Officer, Customer Markets, who will discuss our corporate segment.

(Break)

Brian S. Peccarelli - Thomson Reuters Corporation - Executive VP & COO of Customer Markets

Welcome back. We will now turn to part 2 of our growth initiatives. Part 2 will focus on the 2 other segments that comprise our big 3 businesses: Corporates and Tax & Accounting. These are the fast-growing businesses in stable and growing markets, and we will continue to believe that they can grow between 6% and 9% over the cycle.

I'll begin by discussing our Corporates segment, and will be followed by Erin Brown, Head of Finance for Corporates, who will discuss our direct and indirect businesses, 1 of our 7 strategic priorities. Erin will be followed by Charlotte Rushton, President of Tax & Accounting, who will discuss our core Tax & Accounting franchise, who will also highlight the 2 remaining strategic priorities: cloud audit suite and Onvio.

Let me now turn to the Corporates segment. Let me remind you that the Corporates segment was set up 2 years ago following the sale of Refinitiv. We did so at the time because we believed and continue to believe that the corporate market is underserved and presents a substantial opportunity for Thomson Reuters to increase sales and improve penetration as we go to market in a joined-up basis.

The corporate market segment is large and growing. It's approximately \$10 billion and forecast to grow 6% to 10% over the next 5 years, primarily driven by increasing adoption of automated solutions.

Similar to our other businesses, the Corporates market is also undergoing fundamental changes, requiring customers to rethink their strategies and ways of working. Those tailwinds play to our strengths and we believe will contribute to growth. And in this environment, trusted, authoritative, actionable content is a must-have and companies that provide it will win.

Our Corporates businesses is focused on providing customers with products that serve tax, legal and risk, fraud and compliance departments. We're a preferred provider of content and software to all the Fortune 100 corporate legal and tax departments, about 115,000 customers in all. Our business is primarily subscription based, with high levels of recurring revenues and high retention rates. And given the continued and increasing need by corporations for compliance and content solutions, our products have been resilient despite the upheaval caused by the pandemic.

Given our strong positions and market dynamics, we see further opportunity to build on Corporates' growth rate as we further address customer needs for productivity and efficiency solutions. And we believe that growth will be supplemented by the benefits we expect from the Change Program. More on this in a moment.

Here is a breakdown of the subsegment within the Corporates business. Our Corporates segment is a \$1.4 billion business, representing about 25% of Thomson Reuters revenue. Moving clockwise from the top right of the slide. Tax departments in large corporations comprised nearly 40% of our revenue, primarily generated by our direct tax and indirect tax solutions, and which Erin Brown will speak to in a moment.

SMB Corporates are companies with revenues below \$500 million. Given the continued adoption of new technologies among SMBs, we see room for growth for both our tax and legal solutions with SMBs, a market Steve mentioned we are targeting. You also heard from Kirsty regarding how the Change Program will enable us to better access and serve SMB customers.

Corporate Risk Solutions represent a fast-growing market, driven by heightened interest in preventing fraud and enhancing fraud investigations, which Steve Rubley highlighted.

Corporate Legal Departments have an increasing need for greater efficiency, and Andy and Elizabeth outlined how HighQ and Practical Law are filling that need by providing actionable, how-to solutions.

And global accounting firms are an invaluable part of the corporate tax and legal ecosystems.

And we have a strong and growing international presence, anchored in Europe and Latin America, particularly in Brazil.

Now let me spend a moment to highlight 4 key tax products sold by our Corporates team. First, our ONESOURCE suite of solutions, which are the first 3 products on this slide, address the majority of the needs of our tax customers. It is an integrated holistic software product with high recurring revenues and high retention.

Our Direct Tax solutions help customers solve for their income tax compliance reporting needs.

We meet customers' indirect tax needs through our determination engine and compliance products.

We complement our tax products with a global trade solution, where we help corporate customers assess their import and export duties, understand the implications of free trade agreements and validate country of origin reporting requirements.

Collectively, ONESOURCE is a preferred tax solution for corporations, and our subscription model is validated by 90-plus percent retention rate.

And the fourth and final product listed is Checkpoint, which ensures that tax and trade professionals have the most up-to-date tax and accounting content at their disposal.

In addition to selling tax products into corporations, we also sell legal products to the same companies. Highlighted on this slide are 3 foundational legal solutions for corporate customers.

We solve the needs of corporate legal departments through the practical guidance offerings of Practical Law Connect. Now Connect is designed to help in-house legal professionals in specific practice areas like M&A, labor and IP, among others.

General counsels are constantly being asked to do more with less. Legal Tracker is our legal software tool that helps GC's manage external spend and manage internal workflow projects with HighQ collaboration tools.

And our CLEAR solutions help corporations meet their fraud prevention and compliance requirements. This enables them to comply with increasingly rigorous regulations focused on anti-money laundering and know-your-customer requirements.

Let me now examine the market opportunity and trends. The products we discussed are central to meeting the growing corporate market needs for legal, tax, risk and compliance solutions. These corporate needs are being affected by 4 mega trends.

First, we see continuing increases in regulatory requirements as governments clamp down on tax revenue leakage to narrow fiscal deficits.

Second, tax, legal and compliance departments are all seen as cost centers and are under pressure to improve efficiency by doing more with less. For example, corporate legal departments are bringing routine work in-house. And corporate compliance departments are using more automation tools to drive efficiency and establish a documentary trail in the event of a regulatory audit.

Third, corporations are being forced to embrace new technology as data volumes grow and vendors sunset legacy systems in favor of cloud-based technologies. Armed with new technologies, corporations are seeking to leverage analytics and modern virtualization tools to better inform their decision-making processes.

And fourth, competitors in this space are aiming to broaden their capabilities inorganically. The M&A activity in the tax, legal and regulatory startup community is an affirmation of the attractiveness of this space. It's also a pipeline for us as we evaluate potential acquisitions.

Let me conclude by highlighting the growth drivers for corporates and our growth targets for the business. Our growth drivers are determined based on serving customer needs, our current capabilities and strengths in the market, overall market dynamics and opportunities to be derived from our pivot to an operating company.

I've discussed the organic growth opportunities driven by products shown on the left side of the slide. Our primary organic investments will focus on further strengthening and enhancing our ONESOURCE tax solution suite and expanding the market footprint of Practical Law with an enriched offering, continuing to address the corporate legal appetite for greater efficiency with HighQ, Contract Express and Legal Tracker, and recognizing an evolving need in corporate risk that will augment capabilities in CLEAR to allow risk professionals to access the data through APIs and make decisions at the most appropriate points in their workflows.

We are confident these initiatives will position us to deliver revenue growth of 7% to 9%, with significant margin expansion by 2023.

Now at several points in today's discussion, we alluded to the challenges faced by tax departments at corporations. Let me now introduce Erin Brown, the Head of Finance for Corporates, who will take us through a deeper dive on corporate tax solutions and why we think this is an area of continued opportunity for Thomson Reuters.

Erin Christie Brown - *Thomson Reuters Corporation - Head of Finance for Thomson Reuters Corporate Segment*

Thank you, Brian, and good day. I'm Erin Brown, the Head of Finance for the Corporates Customer segment and the TR Board member for the London Stock Exchange Group. I'm pleased to have the opportunity to discuss our Direct and Indirect Tax business, part of the 7 key strategic growth priorities that Steve discussed. These businesses account for \$400 million of the Corporate segment revenue.

Our corporate tax and trade solutions are branded and commercialized as ONESOURCE. Early on, we were a pioneer in recognizing the pain points in our customers' tax workflows, and we designed our tax solutions to address their needs. We have a rich and deep history of introducing cutting-edge technology while ensuring customer data security. This combination of technology and security enables customers to have confidence in migrating from legacy systems to our SaaS-based solutions over the past 10 years.

Today, corporations recognize the benefits of automation, accuracy and simplicity that ONESOURCE provides. And importantly, Thomson Reuters is the only tax solution provider that offers an end-to-end direct and indirect tax solution suite to our corporate customers.

Let me now define what direct and indirect taxes cover.

Direct taxes are taxes on corporate income. Our products enable corporations to calculate, pay and comply with direct tax reporting requirements. This is a well-established area of tax and an important source of income for governments. The direct tax market grows at 3% to 5% per year, and our long history, deep customer relationships and broad reach make direct tax an important and foundational part of our tax franchise.

Indirect taxes are taxes on production and imports. These taxes are passed on to the consumer as part of the purchase price of a product or service and include sales and use tax in the U.S., value-added taxes and cross-border taxes. Our Indirect Tax products help companies automate and ensure the accuracy of tax calculations and payments. This includes determining the amount of tax that is owed upon sales through to remitting tax to governments. This is highly complex and complicated, with no room for error. Indirect taxes are big and growing source of government revenue, which makes them a critical area of focus. The market growth for Indirect Tax ranges between 10% and 15%.

Now let me address the market segment we are targeting for our indirect and direct products and trends. This market segment is expected to grow at a cumulative average growth rate of around 9% through 2025, and the prevailing tailwinds and growth dynamics of this market play to our strengths.

Let me explain. First, the breadth of our Direct Tax products spans income tax compliance, provision, data management, along with our global coverage, and is unparalleled. As a one-stop solutions vendor, we're aligned with our customers' push towards having fewer but strategic IT vendors.

Second, corporate income tax submissions tend to be clustered around specific filing windows, with no room for error or delay. We meet and exceed customer expectations by our ability to scale infrastructure at peak filing times consistently.

Third, one of our key strengths is our trusted, authoritative content built by experts who rapidly and accurately update our products for tax law changes.

Turning to Indirect. First, we're recognized for our multi-tenant cloud solution where our tax engine helps our customers accurately determine the applicable tax rate and the tax amount to be collected, without slowing down the customer sales process, a critical demand and expectation of vendors.

Second, our multinational customers with international sales presence look to our ONESOURCE product as the single solution that addresses complexity in U.S. and non-U.S. indirect tax regimes.

And third, as e-commerce becomes ever more important, corporate sellers and buyers are exposed to trade obligations, such as import and export duties. Our global trade compliance solutions allow us to meet the needs of indirect tax customers.

Lastly, while there are other providers in the market who cater to specialized needs with niche solutions, we believe our ONESOURCE tax automation solution for corporations and global accounting firms gives us a competitive advantage.

There are several additional factors driving growth in this market. Corporate direct taxes have been receiving greater scrutiny as tax authorities focus on determining where the economic activity occurred and where the profits are being recognized as they strive to ensure fair allocation of taxes. Initiatives focused on base erosion and profit sharing, EPS, are an outcome of this.

Similarly, the OECD is discussing a blueprint, covering digital taxes, minimum taxes and timing differences to tighten taxes paid by multinational corporations. Corporations are also mobilizing for transformation with continued adoption of SaaS technologies. As IT complexity has grown, they're also aiming to streamline procurement by working with fewer and more strategic vendors.

Governments are also becoming more reliant on indirect taxes since this revenue base can be shored up by better enforcement of existing rules and not relying on rate changes alone. For example, tax authorities have begun demanding detailed transaction level data in specified reporting formats, often in real time, to minimize tax revenue leakage. The 2018 Wayfair ruling redefine this for U.S. businesses.

In fact, growth in e-commerce has only accelerated during the pandemic, which is leading more companies to meet the statutory criteria. Also in cases where tax policies are a vehicle for social goals, excise taxes, such as those on oil and gas and alcohol, only add to complexity.

In conclusion, our growth drivers in the Corporates segment are informed by customer needs, our current capabilities and advantaged positions, the emerging market dynamics and our pivot to an operating company. We anticipate continued strong growth over the next several years based on: first, refining and honing our go-to-market strategy and sales engine. Specifically, we'll focus on customer retention and on executing cross-sell among various corporate propositions.

Second, we will utilize digital to improve customer experience and to reach the more dispersed SMB customer base.

Third, product innovation will be an area of continued emphasis.

Fourth, in addition to modernizing our technology architecture to deliver world-class user experience, we will use our third-party connectors and APIs to help customers realize additional productivity in their workflows.

And five, we will continue to work closely with our certified implementation partners to drive implementation at customer sites, and we'll leverage our partnership channel, especially with enterprise technology companies, to reach a wider customer base.

We're confident that our deep pool of talent, the leadership teams we've nurtured, our investment choices and attention to execution will result in continued strong growth for direct and indirect tax over the next several years.

I will now hand it over to Charlotte Rushton, President of our Tax & Accounting Professionals segment.

Charlotte Rushton - Thomson Reuters Corporation - President of Tax & Accounting Professionals

Thank you, Erin. Good morning. I'm Charlotte Rushton, President of our Tax & Accounting Professionals segment. This segment serves tax, accounting and audit professionals in small, midsized and large accounting firms, excluding the Global 7 accounting firms, which are served by our Corporates segment.

The work our customers do really matters. They ensure tax and audit compliance for small and large businesses and are increasingly seen as trusted business advisers to their clients, especially the small- and medium-sized businesses that are the bedrock of the global economy. The importance

of this work has been particularly highlighted during the pandemic, as small businesses rely heavily on their accounting advisers to help them with PPP loans and business advice to stay afloat. We're proud to serve these accounting firm customers with tax, accounting and audit software and expert content to enable them to serve their clients effectively and efficiently to manage their practices and to deliver awesome experiences for their clients. Our customers consistently tell us that they could not do their work without us.

We have a great formula for success in the Tax & Accounting Professionals business, an attractive market segment, a leadership position and a focus on accelerating growth which positions us for long-term success. Our \$6 billion market segment is growing at 5% to 7%. This market is resilient and recession-proof and has remained so throughout the pandemic due to continued demand for tax, accounting and audit services independent of market conditions.

Our customers need to keep up with constant and relentless change, and they rely on our solutions to do so. They also need to continue to add value for their clients through insights and efficiency. We're ideally positioned to help them optimize the work they do and to innovate on their behalf. As a provider of combined software and content solutions, we're the #1 player in the U.S. and Latin American market segments. This strong position is reinforced by our business model and customer loyalty and is reflected in the high levels of recurring revenue driven by the subscription nature of our products.

Our customers build their workflows around our solutions and use them to interact with their own clients, so they are very sticky once implemented, evidenced by our high retention rates. We have a strong customer base of over 145,000 customers, and it's our mission to continue to bring additional value to them as well as win new customers with our leading solutions and innovative new solutions.

In 2020, we achieved full year organic growth of 4% and finished the year with 8% growth in the fourth quarter. This performance was in spite of the headwinds of the pandemic and contrasted with lower performance of our competitors. We're focused on increasing this growth by pursuing our top investment priorities, which I'll discuss in a moment, Onvio and Audit.

The Change Program Kirsty described earlier will also be a critical factor in growth acceleration. Investing in digital capabilities will help us reach and serve customers we haven't traditionally reached, especially at the smaller end of the market. These new capabilities strengthen and enhance our software-first approach to solving our customers' problems today, and 75% of our revenue base comes from software.

We've organized our \$800 million business around our customers with customer-focused subsegments. These subsegments align to firm size, which is indicative of the differences in our customers' needs. We have market-leading products that we offer our customers, which I'll talk about in more depth on the next slide.

Our largest customer sub-segment is small-mid firms. These firms have anywhere from 4 to 29 professionals. They tend to be diversified firms that offer the full range of tax, accounting and audit services to both individuals and businesses. They buy from and stay with Thomson Reuters because we offer the best fully integrated suite of software, including tax, accounting, audit, firm management and client collaboration.

The next largest subsegment is large firms, those with over 30 professionals. These firms tend to have more complex needs and adopt a best-in-breed approach to purchasing software solutions.

Our emerging subsegment is where our digital efforts are focused, and we're also creating simpler commercial and solutions offerings for these customers, and they're a better fit for their needs. We believe this will benefit our existing customers, but also attract new customers, particularly in the SMB market. These customers tend to be mostly focused on helping individuals file their taxes.

We acquired Confirmation in 2019. It makes up 4% of our revenue and is growing double digits as more firms adopt the solution.

And finally, you'll see our global businesses, represented by Latin America and our Asia businesses. Brazil, in particular, and the Dominio solution have driven strong growth for us.

Let me introduce you to some of our market-leading solutions, which consistently receive high satisfaction scores from our customers in market surveys.

Checkpoint is the #1 tax accounting and audit online research solution in the U.S., with over 100,000 customers. It's used not just by tax and accounting firms, but also by law firms and corporations and has high retention rates.

The CS Professional Suite is a complete suite of tax preparation, accounting and firm management software. Within the CS Professional Suite, UltraTax is the gold standard solution that tax professionals turn to for help with tax preparation and tax compliance.

Onvio is our next-generation cloud suite to automate tax preparation, client collaboration, firm management and other accounting activities. We're building Onvio in AWS, and it currently has advanced firm management and client collaboration tools available in the cloud. Later in 2021, we'll be releasing a fully featured version of Onvio tax so that our customers can do their tax preparation of activities online. Onvio backward integrates with our desktop solutions, so suite customers can migrate immediately.

Confirmation has been a valuable addition to the Tax & Accounting Professionals' family. We see continued growth as we expand globally and also to new confirmation types, like legal confirmations. We've also integrated Confirmation into our Cloud Audit Suite.

Our global addressable market is \$6 billion, growing at 5% to 7%. Change is constant for our customers. Just when we thought the pace of change couldn't get any faster, 2020 came along and hit our customers with unprecedented numbers of new challenges. The pandemic forced our customers into new remote ways of working, leading them to adopt the cloud if they hadn't already. The tax filing deadline shifted for the first time in living memory. And in dealing with fiscal stimulus, including PPP loans, small businesses were highly reliant on their accountants to help them navigate application and relief efforts. The pandemic accelerated a persistent theme of change in our market, which is our customers' shift to becoming trusted advisers to their clients. Our customers are under pressure to add more value as traditional work, like tax preparation, becomes more automated by technology.

Advances in technology are continual, and they're only increasing in pace. Technologies we've been hearing so much about for the past several years, AI, machine learning, blockchain, cloud computing, big data capabilities, they're fast becoming mainstream. And the advantages are really clear. Using these new technologies to reduce or eliminate the more routine or administrative work that our customers do frees them up to bring even more value-add to their clients.

We're excited about our growth opportunities and confident in the future. Our growth opportunities and our broader move to an operating company combined to give us a position of strength and will help us drive 6% to 8% growth through 2023, with significant margin expansion.

Our primary growth opportunities are Onvio and Audit, which I'll dive into in more detail in a moment.

Dominio, our business in Brazil, which will drive growth driven by regulatory complexity and customer movement to the cloud.

And Checkpoint Edge, where AI and our premium content are key differentiators for us.

The Change Program investments in digital, product integration, modernized and simplified technology and internal talent will provide our Tax & Accounting Professionals business with a strong foundation to supplement this organic growth performance.

Okay. Let's dive deeper into our top 2 growth opportunities: Onvio and Audit. We are a leading provider of audit solutions in the U.S., and we have a global presence through our Confirmation platform. Our solutions supply auditors with critical content, award-winning methodology and workflow tools across the audit engagement. And technology is literally transforming the way audits will be performed in the future. We've identified audit as a strategic investment priority because of the opportunities to better serve customers as the industry transforms.

The audit industry transformation is primarily being driven through an increased use of technology by auditors, which the COVID-19 pandemic only accelerated. Firms are turning to technology to increase efficiency, promote standardization and drive quality. In addition, as the industry

transitions from a manual paper-based process, sample testing, and discrete solutions to automated workflows and tech-enabled data analysis, we expect to see engagements extend across the year rather than concentrate over a few months and rely on solutions that are integrated into the audit workflow. This will alter the look and feel of audit as we know it today.

In addition, in the wake of high-profile audit failures such as the Wirecard scandal, greater expectations are being placed on auditors to find fraud during the financial audit. With firms increasingly turning to technology to help with auditing and as regulatory change continues to shift the industry, we believe that the \$800 million global audit solutions market has runway to grow to \$2 billion in size. And with our combination of premium content and cloud-based software for audits, we are really well positioned to differentiate in this market and add value for our customers.

The Cloud Audit Suite is an integrated suite of cloud solutions that helps manage, provide guidance and automate the audit process. Our 3 leading audit products comprise the Cloud Audit Suite. And together, they deliver a seamless end-to-end audit solution for our customers. Checkpoint Engage, which provides risk assessment, workflow and tailored methodology for audit engagements; AdvanceFlow, which manages the trial balance, work papers and reporting throughout the audit engagement; and Confirmation, which initiates, tracks and receives response to audit confirmations from validated parties.

Our audit customers look to Thomson Reuters to help them deliver awesome client experiences to improve the audit quality and staff confidence and save time and eliminate waste. The Cloud Audit Suite delivers upon these needs and ensures our customers are equipped with the right tools to succeed.

Turning to Confirmation. Confirmation is a global cloud-based platform that connects audit firms with financial institutions to confirm the existence of assets. A confirmation confirms that assets recorded in a company's financial statements do exist in the bank account. This is a critical part of the financial audit and one that has been traditionally manual, leaving it susceptible to fraud.

As the leading provider of electronic bank confirmations, Confirmation leverages a unique network of approximately 4,000 banks, 16,000 audit firms and 5,000 law firms, over 170 countries. And it delivers a secure, trusted confirmation through highly efficient automated workflow, saving countless hours for customers and reducing fraud risk. 1.7 billion confirmations take place globally each year, and Confirmation has plenty of room to grow based on some of the trends we're seeing in the industry. Manual processes are being replaced by automated workflows as firms look to free time and resources. Financial data is becoming increasingly digitized, unlocking opportunities to apply technology.

Several high-profile frauds, Wirecard, Luckin Coffee, for example, have increased pressure on auditors to find fraud. And use of the Confirmation platform deters fraud. And demand for nonbank confirmation use is emerging. As I said, we see plenty of runway to grow Confirmation.

We're targeting strong organic growth in audit driven by several opportunities. First, we're accelerating our go-to-market motions by cross-selling Cloud Audit Suite to loyal audit content customers, and we're increasing bank adoption of Confirmation. Second, we're driving product innovation, particularly in the areas of collaboration, time-saving features and data analytics. And third, we're delivering new content in new areas through tighter integrations between guidance and analytics tools, and we're exploring new jurisdictions for the Cloud Audit Suite.

As the Change Program accelerates, the Cloud Audit Suite will benefit from tools and capabilities the program will deliver. These attributes, paired with the Cloud Audit Suite's growth trajectory, make us very excited about the future of our audit business.

Now let's turn to our Onvio initiative. Onvio is our cloud solution for Tax & Accounting Professionals that brings many new benefits to our customers, helping them to bring increased value to their own clients. Our CS Professional Suite and UltraTax are stronger than ever. We have over 30,000 customers using this suite of solutions today. The CS Professional Suite continues to win us awards and strong retention rates, 93.6% for UltraTax. This shows that customers rely on us to power their firm.

But there are market trends that are accelerating changes in the market, and Onvio is our response. Our customers need to become business and strategic advisers to their clients. The intensity of competition and client expectations means our customers need to do more with less and are focused on how to save time and eliminate waste. Workflow efficiency and accuracy are paramount. This is also how they're freeing up time to focus on their advisory practices. And our customers' clients are bringing their consumer experiences with technology. Our customers need to

delight their clients with the use of modern technology and intuitive user experiences. That's why we're also focused on how to make virtual collaboration between our customers and their clients a delightful experience that strengthens their relationship.

Onvio is our cloud-native platform that will meet our customers' tax, accounting, audit, advisory and firm management needs and reimagine their experience. Cloud technology enables multiple benefits for our customers and Thomson Reuters. Scalability and modularity allow us to tailor solutions by customer segment. Built-in interoperability means that all of the solutions integrate and data passes seamlessly from one solution to the next. APIs will also enable further integrations with third-party solutions. Integrated usage analytics allows us to understand what's most valuable to our customers and develop around that data on a rapid development cycle, meaning we can be flexible and faster to market.

These technology benefits provide the building blocks for a completely reimaged experience in Onvio, bringing new benefits to our customers: client collaboration tools to delight their clients; data analytics tools that offer insights based on their clients' data within Onvio; AI and automation that drive accuracy and efficiency; a complete digital experience for our customers so they can explore purchase and get help in their moment of need digitally; integrated content into the workflow, so customers can get their answers where and when they need them; and a reimaged user experience that is intuitive and drives efficiency, and all of this built on top of our gold standard compliance that our users have grown to expect from the CS Professional Suite.

Our Onvio road map is guided by a few core principles. First, we're focused on delivering the most functionality to the broader segment of the market as soon as possible. Our customers told us that tax is critical to their workflow. Therefore, we're delivering Onvio Tax later this year focused on our small mid-subsegment customers, and in particular, early adopters who are comfortable with new technologies.

Second, we know that customers' needs evolve and change. To meet these needs and continue Onvio growth, we'll keep adding new features to the core applications that comprise an Onvio, particularly in tax, firm management, client collaboration and advisory.

Third, innovation and modern technology will be differentiators that will first attract the early adopters and fast followers in our market. That's why we're codeveloping Onvio with customers and have enrolled over 100 firms in an Onvio beta program to ensure great technology is pointed where customers need it.

And finally, we know that our larger firms behave differently. They often take a best-in-breed approach to buying software solutions. That's why we're building Onvio with an open architecture and APIs that allow for integration. Onvio has several organic growth drivers that will also be strengthened through the Change Program. We are accelerating our go-to-market through digital buying journeys. We're driving product innovation by partnering closely with our customers and leveraging advanced technologies in our solutions to innovate on their behalf. We're bringing new content to new markets by releasing Onvio Tax later this year, integrating content into the workflow and expanding globally. These growth pathways, coupled with the benefits that the Change Program will bring, give us confidence Onvio is set up for success.

Thank you for your time today. And now I'd like to turn it over to Mike Eastwood.

Michael Eastwood - Thomson Reuters Corporation - CFO

Thank you, Charlotte. Good morning and good afternoon to everyone. I'm Mike Eastwood, CFO of Thomson Reuters. I will cover 4 topics today. First, I will provide a brief recap on the goals we set forward at our December '18 IR Day and where we are today. Second, I will give a brief recap on 2020. Third, Steve highlighted the Change Program and the 2 powerful levers that will lead to driving growth and efficiencies. I will go deeper into the financial expectations to be driven by the Change Program. And fourth, I will spend time discussing the opportunity that lies ahead for Thomson Reuters. More specifically, I will address 3 fundamental areas.

First, I will bring together what you heard from our leaders and provide our view as to how fast we can accelerate organic revenue growth, increase margins, lower capital intensity and achieve record free cash flow per share; second, we will have significant capital to deploy beginning in 2023, which provides us with substantial optionality; and third, how driving strong operating and financial performance will build value for shareholders in the long term.

Let me start with a brief recap of our 2018 IR Day. 2 years ago, we introduced the new Thomson Reuters, which outlined the operating and financial dynamics of the company post the Refinitiv transaction. We outlined our plans to grow our leading positions in our Legal, Tax, Corporates and Government businesses. In doing so, we committed to accelerating organic revenue growth, driving higher free cash flow per share and capitalizing on a strong capital structure with flexibility for organic and inorganic investments.

So how did we do against our objectives? We met or exceeded each of the financial goals we have set. In a year where COVID-19 took the world by storm, we achieved free cash flow per share of \$2.67 versus our 2018 IR Day target of \$2.40, an amazing accomplishment. Our Big 3 segments performed, growing 3.8%, within the range of 3.5% to 4.5% we had laid out in 2018. And lastly, our 45% interest in Refinitiv has driven significant value as our ownership stake increased from \$3 billion at the time of the Refinitiv announcement in January 2018 to \$9.8 billion at the time of the LSEG closing in January 2021.

I will now provide a brief recap of our 2020 results. Let me start by saying we were very pleased with our 2020 results despite all the challenges accompanying COVID-19. We began 2020 with optimism and momentum. As COVID struck the world in March, we implemented containment measures to mitigate the impact. We did so while ensuring the health and safety of our employees, customers and suppliers. Despite all of the unprecedented challenges, our performance reaffirm the resilience of our markets and businesses.

We adapted to support our customers in their evolving ways of working, which was evident in our results. We announced on our fourth quarter earnings call, we met or exceeded all guidance metrics provided for 2020. This reflects the resilience of the business and visibility we have in our businesses and markets, certainly something we do not take for granted as we look forward.

And lastly, despite total company organic growth of 1.2% in 2020, which was below our original expectations before COVID-19, our Big 3 businesses performed well and grew 4% organically, a strong performance. You can see in this slide, each of the Big 3 segments achieved its 2018 IR Day organic growth target 1 year earlier in 2019. The strength of the Big 3, the foundation of our business, provides us with confidence as we look toward the future.

Let me now dive deeper into the Change Program financials. You heard Kirsty highlight how we are implementing the Change Program from a position of strength. We are also benefiting from prevailing tailwinds. As a result, we have clearly identified operational plans to drive 4 key financial areas.

First, we have set an achievable value creation model, which I will highlight more in a moment. Second, we have plans in place to execute rapidly with clear financial objectives and milestones. Third, the Change Program is an organic growth plan and is not dependent on M&A. And fourth, the Change Program is designed to deliver sustained adjusted EBITDA margins nearing 40% and free cash flow per share nearly \$4.

The net result of the Change Program will be faster revenue growth, significantly higher margin, higher free cash flow and record free cash flow per share. As Kirsty mentioned, the Change Program is expected to take 24 months to largely complete. We have begun to execute with urgency. It will require an investment between \$500 million and \$600 million in 2021 and 2022. That investment is forecast to deliver additional annual revenue of \$100 million in 2023, annual operating expense savings of \$600 million, \$200 million of which will be reinvested in growth initiatives for a net savings of \$400 million or 10% of our current operating expenses. And we expect to lower capital intensity as a percentage of revenue to 6% to 6.5%.

As I mentioned, we will invest \$500 million to \$600 million over the next 2 years to reach our desired future state in 2023. Our investments are broken into the 4 Change Program work streams. The digital self-serve SMB workstream will be about 20% of the investment over the next 2 years. This workstream is focused on investing in a digital-first, self-serve sales and renewal experience for small and midsize customers. Some key investments include streamlining internal systems, shared services, data and data architecture and end-to-end customer to cash.

The omnichannel workstream investments of about 10% are focused on creating a simple commercial experience for midsize and large customers. We will invest in optimizing go-to-market channels and building out self-service capabilities and automated support tools.

Modernizing technology and operations will require investments of about 35% of the total and will include the cost to shift our data centers to the cloud. It will also include costs to modernize our technology stacks to combine our unique content with AI, machine learning and modern architecture.

And the org design and location workstream investments of about 35% of the total are focused on overall optimization, including leveraging automation and simplification. The total Change Program investments of \$500 million to \$600 million will be split between OpEx and CapEx investments. Approximately 50% to 60% of the total relates to OpEx spend, with the remaining 40% to 50% related to CapEx spend.

Let me provide some guidance on the Change Program cost phasing. We anticipate approximately \$300 million to \$350 million of the total OpEx and CapEx Change Program spend in 2021. You can see on the slide the anticipated split of about 60% OpEx and 40% CapEx with about \$115 million to \$140 million total spend in the first half. The remaining \$185 million to \$210 million is forecast to be incurred in the second half. We will continue to provide quarterly updates on our Change Program spend as we move through the year.

Now a little more on capital efficiency and effectiveness. Today, we are at an 8.4% capital-to-revenue ratio, down from 10% 2 years ago. There are 3 drivers we are focused on to improve our capital efficiency. First, we are scaling up machine learning, reengineering underlying processes and creating shared technology platforms to create a modernized technology approach across the organization. Second, we are simplifying the product portfolio in building world-class cross-product capabilities. And lastly, we are shifting our focus to a fewer number of higher-growth product categories. These are the reasons why we believe we can reduce CapEx as a percentage of revenue to between 6% and 6.5% by 2023.

I will now provide more detail on our value-creation drivers. Several of our leaders today highlighted our 7 growth verticals. These growth verticals account for approximately 55% of Thomson Reuters' revenue. We expect these businesses in aggregate to grow at an upper single-digit revenue CAGR from 2020 to 2023. The organic growth from these growth verticals will help to fuel increased margins and drive record free cash flow per share. More on this in a moment.

As we look to 2021, let me first speak to our total company organic revenue growth forecast. We expect organic revenue growth for 2021 to range between 3% and 4%, which would represent about a 180 basis point improvement over 2020, returning to pre-COVID-19 organic growth rates. We believe we can build upon 2021's growth with organic growth of 4% to 5% in 2022 and 5% to 6% in 2023. We forecast the Big 3 organic revenues to grow between 4.5% and 5.5% in 2021.

Let me provide you additional color on how we expect each segment to drive the overall acceleration in 2021. Starting with Legal. We finished the year with strong sales momentum, which should lead to an acceleration in organic revenue growth this year. Our confidence stems from several items. First, the continued success of Westlaw Edge as we ended 2020 with 52% ACV penetration and expect this to increase to between 60% to 65% in 2021 while continuing to command an attractive premium.

Second, our Government business is in a strong position in a rapidly growing market, evidenced by its nearly double-digit organic growth in 2020. We expect a similar performance in 2021.

And third, products and workflow tools, such as HighQ and Practical Law, continue to see increased demand given their productivity, collaboration and efficiency benefits with legal professionals.

In summary, we are confident we will see continuing improvement in Legal's organic revenue growth rate in 2021. The Corporate segment is expected to build on its 5% growth rate in 2020 as transaction revenues improve over 2020's performance. And finally, we forecast Tax & Accounting will again achieve solid organic revenue growth, fueled by continued growth in our UltraTax, Audit and Latin American businesses.

Finally, we expect Reuters News to grow low single digit driven by improvement in our Reuters Events business. And we expect Global Print revenues to decline between 4% and 7%.

This next slide reflects our path to 5% to 6% growth in 2023. This growth would be approximately 3x the average organic growth rate of 2% from 2009 to 2020 when excluding divested businesses, such as Financial & Risk, and IP & Science. Our Big 3 businesses comprise 80% of our total

company revenue are expected to grow 6% to 7% in 2023. Our Global Print and Reuters News businesses are expected to dilute organic revenue growth by about 1% to 2%. As a result, total company organic revenue growth is expected to be between 5% and 6% in 2023.

Now turning to our adjusted EBITDA margin and free cash flow. Our guidance in 2021 reflects the dilutive impact of the Change Program investments. Adjusted EBITDA margin is forecast to range between 30% and 31%. Excluding the Change Program investment, the adjusted EBITDA margin would have been between 33% and 34%. Free cash flow is forecast to be between \$1 billion and \$1.1 billion. Again, if we were to exclude the Change Program spending in 2021, underlying free cash flow would range between \$1.2 billion and \$1.3 billion.

In 2022, we forecast we will begin to see the benefits of the Change Program with higher revenue growth and cost savings helping to lift adjusted EBITDA margin to between 34% to 35% and free cash flow to between \$1.2 billion and \$1.3 billion.

Now in 2023, following the completion of the Change Program, we forecast the adjusted EBITDA margin will reach a record high of between 38% to 40%. And free cash flow is forecast to range between \$1.8 billion and \$2 billion.

Final point related to cash taxes. Generally speaking, on a business-as-usual basis, our free cash flow cash tax rate is 4% to 5% lower than our ETR on adjusted earnings. However, due to the payments we anticipate making to HMRC this year and next, our free cash flow cash tax rate is forecast to be 4% to 5% higher than our ETR in 2021, slightly lower in 2022 and returns to the lower 4% to 5% business-as-usual range in 2023. That's assuming no significant changes in relevant tax laws.

Now taking a closer look at free cash flow growth, we forecast free cash flow per share in 2023 to range between \$3.60 and \$4, significantly higher than 2020's \$2.67 per share. And we have several levers to pull to enable us to achieve that target, as you can see on this slide. Bottom line, the changes we are implementing are intended to enable us to achieve record free cash flow per share in 2023.

I will now provide more detail on our LSEG interest. First, an update on our investment in Refinitiv. The agreement to sell Refinitiv to the London Stock Exchange Group closed on January 29. We are confident Refinitiv has found a good home with LSEG. We look forward to a mutually beneficial relationship as a shareholder and a Board member. The pretax value of our 82.5 million shares was \$9.8 billion or \$20 per share in TR stock price, up from \$6.7 billion or \$13 per TR share at the time the LSEG transaction was announced in July 2019. At the timing of this taping, we anticipated liquidating about \$1 billion and using the net proceeds of \$750 million to pay \$700 million in taxes related to the transaction in 2021.

Our equity interest in LSEG will represent a stored value, which can be monetized over time and will provide us with a significant level of financial flexibility. Also, we expect to receive annual dividends from LSEG of about \$75 million per year based on LSEG's current annual dividend payout.

Lastly, regarding the accounting treatment for our ownership interest, we will account for our indirect investment in LSEG at fair value each reporting period based on the price of LSEG stock. Also, we will remove the impact from our non-IFRS measures. Because we own the investment indirectly through a joint entity with Blackstone, the impact will be reported through the single line item, share of post-tax income and equity method investments. We will include dividends from the investment as part of our free cash flow.

Now an update on our capital structure and liquidity position, which remains strong as we exited 2020. We generated \$1.3 billion of free cash flow last year. We had \$1.8 billion of cash on hand at December 31. We have an undrawn \$1.8 billion revolving credit facility, and we also have a \$1.8 billion commercial paper program.

From a liquidity and capital structure standpoint, we enter 2021 in a very strong position, and we would like to put that capital to work. We have a pipeline of potential acquisitions within our core market. But as we all know, a transaction requires a willing buyer and seller, and we will see where the discussions lead. We do have the ability and the desire to move quickly if an opportunity presents itself this year. We anticipate having about \$15 billion in financial capacity by 2025, providing significant flexibility as we assess options to further drive growth and shareholder value.

And finally, let me highlight how this all impacts our value-creation model. We anticipate total TR organic revenue to grow 5% to 6% and the Big 3 to grow 6% to 7% in 2023. Adjusted EBITDA margins are expected to range between 38% and 40% as operating expense savings driven by the Change Program of about \$400 million are realized. We forecast free cash flow to range between \$1.8 billion and \$2 billion in 2023 as a result of

accelerated organic revenue growth, higher adjusted EBITDA margins and lower capital intensity. As we have said, our goal is to transform Thomson Reuters into a leading content-driven technology company. When we are successful, Thomson Reuters will be built to consistently and sustainably drive strong operating and financial performance that builds value for shareholders for the long term.

Dividends will continue to remain an important part of our value creation. We announced a \$0.10 or 7% annualized dividend increase to \$1.62 per share in February, the largest increase since 2008. This also marks the 28th consecutive year of annual dividend increases for the company. The increase will be effective with our Q1 dividend payable next month. These consistent annual dividend increases speak to the solidity of our business and consistent and growing free cash flow generation, even during unprecedented times like 2020.

With that, let me turn it back to Frank for Q&A. Thank you.

Frank J. Golden - Thomson Reuters Corporation - Head of IR

That concludes the presentation portion of today's program. We'll now open it up for questions. And to take your questions, I'm pleased to say I'm joined by Steve Hasker, Mike Eastwood, Kirsty Roth, David Wong and Brian Peccarelli. (Operator Instructions)

So let's begin.

QUESTIONS AND ANSWERS

Frank J. Golden - Thomson Reuters Corporation - Head of IR

Our first question, Steve, comes from Tim Casey at Bank of Montreal. You've outlined some strong revenue growth targets by 2023. Can you highlight what gives you confidence you will achieve and sustain those revenue growth metrics? And can you unpack what the critical components and drivers are that will get you there?

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

Yes. Tim, thanks for the question. So just to reiterate, we've guided to 5% to 6% organic growth in 2023. And we have great confidence that we're going to get there, and we'll be able to sustain that level of organic growth.

A couple of things that sort of sit behind that. The first is, if you go back pre-pandemic 2019, we were at about 3.7% growth. And so what are we going to do differently? I mean that growth in 3.7% was driven by price and strong retention rates. So a number of the things we've talked about today, I think, sort of break it down into its component parts.

The first is Kirsty's articulation of the kinds of customer experience that we're looking to create and the improvements in the customer experience across our segments that we'll create. We think that's going to drive our NPS up. And we think that, that will lead to upsell and cross-sell. So that's the first thing.

The second thing is the digital capabilities that we're building. So omnichannel, self-serve, we think that's going to give us access to new customer groups, including the SMBs. And we think that's a significant area of new opportunity for us.

The third is the 7 growth initiatives that we've walked you through today. We're excited about each of those. And maybe most importantly, we've already made good progress against each of those. And the third is the product -- the new product development -- the fourth is the new product development capability that David and Shawn started to talk about today. And we're very excited about the potential for us to do across the company what we've done with Westlaw Edge and be able to lead the market and lead our customers with new products.

And I think when you sort of step back from all of that, we're not unduly dependent on any one of those vectors to drive growth. We think we've got a nice diversified path to achieve our growth targets, firstly. Secondly, we are convinced it's sustainable. And thirdly, we've already started to make progress. So there's nothing in there that's a huge leap of faith. And that taken together, Tim, gives us great confidence going forward.

Michael Eastwood - Thomson Reuters Corporation - CFO

Steve, if I could supplement. I would add 2 additional items, Tim, for consideration is the level of cross-sell that we have today. It's about 15% of our total sales activity is driven by cross-sell action.

The other point that Steve mentioned in regards to NPS, we are significantly below the B2B industry average today. Our goal is not to get to the average but to far exceed that. With our retention rate at 90% today, we're very optimistic we can increase it by at least 1 percentage point, which will be about \$50 million in annualized revenue or nearly 90 basis points of organic growth.

Frank J. Golden - Thomson Reuters Corporation - Head of IR

Okay. Our next question comes from Toni Kaplan at Morgan Stanley. And I will direct this one to both Mike and to Kirsty. And the question is, you've talked about making it easier for customers to do business with you in the past as well. What has been the main roadblock? And what is different now?

Kirsty Roth - Thomson Reuters Corporation - Chief Operations & Technology Officer

Do you want me to start, Frank? So yes, great question. So I think if you think about from a sort of tech perspective, what used to be difficult, a lot of companies that have made this evolution in the last decade haven't had the kind of SaaS-enabled, cloud-native capabilities and have had to build those. But those are really well-established now. And I think we're kind of sort of treading a path that many others have trodden before us. And so I think that gives us a lot of confidence in the capability.

I do think the key thing for me that always sustains, though, is you've got to get the teams working together well end-to-end. We've really set up the teams to do that. That's new for Thomson Reuters, so that we're thinking about the customer experience really for our customers all the way through their interactions with us. And I gave some of those examples earlier.

I think what's always kind of remained tricky and a key focus for us is adoption, right, and how do you really get the customers to shift onto those platforms. So a really important part of the program and what we're planning is not just launching the new products but thinking about all our interactions with our customers, where we're going to sort of help them understand, what new capabilities we're bringing on and how they can be trained and supported to transition to those new products.

But Mike, please, chip in.

Michael Eastwood - Thomson Reuters Corporation - CFO

Yes. I'd add a couple of items. We've infused some really incredible talent in the last 12 months. Illustratively, Karen Stroup is our new Chief Digital Officer and others on her team.

The other point that I would make, Tony, if you go back to 2018 and 2019 with our initiative, we had 3 big vectors. Obviously, we had to eliminate the stranded costs, which you can put a checkmark by. We did that. Second, we had to separate from Refinitiv. And then third, we focused on developing the enabling capabilities for the new TR.

We didn't advance as far as we would like on that one, but we sure nailed the first 2. To me, the Change Program is different this time in that we are solely focused on the customer and their end-to-end experience with TR; whereas back in '18 and '19, we had to balance the first 2 pillars that I mentioned.

Frank J. Golden - *Thomson Reuters Corporation - Head of IR*

Terrific. Just a follow-up from Toni that's related, and I'll pass this one to David Wong. David, how are you seeing competitors use tech effectively? Does tech lower barriers to entry due to easier distribution and enhancing content?

David Wong - *Thomson Reuters Corporation - Chief Product Officer*

Thanks. And let me take the second part of that question first. I think first, overall, I don't believe that new tech has lowered barriers to entry for our content-driven businesses. Our use of AI and tech, in particular, will make it actually, I think, a lot more difficult for others to replicate our business model. So not only does a competitor now need to obtain the data sets, hire editorial staff to augment that data, but now they also need to develop an ML model to scale that augmentation and cost effectively. And TR, our ML models are going to have the benefit of our hundreds of years of cumulated editorial enhancements, whereas competitors won't have that access.

And we've seen this in a few examples, notably in search, where some of our competitors have tried to implement an industry-leading AI tech with search and retrieval. But because the data sets were not as strong or they didn't have the same degree of resolution, as Andy Martens has kind of mentioned in his presentation, it was more difficult to actually get a good search result despite using some of those tech.

I do think, though, that where new tech will raise expectations for us is with customers, especially with respect to ease of use and cloud accessibility. And so this is where I think TR, through our Change Program, we're going to be investing to make sure that we remain competitive with customers that are, again, focusing on those raised expectations.

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

The thing I'd also add to that, Tony, is COVID has convinced every single one of our customers that they need to get rapidly up the curve in terms of their use -- the usage of technology and their technology skills. It is essential to their competing in their marketplaces no matter where in the world they compete.

But they've also realized that the stakes are high, right? The difference between our customers who have successfully adopted technology and gone to remote working from home and done that seamlessly to those who haven't is quite stark. And so this is -- this will not be an environment in which customers are all that open to experimenting with unproven providers of technology and of solutions and content. And the trust that we've built at Thomson Reuters for decades, I think, positions us extremely well. The success to date of Westlaw Edge positions us extremely well.

So in addition to David's points, I would say that sort of in customers' minds and certainly based on all the customers that I speak with regularly, I think we're very well positioned relative to sort of newer unproven start-ups.

Frank J. Golden - *Thomson Reuters Corporation - Head of IR*

Terrific. Several capital allocation-type questions, Mike, that I'll pass your way.

Michael Eastwood - *Thomson Reuters Corporation - CFO*

Sure.

Frank J. Golden - Thomson Reuters Corporation - Head of IR

These come from Manav at Barclays. Could you clarify your \$500 million share commitment? So how much did you buy in Q1? And is it 0 for the rest of the year? And how much maximum annually could you buy going forward? That's part one. I'll let you answer that and then I'll follow up.

Michael Eastwood - Thomson Reuters Corporation - CFO

Sure, Manav. We acquired \$200 million of buybacks in Q1, and that is enabling us to keep our share count at 500 million. We currently do not plan to buy any additional shares during the remainder of this year. Certainly, we have the flexibility, optionality to have ongoing conversations with the Board. But currently, the \$200 million, we've completed in Q1, and that's our current commitment.

Frank J. Golden - Thomson Reuters Corporation - Head of IR

And then the follow-up for Manav on that is, if you're limited on annual buybacks, are you forced to deploy via M&A?

Michael Eastwood - Thomson Reuters Corporation - CFO

Well, currently, in regards to the buybacks, a couple of factors to consider. Woodbridge owns 66% of our outstanding common shares. Based on our analysis to have sufficient public float, we think we need about 70% would be the cap there. So that's something that we consider. We certainly have significant capability right now to consider acquisitions. We have an active pipeline, which we are considering, and we're prepared to invest when we identify the asset that's right for our customers and also for our shareholders.

Frank J. Golden - Thomson Reuters Corporation - Head of IR

Two LSEG-related questions, Mike, one from Vince Valentini and one from Manav. And that is, from Vince, have we sold any LSEG shares yet?

Michael Eastwood - Thomson Reuters Corporation - CFO

We have not sold any LSEG shares to date. As we announced on February 23, we intend to monetize \$1 billion of our LSEG shares. That would result in net proceeds of \$750 million, which we would use to pay the taxes due of approximately \$700 million that are due upon the closing of the transaction. But we have not sold any to date. We still intend to monetize \$1 billion of our LSEG shares.

Frank J. Golden - Thomson Reuters Corporation - Head of IR

And the follow-up associated with that from Manav is that after we do sell that \$1 billion, what's our stake?

Michael Eastwood - Thomson Reuters Corporation - CFO

Yes. Our stake today, Manav, is 14.85%, so we own 14.85% of the total LSEG shares today. Once we monetize, the 14.85% would lower. But we do intend to still monetize \$1 billion.

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

Just, Frank, coming back to the M&A component of Manav's question, I mean, as we've talked about this morning, we have an active pipeline. We are constantly going through that pipeline, reviewing and assessing candidates, taking some off, adding new on.

But what I'd add is a couple of things. I mean we see pretty full valuations out there for software businesses, for businesses that are cloud-native and that are SaaS-oriented. And so we just upped the level of rigor that we've applied, both in terms of our strategic thinking and their fit with our Big 3.

We're also looking for businesses that help our clients automate. That's a principal area that help us drive into the SMB area, and maybe most importantly, are additive to and supplementary to the Change Program rather than complicating the Change Program in any way. So it's a pretty high bar, but we continue to assess it. And I think the word I'd like to leave you with is rigor, as we think about our M&A activities from here on out. We recently added Pat Wilburn, who came to us from Microsoft to head up our corporate strategy area. And Pat joins a very seasoned group of executives here at TR who've done many acquisitions over years. So we're confident in that capability, and we'll put it to work as and when we see the opportunities.

Michael Eastwood - Thomson Reuters Corporation - CFO

Frank, I would just close out. We often get the question in regards to the \$2 billion reinvestment fund that we established with the Blackstone transaction. We do have \$700 million remaining from that, but our obviously availability far exceeds the \$700 million remaining from that reinvestment fund.

Frank J. Golden - Thomson Reuters Corporation - Head of IR

One additional capital allocation question, then we'll move on. Mike, this one reads: you increased your dividend a healthy 7% this year. Is that type of dividend increase sustainable going forward?

Michael Eastwood - Thomson Reuters Corporation - CFO

It's a great question. We discussed the annual dividend increase in January of each year with our Board. We did move forward this year with the 7% increase, the largest, as I mentioned, since 2008.

If you look at our value-creation model that I shared today, our dividend payout ratio is -- or target is 50% to 60%. In 2021, we're over that due to the Change Program investments. We're likely to be over that 50% to 60% payout target in 2022 also, but we have not set the target yet for 2022.

As we get into 2023, we would anticipate that our dividend growth would be in line -- be more symmetrical with our free cash flow growth. So if you look more on a normalized basis post-Change Program, 2023, referencing the value-creation model and having the dividend growth be more symmetrical with the free cash flow growth is our goal.

Frank J. Golden - Thomson Reuters Corporation - Head of IR

Thanks. Let's turn back to some of the operational-related questions. This one comes from Andrew Steiner at JPMorgan. With more digital self-help for client support ahead, does Thomson expect to change the ranks of its professional service reps at large clients?

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

I'll start, and then I'd ask Brian and Kirsty to weigh in. I think -- look, Andrew, it's a great question because, as you know, our salespeople and our professional services support folks have been very, very important to the health and wellness of our business, and equally importantly, the service of our customers. So we're going to continue that set of investments. We've upped the bar in terms of performance and in terms of the investments we make back in the development of our people across the company, including, but not limited to, our salespeople in professional services. And we'll just keep going down that path.

So the way I think about the omnichannel and self-serve capabilities is they are additive to that. They enable us to access our existing customers in a much more seamless way and improve the experience. And they enable us to access a whole new set of customers that really, today, we are not serving. I mean you heard in the video this morning, a small customer said, "I'm here, Thomson Reuters. You can serve me, but you don't seem to value me." And that's what this is about. And the hard work comes in where we put the 2 together.

And look, as Kirsty said, we're late to this game. We're not the first to do it. And we're not underestimating what it's going to take over the next 24 months to get this right. But it is something that many, many companies have done before, and Kirsty and others on our team have done it.

So anyway, with that, I'll defer to Kirsty and Brian for any other comments.

Kirsty Roth - Thomson Reuters Corporation - Chief Operations & Technology Officer

I mean let me give 2 examples where I think even post the Change Program that capability is absolutely key. The first one would be, typically, our larger customers want to use their own data sets. So if that's onboarding their own customers -- sorry, onboarding their own employees or actually using their own data, their professional services team are key to really sort of put that solution then to work.

And then we're seeing more and more requests in every customer meeting, I meet with customers every week for more and more APIs. And again, another key area where the team will be key to really give our customers the sort of right solution and the mix of modules and products that they want.

But Brian, thoughts from you?

Brian S. Peccarelli - Thomson Reuters Corporation - Executive VP & COO of Customer Markets

Yes. I'll just reiterate what's been said. It's really about giving our customers choices in the future to how they want to engage with us and how we can engage with them. So it's not about choosing A or B. It's about having that optionality in order to service them and have them engage with us. So it's really exciting because customers at different points in time want us there in different ways. And as Kirsty just said, whether that's to engage with our data sets in different ways and plug into their workflows directly or to be able to have self-service anytime, anywhere kind of engagement with us or in the traditional sense that we service them today with our people and our experts that are there when they need us most.

Frank J. Golden - Thomson Reuters Corporation - Head of IR

Brian, just a follow-up on that one, somewhat related, but that is you talked about the opportunities during your presentation in the Corporate segment. What are the opportunities to sell existing products and build new ones targeted to Corporate customers?

Brian S. Peccarelli - Thomson Reuters Corporation - Executive VP & COO of Customer Markets

Yes. I'm really excited about where we are in this journey. As has been mentioned, when we met 2 years ago, we had 3 big challenges before us: the separation from Refinitiv, the eliminating the stranded cost and then the going after the growth within the markets. At that time, we pivoted around the customer and created our market-focused groups, and as I mentioned and reminded everyone, created Corporates for the first time. Within that, we subsegmented it to start seeing what's that SMB sector of corporates and what are their needs and what are the larger corporations and their needs.

As we've been uncovering that and as now we're pivoting to put full emphasis on this program behind growth, it's really exciting to look at not only enabling us to get full 360 views of the customer, so what are they using from us? How are they using our existing products and solutions in order to have us better tailor those solutions to them? As David's mentioned about integrating our products more and about creating product

innovation across the company as well and enabling how do we link those solutions together to make it easier for customers to want to buy and cross-sell and buy additional solutions from us.

And then with the whole focus on NPS and the customer experience, again, another reason for wanting to do business with us more. So it's really exciting about having all of that focus on just our existing customers with our existing products going forward.

When it comes to unlocking new capabilities and potentials, I really focus in on an example in the general counsel space, so in the legal space of corporations. They're really at the infancy of wanting to go and do more with less to drive productivity tools. They know they have to get more efficient, more productive as technologies are starting to spin up and enable that.

I equate that to what happened in the tax department a decade or 2 ago as they've been driving efficiencies for quite a while in the adoption of technology. Now the general counsel is following suit, and we can be there to help them, to understand them and we've got this unique focus now in the Corporate segment of that legal department to allow us to continue to innovate and to continue to be there and bring new solutions that empower them to increase their efficiencies, productivity.

Frank J. Golden - Thomson Reuters Corporation - Head of IR

Terrific. Thanks, Brian. Our next question comes from Drew McReynolds at RBC. This is directed to Kirsty and to David. So we'll tag team. What have you observed, both positive and negative, that has surprised you about Thomson Reuters' 3 core businesses and the Change Program ahead? Let me repeat that. What have you observed, both positive and negative, that has surprised you about Thomson Reuters' 3 core businesses and the Change Program ahead?

Kirsty Roth - Thomson Reuters Corporation - Chief Operations & Technology Officer

So thank you. Great question. I think the positive is, look, we spend a lot of time and we spent a lot of time putting together this Change Program, really understanding what our customers thought about our products. And you consistently hear really great feedback about our people in all cases and really great feedback about the products. But when you dig, what you typically get is how much we love the content, and we could definitely do more on the design, right? So that's an area that David will talk about that our teams are really focused together on really how we make that easier for people.

And when you think about it in the context of the Change Program and really going into the SMB marketplace, those products really do just have to stand on their own and be intuitive and easy to use. But I think there is real strength in our products. If I had the opposite challenge, i.e., the customer experience was great but the products were not, I would think that's far more challenging than what we've got. Well, we've got great products and we're just putting a better customer experience wrapper around it.

So those will be my thoughts. But David, please chip in.

David Wong - Thomson Reuters Corporation - Chief Product Officer

Yes. I'd love to kind of build on those points because I think the area which I've been, again, most excited about, I think, is about the people and about the talent that we have within Thomson Reuters. I think that as I've looked across the different teams, we have exceptional expertise, have exceptional talent in product and tech and in a lot of our different teams. But we just operate, I think, in silos a little bit too much, and we operate in different ways across the company. So I think the opportunity to bring together the ways of working to become more of an operating company is a huge opportunity.

I do think that one of the things that Kirsty hit on around the design of our products, the experience of our products, I think, is an opportunity for us, where our customers love the service, the people that sell the products, the content and the data that we offer, but the experience in using our

products does need work. And that's why I'm excited with some of the new talent that we brought into the team. I mentioned Charlie Claxton, our new Head of Design, who's going to help us to, again, rethink how we develop the experience for our products and make them easier to use.

Frank J. Golden - Thomson Reuters Corporation - Head of IR

Okay. Thank you, David. Our next question, I'm going to direct to Steve. And Mike, feel free to join in also. This comes from Sam Hoffman at Lincoln Square. A recent Thomson Reuters trades at a discount multiple to business services peers. Is the view that Westlaw Checkpoint, for example, have limited TAM, total addressable market? Can you discuss the 5-year growth rates and rationale?

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

Yes. Sam, let me start. As we look at Westlaw and we look at the presence of Checkpoint and UltraTax and then across in the corporate's ONESOURCE, we see products that are #1 in the spaces in which they operate. But we also see tremendous opportunity for growth. So as Andy Martens outlined, we're just getting going with Westlaw Edge. He and his teams have, I think, very, very exciting product development opportunities. And we think that, successfully executed, they're going to enable us not only to continue to lead the research area, but increasingly provide utility in and around legal workflow for lawyers.

And if you step back from the pandemic and the impact of working from home, there isn't a single law firm that we encountered that we serve or we'd like to serve that isn't reducing their investment in real estate and increasing their investment in information and technology. And we think we're very well placed with those starting positions to be the leading provider of that information and technology.

And the same goes in Tax & Accounting. The same goes in Corporates. And of course, in Governments, our business is growing at double digits, and we think that, that kind of growth will continue, particularly given it's a relatively small business for us today, but we couldn't be more excited about what Steve Rubley started off.

So we have the polar opposite view to that, which is implied in your question. We see nothing but opportunity when we look at our core big 3 verticals.

Michael Eastwood - Thomson Reuters Corporation - CFO

Yes. Steve, I would just supplement with a couple of items. If you go back in time, at 2010, when we launched WestlawNext, many of you will be familiar with that. I was in the legal business at that time working with Andy Martens, working with Mike Dahn and others and just to see the evolution over the last decade with Westlaw Edge in 2018.

And now Andy talked about Westlaw Edge 2.0 as we move forward. We're 52% ACV penetration at the end of 2020. We'll be at 60% to 65% penetration by the end of 2021. I think Paul, today, talked about 5% to 6% organic growth in 2023 for legal professionals overall and Westlaw Edge -- Westlaw Edge 2.0 are big reasons why we're so confident in that 5% to 6% as we head into 2023.

Frank J. Golden - Thomson Reuters Corporation - Head of IR

Good. Our next question comes from Gary Bisbee at BofA Securities. You provided a breakdown of the areas where you will invest. Can you provide more color on what buckets the \$600 million of gross cost savings will come from?

Michael Eastwood - Thomson Reuters Corporation - CFO

Sure. I think Kirsty and I can tag team that. You want to start, Kirsty, or I can? I'm happy to start and then Kirsty can weigh in on that.

Certainly, procurement is a big area for us. \$4 billion is our [expedite] today. Obviously, a large part of that is non-people costs. So we have opportunities there. We also talked about investing about 30% to 35% today in regards to org design, location, et cetera. We feel like we have opportunity in those areas. Also, if you look across product, editorial technology, given the significant number of acquisitions that we've made in the last -- not just the last decade, but even longer, we have opportunities to get much, much more -- a hell of a lot more efficient across product technology and editorial, and that will accelerate our time to market and also improve our end-to-end customer experience there.

So Gary, those are some areas that we're very much focused on in regards to our organization, procurement, real estate, product technology really across the organization. As you know, we have an obligation to look across the full firm. And being in so many different countries today, we have opportunities to drive a lot of efficiency. But Kirsty, please?

Kirsty Roth - Thomson Reuters Corporation - Chief Operations & Technology Officer

Yes, Mike, I think you covered that really well. Those are the key -- kind of key areas and where the sales will come from. I think what's worth mentioning, though, is that's not really how we thought about the program. We thought about the customer experience, the end-to-end and then how the teams would need to work in an opco-type structure to get there.

And look, I think many of you will know this, as you kind of then automate and you get those teams working together and doing what we talked about earlier, build ones, deploy many, you just naturally get more efficient as you go. And of course, we should take those opportunities then for those savings. But it's a nice factor, really, of what we're trying to achieve for our customers.

Michael Eastwood - Thomson Reuters Corporation - CFO

I would just wrap up there, Gary. Once again, it's \$600 million gross, but \$200 million of investment, which really is different. And some of the programs and initiatives that we've done in the past, it really emphasizes our level of investment.

Back to the earlier questions today on capital allocation, we're really fortunate to be in a position to invest organically with that \$200 million. But given the substantial amount of capacity that we're going to have for inorganic acquisitions, another investment really in a great position.

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

Just to add another sort of a bit of a flavor to this. I mean, as we did a deep dive diagnostic on all the corners of our business, what we found was that we had much more of a portfolio orientation, and that really was an outgrowth of the days where we had the financial and risk business that now, of course, is part of LSEG.

And as we looked at how do we create an operating company with world-class cross-cutting capabilities, we became increasingly convinced that there's \$600 million or thereabouts in cost saves that can be driven and need to be driven, candidly, to sort of create those best-of-breed capabilities that cut across the entire company. So that was the first thing.

The second thing is it gets us into the realm of the business information services, peers, margins, which is where we should be. There's no reason we shouldn't be there. So to Kirsty's point, we weren't going out after a particular margin level. We went looking at how to best serve customers and what capabilities we needed to have and what that would cost us on a run rate and then ended up with that 38% to 40% margin guidance for 2023.

But the most exciting part of this, for all of our associates and our customers, is that incremental \$200 million investment. And we think that we're going to play a key part in the revolution in professional services, so starting with Legal and Tax & Accounting, fraud risk and compliance. But we think we can extend beyond that, and we really think that if we create the right capabilities over the next 24 months, we'll be at the vanguard of reinventing professional services within those verticals and potentially even more broadly. And that's what's really exciting for us going forward.

Michael Eastwood - Thomson Reuters Corporation - CFO

If I just maybe put a bow on it, to me, successful be when we significantly improve our Net Promoter Score. As I mentioned earlier, we're significantly below the average today. I'm incredibly optimistic as we drive a higher NPS, we're going to get higher revenue. And given our cost structure, we have very high operating leverage, as you know, which provides us with margin expansion and free cash flow expansion opportunities.

Frank J. Golden - Thomson Reuters Corporation - Head of IR

Great. Our next question comes from Vince Valentini, related to pretty much all the presentations that we would up giving today. And as Vince goes on to say, the presentations imply that COVID accelerated or is accelerating adoption of your services. Is the return to less work from home a net headwind or tailwind to your organic revenue growth?

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

Yes. Vince, let me start, and then I'm sure others will add. The changes that we've seen as part of COVID are not reversible, right? So the idea that law firms are going to be more virtual, are going to be more reliant on 24/7 always on available digital technologies and content and the same for their counterparts in Tax & Accounting and the same for those in Corporates and Government, risk fraud and compliance professionals, those things are not reversible. Even if people towards the back end of this year across the world start to come back into the office for 2 days a week, 3 days a week and, for some portion of the population, maybe even 5 days a week, we are for the rest of our careers looking at a very, very significantly more distributed and dynamic workplace.

And professions are going to lead the way. We're starting to see the big 4 accounting firms lead the way, the biggest of the law firms lead the way. And as we go further and further into our customer base, you find law firms, Tax & Accounting firms, SMBs, who are thinking about work-life balance very, very differently. And they have to because in order to attract the best talent, people are going to have to offer -- firms are going to have to offer a much, much more dynamic experience for young talent.

That's what we're doing at Thomson Reuters, and we'll continue that journey. And all of our customers are going to have to do that to a greater or lesser degree. So my view is a lot of what we've seen in COVID will not reverse. If anything, it will accelerate as people start to settle upon the best-of-breed information and technology providers and gain more and more confidence in running their businesses on the back of those providers.

Frank J. Golden - Thomson Reuters Corporation - Head of IR

Terrific. This next question comes from Drew McReynolds at RBC. And he directs it to Steve or Mike.

Come the end of 2023, what would you say will be the unfinished business either strategically or financially?

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

Drew, I'd say there's a couple of areas. And we've -- I think we've been very sort of disciplined about focusing on the customer experience and really focusing on the Change Program and driving all of our folks towards that agenda and all its component parts. There are lots and lots of questions that I think will need to be answered as we head into '23 and '24, but we'll have a different set of capabilities and a very high level of confidence to answer those.

So things like our international growth strategy, we are deliberately focused on our core businesses in North America and a relatively small number of key geographies. But we're excited about the growth opportunities beyond this. We want to get the capabilities right, and then you'll see us start to be much more aggressive internationally. I think that's one.

I think the second one is with our brand, with our Board, with our trust principles, the way in which we manage, curate and protect data, we are uniquely, I think, positioned to play a big role in the risk fraud and compliance space. And we're going to make some progress, as Steve Rubley outlined in his presentation this morning between now and the end of 2022. But I think you'll see us be positioned to do even more after it.

So it's those kinds of questions that we're trying to be very disciplined about. We want to be focused on our change program and achieving or exceeding the targets we've laid out today. But at the same time, I think we're creating the capabilities and the confidence to go after some of these bigger growth questions.

Michael Eastwood - Thomson Reuters Corporation - CFO

Drew, I would just supplement with 2 items. I think SMB, which we talked a lot about today, as we go into the end of 2023, I think we'll make great progress. But I think we'll have even more opportunity in the SMB space post 2023.

And then, secondly, just to supplement Steve's comment, given that we're going to have \$15 billion of capital capacity as we go into 2023, I think we're going to have opportunities to add either develop internally or to acquire assets that will help our customers even more to sustain at 5% to 6% organic growth long term.

Frank J. Golden - Thomson Reuters Corporation - Head of IR

A question here for Steve from Toni Kaplan. Can you give us an update on how the new segment fits in with the portfolio and with the new strategy of being an operating as opposed to a holding company?

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

Yes, Toni, we're focused on a couple of things at Reuters News. The first is to make Reuters News more relevant to and informative of our professionals customers. And we've started with a pretty big push in 2020 into legal news. We don't occupy the leadership position in legal news that we should, given that we have the world's leading independent fact-based news agency and the world's leading legal information services business.

We think we ought to put the 2 together and really create a leadership position in legal news. We made a big investment in 2020, and that started to pay off. We've seen real progress. So we'd like to sort of consolidate that and extend that to the other professionals that we serve at Thomson Reuters. That's the first thing.

The second thing is we were very lucky to have, for many years, Steve Adler, as our Editor-in-Chief at Reuters News. He did a fantastic job. And we'll miss Steve dearly as he retires and goes off to enjoy other pursuits. But I do think it provides us an opportunity to be the leader in the news business and have the most innovative, data-driven technology-enabled newsroom. And so we're very focused on that.

So that today is really the areas of focus for Reuters News. And if we can get those right, we think that it will occupy a very valuable portion of our portfolio and serve the broader business quite well.

Frank J. Golden - Thomson Reuters Corporation - Head of IR

We have one final question here, and I'll direct this one to Mike. Mike, if you don't achieve 5% to 6% organic growth in 2023, what's your confidence level in achieving the 38% to 40% EBITDA margin in 2023?

Michael Eastwood - Thomson Reuters Corporation - CFO

I would say, given our -- my and our confidence and conviction in our Change Program with our team, we are very confident in delivering the targets we provided for '21 to '23. Personally, I prefer not to speculate or spend any time on other scenarios. We're going to spend our time executing like hell, in regards to the Change Program that we spent a tremendous amount of time on with many of our colleagues around the world.

We have very detailed plans. We have very detailed work streams. We're monitoring very closely every week, every month and just extreme confidence in being able to deliver on all of our targets, but we're really focused on improving the end-to-end customer experience. As long as we do that, I'm very confident everything else will fall in place.

We continue to build each day in regards to our sales pipeline and driving the revenue. And once again, with our operating leverage and the work on identifying and delivering on the efficiencies and productivities, very confident that we'll deliver for '21 to '23.

Frank J. Golden - Thomson Reuters Corporation - Head of IR

Thanks, Mike. That will conclude our Investor Day for 2021. We very much appreciate you joining us today. If you have any follow-up questions, feel free to contact myself or Megan Cleveland and my team.

And before we conclude, I'd like to turn it back over to Steve Hasker for some final closing comments.

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

Thanks, Frank, and thanks to everyone for your time and attention this morning.

Look, I hope what's come through the presentations today is our excitement for our customers. We love our customers. We did, I think, a tremendous job in serving those customers in 2020 under extraordinarily trying conditions for them. And we showed our support and we showed the resilience of our business, firstly.

Secondly, as we talked about, we think there's a number of very significant prevailing tailwinds for our core businesses, and we look forward to making this transition from portfolio to operating company and from content company to content-driven technology company. We think that's going to position us very well. So I hope you get a sense for the confidence and the excitement from everybody you've seen this morning. We really do, as a team, share that sentiment.

And lastly, let me thank you for your time and attention. We appreciate your support. We appreciate your interest. We certainly don't take that for granted. And we look forward, over the next couple of years, to delivering and over-delivering on your expectations. Thank you.

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