

Thomson Reuters **2023 Fourth-Quarter and** **Full-Year Results**

February 8, 2024



Agenda

- **Welcome / Introduction**

Gary Bisbee

- **Fourth-Quarter & Full-Year 2023 Highlights**
Growth and Innovation Updates

Steve Hasker

- **Financial Review**
Fourth-Quarter & Full-Year 2023 Results
2024 Full-Year Outlook and 2025-2026 Financial Framework

Mike Eastwood

- **Q & A**

Special Note

Special Note Regarding Forward-Looking Statements, Material Assumptions and Material Risks

This presentation consists of these slides and the associated remarks and comments, which are related and intended to be presented and understood together.

Certain statements in this presentation and discussion are forward-looking, including, but not limited to, statements regarding the company's full-year 2024 outlook and other expectations regarding the future financial and operational performance of the company and its individual business segments, the company's strategic priorities, initiatives and opportunities, the company's expectations regarding the monetization of its investment in LSEG, the company's expectations regarding its liquidity and capital resources, statements regarding the company's completion of repurchase of US\$1.0 billion under its normal course issuer bid by Q2 2024, its intention related to future share repurchases and statements regarding the potential impact of the company's recent acquisitions on the financial performance of the company and the application and impact of generative AI in current and future products. While the company believes that it has a reasonable basis for making forward-looking statements in this presentation, they are not a guarantee of future performance or outcomes and there is no assurance that any of the events described in any forward-looking statement will materialize. Forward-looking statements are subject to a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from current expectations. Many of these risks, uncertainties and assumptions are beyond our company's control and the effects of them can be difficult to predict. Some of the factors that could cause actual results to differ materially from current expectations are discussed in our earnings release dated February 8, 2024, the "Risk Factors" section of our annual report and in other materials that we from time to time file with, or furnish to, the Canadian securities regulatory authorities and the U.S. Securities and Exchange Commission.

Our company has provided a business outlook for the purpose of presenting information about current expectations for full-year 2024. This information may not be appropriate for other purposes. You are cautioned not to place undue reliance on forward-looking statements which reflect expectations only as of the date of this presentation. Except as may be required by applicable law, Thomson Reuters disclaims any obligation to update or revise any forward-looking statements.

The company's business outlook is based on information currently available to the company and is based on various external and internal assumptions made by the company in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the company believes are appropriate under the circumstances. Please refer to our earnings release dated February 8, 2024 and our third-quarter 2023 MD&A, each of which are available on www.tr.com, for a discussion of material assumptions and material risks related to our business outlook. Material assumptions and material risks related to our business outlook will also be reflected in our 2023 annual report, which the company plans to file in March 2024.

Non-IFRS Financial Measures

This presentation contains disclosures of certain non-IFRS financial measures. These measures include adjusted EBITDA (other than at the customer segment level) and the related margin, free cash flow, adjusted earnings, adjusted EPS, effective tax rate on adjusted earnings, accrued capital expenditures expressed as a percentage of revenues, net debt to adjusted EBITDA leverage ratio, return on invested capital (ROIC) selected measures excluding the impact of foreign currency, changes in revenues computed on an organic basis as well as all financial measures for the "Big 3".

Please see our earnings release dated February 8, 2024, which is available on SEDAR+ at www.sedarplus.com and on our website at www.tr.com, for a reconciliation of each of Thomson Reuters' non-IFRS measures to the most directly comparable IFRS financial measure.



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**Fourth-Quarter & Full-Year
2023 Highlights**

Steve Hasker
President & CEO

Fourth-Quarter & Full-Year 2023 Highlights

1. Good 2023 performance met or exceeded outlooks for organic revenue, adjusted EBITDA margin and FCF

- Q4 organic revenue growth of 7% and FY organic revenue growth of 6%
- “Big 3” Business Segments (Legal, Corporates and Tax & Accounting) revenues grew 8% organically in Q4 and 7% for the full year
- Q4 adjusted EBITDA margin upside largely driven by Reuters AI content licensing agreement

2. 2024 outlook anticipates ~6% organic revenue growth, ~38% adjusted EBITDA margins, and ~\$1.8B of FCF

- As previously discussed, 2024 outlook incorporates incremental organic and inorganic investments to support future revenue growth acceleration
- We are introducing a 2025-2026 financial framework calling for 6.5%-8% organic revenue growth and strong margin expansion

3. Generative AI progress highlights strong year of innovation and product success

- Key product successes: launch of Westlaw AI-Assisted Research and CoCounsel Core; product enhancements across the portfolio
- Robust 2024 product roadmap includes additional AI-enabled launches: Practical Law, Checkpoint, intelligent drafting, and more

4. Significant progress with capital deployment; robust liquidity and capacity remain

- Sold ~56M shares of LSEG in 2023 for gross proceeds of nearly \$5.5B
- Since January 2023, put \$2B+ to work in M&A, including SurePrep, Casetext, Pagero, and three strategic bolt-ons
- Returned \$3.1B of capital to shareholders through buybacks and return of capital transaction; grew common dividend 10%

5. Maintain leadership Positions in Historically Stable & Attractive Markets

- Resilient business with ~80% Recurring Revenue, strong cash flow, and significant capital capacity

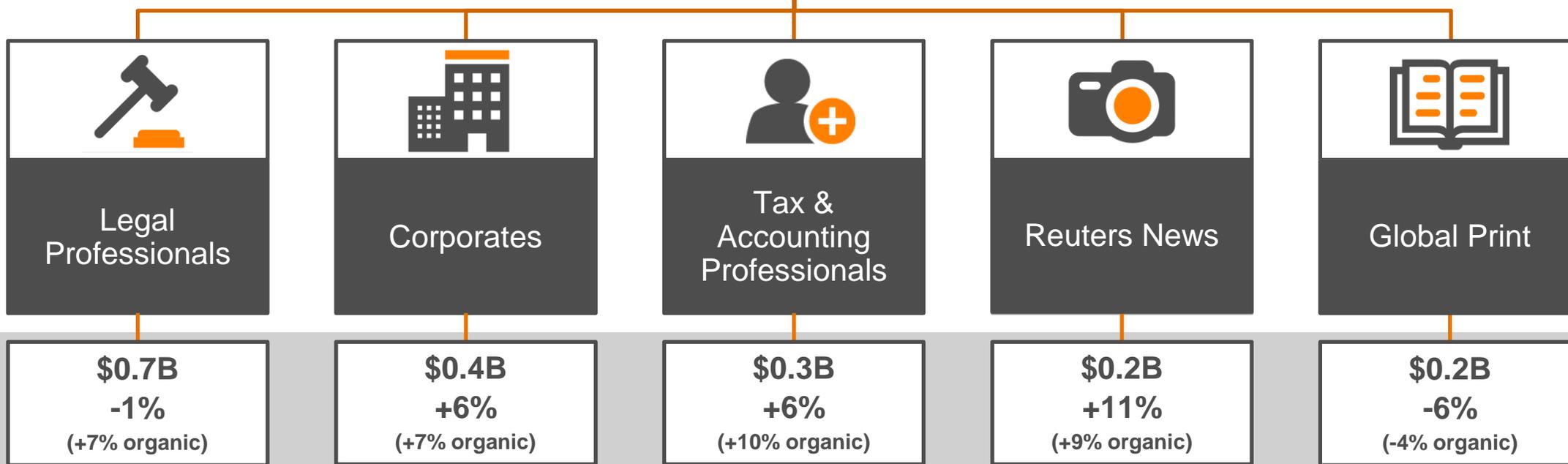
Fourth-Quarter 2023 Consolidated Results

IFRS Financial Measures (\$ millions)	2023	2022	Change
Revenues	\$1,815	\$1,765	Up 3%
Operating profit	\$558	\$631	Down 11%
Diluted earnings per share (EPS)	\$1.49	\$0.45	Up 231%
Cash flow from operations	\$705	\$676	Up 4%

Non-IFRS Financial Measures (\$ millions)	2023	2022	Change	Change at Constant Currency	Organic Growth
Revenues	\$1,815	\$1,765	Up 3%	Up 3%	Up 7%
Adjusted EBITDA	\$707	\$633	Up 12%	Up 9%	
<i>Adjusted EBITDA margin</i>	<i>38.9%</i>	<i>35.9%</i>	<i>Up 300 bps</i>	<i>Up 210 bps</i>	
Adjusted EPS	\$0.98	\$0.75 ⁽¹⁾	Up 31%	Up 28%	
Free cash flow	\$613	\$526	Up 16%		

Fourth-Quarter 2023 Revenue Growth by Segment

Reported revenues up 3% to \$1.8 billion
Organic revenues up 7%
Organic recurring revenues up 7%



“Big 3” grew 8% organically (80% total revenues)

Full-Year 2023 Consolidated Results

IFRS Financial Measures (\$ millions)	2023	2022	Change
Revenues	\$6,794	\$6,627	Up 3%
Operating profit	\$2,332	\$1,834	Up 27%
Diluted earnings per share (EPS)	\$5.80	\$2.75	Up 111%
Cash flow from operations	\$2,341	\$1,915	Up 22%

Non-IFRS Financial Measures (\$ millions)	2023	2022	Change	Change at Constant Currency	Organic Growth
Revenues	\$6,794	\$6,627	Up 3%	Up 3%	Up 6%
Adjusted EBITDA	\$2,678	\$2,329	Up 15%	Up 14%	
<i>Adjusted EBITDA margin</i>	<i>39.3%</i>	<i>35.1%</i>	<i>Up 420 bps</i>	<i>Up 380 bps</i>	
Adjusted EPS	\$3.51	\$2.62 ⁽¹⁾	Up 34%	Up 32%	
Free cash flow	\$1,871	\$1,340	Up 40%		

Full-Year 2023 Actual Results vs. Updated Guidance

Total Thomson Reuters	2023 Outlook 11.01.23 Before Currency	2023 Results Before Currency	2023 Reported
Total Revenue Growth	3.0% - 3.5%	3.0% ✓	2.5%
Organic Revenue Growth ⁽¹⁾	5.5% - 6.0%	5.9% ✓	5.9%
Adjusted EBITDA Margin ⁽¹⁾	~ 39%	39.1% ✓	39.3%
Corporate Costs	\$110 - \$120 million	\$114 million ✓	\$115 million
Free Cash Flow ^{(1) (4)}	~ \$1.8 billion	\$1.9 billion ✓	\$1.9 billion
Accrued Capex as % of Revenue ⁽¹⁾	~ 8%	7.8% ✓	7.8%
Depreciation & Amortization of Computer Software ⁽²⁾	\$625 - \$635 million	\$629 million ✓	\$628 million
Interest Expense (P&L) ⁽³⁾	\$170 - \$180 million	\$164 million ✓	\$164 million
Effective Tax Rate on Adjusted Earnings ⁽¹⁾	~ 17%	16.5% ✓	16.5%
Big 3 ⁽¹⁾	2023 Outlook 11.01.23 Before Currency	2023 Results Before Currency	2023 Reported
Total Revenue Growth	3.5% - 4.0%	3.5% ✓	3.0%
Organic Revenue Growth	6.5% - 7.0%	7.2% ✓	7.2%
Adjusted EBITDA Margin	~ 44%	43.6% ✓	43.8%

(1) Non-IFRS financial measures. All measures reported for the "Big 3" segments are non-IFRS

(2) Includes \$72M of Acquired Software Amortization, which is added-back in our definition of adjusted earnings

(3) Full-year 2023 interest expense excludes a \$12 million benefit from the release of a tax reserve that is removed from adjusted earnings

(4) Free cash flow is at actual rates



Growth and Innovation Updates

Product Innovation and AI Leadership driving Growth

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WESTLAW™

- AI-Assisted Research: *The biggest change in legal research since we went from book research to online research*
- AI-Assisted Research in Westlaw Precision enables customers to ask complex research questions in natural language, like speaking to a colleague, and receive responsive answers synthesized from authoritative legal sources with links to supporting law and explanations of its relevance.
- Fourth quarter Westlaw bookings reach all-time high, rise sharply from H1/23

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CoCounsel Core

- 10 task-oriented and generative AI enabled skills that accelerate, streamline and improve the quality of work for litigators and transactional attorneys.

Legal and Risk Professionals

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WESTLAW

New Research Topics

- 23 new research topics added to Westlaw Precision during the year

Microsoft Integration

- A contract drafting solution, powered by our legal products and content, and customers' own content, delivered in Word and integrated with Microsoft 365 Copilot.

Global Beneficial Ownership

- Improved GBO search results including reference reports, relationship data beyond first-degree and current and past trade relationships

**Microsoft
365 Copilot
Plugin**

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CLEAR

Tax & Accounting Professionals

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UltraTax

Best in Class

- Maintained industry leading e-file acceptance rates and was first to market with many individual 1040/1041 forms

Award Winner

- Dominio in ATP LatAm received first place as the Outstanding Accounting System in Brazil

Single-Audit

- Checkpoint Engage Single-Audit was awarded top new 2023 audit product by Accounting Today

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**Dominio
(Brazil)**

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Audit Suite

Corporates Tax and Trade Professionals

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**ONESOURCE
Indirect Tax**

Wider Coverage

- Expanded industry specific content coverage in Retail, Oil & Gas and LATAM markets. Determination Anywhere market traction and key partnerships

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**ONESOURCE
Global Trade**

User Interface Enhancements

- UI performance gains and improved customer experience translated in an overall 5X performance increase across the entire application

Strengthened Portfolio Through Successful Execution of M&A Strategy

Since January 2023, we have completed six strategic acquisitions and divested a majority stake in Elite, leaving a stronger, more strategically aligned portfolio with better growth prospects

	Closed Date	Primary Segment	Description	Purchase Price
 SurePrep® Part of Thomson Reuters	January 3 rd , 2023	Tax & Accounting Professionals	Leading provider of AI-driven tax workflow automation solutions	\$500M
	August 17 th , 2023	Legal Professionals	Leading provider of AI tools through CoCounsel, a Gen AI powered legal AI assistant	\$650M
	Majority Ownership as of: January 17 th , 2024	Corporates	Leading provider of e-invoicing solutions through a global, automated and secure network	~ \$800M
	July 14 th , 2023	Reuters	Cloud-native digital media asset management platform	
	November 1 st , 2023	Legal	Leading provider of comprehensive legal information services in Japan	~ \$105M Combined
	January 16 th , 2024	Reuters	Subscription-based editorial content for the global P&C and specialty (re)insurance industry	

Pagero Acquisition: Strong Strategic Fit and Growth Accretive

Pagero offers a **comprehensive suite of global e-invoicing and indirect tax solutions** that **ensure compliance and provide workflow automation benefits** for customers

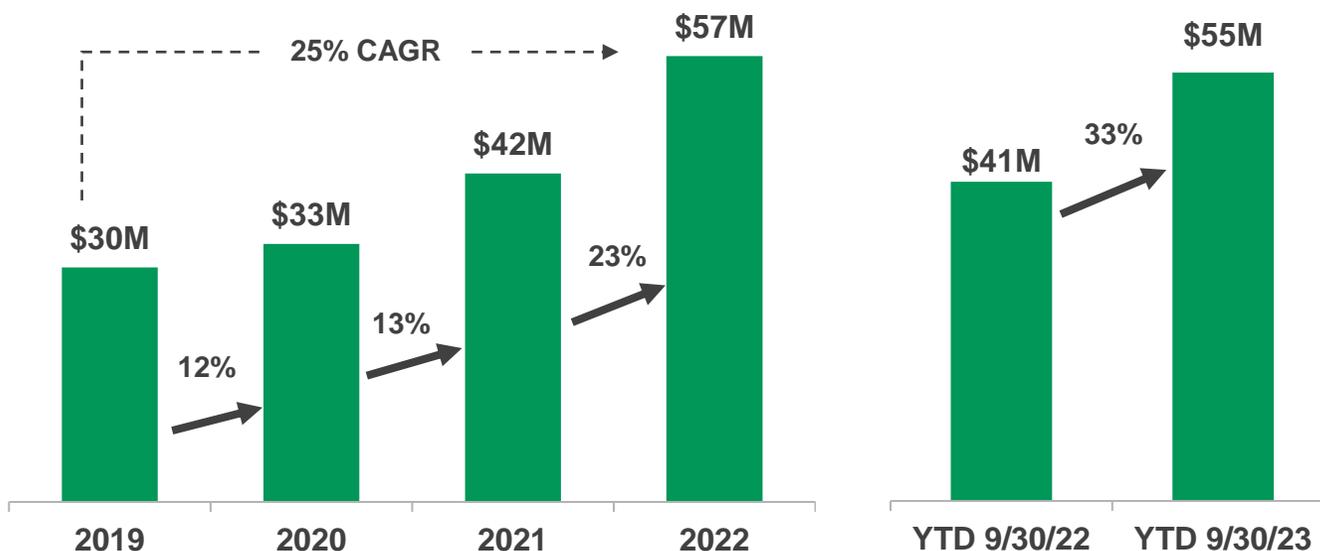
Through a single, modern and **open technology platform**, Pagero **links customers, suppliers, and institutions**, allowing for the **automated, compliant, and secure digital exchange of business documents** such as orders, invoices, and others.

The company's Smart Business Network links its 90,000 customers with over 14 million connected companies, providing emerging **"network" effects** as it continues to scale.

Key Facts

- Headquartered in Gothenburg, Sweden
- 30+ offices in 20+ countries
- 850 employees
- ~90k customers, and 14M companies in network

Revenue and Organic Revenue Growth ⁽¹⁾ ⁽²⁾



Financial Highlights ⁽³⁾

- Annual Recurring Revenue (ARR) – \$71M
- 25% revenue CAGR (2020-2022)
- 87% recurring revenue
- Strong retention – 1.8% churn, 122% NRR
- Strong profitability in “established” markets

Notes:

1. Revenue in USD based on the USD/SEK exchange rate of 10.45 as of January 17, 2024.
2. Organic revenue growth rates based on Pagero's financial reporting.
3. Financial Highlights data from Pagero's Q3/23 earnings report, unless otherwise noted.



**Financial Review
Fourth-Quarter & Full-Year
2023 Results
2024 Outlook and 2025-2026
Framework**

**Mike Eastwood
Chief Financial Officer**

Fourth-Quarter & Full-Year 2023 Legal, Corporates, Tax & Accounting Professionals Revenues

(\$ millions)

Fourth Quarter

Full Year

Revenues	Fourth Quarter					Full Year				
	2023	2022	Total	Constant Currency	Organic	2023	2022	Total	Constant Currency	Organic
Legal Professionals	700	704	-1%	-1%	+7%	2,807	2,803	-	-	+6%
Corporates	402	379	+6%	+5%	+7%	1,620	1,536	+5%	+5%	+7%
Tax & Accounting Professionals	344	326	+6%	+9%	+10%	1,058	986	+7%	+9%	+10%
Big 3 Revenues	1,446	1,409	+3%	+3%	+8%	5,485	5,325	+3%	+4%	+7%

Fourth-Quarter & Full-Year 2023 Consolidated Revenues

(\$ millions)

Fourth Quarter

Full Year

Revenues	Fourth Quarter					Full Year				
	2023	2022	Total	Constant Currency	Organic	2023	2022	Total	Constant Currency	Organic
Legal Professionals	700	704	-1%	-1%	+7%	2,807	2,803	-	-	+6%
Corporates	402	379	+6%	+5%	+7%	1,620	1,536	+5%	+5%	+7%
Tax & Accounting Professionals	344	326	+6%	+9%	+10%	1,058	986	+7%	+9%	+10%
Big 3 Revenues	1,446	1,409	+3%	+3%	+8%	5,485	5,325	+3%	+4%	+7%
Reuters News	220	198	+11%	+10%	+9%	769	733	+5%	+5%	+4%
Global Print	154	162	-6%	-5%	-4%	562	592	-5%	-4%	-3%
Eliminations / Rounding	(5)	(4)				(22)	(23)			
Total Revenues	1,815	1,765	+3%	+3%	+7%	6,794	6,627	+3%	+3%	+6%

Fourth-Quarter & Full-Year 2023 Consolidated Adjusted EBITDA

(\$ millions)

Fourth Quarter

Full Year

Adjusted EBITDA	Fourth Quarter				Full Year			
	2023	2022	Total	Constant Currency	2023	2022	Total	Constant Currency
Legal Professionals <i>Margin</i>	298 42.5%	294 41.7%	+1%	-2%	1,299 46.2%	1,227 43.8%	+6%	+5%
Corporates <i>Margin</i>	138 34.5%	135 35.7%	+3%	+1%	619 38.1%	578 37.6%	+7%	+7%
Tax & Accounting Professionals <i>Margin</i>	188 54.6%	189 58.1%	-1%	+1%	490 45.8%	451 45.8%	+8%	+10%
Big 3 Adjusted EBITDA <i>Margin</i>	624 43.1%	618 43.9%	+1%	-	2,408 43.8%	2,256 42.4%	+7%	+6%
Reuters News <i>Margin</i>	61 27.9%	40 19.8%	+56%	+52%	172 22.4%	154 21.0%	+12%	+5%
Global Print <i>Margin</i>	55 36.4%	59 36.1%	-5%	-8%	213 38.0%	212 35.7%	+1%	-
Corporate Costs (including Change Program)	(33)	(84)			(115)	(293)		
Total Adjusted EBITDA <i>Margin</i>	707 38.9%	633 35.9%	+12%	+9%	2,678 39.3%	2,329 35.1%	+15%	+14%

Adjusted Earnings Per Share (EPS)

(\$ millions except per share amounts & share count)	Fourth Quarter			Full Year		
	<u>2023</u>	<u>Change</u>	<u>% Change</u>	<u>2023</u>	<u>Change</u>	<u>% Change</u>
Adjusted EBITDA	\$707	\$74		\$2,678	\$349	
Depreciation & Amortization of Computer Software	(\$164)	(\$3)		(\$628)	(\$3)	
Add back: Acquired Software Amortization	\$24	\$12		\$72	\$33	
Interest Expense ⁽¹⁾	(\$31)	\$20		(\$164)	\$32	
Income Tax	(\$89)	(\$19)		(\$324)	(\$50)	
Dividend declared on preference shares	(\$1)	-		(\$5)	(\$2)	
Adjusted Earnings	\$446	\$84		\$1,629	\$359	
Adjusted EPS	\$0.98	\$0.23	+31%	\$3.51	\$0.89	+34%
<i>Foreign Currency Impact</i>	<i>\$0.02</i>			<i>\$0.04</i>		
<i>Diluted Weighted Average Common Shares</i>	<i>455.2M</i>			<i>464.0M</i>		

(1) Full-year 2023 interest expense excludes a \$12 million benefit from the release of a tax reserve that is removed from adjusted earnings

Consolidated Free Cash Flow

(\$ millions)	Fourth Quarter			Full Year		
	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>2023</u>	<u>2022</u>	<u>Change</u>
Comparable Free Cash Flow (Continuing Operations)	\$633	\$576	\$57	\$1,947	\$1,731	\$216
Other Items (Change Program Costs)	(\$10)	(\$49)	\$39	(\$90)	(\$324)	\$234
Free Cash Flow (Continuing Operations)	\$623	\$527	\$96	\$1,857	\$1,407	\$450
Free Cash Flow – Discontinued Operations	(\$10)	(\$1)	(\$9)	\$14	(\$67)	\$81
Free Cash Flow	\$613	\$526	\$87	\$1,871	\$1,340	\$531

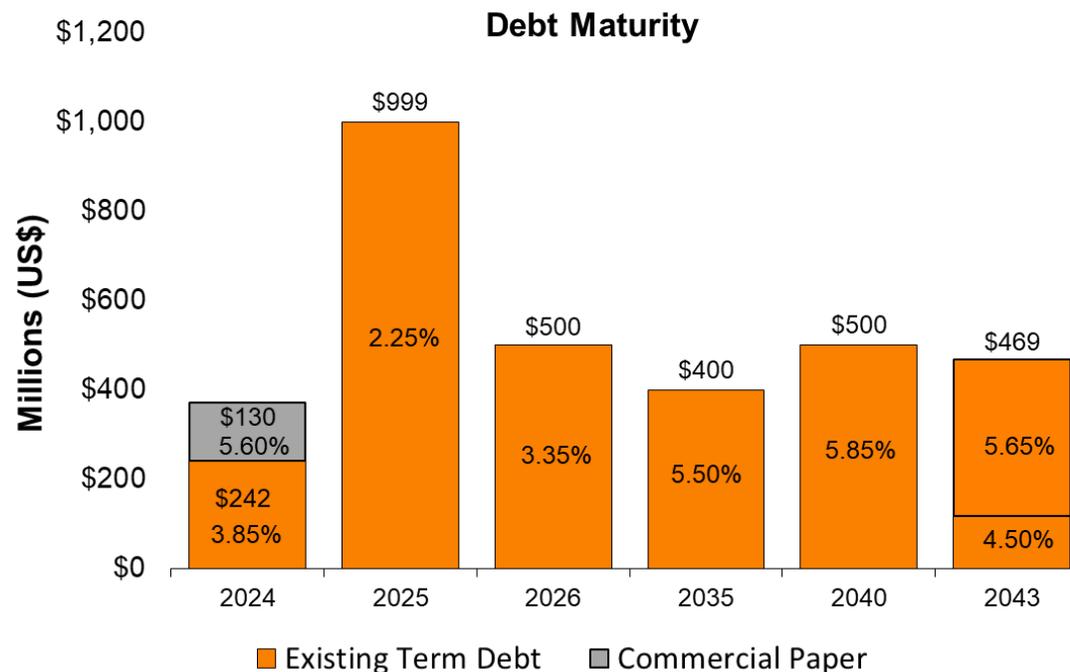


Capital Structure and Allocation Updates

Significant Financial Capacity - Ready to Put to Work

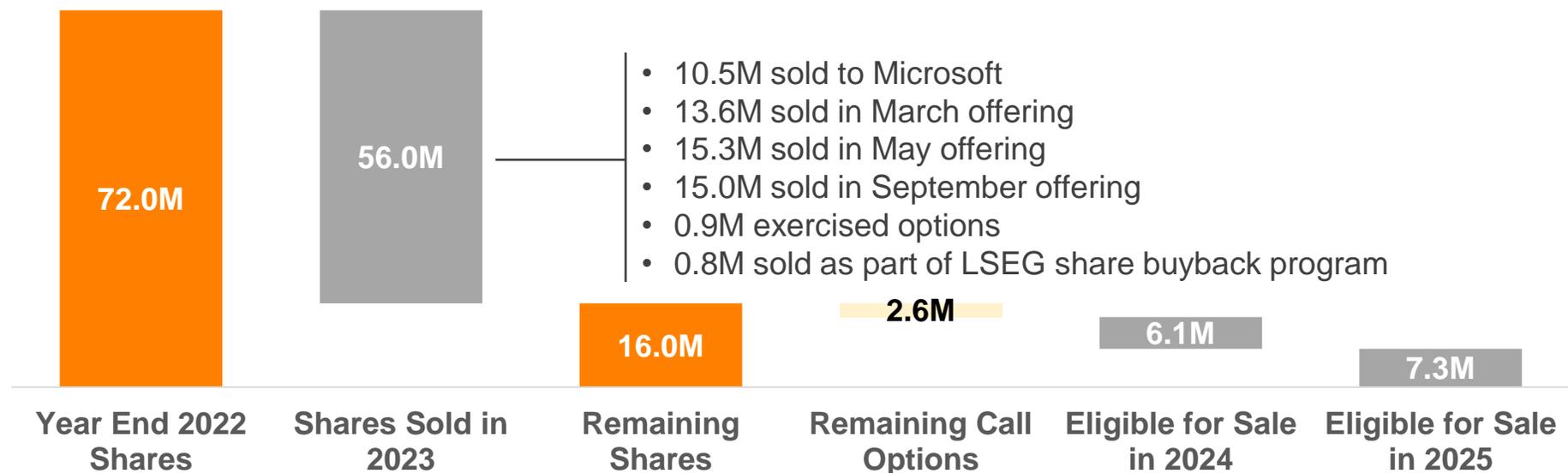
- **Capital structure and liquidity position remain strong:**
 - Capital capacity expected to grow to ~\$8B by 2026, following completion of current \$1B NCIB and ~\$800M Pagero acquisition
 - Expected to provide significant organic and inorganic growth opportunities; continue to assess acquisition candidates
- **Current Net Debt / Adjusted EBITDA Ratio of 0.8x (12/31/23) vs. 2.5x Target** (0.7x calculated under credit facility vs. maximum of 4.5x)
- **Next debt maturity of \$242M in Sept 2024**

- **Debt Outstanding @ 12/31/23 = \$3.1B**
- **CP Outstanding @ 12/31/23 = \$0.1B**
- **Cash on Balance Sheet @ 12/31/23 = \$1.3B**
- **Credit Revolver @ 12/31/23 = ~ \$2.0B (undrawn)**
- **Avg. Interest Cost for Term Debt = 4.1%**
- **Avg. Term Debt Maturity Remaining = ~ 8.0 years**



London Stock Exchange Group Stake – 16.0M Shares Remain

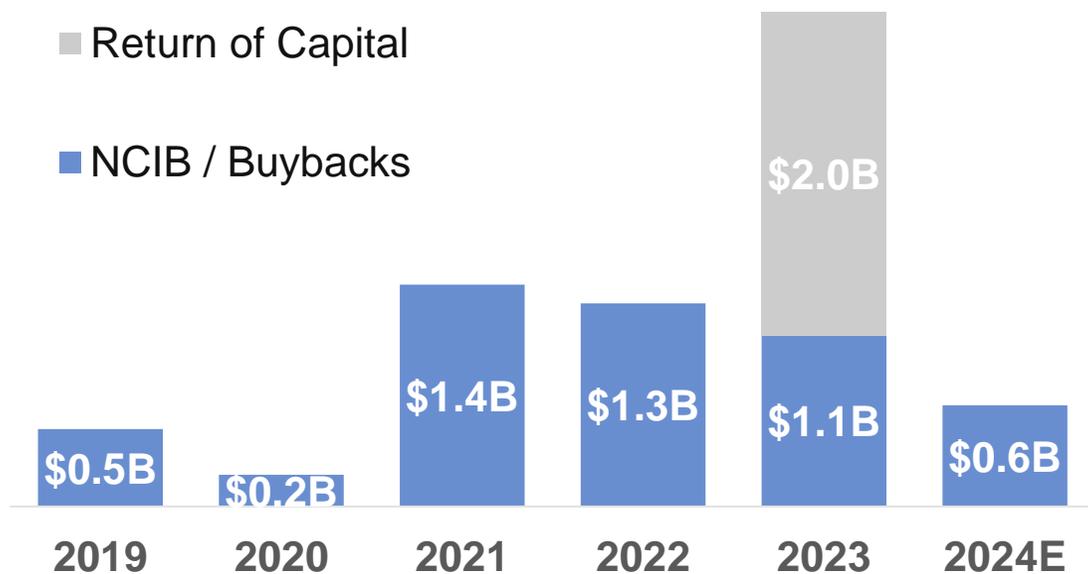
- Thomson Reuters sold approximately 56M shares in 2023, primarily via 4 large transactions - a private sale to Microsoft in January and 3 open market block trades (March, May, September)
- Of the remaining 16.0M shares, 2.6M shares could be sold through Call Options, with ~6.1M and ~7.3M more eligible for sale in 2024 and 2025, respectively



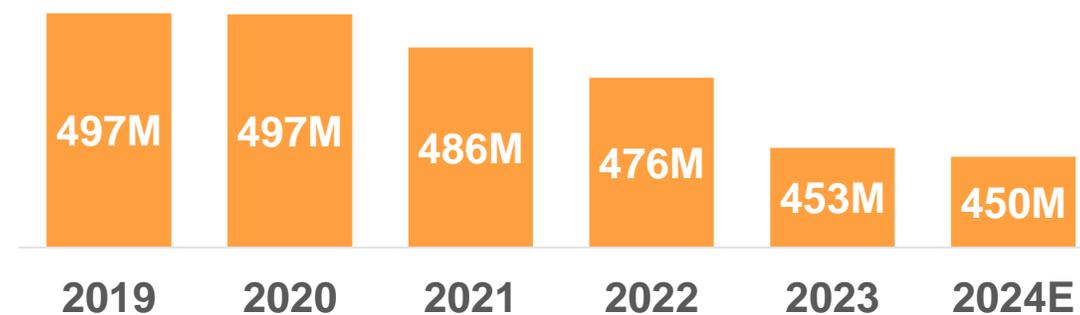
Balanced Capital Allocation: Buybacks/Return of Capital

Returned \$6.5 billion to shareholders over the past 5 years; Anticipate completion of existing \$1.0B NCIB in Q2
Since 2020, share repurchases/return of capital have reduced share count by ~10%

Annual Share Buyback / Return of Capital



Share Count (Period End)

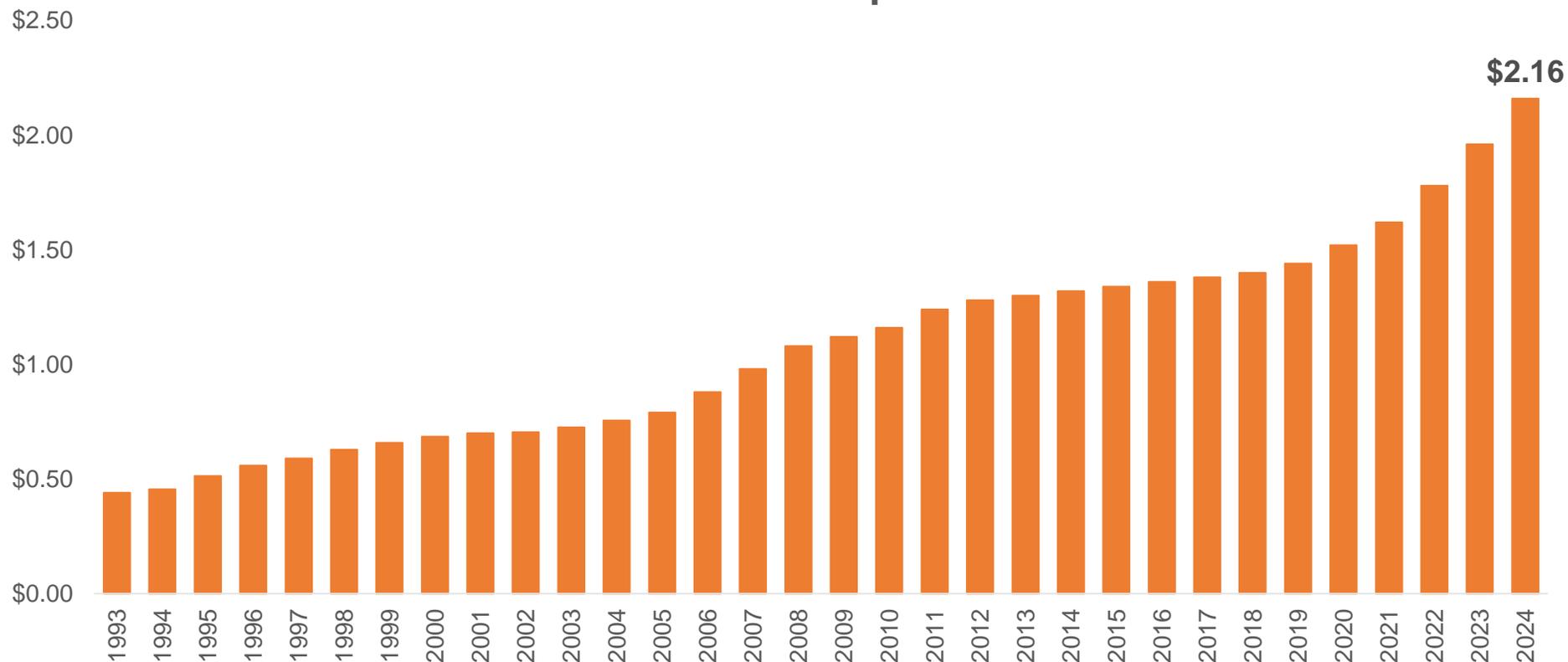


Balanced Capital Allocation: Long History of Dividend Growth

31 Consecutive Years of Annual Dividend Increases

2024 Annualized Dividend Rises \$0.20 to \$2.16, a Third Consecutive 10% Increase

Annualized Dividend per Common Share





2024 Outlook 2025-2026 Financial Framework

2024 Outlook

Total Thomson Reuters	FY 2023 Reported	FY 2024 Outlook 2/8/24
Total Revenue Growth	3%	~ 6.5%
Organic Revenue Growth ⁽¹⁾	6%	~ 6%
Adjusted EBITDA Margin ⁽¹⁾	39.3%	~ 38%
Corporate Costs	\$115 million	\$120 - \$130 million
Free Cash Flow ⁽¹⁾	\$1.9 billion	~ \$1.8 billion
Accrued Capex as % of Revenue ⁽¹⁾	7.8%	~ 8.5%
Depreciation & Amortization of computer software ⁽²⁾	\$628 million	\$730 - \$750 million
Interest Expense (P&L) ⁽³⁾	\$164 million	\$150 - \$170 million
Effective Tax Rate on Adjusted Earnings ⁽¹⁾	16.5%	~ 18%
Big 3 ⁽¹⁾	FY 2023 Reported	FY 2024 Outlook 2/8/24
Total Revenue Growth	3%	~ 8%
Organic Revenue Growth	7%	~ 7.5%
Adjusted EBITDA Margin	43.8%	~ 43%

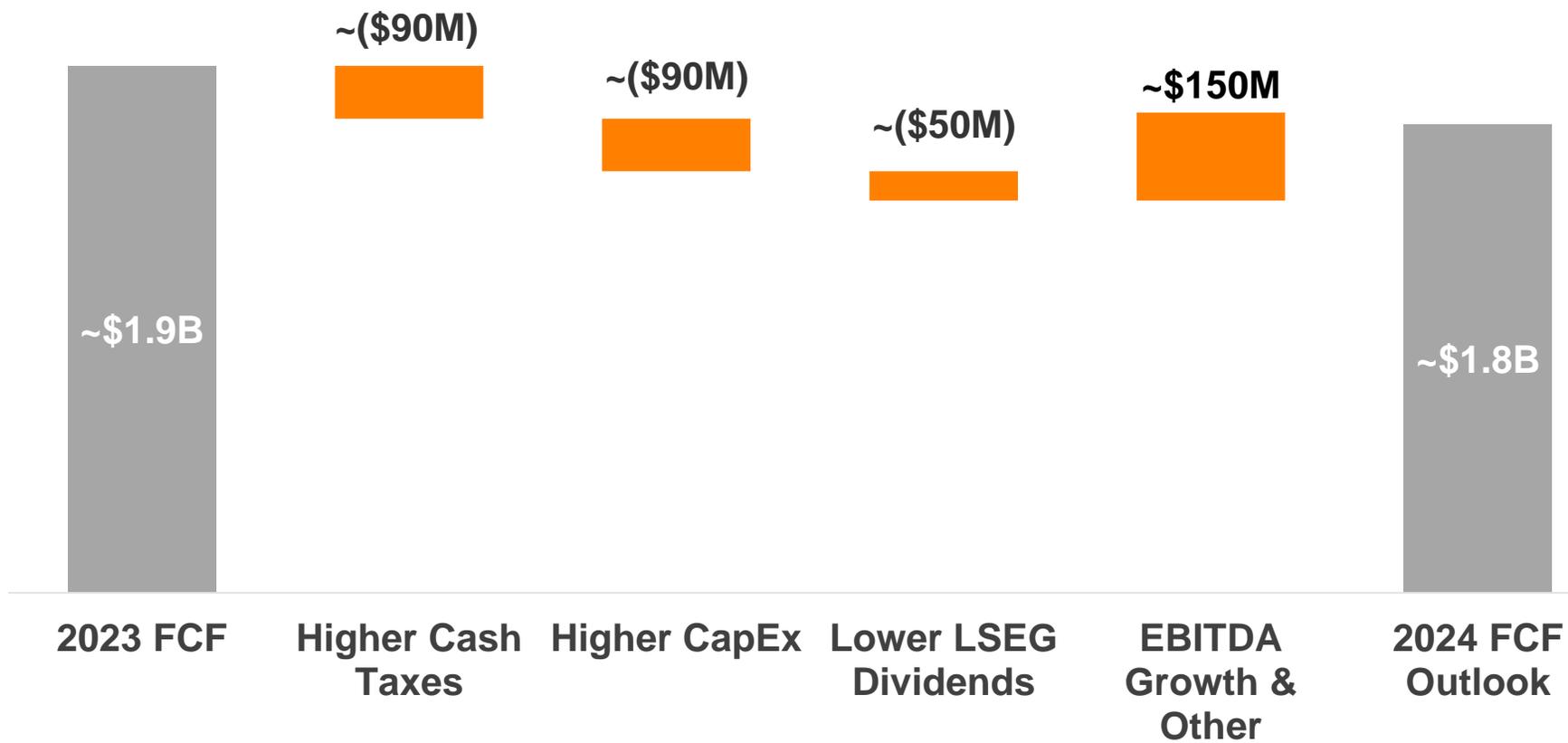
(1) Non-IFRS financial measures. All measures reported for the "Big 3" segments are non-IFRS

(2) Includes Acquired Software Amortization, which is added-back in our definition of adjusted earnings, \$72M for 2023 and ~\$135M for 2024

(3) Full-year 2023 interest expense excludes a \$12 million benefit from the release of a tax reserve that is removed from adjusted earnings

Updated 2024 Outlook, Continued

Higher cash taxes and M&A-related capital spending along with lower LSEG dividends will weigh on 2024 free cash flow



2025-2026 Financial Framework

	2023A	2024E	Medium Term Targets (2025-2026)
 Organic Growth <ul style="list-style-type: none"> • Total TR • Big 3 Segments 	6% 7%	~ 6% ~ 7.5%	6.5% - 8.0% 8.0% - 9.0%
 Adj. EBITDA Margin	39.3%	~ 38%	75 bps expansion in '25; 50+ bps expansion in '26
 Capital Intensity (CapEx as % of Revenue)	7.8%	~ 8.5%	~ 8.0%
 Free Cash Flow	\$1.9B	~ \$1.8B	\$2.0 - 2.1B (2026)

Investor Day – Proposed Capital Strategy Metrics for 2024 - 2026

	2020 Year End	2023 Year End	Medium Term Targets
 Net Debt Leverage	1.1x	0.8x	2.5x
 Dividend Payout Ratio	55%	47%	50% - 60%
 Capital Return Commitment (1)	70%	215% (2)	75%+
 Return on Invested Capital	10.6%	15.8%	2x WACC

(1) Defined as dividend payments plus share repurchases and/or returns of capital as a percentage of free cash flow.

(2) For 2023, the ratio was boosted by the \$2B Return of Capital transaction, which was in addition to \$1.1B of share buybacks and \$0.9B of dividends.



Q&A
