



Leonhard Foeger

THOMSON REUTERS

2018 SECOND-QUARTER RESULTS

August 08, 2018

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Agenda

Welcome / Introduction

Frank Golden

Second-Quarter 2018 Highlights
Update on F&R Strategic Partnership with Blackstone

Jim Smith

Financial Review – Second-Quarter 2018

Stephane Bello

Q & A

Special Note

Safe Harbor / Forward-Looking Statements

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

Certain statements in this presentation and discussion are forward-looking, including, but not limited to, the company's 2018 outlook and statements regarding the timing for closing of the Financial & Risk transaction, the company's anticipated uses of proceeds from the transaction, the anticipated benefits of the proposed strategic partnership with Blackstone, future growth and efficiency opportunities for Financial & Risk and Thomson Reuters' Legal, Tax & Accounting and Reuters News businesses, and Corporate costs. These forward-looking statements are based on certain assumptions and reflect the company's current expectations. As a result, forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. Some of the factors that could cause actual results to differ materially from current expectations are discussed in the "Risk Factors" section of our 2017 annual report as well as in other materials that we from time to time file with, or furnish to, the Canadian securities regulatory authorities and the U.S. Securities and Exchange Commission. There is no assurance that a transaction involving all or part of the Financial & Risk business will be completed or that any other forward-looking statements will materialize. You are cautioned not to place undue reliance on forward-looking statements, which reflect expectations only as of this date. Except as may be required by applicable law, we disclaim any intention or obligation to update or revise any forward-looking statements. Our outlook is provided for the purpose of providing information about current expectations for 2018. This information may not be appropriate for other purposes.

This presentation and discussion does not constitute an offer to purchase, or a solicitation of an offer to sell, securities of the company, nor is it a substitute for any substantial issuer bid/tender offer documents that may be filed in the future with the Canadian securities regulatory authorities or the U.S. Securities and Exchange Commission.

Non-IFRS Financial Measures

This presentation contains disclosures of certain non-IFRS financial measures. These measures include adjusted EBITDA and the related margin, free cash flow, adjusted earnings and adjusted EPS and selected measures before the impact of currency.

Please see our earnings release dated August 8, 2018, which is available on www.thomsonreuters.com, for a reconciliation of each of these measures to the most directly comparable IFRS financial measure. You can also find IFRS reconciliations in the "Investor Relations" section of our website.

THOMSON REUTERS SECOND-QUARTER 2018 HIGHLIGHTS

JIM SMITH
PRESIDENT & CEO

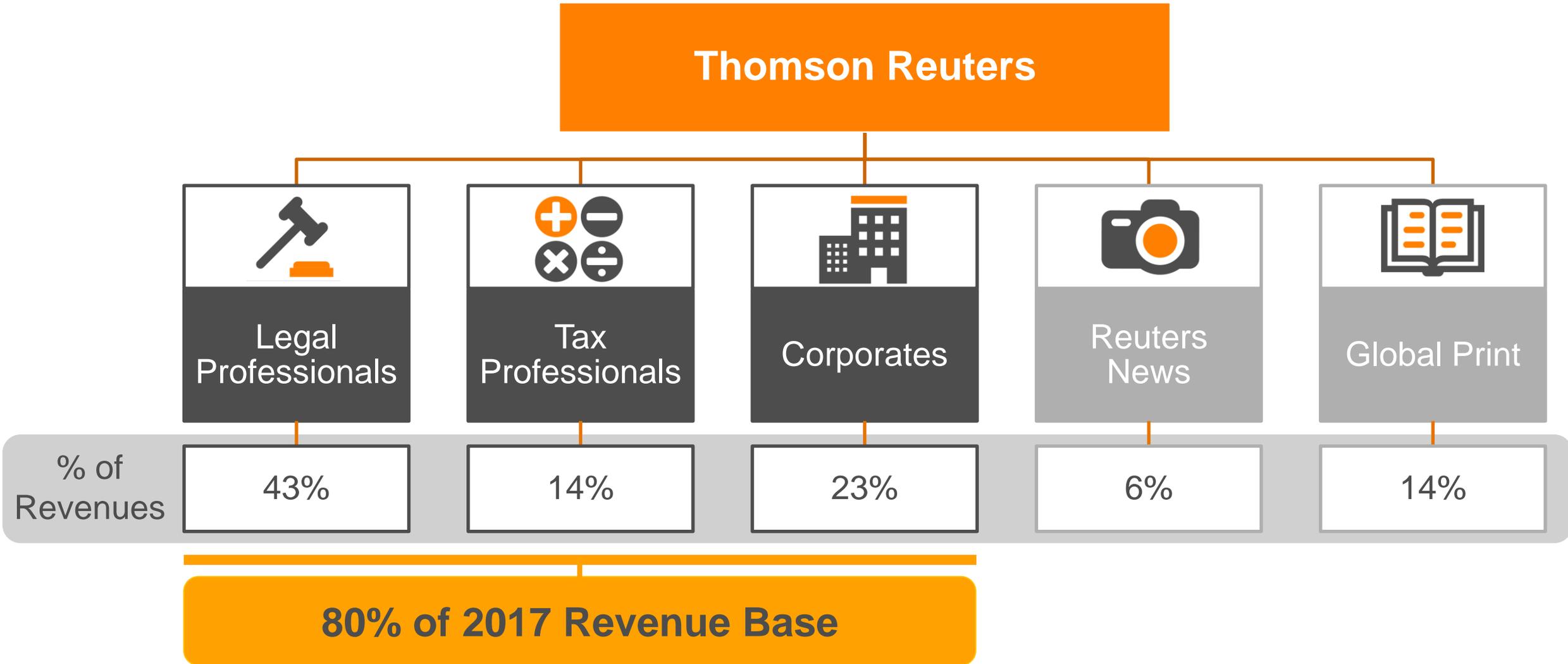
Q2 2018 – Consolidated Results

(Excludes Financial & Risk which is now classified as a discontinued operation)

| | Reported | Change at Constant Currency |
|-------------------------------|--------------------|-----------------------------|
| Revenues vs prior-year period | Up 2% | Up 2% |
| Adjusted EBITDA | Down 8% | Down 8% |
| <i>Q2 2018 Margin: 26.5%</i> | <i>Down 320 bp</i> | <i>Down 290 bp</i> |
| Adjusted EPS | Down 11% | Down 11% |
| <i>Q2 2018: \$0.17</i> | <i>Down \$0.02</i> | <i>Down \$0.02</i> |

Full-Year 2018 Outlook Reaffirmed

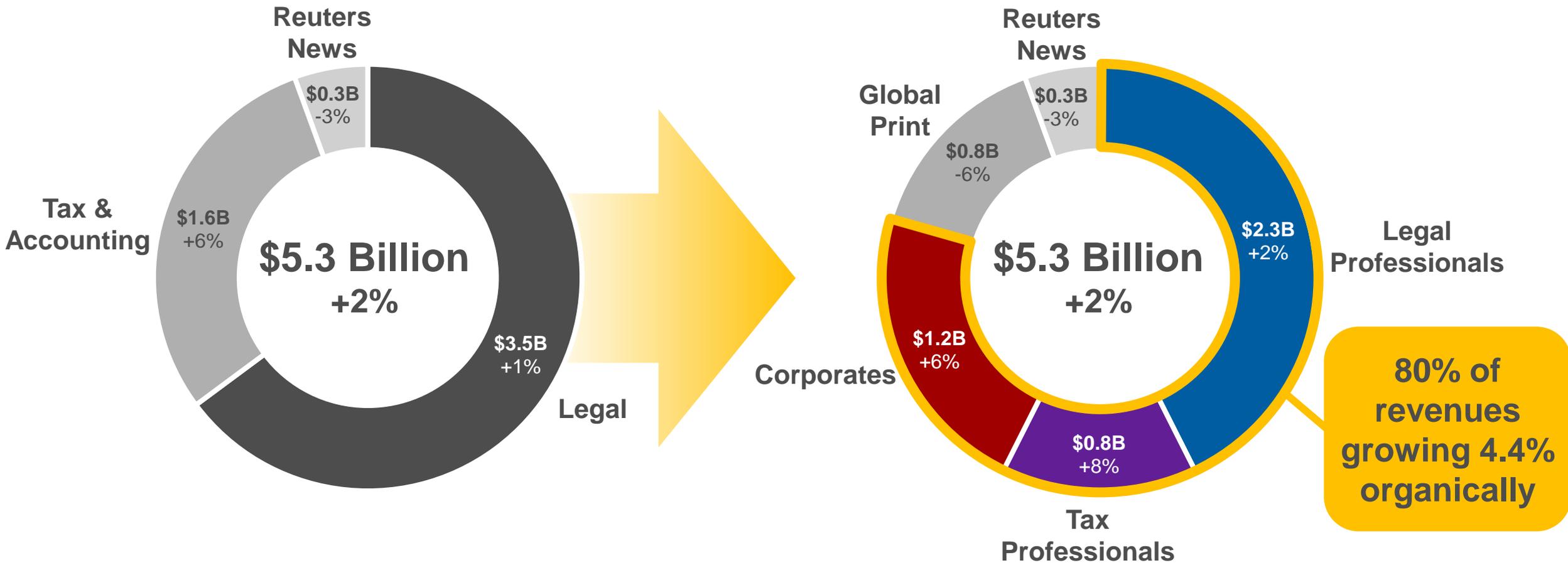
Thomson Reuters New Operating Structure



Preview of New Operating / Reporting Structure

2017 Revenue & Organic Growth by Current BU

2017 Revenue & Organic Growth by New Customer Segment





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F&R STRATEGIC PARTNERSHIP UPDATE

JIM SMITH

PRESIDENT & CEO

Update on Financial & Risk Strategic Partnership

Regulatory Approval Progress

- Transaction is expected to close early in the fourth quarter
- Substantially all required regulatory approvals have been received at this time

Operational Progress

- Employees notified on March 31 of business allocation for post-closing assignments
- Allocation of costs & other resources completed June 30
- Essentially began operating as two separate companies on July 1
- Stranded costs identified with pathway to reduce / eliminate by 2020

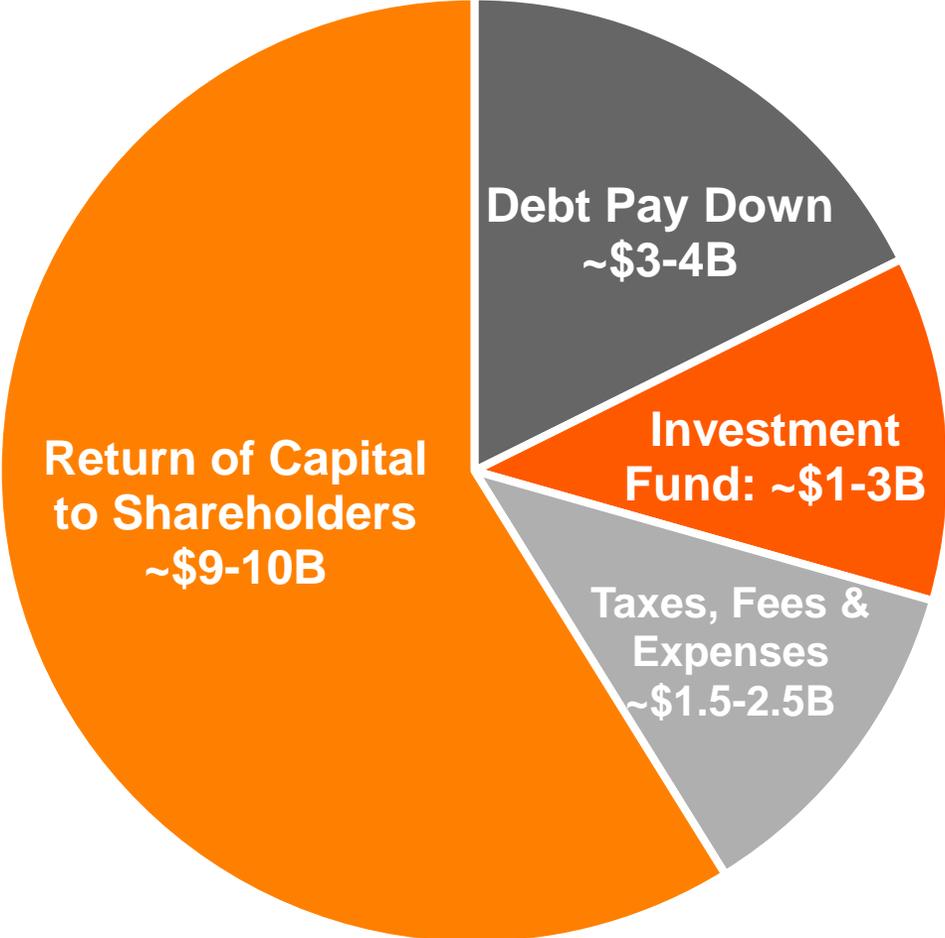
Financing Structure

- Anticipate Blackstone will begin debt raise in September

On Target To Close Deal Early Q4 2018

Expected Use of Proceeds from Sale of 55% of F&R

\$17 billion of cash proceeds allocated to future growth investments, maintaining a strong capital structure and returning capital to shareholders



FINANCIAL REVIEW

STEPHANE BELLO
CHIEF FINANCIAL OFFICER

Consolidated Results

(Excludes Financial & Risk which is now classified as a discontinued operation)

| (\$ millions) | Second-Quarter | | | | Six-Months | | | |
|-------------------------------|----------------|--------------|----------------|------------------------|--------------|--------------|----------------|------------------------|
| | <u>2018</u> | <u>2017</u> | <u>Change</u> | Change Before Currency | <u>2018</u> | <u>2017</u> | <u>Change</u> | Change Before Currency |
| Revenues | 1,311 | 1,280 | +2% | +2% | 2,690 | 2,611 | +3% | +2% |
| Adjusted EBITDA | 348 | 380 | -8% | -8% | 778 | 795 | -2% | -2% |
| <i>Adjusted EBITDA Margin</i> | <i>26.5%</i> | <i>29.7%</i> | <i>-320 bp</i> | <i>-290 bp</i> | <i>28.9%</i> | <i>30.4%</i> | <i>-150 bp</i> | <i>-140 bp</i> |

Q2 2018 Results

DISCONTINUED OPERATION

Thomson Reuters (excluding F&R)

F&R

Reported Revenue Growth:

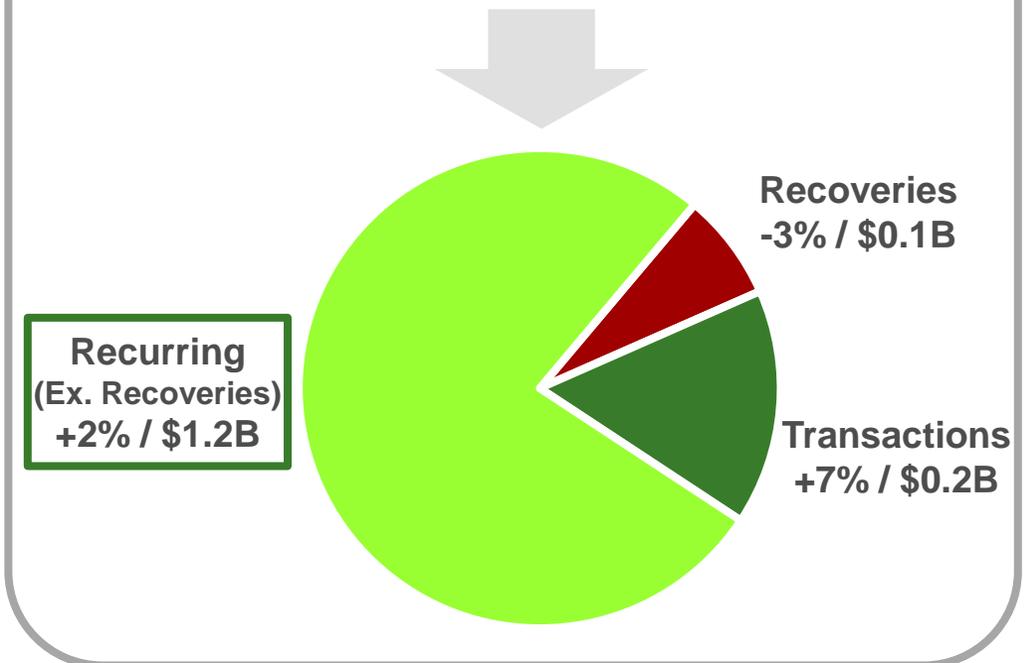
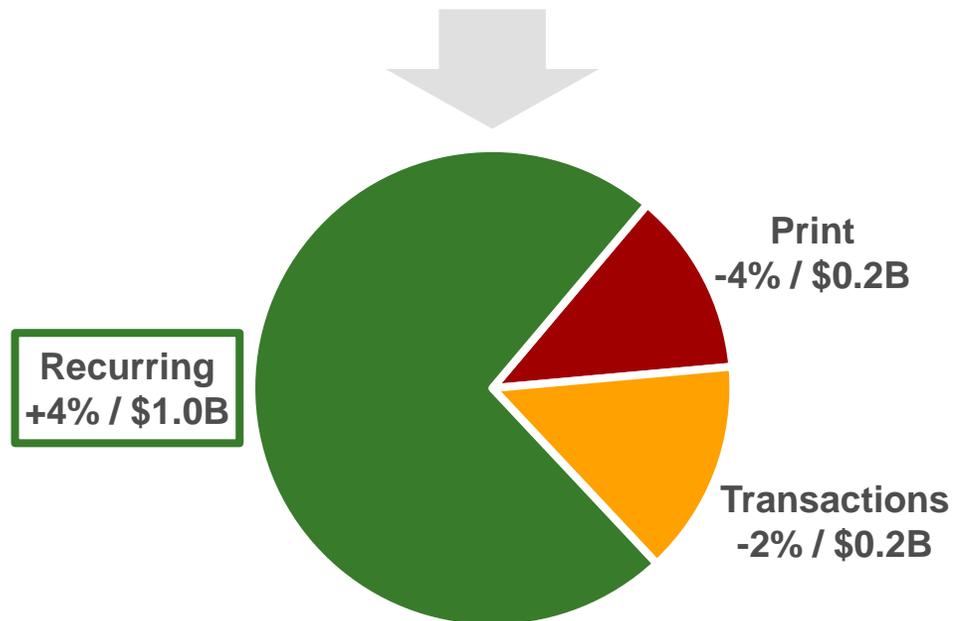
+2%

+3%

Revenue Growth at Constant Currency:

+2%

+2%*



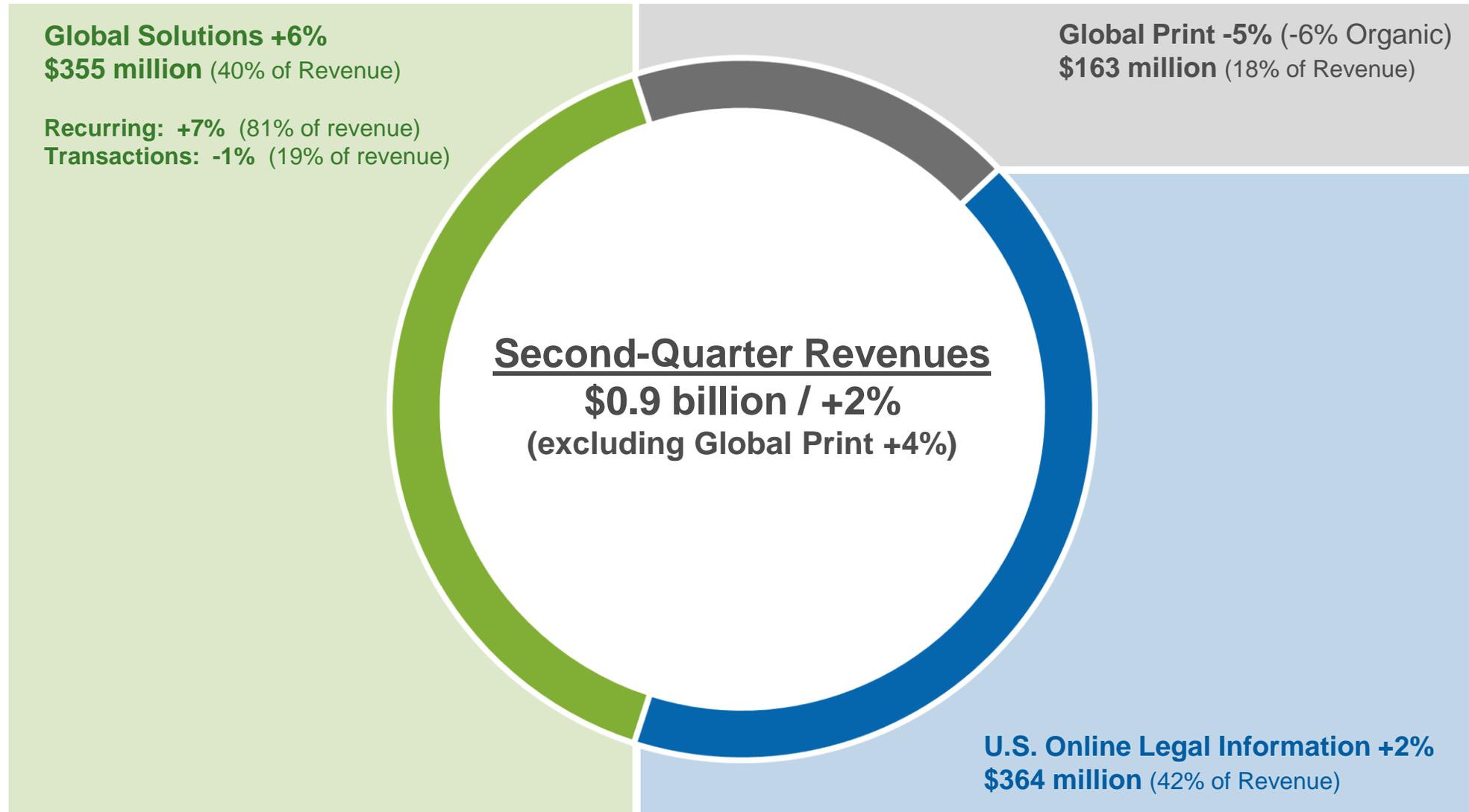
*F&R Constant currency growth of 2% includes a negative impact from the adoption of a new accounting standard, IFRS 15. On an organic basis revenues increased 3%

Legal

| (\$ millions) | Second-Quarter | | | | Six-Months | | | |
|-------------------------------|----------------|--------------|----------------|------------------------|--------------|--------------|----------------|------------------------|
| | <u>2018</u> | <u>2017</u> | <u>Change</u> | Change Before Currency | <u>2018</u> | <u>2017</u> | <u>Change</u> | Change Before Currency |
| Revenues | 882 | 858 | +3% | +2% | 1,754 | 1,699 | +3% | +2% |
| <i>Recurring</i> | 640 | 613 | +4% | +4% | 1,277 | 1,217 | +5% | +4% |
| <i>Transactions</i> | 79 | 77 | +3% | +0% | 155 | 154 | +1% | -1% |
| <i>Print</i> | 163 | 168 | -3% | -5% | 322 | 328 | -2% | -4% |
| Adjusted EBITDA | 321 | 325 | -1% | -2% | 640 | 639 | +0% | +0% |
| <i>Adjusted EBITDA Margin</i> | <i>36.4%</i> | <i>37.9%</i> | <i>-150 bp</i> | <i>-140 bp</i> | <i>36.5%</i> | <i>37.6%</i> | <i>-110 bp</i> | <i>-100 bp</i> |

All figures include Risk products being retained by Thomson Reuters

Legal Revenue By Segment

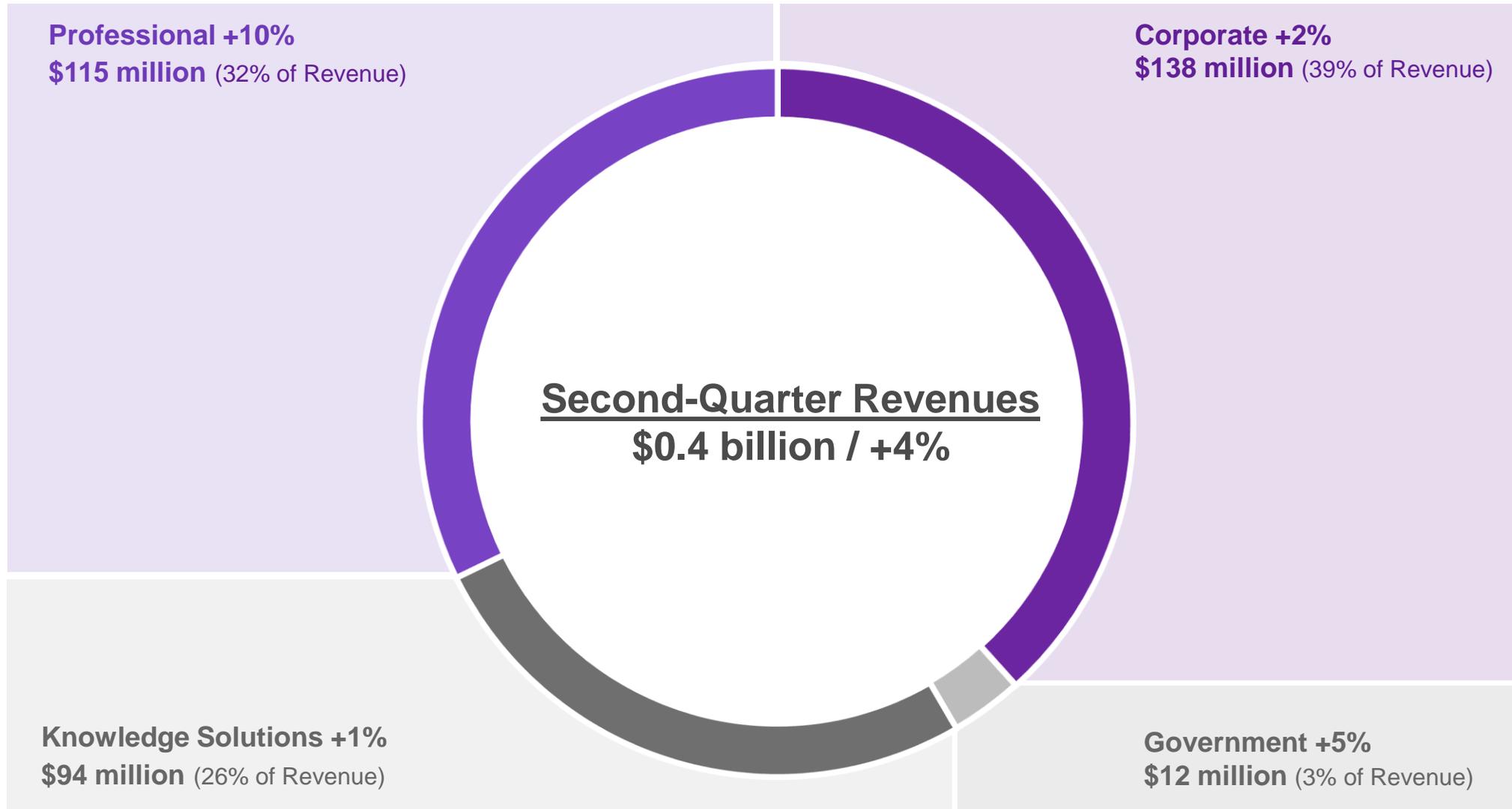


Global Solutions includes Risk businesses being retained by Thomson Reuters

Tax & Accounting

| (\$ millions) | Second-Quarter | | | | Six-Months | | | |
|-------------------------------|----------------|--------------|----------------|------------------------|--------------|--------------|----------------|------------------------|
| | <u>2018</u> | <u>2017</u> | <u>Change</u> | Change Before Currency | <u>2018</u> | <u>2017</u> | <u>Change</u> | Change Before Currency |
| Revenues | 359 | 350 | +3% | +4% | 796 | 767 | +4% | +4% |
| <i>Recurring</i> | 277 | 269 | +3% | +4% | 587 | 557 | +5% | +6% |
| <i>Transactions</i> | 70 | 70 | +0% | +0% | 184 | 185 | -1% | -1% |
| <i>Print</i> | 12 | 11 | +9% | +9% | 25 | 25 | +0% | +0% |
| Adjusted EBITDA | 91 | 103 | -12% | -10% | 238 | 244 | -2% | -1% |
| <i>Adjusted EBITDA Margin</i> | <i>25.3%</i> | <i>29.4%</i> | <i>-410 bp</i> | <i>-380 bp</i> | <i>29.9%</i> | <i>31.8%</i> | <i>-190 bp</i> | <i>-160 bp</i> |

Tax & Accounting Revenue By Segment



Reuters News

(Does not include Financial & Risk payment of \$325m annually)

| (\$ millions) | Second-Quarter | | | | Six-Months | | | |
|-------------------------------|----------------|--------------|----------------|------------------------|--------------|--------------|----------------|------------------------|
| | <u>2018</u> | <u>2017</u> | <u>Change</u> | Change Before Currency | <u>2018</u> | <u>2017</u> | <u>Change</u> | Change Before Currency |
| Revenues | 72 | 74 | -3% | -5% | 144 | 148 | -3% | -6% |
| Adjusted EBITDA | 8 | 9 | -11% | -22% | 16 | 22 | -27% | -32% |
| <i>Adjusted EBITDA Margin</i> | <i>11.1%</i> | <i>12.2%</i> | <i>-110 bp</i> | <i>-210 bp</i> | <i>11.1%</i> | <i>14.9%</i> | <i>-380 bp</i> | <i>-410 bp</i> |

Financial & Risk (Discontinued Operation)

| (\$ millions) | Second-Quarter | | | | Six-Months | | | |
|---------------------------------|----------------|--------------|---------------|------------------------|--------------|--------------|----------------|------------------------|
| | <u>2018</u> | <u>2017</u> | <u>Change</u> | Change Before Currency | <u>2018</u> | <u>2017</u> | <u>Change</u> | Change Before Currency |
| Revenues | 1,553 | 1,501 | +3% | +2% ⁽¹⁾ | 3,136 | 2,986 | +5% | +3% |
| <i>Recurring ex. Recoveries</i> | 1,197 | 1,161 | +3% | +2% | 2,409 | 2,311 | +4% | +2% |
| <i>Transactions</i> | 239 | 224 | +7% | +7% | 491 | 439 | +12% | +10% |
| <i>Recoveries</i> | 117 | 116 | +1% | -3% | 236 | 236 | 0% | -4% |
| Adjusted EBITDA | 472 | 458 | +3% | +4% | 998 | 919 | +9% | +7% |
| <i>Adjusted EBITDA Margin</i> | <i>30.4%</i> | <i>30.5%</i> | <i>-10 bp</i> | <i>+50 bp</i> | <i>31.8%</i> | <i>30.8%</i> | <i>+100 bp</i> | <i>+120 bp</i> |
| Capital Expenditures | 138 | 117 | 18% | | 246 | 222 | +11% | |
| Free Cash Flow ⁽²⁾ | 289 | 313 | -8% | | 380 | 269 | +41% | |
| Debt Outstanding | N/A | N/A | N/A | | N/A | N/A | N/A | |

All figures exclude Risk products being retained by Thomson Reuters

(1) F&R constant currency growth of 2% includes a negative impact from the adoption of a new accounting standard, IFRS 15. On an organic basis, revenues increased 3%

(2) 2017 Six-month Free Cash Flow negatively impacted by \$68M of payments related to Q4-16 Charge, 2018 impact \$4M

ADJUSTED EARNINGS PER SHARE

FREE CASH FLOW

CORPORATE COSTS

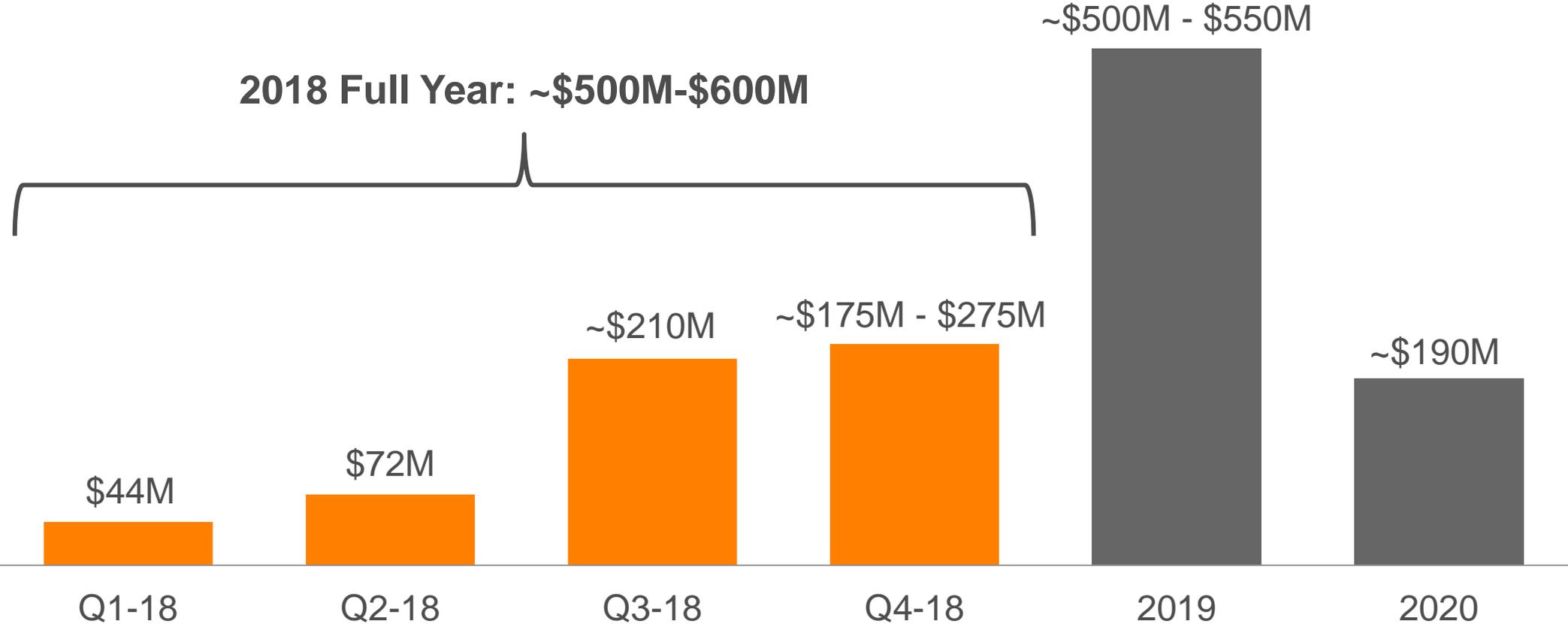
Adjusted Earnings Per Share (EPS)

| (\$ millions except per share amounts & share count) | Second-Quarter | | | Six-Months | | |
|--|----------------|-----------------|-----------------|---------------|---------------|-----------------|
| | <u>2018</u> | <u>Change</u> | <u>% Change</u> | <u>2018</u> | <u>Change</u> | <u>% Change</u> |
| Adjusted EBITDA | \$348 | (\$32) | | \$778 | (\$17) | |
| Depreciation & Computer Software Amortization | (\$129) | (\$2) | | (\$257) | (\$6) | |
| Interest Expense | (\$81) | \$8 | | (\$159) | \$22 | |
| Income Tax | (\$19) | \$5 | | (\$45) | (\$3) | |
| Dividend declared on preference shares | \$0 | \$0 | | (\$1) | \$0 | |
| Adjusted Earnings | \$119 | (\$21) | | \$316 | (\$4) | |
| Adjusted EPS | \$0.17 | (\$0.02) | -11% | \$0.44 | \$0.00 | 0% |
| <i>Currency Impact</i> | <i>\$0.00</i> | | | <i>\$0.00</i> | | |
| <i>Diluted Weighted Average Common Shares</i> | <i>710.1M</i> | | | <i>710.8M</i> | | |

Consolidated Free Cash Flow

| (\$ millions) | Second-Quarter | | | Six-Months | | |
|---|----------------|--------------|---------------|--------------|----------------|---------------|
| | <u>2018</u> | <u>2017</u> | <u>Change</u> | <u>2018</u> | <u>2017</u> | <u>Change</u> |
| Comparable Free Cash Flow (Continuing Operations) | \$267 | \$291 | (\$24) | \$297 | \$323 | (\$26) |
| Other Items (Q4-16 Charges paid and 2017 \$500m pension contribution) | \$1 | \$16 | (\$15) | \$2 | \$548 | (\$546) |
| Free Cash Flow (Continuing Operations) | \$266 | \$275 | (\$9) | \$295 | (\$225) | \$520 |
| Free Cash Flow – IP & Science | \$0 | (\$8) | \$8 | \$0 | (\$49) | \$49 |
| Free Cash Flow – Financial & Risk | \$289 | \$313 | (\$24) | \$380 | \$269 | \$111 |
| Free Cash Flow | \$555 | \$580 | (\$25) | \$675 | (\$5) | \$680 |

Estimated Corporate Costs



2018 Outlook

| | Thomson Reuters Restated 2017 (excluding F&R) | 2018 Outlook ⁽¹⁾ Before Currency |
|--|---|--|
| Revenue Growth | \$5.3 billion | Low single digit ⁽²⁾ |
| Adjusted EBITDA | \$1.6 billion | \$1.2 - \$1.3 billion |
| Corporate Costs | \$244 million | \$500 - \$600 million |
| Depreciation & Amortization of computer software | \$496 million | \$500 million - \$525 million |
| Capital Expenditures % of Revenue | 9.9% | In line with 2017 |
| Effective Tax Rate on Adjusted Earnings | 11.4% | 14 - 16% |

(1) 2018 Outlook is before currency

(2) Revenue Growth Outlook excludes the impact of Reuters News payment from Financial & Risk post transaction close

Q&A