

Aude Guerrucci

Thomson Reuters

2023 First-Quarter Results

May 2, 2023

Agenda

- **Welcome / Introduction**

Gary Bisbee

- **First-Quarter 2023 Highlights**
Artificial Intelligence at TR

Steve Hasker

- **Financial Review**
First-Quarter 2023 Results
2023 Full-Year Outlook Update

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 2023 outlook and other expectations regarding the future financial and operational performance of the company and its individual business segments, the company's strategic priorities, initiatives and opportunities, the company's expectations regarding share repurchases, the company's expectations regarding the monetization of its investment in LSEG, the company's expectations regarding a return of capital, the company's expectations regarding its liquidity and capital resources and statements regarding the proposed Elite transaction. 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 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 2023. This information may not be appropriate for other purposes. You are cautioned not to place undue reliance on forward-looking statements which reflect expectations only as of the date of this presentation. Except as may be required by applicable law, Thomson Reuters disclaims any obligation to update or revise any forward-looking statements.

The company's business outlook is based on information currently available to the company and is based on various external and internal assumptions made by the company in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the company believes are appropriate under the circumstances. Please refer to the MD&A section of our 2022 annual report and our earnings release dated May 2, 2023, each of which is available on www.tr.com, for a discussion of material assumptions and material risks related to our business outlook.

Non-IFRS Financial Measures

This presentation contains disclosures of certain non-IFRS financial measures. These measures include adjusted EBITDA and the related margin (other than at the customer segment level), free cash flow, adjusted earnings, adjusted EPS, net debt to adjusted EBITDA leverage ratio, effective tax rate on adjusted earnings, accrued capital expenditures expressed as a percentage of revenues, 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 May 2, 2023, which is available on www.tr.com, for a reconciliation of each of Thomson Reuters' measures to the most directly comparable IFRS financial measure. You can also find IFRS reconciliations for ROIC in the MD&A section of the company's previously filed annual reports.



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First-Quarter 2023 Highlights

Steve Hasker
President & CEO

First-Quarter 2023 Highlights

1. Broad revenue momentum continued in Q1 2023

- Q1 organic revenue growth of 6%, driven by 6% recurring revenue growth
- “Big 3” Business Segments (Legal, Corporates and Tax & Accounting) revenues grew 7% organically

2. Based on Q1 performance, maintained FY 2023 organic revenue and adjusted EBITDA margin outlooks

- Total revenue outlook reduced to incorporate the pending sale of a majority stake in Elite; all other metrics are unchanged

3. Excited about generative AI opportunity; TR is investing \$100M+/year in AI

- Content/talent/technology/market position to drive leadership; generative AI capabilities to be incorporated in key franchises by year-end

4. Robust liquidity and capital capacity to support additional M&A and shareholder returns

- Repurchased ~\$700M in Q1 to complete \$2B NCIB program announced in June 2022; Closed on \$500M SurePrep acquisition
- Sold approximately 24.5M shares of LSEG in Q1 for gross proceeds of approximately \$2.3B
- Launched \$2.2B return of capital transaction (with concurrent share consolidation), expected to be completed in June
- Announced intention to sell majority stake in Elite to TPG at a firm value of \$500 million

5. Maintaining leadership Positions in Historically Stable & Attractive Markets

- Resilient business with ~80% Recurring Revenue; Change Program benefits bolstering financial results

First-Quarter 2023 Consolidated Results

IFRS Financial Measures (\$ millions)	2023	2022	Change
Revenues	\$1,738	\$1,674	Up 4%
Operating profit	\$508	\$414	Up 23%
Diluted earnings per share (EPS)	\$1.59	\$2.06	Down 23%
Cash flow from operations	\$267	\$275	Down 2%

Non-IFRS Financial Measures (\$ millions)	2023	2022	Change	Change at Constant Currency	Organic Growth
Revenues	\$1,738	\$1,674	Up 4%	Up 5%	Up 6%
Adjusted EBITDA	\$677	\$600	Up 13%	Up 13%	
<i>Adjusted EBITDA margin</i>	<i>38.8%</i>	<i>35.8%</i>	<i>Up 300 bps</i>	<i>Up 230 bps</i>	
Adjusted EPS	\$0.82	\$0.66	Up 24%	Up 24%	
Free cash flow	\$133	\$86	Up 58%		

First-Quarter 2023 Revenue Growth by Segment

Reported revenues up 4% to \$1.7 billion
Organic revenues up 6%
Organic recurring revenues up 6%



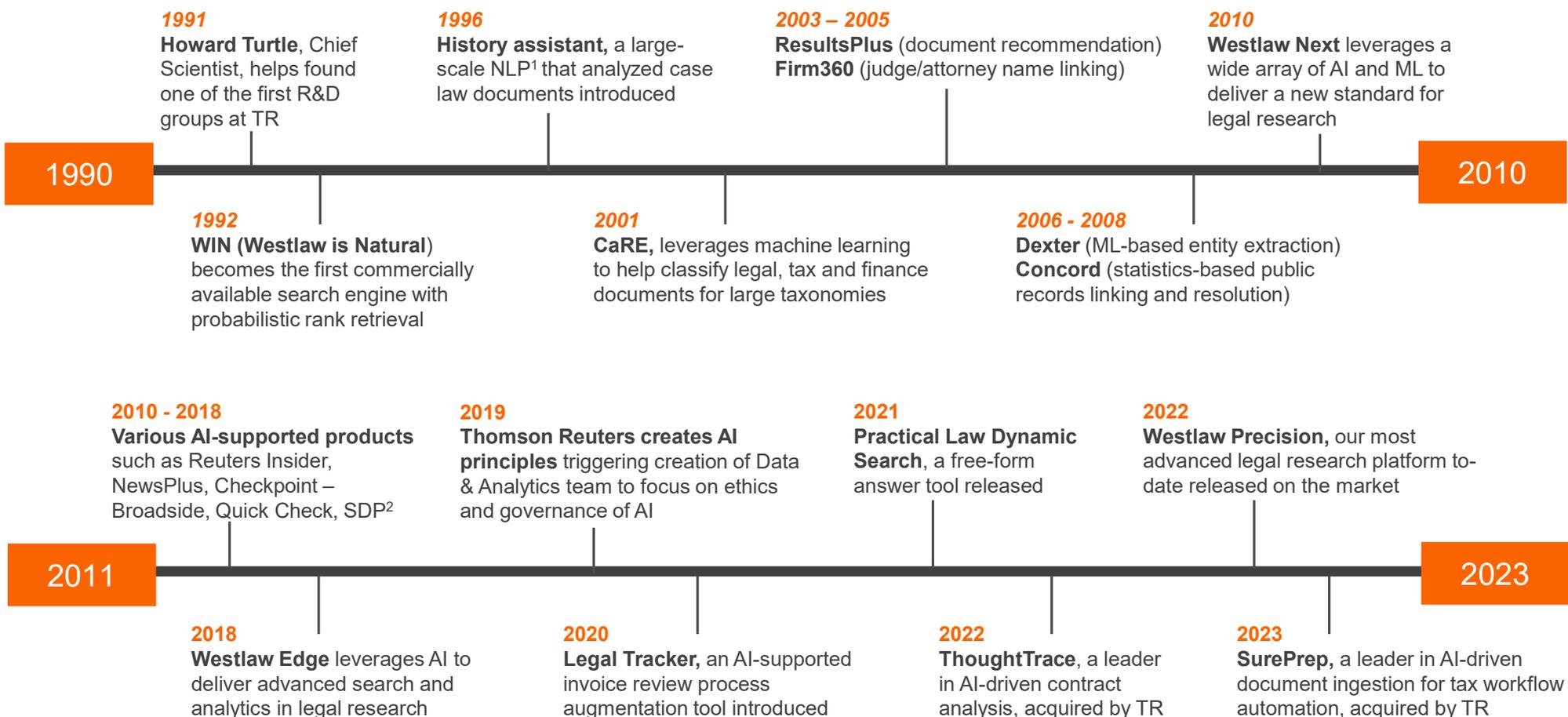
Segment	Reported Revenues	Organic Growth
Legal Professionals	\$0.7B +2% (+5% organic)	+5% organic
Corporates	\$0.4B +6% (+8% organic)	+8% organic
Tax & Accounting Professionals	\$0.3B +11% (+11% organic)	+11% organic
Reuters News	\$0.2B 0% (+1% organic)	+1% organic
Global Print	\$0.1B -3% (0% organic)	0% organic

“Big 3” grew 7% organically (82% total revenues)



Artificial Intelligence at TR

Thomson Reuters boasts a rich history in applied Artificial Intelligence (AI)



9 ¹ NLP – Natural Language Processing

² SDP – Social Data Platform

Note: Timeline not exhaustive of all products

Well Positioned for Generative AI Leadership

Competitive Advantages for Success



Authoritative Content for core search and verification of Generative AI



Structured Content to fine tune and focus / constrain model output



Subject Matter Experts to train and fine tune models at scale



Distribution Footprint to drive adoption through deeply embedded workflow solutions



World Class AI Talent – Deep bench of data science and AI software engineering talent

Our Focus

Introduce AI assistant chat and conversational experiences in our Research and Workflow software products

Leverage TR's existing strengths to improve upon accuracy issues while delivering benefits of generative AI

Invest more than \$100M per year going forward into AI capabilities

Bring generative AI capabilities into key franchises including Westlaw Precision and Practical Law Dynamic in 2H/23



**Financial Review
First-Quarter 2023 Results
Updated 2023 Outlook**

**Mike Eastwood
Chief Financial Officer**

First-Quarter 2023 Legal, Corporates, Tax & Accounting Professionals Revenues

(\$ millions)

First Quarter

	<u>2023</u>	<u>2022</u>	<u>Total</u>	<u>Constant Currency</u>	<u>Organic</u>
Revenues					
Legal Professionals	714	698	+2%	+4%	+5%
Corporates	435	411	+6%	+7%	+8%
Tax & Accounting Professionals	282	253	+11%	+13%	+11%
Big 3 Revenues	1,431	1,362	+5%	+6%	+7%

First-Quarter 2023 Consolidated Revenues

(\$ millions)	First Quarter				
	2023	2022	Total	Constant Currency	Organic
Revenues					
Legal Professionals	714	698	+2%	+4%	+5%
Corporates	435	411	+6%	+7%	+8%
Tax & Accounting Professionals	282	253	+11%	+13%	+11%
Big 3 Revenues	1,431	1,362	+5%	+6%	+7%
Reuters News	175	176	-	+1%	+1%
Global Print	138	142	-3%	-1%	-
Eliminations / Rounding	(6)	(6)			
Total Revenues	1,738	1,674	+4%	+5%	+6%

First-Quarter 2023 Consolidated Adjusted EBITDA

(\$ millions)	First Quarter			
	2023	2022	Total	Constant Currency
Adjusted EBITDA				
Legal Professionals <i>Margin</i>	318 44.6%	305 43.7%	+4%	+4%
Corporates <i>Margin</i>	154 35.1%	157 38.1%	-2%	-1%
Tax & Accounting Professionals <i>Margin</i>	149 51.4%	122 48.3%	+22%	+22%
Big 3 Adjusted EBITDA <i>Margin</i>	621 43.1%	584 42.9%	+6%	+7%
Reuters News <i>Margin</i>	29 16.6%	37 21.0%	-21%	-29%
Global Print <i>Margin</i>	50 36.5%	53 37.0%	-4%	-3%
Corporate Costs (including Change Program)	(23)	(74)		
Total Adjusted EBITDA <i>Margin</i>	677 38.8%	600 35.8%	+13%	+13%

Adjusted Earnings Per Share (EPS)

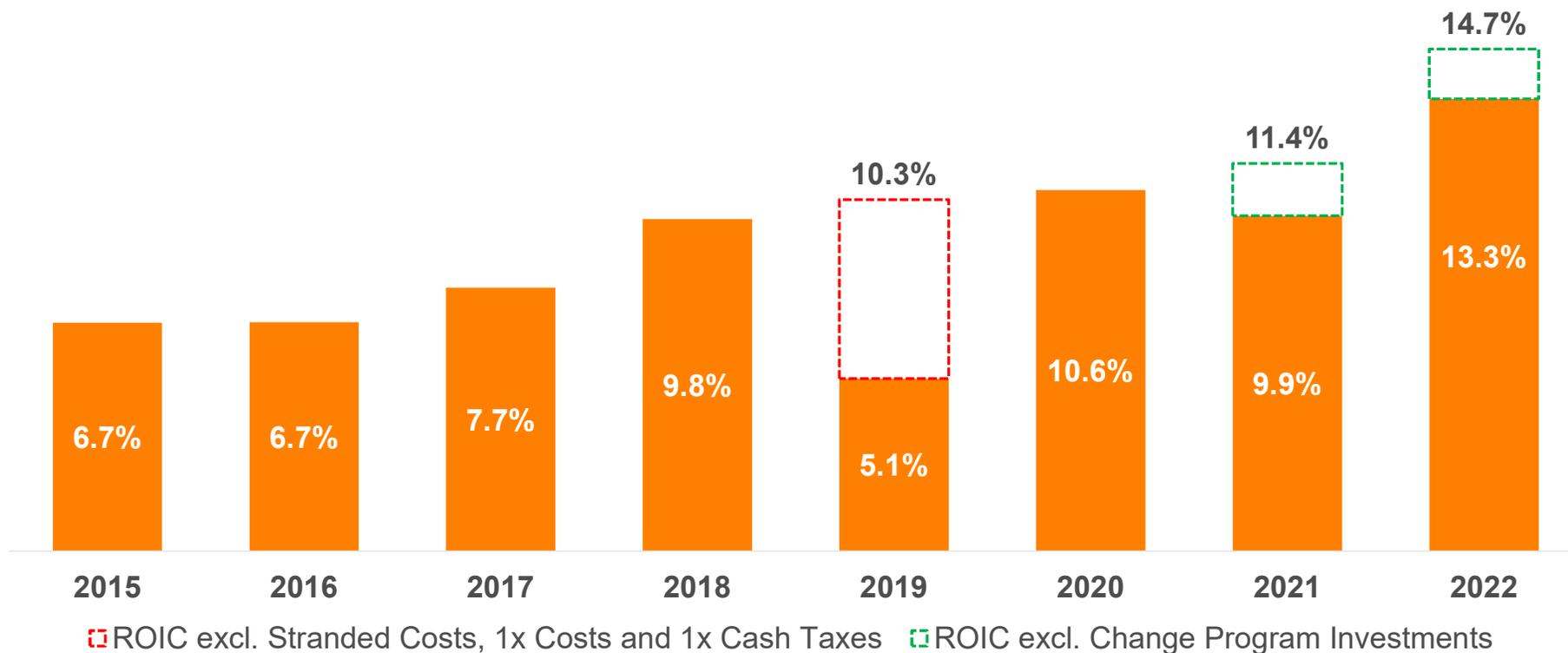
(\$ millions except per share amounts & share count)	First Quarter		
	<u>2023</u>	<u>Change</u>	<u>% Change</u>
Adjusted EBITDA	\$677	\$77	
Depreciation & Amortization	(148)	4	
Interest Expense	(55)	(7)	
Income Tax	(82)	(5)	
Dividend declared on preference shares	(1)	-	
Adjusted Earnings	\$391	\$69	
Adjusted EPS	\$0.82	\$0.16	+24%
<i>Foreign Currency Impact</i>	-		
<i>Diluted Weighted Average Common Shares</i>	474.2M		

Consolidated Free Cash Flow

(\$ millions)	First Quarter		
	<u>2023</u>	<u>2022</u>	<u>Change</u>
Comparable Free Cash Flow (Continuing Operations)	\$194	\$259	(\$65)
Other Items (Change Program Costs)	(63)	(114)	51
Free Cash Flow (Continuing Operations)	131	145	(14)
Free Cash Flow – Discontinued Operations	2	(59)	61
Free Cash Flow	\$133	\$86	\$47

Return on Invested Capital

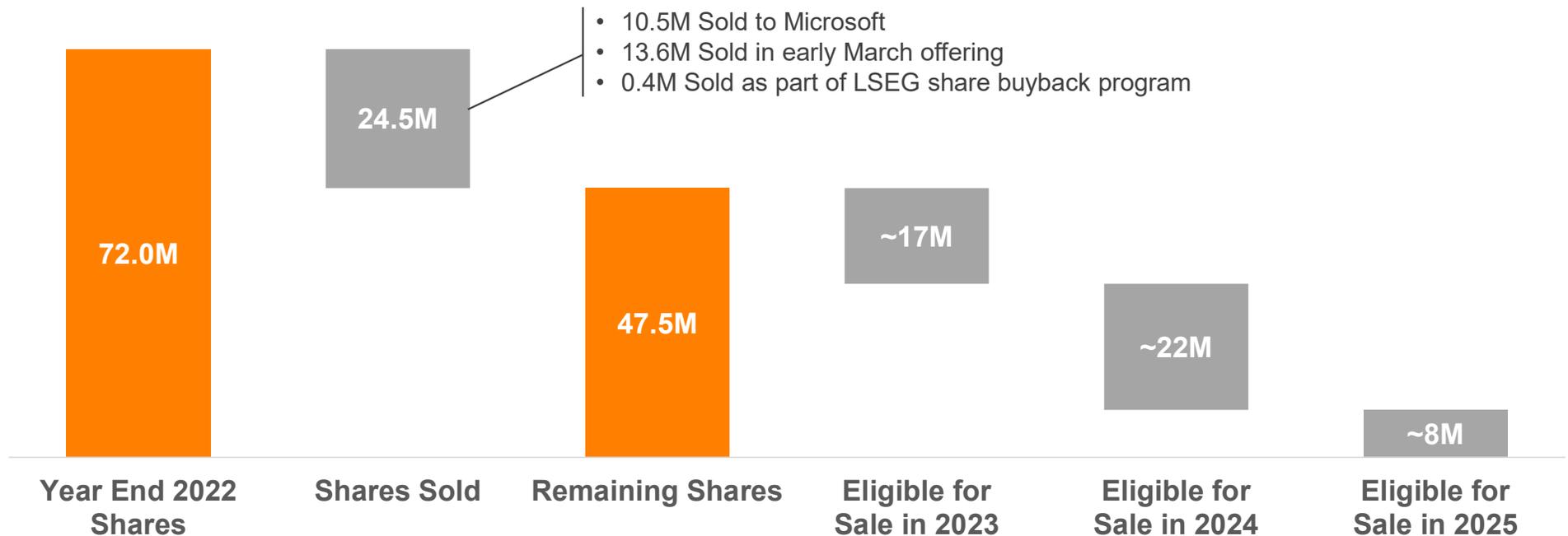
Return On Invested Capital has improved steadily in recent years, benefitting from the 2018 F&R separation and Change Program profitability and streamlining benefits



Note: 2015 – 2017 ROIC inclusive of Financial & Risk. 2018 – 2022 excludes Financial & Risk following separation.

London Stock Exchange Group Stake – 47.5M Shares Remain

Thomson Reuters sold 10.5M LSEG shares to Microsoft in January and 13.6M shares in a March offering;
Of remaining 47.5M shares, ~17M are eligible for monetization in 2023



Return of Capital Update

As detailed in the proxy filed on April 26, Thomson Reuters plans to execute a \$2.2B return of capital transaction with a concurrent share consolidation by the end of June

Illustrative Example (from April 4 press release)

Starting Position

Participating Shareholder

100 Common Shares
@ US\$125 = US\$12,500

Non-participating Shareholder⁽²⁾

100 Common Shares
@ US\$125 = US\$12,500

Ending Position⁽⁴⁾

Cash
US\$467

= US\$12,500

96.26⁽³⁾ Common Shares
@ US\$125 = US\$12,033

100 Common Shares
US\$12,500

Cash Distribution
US\$4.67 per share

Share Consolidation
(reverse stock split)
1:0.9626⁽¹⁾

Process Updates

- Following proxy filing, materials will be provided to investors (by mail or email) shortly
- Action is needed for non-Canadian taxable investors to opt-out

Rationale

- Allows for significant and immediate capital return / share count reduction vs. with buyback
- Based on current share price, concurrent share consolidation would reduce share count by at least 15M (~3%) upon completion

- (1) The share consolidation ratio used in this example is for illustrative purposes only. The actual share consolidation ratio will be based on the volume weighted average trading price of the common shares on the NYSE for the five trading days immediately prior to the return of capital becoming effective. The ratio in this example is based on a share price of US\$125.
- (2) As disclosed above, only taxable non-Canadian resident shareholders (which include taxable U.S. resident shareholders and others) will be able to opt out of the transaction.
- (3) Fractional shares will not be issued as part of the transaction, subject to certain exceptions disclosed in the management proxy circular. Shareholders will receive the value of any fractional shares in cash.
- (4) This example does not address tax consequences to shareholders.



2023 Outlook Update

2023 Updated Outlook

Total Thomson Reuters	FY 2022 Reported	FY 2023 Outlook⁽³⁾ 2/23/21	FY 2023 Outlook⁽³⁾ 2/8/22	FY 2023 Outlook⁽³⁾ 2/9/23	FY 2023 Outlook⁽³⁾ 5/2/23
Total Revenue Growth	4%	5.0% - 6.0%	5.5% - 6.0%	4.5% - 5.0%	3.0% - 3.5%
Organic Revenue Growth ⁽¹⁾	6%	5.0% - 6.0%	5.5% - 6.0%	5.5% - 6.0%	Unchanged
Adjusted EBITDA Margin ⁽¹⁾	35.1%	38% - 40%	39% - 40%	~ 39%	Unchanged
Corporate Costs	\$293 million	\$110 - \$120 Million	Unchanged	\$110 - \$120 Million	Unchanged
Core Corporate Costs	\$122 million	\$110 - \$120 Million	Unchanged	\$110 - \$120 Million	
Change Program OpEx	\$171 million	n/a	n/a	n/a	
Free Cash Flow ⁽¹⁾	\$1.3 Billion	\$1.8 - \$2.0 Billion	\$1.9 - \$2.0 Billion	~ \$1.8 Billion	Unchanged
Accrued Capex as % of Revenue ⁽¹⁾	8.2%	6.0% - 6.5%	Unchanged	~ 7%	Unchanged
Non-Recurring Real Estate Optimization Spend ⁽²⁾	n/a	n/a	n/a	\$30 Million	
Depreciation & Amortization of computer software	\$625 Million	\$580 - \$605 Million	Unchanged	\$595 - \$625 Million	Unchanged
Interest Expense (P&L)	\$196 Million	\$190 - \$210 Million	Unchanged	\$190 - \$210 Million	Unchanged
Effective Tax Rate on Adjusted Earnings ⁽¹⁾	17.6%	n/a	n/a	~18%	Unchanged
Big 3 ⁽¹⁾	FY 2022 Reported	FY 2023 Outlook⁽³⁾ 2/23/21	FY 2023 Outlook⁽³⁾ 2/8/22	FY 2023 Outlook⁽³⁾ 2/9/23	FY 2023 Outlook⁽³⁾ 5/2/23
Total Revenue Growth	5%	6.0% - 7.0%	6.5% - 7.0%	5.5% - 6.0%	3.5% - 4.0%
Organic Revenue Growth	7%	6.0% - 7.0%	6.5% - 7.0%	6.5% - 7.0%	Unchanged
Adjusted EBITDA Margin	42.4%	43% - 45%	44% - 45%	~ 44%	Unchanged

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

(2) Real estate optimization spend in 2023 is incremental to the Accrued Capex as a percent of revenue outlook

(3) Before currency and excludes the impact of future acquisitions / dispositions



Q&A
