



REUTERS/Mark Blinch

# THOMSON REUTERS 2014 INVESTOR DAY

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March 20, 2014



THOMSON REUTERS



# WELCOME

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Frank Golden  
Senior Vice President, Investor Relations



THOMSON REUTERS

# Access to the 2014 Investor Day Materials

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## In person participants

- Download the App for today's event

## Webcast participants

- Go to [www.thomsonreuters.com](http://www.thomsonreuters.com) and click on Investor Relations
- Click on the link next to the microphone icon, which will take you to the 2014 Investor Day page

# Today's Agenda

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- Delivering the Power of the Enterprise      Jim Smith      President & Chief Executive Officer
- Transforming the Enterprise      Neil Masterson      Chief Transformation Officer
- Capitalizing on New Opportunities      Susan Taylor Martin      President, Legal
- Pathways to Growth      David Craig      President, Financial & Risk
- Break
- Delighting Our Customers      Philip Brittan      Chief Technology Officer &  
Global Head of Platform, Financial & Risk
- Delivering on Our Commitments      Tim Collier      CFO, Financial & Risk
- Our Value Creation Roadmap      Stephane Bello      Chief Financial Officer
- Q&A

# Special Note

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- This presentation consists of these slides and the associated remarks and comments, which are related and intended to be presented and understood together.
- This presentation contains forward-looking statements, including, without limitation, those related to the outlook, prospects and operating performance of our company and our Financial & Risk and Legal business segments, Financial & Risk's target 2015 EBITDA margin, Thomson Reuters 2017 adjusted EPS performance goal, and target annual cost savings by 2017 from our transformation initiatives. Forward-looking statements are those which are not historical facts. These and other statements that relate to future results and events are based on Thomson Reuters current expectations. In particular, forward-looking statements related to future financial targets and goals are based on certain material assumptions. These assumptions include, without limitation, revenue growth assumptions (such as organic revenue growth, revenue mix composition/changes and contributions from acquisitions), the expected impact of various scale and operating leverage initiatives (such as platform and organizational simplification efforts), the anticipated impact of certain capital strategy initiatives (such as share repurchases) and effective tax rate assumptions.
- Our actual results in future periods may differ materially from those currently expected because of a number of risks and uncertainties. The risks and uncertainties that we believe are material are outlined in our disclosure filings and materials, which you can find on [www.thomsonreuters.com](http://www.thomsonreuters.com). Please consult these documents for a more complete understanding of these risks and uncertainties. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law. Forward-looking statements are provided for the purpose of providing information about current expectations. This information may not be appropriate for other purposes.

## Non-IFRS Financial Measures

- This presentation contains disclosures of certain non-IFRS financial measures. These measures include revenues from ongoing businesses, adjusted EBITDA and the related margin and adjusted earnings per share (EPS).
- Please see the "Investor Relations" section of our website for a reconciliation of each of these measures to the most directly comparable IFRS financial measure. You can also find IFRS reconciliations in the tables attached to our earnings release dated February 12, 2014, which is also available on [www.thomsonreuters.com](http://www.thomsonreuters.com).



# Delivering the Power of the Enterprise

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Jim Smith  
President & Chief Executive  
Officer



THOMSON REUTERS



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# Transforming the Enterprise

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Neil Masterson  
Chief Transformation Officer



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# Competitive Advantages

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Proprietary news,  
data & analytics

Critical mass in  
markets that matter

DNA of innovation

Globally  
renowned  
brands

Global technology capabilities

Highly integrated  
into customer  
workflows

Long-term customer  
relationships

Global presence

Talented, motivated & committed employees



# Our Journey

## Transformative M&A



## Leading Market Positions

- 
**Financial & Risk**
  - **#2** in global market segment
  - Eikon
  - Elektron
- 
**Legal**
  - **#1** in North American market segment
  - WestlawNext
  - Sweet & Maxwell
- 
**Tax & Accounting**
  - **#1** in North American market segment
  - ONESOURCE
  - Checkpoint
- 
**IP & Science**
  - **#1** in global market segment
  - Cortellis
  - Serion

Continuous product development & innovation

**BIG**  $\neq$  **Scale**



# Transforming the Enterprise

**Conglomerate**  
(Low economies of scale)



*Today...*

## Strategic Guidance

- Stand alone businesses
- Limited shared assets
- Low level platform integration

**Enterprise**  
(High economies of scale)



*Future*

## Enterprise

- Integrated go-to market strategy
- Leverage of integrated platform
- Common processes
- Shared assets
- Centers of excellence

# Transformation Starts with Innovation & Enabled by Scale

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## Accelerate Innovation

- Discover and nurture
- Build a TRI innovation process that is underpinned by metrics
- Leverage and scale across TRI

## Take Advantage of Our Scale

- Focus on scale economies
- Re-allocate resources to those activities that drive value
- Enhance our customer facing activities

## Enable Our Talent

- Create a single set of purpose and values across TRI
- Create common signature processes across TRI (e.g. innovation, pricing, etc.)
- Train our best and brightest on the skills that matter

**Transformation Team Already Established and Active**

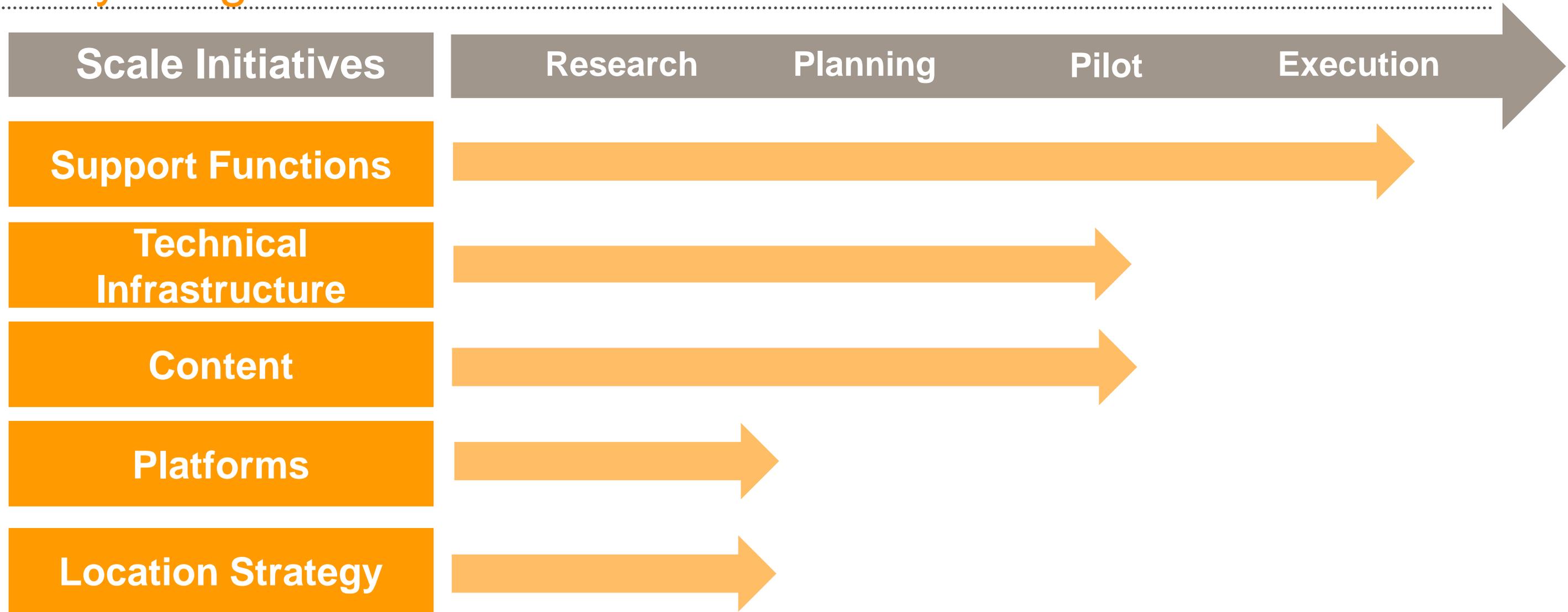


# Take Advantage of Our Scale with 5 Levers

Sequence	Scale Initiatives	Target
1	Support Functions	<ul style="list-style-type: none"><li>• Simpler processes and smaller footprint</li></ul>
2	Technical Infrastructure	<ul style="list-style-type: none"><li>• Smaller footprint focused on value-add activities</li></ul>
3	Content	<ul style="list-style-type: none"><li>• Focus on high value content</li></ul>
4	Platforms	<ul style="list-style-type: none"><li>• ~ 20 versatile innovation platforms</li></ul>
5	Location Strategy	<ul style="list-style-type: none"><li>• Critical mass: 20-50 key locations and 5 global hubs</li></ul>



# Early Progress

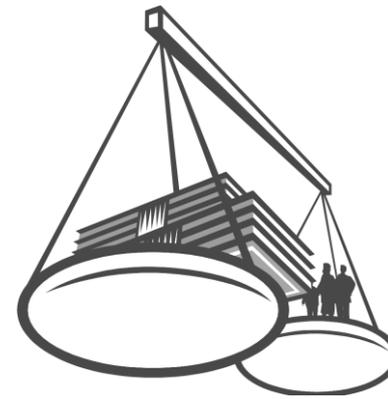


# Support Functions Automate, Share & Outsource

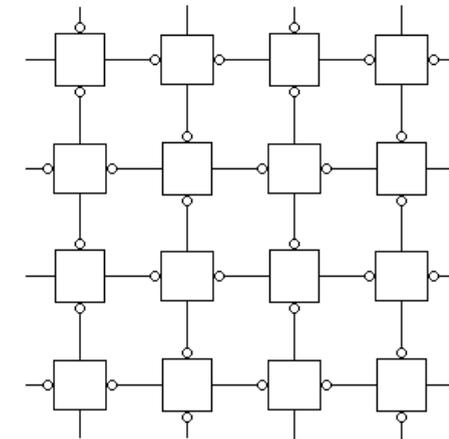
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**High-cost locations**



**Over-weight in  
headcount &  
costly**



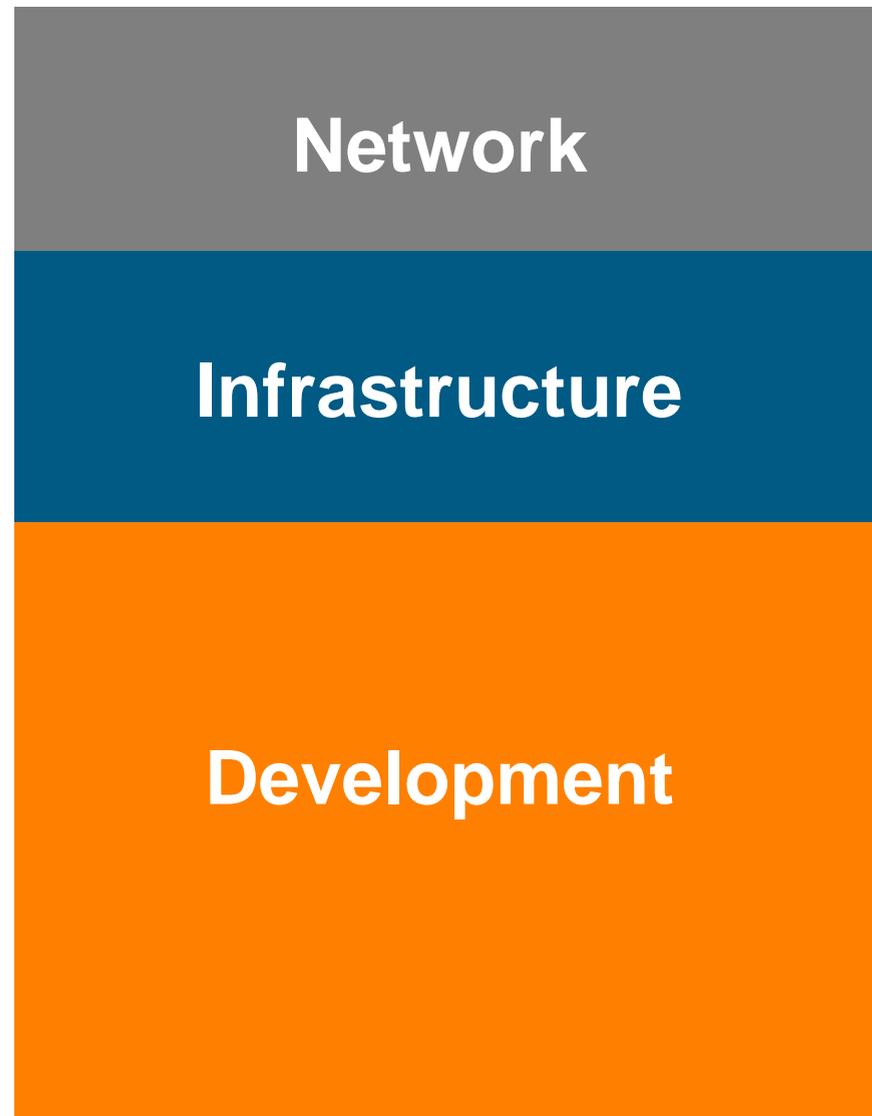
**Need for  
automation,  
sharing &  
outsource**



# Technology

## Outsource Non-Core & Consolidate Platforms

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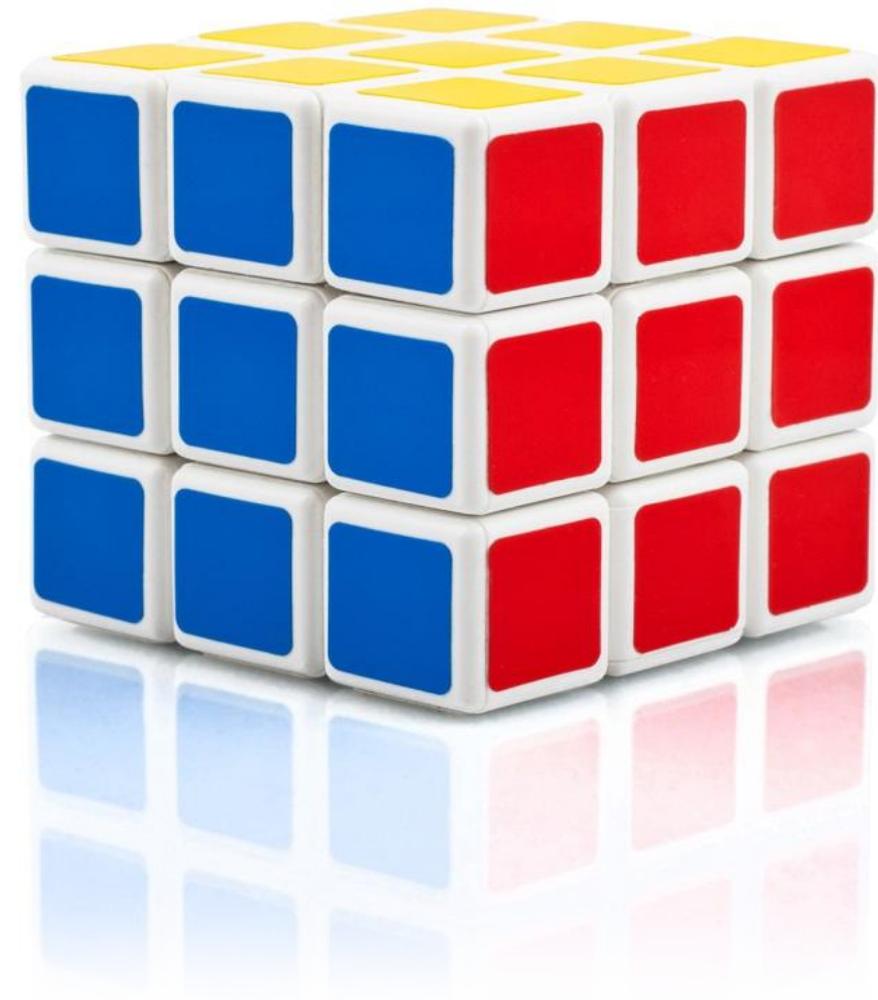
**Total Tech Spend:  
\$3.3 billion**

- Outsourcing more of our non-core infrastructure
- Consolidate platforms



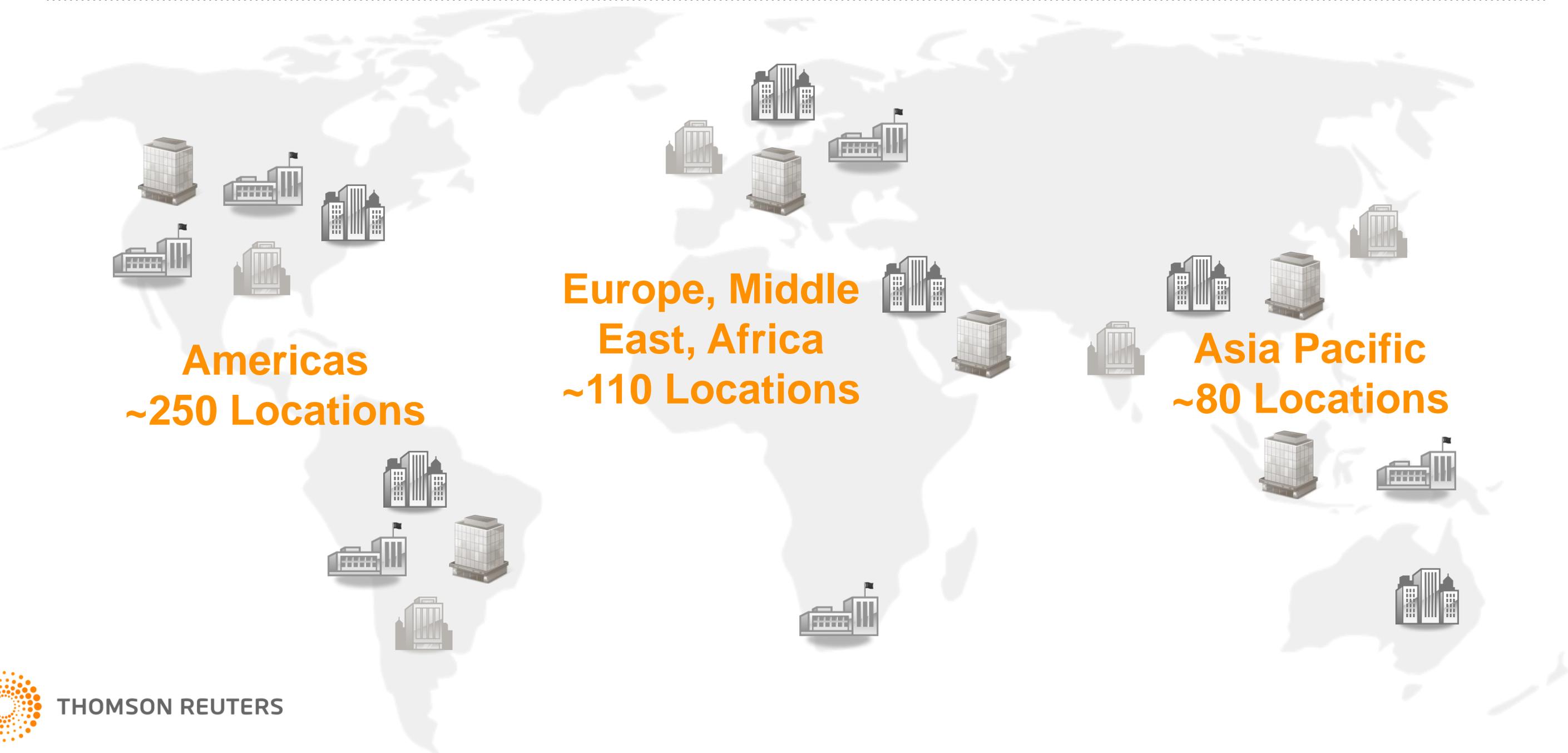
# Content Scale, Automate & Differentiate

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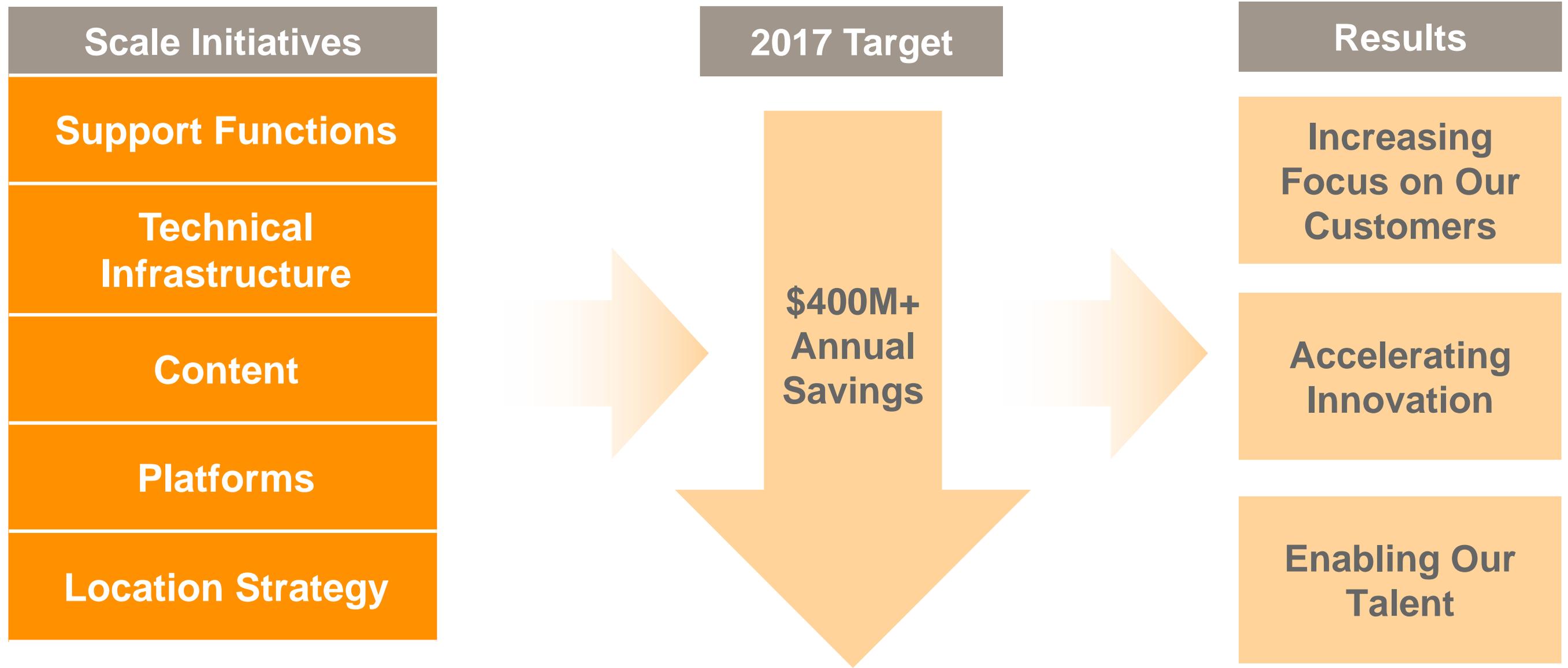


# Location Defragment & Build Critical Mass

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# The Prize



# Productivity & Growth

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**Playbook**

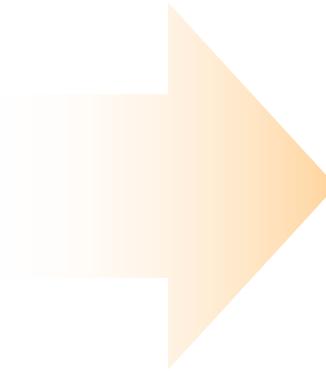
**Scale Initiatives**



**Workforce Planning**



**Business Process**



**Outcome**

**More Efficient Operating Machine**



**Faster Growth & Innovation**



**Improving Returns**





REUTERS/Mark Blinch

# Capitalizing on New Opportunities

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Susan Taylor Martin  
President, Legal

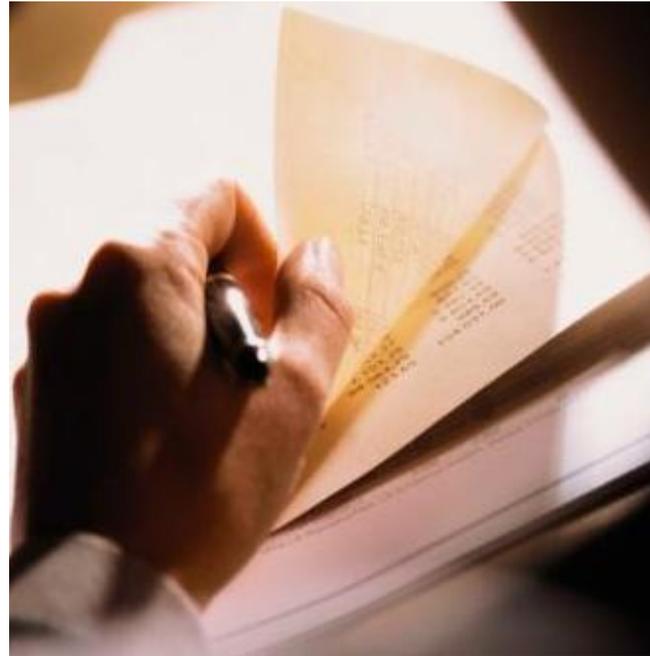


# A Strong, Successful & Dynamically Evolving Business

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**\$3.4B**  
Revenue

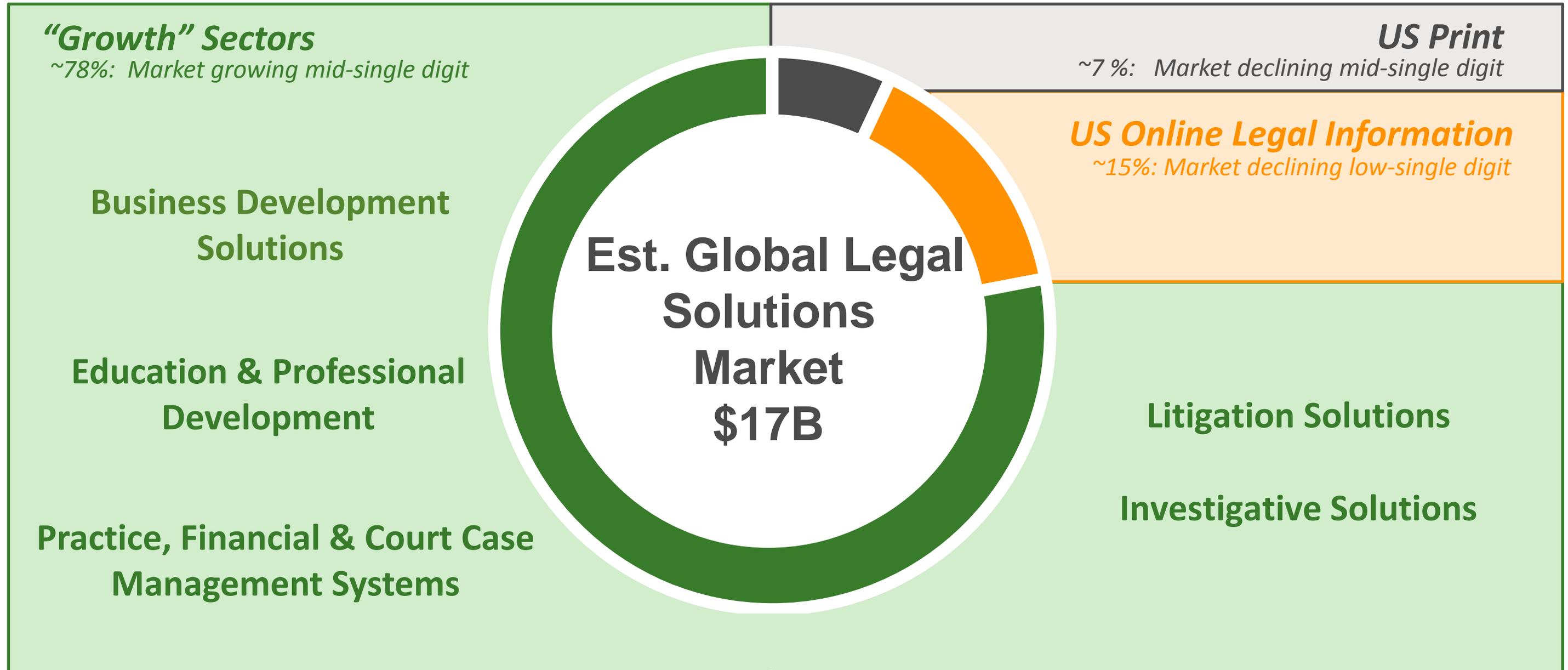


**\$903M**  
Operating Profit



**35.6%**  
EBITDA Margin

# Global Legal Market Opportunity



# Strong #1 Positions Across Market Segments

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**WestlawNext**<sup>®</sup>

#1 legal research service in US

**Practical Law**<sup>™</sup>

#1 global provider of Know How content

**FindLaw**<sup>®</sup>

#1 consumer legal website in US

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**ELITE**<sup>™</sup>

#1 global provider of large law firm financial  
and practice management systems

**Revista Dos Tribunais**

#1 legal information provider in Brazil



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# An Evolution

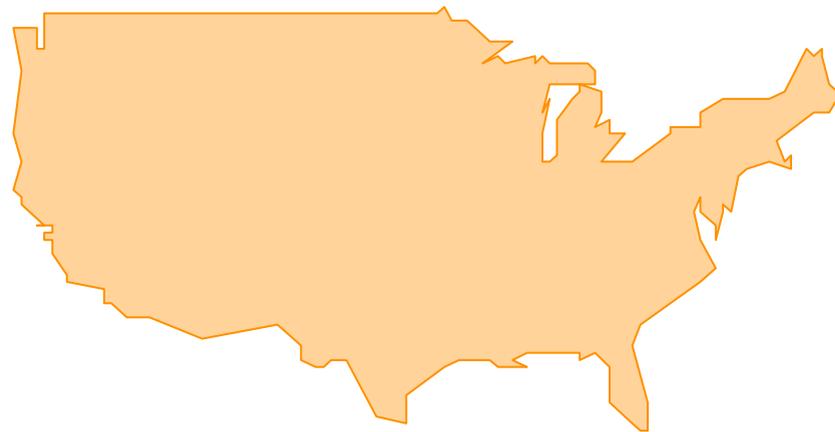
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# Our Historical Approach

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## US Focused



- The largest legal services market with historically strong growth
- Stable and mature legal industry that values quality legal services and offerings

## Built through Publishing

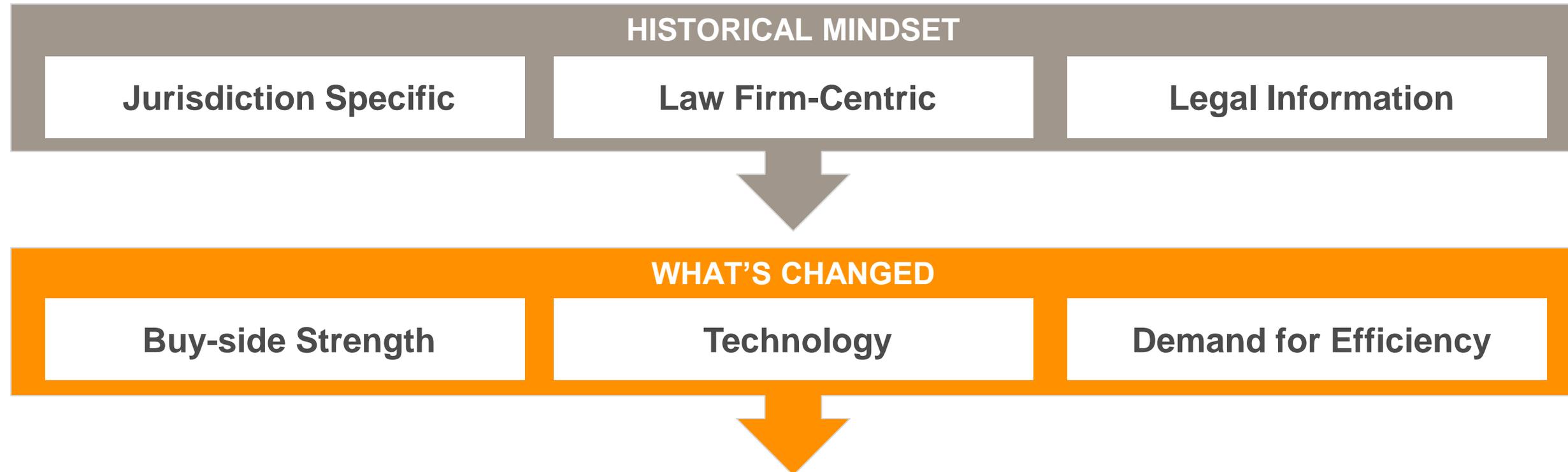


- Scalable model in large markets
- Authoritative, comprehensive source of content
- Strong legacy, brand and customer relationships



# An Evolution

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# What's Changed?

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## Corporate Counsel Influence Increasing

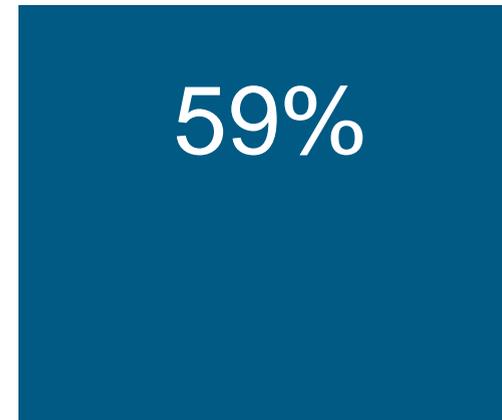


vs.



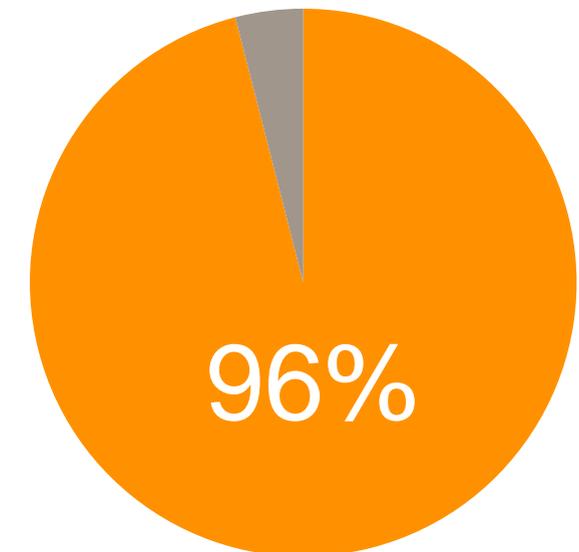
- 42% of Chief Legal Officers plan to increase in-house lawyers
- 5% of CLO's plan to decrease in-house lawyers<sup>1</sup>

## Greater Usage of Technology



59% of Chief Legal Officers making greater use of technology tools to drive efficiency (last 12 months)<sup>1</sup>

## Drive for Efficiency



96% of law firm leaders believe that a focus on improved practice efficiency is a permanent change in the legal market<sup>2</sup>

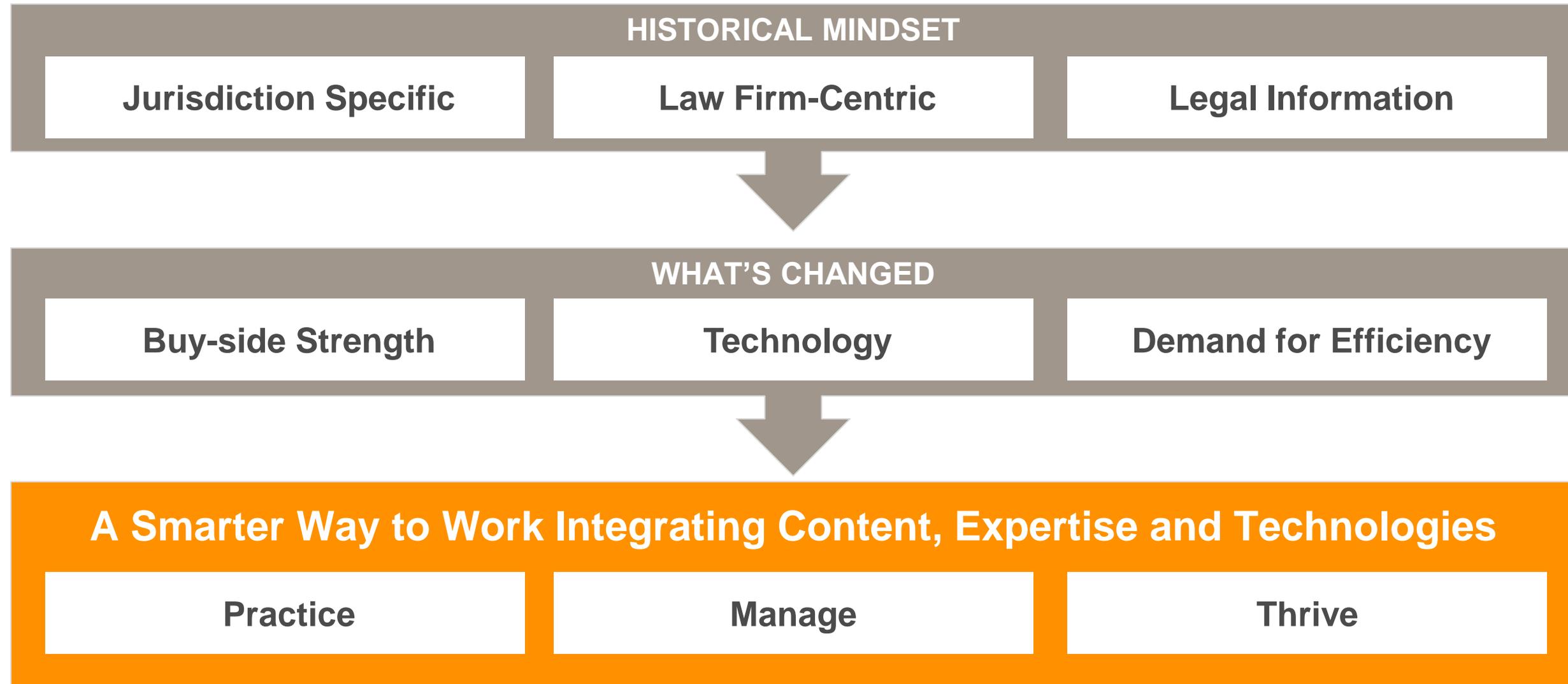


<sup>1</sup> Altman Weil's 2013 Chief Legal Officer Survey

<sup>2</sup> Altman Weil's 2013 Law Firms in Transition Survey

# An Evolution

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# We Deliver a Wide Range of Solutions & Services

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# We Deliver a Wide Range of Solutions & Services

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**Legal Information &  
Know-How**

**Litigation  
Solutions**

**Business Law  
Solutions**

**Investigative  
Solutions**



# We Deliver a Wide Range of Solutions & Services

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**Education &  
Professional  
Development**

**Practice, Financial & Court  
Case Management Systems**



**Legal Information &  
Know-How**

**Litigation  
Solutions**

**Business Law  
Solutions**

**Investigative  
Solutions**

# We Deliver a Wide Range of Solutions & Services

---

**Business Development  
Solutions**

**Education &  
Professional  
Development**

**Practice, Financial & Court  
Case Management Systems**



**Legal Information &  
Know-How**

**Litigation  
Solutions**

**Business Law  
Solutions**

**Investigative  
Solutions**

# We Deliver a Wide Range of Solutions & Services

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**Business Development  
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**Education &  
Professional  
Development**

**Practice, Financial & Court  
Case Management Systems**



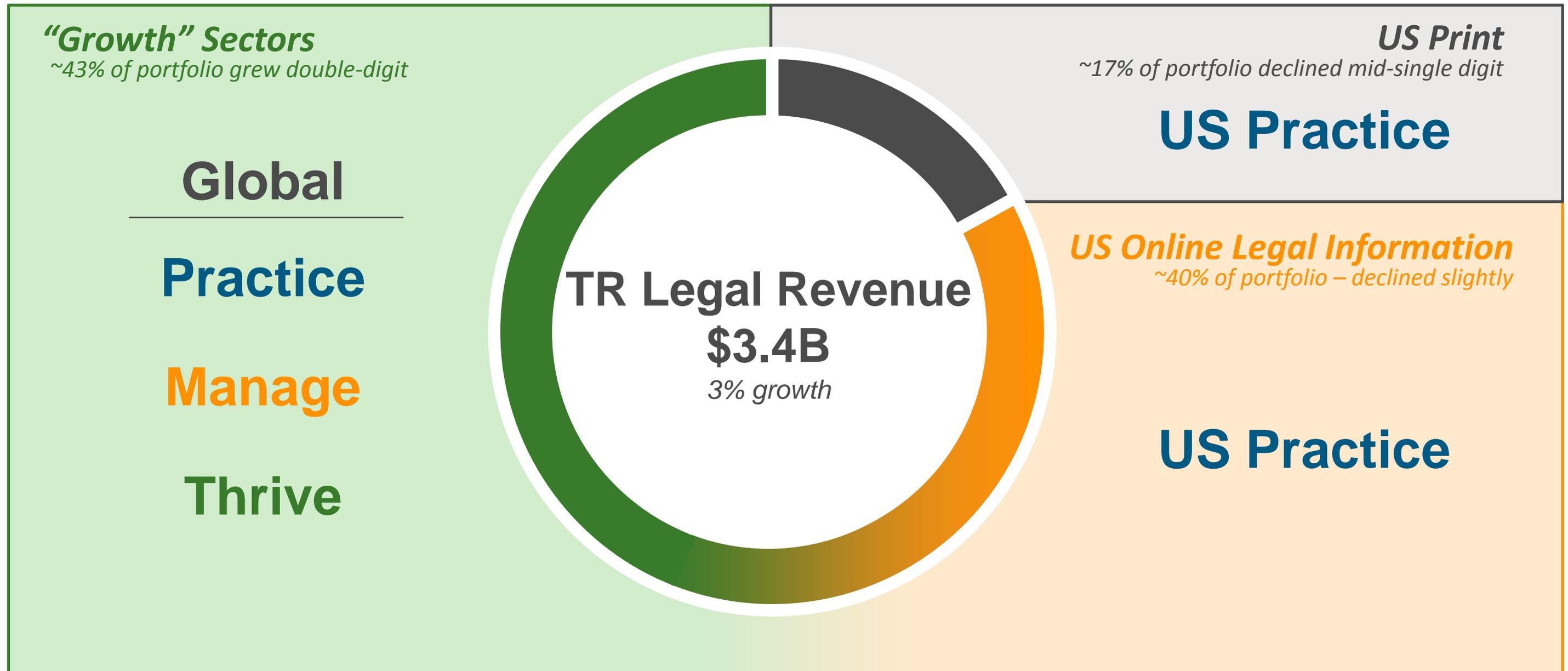
**Legal Information &  
Know-How**

**Litigation  
Solutions**

**Business Law  
Solutions**

**Investigative  
Solutions**

# Thomson Reuters Legal 2013 Revenues

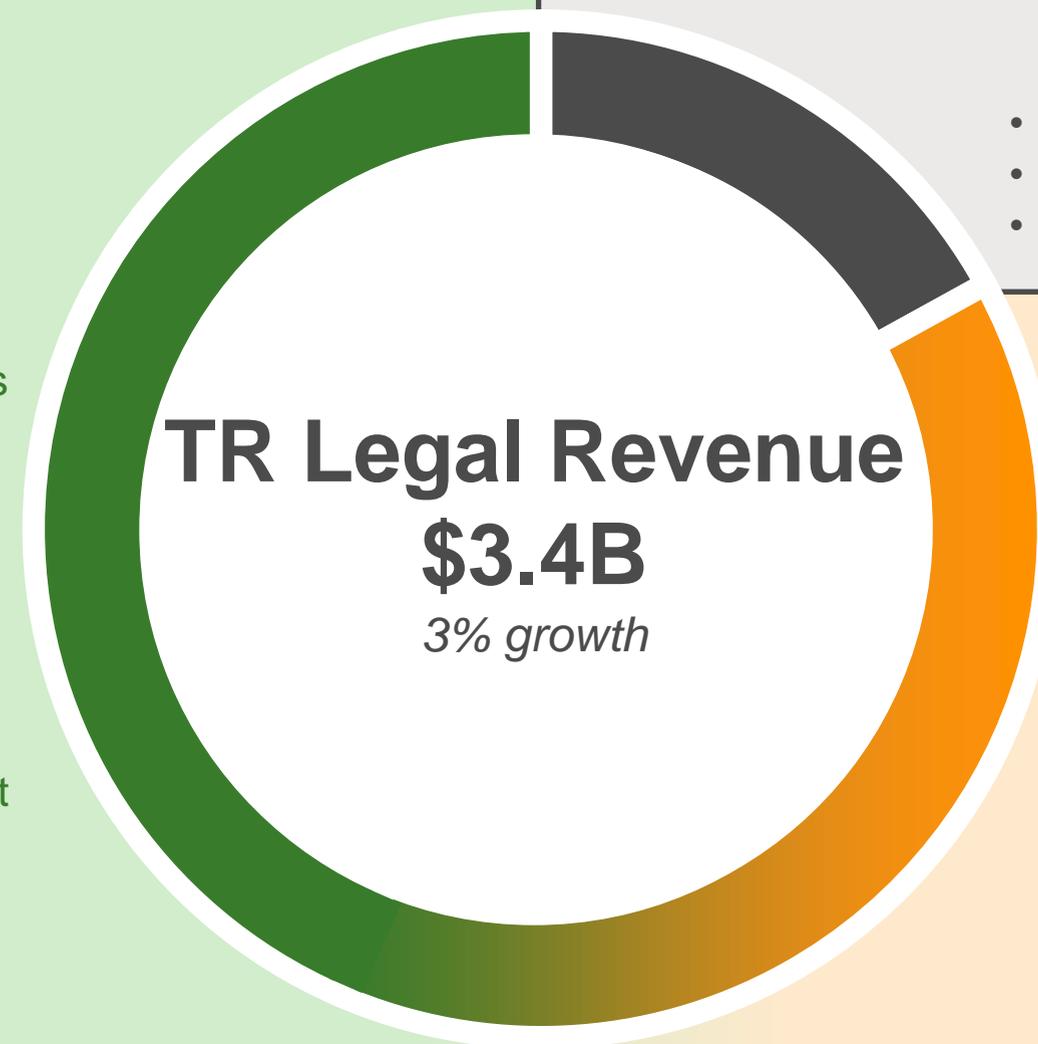


# Thomson Reuters Legal 2013 Revenues

## **“Growth” Sectors**

*~43% of portfolio grew double-digits*

- Includes:
  - Outside the US
  - US Software businesses
  - US Service businesses
- Capital investment directed towards building:
  - Practice management and workflow tools
  - Business development solutions
- Strong growth from:
  - Small Law Client Development
  - Practice, Financial and Court Case Management
- **Market size of ~\$13B**



## **US Print**

*~17% of portfolio declined mid-single digits*

- Managing the business to preserve revenue
- Minimal capital investment
- **Market size of ~\$1B**

## **US Online Legal Information**

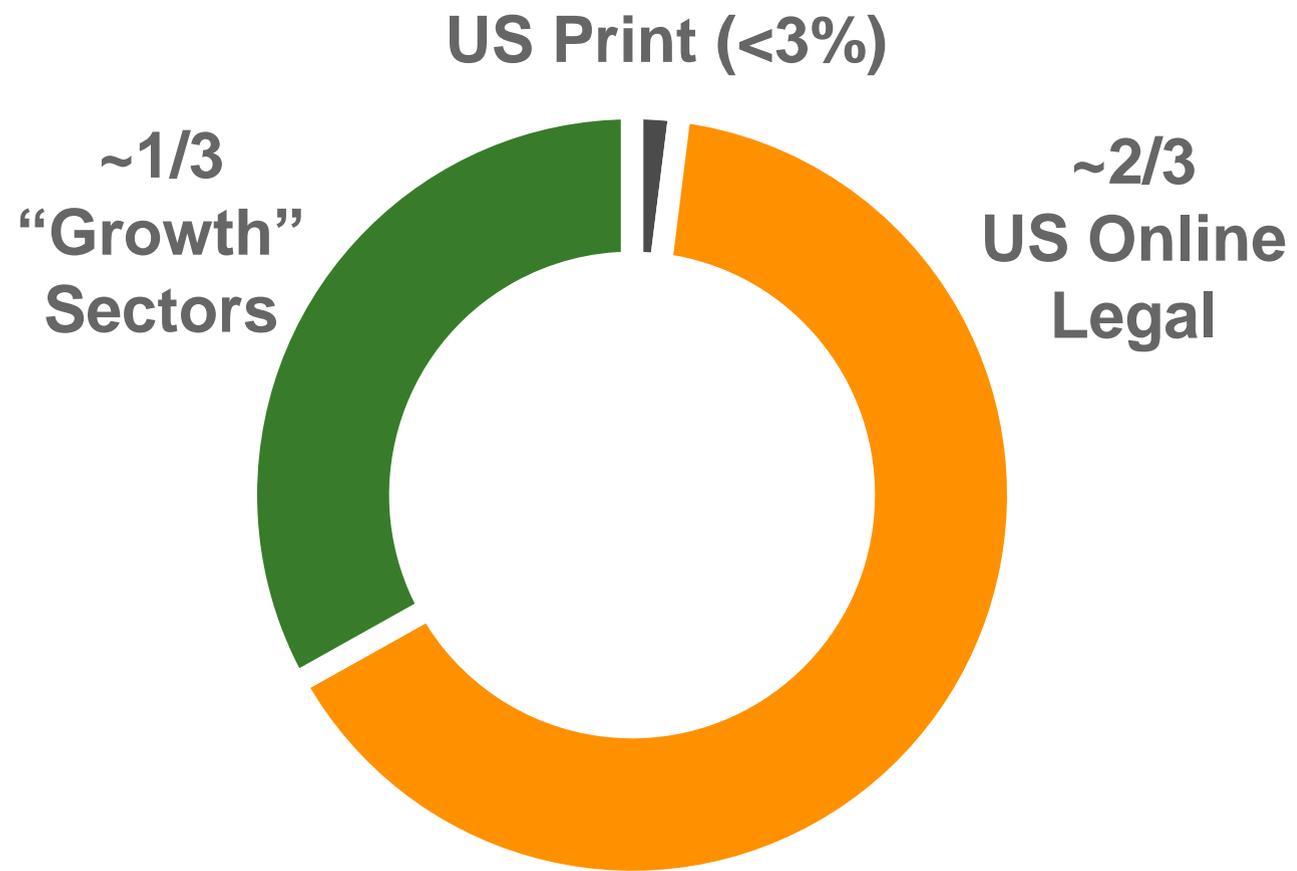
*~40% of portfolio declined slightly*

- Westlaw is the clear market leader
- Capital investment funding re-imagination of lawyer workflow:
  - Development of Know-How content
  - Broad integration & connectivity between our offerings
- **Market size of ~\$3B**

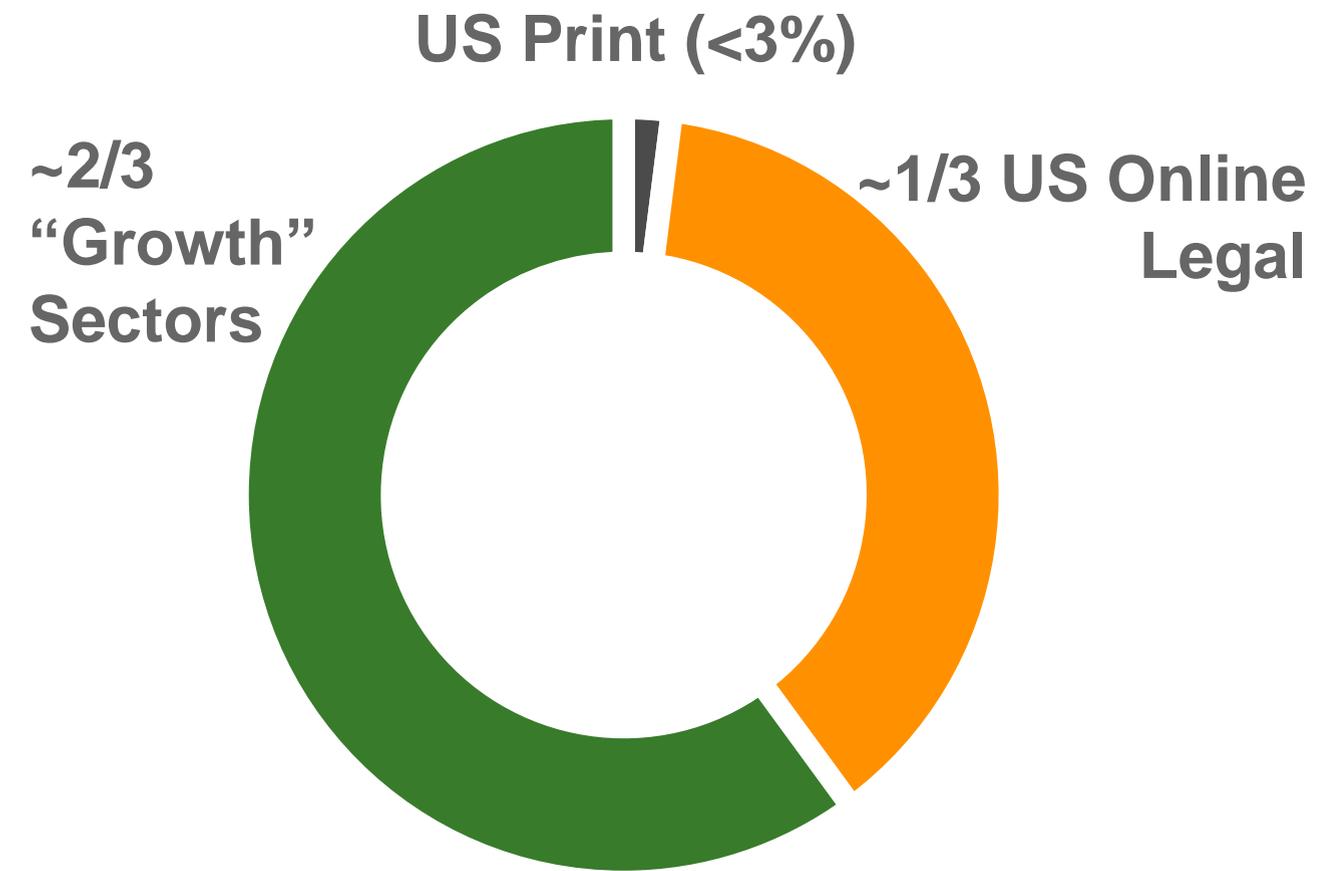
# We are Shifting Capital Investment

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2009



2013

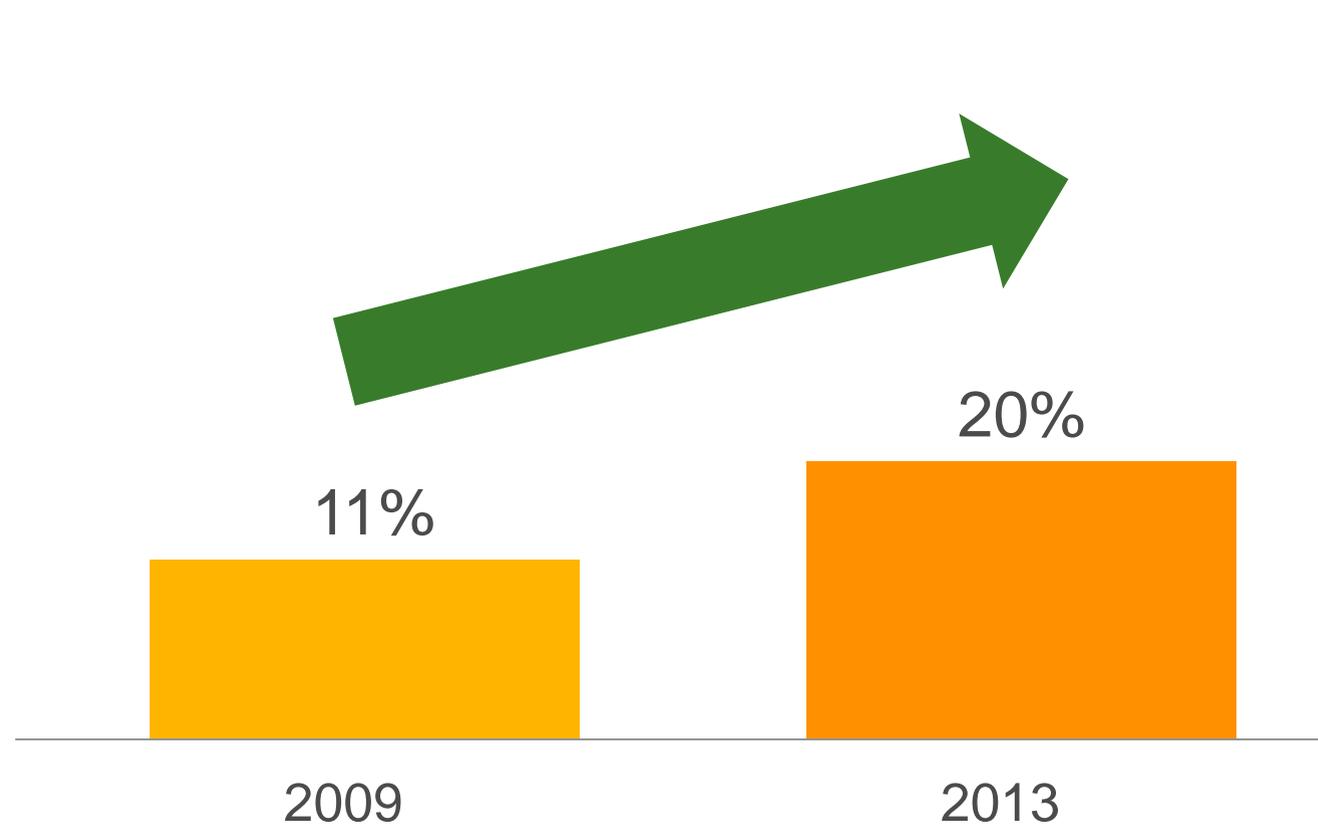


# Our Business is Diverse & Evolving

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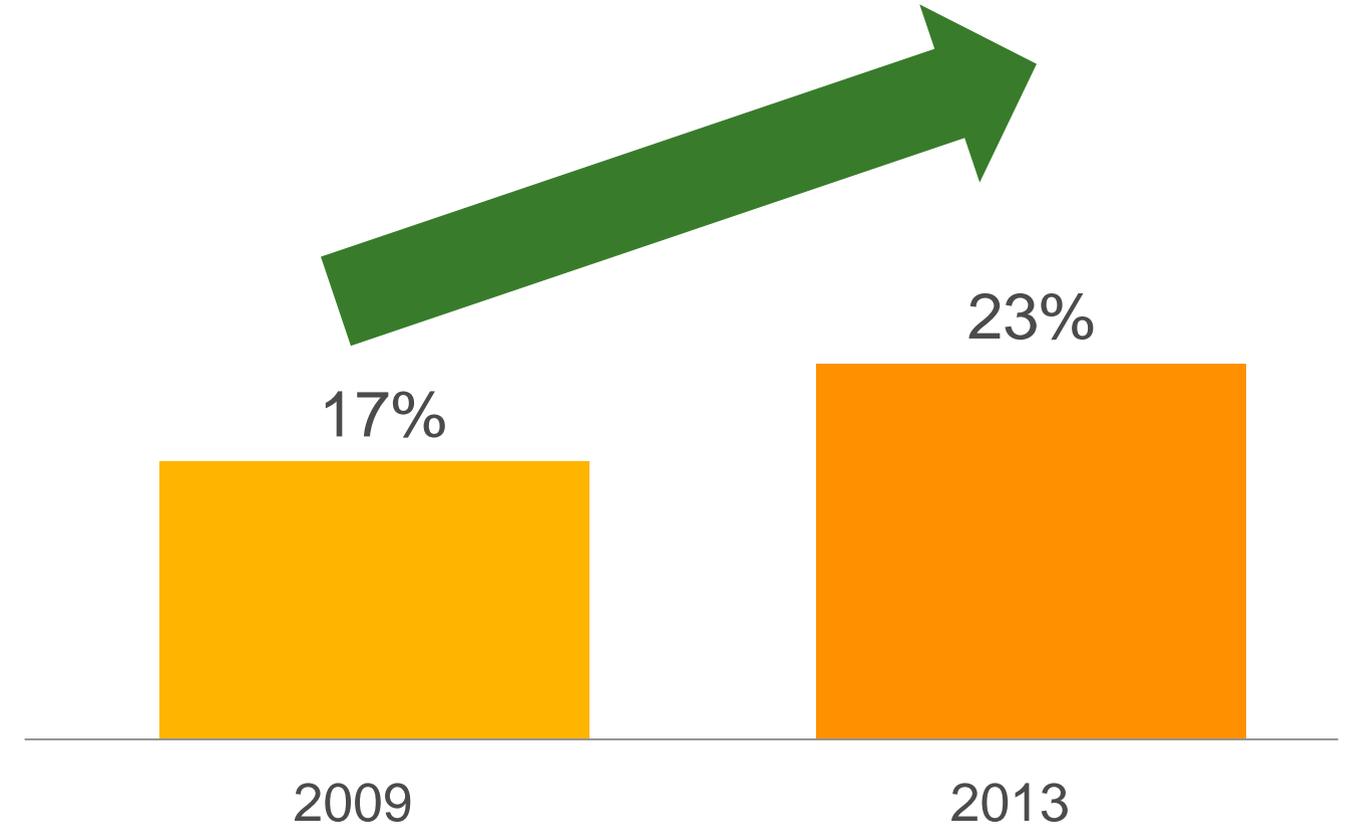
## Software and Services

Percentage of total TR Legal revenues



## Non-US Revenues

Percentage of total TR Legal revenues

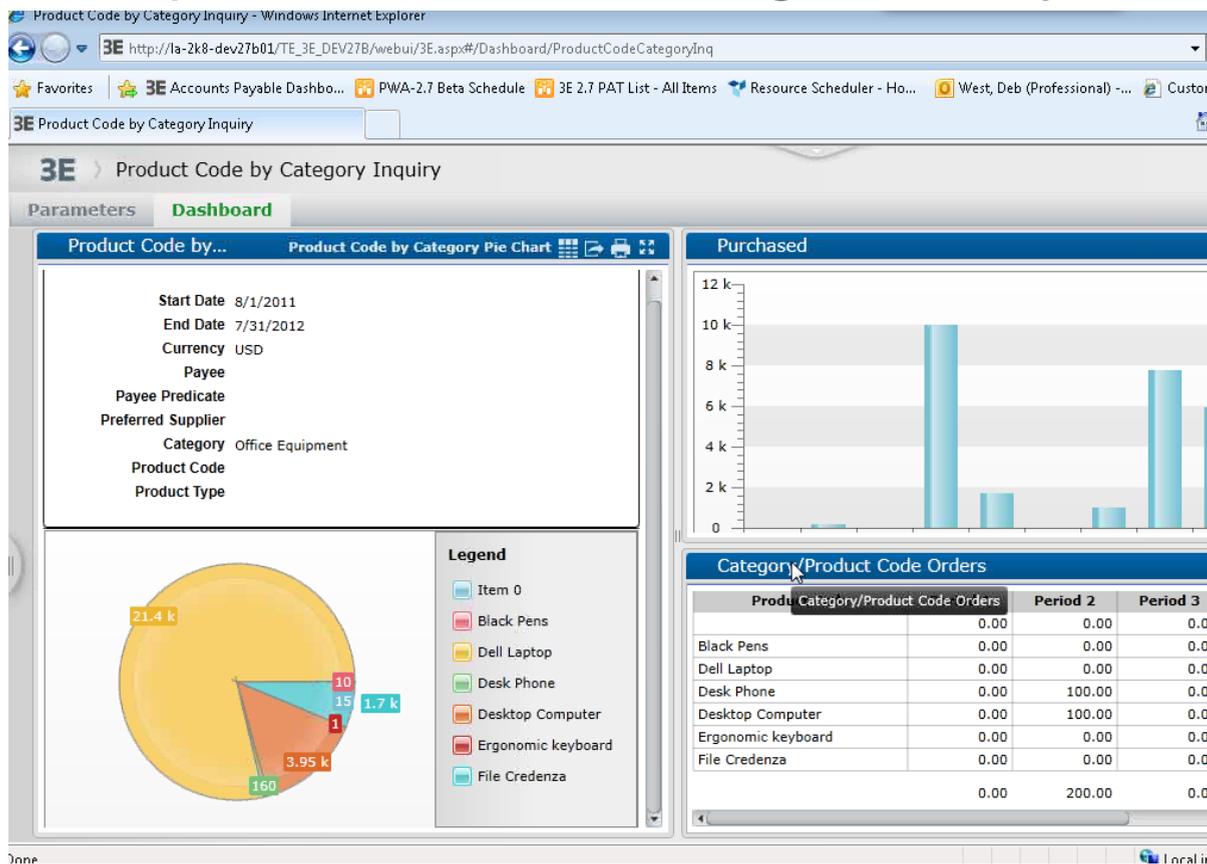


# Globally Scalable Growth Businesses

## Elite

Large Law Firm

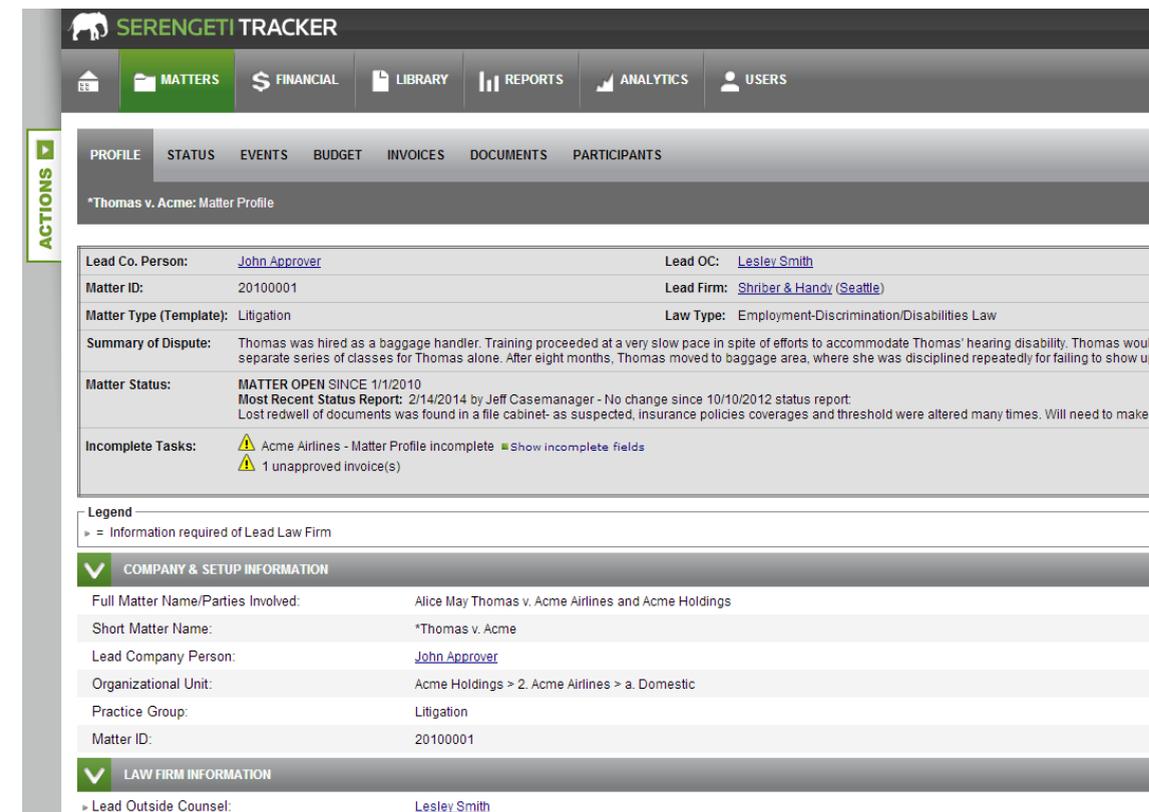
Enterprise Business Management System



## Serengeti / Concourse

Corporate Counsel

Matter Management & eBilling

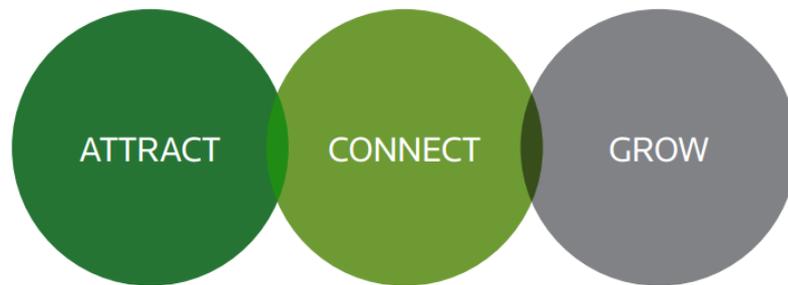


# Globally Scalable Growth Businesses

## FindLaw

Small Law Firm  
Business Development

*THE FINDLAW DIFFERENCE*  
Business Development Solutions for Small Law Firms



## Firm Central

Small Law Firm  
Practice Mgmt

**FIRM CENTRAL** Anne Marie Wilson-Wyatt

HOME MATTERS CONTACTS DOCUMENTS CALENDAR

MONDAY, JANUARY 18, 2014

ALL DAY

9 AM Client Meeting with Mary Johnson  
JOHNSON V. PLANT

10 AM Client Meeting with Robert Smith  
SMITH V. PLATT

11 AM

12 PM

1 PM Deposition Client Meeting

2 PM

**Tasks**

Open tasks

- Research Innocent Owner Defense...  
Aceves v. Quickmart | Mon, Dec 23
- Call court clerk  
Aceves v. Quickmart | Mon, Dec 23
- Call Juan C.
- Financial Review  
Aceves v. Quickmart | Mon, Dec 23

+ NEW TASK

**Legal Research**

Search

Jurisdiction: All states | Change

**Practical Law**

Browse for practical law documents:

select a practice area

select a topic

**MY RECENT ACTIVITY**

All document types

- Abrahamson - Auto Accident  
Abrahamson, Ashlee
- Jackson DUI  
Jackson, Stephen
- Brady Acquisition Litigation  
Brady and Howell
- ABC Tech Acquisition  
ABC Tech, Inc.
- Selgas v Henderson County ...  
Brady Acquisition Litigation

+ MORE

Allen Adoption  
Added to the Matter Team  
Feb 12, 2014 4:37pm

Acme Class Action  
Eagan v. Hamline Methodist Church.doc  
Jan 24, 2014 4:37 PM

# Globally Scalable Growth Businesses

## Practical Law

All Customer Segments  
Global Know-How

NEW Practical Law China is here. Find out more

PLCIPUK Log in as a different user | Contact us | US | Global

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A THOMSON REUTERS LEGAL SOLUTION

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Browse key resources and view the latest legal updates in your practice area

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Ask a question

Topics | Resources | Ask | What's Market

**Company law**

- Company administration and meetings
- Company formation and constitution
- Corporate governance
- Directors
- Financial reporting
- Share capital: structure, allotment and transfers
- Shareholder rights and remedies

**Equity capital markets**

- AIM
- Initial public offerings
- Listing, Prospectus, Disclosure and Transparency Rules
- Rights issues and other secondary issues
- Financial promotion
- Market conduct
- US securities law: issues for non-US companies

**Corporate transactions**

- Acquisitions: auctions
- Asset acquisitions
- Share acquisitions: private
- Public mergers & acquisitions
- Joint ventures
- Private equity and venture capital
- Reorganisations, schemes and demergers
- Returns of value

**Owner-managed businesses**

- Partnership and LLPs
- Owner-managed businesses

**Other**

- General contract and boilerplate
- Corporate crime (including the Bribery Act 2010)

**Legal updates**

- Prospectus Directive: European Parliament approves Omnibus II Directive with amendments  
March 12, 2014
- Proxy advisors: Best Practice Principles for Shareholder Voting Research 2014  
March 07, 2014
- Prospectus Directive: draft Commission delegated regulation on supplementary prospectuses  
March 07, 2014
- What's Market: deals added 22 February 2014 - 7  
March 2014  
March 07, 2014
- Takeover Code: amendments to reflect the replacement of the OFT and Competition Commission  
March 04, 2014

RSS View all updates

- Acquired February 2013
- #1 Globally in Know-How content
- Valuable to both general counsel and law firm lawyers
- Significantly improves efficiency – critical key for lawyers today
- Guidance from expert practitioners
  - Check-lists
  - How-to-documents
  - Current awareness
- Forecast to grow > 20% in 2014

# Solid Foundation & Well Positioned for the Future

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- We will maintain our strong market position in online legal research by investing in & managing it accordingly
- We will continue to invest in our Growth Sectors to build on our strong and growing market positions
- No one is better positioned to meet the needs of our customers for more integrated, connected & globally scalable solutions

**World-class content, global technology platforms,  
industry leadership & the trust of our customers**





REUTERS/Mark Blinch

# Pathways to Growth

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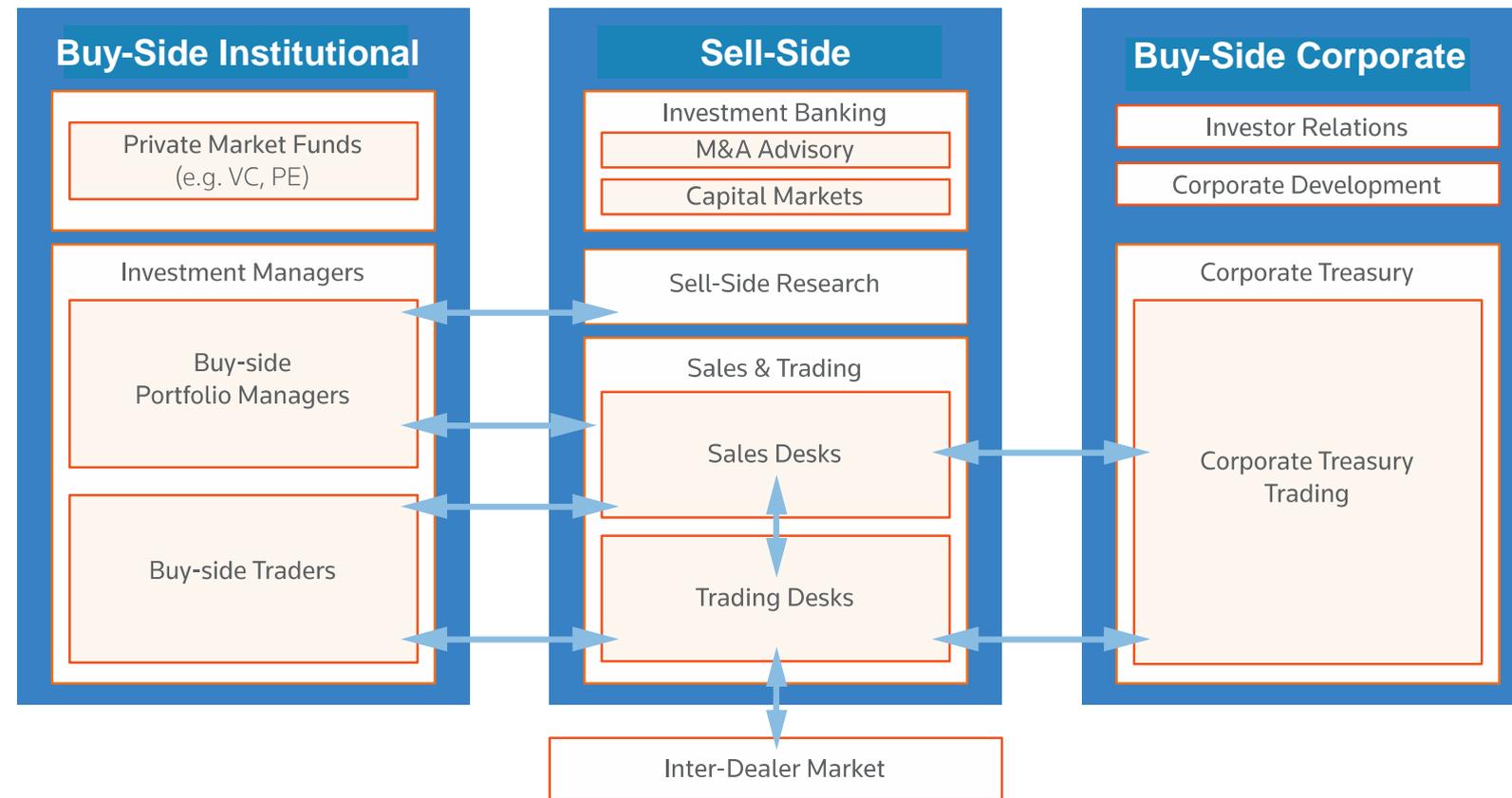
David Craig  
President, Financial & Risk



THOMSON REUTERS

# Trusted for the Decisions that Matter Most Across the Global Financial Community

Driving Performance, Connectivity, Navigating Complex Risk & Regulation



Trusted News

Data & Analytics

Open Connectivity

OTC Liquidity



THOMSON REUTERS

# The Transformation: 2013 Re-Cap

## A Year of Delivery

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### Connect

Customers ✓

Users ✓

Communities & Venues ✓

### Simplify

Products & Commercials ✓

Infrastructure ✓

Organization ✓

### Perform

Culture and Talent ✓

Accountability ✓

Growth ✓



# We Have Simplified Our Organization & Changed Our Culture

**2012**

- Many businesses & products, competing P&Ls
- Product push – London and New York
- High complexity & duplication
- Management by “inspection”

**2014**

- One business, externally & internally
- Single unified platform approach
- Customer pull – regional
- Cleaner, simplified operating model
- Management by “expectation”

**2012**

**>850 Products and Services**

**24 Sectors**

**~23K Employees**

**2013**

**415, 140 Strategic**

**12**

**~20K**

**2014 & Beyond**

**100 Strategic, Unified Platform**

**8**

**~18.5K (2014)**

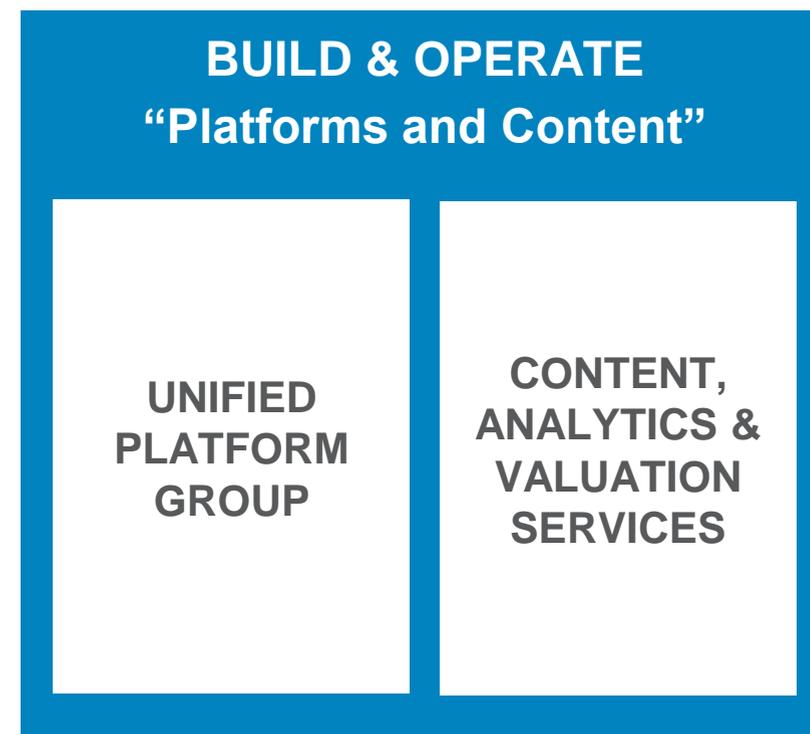


# We Have Aligned Our Organization for the Future

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*Organized Around User Sectors*



*Organized Around Customer Segments*

# A Winning Proposition

Financial & Risk has achieved a record number of award wins in 2013-14

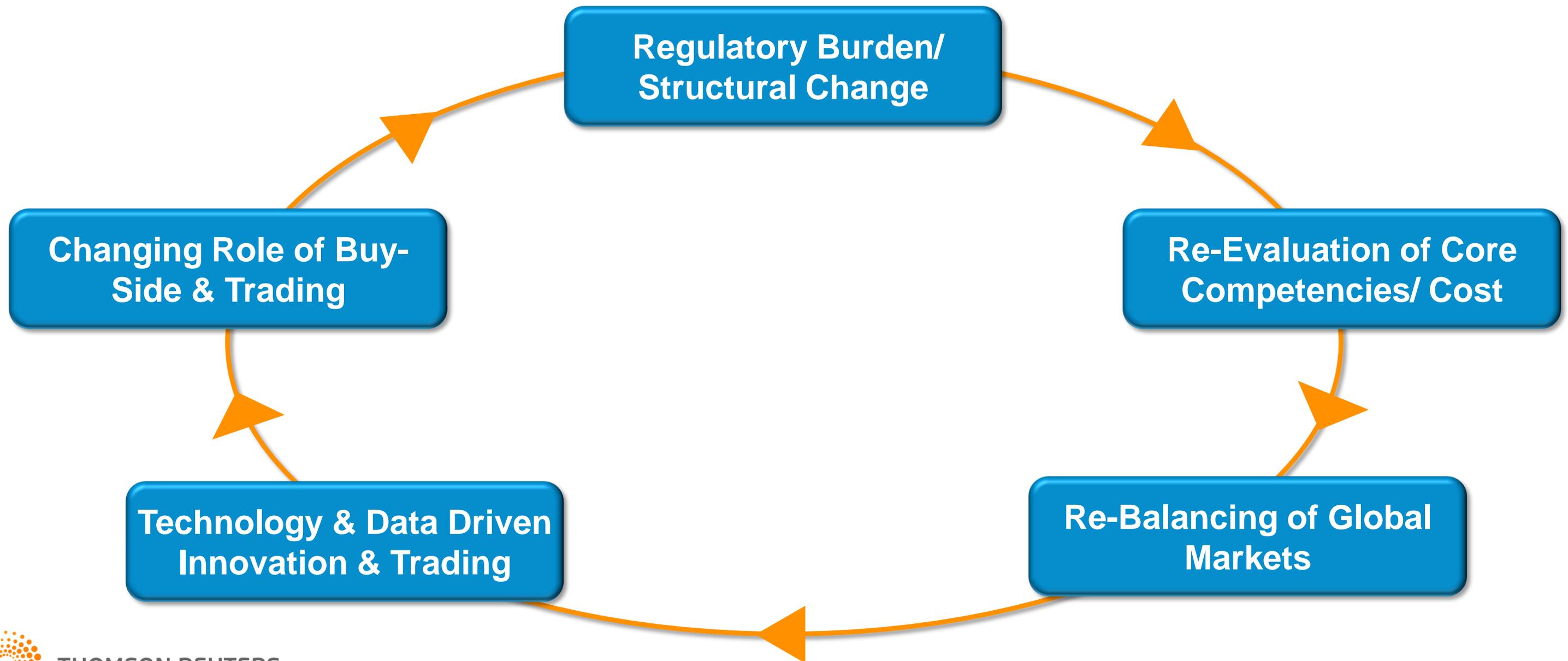


- ✓ 39 Awards
- ✓ 8 Industry Accolades

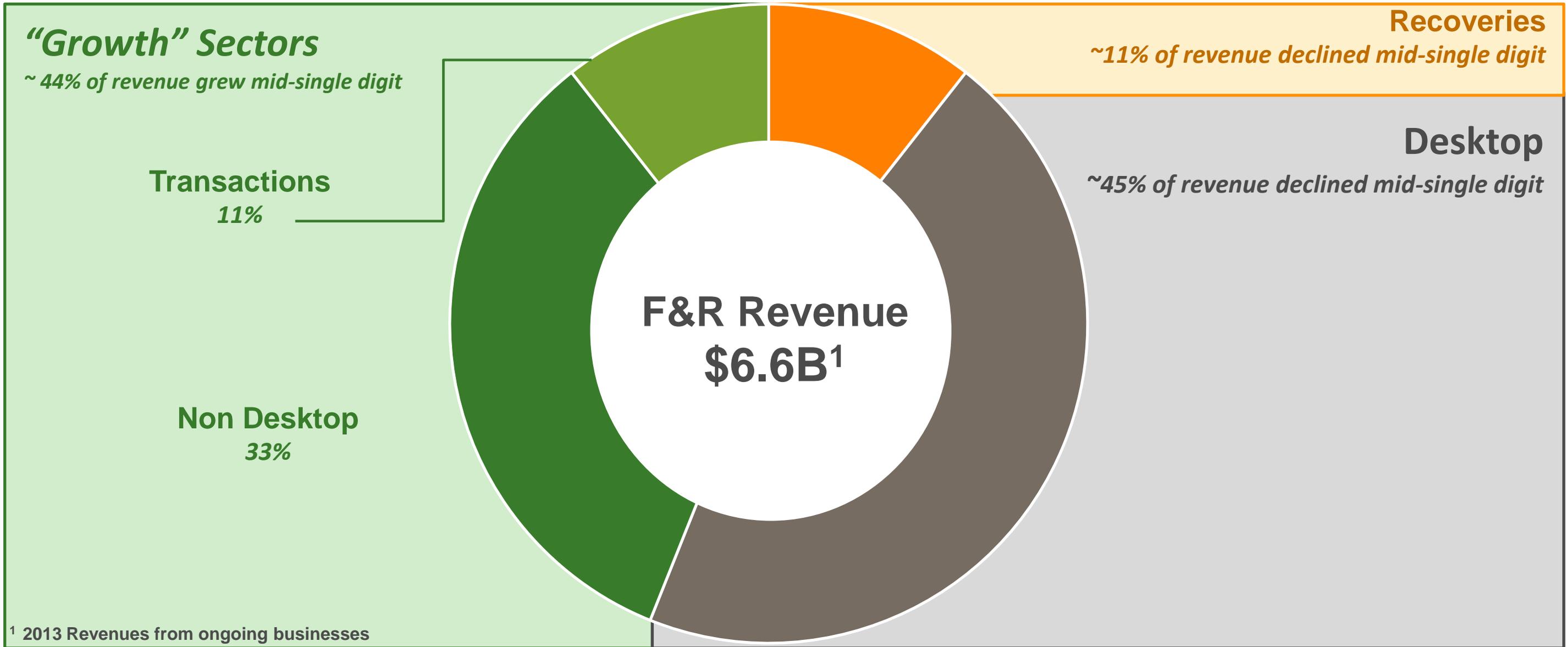


# We Are Responding to Significant Market Re-Structure

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# Financial & Risk 2013 Revenues



# Three Primary Growth Pathways

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**1**

**Transforming and Growing the Core**

**2**

**Building Industry Solutions and Partnerships**

**3**

**Expanding Liquidity and New Trading Models**



# Three Primary Growth Pathways

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## 1

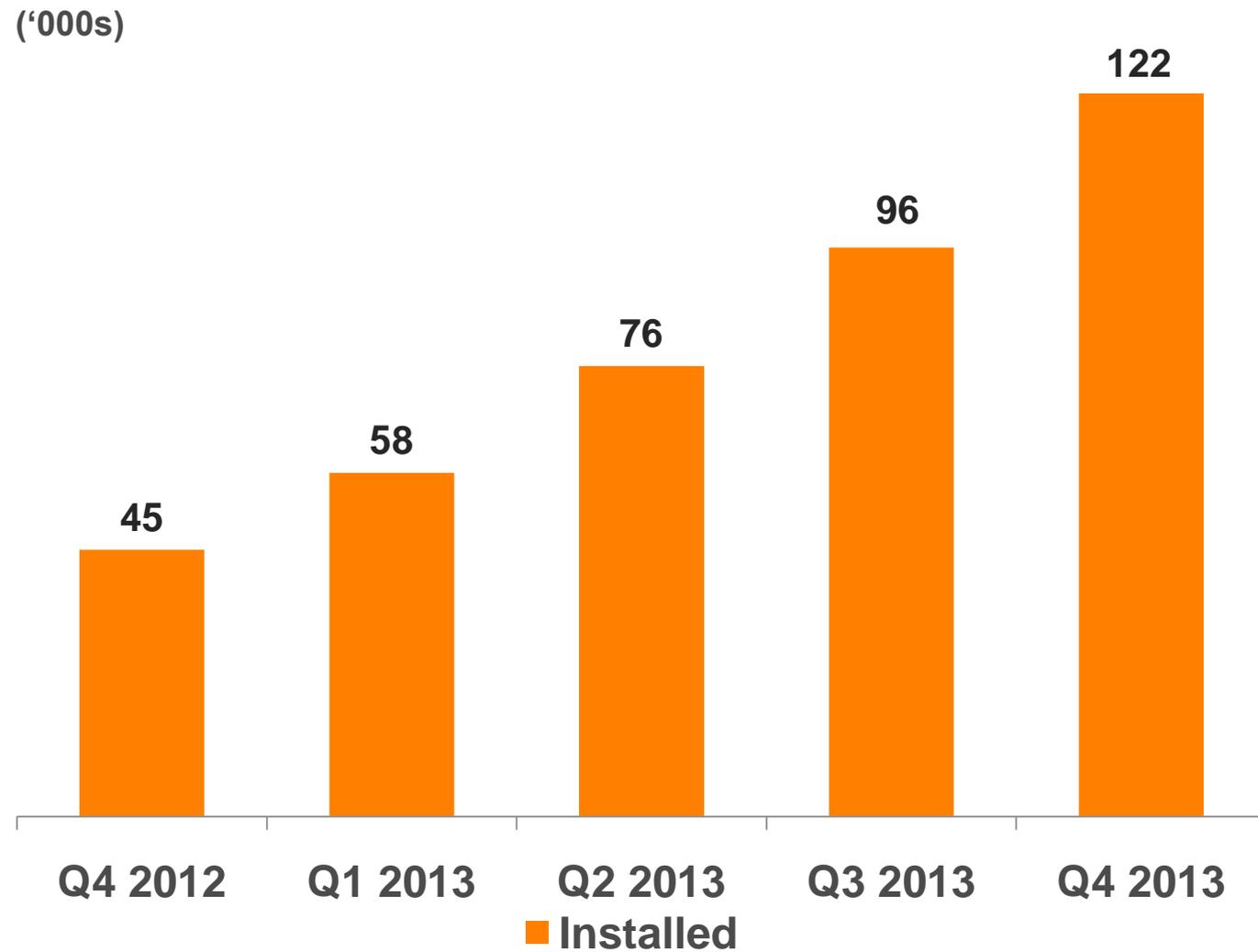
### Transforming and Growing the Core

- Large but low-growth market, going through a restructure
- Drive customer retention and share gains in Core Desktop, Feeds and Elektron
  - Open Transaction and Open Community enabling the Desktop
  - Game-changing, integrated FX offering
  - News & Content best-in-breed and “The Aggregator”
  - Improved training, service and support
- Increasing community (the buy-side) penetration and share with Desktop (Eikon), Feeds (Elektron) and Risk (Accelus)
- Strengthened regional go-to-market and investment in rapidly emerging hubs
- Improving the commercial pricing approach

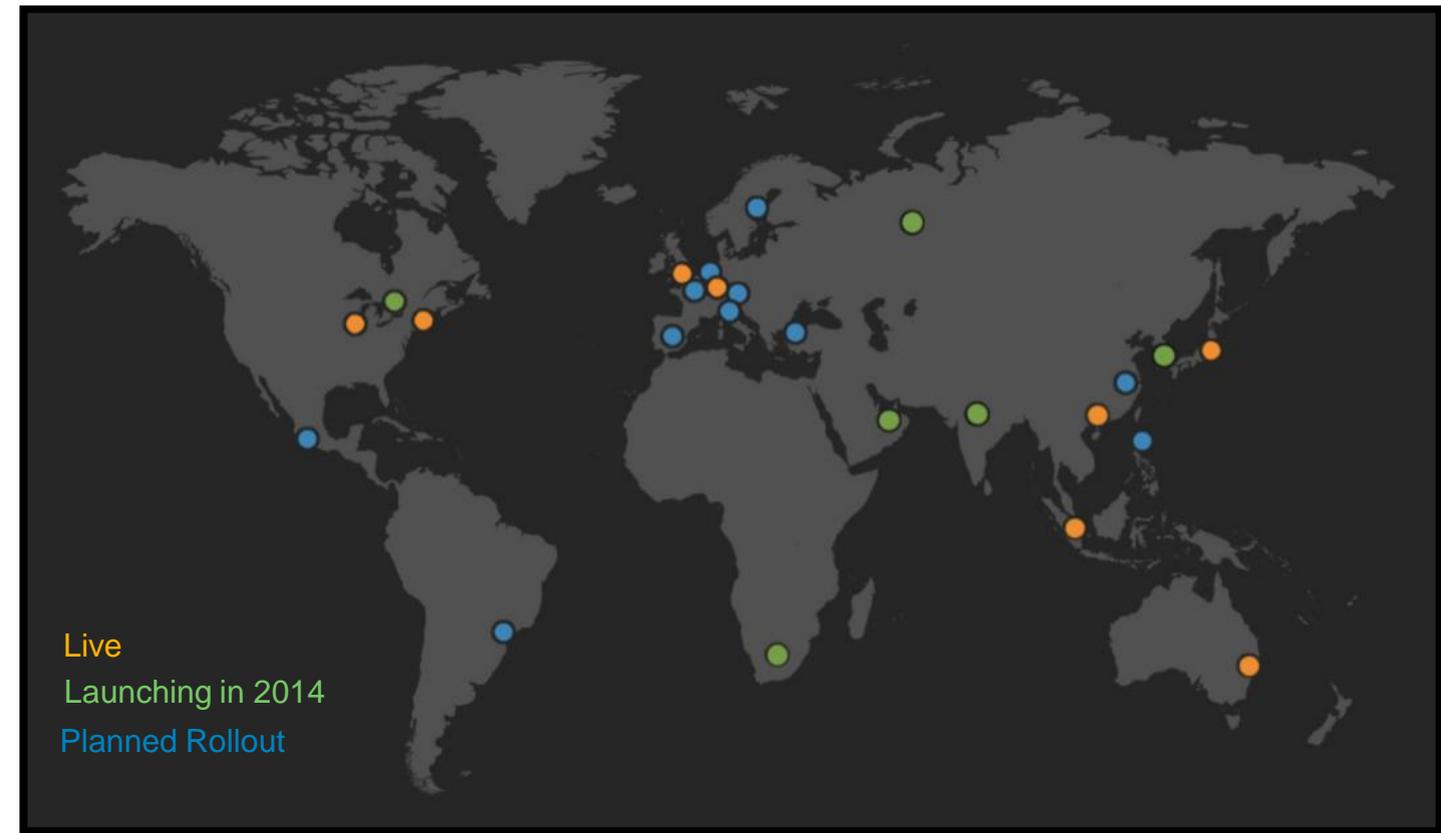


# Eikon & Elektron Progress

## Eikon Desktops



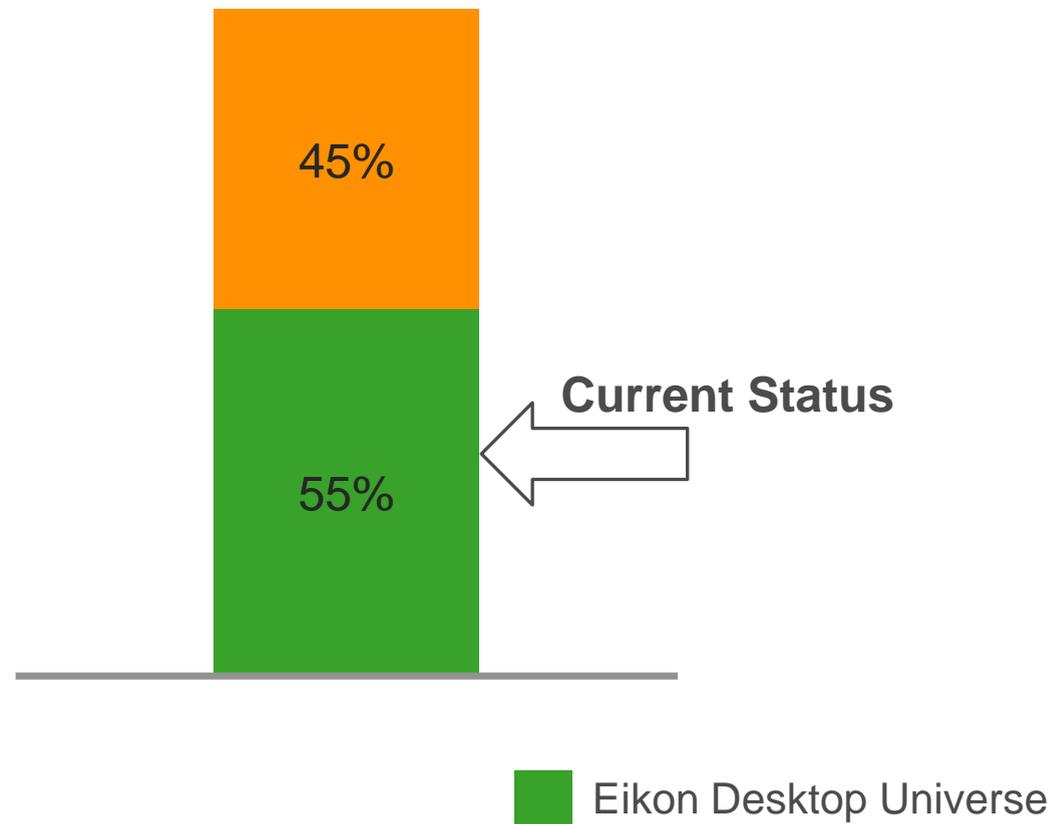
## Elektron Points of Presence



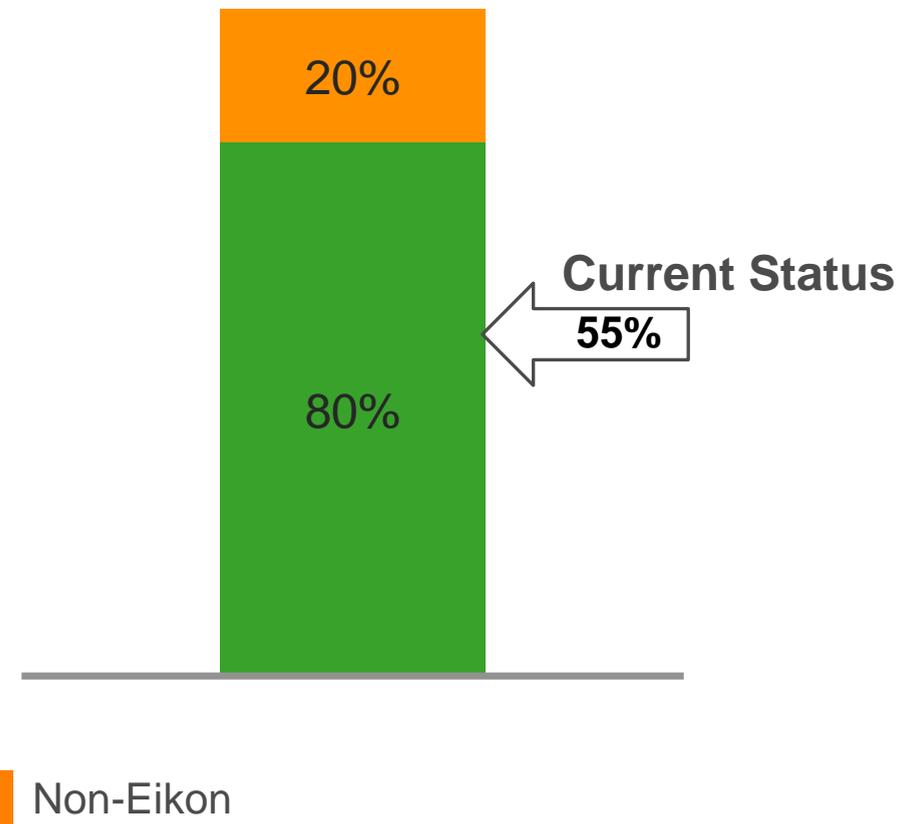
# Eikon Desktop & Revenue Breakdown

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## End-State Total % Desktops



## End-State Desktop Revenue

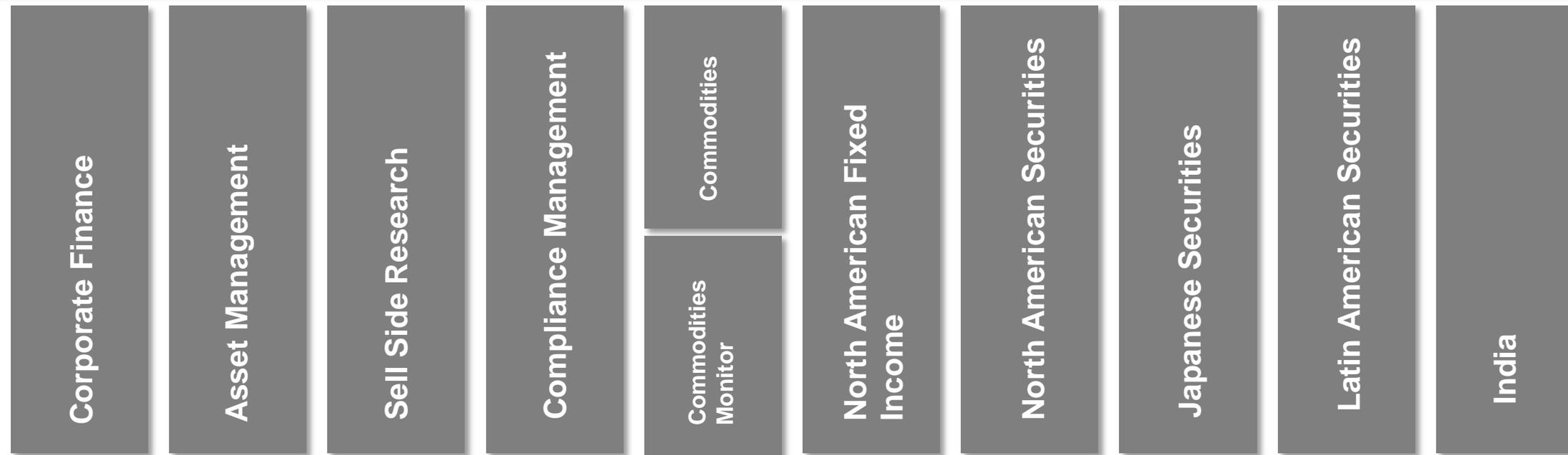


# Simplification for Customers

## One Platform & 13 Commercial Offerings

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### Thomson Reuters Eikon



### The core offering of Eikon

### Segmented Approach to Value and Price



# Three Primary Growth Pathways

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## 2 Building Industry Solutions and Partnerships

- The Risk & Compliance market continues to grow > 10%
- Continued share gain and growth in our Risk & Compliance business
- New & enhanced propositions in solutions
  - Launch of global KYC “Accelus OrgID” service
  - Pricing & Valuation services growth
  - Trade & Market Surveillance including Benchmarks
  - Operational Risk & Financial crime prevention
  - Global supply chain
  - Conduct Risk
- Open platform allowing customers to innovate around big data challenges (Open Eikon & App pilot)
- Content, distribution and alliance partnerships growth



# Three Primary Growth Pathways

---

## 3

### Expanding Liquidity and New Trading Models

- New currency / regional, e.g. RMB
- New trading models, e.g. Fixed Income
- New transaction and liquidity venues



# Strength in Enterprise Platform Driving Growth, Innovation & Margin

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**Stable Scalable  
Infrastructure**

**Unified Open  
Platform for  
Innovation &  
Solutions**

**Industry-Wide  
Open Community**

**Simplified  
Operating Model  
and Structure**

**Simplified  
Commercial  
Structure**

**Data-Driven  
Customer  
Experience &  
Intelligence**





REUTERS/Mark Blinch

# THOMSON REUTERS 2014 INVESTOR DAY

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March 20, 2014



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# Delighting Our Customers

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Philip Brittan  
Chief Technology Officer &  
Global Head of Platform  
Financial & Risk



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# Core Values Driving Success with Our Unified Platform

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**Delight the Customer**

**Vision**

**Innovation**

**Laser  
Focus**

**Talent**

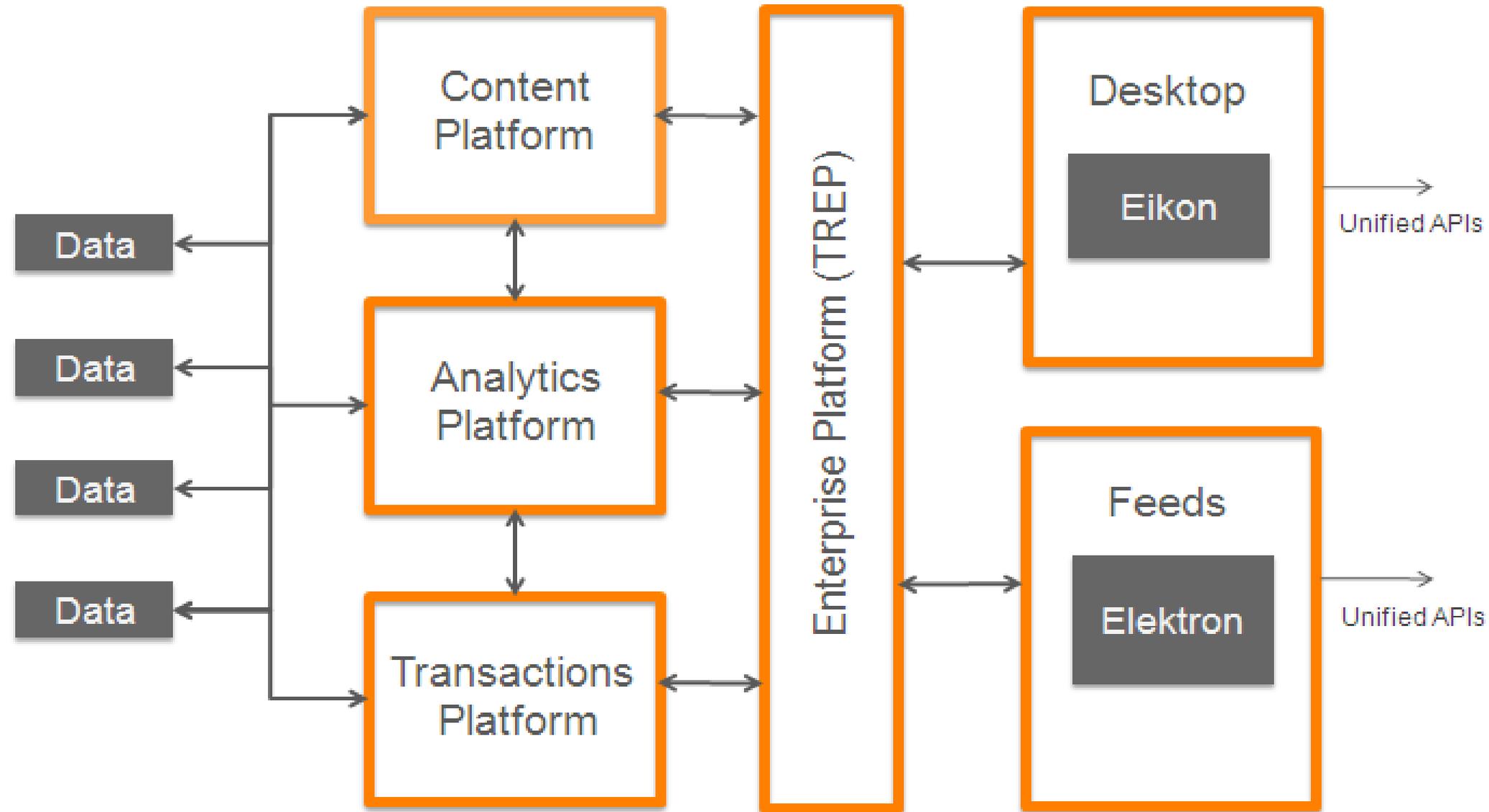
**Culture of  
Excellence**

**Unparalleled  
Quality**

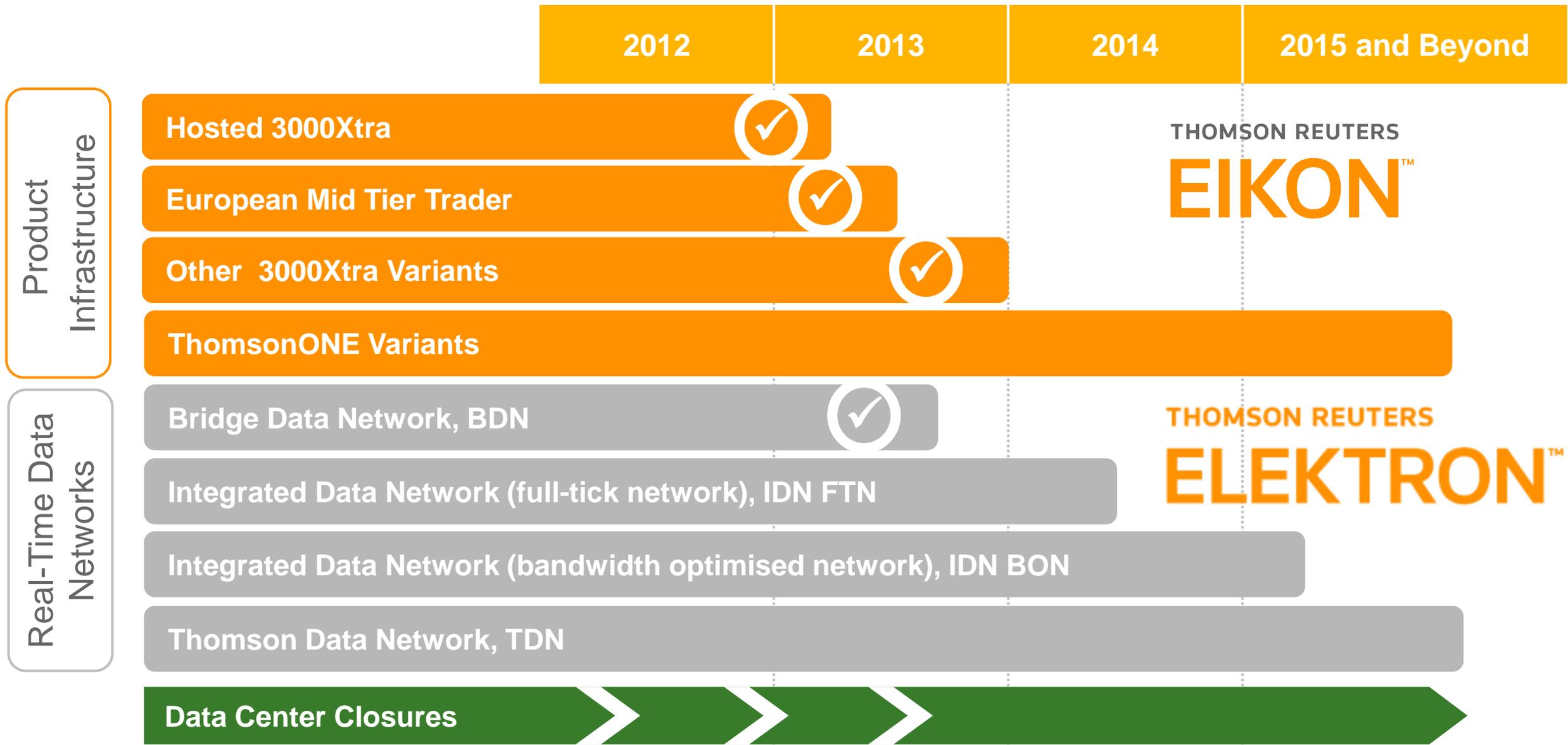


# Our Unified Platform Vision Roadmap

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# On Target Closing Legacy Platforms

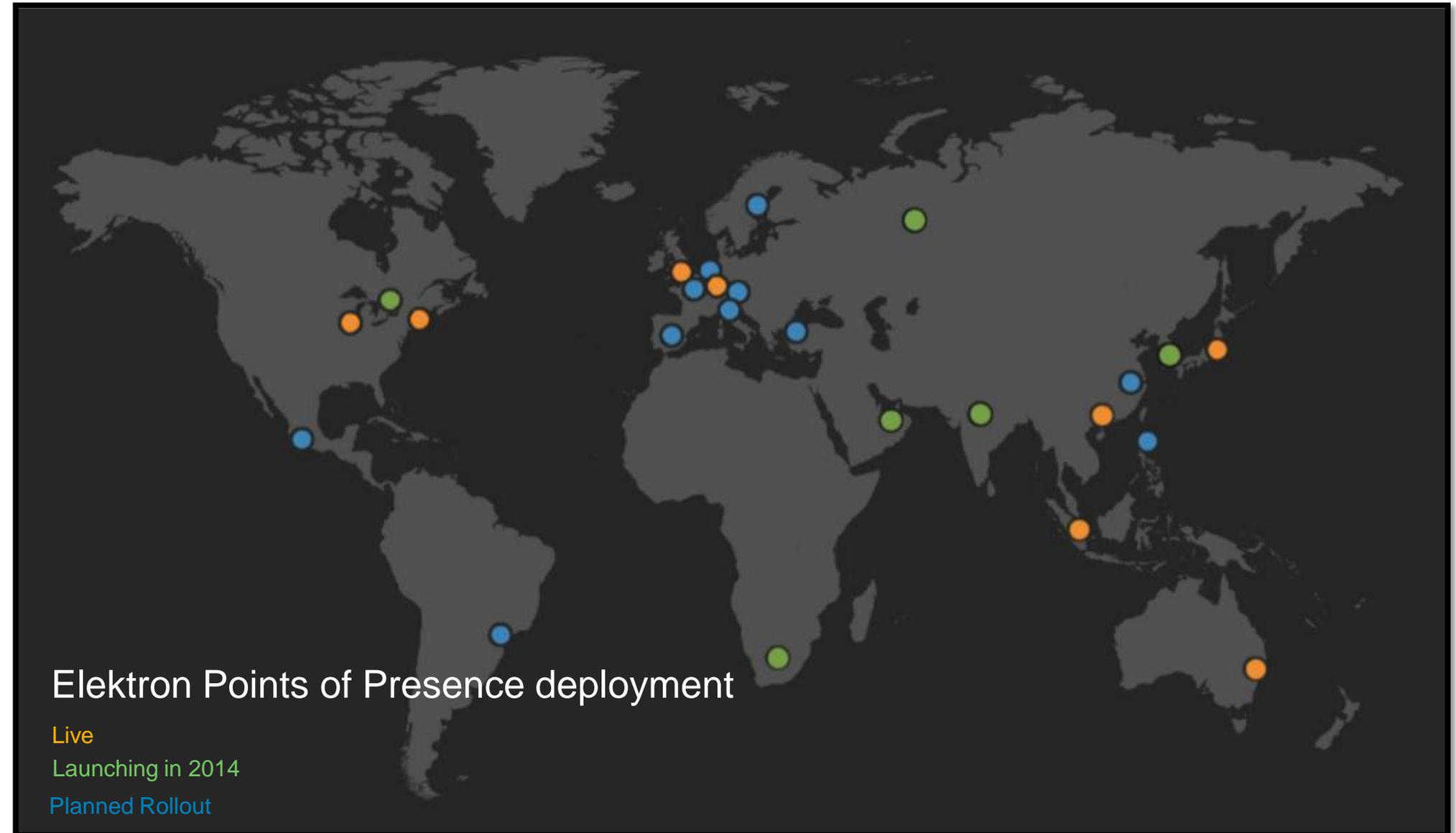


# Powering the Enterprise & Connecting Global Markets

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**ELEKTRON™**

- ✓ Low latency feeds from over 400 exchange-traded and OTC markets along with analytics, distribution platform and transactional connectivity



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# Improving Customer Satisfaction

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In the past we were seeing your data 100ms behind the competition. Now with Elektron your data is coming in 10ms to 15ms **faster than your competitors**. Very happy.

– APAC trader

THOMSON REUTERS  
**ELEKTRON™**

Elektron Real Time content quality is **significantly improved**. The venues available are much, much better than expected.

– NY based trader, International bank

By moving to Elektron and leveraging the new, logicized Elektron data model we've been **able to remove hundreds of lines of code** from every application connected to your feeds

– London based development manager, International Bank



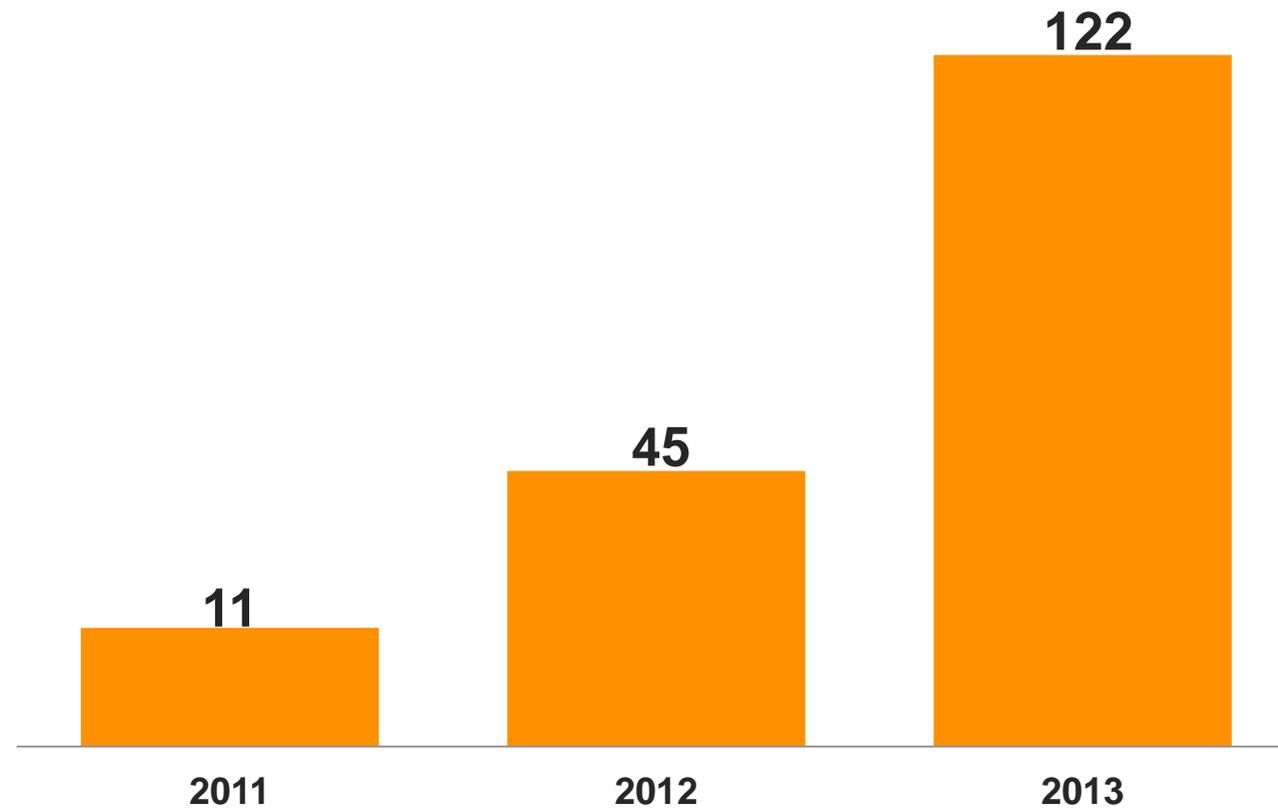
# 2013 Was a Watershed Year

THOMSON REUTERS  
**EIKON™**



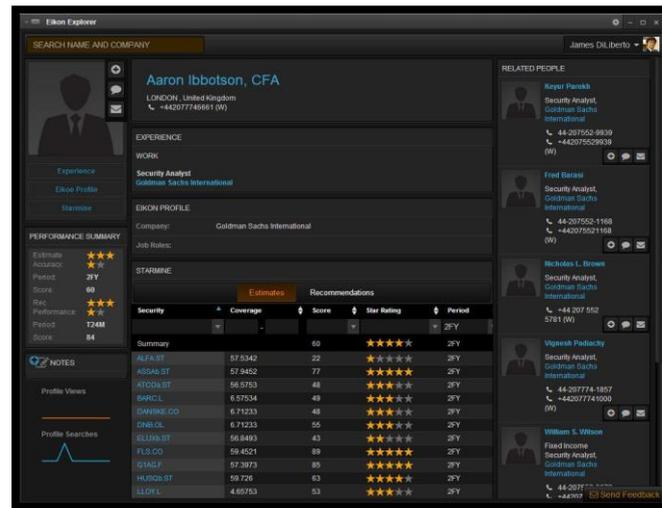
## Eikon Desktops

('000s)



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# Focus on Growing Our Eikon Messenger Community



- **Active messaging** in Eikon grew by 163% in 2013
- **Our Directory** grew by 20,000 and the volume of messages sent over our network reached record highs - in excess of 11 million messages in a day
- **Chat to email:** 77% increase in usage since October launch

# Open for Innovation

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## Open Platform Whitepaper

- Eikon v4 enables continuous innovation: new customer-delighting apps, agile releases and server-side updates
- Transaction-enabling the platform
- Opening platform to customers and third parties
- Standardized APIs





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# Delivering on Our Commitments

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Tim Collier  
CFO, Financial & Risk



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# Delivering on Our Commitments

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## Last Year I said ...

- Challenging market
- Need to remove complexity
- Install discipline
- Results through:
  - Platform Simplification & Consolidation
  - Size & Scale
  - Return to modest growth
- Target “nearing” 30% EBITDA margin for 2016

## Building on our Progress...

- Remains a challenging market
- Making solid progress on removing complexity across products & platforms
- Greater commercial discipline
- Delivering on benefits of scale
- Target “nearing” 30% EBITDA margin for 2015



# Opportunity

## Achieving the Benefits of Size and Scale

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- **A simplified business model – Unified platform**
  - Simplified commercial structure
  - Simplified operating model and structure
  - Stable scalable infrastructure
  - Smart fact based decisions
  - More efficient allocation of capital
- An optimized cost base that is yielding positive operating leverage
- Building the platform for growth

**Expected to Lead to Faster Growth & Margin Improvement**



# 2013 Results

## The Starting Point for EBITDA Margin Growth

(\$ Millions)	Full Year			Excluding Q4 Charges	Excluding All 2013 Charges
	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>2013</u>	<u>2013</u>
Revenues	\$6,648	\$6,802	-2%	\$6,648	\$6,648
<b>Adjusted EBITDA</b>	\$1,457	\$1,691	-14%	\$1,629	\$1,702
<i>Adjusted EBITDA Margin</i>	<i>21.9%</i>	<i>24.9%</i>		<i>24.5%</i>	<i>25.6%</i>

Results for ongoing businesses.

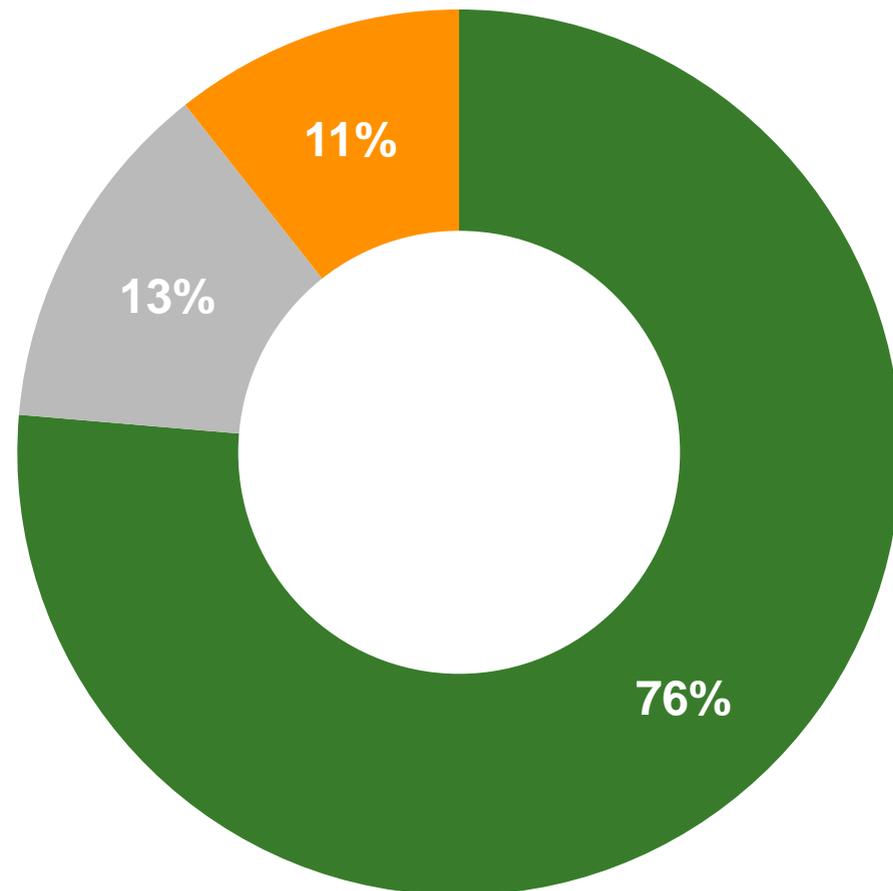


# Financial & Risk Business Model

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## F&R Revenue

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■ Recurring ■ Transactions & Outright ■ Recoveries

## The Business Model

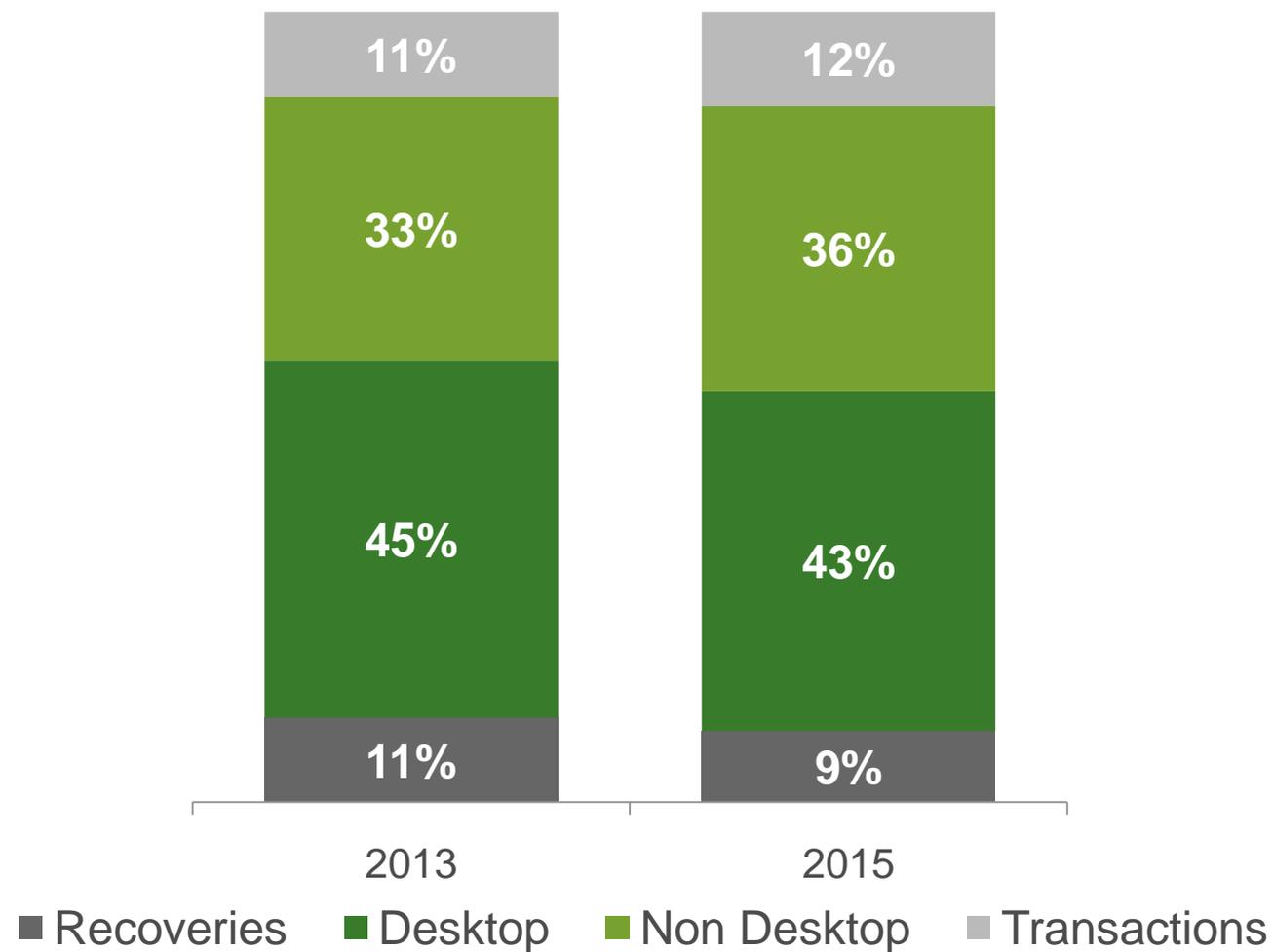
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- Recurring model is commercially attractive
  - Retention is the most critical component (up 30bp in 2013)
- Built in annual price rise realization
- Far greater commercial policy discipline
- Exiting recoveries revenues = low margin pass through data
- Some revenue loss from small disposals & exiting unprofitable contracts
- Some revenue loss from product upgrades



# Revenue Dynamics 2013-15

## F&R Revenue Dynamics



## F&R Revenue Drivers

- Enterprise approach built on an Open Unified Platform will shift revenue composition
  - Holistic sales approach
  - Delivery platform agnostic
  - Pricing & functionality tiered to end user community requirements
  - Not a “one size fits all” pricing formula
  - Will reduce complexity in customer order management
- Positive change in revenue mix as higher margin revenues become a larger proportion of the base

# The Path To Nearing 30% EBITDA Margin for 2015

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	2013	Revenue
EBITDA margin	25.6%*	~0.5%

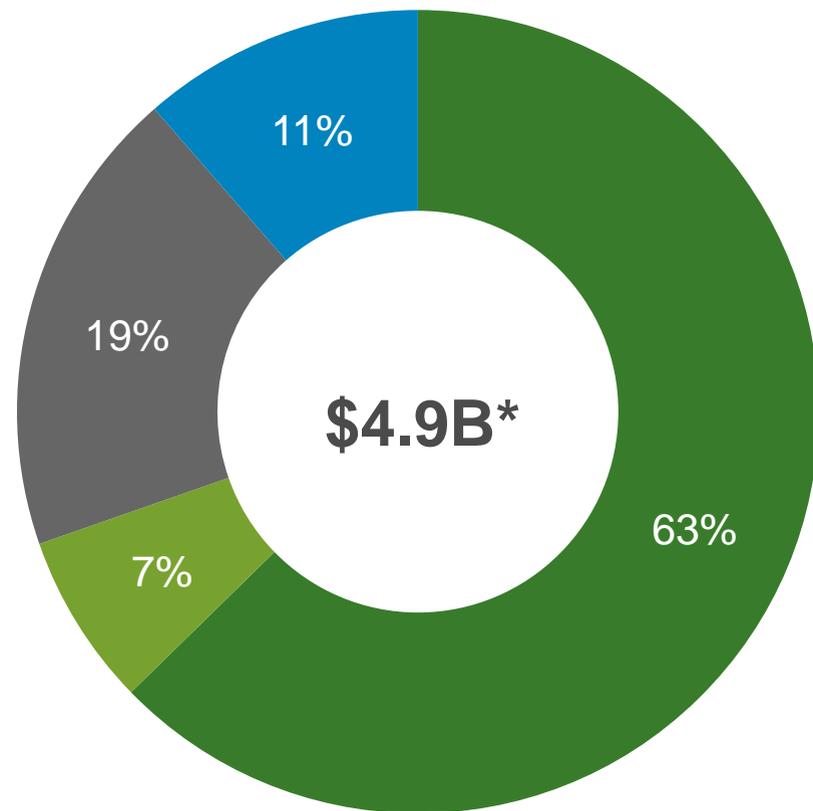
\*2013 EBITDA margin excludes all 2013 one time charges

# Composition of Expense Base

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## F&R Expense Base

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- People
- Content and Technology
- Real Estate & Other
- Recoveries costs

\*2013 Expenses excluding all 1x charges

## F&R Expense Drivers

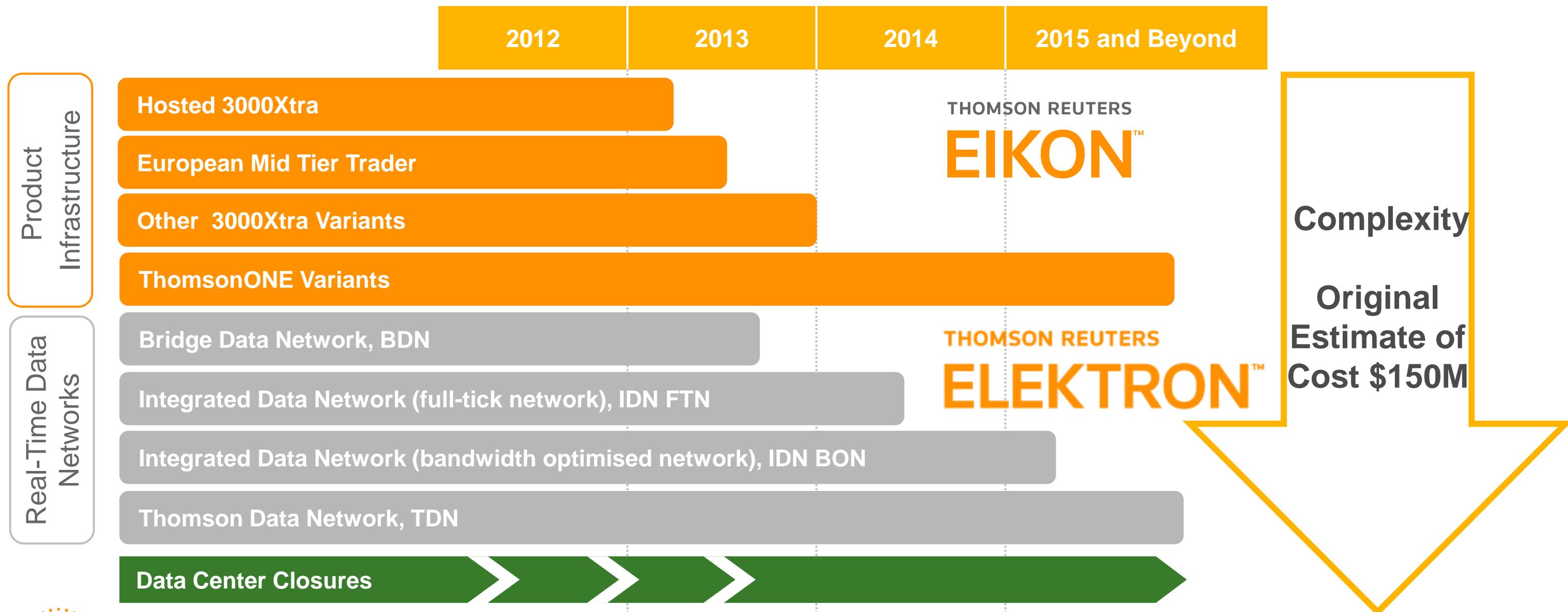
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- 2/3<sup>rd</sup> of total expense base is people related
  - A significant reduction in FTEs since start of 2012 (~3,000)
  - Direct result of simplification and scale progress
- Targeting ~\$250M (net) reduction across 2014-15 in total expenses

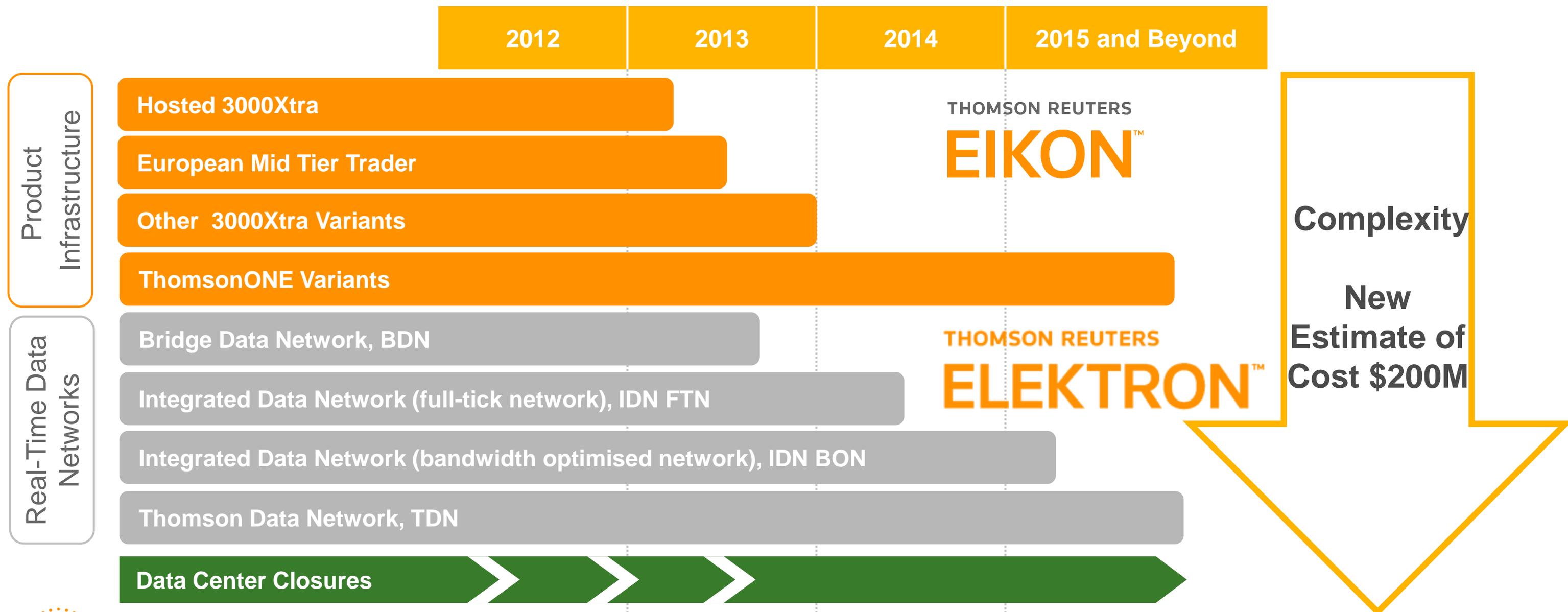


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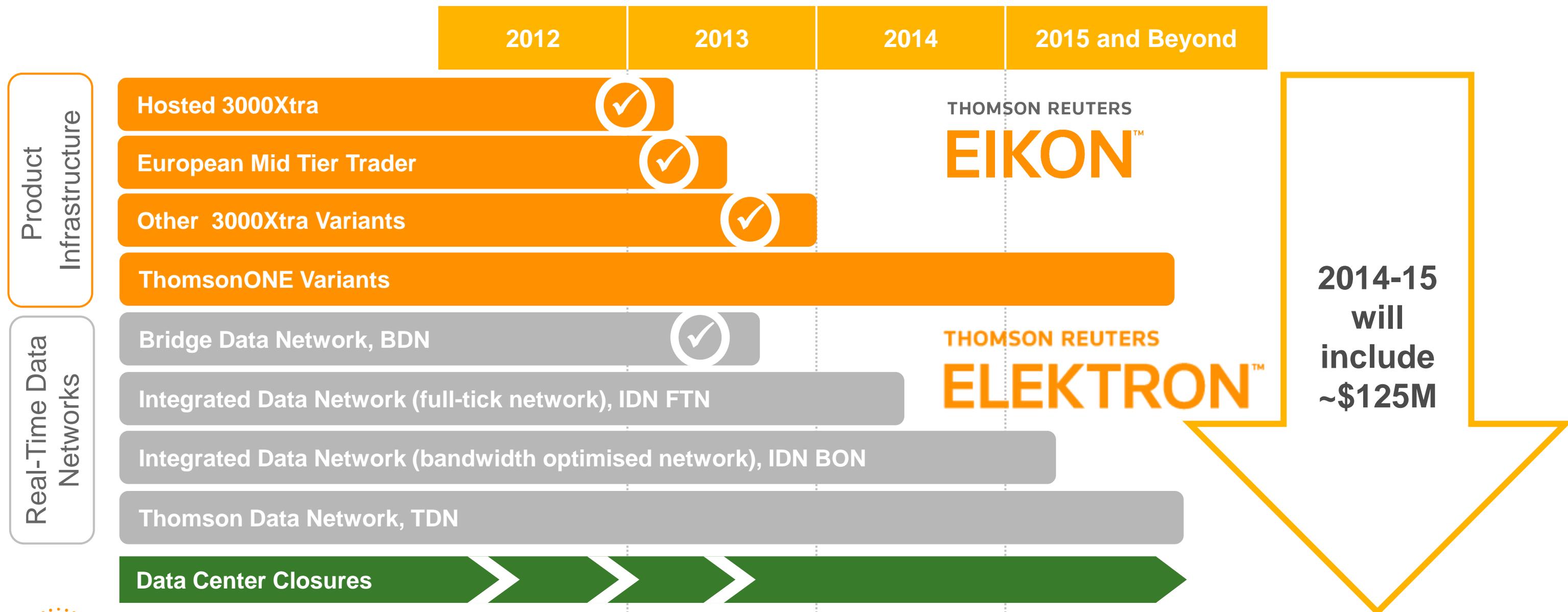
# Platform Simplification



# Platform Simplification



# Platform Simplification



# The Path To Nearing 30% EBITDA Margin for 2015

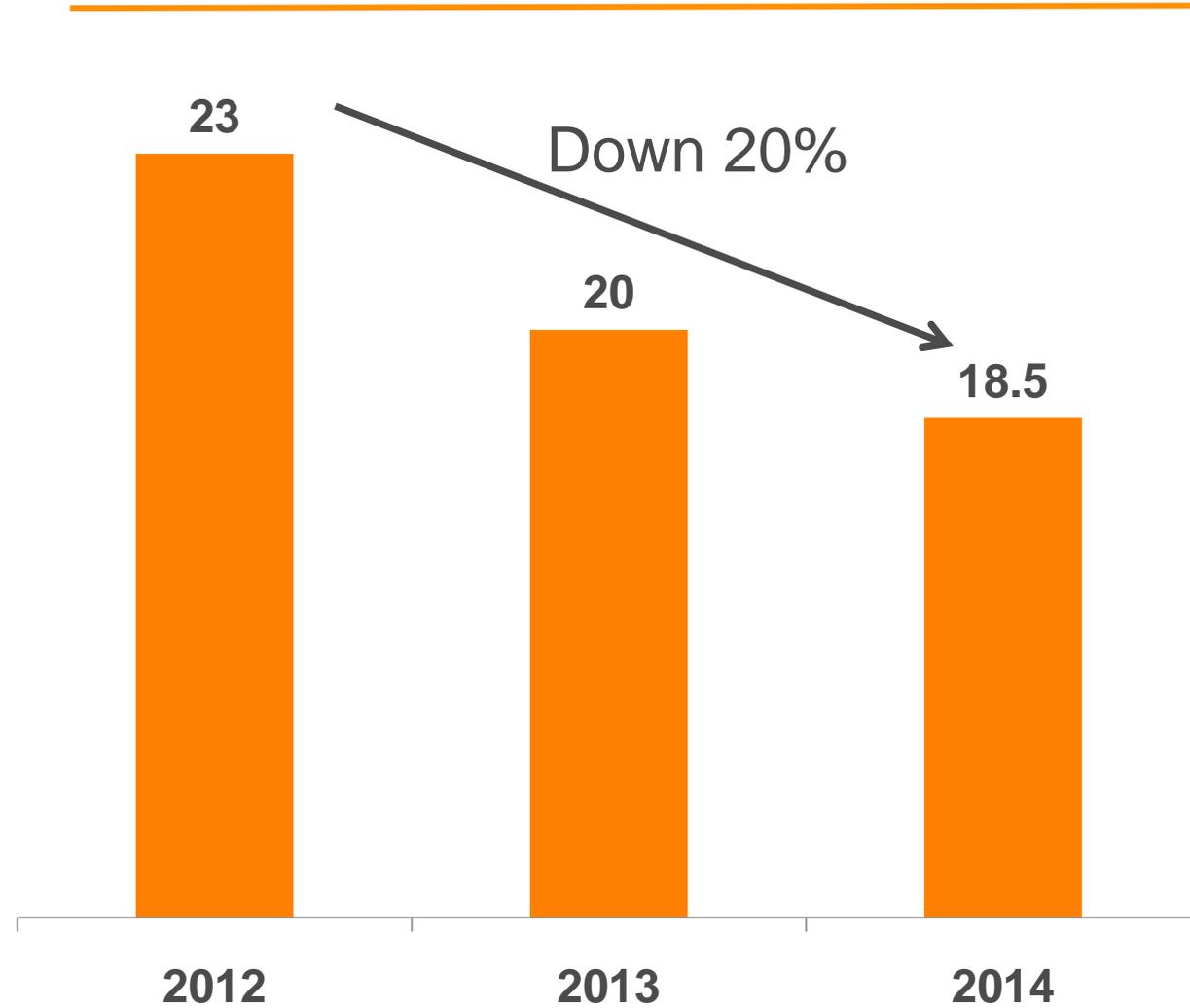
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	2013	Revenue	Platform Simplification
EBITDA margin	25.6%*	~0.5%	~2.0%

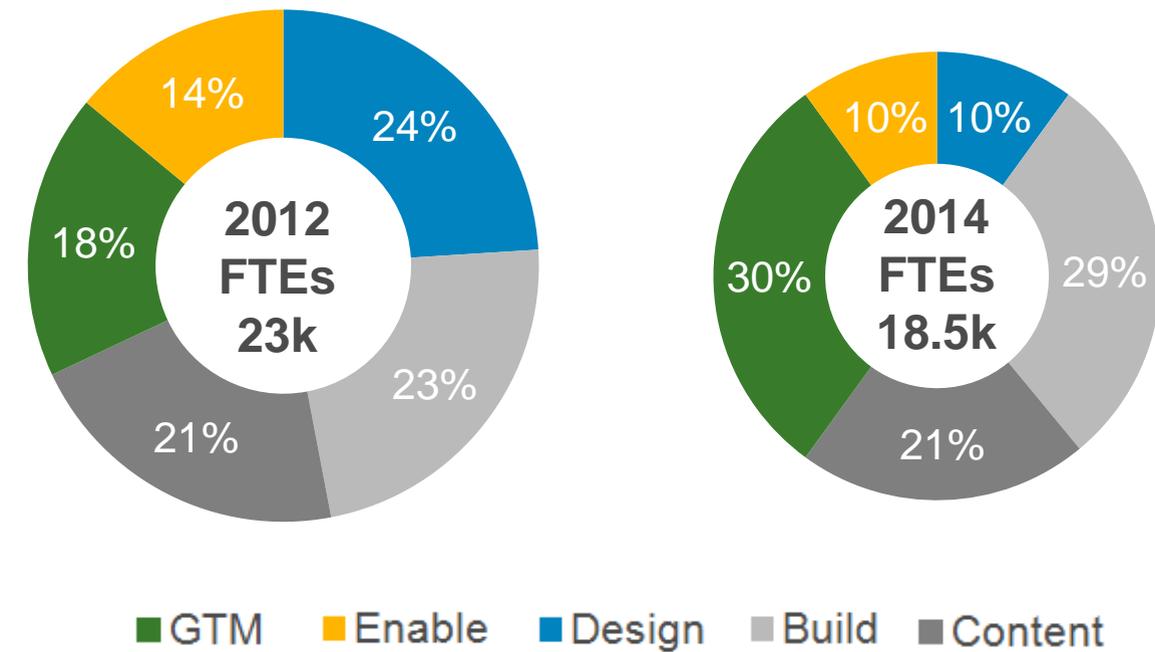
\*2013 EBITDA margin excludes all 2013 one time charges

# Organizational Simplification

**FTEs**  
(000's)



**FTE Composition**



# The Path To Nearing 30% EBITDA Margin for 2015

---

	2013	Revenue	Platform Simplification	Organizational Simplification	2015
EBITDA margin	25.6%*	~0.5%	~2.0%	~2.0%	~30%

\*2013 EBITDA margin excludes all 2013 one time charges

# Enterprise Platform Driving Innovation, Growth & Margin

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**Stable Scalable  
Infrastructure**

**Unified Open  
Platform for  
Innovation &  
Solutions**

**Industry-Wide  
Open Community**

**Setting the Foundation for Stronger Growth**

**Simplified  
Operating Model  
and Structure**

**Simplified  
Commercial  
Structure**

**Data-Driven  
Customer  
Experience &  
Intelligence**





REUTERS/Mark Blinch

# Our Value Creation Roadmap

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Stephane Bello  
Chief Financial Officer



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# The Ingredients for Accelerating Growth

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## 1. Targeting gradual improvement in revenue growth

- Driven by revenue mix dynamics, not just improving market environment (50% of revenue base grew 9% in 2013)
- Enterprise model expected to bolster growth in the mid/long term
  - *Some negative revenue impact in the short-term due to platform consolidations*

## 2. Shift to enterprise model expected to deliver scale benefits

- Target \$400M+ of savings
- Will be used to drive EPS and FCF/share and to fund growth initiatives

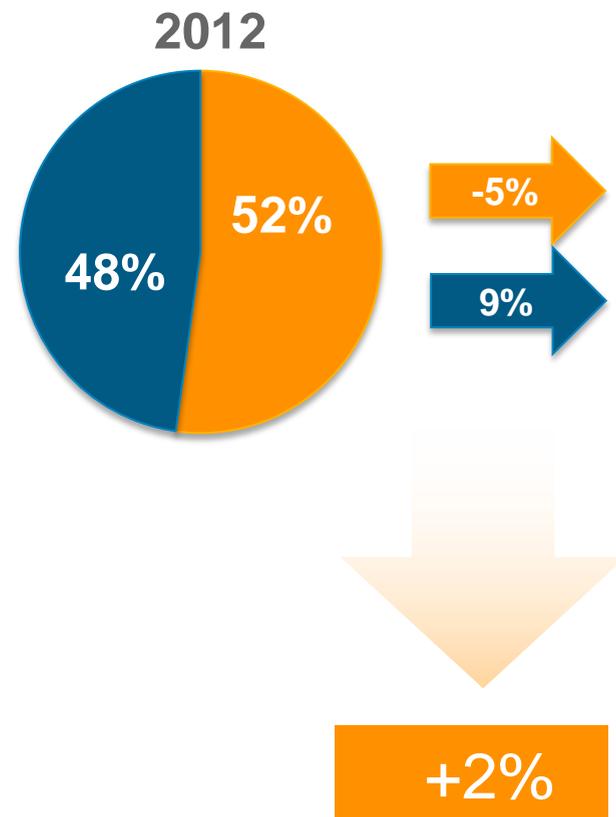
## 3. Driving shareholder returns through operational improvements & balanced Capital Strategy

- Three key levers: revenue growth, scale initiatives and share buybacks
  - *Varying contribution from each over time*

# The New Valuation Creation Paradigm: Evolving Revenue Base = New Growth Dynamics

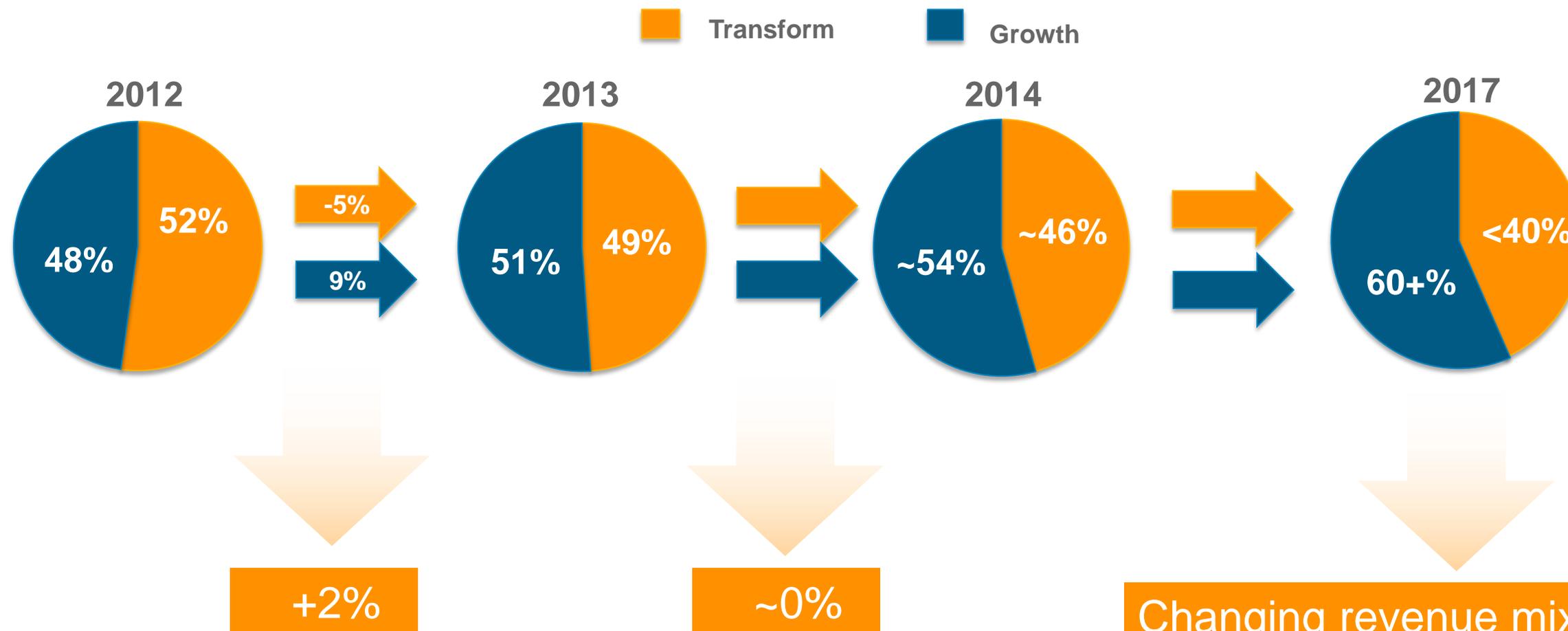
Growth segments overtook our Transform segments in 2013

Transform Growth



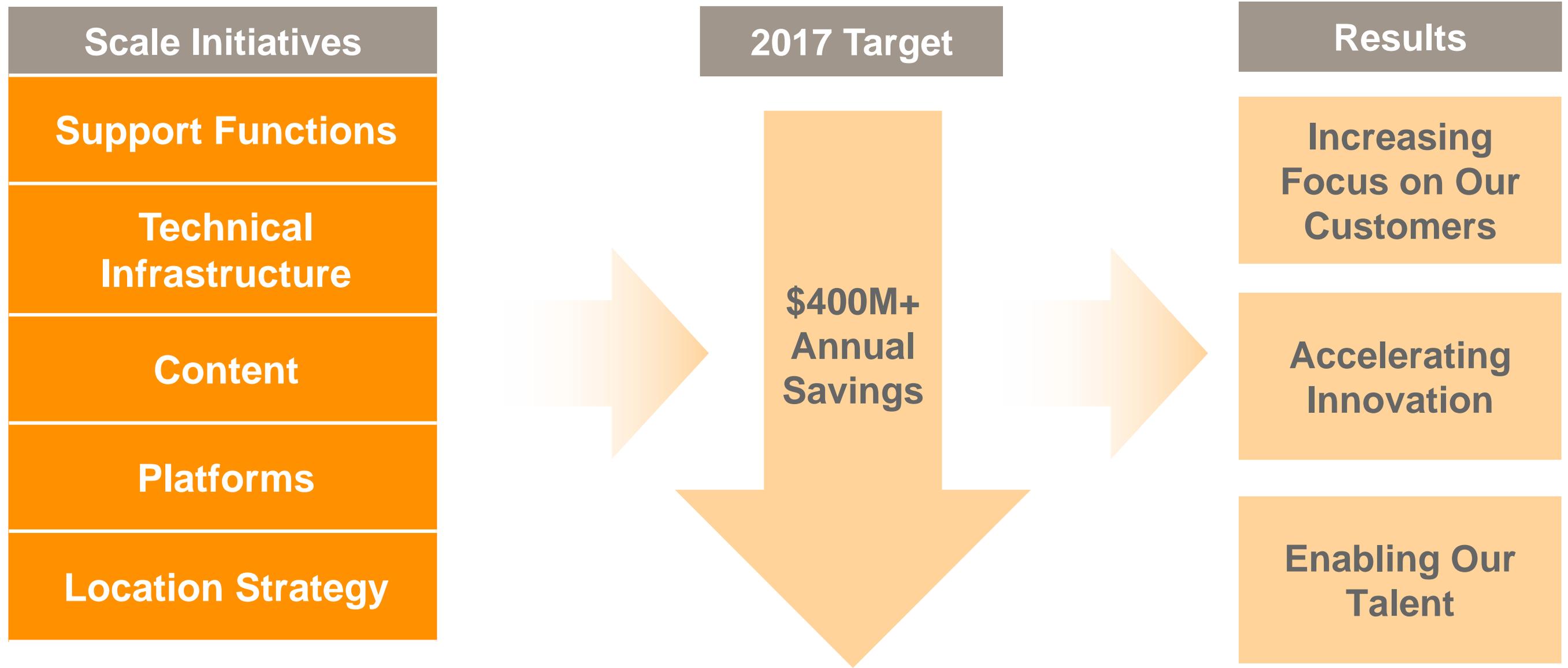
# The New Valuation Creation Paradigm: Evolving Revenue Base = New Growth Dynamics

Growth segments overtook our Transform segments in 2013



Changing revenue mix should drive *gradual* improvements in overall revenue growth rate

# The Prize



# The Levers of Value Creation

Three levers to drive shareholder value over the long term

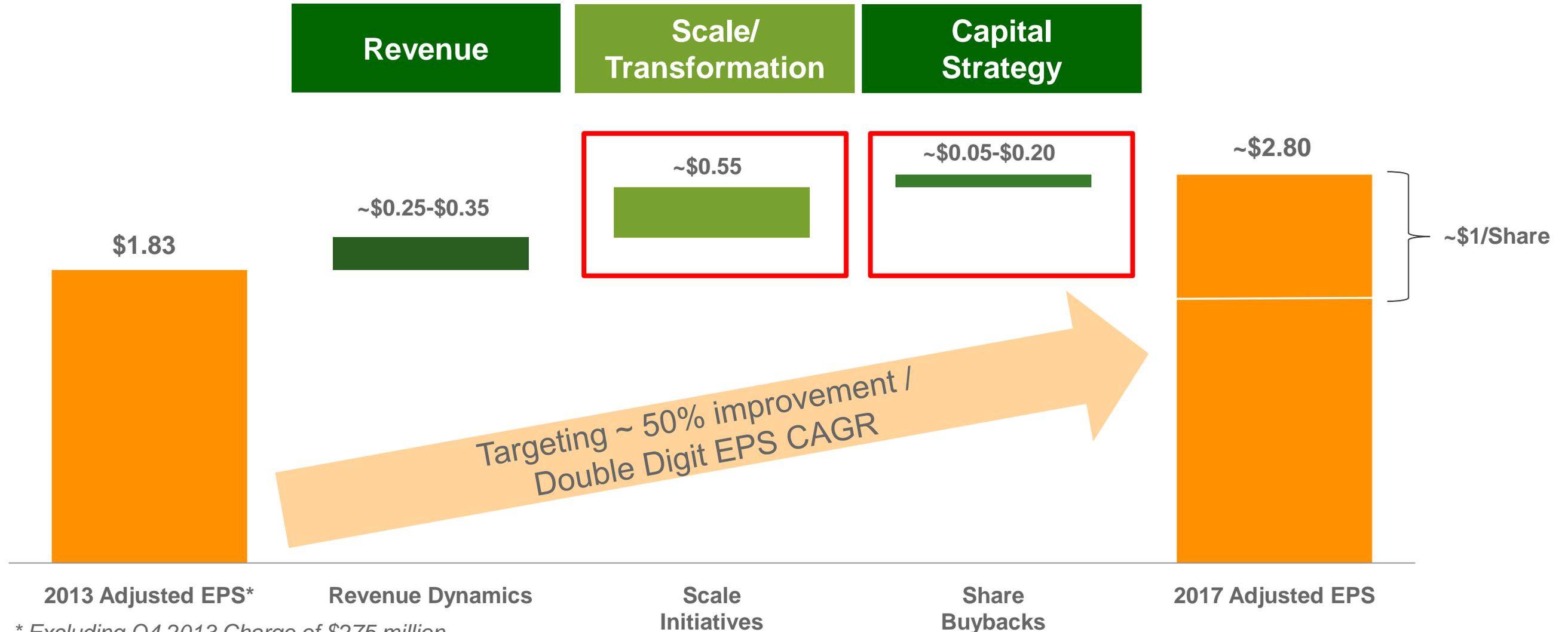
Revenue Growth

Scale/Operating Leverage

Share Repurchases

Double Digit EPS CAGR by 2017  
~\$1/Share Improvement

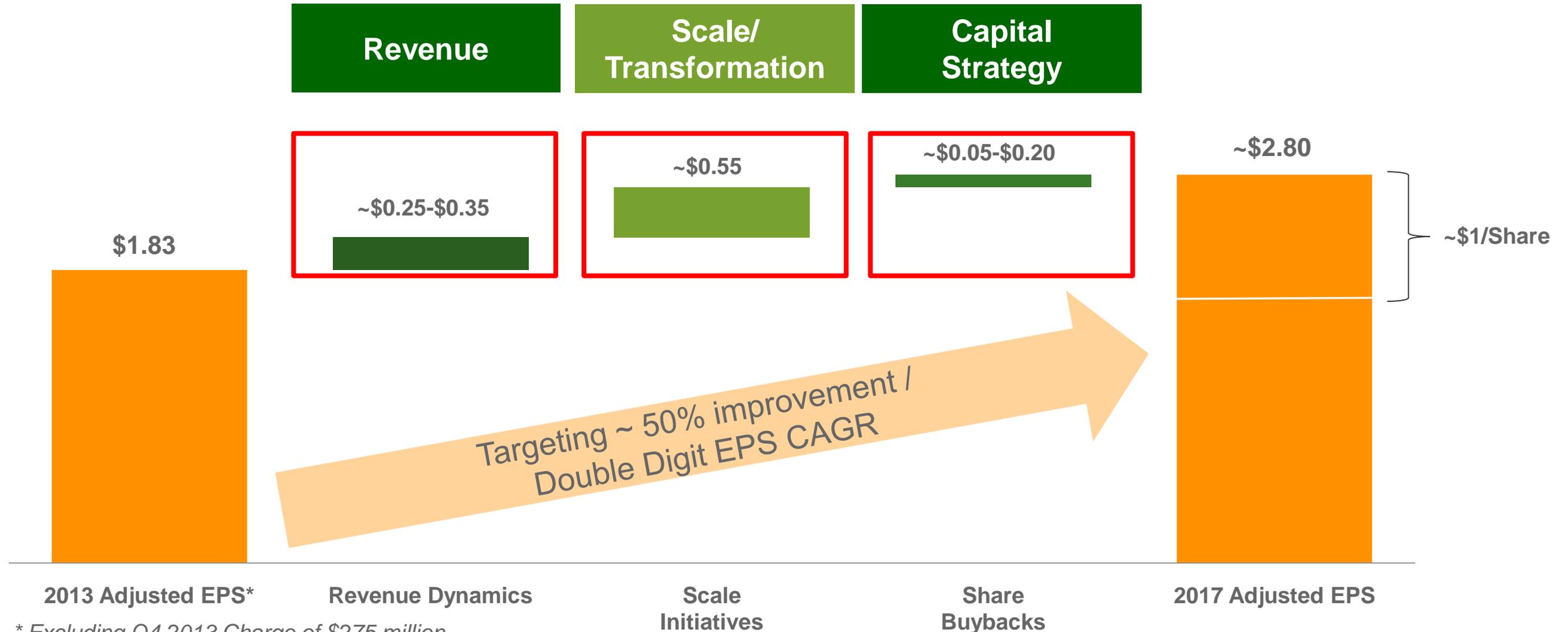
# Delivering Results



Targeting ~ 50% improvement / Double Digit EPS CAGR

2013 Adjusted EPS\*  
 \* Excluding Q4 2013 Charge of \$275 million  
 Assumes Effective Tax Rate in line with 2014 guidance

# Delivering Results



\* Excluding Q4 2013 Charge of \$275 million  
Assumes Effective Tax Rate in line with 2014 guidance

# Incentive Plans Drive Transformation

Management incentive plans aligned to driving shareholder value

**Annual Incentives**

=

**Revenue Growth (50%)**

+

**Cash OI (50%)**

**Long Term Incentives**

=

**Earnings per Share (50%)**

+

**FCF per Share (50%)**



# A Strategy for Strong Returns

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- 1. TRI Transformation program aimed at delivering the power of our entire enterprise to customers**
  - Expand in existing markets with potential to tap new markets (e.g. corporations, governments, etc.)
  - Focus on activities that constitute true differentiators in the eyes of our Customers
- 2. Capital Strategy aligned with shift from Portfolio approach to an Enterprise Model**
  - Fewer acquisitions, greater focus on organic growth
- 3. Ability to deliver strong shareholder returns**
  - Driven primarily through scale initiatives in the near term
  - F&R margin nearing 30% in 2015
  - Targeting ~\$2.80 EPS CAGR in 2017 - ~\$1/share improvement (~50% higher than 2013)



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