



# THOMSON REUTERS

## 2017 THIRD-QUARTER RESULTS

November 1, 2017

# Agenda

Welcome / Introduction

Frank Golden

Third-Quarter 2017 Highlights

Jim Smith

Financial Review

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, including, but not limited to, the company's 2017 outlook, are forward-looking. Forward-looking statements are those which are not historical facts and also include the company's current expectations regarding revenue growth, adjusted earnings per share (EPS) growth, the impact of transformation initiatives, the effective tax rate, full-year interest expense, return on invested capital, anticipated investments to improve customer experience and in higher growth businesses (and the impacts of such investments), and Legal's U.S. online legal information growth and revenue performance.

Our actual results in future periods may differ materially from those currently expected because of a number of risks, uncertainties and assumptions. The risks, uncertainties and assumptions 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, uncertainties and assumptions. 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. Our outlook is provided for the purpose of providing information about current expectations for 2017. 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 adjusted EBITDA and the related margin, free cash flow, adjusted EPS, return on invested capital and selected measures before the impact of currency.

Please see our earnings release dated November 1, 2017, which is available on [www.thomsonreuters.com](http://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 THIRD-QUARTER 2017 HIGHLIGHTS**

**JIM SMITH  
PRESIDENT & CEO**

# Q3 2017 Consolidated Results

	Reported	Change at Constant Currency
Revenues	Up 2%	Up 1%
Adjusted EBITDA	Up 4%	Up 4%
<i>Margin 30.4% vs. 29.7% in Q3 2016</i>	<i>Up 70 bps</i>	<i>Up 70 bps</i>
Adjusted EPS	Up 26%	Up 24%
<i>\$0.68 vs. \$0.54 in Q3 2016</i>	<i>Up \$0.14</i>	<i>Up \$0.13</i>

**Full-Year 2017 Outlook Re-affirmed**  
**Expect to be at top end of adjusted EPS guidance**

# Q3 2017 Revenues by Business



## Financial & Risk +1%

Financial

Risk



## Legal +1%

U.S. Online Legal Information

Solutions Businesses

U.S. Print



## Tax & Accounting +5%

Professional

Corporate

Knowledge Solutions

Government

Note: Revenue growth rates are at constant currency

# 2017 Outlook

	<b>2016<sup>(1)</sup></b> <b>Excludes Q4 Charge</b>	<b>FY 2017</b> <b>Revised Outlook<sup>(2)</sup></b> <b>August 2017</b> <b>At Constant Currency</b>	<b>FY 2017</b> <b>Reaffirm Outlook<sup>(2)</sup></b> <b>November 2017</b> <b>At Constant Currency</b>
Revenue Growth	\$11.2 billion	Low single digit	No change
Adjusted EBITDA Margin	28.4%	29.3% - 30.3%	No change
Free Cash Flow	\$2.1 billion	\$0.9 - \$1.2 billion	No change
Adjusted EPS	\$2.07	\$2.40 - \$2.45	\$2.40 - \$2.45 top end of range

(1) 2016 Results exclude the impact of \$212 million of severance charges from adjusted EBITDA and adjusted EPS.

(2) 2017 outlook assumes constant currency rates compared to 2016 and does not factor in the impact of acquisitions or dispositions that may occur during the year.

# **FINANCIAL REVIEW**

**STEPHANE BELLO**  
**CHIEF FINANCIAL OFFICER**



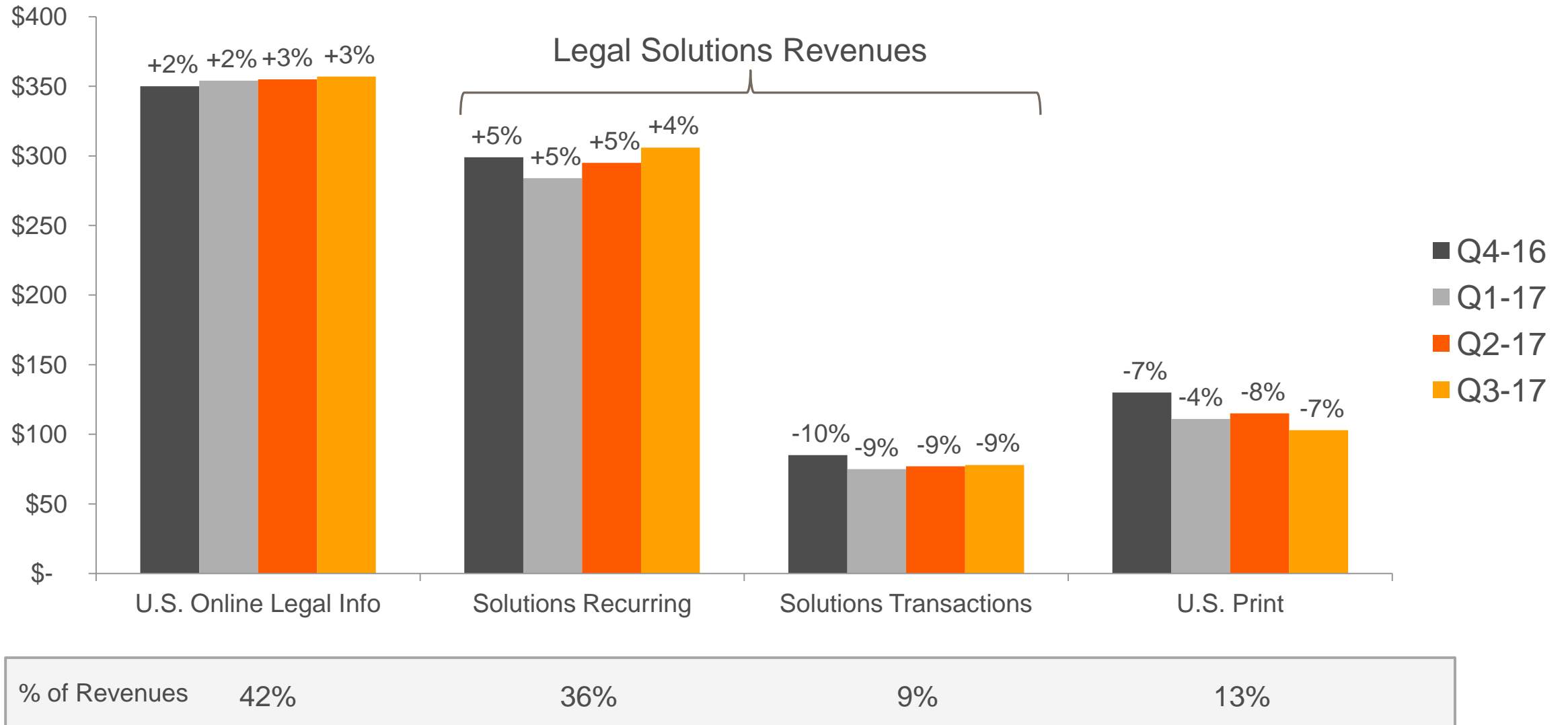
# Consolidated Results

(\$ millions)	Third-Quarter				Nine-Months			
	<u>2017</u>	<u>2016</u>	<u>Change</u>	Change at Constant Currency	<u>2017</u>	<u>2016</u>	<u>Change</u>	Change at Constant Currency
Revenues	2,792	2,744	+2%	+1%	8,389	8,306	+1%	+2%
Adjusted EBITDA	849	814	+4%	+4%	2,563	2,319	+11%	+10%
<i>Adjusted EBITDA Margin</i>	<i>30.4%</i>	<i>29.7%</i>	<i>+70bp</i>	<i>+70 bp</i>	<i>30.6%</i>	<i>27.9%</i>	<i>+270bp</i>	<i>+240 bp</i>

# Legal

(\$ millions)	Third-Quarter				Nine-Months			
	<u>2017</u>	<u>2016</u>	<u>Change</u>	Change at Constant Currency	<u>2017</u>	<u>2016</u>	<u>Change</u>	Change at Constant Currency
Revenues	843	835	+1%	+1%	2,509	2,503	+0%	+1%
Adjusted EBITDA	338	328	+3%	+2%	965	936	+3%	+3%
<i>Adjusted EBITDA Margin</i>	<i>40.1%</i>	<i>39.3%</i>	<i>+80bp</i>	<i>+70 bp</i>	<i>38.5%</i>	<i>37.4%</i>	<i>+110bp</i>	<i>+90 bp</i>

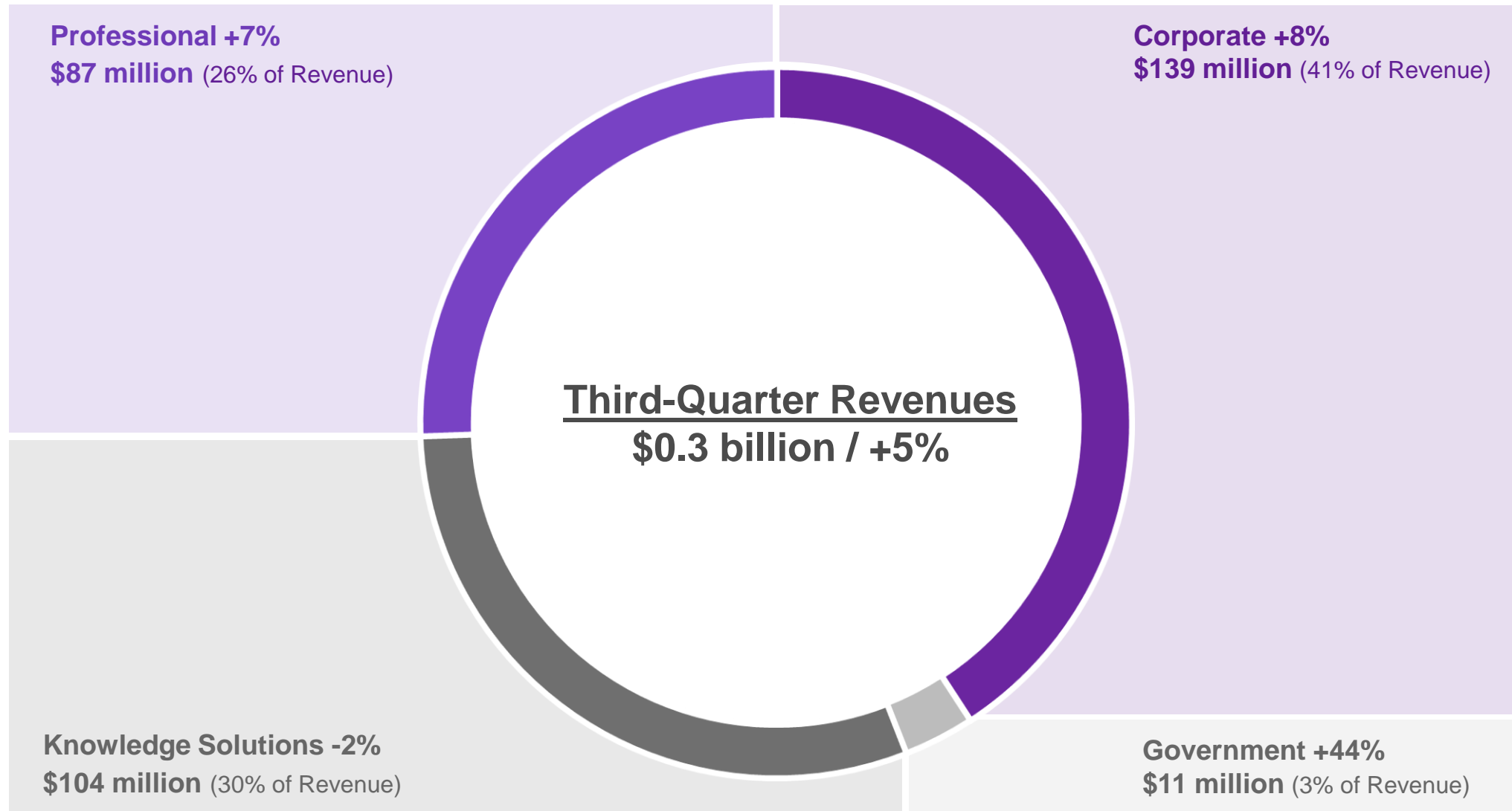
# Legal Revenue Growth By Type



# Tax & Accounting

(\$ millions)	Third-Quarter				Nine-Months			
	<u>2017</u>	<u>2016</u>	<u>Change</u>	Change at Constant Currency	<u>2017</u>	<u>2016</u>	<u>Change</u>	Change at Constant Currency
Revenues	341	323	+6%	+5%	1,108	1,036	+7%	+6%
Adjusted EBITDA	95	87	+9%	+8%	339	283	+20%	+19%
<i>Adjusted EBITDA Margin</i>	<i>27.9%</i>	<i>26.9%</i>	<i>+100bp</i>	<i>+70 bp</i>	<i>30.6%</i>	<i>27.3%</i>	<i>+330bp</i>	<i>+330 bp</i>

# Tax & Accounting Revenue By Segment



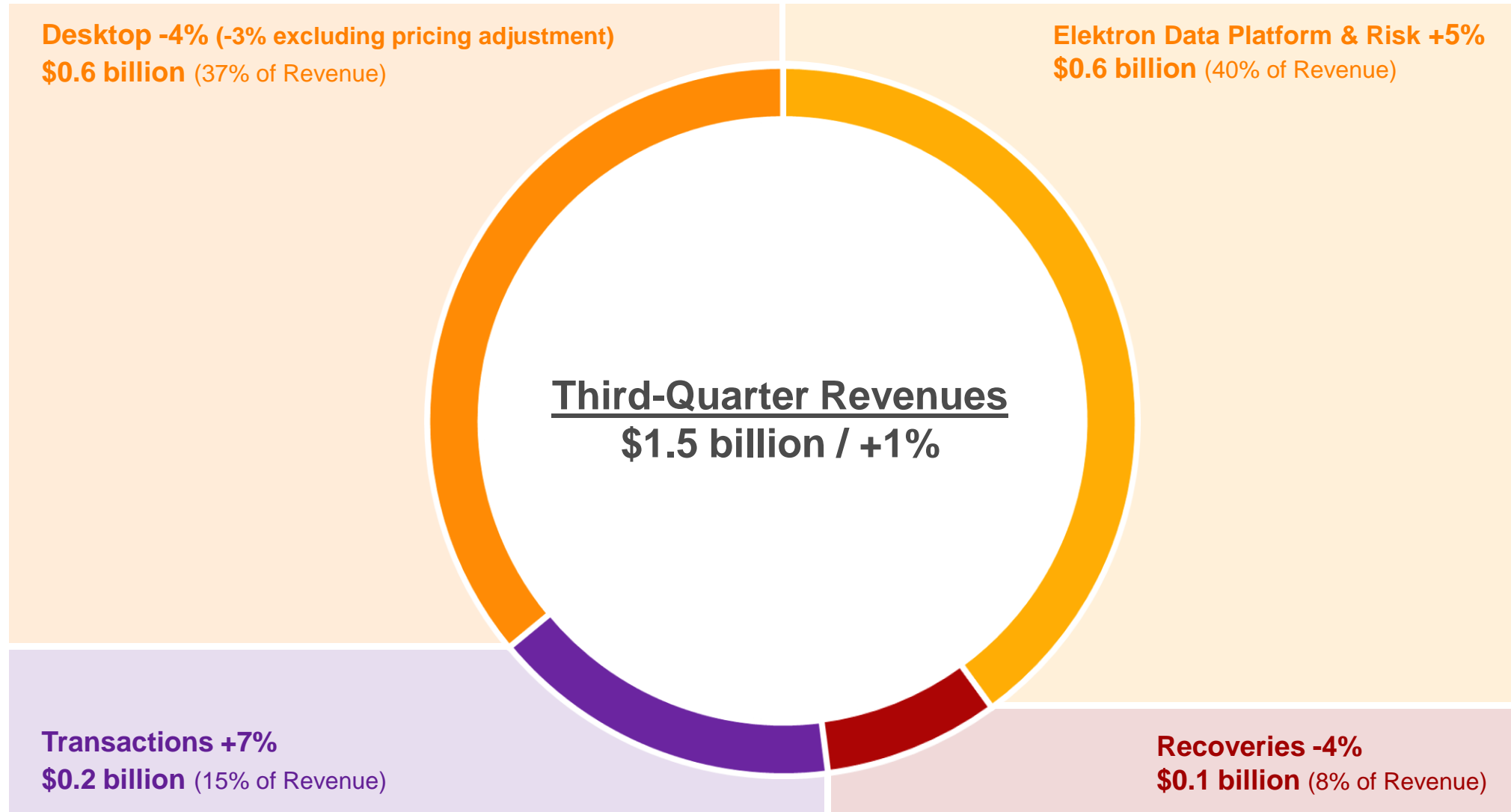
# Financial & Risk

(\$ millions)	Third-Quarter				Nine-Months			
	<u>2017</u>	<u>2016</u>	<u>Change</u>	Change at Constant Currency	<u>2017</u>	<u>2016</u>	<u>Change</u>	Change at Constant Currency
Revenues	1,542	1,516	+2%	+1%	4,561	4,549	+0%	+1%
Adjusted EBITDA	495	460	+8%	+6%	1,435	1,340	+7%	+7%
<i>Adjusted EBITDA Margin</i>	<i>32.1%</i>	<i>30.3%</i>	<i>+180bp</i>	<i>+150 bp</i>	<i>31.5%</i>	<i>29.5%</i>	<i>+200bp</i>	<i>+160 bp</i>



# Financial & Risk

## Revenue By Segment



**FREE CASH FLOW**

**ADJUSTED EARNINGS PER SHARE**

# Adjusted Earnings Per Share (EPS)

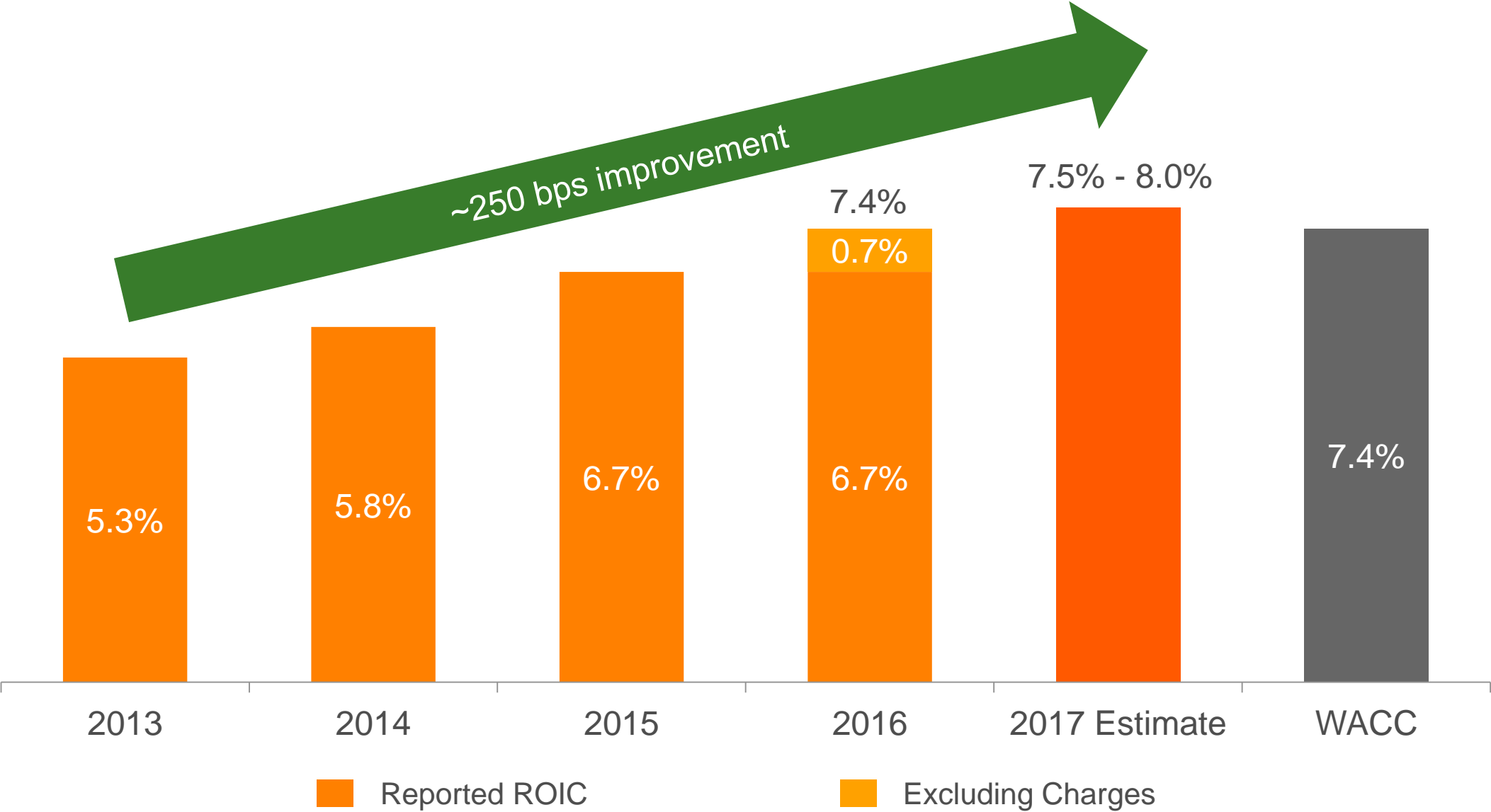
(\$ millions except per share amounts)	Third-Quarter			Nine-Months		
	<u>2017</u>	<u>Change</u>		<u>2017</u>	<u>Change</u>	
<b>Adjusted EBITDA</b>	<b>\$849</b>	<b>\$35</b>		<b>\$2,563</b>	<b>\$244</b>	
Depreciation & Computer Software Amortization	(\$244)	\$11		(\$741)	\$16	
Interest Expense	(\$84)	\$24		(\$272)	\$32	
Income Tax	(\$15)	\$19		(\$118)	(\$9)	
Other <sup>(1)</sup>	(\$19)	(\$5)		(\$51)	(\$13)	
<b>Adjusted Earnings</b>	<b>\$487</b>	<b>\$84</b>		<b>\$1,381</b>	<b>\$270</b>	
<b>Adjusted EPS</b>	<b>\$0.68</b>	<b>\$0.14</b>	<b>+26%</b>	<b>\$1.91</b>	<b>\$0.44</b>	<b>+30%</b>
<i>Currency Impact</i>	<i>\$0.01</i>			<i>\$0.01</i>		

(1) Other includes earnings attributable to non-controlling interests and dividends on preference shares

# Consolidated Free Cash Flow

(\$ millions)	Third-Quarter				Nine-Months			
	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>
<b>Comparable Free Cash Flow</b>	<b>\$557</b>	<b>\$543</b>	<b>\$14</b>	<b>3%</b>	<b>\$1,217</b>	<b>\$1,122</b>	<b>\$95</b>	<b>8%</b>
Payment Related To Fourth-Quarter 2016 Charge	(\$21)	\$0	(\$21)		(\$137)	\$0	(\$137)	
Pension Contribution	\$0	\$0	\$0		(\$500)	\$0	(\$500)	
<b>Free Cash Flow (excluding IP &amp; Science)</b>	<b>\$536</b>	<b>\$543</b>	<b>(\$7)</b>	<b>-1%</b>	<b>\$580</b>	<b>\$1,122</b>	<b>(\$542)</b>	<b>-48%</b>
Free Cash Flow - IP & Science	(\$5)	(\$24)	\$19		(\$54)	\$145	(\$199)	
<b>Free Cash Flow</b>	<b>\$531</b>	<b>\$519</b>	<b>\$12</b>	<b>2%</b>	<b>\$526</b>	<b>\$1,267</b>	<b>(\$741)</b>	<b>-58%</b>

# Positive Return on Invested Capital Trend



# Q&A