



THOMSON REUTERS

2016 FULL-YEAR & FOURTH-QUARTER RESULTS

February 9, 2017

Agenda

Welcome / Introduction

Frank Golden

2016 Highlights

Jim Smith

2017 Priorities, Opportunities & Outlook

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 include the company's current expectations regarding adjusted earnings per share (EPS) in 2017, the impact of the Q4 2016 charge (including expected run-rate savings), growth and savings opportunities (including initiatives of the company's Enterprise, Technology & Operations group), and the company's share buyback program. Forward-looking statements also include the company's expectations for 2017 regarding Financial & Risk's net sales and recoveries revenues and Legal's U.S. print 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. 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, underlying operating profit and the related margin, free cash flow, adjusted EPS and selected measures before the impact of currency.

Please see our earnings release dated February 9, 2017, 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 2016 HIGHLIGHTS

**JIM SMITH
PRESIDENT & CEO**

2016 – Consistent Progress & Improving Momentum

Delivered Positive Total Revenue Growth (pre-currency)

- Financial & Risk achieved positive revenue growth in Q3 & Q4 2016
- Legal subscription revenues increased / Transaction revenues were disappointing
- Tax & Accounting revenues grew 4% / Government business had dampening impact

Achieved Further Productivity Gains

- Enterprise, Technology & Operations (ET&O) Group achieving significant savings
- Adjusted EBITDA margin up 100 bps in 2016
- Adjusted EBITDA – Capex (*Cash OI*) per employee up ~25% since 2012

Returned Cash to Shareholders

- Repurchased \$1.7 billion of TRI stock in 2016 (\$4.5 billion since 2013)
- 23rd consecutive year of dividend increases
- Free cash flow up 12% to \$2.0 billion

Full-Year 2016 Results vs. 2016 Outlook

Achieved or exceeded guidance for each metric

	2016 Outlook (Before impact of currency & Q4 charge)	2016 Results (Before impact of currency & Q4 charge)	
Revenues	Low Single Digit	1%	✓
Adjusted EBITDA Margin	27.3% - 28.3%	27.6%	✓
Underlying Operating Profit Margin	18.4% - 19.4%	18.5%	✓
Free Cash Flow (\$billions & including currency)	\$1.7 - \$1.9	\$2.1	✓

2016 Outlook & 2016 Results are measured at constant currency rates relative to 2015, except free cash flow, which is reflected at actual currency rates. Currency had an 80 basis point positive impact on Adjusted EBITDA margin & a 70 basis point positive impact on underlying operating profit margin. Adjusted EBITDA margin and underlying operating profit margin (excluding the Q4 charge) were 28.4% and 19.2%, respectively.

Consolidated Q4 2016 Results

Reported Results	Results <u>Excluding</u> Q4 Charge	Results Before Currency & <u>Excluding</u> Q4 Charge
Revenues down 1% vs. prior-year period	Down 1%	Up 1%
Adjusted EBITDA down 21%	Up 6%	Up 5%
<i>Margin 22.2% vs. 27.8% in Q4 2015</i>	<i>Up 180 bps</i>	<i>Up 100 bps</i>
Underlying operating profit down 34%	Up 4%	Up 2%
<i>Margin 12.9% vs. 19.4% in Q4 2015</i>	<i>Up 90 bps</i>	<i>Up 20 bps</i>
Adjusted EPS down 44%	\$0.60 / Up 9%	Up 7%
<i>\$0.31 vs. \$0.55 for Q4 2015</i>	<i>Up \$0.05</i>	<i>Up \$0.04</i>

Q4 2016 Revenue Results by Business



Financial & Risk +1%

Financial

Risk



Legal 0%

U.S. Online Legal Information

Solutions Businesses

U.S. Print



Tax & Accounting +2%

Professional

Corporate

Knowledge Solutions

Government

Note: Revenue growth rates are before the impact of currency

2017

PRIORITIES

OPPORTUNITIES & PRESSURES

OUTLOOK

2017 Priorities

Accelerating Organic Revenue Growth is Top Priority

- ***Forecasting steady top-line growth going forward***
 - Focusing on the “Frontline” – Customer Experience & Sales Effectiveness
 - Investing behind Risk, Elektron Data Platform, Legal Software & Solutions & Global Tax

Continue to Drive Productivity Gains

- ***Opportunity to achieve additional and substantial savings***
 - Financial & Risk reduced number of products by ~70% since 2012
 - Closed 62 offices in 2016 to ~230 from ~520 in 2012
 - Workforce reduced ~25% since 2012 (~20% ex. IP&S)

Deliver on Our Commitments

- ***Deliver Adjusted EPS target of \$2.35***
 - 5th buyback program announced – Additional \$1 billion
 - 24th consecutive annual dividend increase (\$0.02 per share to \$1.38)
 - Targeting record Adjusted EPS & Adjusted EBITDA margin
 - Targeting Return on Invested Capital above cost of capital – first time since 2007

2017 - Mix of Opportunities & Pressures

Potential Opportunities

- Higher interest rates may lead to higher bank/financial services industry profits
- New and/or repealed legislation may increase demand for legal services
- Changes to U.S. tax code may present additional demand for tax products
- More favorable regulatory environment in U.S. anticipated

Potential Pressures

- Global growth may be impacted by more protectionist trade policies
- Strengthening U.S. dollar may dampen growth in some emerging markets
- Competitive dynamics remain substantial
- Continued geopolitical and macroeconomic uncertainty, particularly in Europe

2017 Outlook

	2016 ⁽¹⁾ (Excludes Q4 charge)	2017 Outlook ⁽²⁾ (Before Currency)
Revenue Growth	\$11.2 billion	Low single digit
Adjusted EBITDA Margin	28.4%	28.8% - 29.8%
Free Cash Flow ⁽³⁾	\$2.1 billion	\$0.9 - \$1.2 billion
Adjusted EPS	\$2.07	\$2.35

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

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

(3) 2017 Free Cash Flow is expected to include cash payment of ~\$200m related to the Q4 2016 charge and a \$500m pension contribution made in 2017.

FINANCIAL REVIEW

STEPHANE BELLO
CHIEF FINANCIAL OFFICER

Consolidated Results

(includes charges & currency)

(\$ millions)	Fourth-Quarter				Full-Year			
	<u>2016</u>	<u>2015</u>	<u>Change</u>		<u>2016</u>	<u>2015</u>	<u>Change</u>	
Revenues	2,860	2,887	-1%		11,166	11,257	-1%	
Adjusted EBITDA	635	802	-21%		2,954	3,089	-4%	
<i>Adjusted EBITDA Margin</i>	<i>22.2%</i>	<i>27.8%</i>	<i>-560 bp</i>		<i>26.5%</i>	<i>27.4%</i>	<i>-90 bp</i>	
Underlying Operating Profit	368	560	-34%		1,930	2,055	-6%	
<i>Underlying Op. Profit Margin</i>	<i>12.9%</i>	<i>19.4%</i>	<i>-650 bp</i>		<i>17.3%</i>	<i>18.3%</i>	<i>-100 bp</i>	

Note: IP & Science was a discontinued operation prior to its sale and is therefore excluded from these consolidated results

Consolidated Results

(\$ millions except Adj. EPS)		Fourth-Quarter			Fourth-Quarter Excluding Q4 Charges		
	<u>2016</u>	<u>2015</u>	<u>Change</u>	Change Before Currency	<u>2016</u>	<u>Change</u>	Change Before Currency
Revenues	2,860	2,887	-1%	+1%	2,860	-1%	+1%
Adjusted EBITDA	635	802	-21%	-24%	847	+6%	+5%
<i>Adjusted EBITDA Margin</i>	<i>22.2%</i>	<i>27.8%</i>		<i>-680 bp</i>	<i>29.6%</i>		<i>+100 bp</i>
Underlying Operating Profit	368	560	-34%	-39%	580	+4%	+2%
<i>Underlying Op. Profit Margin</i>	<i>12.9%</i>	<i>19.4%</i>		<i>-760 bp</i>	<i>20.3%</i>		<i>+20 bp</i>
Free Cash Flow	755	708	+7%		794*	+12%	
Adjusted EPS (\$)	0.31	0.55	-44%	-49%	0.60	+9%	+7%

Note: IP & Science is presented as a discontinued operation and is therefore excluded from these consolidated results

*Excludes \$39 million of charges incurred and paid in Q4 2016

Consolidated Results

(\$ millions except Adj. EPS)	Full-Year				Full-Year Excluding Q4 Charges		
	<u>2016</u>	<u>2015</u>	<u>Change</u>	Change Before Currency	<u>2016</u>	<u>Change</u>	Change Before Currency
Revenues	11,166	11,257	-1%	+1%	11,166	-1%	+1%
Adjusted EBITDA	2,954	3,089	-4%	-6%	3,166	+2%	+2%
<i>Adjusted EBITDA Margin</i>	<i>26.5%</i>	<i>27.4%</i>		<i>-190 bp</i>	<i>28.4%</i>		<i>+20 bp</i>
Underlying Operating Profit	1,930	2,055	-6%	-9%	2,142	+4%	+2%
<i>Underlying Op. Profit Margin</i>	<i>17.3%</i>	<i>18.3%</i>		<i>-180 bp</i>	<i>19.2%</i>		<i>+20 bp</i>
Free Cash Flow	2,022	1,801	+12%		2,061*	+14%	
Adjusted EPS (\$)	1.79	1.78	1%	-4%	2.07	+16%	+12%

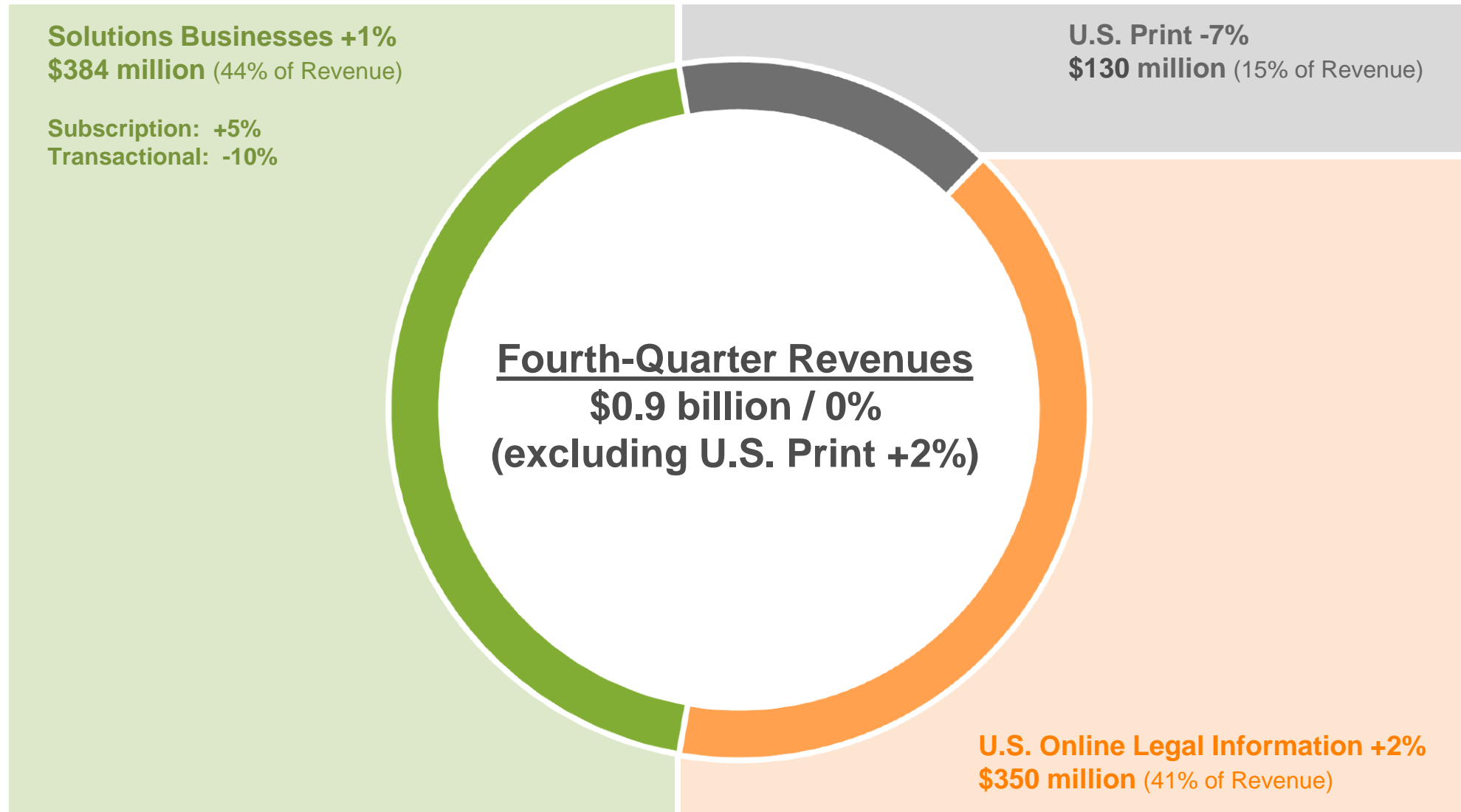
Note: IP & Science is presented as a discontinued operation and is therefore excluded from these consolidated results

*Excludes \$39 million of charges incurred and paid in Q4 2016

Legal

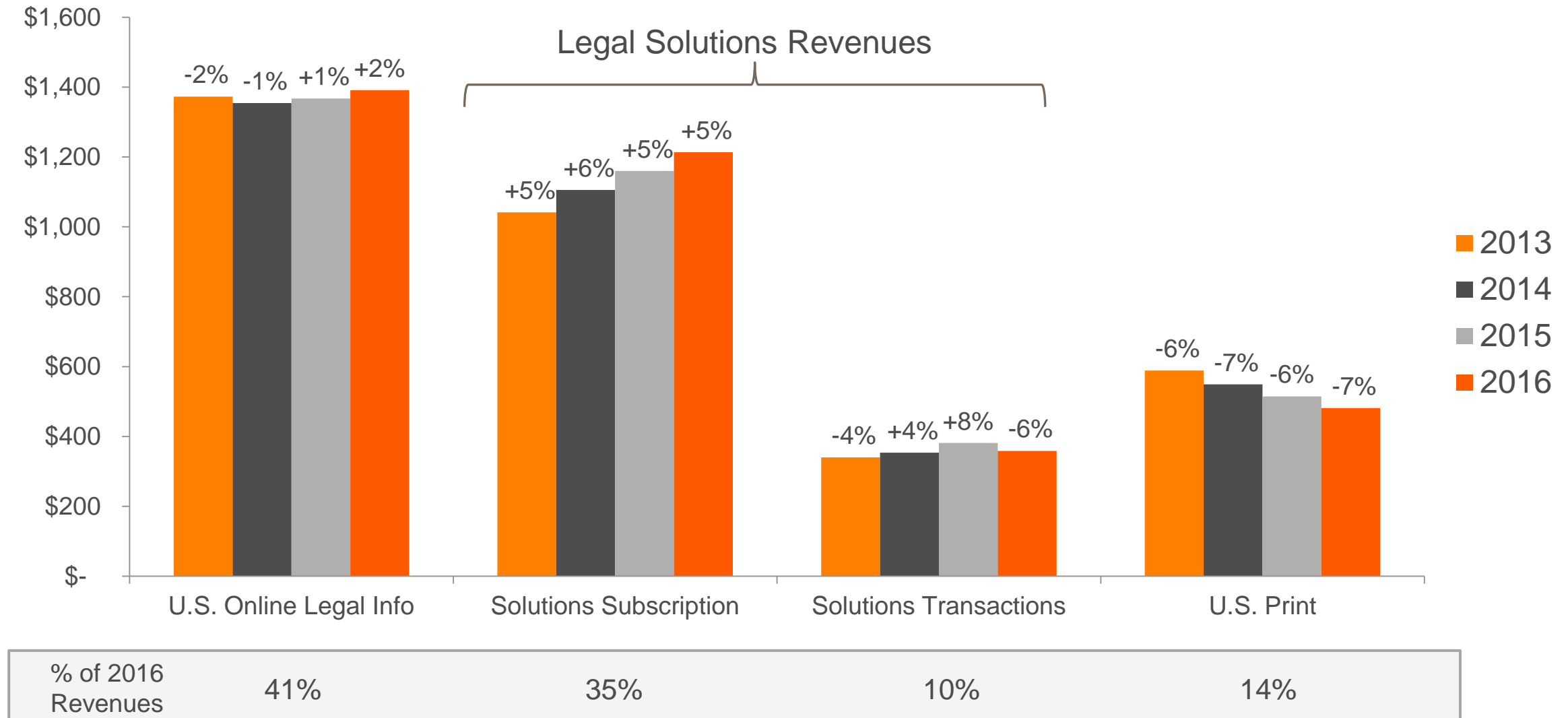
(\$ millions)	Fourth-Quarter				Fourth-Quarter Excluding Q4 Charges		
	<u>2016</u>	<u>2015</u>	<u>Change</u>	Change Before Currency	<u>2016</u>	<u>Change</u>	Change Before Currency
Revenues	864	880	-2%	0%	864	-2%	0%
EBITDA	296	327	-9%	-9%	322	-2%	+1%
<i>EBITDA Margin</i>	<i>34.3%</i>	<i>37.2%</i>		<i>-320 bp</i>	<i>37.3%</i>		<i>+20 bp</i>
Operating Profit	235	264	-11%	-10%	261	-1%	+2%
<i>Operating Profit Margin</i>	<i>27.2%</i>	<i>30.0%</i>		<i>-290 bp</i>	<i>30.2%</i>		<i>+50 bp</i>

Legal Revenue By Segment



Legal Revenue Growth By Type

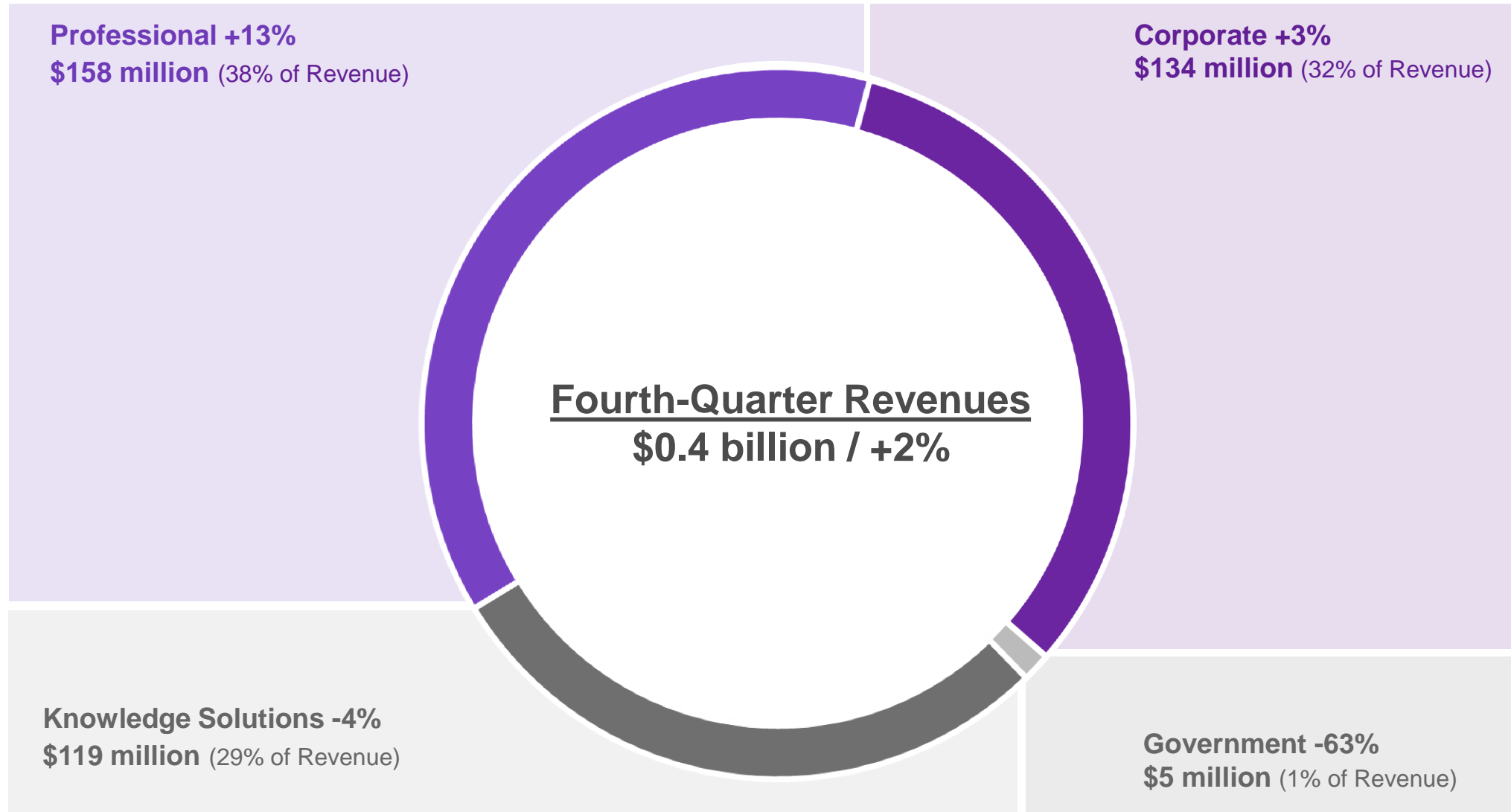
Subscription Growth Remains Strong



Tax & Accounting

(\$ millions)	Fourth-Quarter				Fourth-Quarter Excluding Q4 Charges		
	<u>2016</u>	<u>2015</u>	<u>Change</u>	Change Before Currency	<u>2016</u>	<u>Change</u>	Change Before Currency
Revenues	416	410	+1%	+2%	416	+1%	+2%
EBITDA	131	161	-19%	-20%	149	-7%	-8%
<i>EBITDA Margin</i>	<i>31.5%</i>	<i>39.3%</i>		<i>-830 bp</i>	<i>35.8%</i>		<i>-380 bp</i>
Operating Profit	86	132	-35%	-37%	104	-21%	-22%
<i>Operating Profit Margin</i>	<i>20.7%</i>	<i>32.2%</i>		<i>-1200 bp</i>	<i>25.0%</i>		<i>-750 bp</i>

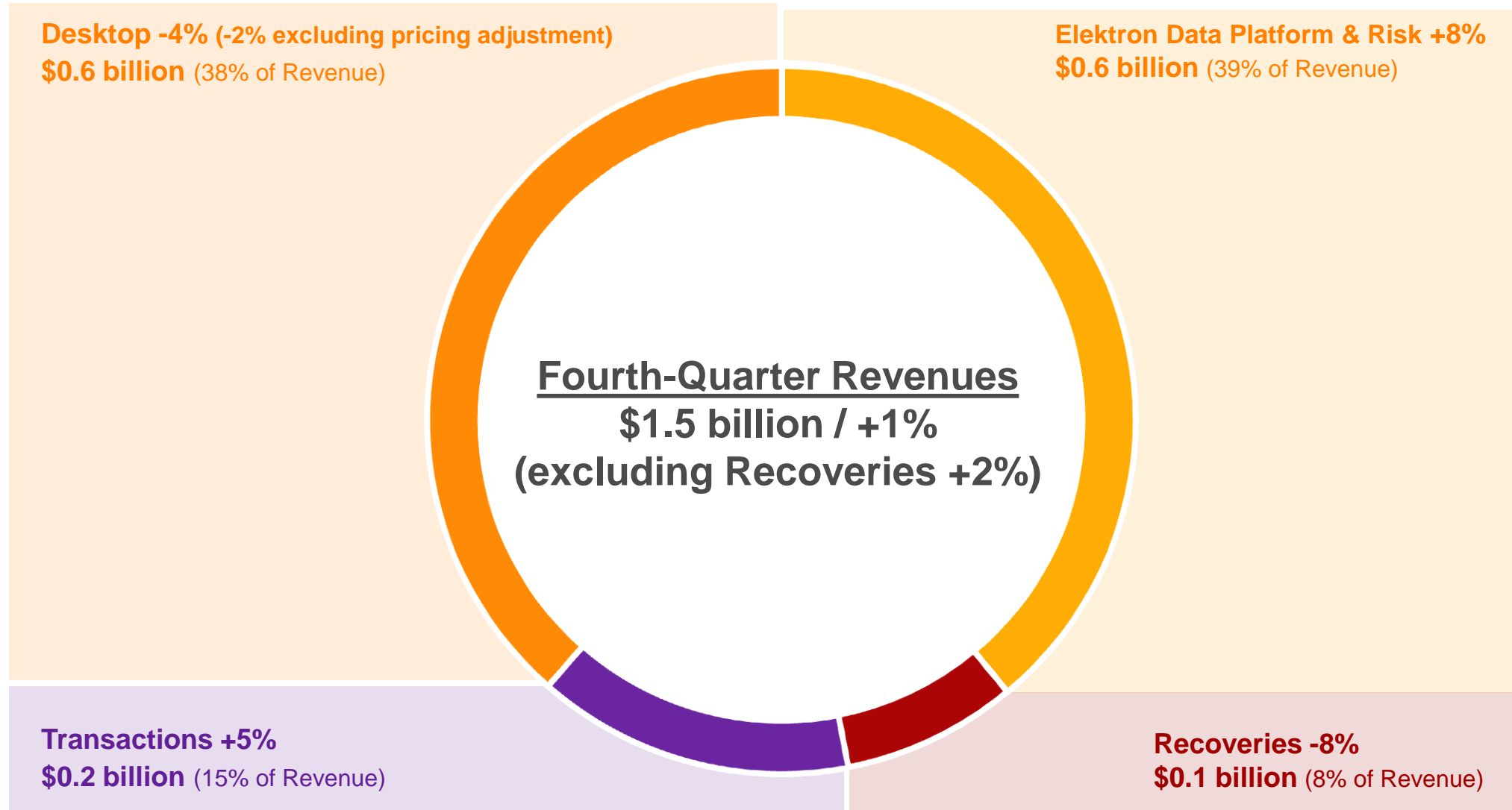
Tax & Accounting Revenue By Segment



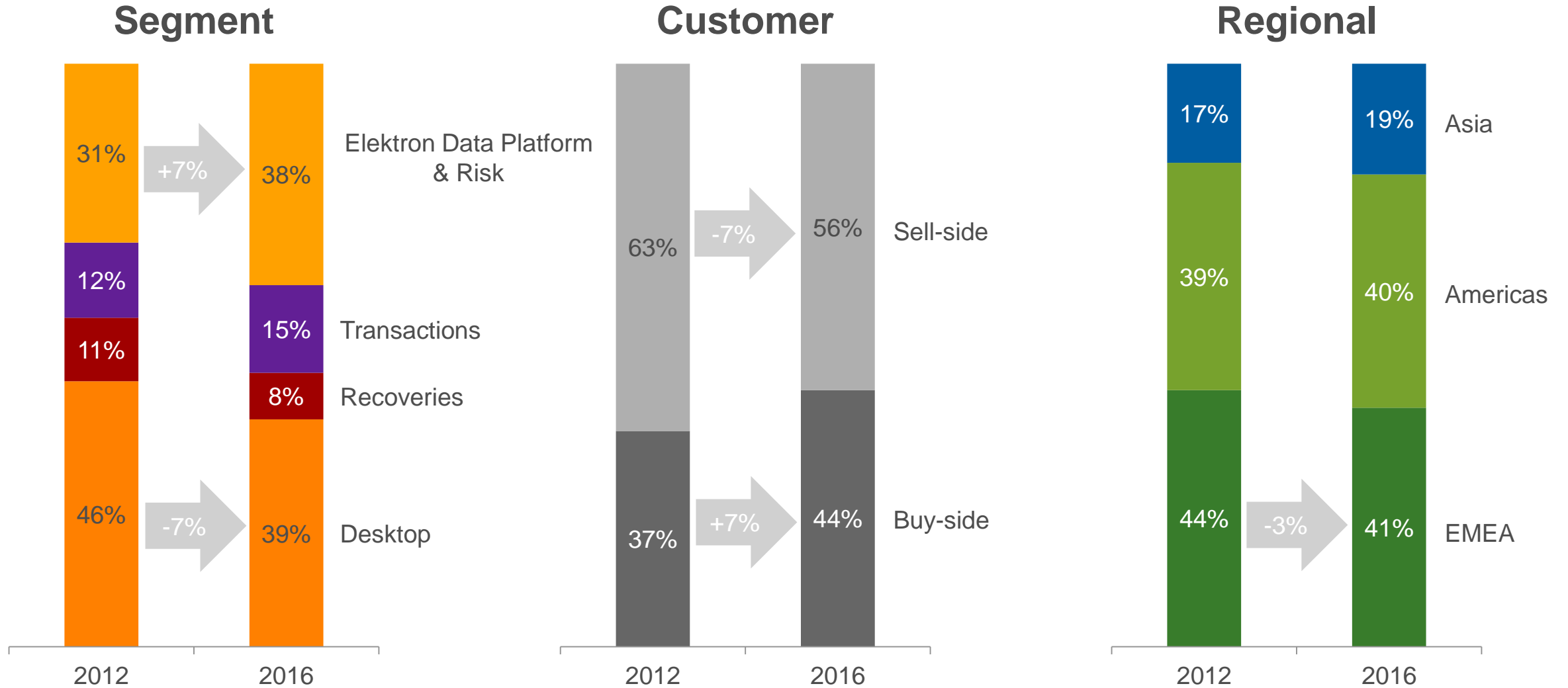
Financial & Risk

(\$ millions)	Fourth-Quarter				Fourth-Quarter Excluding Q4 Charges		
	<u>2016</u>	<u>2015</u>	<u>Change</u>	Change Before Currency	<u>2016</u>	<u>Change</u>	Change Before Currency
Revenues	1,508	1,527	-1%	+1%	1,508	-1%	+1%
EBITDA	289	450	-36%	-40%	456	+1%	0%
<i>EBITDA Margin</i>	<i>19.2%</i>	<i>29.5%</i>		<i>-1190 bp</i>	<i>30.2%</i>		<i>-40 bp</i>
Operating Profit	139	318	-56%	-62%	306	-4%	-7%
<i>Operating Profit Margin</i>	<i>9.2%</i>	<i>20.8%</i>		<i>-1320 bp</i>	<i>20.3%</i>		<i>-170 bp</i>

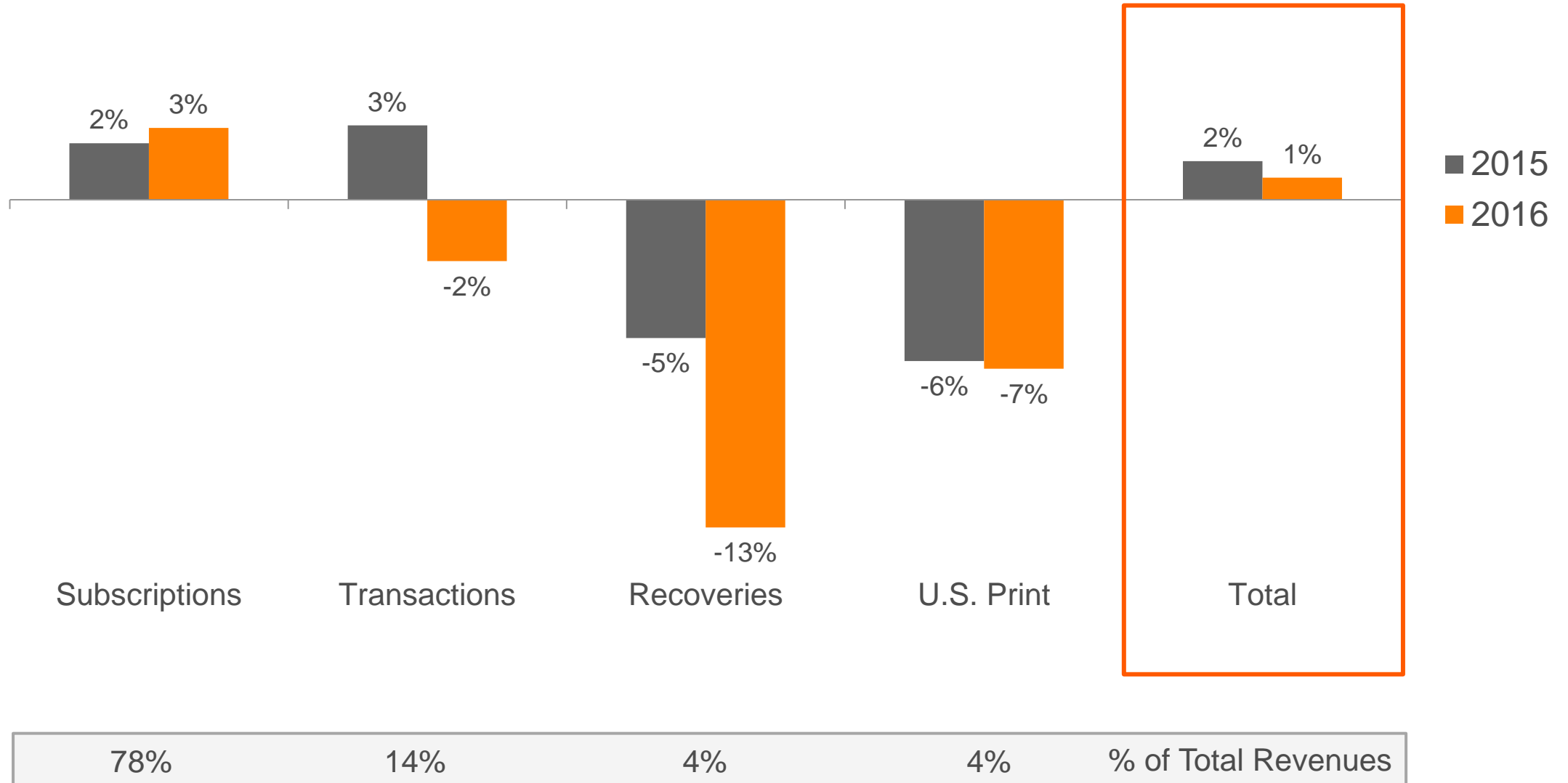
Financial & Risk Revenue By Segment



Financial & Risk Business Mix



Consolidated Revenue Growth by Type



Note: Revenue growth rates are before the impact of currency

ADJUSTED EARNINGS PER SHARE

FREE CASH FLOW

BALANCE SHEET UPDATE

Adjusted Earnings Per Share (EPS)

(\$ millions except per share amounts)						
	Fourth-Quarter			Full-Year		
	<u>2016</u>	<u>Change</u>	<u>% Change</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>
Underlying Operating Profit	\$368	(\$192)		\$1,930	(\$125)	
Interest Expense	(\$99)	\$3		(\$403)	\$13	
Income Tax ⁽¹⁾	(\$26)	\$0		(\$135)	\$48	
Other ⁽²⁾	(\$15)	(\$6)		(\$53)	\$5	
Adjusted Earnings⁽¹⁾	\$228	(\$195)		\$1,339	(\$59)	
Adjusted EPS⁽¹⁾	\$0.31	(\$0.24)	-44%	\$1.79	\$0.01	+1%
Adjusted EPS Excluding Charge	\$0.60	\$0.05	+9%	\$2.07	\$0.29	+16%
<i>Currency Impact</i>	<i>\$0.01</i>			<i>\$0.07</i>		

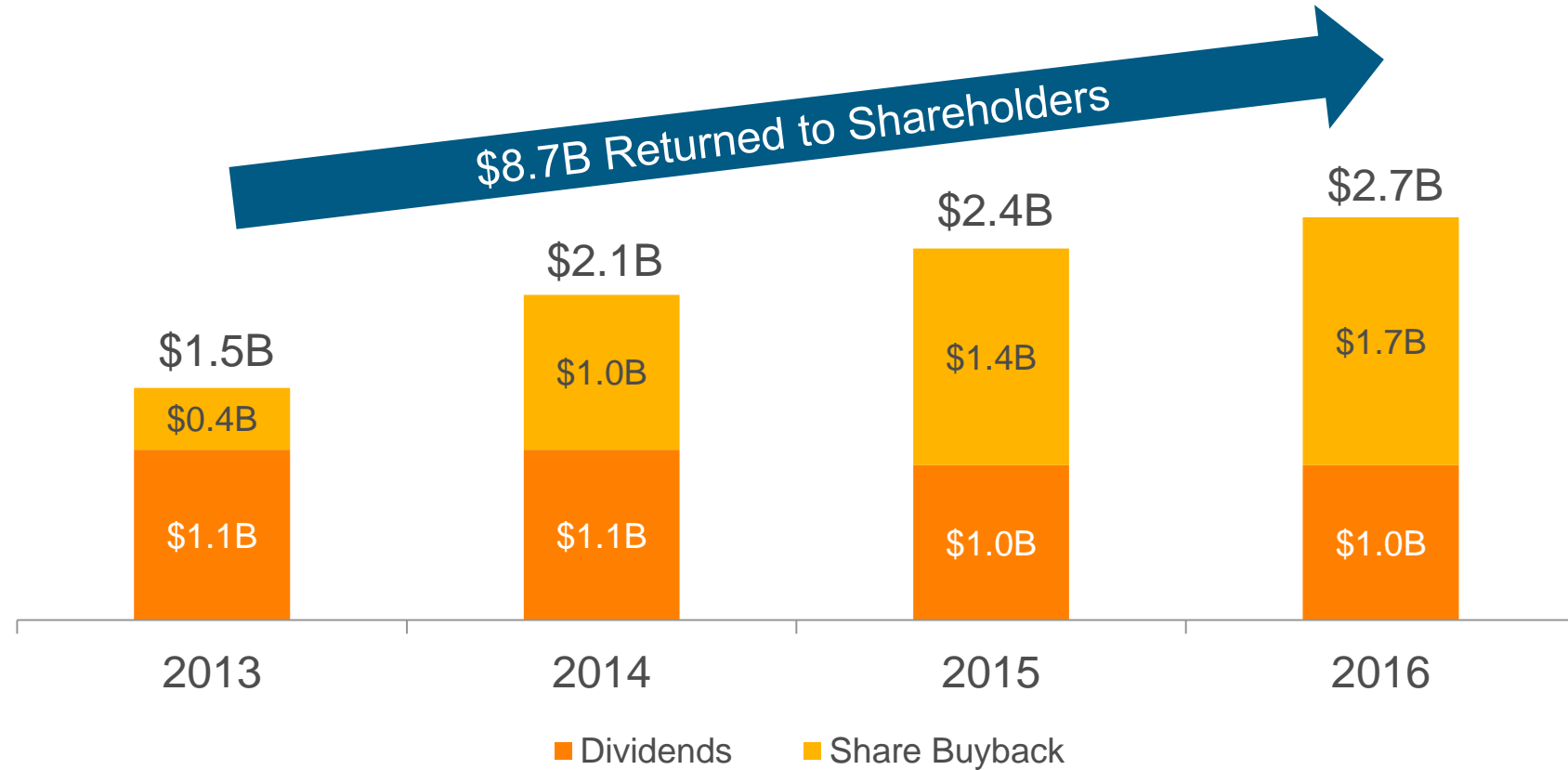
(1) Income Taxes, adjusted earnings and adjusted EPS are presented under the redefined methodology announced in July 2016 as part of the company's Q2 2016 earnings, for all periods referenced

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

Consolidated Free Cash Flow

(\$ millions)	Full-Year			
	<u>2016</u>	<u>2015</u>	<u>Change</u>	<u>% Change</u>
Free Cash Flow (excluding IP & Science)	\$1,976	\$1,556	\$420	27%
Free Cash Flow - IP & Science	\$46	\$245	(\$199)	-81%
Free Cash Flow	\$2,022	\$1,801	\$221	12%

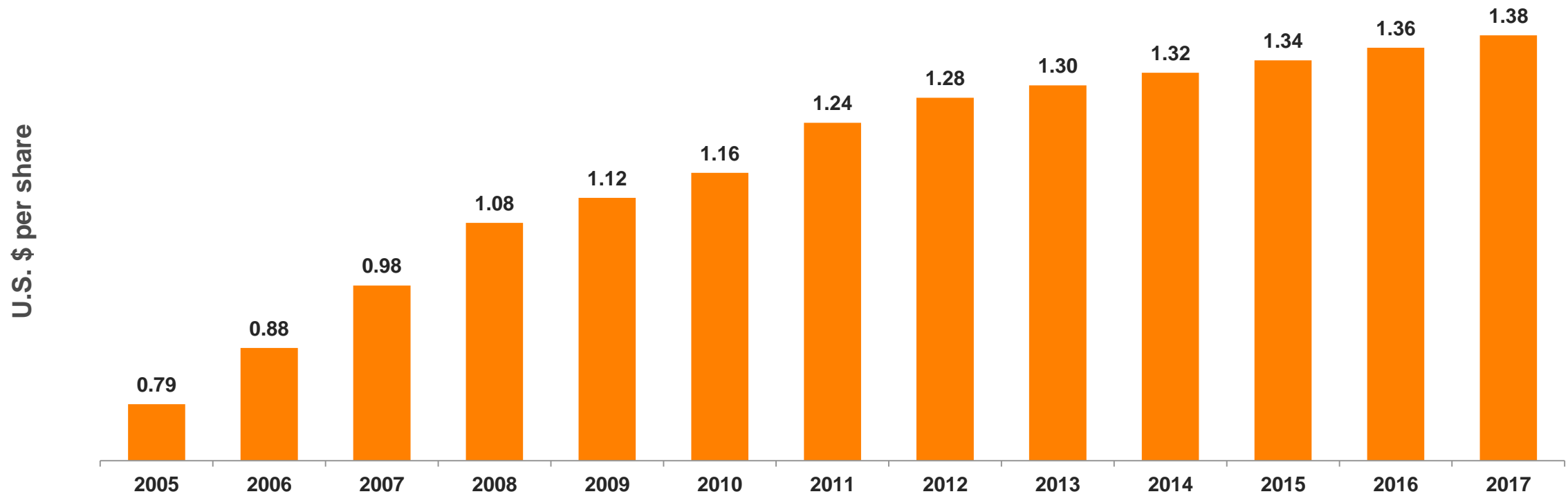
Returning Capital To Shareholders



Shares Repurchased (millions)	10.9	28.3	35.9	41.9
Net Debt To Adj. EBITDA	2.1x	2.2x	2.3x	1.8x

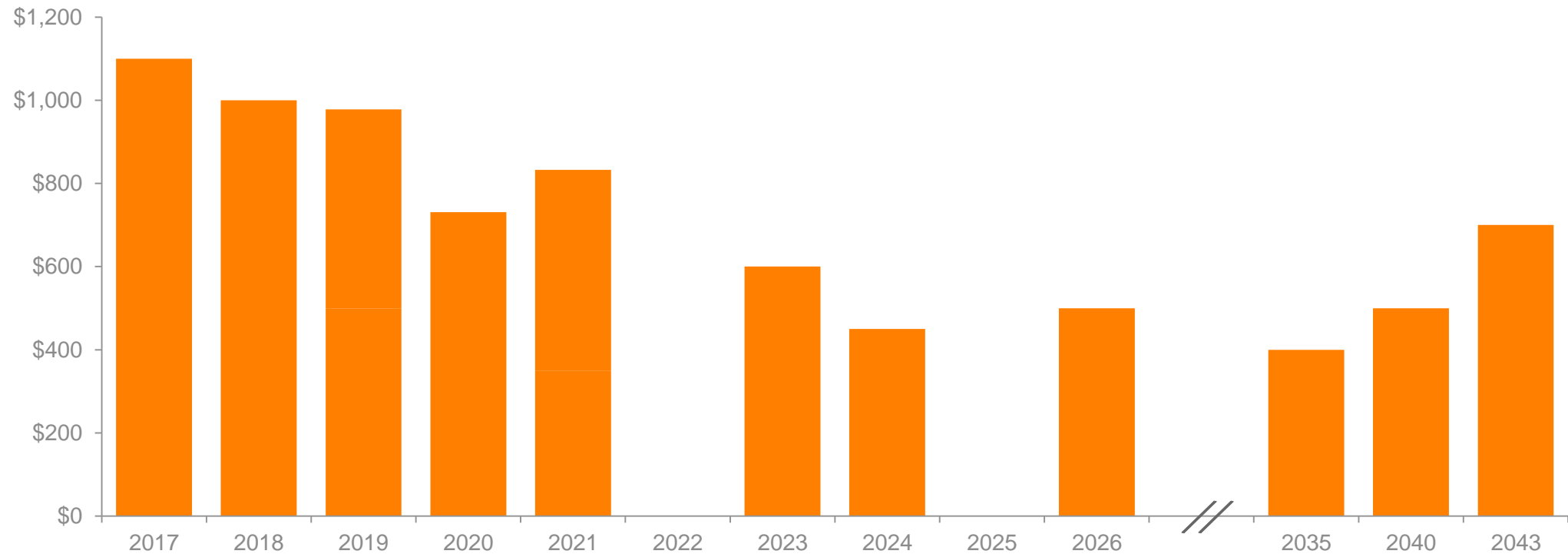
24 Consecutive Years of Dividend Increases

2017 annualized dividend increase of \$0.02 per share to \$1.38



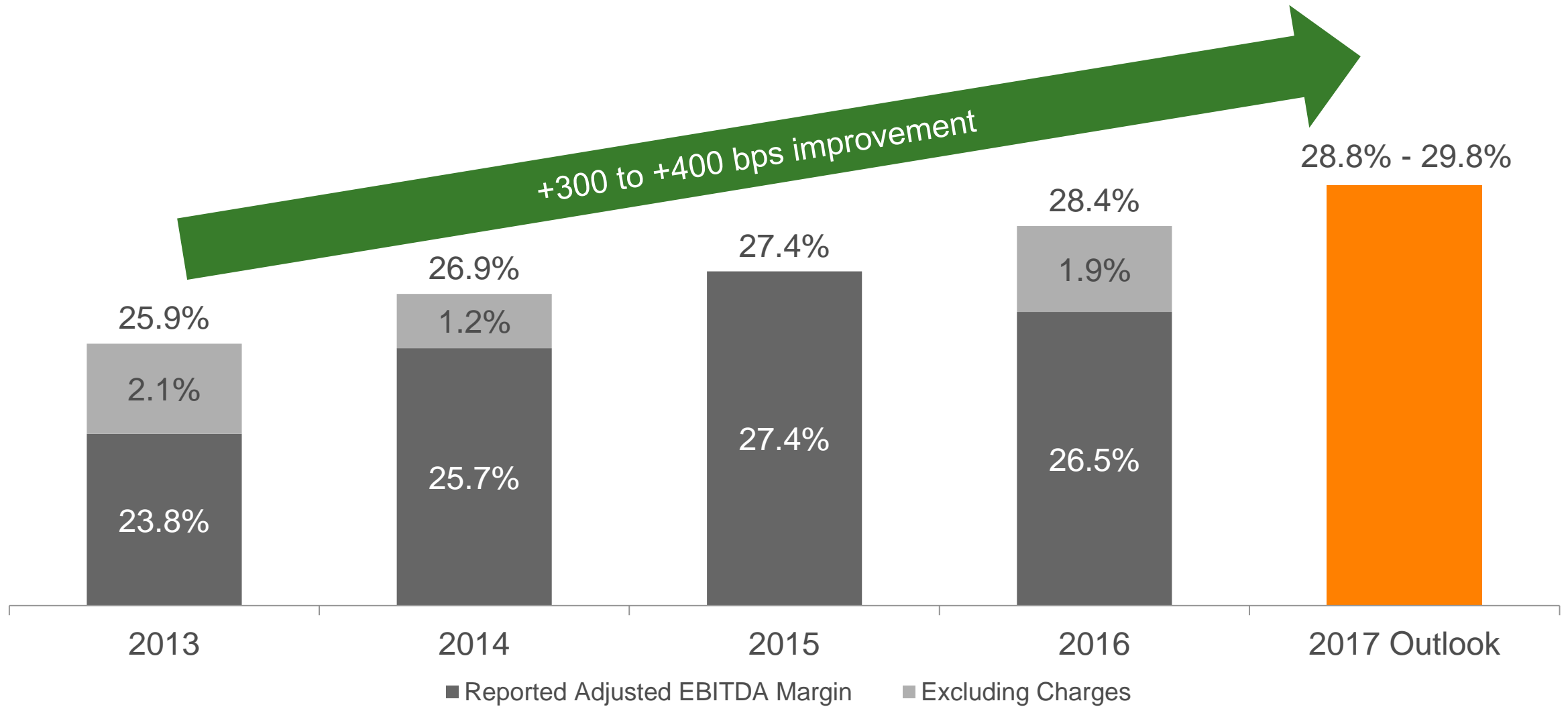
2016 Debt Profile

- Debt Outstanding = \$7.8 billion
- Net Debt / EBITDA <2.5x
- Average maturity of term debt ~8 years
- Average interest rate <5%



2017 Outlook

Adjusted EBITDA Margin Progression



Note: Margins presented exclude IP & Science

2017 Outlook

	2016 Excluding Q4 charge	2017 Outlook ⁽¹⁾ Before Currency
Revenue Growth	\$11.2 billion	Low single digit
Adjusted EBITDA Margin	28.4%	28.8% - 29.8%
Free Cash Flow ⁽²⁾	\$2.1 billion	\$0.9 - \$1.2 billion
Adjusted EPS	\$2.07	\$2.35
<i>Depreciation & Amortization</i>	<i>\$1.0 billion</i>	<i>\$950 million - \$1,050 million</i>
<i>Capital Expenditures % of Revenue</i>	<i>8.1%</i>	<i>~8.5%</i>
<i>Interest Expense (P&L)</i>	<i>\$403 million</i>	<i>\$400 - \$425 million</i>
<i>Effective Tax Rate on Adjusted Earnings</i>	<i>7.8%</i>	<i>10% - 13%</i>

(1) 2017 Outlook (excluding Free Cash Flow) is before currency

(2) 2017 Free Cash Flow is expected to include cash payments in 2017 ~\$200m relating the Q4 2016 charge, a \$500m pension contribution & loss of free cash flow from IP & Science

2017 Priorities

Accelerating Organic Revenue Growth is Top Priority

Continue to Drive Productivity Gains

Deliver on Our Commitments

Q&A