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# EDITED TRANSCRIPT

TRI.TO - Thomson Reuters Corp at JPMorgan Ultimate Services Investor Conference

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## CORPORATE PARTICIPANTS

**Gary Elftman Bisbee** *Thomson Reuters Corporation - Head of IR*

**Michael Eastwood** *Thomson Reuters Corporation - CFO*

**Stephen John Hasker** *Thomson Reuters Corporation - President, CEO & Director*

## CONFERENCE CALL PARTICIPANTS

**Andrew Charles Steinerman** *JPMorgan Chase & Co, Research Division - MD*

## PRESENTATION

**Andrew Charles Steinerman** - *JPMorgan Chase & Co, Research Division - MD*

Grab one of these, which is the information services data book, our quarterly primer for over a decade. This is the information services track. This is Thomson Reuters' management team. We're so pleased to have them here. Steve Hasker, CEO; Mike Eastwood, CFO; and Gary Bisbee, IR. A big cheer out for Gary Bisbee.

## QUESTIONS AND ANSWERS

**Andrew Charles Steinerman** - *JPMorgan Chase & Co, Research Division - MD*

Steve, one of the biggest questions in information services and particularly legal information services is generative AI. You guys have made a big investment, a big commitment to generative AI. My question is, do you feel like your generative AI products will end up being separate products and a module -- yes, hit green, sorry. And will be a module that you charge separately for like the way that Microsoft is trying to do right now? Or do you feel like this is an enabling technology that's just going to drive overall innovation, and you're just going to sell products with -- at higher price points as they're more valuable?

**Stephen John Hasker** - *Thomson Reuters Corporation - President, CEO & Director*

Well, it's certainly not something we're just going to sort of slip in as a normal course of business. We made a significant investment. We've committed to spend USD 100 million a year or so in our generative AI activities. In terms of organic investment, we bought what we think is an extraordinary set of assets and capabilities through Casetext.

We launched last night -- to your point about legal, we launched our generative AI suite last night downtown, and we had about 5,000 online participants in that launch. We had 250 attorneys in the room. And I mean, let's just say that the sort of reactions to those products was some gasps in the room in terms of the step forward that it brings.

So with something like Westlaw, where we've launched Westlaw Precision AI, there's a pretty significant step up in price from Precision to the AI version, same with Practical Law. Whereas CoCounsel that we bought from the Casetext group, that's an entirely new set of activities for us. It's about drafting and document review and production of timelines and in-depth legal analysis.

So I don't know whether that answers your question, Andrew, but we see this as, firstly, a way in which to achieve another step-change improvement in our core flagship products; and secondly, a pathway for us to play a much broader role in the life -- the lives of an attorney, be they in-house or outside counsel, and play a key role in terms of the transformation of the profession.

**Andrew Charles Steinerman** - *JPMorgan Chase & Co, Research Division - MD*

So you might not love this question, but -- so I want to kind of understand the organizational design of Thomson with Casetext. And I'm going to make an analogy to another company, which might not be fair. So Kensho at S&P Global are really kind of -- that's their AI organization serving the other divisions. And that has proven successful over time at S&P Global.

It just seems to me that Casetext is not taking that organizational design, that it's more like integrated into the business as opposed to separated from the businesses. Is that a fair portrayal? And why did you make that choice given that there was some track record in the info services space for making sure that there's a catalytic effect of AI acquisitions?

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**Stephen John Hasker** - *Thomson Reuters Corporation - President, CEO & Director*

Well, there's a couple of things you've got to bear in mind. The first is that we've been investing heavily in advanced machine learning and AI for over 30 years. So Thomson Reuters -- well before I joined, Thomson Reuters put a high-functioning search algorithm in the front of Westlaw in the early '90s before Google was invented. So this is not -- it's not as if sort of this is our AI group. We have close to 250 people in our TR Labs group who are deep experts in machine learning and AI and deep experts in generative AI.

So Casetext is a turbocharger and an add-on to that, firstly. Secondly, we have a playbook around acquisitions, which has worked well with Practical Law, HighQ and Confirmation, most recently SurePrep and now Casetext, which is we take a great new product and we push it through our distribution. And that means we can afford to pay a higher price on the way in and extract the benefit for our customers, and ultimately, our shareholders. And that's a playbook that we respect and always look to pursue.

So we're looking for Jake Heller and Laura Safdie and Pablo and Ryan and a bunch of other people who have come through Casetext to play bigger roles within TR. They're not being sort of pushed down with the organization, but this is very much something that we are integrating into everything we do. And it's not just Legal. So the capabilities that Casetext bring in terms of combining unique and proprietary data sets with large language models is something that will apply to Tax & Accounting, and we're looking at applying it to Risk, Fraud & Compliance, and ultimately, areas like ESG and News.

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**Andrew Charles Steinerman** - *JPMorgan Chase & Co, Research Division - MD*

Right. But do you feel like there's going to be people who still feel like they work at Casetext? Or is it really just integrated in and we have to make the whole Thomson entrepreneurial like Casetext?

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**Stephen John Hasker** - *Thomson Reuters Corporation - President, CEO & Director*

Well, I think -- I mean, in my view, every acquisition is a little bit different. This is not a sort of a regional bank roll-up, where there's a playbook and you just move through it like the Marines. I think every one we do is slightly different.

Dave Wyle, who formed SurePrep, he's just taken on a new role of leading our audit-related activities and our audit incubator. Jake Heller is a very important part of our product group, in addition to being the CEO of Casetext within. So I think everyone is slightly different, Andrew.

But what we want to make sure is we have a very clear line of sight as to how our shareholders are going to benefit from any acquisition, and that the talent that comes with an acquisition views TR as a bigger playing field and a bigger sandpit that they can do great work around.

And I think one of the things that gives us some optimism around Casetext is Jake had created a very purpose-driven organization, it's the application of AI and technology to create access to justice. And that syncs up really well with TR's purpose.

**Michael Eastwood** - Thomson Reuters Corporation - CFO

And Steve, I'd add, if you look at SurePrep at the beginning of this year and Casetext in August, I think it's fair to say we've kept nearly everyone and all the key players we wanted to keep from both, so far.

**Andrew Charles Steinerman** - JPMorgan Chase & Co, Research Division - MD

I don't want them just to be kept. I want them to be energetic.

**Stephen John Hasker** - Thomson Reuters Corporation - President, CEO & Director

Good point.

**Andrew Charles Steinerman** - JPMorgan Chase & Co, Research Division - MD

Okay. Mike, how about the Legal segment? Like do you feel like Legal organic constant currency revenue growth could accelerate from here? And what would it take?

**Michael Eastwood** - Thomson Reuters Corporation - CFO

We definitely do, Andrew. As we look at the September results for Westlaw Precision and we look at the premium that it generated, it was definitely higher. And as we go into Q4, we're seeing a similar trend with that.

Obviously, it takes time for that book of business to be recognized as revenue in the fourth quarter and as we go into 2024. But as we go into 2024, we see a step-up in the Legal Professionals organic growth quarter-over-quarter. So we're quite optimistic.

And it's not just Westlaw Precision. It's also Practical Law that Steve just referenced and HighQ that we acquired back in 2019. All 3 of those really foundational assets are performing quite well, which gives us confidence we'll see continued momentum in Legal Professional.

**Andrew Charles Steinerman** - JPMorgan Chase & Co, Research Division - MD

It's funny. I don't quite get the math, right? So you just said Legal in '24 organic constant currency should accelerate. And one of the key drivers is Westlaw Precision. Like I think Westlaw Precision is adding 100 basis points to organic revenue growth within Legal already. So I guess you're saying it's going to add more than that going forward.

**Michael Eastwood** - Thomson Reuters Corporation - CFO

Yes. It's a good point, Andrew. We've consistently stated that Westlaw -- it was Westlaw Edge. Now Westlaw Edge provides that 100 basis points. We see that actually increasing, Andrew, from a math perspective as we go into calendar year '24. So we'll see a continued step up.

**Andrew Charles Steinerman** - JPMorgan Chase & Co, Research Division - MD

Okay. That's fine. Also, as I said before, this should be an open forum or else I'm going to about to switch to Tax & Accounting. If someone wants to ask a question on Legal product suites and stuff like that.

**Stephen John Hasker** - Thomson Reuters Corporation - President, CEO & Director

Let me just add a comment on Legal. I think what we see is a profession that for, arguably, sort of 300 or 400 years, had stayed largely the same. We see that profession on the cusp of pretty significant transformation. And our role in that will be to provide content-driven technology to sort of facilitate that, to make the end work products better, to reduce the cycle time to produce them and ultimately, to improve the sort of working lives of attorneys, whether that's in a general counsel's office or whether that's in-house, whether that's in the court system or the attorney general, all of those customer sets we're in active conversations about how we fulfill that role.

So we'll come back at our Investor Day on March 12 and talk more about sort of what that does to our TAMs. But as we sit here, I think to Mike's point, we feel pretty excited about most particularly our early start with these product innovations, and most importantly, the customer reaction to those.

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**Andrew Charles Steinerman** - JPMorgan Chase & Co, Research Division - MD

So you talked about it kind of improving the life of an associate in a law firm with these tools. Like this is how I've heard it from the industry is that an associate in a law firm gets put on a new assignment, they don't even really know what the main questions of the case is and that Casetext helps them get to like what are the questions, and then you go back into Westlaw. So you go, okay, what's the precedent on these key questions? Does that resonate with you?

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**Stephen John Hasker** - Thomson Reuters Corporation - President, CEO & Director

Yes. Yes, it does. Casetext and CoCounsel and the skills in terms of document review, drafting timelines are a broader set of skills that help an attorney sort of zero in on the key issues. And then Westlaw Precision AI enables them to get the best research-driven work product done, and Practical Law provides the know-how, particularly for transaction attorneys as an example.

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**Andrew Charles Steinerman** - JPMorgan Chase & Co, Research Division - MD

Okay. So we get the question over there. If he announces it without a mic, just repeat the question.

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**Unidentified Analyst**

(inaudible) AI internally. You guys, I guess, external issue, where -- have you guys seen -- I know you were excited about the attendance of your launch of your AI product. But have you done any surveying or anything that kind of talks to the broader legal industries where you're saying?

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**Andrew Charles Steinerman** - JPMorgan Chase & Co, Research Division - MD

End-user adoption?

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**Unidentified Analyst**

Yes.

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**Stephen John Hasker** - Thomson Reuters Corporation - President, CEO & Director

Yes. So we launched an effort earlier this year called the Future of Professionals, where we interviewed in depth about 1,200 professionals, particularly lawyers and tax and accounting professionals across geographies and industries. And 67% of them felt that their profession will be fundamentally

transformed by generative AI and related technologies. And with that came an openness to experiment with it, to learn. Those numbers are extraordinary sort of relative to those particular -- the sort of trend lines that we've seen in serving those industries and those professions for years.

So look, it will be, as it always is, somewhat varied. Some folks, particularly younger attorneys, will be more open-minded about adopting technology, whereas the sort of the oldest litigators will ensure that others are sort of doing that work and interfacing with the technology. But I do think the adage that none of us will be replaced by AI, but we could well be replaced by someone using AI, I think that is very much taking hold in the professions that we serve.

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**Andrew Charles Steinerman** - *JPMorgan Chase & Co, Research Division - MD*

Okay. And with that in mind, like, do you feel like you're going to still add kind of in-house curators, lawyers to your headcount? Or do you feel like given AI, you could just get increased productivity from the people you have?

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**Stephen John Hasker** - *Thomson Reuters Corporation - President, CEO & Director*

Yes. I mean this is a key strategic conversation for us, Andrew. And I think when we started this journey, I think it was unclear as to the value in a world of large language models around proprietary unique data sets. I think that has become clearer and clearer.

And so with that in mind, we, as part of that significant investment and the step-up investment, is making sure that our content is the deepest and broadest it can be and that it's usable in this environment. And so that's a big part of our sort of competitive moat and something we plan to continue to invest in.

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**Andrew Charles Steinerman** - *JPMorgan Chase & Co, Research Division - MD*

Makes sense. So switching to Tax & Accounting. The one thing that I've always thought about is that there's just more competitors in Tax & Accounting. And I know in Westlaw, you pride yourself in being in the top market position -- Practical Law, top market position. And here, you're in a place where you really do have competitors, some of which are larger than you. And I know it varies a little bit by Direct or Indirect Tax. But how do you manage that? Or do you want to change that?

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**Stephen John Hasker** - *Thomson Reuters Corporation - President, CEO & Director*

Yes. I mean certainly, if -- there are very different flavors of this, right? So there's our service of tax and accounting firms with products like Virtual Office, which is a premier tax calculation engine for professionals who perform tax returns for a living. And then there's our corporate Direct Tax product, which is under the ONESOURCE banner, and our Indirect Tax sales and excise, which is also under -- on ONESOURCE.

We like being #1 and #2 in the industries in which we operate. Certainly, as we serve smaller and medium-sized tax and accounting firms, we're in that position. We think we've got some opportunity in the sort of larger tax and accounting firms, both here in the United States and in Brazil and in other markets. And then in Indirect Tax, we've got a smaller and less significant position. A great starting point, but a smaller and less significant position than we'd like. So...

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**Andrew Charles Steinerman** - *JPMorgan Chase & Co, Research Division - MD*

In Indirect?

**Stephen John Hasker** - Thomson Reuters Corporation - President, CEO & Director

Indirect. Indirect.

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**Andrew Charles Steinerman** - JPMorgan Chase & Co, Research Division - MD

I think you're tied for 3, right?

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**Stephen John Hasker** - Thomson Reuters Corporation - President, CEO & Director

Yes. Yes, tied for 3 in that space, which -- it's a growing space. It's a space that's becoming increasingly important around not only determination but also e-invoicing. And so it's a space you'll see us invest in over the next couple of years to bolster our position and benefit from the broader industry growth trends. And then...

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**Andrew Charles Steinerman** - JPMorgan Chase & Co, Research Division - MD

And does that mean increase your innovation? Or does that mean make an acquisition?

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**Stephen John Hasker** - Thomson Reuters Corporation - President, CEO & Director

Both. It will be both.

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**Andrew Charles Steinerman** - JPMorgan Chase & Co, Research Division - MD

Okay, okay. Do you mind -- could you take -- just say one line on Vertex and Avalara. Those are your competitors in this space. Like are you impressed by them?

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**Stephen John Hasker** - Thomson Reuters Corporation - President, CEO & Director

Yes. Yes. I mean we have a lot of respect for both those firms. So Vertex tend to go head-to-head with us at the top end with a larger customer set as they think about an indirect tax software provider. Avalara. Avalara started its business very successfully in the sort of SMB space and have started to push up a little bit further. So we watch them carefully. We respect them a lot. But we think we bring a size and scale across our products and increasingly a tech- and AI-driven skill set that ought to differentiate us over time.

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**Andrew Charles Steinerman** - JPMorgan Chase & Co, Research Division - MD

And where do you see within Tax & Accounting the biggest impact from generative AI? Like -- well, maybe I'll just leave it at that.

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**Stephen John Hasker** - Thomson Reuters Corporation - President, CEO & Director

Yes. I mean I think it's in some of the sort of workflow areas like document ingestion, a composition of confirmation letters, summarization and report-outs and the sort of ignition of advisory services. Because the core tax calculation process is already very automated. I mean a product like UltraTax or ONESOURCE really do, in a fraction of a second, all of the requisite calculations based on the latest and greatest tax rules and regulations. So it's getting the source documentation into that engine and then synthesizing and producing outputs and summarization, that's where we think AI is really going to take some time and effort out of the process.

And bear in mind, we talked about work-life balance for lawyers. In Tax & Accounting, it's a slightly different problem, which is there just aren't enough graduates coming through. So if you look at the number of tax and accounting graduates coming through and getting certified, those numbers are very significantly lower than they were 7, 8, 9, 10 years ago. So the technology has to play that role because the number of tax returns is going up, not down. And the complexity of tax returns is going up, not down. So something has to fill that void. And that's why we're excited about that opportunity.

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**Andrew Charles Steinerman** - *JPMorgan Chase & Co, Research Division - MD*

Right. Mike...

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**Gary Elftman Bisbee** - *Thomson Reuters Corporation - Head of IR*

Do you want to mention the synergy, the excitement around the early proof of concepts in tax?

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**Stephen John Hasker** - *Thomson Reuters Corporation - President, CEO & Director*

Yes. So we had -- we had the launch event for our Legal AI offers here in New York last night. Last week in Colorado, we pulled together a couple of thousand corporate customers and a couple of thousand tax and accounting firms. And to Gary's point, one of the things that we sort of went into the conference believing was that tax and accounting was a step or 2 behind the legal profession in terms of their anxiety around and interest in generative AI. That, I think, is not the case. The tax and accounting profession are on it, and they understand the power of the technologies.

And so we had a series of product booths where we're showing our latest and greatest and we're showing our product roadmaps. And I think for me, one of the big takeaways from the week was the degree of interest and engagement around that product roadmap. So that was sort of exciting for us to see, and particularly exciting for our product and engineering folks who are involved in the build-out.

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**Andrew Charles Steinerman** - *JPMorgan Chase & Co, Research Division - MD*

Okay. And do you think generative AI will accelerate your growth past your current targets, meaning over the medium term?

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**Stephen John Hasker** - *Thomson Reuters Corporation - President, CEO & Director*

We're being cautious about 2024, not because we have any lack of excitement in sort of what we've built and the customer reaction we're getting. But this has been a year where, I think, we've talked about elongated corporate sales cycles on the back of a different interest rate environment and some caution sort of moving through many of our customers and the broader software landscape. And we see some of those conditions persisting into 2024.

Unfortunately, it looks like we're going to have 2 wars raging, sadly. And we'll have a presidential election to all collectively get through. So there may be some upside there, but we're going to be cautious about what '24 looks like. But we do see accelerated growth, to your question, Andrew, in '25, '26, '27. And it's not just generative AI. There's a number of areas that we're investing in to drive that accelerated organic growth, generative AI being an exciting part of it.

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**Andrew Charles Steinerman** - *JPMorgan Chase & Co, Research Division - MD*

I don't understand caution about '24. Like I just interviewed our economist for lunch and he said, soft landing and sentiment should be rising. I mean doesn't that help the sales cycles? I mean we haven't even started '24 yet.



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**Stephen John Hasker** - Thomson Reuters Corporation - President, CEO & Director

Yes, it should. I mean it...

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**Andrew Charles Steinerman** - JPMorgan Chase & Co, Research Division - MD

It's not too late, right?

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**Stephen John Hasker** - Thomson Reuters Corporation - President, CEO & Director

Sure. We will -- in our February -- when we report out in Q4, we'll be very transparent about what we've seen in terms of November and December sales activity. And of course, when you've got 80% recurring revenue multiyear contracts, that -- there's a fairly logical sort of flow-through. So we'll have more to say on it there.

I think we're just being naturally cautious. Our Legal business, as to Mike's earlier point, has performed extremely well through this cycle. Our Tax & Accounting business has performed extremely well. But we've seen a little bit of softness in Government, and we've seen a little bit of elongation of the sales cycles in Corporates. And we are hopeful that we will sort of revert back to more normal conditions, but we want to be cautious.

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**Andrew Charles Steinerman** - JPMorgan Chase & Co, Research Division - MD

Okay. When looking at the breakdown to your total organic revenue growth, and let's call it total organic revenue growth of 5% to 6%, pricing is 3%. Like how would you describe the balance? Like is this coming from cross-selling new products, new customers? Like how would you describe what you would call the nonpricing element of organic constant currency revenue growth?

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**Michael Eastwood** - Thomson Reuters Corporation - CFO

Yes, Andrew, I think 3 items. The ones you just mentioned are certainly relevant but market conditions, competitive conditions and then the nature of our contracts. We have 60% of our contracts in Legal that are multiyear in nature. It's about 40% in Corporates, 20% in Tax. So those factors plus the ones you mentioned and product launches certainly impact pricing.

Pricing is slightly higher in calendar year 2023. I think I mentioned on the last earnings call, about 30 to 40 basis points higher in 2023. To Andrew's point, in Tax & Accounting, we see the highest level of price increases. And we'll approach 10% organic growth for tax and accounting professionals, slightly over \$1 billion in revenue for the full year 2023 there, then Corporates and Legal slightly lower.

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**Andrew Charles Steinerman** - JPMorgan Chase & Co, Research Division - MD

Yes. It always struck me as odd, Mike, that the Tax & Accounting would have the highest price increases, let's call it, so far, where the market structure seems to be just a lot more open. I mean you have competitors, but I guess you're going to say, that's what the competitors are raising their price, too. Is that what it is?

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**Michael Eastwood** - Thomson Reuters Corporation - CFO

It is. We see similar activity there. And it's been a trend that's been longstanding within the tax and accounting professional there. Roughly 5% is what we've stated during the earnings call in regard to the total organic growth 10% and about half of that comes from pricing within Tax & Accounting.

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**Gary Elftman Bisbee** - Thomson Reuters Corporation - Head of IR

I think competitively, there's a distinction between the corporate tax revenue streams that are in our Corporates business and the Tax & Accounting. The Tax & Accounting business, as you know, serves CPA firms for the most part. And Wolters Kluwer, their CCH business is our primary competitor, and we are, depending on which part of that market segment, a strong 1 or 2. And so that market, CPA firms, Tax & Accounting business, we have a very strong market position.

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**Stephen John Hasker** - Thomson Reuters Corporation - President, CEO & Director

And those firms run their practices on our software, on CCH's software. So -- and if you've done a series of tax returns in our UltraTax, it's no easy thing to sort of change to another form of software because you've got all the past years' data in there, all of those returns loaded up. So you can switch, but it's -- the switching costs are pretty high.

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**Michael Eastwood** - Thomson Reuters Corporation - CFO

Yes. I think what Gary is really amplifying, for clarification there, when we say tax, there's tax revenue within tax and accounting professionals and there's tax revenue within the corporations there. I think that's what Gary is clarifying.

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**Andrew Charles Steinerman** - JPMorgan Chase & Co, Research Division - MD

Those are good reminders. I agree. I totally agree.

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**Michael Eastwood** - Thomson Reuters Corporation - CFO

Yes. We have a question there, Andrew.

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**Andrew Charles Steinerman** - JPMorgan Chase & Co, Research Division - MD

Okay, go ahead. Go ahead. Just ask your question.

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**Unidentified Analyst**

Can I just ask on Data and Analytics business? Can you talk about position -- your relative position versus your primary peer and kind of what level of white space still exists on analytics?

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**Stephen John Hasker** - Thomson Reuters Corporation - President, CEO & Director

Gary, do you want to start on the relativity?

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**Gary Elftman Bisbee** - Thomson Reuters Corporation - Head of IR

So obviously, you're talking about RELX and they talk about legal analytics. I think the way we think about it is a little different. We have tremendous analytic capabilities within Westlaw, for example, and within Practical Law in the higher-tier products there. We also have a number of software -- workflow software tools in that legal space. And so I think we think about online legal research, which is Westlaw and Practical Law, but a ton of analytics in there.

And then we think about workflow softwares, and generative AI is driving a convergence of that. It's a huge opportunity for us because we have a lot more share and a dominant position in the content and insights part. We have some great assets in software, but not the breadth of market share we have on the insights and content side. So we think this is going to push us to have a real opportunity.

But it's hard to sort of apples and apples what our primary competitor is talking about because we slice our portfolio and think about it differently. I think on an all-in basis, we believe we've grown somewhat faster consistently than the industry and the primary competitors.

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**Andrew Charles Steiner** - *JPMorgan Chase & Co, Research Division - MD*

Yes. And you think that continues?

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**Stephen John Hasker** - *Thomson Reuters Corporation - President, CEO & Director*

We do.

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**Michael Eastwood** - *Thomson Reuters Corporation - CFO*

Yes.

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**Andrew Charles Steiner** - *JPMorgan Chase & Co, Research Division - MD*

Okay. Steve, print and news, do these remain strategic core assets?

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**Stephen John Hasker** - *Thomson Reuters Corporation - President, CEO & Director*

Certainly. We have no intention to alter the portfolio in a significant way in the medium term. But all of our assets, we constantly review their role in the business in serving customers. And that includes assets within the Big 3, that includes print and Reuters.

We've done a lot over the last couple of years to bring the sort of Reuters intelligence inside of our Big 3 customer proposition. We're not all the way there yet, but certainly under Paul Bascobert's leadership, that's a big area of focus for him, not only in better serving LSEG but also serving our Legal, Tax & Accounting and Corporates customers.

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**Michael Eastwood** - *Thomson Reuters Corporation - CFO*

Andrew, just a reminder that Global Print generates about 10% of our total free cash flow. It will be approximately \$1.8 billion in calendar year '23 with 10% coming from Global Print.

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**Andrew Charles Steiner** - *JPMorgan Chase & Co, Research Division - MD*

Great. Talk about the funds that you've gotten from the LSEG shares. Like what are your priorities in allocating them? And is it burning a hole in your pocket?

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**Gary Elftman Bisbee** - *Thomson Reuters Corporation - Head of IR*

[105-plus] percent interest rates.

**Michael Eastwood** - Thomson Reuters Corporation - CFO

Yes. Just for clarity, we were able to accelerate some of the monetization that was scheduled later in '24, '25 during calendar year '23. So we have 2 tranches left for '24, '25. For the monetization that we've done thus far, plus a very, very strong balance sheet, first priority is in regard to growing our business. So we're always looking for strategic assets that will accelerate our top line there.

Secondly, we'll continue to consider buybacks. We'll continue to consider return of capital transactions like we did during calendar year '23. And we've -- the last few years, we've done a 10% dividend increase. So we would expect that to continue. So a very focused, very balanced strategic capital allocation approach and very, very strong balance sheet. We're less than 1x leverage ratio now, and that will likely to continue going forward, but in a very strong position.

**Stephen John Hasker** - Thomson Reuters Corporation - President, CEO & Director

And just to clarify, it's not burning a hole -- none of that capital is burning a hole in our pocket. We don't see a need to do any sort of transformative deals or anything that would surprise you, Andrew. We always look for opportunities to better serve our customers within our Big 3 segments. We look for opportunities to extend beyond those areas but in very, very logical ways. And we love this playbook of taking pristine products and pushing them through our distribution.

**Andrew Charles Steinerman** - JPMorgan Chase & Co, Research Division - MD

Makes sense. Let's end on that. Steve, Mike and Gary, thank you so much.

**Stephen John Hasker** - Thomson Reuters Corporation - President, CEO & Director

Thanks, Andy.

**Michael Eastwood** - Thomson Reuters Corporation - CFO

Thank you.

**Gary Elftman Bisbee** - Thomson Reuters Corporation - Head of IR

Thank you.

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