



## Thomson Reuters (TSX:TRI): A Big Moat and Solid Footing in 2022

### Description

Even if an economic slowdown is underway, there's no reason to stay away from the market. David Katz, the chief investment officer at Matrix Asset Advisors, advises investors to step in to buy the dip in stocks. He said, "You're able to buy a lot of [great businesses](#) at very attractive prices."

The **TSX** is down 2.5% year to date, but you have exciting [investment prospects](#) to choose from, including the leading provider of business information services. **Thomson Reuters (TSX:TRI)** (NYSE:TRI) ended 2021 on a solid footing, notwithstanding the challenging environment. Moreover, because of its strong fundamentals, the dividend stock is [worth buying](#) amid the market volatility.

### Total package

Thomson Reuters is well known for its news & media business segment, but it's not the total package. The company complements its global news service with highly specialized information-enabled software and tools.

Many companies across various industries patronize the company for its legal and tax & accounting services. The legal division leverages unparalleled legal content, expertise, and technology, while the latter provides tax & accounting technology and guidance to customers.

Private and public organizations form the customer base of Thomson Reuters. The \$62.42 billion company help corporations navigate and solve the toughest business challenges. Government professionals seek TRI's help to make informed decisions. TRI also provides clients in the professional services industry access to global tax, legal, and risk-management resources.

### Increased momentum

Management remains upbeat for this year, despite the 36% drop in operating profit last year versus 2020. The 6% and 5% year-over-year growth, respectively, in company revenue and organic revenue are encouraging signs. Moreover, the robust global legal, tax, risk, and fraud & compliance markets are

significant tailwinds.

Regarding the 2021 results, TRI president and CEO Steve Hasker said, “Our performance has increased momentum moving into 2022, helping to build confidence as we work to achieve our higher 2022 and 2023 targets ... Our professional markets continue to grow helped by a significant global shift by customers to upgrade legal, tax and risk, fraud and compliance products.”

TRI’s products from the Big Three (legal professionals, corporate, and tax & accounting) are the competitive advantages. Among the immediate plans are to invest more in products that drive faster growth and capitalize on its strong positions in growing markets.

Strategic acquisitions should also supplement organic growth. More importantly, the transition to a content-driven technology company should be complete in 2022.

## Big industry moat

Some market analysts describe TRI as a steady grower. Besides possessing a big moat, margins are increasing. It should be good for the stock if the trend continues in 2022 and beyond. While TRI isn’t a high flyer, the dividend should be safe and sustainable. The dividend-growth streak of 29 consecutive years is also a compelling reason to invest in TRI.

In Q4 2021, the company announced a 10% dividend hike. While the current yield is modest (1.78%), there’s plenty of room for growth. Furthermore, market analysts forecast an 18.5% upside potential in 12 months. The current share price of \$128.18 could jump to \$151.92.

### CATEGORY

1. Dividend Stocks
2. Investing

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