Trend Micro Reports Third Quarter 2017 Results

TOKYO--(BUSINESS WIRE)--Trend Micro Incorporated (TYO: 4704; TSE: 4704), a global leader in cybersecurity solutions, today announced earnings results for the third quarter 2017, ending September 30, 2017. For the third quarter, Trend Micro posted consolidated net sales of 37,143 million Yen (or US $334 million, 111.14 JPY = 1USD). The company posted operating income of 11,642 million Yen (or US $104 million) and net income of 9,140 million Yen (or US $82 million) for the quarter.

“As one of the largest and most impactful data breaches unfolded over the quarter, enterprises and consumers were painfully reminded of the value of their data,” said Eva Chen, chief executive officer for Trend Micro. “The rise of incidents like this drive us to constantly identify emerging risk factors and innovative new security layers. Our vision is more clear than ever to make the world safe for exchanging digital information.”

The company will not revise expected consolidated results for the full fiscal year ending December 31, 2017 (released on February 16, 2017). Based on information currently available to the company, consolidated net sales for the year ending December 31, 2017 is expected to be 147,300 million Yen (or US $1,339 million, based on an exchange rate of 110 JPY = 1 USD). Operating income and net income are expected to be 37,500 million Yen (or US $340 million) and 24,600 million Yen (or US $223 million), respectively.

Growth rate figures are calculated from Japanese Yen results. Some discrepancy may therefore be noted in US dollar comparisons owing to fluctuations in currency conversion rates.

Q3 2017 Business Highlights

Valued thought leadership, predications and expertise:

- Compliance continues to be a leading driver of security technology adoption. And, with just six months until the General Data Protection Regulation (GDPR) takes effect, Trend Micro is helping businesses around the globe prepare accordingly. The company commissioned an international survey which found C-suite executives are not approaching the regulation with the seriousness required, resulting in overconfidence when it comes to compliance.
- Trend Micro’s team of security researchers were declared global leaders in threat intelligence due to vulnerability detection. According to a Frost & Sullivan report,* Trend Micro Zero Day Initiative (ZDI) reported the most verified vulnerabilities, with 52.2 percent of the global total of 1,262. A number of these research experts were invited to share thought leadership and new research at the world’s leading information security event, BlackHat, held in the third quarter.

Continued product innovation, development of tools and research to evolve threat defense knowledge:

- Over the course of the third quarter Trend Micro expanded important alliance relationships with both VMware and Amazon Web Services (AWS) through product integrations and new vertical offerings. These ranged from support of the VMware Cloud™ on AWS to integration with a new Mobile Security Alliance (MSA).
- During the Microsoft Ignite 2017 conference, Trend Micro debuted a new email security suite to mitigate risks of Business Email Compromise (BEC) and similar threats. The XGen™ security capabilities were integrated into a robust collection of SaaS email security solutions for Microsoft Office 365, in an effort to limit the mounting losses from scams wagged on enterprises globally.
- Trend Micro released the “Trend Micro 2017 1H Smart Home Network Security Summary,” revealing the top 10 regions most affected by cyberattacks on a home router and identifying key factors for in-home cybersecurity threats. Trend Micro’s report showed more than 1.8 million cyberattacks had been conducted through home network routers in the past six months.
- Consumers in select regions are able to safeguard themselves even better from ransomware and malicious threats with the launch of Trend Micro’s new home server offering. The Smart Home Solutions provides reliable protection that can block 250 million threats a day.

Anticipating the next big wave:

- Trend Micro partnered with Europol’s European Cybercrime Centre (EC3) on a comprehensive report of ATM Malware. “Cashing in on ATM Malware,” details both physical and network-based malware attacks on ATMs, as well as highlights where the malware is created.
- The industry was reminded of the importance of maintaining the integrity of our system for protecting legitimate intellectual property rights, which is why the September ruling by the U.S. District Court of Delaware is worthy of highlighting. Trend Micro will be reimbursed part of its legal fees incurred during a recent patent case resolved in its favor. This is an important ruling not only for Trend Micro, but also for the industry as it demonstrates the importance of legitimacy in the technology space.

Q3 2017 Reports, Recognitions and Awards

Recognition was awarded to Trend Micro for a focus on employee development and commitment to customer service in the Selling Power 50 Best Companies to Sell For, which listed Trend Micro for the second consecutive year.

Further recognition of Trend Micro's focus on employees was received when the company earned a place in the 2017 Top 100 Best Adoption-Friendly Workplaces List, which is published annually by the Dave Thomas Foundation for Adoption. This reinforces Trend Micro's efforts to be a family friendly employer.

Trend Micro was proudly awarded the CyberSecurity Enterprise Awards for Email Security 2017. And, CRN recognized Trend Micro as a Cloud Partner Program Guide Winner for 2017.

Patents

Trend Micro was awarded the following patents in Q3 2017:

Patent No.	Issue Date	Title
9697026	07/04/2017	High Availability Service Virtual Machine in Virtualization Environment
9716701	07/25/2017	Software as a Service Scanning System and Method for Scanning Web Traffic
9740858	08/22/2017	System and Method for Identifying Forged Emails
9747439	08/29/2017	Dynamic network tuner for the automated correlation of networking device functionality and network-related performance
9756069	09/05/2017	Instant Raw Scan on Host PC with Virtualization Technology
9756063	09/05/2017	Identification of Host Names Generated by a Domain Generation Algorithm
9762385	09/12/2017	Protection of Program Code of Apps of Mobile Computing Devices
9760711	09/12/2017	Detection of Repackaged Mobile Applications
9774625	09/26/2017	Phishing Detection by Login Page Census
9773106	09/26/2017	Method and System for Protecting a Computer System During Boot Operation

Notice Regarding Forward-Looking Statements

Certain statements that are made in this release are forward-looking statements. These forward-looking statements are based on management's current assumptions and beliefs in light of the information currently available to it, but involve known and unknown risks and uncertainties. Many important factors could cause actual results to differ materially from those expressed in forward-looking statements. These factors include:

- Difficulties in addressing new virus and other computer security problems
- Timing of new product introductions and lack of market acceptance for new products
- The level of continuing demand for, and timing of sales of, existing products
- Rapid technological change within the antivirus software industry
- Changes in customer needs for antivirus software
- Existing products and new product introductions by competitors and pricing of those products
- Declining prices for products and services
- The effect of future acquisitions on our financial condition and results of operations
- The effect of adverse economic trends on principal markets
- The effect of foreign exchange fluctuations on our results of operations
- An increase in the incidence of product returns
- The potential lack of attractive investment targets and
- Difficulties in successfully executing our investment strategy

About Trend Micro

Trend Micro Incorporated, a global leader in cybersecurity solutions, helps to make the world safe for exchanging digital information. Our innovative solutions for consumers, businesses, and governments provide layered security for data centers, cloud environments, networks and endpoints. All our products work together to seamlessly share threat intelligence and provide a connected threat defense with centralized visibility and control, enabling better, faster protection. With more than 6,000 employees in over 50 countries and the world's most advanced global threat intelligence, Trend Micro enables organizations to secure their journey to the cloud. For more information, visit www.trendmicro.com.

All product and company names herein may be trademarks of their registered owners.

** "Analysis of the Global Public Vulnerability Research Market, 2016." Frost & Sullivan. July 2017.*

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