

Trend Micro Reports Healthy Second Quarter 2019 Results

Corporate growth attributed to well-balanced solution portfolio and leadership in cloud security

TOKYO--([BUSINESS WIRE](#))--[Trend Micro Incorporated](#) (TYO: 4704; TSE: 4704), a global leader in cybersecurity solutions, today announced earnings results for the second quarter of fiscal year 2019, ending June 30, 2019.

In Q2 2019, Trend Micro grew its overall business by 3 percent at constant currency. This success was driven by the solid performance of its hybrid infrastructure protection business, which saw a 3 percent gross sales growth rate at constant currency. These results further solidify the company's leading position in securing organizations across the globe.

"In the second quarter, Trend Micro continued to dedicate resources toward aggressive product innovation to capture the changing landscape, especially in light of the DevOps movement," said Eva Chen, chief executive officer for Trend Micro. "During our annual customer and strategic partner conference in May, we gave an exclusive preview of our solution roadmap, which includes security offerings designed for DevOps, advancements in security for operational technologies, as well as the recently announced Trend Micro XDR platform."

For the second quarter, Trend Micro posted consolidated net sales of 39,988 million Yen (or US \$364 million, 109.75 JPY = 1 USD). The company posted operating income of 8,980 million Yen (or US \$81 million) and net income attributable to owners of the parent of 6,746 million Yen (or US \$61 million) for the quarter.

The company will not revise expected consolidated results for the full fiscal year ending December 31, 2019 (released on February 14, 2019). Based on information currently available to the company, consolidated net sales for the year ending December 31, 2019 is expected to be 168,600 million Yen (or US \$1,532 million, based on an exchange rate of 110 JPY = 1 USD). Operating income and net income are expected to be 38,000 million Yen (or US \$345 million) and 28,700 million Yen (or US \$260 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.

Relevant business updates in Q2

Leadership in cloud and container security:

This quarter Trend Micro further solidified its leadership in cloud security when it announced the availability of the industry's most complete single solution for protecting across cloud and container workloads. This came through the launch of expanded container security capabilities added to Trend Micro Deep Security that elevate protection across the entire DevOps lifecycle and runtime stack.

In addition, Trend Micro also announced enhancements for Deep Security to meet the rising demand for protecting multi-cloud environments. The demand for this advancement was underscored by CISOs during our executive customer conference this quarter. Over 77 percent shared that they are currently using or plan to use a multi-cloud approach for cloud environments.

Chen continued, "Our solution portfolio is a step ahead to help protect customers as they increase their reliance on the cloud, containers and eventually even serverless infrastructures."

Building upon the proven success in securing leading cloud platforms such as AWS and Azure, the quarter

included the announcement of extended security across Google platforms. New capabilities were designed to protect virtual machines on the Google Cloud Platform, Kubernetes platform protection and container image scanning integration with the Google Kubernetes Engine.

Securing email as it moves to cloud:

Trend Micro reinforced that it has the most comprehensive email security coverage, not only protecting leading on-premise platforms, but also expanding its protection of cloud-based offerings beyond Microsoft Office 365 to include G Suite's Gmail. Proof of this continual innovation was recognized when Trend Micro technology received accolades from the industry analyst community.

This quarter it was announced that Trend Micro had been named a leader in enterprise email security in *The Forrester Wave™: Enterprise Email Security, Q2 2019* report. Trend Micro earned the highest possible score in the "technology leadership" sub-criterion, under the product strategy criterion, for "deployment options" and "cloud integration," and received the highest score among all 12 appraised vendors in the strategy category.

Expanding partnerships to solidify position in IoT security:

The quarter brought an increase of enterprise partners and electronic device manufacturers selecting Trend Micro's Internet of Things (IoT) security solutions help protect end customers. Trend Micro aligns with these organizations to better secure the connected world.

VIVOTEK, who has Trend Micro's IoT security solutions embedded in its IP cameras, announced that 5 million attempted cyberattacks were blocked by the technology in just five months. NTT DOCOMO, INC., Japan's leading mobile operator and one of the world's foremost contributors to 3G, 4G and 5G mobile network technologies, noted plans to launch a solution that utilizes Trend Micro technology to protect IoT devices running on their mobile network.

[Trend Micro's own Industrial IoT \(IIoT\) joint venture, named TXOne Networks](#), previewed a jointly developed security offering with Moxa. The new industrial intrusion prevention system (IPS), which is in beta version, detects and blocks common exploits and provides whitelisting control in operational technology environments.

The future demand for IIoT solutions like this were called to light in new Trend Micro Research this quarter. The report demonstrated the threats facing manufacturing networks running on outdated technology, including risks to intellectual property and production processes. In fact, [it revealed 65 percent of manufacturing environments run outdated operating systems](#).

Strength in the cybersecurity sales channel:

While the dynamic channel environment differs by region, it is universally mirroring the changes in IT infrastructure and corporate team structures. Trend Micro's channel program serves as a key part of the company's overall business model. This quarter the channel market honored Trend Micro with awards to leadership and for products.

Leading channel publication, CRN, announced that Trend Micro's head of Channel Sales in the U.S. Louise McEvoy was named to CRN's Elite Power 100 list as one of the industry's most influential female leaders.

The same publication recognized Trend Micro Mobile Security in the prestigious Security and Device Management category of CRN's 30 Coolest Mobile Device Management and Security Companies within the 2019 Mobility 100.

New patents filed:

Trend Micro was awarded the following patents in Q2 2019:

Patent No.	Issue Date	Title
10275274	4/30/2019	Combinations of Removable Workload Optimized Modules for Implementing Different Application Workloads
10320812	6/11/2019	Methods and Systems for Full Pattern Matching in Hardware
10320814	6/11/2019	Detection of Advanced Persistent Threat Attack on a Private Computer Network
10318732	6/11/2019	Prevention of Cross Site Scripting Attacks Using Automatic Generation of Content Security Policy Headers and Splitting of Content to Enable Content Security Policy

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 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 threats 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 security software industry
- Changes in customer needs for security 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
- New and potentially unforeseen risks and liabilities associated with the internet of things, the use of artificial intelligence in our products and services, and other emerging technologies

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 secures your connected world. For more information, visit www.trendmicro.com.

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