Trend Micro Reports Solid Results for Q4 and Fiscal Year 2020

Despite continued global economic impact of COVID-19, Trend Micro delivered highest sales per quarter and year

TOKYO, Feb. 17, 2021 /PRNewswire/ -- Trend Micro Incorporated (TYO: 4704;TSE: 4704), a global leader in cybersecurity solutions, today announced earnings results for the fourth quarter of fiscal year 2020, ending December 31, 2020.

In the fourth quarter of 2020, Trend Micro continued its steady growth path with a solid 7% growth in net sales at constant currency, for both the quarter and the full year. This growth confirms the steady positive development throughout the pandemic year of 2020 and reflects a continuous growth across all segments.

Accelerated digital transformation and increased work-from-home drove a greater need for Software-as-a-Service (SaaS) security solutions to protect cloud-based applications and infrastructure. The number of SaaS instances deployed grew at a very strong 66% year-over-year, reaching a total number of 32.3m. Overall, Trend Micro's SaaS customer base grew by 18%.

"2020 made a significant mark in the history books, impacting every aspect of our lives. Many businesses responded by increasing digital transformation to remain competitive and support remote workers. Cybercriminals also took advantage of the global situation, which made security efforts even more crucial for companies globally," said Eva Chen, co-founder and chief executive officer for Trend Micro. "To be an even stronger security partner, we are constantly transforming and speeding up innovation, responding to customers' needs by moving to a SaaS-first model and taking a platform approach. In 2021, we are set to enable customers to see more and respond faster to threats across their entire organization."

For this quarter, Trend Micro posted consolidated net sales of 47,031 million Yen (or US $450 million, 104.48 JPY = 1USD). The company posted operating income of 11,929 million Yen (or US $114 million) and net income attributable to owners of the parent of 7,923 million Yen (or US $75 million) for the quarter.

Based on information currently available to the company, consolidated net sales for the year ending December 31, 2021 is expected to be 183,400 million Yen (or US $1,746 million, based on an exchange rate of 105 JPY = 1 USD). Operating income and net income are expected to be 40,900 million Yen (or US $389 million) and 28,800million Yen (or US $274 million), respectively.

Key business updates in 2020:
Executive and Enterprise Industry Recognition:

In 2020, Trend Micro was recognized with multiple awards from industry analysts and partners.

- Forrester Research declared Trend Micro a "leader" in enterprise detection and response (EDR)" in The Forrester Wave™: Enterprise Detection and Response, Q1 2020.
- Trend Micro ranked #1 in 2019 market share for Hybrid Cloud Workload Security, according to IDC's Worldwide Hybrid Cloud Workload Security Market Shares, 2019 (doc #US46398420, June 2020) report.
- CRN® named Trend Micro co-founder and CEO Eva Chen to its 2020 list of Top 100 Executives.
- Eva Chen was also recognized as one of the most influential women in the cybersecurity industry on Cyber Defense Magazine's Top 100 Women in Cybersecurity for 2020 list.
- Omdia found that Trend Micro's ZDI disclosed the most vulnerabilities in 2019 in its report, "Quantifying the Public Vulnerability Market."
- Trend Micro was placed in the Champions quadrant of the Canalys Global Cybersecurity Leadership Matrix, in recognition of major investments and improvements in the channel over the past year.

Certifications Received:

- Reflecting Trend Micro's commitment to data privacy and security, the company has just finished expanding its certifications for its key SaaS offerings. With both ISO (ISO27001, ISO27014, ISO27017) and SOC 2/3 certifications now completed across cloud, endpoint, email, and network offerings, customers can have increased confidence in the care and diligence that Trend Micro puts towards not only delivering industry-leading security solutions, but also all customer data related to those solutions.

Leadership and product innovation in cloud security:

- Trend Micro Cloud One services were released to provide cloud-native security solutions that shift security left in the DevOps pipeline. Cloud One provides protection for workloads, containers, network, file storage, applications, as well as configuration and compliance checks with Conformity. These solutions allow security to be an accelerator for innovation, and seamlessly integrates with existing AWS, Microsoft® Azure™, VMware®, and Google Cloud™ toolsets.
- All Cloud One services were made available through AWS Marketplace.
- Throughout 2020, Trend Micro continued to integrate with new AWS offerings through the AWS Service Ready Program,

adding more than 10 new integrations and service ready designations.
- Plans to co-develop a solution with Snyk were announced. The joint solution will be available as part of the Cloud One platform, and will help security teams manage the risk of open source vulnerabilities without interrupting the software delivery process.
- Trend Micro was named the 2019 Google Cloud Technology Partner of the Year for Security in Q2 2020.
- The company achieved the CIS Microsoft Azure Foundation Security Benchmark.
- Support for Microsoft Azure was added to Cloud One – Conformity.
- Trend Micro Research focused on threats impacting cloud environments throughout the year. This included analysis of the most pressing risks to corporate cloud-based resources, as well as ways that cybercriminals are using and abusing cloud resources.

Leadership in Extended Detection and Response:

- Trend Micro added to its leading detection and response capabilities with its SaaS-based XDR and Managed XDR offerings, as well as Worry-Free XDR designed for small and medium businesses.
- Trend Micro Research continues to fuel its XDR capabilities with new threat intelligence. In 2020, the company added new information on malicious uses and abuses of AI through a joint research report with Europol and the United Nations Interregional Crime and Justice Research Institute (UNICRI).
- Ongoing research into cybercriminal underground markets found new ways threat actors are communicating and working together to run their business infrastructure and exploit critical business assets.

Defending the IIoT Landscape:

- Trend Micro continued its leadership in IIoT security with the release of new solutions and research. EdgeIPS Pro, developed by TXOne Networks, was specially designed to protect large-scale industrial networks from critical attacks whilst reducing OPEX and CAPEX. The company also announced its collaboration with Baker Hughes' Nexus Controls operational technology (OT) security experts.
- The Zero Day Initiative (ZDI) held its first ICS-focused Pwn2Own contest, which facilitated the disclosure of new vulnerabilities in critical IIoT systems. Additionally, Trend Micro Research published many reports on threats facing industrial and operational technology, including results from its Factory Honeypot highlighting threats to industrial automation and smart manufacturing systems. This research drives product innovation to better protect current and future threats to smart manufacturing environments.

Corporate initiatives to Strengthen the Digital World:

- A dedicated resource center was launched that highlights free security tools, informational resources, and regularly updated threat intelligence regarding COVID-19 attacks.
- The company hosted its annual global Capture the Flag (CTF) competition to help security professionals gain critical skills for protecting businesses today.
- Trend Micro also launched Trend Micro Check, a free tool for identifying fraud and misinformation in the U.S. Previously made available in Japan and Taiwan, the U.S. version includes a new feature from NewsGuard that provides trust ratings for thousands of news sites.
- The company also extended its partnership with Girls in Tech, a global nonprofit bringing the world together through education and experiences. Trend Micro developed a new Cybersecurity Fundamentals course for the Girls in Tech Global Classroom.

New patents filed:
Trend Micro was awarded the following patents in Q4 2020:

Patent No.	Issue Date	Title
10805275	10/13/2020	Multi-processes Architecture for Implementing a Secure Internet Service
10805320	10/13/2020	Methods and Systems for Inspecting Encrypted Network Traffic
10809915	10/20/2020	Automatic Credential Input to a User Interface of a Remote Mobile App
10771620	11/10/2020	Detection of Business Email Compromise Attacks
10848455	11/24/2020	Detection of Abusive User Accounts in Social Networks
10878088	12/29/2020	Identifying Randomly Generated Character Strings

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, a global leader in cybersecurity, helps make the world safe for exchanging digital information. Leveraging over 30 years of security expertise, global threat research, and continuous innovation, Trend Micro enables resilience for businesses, governments, and consumers with connected solutions across cloud workloads, endpoints, email, IIoT, and networks. Our XGen™ security strategy powers our solutions with a cross-generational blend of threat-defense techniques that are optimized for key environments and leverage shared threat intelligence for better, faster protection. With over 6,700 employees in 65 countries, and the world's most advanced global threat research and intelligence, Trend Micro enables organizations to secure their connected world. **www.trendmicro.com**

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