

Trend Micro Announces Q4 and FY2022 Earnings

- Increase of 18% net sales growth at actual currency across all regions and all customer segments
- Increase of 29% in enterprise annual recurring revenue (ARR) exceeding US \$691 million total
- Increase of 12% to over 424,000 active SaaS customer subscriptions protecting over 62M assets

TOKYO, Feb. 16, 2023 /PRNewswire/ -- [Trend Micro Incorporated](#) (TYO: 4704;TSE: 4704), a global cybersecurity leader, today announced earnings results for the fourth quarter of fiscal year 2022, ending December 31, 2022.

The company delivered year-over-year (YoY) net sales growth of 21% for the fourth quarter and 18% for the fiscal year both at actual currency. This was catalyzed by the significant enhancement of its SaaS-first model, customer-first development priorities and unified enterprise security platform.

Enterprise subscription-based ARR increased by 29% year-over-year along with subscription-based customers, now exceeding 424,000 organization, which is an increase of 12% YoY. Leading drivers of the accelerated growth for Trend Micro included organizations' need to consolidate tools into a single security platform, data sovereignty driving geographic expansion and increased dependence on cloud.

Eva Chen, CEO at Trend Micro: "It is a season of challenge and tough decisions for many organizations. We attribute our profitable growth and resiliency to the implementation of a sustainable superior business model. Focusing our resources on innovating to better protect our customers while consolidating their vendor list results in greater value for all stakeholders and advances the industry."

For this quarter, Trend Micro posted consolidated net sales of 61,694 million Yen (or US \$436 million, 141.19 JPY = 1USD). The company posted operating income of 5,470 million Yen (or US \$38 million) and net income attributable to owners of the parent of 1,350 million Yen (or US \$9 million) for the quarter.

Based on information currently available to the company, consolidated net sales for the year ending December 31, 2023 is expected to be 248,500 million Yen (or US \$1,840 million, based on an exchange rate of 135 JPY = 1 USD). Operating income and net income are expected to be 34,800 million Yen (or US \$257 million) and 25,100 million Yen (or US \$185 million), respectively.

Innovative: Trend Micro nurtures a culture of innovation to drive advancements across its cybersecurity platform.

- Revolutionized industry by delivering an entirely new cloud security deployment model and advancing its industry-leading XDR security platform.
- Premiered as AWS launch partner on open standards-based data lake, demonstrating further commitment to the Open Cybersecurity Schema Framework.
- Discovered 63 unique zero-days, paid out US \$1 million during fall Pwn2Own bug bounty event hosted by Trend Micro's Zero Day Initiative.
- Achieved ranking as the number 1 channel security vendor in Canalys Global Cybersecurity Leadership Matrix.

Trusted: Trend Micro is a trusted partner to the customers and communities that we serve.

- Awarded the global AWS Partner of the Year driven by outstanding growth through the AWS Marketplace.
- Formed a federal committee with current U.S. government executive leaders to guide growth strategy and raise the bar of security nation-wide.
- Predicted attacks targeting the home office, software supply chain and cloud.
- Joined Google's App Defense Alliance as a trusted partner to identify malicious apps before they are published to the Google Play store.

Global: Trend Micro has the most geographically dispersed customers in the industry with millions of sensors

informing products and customer support.

- Blazed trail as first global cybersecurity to meet data sovereignty needs in Middle East, with expansion of office and local cloud data lake in Saudi Arabia.
- Delivered threat intelligence specific to INTERPOL's Africa Cyber Surge Operation to take down malicious infrastructure.
- Disclosed global study citing that a third of organizations worldwide were breached over seven times in 2022.
- Released ransomware industry developments, including threat actors increasingly partnering with hostile governments and organized crime groups.

New Patents Filed

Trend Micro was awarded the following patents in Q4 2022:

Patent No.	Issue Date	Title
11481492	10/25/2022	Method and system for static behavior-predictive malware detection
11487876	11/01/2022	Robust whitelisting of legitimate files using similarity score and suspiciousness score
11510061	11/22/2022	Mitigation of Cyberattacks on Cellular Devices
11539755	12/27/2022	Decryption of encrypted network traffic using an inline network traffic monitor
11461465	10/04/2022	Protection of antivirus daemon in a computer
11516249	11/29/2022	On-demand scanning of e-mail attachments

The quarterly reporting for this period includes a provision for one-time impairment charges associated with certain investments held through Trend Forward Capital, for which there is an inadequate basis for present valuation.

Notice Regarding Forward-Looking Statements

Certain statements included in this press release that are not historical facts are forward-looking statements. Forward-looking statements are sometimes accompanied by words such as "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," "should," "would," "plan," "predict," "potential," "seem," "seek," "future," "outlook" and similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These statements are based on our current expectations and beliefs and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Although we believe that the expectations reflected in our forward-looking statements are reasonable, we do not know whether our expectations will prove correct. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof, even if subsequently made available by us on our website or otherwise. We do not undertake any obligation to update, amend or clarify these forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

About Trend Micro

Trend Micro, a global cybersecurity leader, helps make the world safe for exchanging digital information. Fueled by decades of security expertise, global threat research, and continuous innovation, Trend Micro's cybersecurity

platform protects hundreds of thousands of organizations and millions of individuals across clouds, networks, devices, and endpoints. As a leader in cloud and enterprise cybersecurity, the platform delivers a powerful range of advanced threat defense techniques optimized for environments like AWS, Microsoft, and Google, and central visibility for better, faster detection and response. With 7,000 employees across 65 countries, Trend Micro enables organizations to simplify and secure their connected world. www.trendmicro.com.

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