Trend Micro Reports Earnings Results for Q2 2023 Marking 99th Quarter of Profitability

- Increase of 11% net sales growth at actual currency across all regions and product segments
- Increase of 23% in enterprise annual recurring revenue (ARR) totaling more than US\$722 million
- Increase of 8% to 436,000 active subscription customers
- Increase of 22% year-over-year (YoY) totaling over 71 million+ enterprise assets protected

TOKYO, Aug. 8, 2023 /PRNewswire/ -- Trend Micro Incorporated (TYO: 4704;TSE: 4704), a global cybersecurity leader, today announced earnings results for the second quarter of fiscal year 2023, ending June 30, 2023, by reporting 11% year-over-year growth.

With over 500,000 enterprise organizations and over 17 million consumer customers across more than 175 countries, Trend Micro protects more of the world and sees more threats to power the AI engine of its platform. This propelled the company in its protection of 71 million enterprise assets at a growth rate of 22% YoY.

The transformation to platform and SaaS adoption has driven the enterprise customer segment to constitute 76% of the overall Trend Micro business gross sales in the first half of 2023. This is driven by an 8% increase in subscription customers globally and a 23% YoY increase in enterprise ARR totaling more than US\$722 million*.

"While organizations worldwide battle decreasing resources and consistent cyberthreats, we are focused on meeting one of their biggest cybersecurity needs: risk visibility," said Trend Micro CEO and co-founder Eva Chen. "Innovations in generative AI and our cybersecurity platform are allowing organizations to simplify their security and reduce risk, which we now see happening more frequently."

For this quarter, Trend Micro posted consolidated net sales of 60,831 million Yen (or US \$442 million, 137.61 JPY = 1USD). The company posted operating income of 8,639 million Yen (or US \$62 million) and net income attributable to owners of the parent of 5,482 million Yen (or US \$39 million) for the quarter.

The company will not revise expected consolidated results for the full fiscal year endingDecember 31, 2023 (released on February 16, 2023). 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.

Key business updates in Q2 2023

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

- Unleashed evolution of Trend Vision One[™] platform with next-gen XDR and AI capabilities to revolutionize cyber resilience with early detection and rapid response.
- Launched Trend Micro Companion, an Al-powered cybersecurity assistant for enterprise customers.
- Transformed MSSP program to further enable ecosystem of MSSP partners being relied upon in response to the cybersecurity skills shortage.

Global: Trend has the most geographically diverse customers in the industry, with millions of sensors powering the Trend Vision One™ platform for superior attack surface risk management.

- Conducted the industry's most geographically diverse cybersecurity world tour in 120+ cities over 90 days with a mission to help organizations mitigate surging cyber risk.
- Improved managed detection and response (MDR) services with the Trend Vision One[™] platform to augment internal teams with advanced threat detection, proactive threat hunting, rapid incident response, expert guidance and continuous 24/7 monitoring and supporting multiple languages.
- Ranked #1 in Worldwide Cloud Workload Security Market Share for 5th Consecutive Year.

Trusted: Trend is a trusted partner to the customers and communities that it serves.

- Trend Micro ZDI reported 817 unique zero-day vulnerabilities and published 293 advisories in a single month, collectively improving security for customers and the industry.
- Published more than a dozen research briefs to inform the world and our customers on the latest criminal groups tactics and threats techniques.

Trend Micro was awarded the following patents in Q2 2023:

Patent N	o. Issue Date	Title
11687652	2 June 27,	CLUSTERING OF BINARY FILES USING
	2023	ARCHITECTURE-AGNOSTIC DIGESTS

^{*} Converted at Company Plan Rates, 1USD= 135.23 yen, 1EUR =143.01 yen. Non-GAAP and Reference for Internal management

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.

SOURCE Trend Micro Incorporated

For further information: Trend Micro Communications, media_relations@trendmicro.com

https://newsroom.trendmicro.com/2023-08-08-Trend-Micro-Reports-Earnings-Results-for-Q2-2023-Marking-99th-Quarter-of-Profitability

^{**} Converted at Company Plan Rates, 1USD= 135.23 yen, 1EUR =143.01 yen