Trend Micro Reports Earnings Results for Q3 2023 Marking 100 Consecutive Quarters of Profitable Growth

- Increase of 13% net sales growth at actual currency across all regions and product segments
- Increase of 20% in enterprise annual recurring revenue exceedingUS$745 million
- Increase of 22% year-over-year totaling over 74 million+ enterprise assets protected
- Increase of 30% year-over-year growth of free cash from operations

TOKYO, Nov. 9, 2023 /PRNewswire/ -- Trend Micro Incorporated (TYO: 4704; TSE: 4704), a global cybersecurity leader, today announced earnings results for the third quarter of fiscal year 2023, ending September 30, 2023 by reporting 13% year-over-year (YoY) growth.

Trend empowers over 500,000 enterprise organizations and over 17 million consumer customers across more than 175 countries to thrive in a world with less cyber risk.

For this quarter, global customer demand drove platform expansion by 20% YoY in enterprise annual recurring revenue (ARR) totaling more than US$745 million. The company grew its protection of 74 million+ enterprise assets at a growth rate of 22% YoY through the combination of its platform telemetry, powerful generative AI engine and unmatched threat intelligence.

"Amidst the dynamic cybersecurity landscape, we proudly marked our 100th consecutive quarter of profitability, a milestone rarely achieved in the public market and one we attribute to our customers' embrace of innovations," said Trend Micro CEO and co-founder Eva Chen. "We are relentlessly focused on delivering customers a platform to increase risk visibility and decrease complexity of their security stack, while we are simultaneously advancing our corporate balance of growth and profitability."

That operational rigor delivered Q3 free cash flow from operations that grew 30% YoY, the application of which will propel business modernization and enable additional shareholder returns. Trend also disclosed plans for a powerful combination of special dividends and an increase in share buyback, which will be further disclosed at its upcoming investor day.

Trend will host its investor day at 10:00 a.m. (GMT+9) onThursday, December 1, 2023, as a hybrid event format for invited investors.

For this quarter, Trend Micro posted consolidated net sales ofUS$443 million (144.80 JPY =1USD). The company posted operating income of US$ 78 million and net income attributable to owners of the parent ofUS$ 6 million for the quarter.

The company will not revise expected consolidated results for the full fiscal year ending December 31, 2023 (released on February 16, 2023). Based on information currently available to the company as of November 9, 2023, consolidated net sales for the year ending December 31, 2023, is expected to be US$1,840 million (based on an exchange rate of 135 JPY = 1 USD.) Operating income and net income are expected to beUS$257 million and US$125 million, respectively.

Key business updates in Q3 2023

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

- Debuted significantly enhanced platform with the addition of Trend Vision One™ – Companion, a new generative AI assistant, to streamline processes and empower analysts.
- Led the XDR vendors list in the Summer 2023 G2 Grid through customer superior rankings of the Trend Vision One™ platform.
- Launched new managed security service providers (MSSP) offering to further enable the global ecosystem partners to grow SOC-as-a-service offerings.

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

- Appointed to U.S. Hacking Policy Council, a new industry alliance dedicated to advocating for security research and testing among policymakers.
- Achieved 100% protection rate in the rigorous MITRE Engenuity ATT&CK® Evaluations, detecting and blocking 100% of attack events in the 13 attack phases.
- Revealed new research that ransomware victims have surged 47%, with one in six attacks on U.S. government offices trace back to the LockBit ransomware group.

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

- Recognized by Forrester as one of 6 security vendors that generate$250m or more in annual revenue from their cloud workload security portfolio

workload security portfolio.
- Launched a global generative AI ideathon competition, sponsored by Microsoft, to unleash new business efficiencies and drive its culture of innovation.
- Partnered with INTERPOL to dismantle a prolific phishing-as-a-service (PaaS) operation as a part of its ongoing collaboration with worldwide law enforcement agencies.

Trend Micro was awarded the following patents in Q3 2023:

Patent No.	Issue Date	Title
11706253	July 18, 2023	Semi-automatic rule generator
11706222	July 18, 2023	Systems and methods for facilitating malicious site detection
11714891	August 1, 2023	Frictionless authentication for logging on a computer service
11736498	August 22, 2023	Stateful detection of cyberattacks
11757816	September 12, 2023	Systems and methods for detecting scam emails

[1] Named in The Forrester report, *The Cloud Workload Security Landscape, Q3 2023*

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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