

## Trend Micro Reports Earnings Results for Q4 and FY2023

- Increase of 11% globally in net sales, at actual currency in 2023
- Realized US\$40+ million in savings to drive 14% operating margin in 2023
- Increase of 19% in subscription annual recurring revenue exceeding US\$784 million in Q4
- Increase of 18% protected enterprise assets, now totaling over 77+ million in Q4

TOKYO, Feb. 15, 2024 /PRNewswire/ -- **Trend Micro Incorporated (TYO: 4704;TSE: 4704)**, a global cybersecurity leader, today announced earnings results for the fourth quarter and fiscal year 2023, ending December 31, 2023, by reporting 5% and 11% respectively for year-over-year (YoY) net sales growth at actual currency.

As a part of its commitment to driving growth in both the top and bottom line, the company realized \$US40+ million in savings and delivered 14% operating margin\* in 2023. A restructuring charge in the fourth quarter, including operational expense efficiencies from supply chain optimization, data center and office space adjustments, and a 2% headcount reduction, sets the stage for increased performance in 2024.

Enterprise customers experiencing simplified security and reduced risk outcomes led to the 19% increase in subscription annual recurring revenue (ARR) for the fourth quarter, now exceeding US \$784 million.

Recent accolades from industry analysts for platform technology advancements contributed to driving an 18% year-over-year increase in protected instances, with Trend's cybersecurity platform now protecting over 77 million enterprise assets across 500,000+ global customers in 175+ countries.

Signals of ongoing demand for its generative-AI driven platform, Trend Vision One™, were seen in attach rate now at 34% of customers and +64% YoY increase in sales to support security operations centers (SOC).

"In the face of predicting and preventing risks across the expanding attack surface of every organization, Trend Micro team members are focused on our customers as a trusted cyber risk advisor and on demonstrating operational efficiency to our investors," said Trend Micro CEO and co-founder Eva Chen.

The company completed a powerful combination of special dividends and an increase in share buybacks as a part of its corporate transformation to optimize its balance sheet and cash levels.

For this quarter, Trend Micro posted consolidated net sales of US\$439 million (147.84 JPY = 1 USD). The company posted operating income of US\$20 million.

Based on information currently available to the company, consolidated net sales for the year ending December 31, 2024, is expected to be US\$1,843 million (based on an exchange rate of 147 JPY = 1 USD.) Operating income and net income are expected to be US\$359 million and US\$235 million, respectively.

### Key business updates in Q4 2023

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

- Recognized as Customer's Choice<sup>i</sup> and a Magic Quadrant<sup>ii</sup> leader for the 18th consecutive year by Gartner, reflecting the value being delivered by its platform
- Achieved market share leadership noted by IDC for the 5<sup>th</sup> consecutive year <sup>iii</sup> for the company's single cybersecurity platform
- Secured leadership placement recognition in multiple Forrester Wave evaluations<sup>iv</sup> for the innovative capabilities of its platform

**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.

- Achieved FedRAMP authorization, a gold standard in global compliance, across Trend's cybersecurity platform
- Launched revised worldwide partner program to accelerate business growth for partners through exceptional value to end customers with advanced managed services
- Held company-wide employee AI contest, co-sponsored by Microsoft, to advance culture of innovation and AI for business efficiency

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

- Expanded marketplace channels support by introducing its platform listings on the Azure Marketplace and Google Cloud Platform Marketplace

- Released industry's first AI cybersecurity assistant within the platform to address needs of SOC teams by reducing complexity and accelerating security operations
- Launched the first integration of cloud risk management and extended detection and response across an entire attack surface to eliminate threats and prevent breaches

## New Patents Filed

Trend Micro was awarded the following patents in Q4 2023:

Patent No.	Issue Date	Title
11841970	December 12, 2023	Systems and methods for preventing information leakage
11841918	December 12, 2023	Methods and arrangement for preventing spam comments without application specific changes
11822655	November 21, 2023	False alarm reduction by novelty detection
11818580	November 14, 2023	Detecting unauthorized access points in a network
11804961	October 31, 2023	Secure video content transmission over a computer network
11805139	October 31, 2023	Multiclass classification system with accumulator-based arbitration

*\*Actual currency, operating margin excludes restructuring costs*

## 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](http://www.trendmicro.com).

<sup>i</sup> 2023 Gartner Voice of the Customer for Endpoint Protection Platforms

<sup>ii</sup> Gartner, *Magic Quadrant for Endpoint Protection Platforms*, Peter Firstbrook, Chris Silva, 31 December 2022

<sup>iii</sup> IDC Worldwide Cloud Workload Security Market Shares, 2022: A Shifting Landscape (doc #US50197823, May 2023).

<sup>iv</sup> The Forrester Wave™: Endpoint Security, Q4 2023; The Forrester Wave™: Network Analysis And Visibility, Q2 2023

SOURCE Trend Micro Incorporated

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