

Trend Micro Reports Earnings Results for Q1 2024

- Increase of 51% in platform connected annual recurring revenue (ARR) contributing 37% of total enterprise ARR, now exceeding US \$1.24 Billion
- Increase of 27% in operating income to drive 18% operating margin
- Increase of 12% globally in net sales growth at actual currency

TOKYO, May 8, 2024 /PRNewswire/ -- [Trend Micro Incorporated \(TYO: 4704;TSE: 4704\)](#), a global cybersecurity leader, today announced earnings results for the first quarter of fiscal year 2024, ending March 31, 2024, by reporting 12% year-over-year growth.

Success for the quarter was propelled by consolidation on Trend's AI-driven cybersecurity platform. It drove a record 51% YoY growth in platform-connected ARR, representing 37% of overall enterprise ARR, which now exceeds U.S. \$1.24 Billion.

Exceptional demand for this next-gen cybersecurity platform realized a 27% increase YoY in security operations center (SOC)-related ARR, signaling the immense value that resource-constrained security teams gain from enterprise-wide contextualized visibility and streamlined cyber risk management.

The unceasing commitment to increase operational efficiency delivered a 27% increase in operating income this quarter, resulting in an 18% operating margin. This was achieved through a combination of efficiency drivers including AI tools implementation and a meticulous focus on advancing top & bottom-line growth.

Trend Micro CEO and co-founder Eva Chen: "This quarter more than ever before, I watched true magic unfold as our customers acted upon the visibility and risk insights from our AI-powered cybersecurity platform. We are proud to be delivering critical indicators of business risk as well as built-in remediation that customers rely upon to secure their daily operations."

In Q1 2024, organizations increasingly turned to Trend for the combination of its broad platform telemetry and unmatched threat intelligence, resulting in a 15% growth of protected enterprise assets now totaling more than 79 million.

For this quarter, Trend Micro posted consolidated net sales of 65,931 million Yen (or US \$443 million, 148.58 JPY = 1USD). The company posted operating income of 12,127 million Yen (or US \$81 million) and net income attributable to owners of the parent of 10,754 million Yen (or US \$72 million) for the quarter.

The company does not revise expected consolidated results for the full fiscal year ending December 31, 2024 (released on February 15 2024). Based on information currently available to the company, consolidated net sales for the year ending December 31, 2024 is expected to be 271,000 million Yen (or US\$1,843 million, based on an exchange rate of 147 JPY = 1 USD). Operating income and net income attributable to owners of the parent are expected to be 52,900 million Yen (or US \$359 million) and 34,600 million Yen (or US \$235 million), respectively.

Key business updates in Q1 2024

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

- For the 18th consecutive year, Trend Micro was named a leader in the Gartner Magic Quadrant for Endpoint Protection Platforms¹
- Trend Micro's Zero Day Initiative and Trend subsidiary VicOne, a leading provider of automotive cybersecurity, hosted the first hackathon to uncover cyber vulnerabilities in connected vehicles, discovering 49 unique bugs
- Trend Micro's Zero Day Initiative discovered a Microsoft Windows Defender vulnerability being actively exploited and affecting millions of users; Trend customers were automatically protected a month in advance
- Trend extended the industry's broadest cybersecurity platform with the addition of 5G security capabilities, working with Trend subsidiary CTOne, to protect the ever-expanding enterprise attack surface

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

- Recognized for its channel-first strategy and named a Champion in the Canalys Global Cybersecurity Leadership Matrix 2023, ranking #1 amongst all vendors evaluated
- Achieved high scores across all four categories in the Gartner Critical Capabilities Report for Endpoint Protection Platforms²
- Revealed that over 160 billion threats were blocked in 2023, a 10% annual increase as cyber threats surge

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.

- Named a worldwide leader in the IDC Marketscape for Modern Endpoint Security for Enterprises³ attributable to the company's extensive set of capabilities
- Accelerated security amidst AI-driven threats and opportunities through the world's largest cybersecurity roadshow, touring hundreds of global cities
- Partnered with global law enforcement to disrupt top ransomware group LockBit's next malware product release and deliver early protection to customers

Trend Micro was awarded the following patents in Q1 2024:

Patent No.	Issue Date	Title
11882148	01/23/2024	Automated mitigation of cyber threats using a semantic cybersecurity database
11886586	01/30/2024	Malware families identification based upon hierarchical clustering
11902280	02/13/2024	Internet access control based on external third-party data
11907368	02/20/2024	Graph-based anomaly detection for cybersecurity
11934346	03/19/2024	Random access of a member file in a compressed tar archive

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 AI-enabled 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.

¹ Gartner, Magic Quadrant for Endpoint Protection Platforms, by Evgeny Mirolyubov, Max Taggett, Franz Hinner, and Nikul Patel, 31st December 2023

² Gartner, Critical Capabilities for Endpoint Protection Platforms, by Franz Hinner, Nikul Patel, Evgeny Mirolyubov, Max Taggett, Satarupa Patnaik, 31st December 2023

³ IDC MarketScape: Worldwide Modern Endpoint Security for Enterprises 2024 Vendor Assessment (Doc :# US50521223, January 2024)

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