Trend Micro Reports Earnings Results for Q3 2024

- *Increase of 42% in operating income to drive 24% operating margin**
- *Increase of 6% globally in net sales growth at actual currency*
- *Increase of 6% total enterprise annual recurring revenue (ARR) to US$1.26 Billion** driven by double digit growth in next-gen security operations center (SOC)*

TOKYO, Nov. 12, 2024 /PRNewswire/ -- Trend Micro Incorporated (TYO: 4704;TSE: 4704), a global cybersecurity leader, today announced earnings results for the third quarter of fiscal year 2024, ending, September 30, 2024, by reporting 6% year-over-year (YoY) growth.

Industry tool consolidation and demand for AI-powered solutions with better security outcomes continued to dominant buying trends this quarter, increasing demand for the Trend platform with over 780 new customers year-to-date and 10k+ customers in total.

Trend's accelerated platform adoption was powered by better visibility, prioritization, and mitigation capabilities, resulting in a 21% increase in next-gen SOC ARR. A 37% platform attach rate this quarter was achieved through diligent focus of platform adoption and module expansion across enterprise customers in all regions.

"Cybersecurity has always been reactive because critical asset mapping of specific customer environments and dynamic attacker tactics make it hard to predict and prevent attacks in a proactive way," said Trend Micro CEO and co-founder Eva Chen. "But thanks to AI innovations, proactive cybersecurity is possible through risk management, opening us up for growth."

"We have exceeded goals on reducing operating expenses and are focused on our top line targets," said **Trend Micro COO Kevin Simzer.** "We will continue to manage operating expenses with vigor, while driving sustainable results from our platform advancements."

Margin growth continued as the company optimized operating expenses, realizing a 42% increase in operating income and an improved operating margin of 24%*.

Trend will host its annual investor update at 10:00 a.m. (GMT+9) on Wednesday, November 20, 2024, as an online event format for invited industrial investors. More information will be found at: https://www.trendmicro.com/en_us/about/investor-relations/ir-day-event.html

For this quarter, Trend Micro posted consolidated net sales of 68,124 million Yen (or US$456 million, 149.37 JPY = 1USD). The company posted operating income of 14,801 million Yen (or US $99 million) and net income attributable to owners of the parent of 8,523 million Yen (or US $57 million) for the quarter.

The company will 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 are 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 company 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 Q3 2024

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

- Extended its platform strategy to enhance AI security and protect sensitive data in high-performance computing environments along with Nvidia and GMI Cloud.
- Joined the Coalition for Secure AI (COSAI) alongside partners including Amazon, Google, NVIDIA, Microsoft, IBM and others.
- Enabled small businesses with the power of the Vision One platform in a format they can manage to maximize the potential of AI while maintaining business resilience by ensuring that any team can securely innovate without elevating risk.

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

- Revealed new research to measure and mitigate risk across their digital attack surface, and insights for organizations lacking sufficient resources and leadership buy-in.
- Published a series of tools uncovering security risks worldwide posed by rogue AI, providing the industry with guidance and best practices.
- Urged network defenders to gain greater visibility to attack surface risk, after releasing a study uncovering weak configurations that could lead to compromise

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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.

- Retained #1 ranking in IDC's Worldwide Cloud-Native Application Protection Platform Market Shares, 2023: A Bull Market[i] report.
- Positioned for the 19th consecutive year in the Leader's Quadrant in the 2024 Gartner® Magic Quadrant™: Endpoint Protection Platforms (EPP)[ii].
- Named a Leader in The Forrester Wave™: Attack Surface Management Solutions, Q3 2024.

Trend Micro was awarded the following patents in Q3 2024:

Patent No.	Issue Date	Title
12032705	07/09/2024	Detecting an Operational State of Antivirus Software
12063244	08/13/2024	Protecting computers from malicious distributed configuration profiles
12074898	08/27/2024	Adaptive actions for responding to security risks in computer networks

**Excluding Q3 stock price increase impacts.*

*** Converted at Company Plan Rates, 1USD=147 yen, 1EUR =157 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 AI-powered 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, Trend's 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 70 countries, Trend Micro enables organizations to simplify and secure their connected world. www.TrendMicro.com.

[i] (doc # US52472324, September 2024).
[ii] *Gartner, "Gartner® Magic Quadrant™: Endpoint Protection Platforms (EPP)," Evgeny Mirolyubov, Franz Stefan Hinner, Chris Silva, Deepak Mishra, Satarupa Patnaik, September 23, 2024.*

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