



# Q1-2024 Business Update

**Kevin Simzer**  
Chief Operating Officer

Public

# Business Strategy



Sustainable  
recurring  
revenue growth



Higher  
operating  
margins



Drive hybrid  
platform  
adoption



Better predict  
revenue growth



Increase  
shareholder  
value

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# Q1-2024 Summary



## Beat Top & Bottom Line

Net Sales: +12% YoY\*  
Operating Margin: 18%\*

Team focused  
& executing



## Enterprise Performance

Net Sales @ +15%\*

Powered by exceptional  
US performance



## AI-Powered Platform Growth

Next-Gen SOC ARR @ +27%\*\*

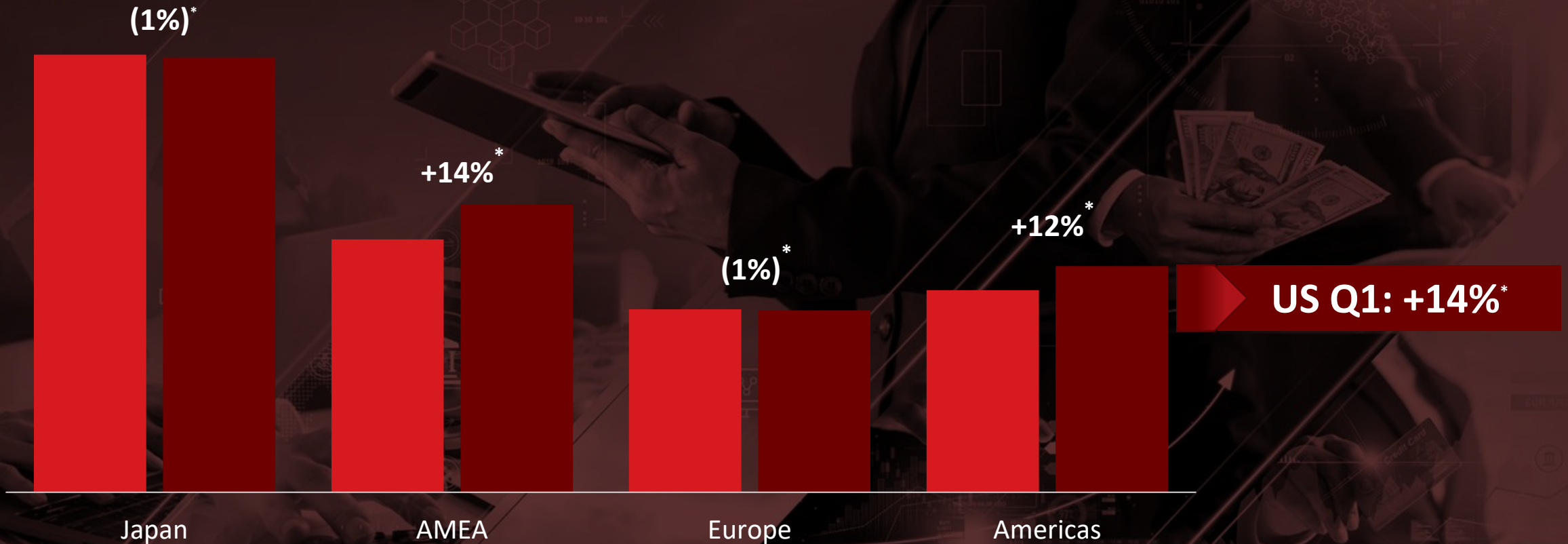
Next-Gen SOC capabilities  
driving expansion

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# Q1-2024 Regional Performance

Pre-GAAP

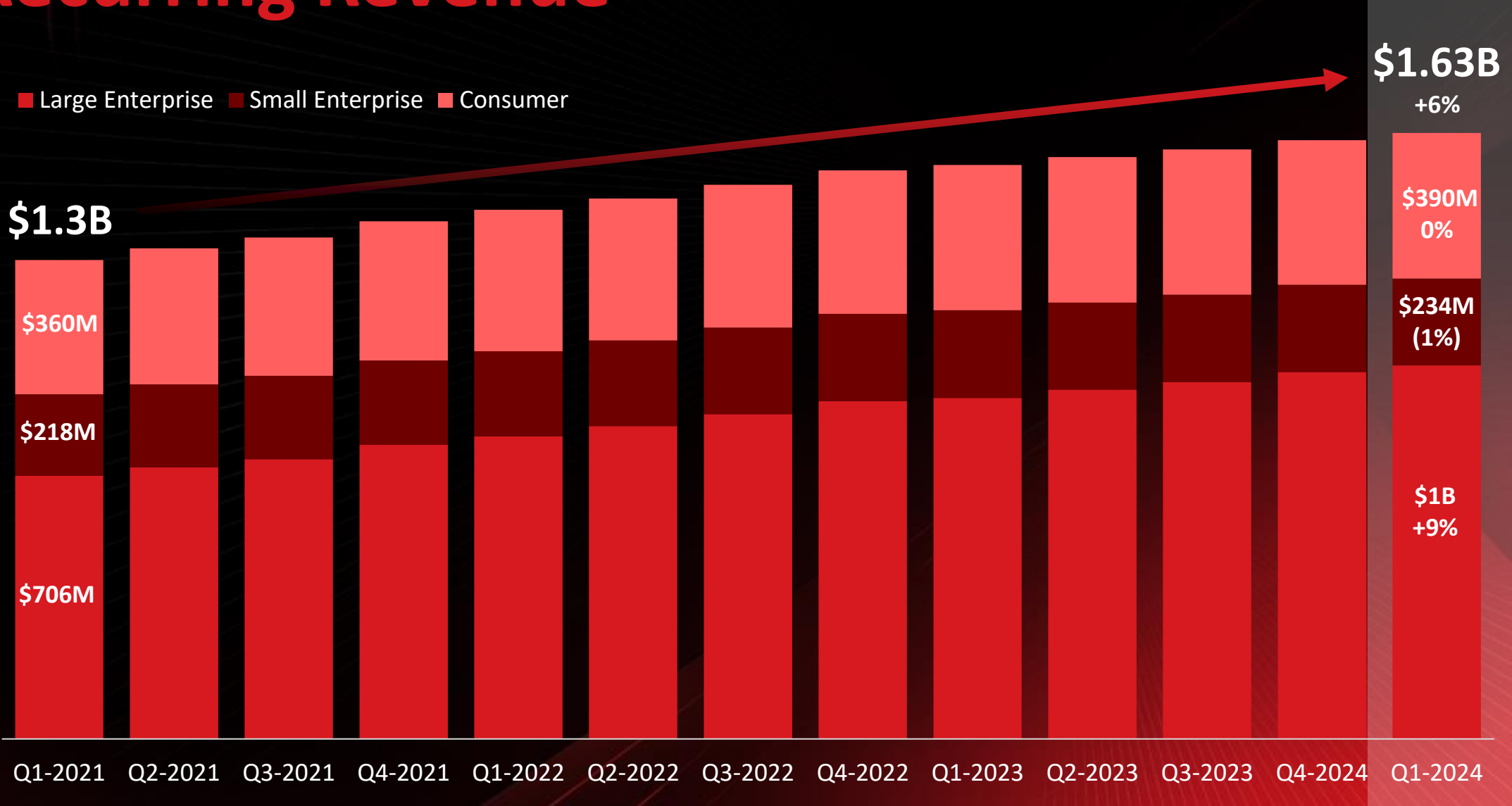
■ Q1-2023 ■ Q1-2024



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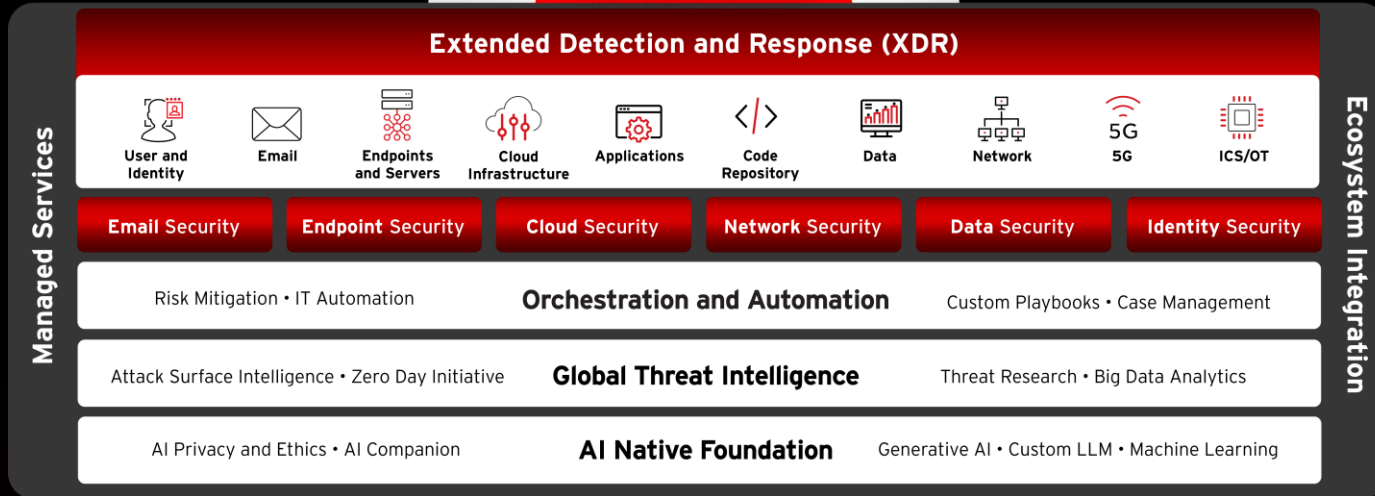
# Recurring Revenue

■ Large Enterprise ■ Small Enterprise ■ Consumer



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# Generative AI-Powered Cybersecurity Platform



## AI for Security

*Enhanced cybersecurity & streamlined security operations*

- AI-Powered ASRM
- Trend Companion 2.0
- Deepfake Detection

## Security for AI

*Securing the use of AI & protecting from AI-related attacks*

- AI Security Gateway
- Private LLM Service Security
- Public LLM Service Security

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# Q1-2024 Industry Analyst Recognition

**Gartner**

Leader in EPP for 18<sup>th</sup> magic quadrant in a row

**FORRESTER**

Strong performer in Cloud Workload Security Wave

**IDC**

Leader in Modern Endpoint Security for enterprises, mid-sized, and small businesses

**canalys**

Champion (highest) for partners, 4<sup>th</sup> year in a row

# Q1-2024 In the News

## Trend Micro Unveils New AI-Driven Cyber Risk Management Capabilities to Anticipate and Eliminate Breaches

*10-to-1 tool consolidation drives record adoption by thousands of enterprise customers*

DALLAS, April 22, 2024 /PRNewswire/ -- Trend Micro Incorporated (TYO: 4704; TSE: 4704), a global cybersecurity leader, today announced the availability of AI-driven cyber risk management capabilities across its entire flagship platform, Trend Vision One™. This seamlessly integrates more than 10 industry technology categories into one offering, empowering security, cloud and IT operations teams to manage risk proactively.

The outcome: leveraging AI to simplify management of the entire cyber risk lifecycle including discovery, risk assessment, prioritization and remediation, which empowers users well beyond what can be achieved with legacy attack surface management tools.

The new capability integrates more than 10

## Trend Micro Discovers Actively Exploited Vulnerability Affecting Millions of Users: Customers Already Protected

*Bug allowing attackers to bypass critical protections uncovered by Trend's Zero Day Initiative*

DALLAS, Feb. 13, 2024 /PRNewswire/ -- Trend Micro Incorporated (TYO: 4704; TSE: 4704), a global cybersecurity leader, announced its discovery of a vulnerability in Microsoft Windows Defender that is actively being exploited by cyberthreat group Water Hydra.

Trend discovered the vulnerability on December 31, 2023 and Trend customers have been automatically protected since January 17, 2024. Organizations are advised to take immediate action in response to the ongoing active exploitation of this vulnerability by cybercriminals.

This (CVE-2024-21412) is an active zero-day vulnerability that was disclosed by Trend Micro's Zero Day Initiative™ (ZDI) to Microsoft and is being published for the first time today.

Trend protects its customers by issuing virtual patches an average of 51 days before patches are released, including this zero-day for Microsoft. For all other vendors, the average time to actually protect their customers was 96 days. Trend estimates that customers who applied all virtual patches in 2023 saved an average of \$1M for their enterprise.

## Trend Micro Zero Day Initiative™ Sheds Light on Software Vulnerabilities: Customers Protected up to 70 Days Before Patches

*ZDI pays over \$1 million to researchers in hacking contest targeting web browsers, enterprise software and more*

DALLAS, April 2, 2024 /PRNewswire/ -- Global cybersecurity leader Trend Micro Incorporated (TYO: 4704; TSE: 4704) has announced the outcomes from its Pwn2Own ethical hacking contest, hosted by the Zero Day Initiative (ZDI), which included identification of new vulnerabilities in Windows, Linux, Tesla, Chrome, VMWare, and other widely used technology. Trend customers benefit from same-day protections and the rest of the world benefits as soon as software patches are released.

One of the biggest challenges for organizations in managing cyber risk is dealing with the volume of emerging threats against available security resources. Software companies and electric vehicle (EV) manufacturers must triage and prioritize what vulnerabilities they fix, leading to an all-time high of known but unpatched problems. While the industry average time to respond and protect sits above 70 days, ZDI research enables protection for Trend customers almost immediately.

While average time to protect is over 70 days, ZDI research enables protection for Trend customers almost immediately.

## Trend Micro Expands to 5G Networks: Industry's Broadest Cybersecurity Platform

*#1 criteria for enterprise security has become unified visibility, detection, protection, and response due to new threats and attacks*

DALLAS, Feb. 27, 2024 /PRNewswire/ -- Trend Micro Incorporated (TYO: 4704; TSE: 4704), a global cybersecurity leader, today announced it will be showcasing its unique, platform-based approach to protecting the ever-expanding enterprise attack surface, including protecting 5G deployments, at Mobile World Congress (MWC) Barcelona 2024.

Join Trend and CTOne at MWC Barcelona in booth 4A50, Hall 4, February 26-29: <https://ctone.com/2024/01/join-us-at-2024-mobile-world-congress-in-barcelona/>

Kevin Simzer, COO at Trend: "Private 5G networks are already transforming industries as diverse as healthcare, retail, energy, and manufacturing. But such projects also add complexity and expand the digital attack surface, threatening to erode business value. As visitors to our MWC stand will experience live, Trend offers a blend of deep domain expertise and commitment to powerful, centralized protection with the world's broadest enterprise security platform, including 5G security."

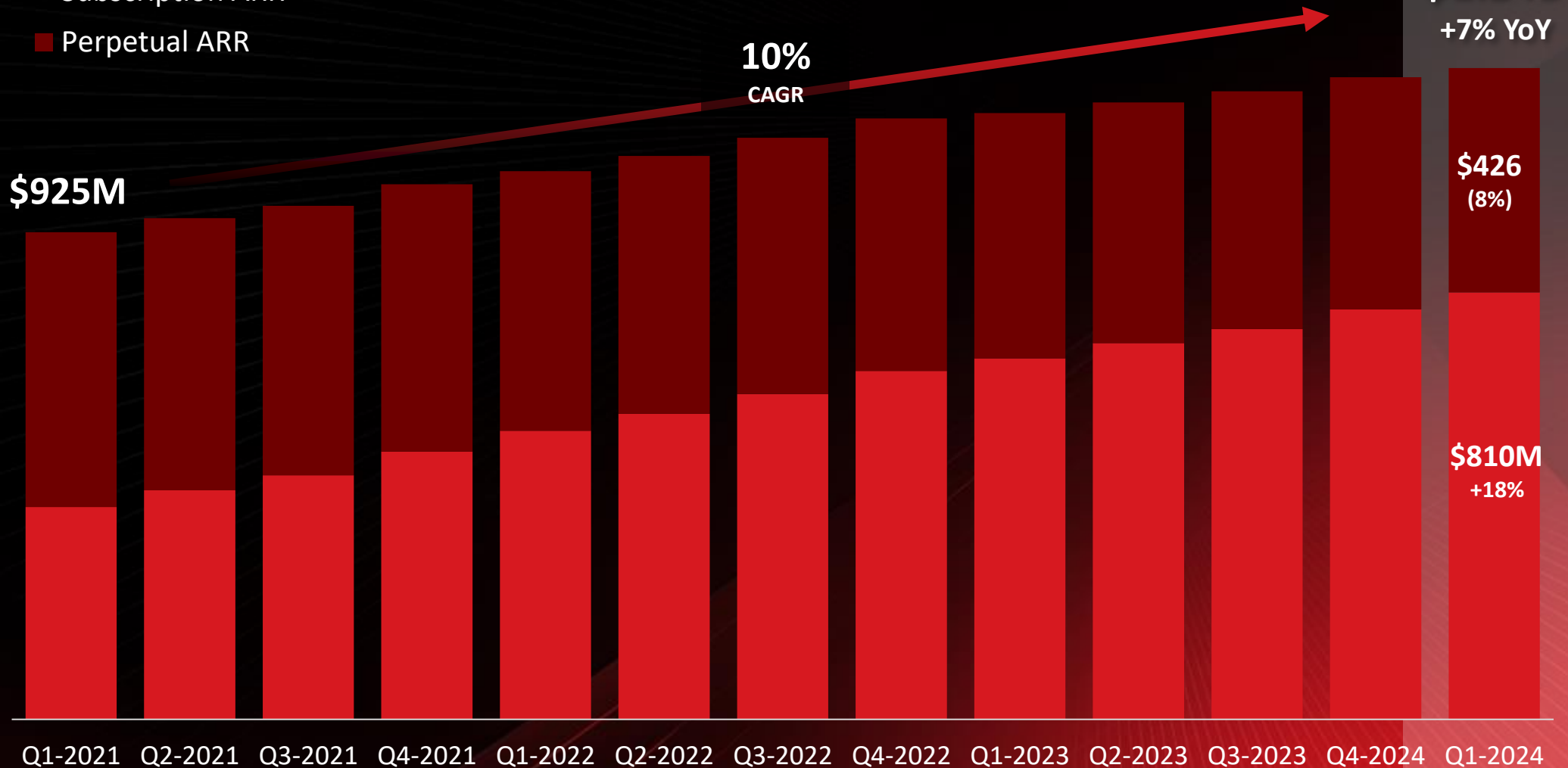
"Trend offers a blend of deep domain expertise and commitment to powerful and centralized protection."

Over the coming years, private 5G networks will power everything from corporate campuses and smart factories to shopping malls. But they also introduce new risk in the form of network function virtualization complexity, information technology and operational technology (IT/OT) convergence challenges, unprotected IoT devices, and new deployments of 5G communications technology (CT).

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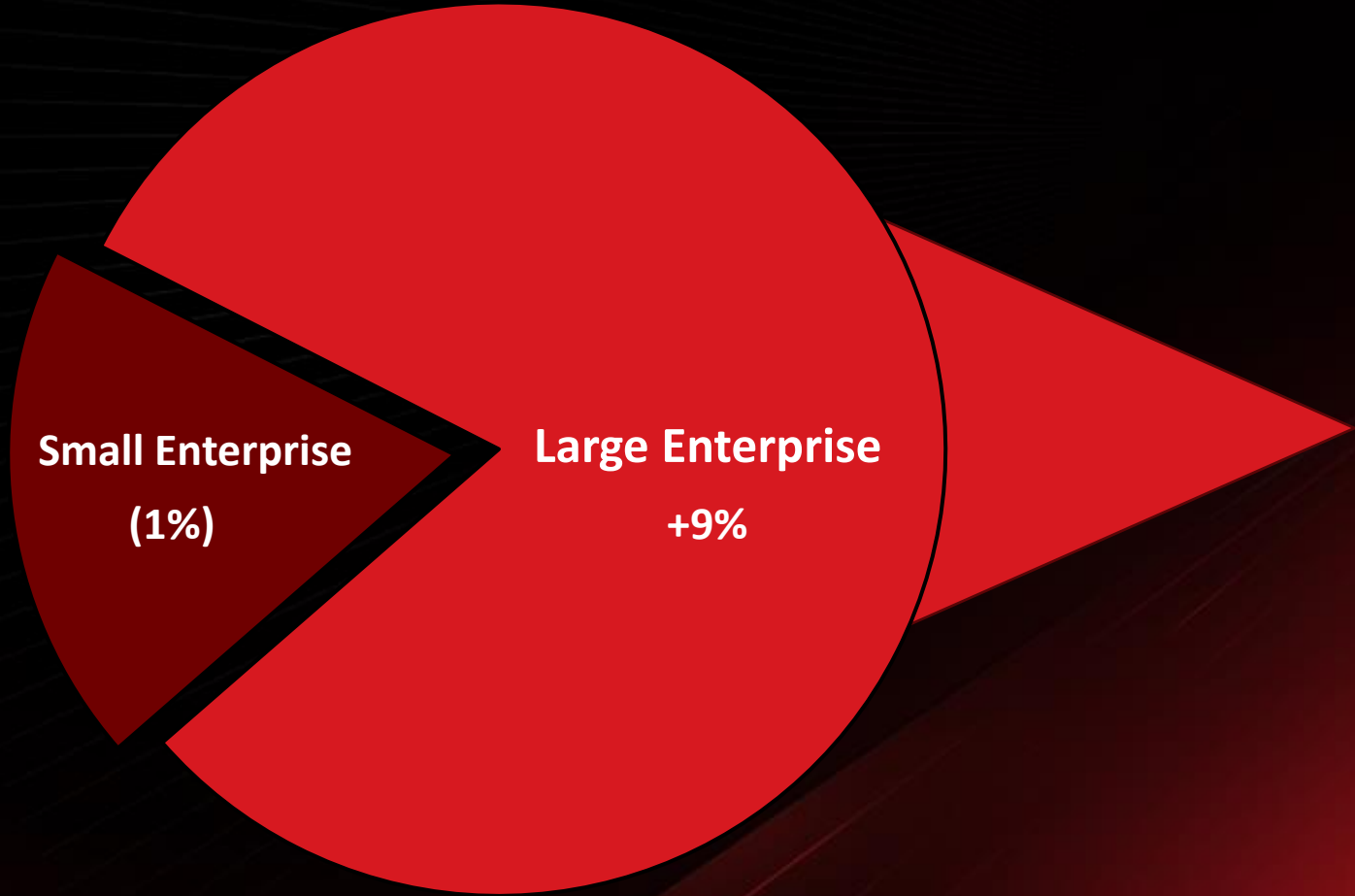
# Enterprise Recurring Revenue

- Subscription ARR
- Perpetual ARR



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# Large Enterprise Focus



Large enterprise now  
**\$1B**  
in hybrid ARR

# Large Enterprise Recurring Revenue

- Vision One Connected ARR
- Other Hybrid ARR

\$706M

12%  
CAGR

\$1B\*  
+9% YoY

(9%)

+50%

Q1-2021 Q2-2021 Q3-2021 Q4-2021 Q1-2022 Q2-2022 Q3-2022 Q4-2022 Q1-2023 Q2-2023 Q3-2023 Q4-2023 Q1-2024

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# Large Enterprise Recurring Revenue

- AI-Powered Next-Gen SOC
- Hybrid Multi-Cloud and Endpoint Security
- Network Security
- Email Security

\$706M

12%  
CAGR

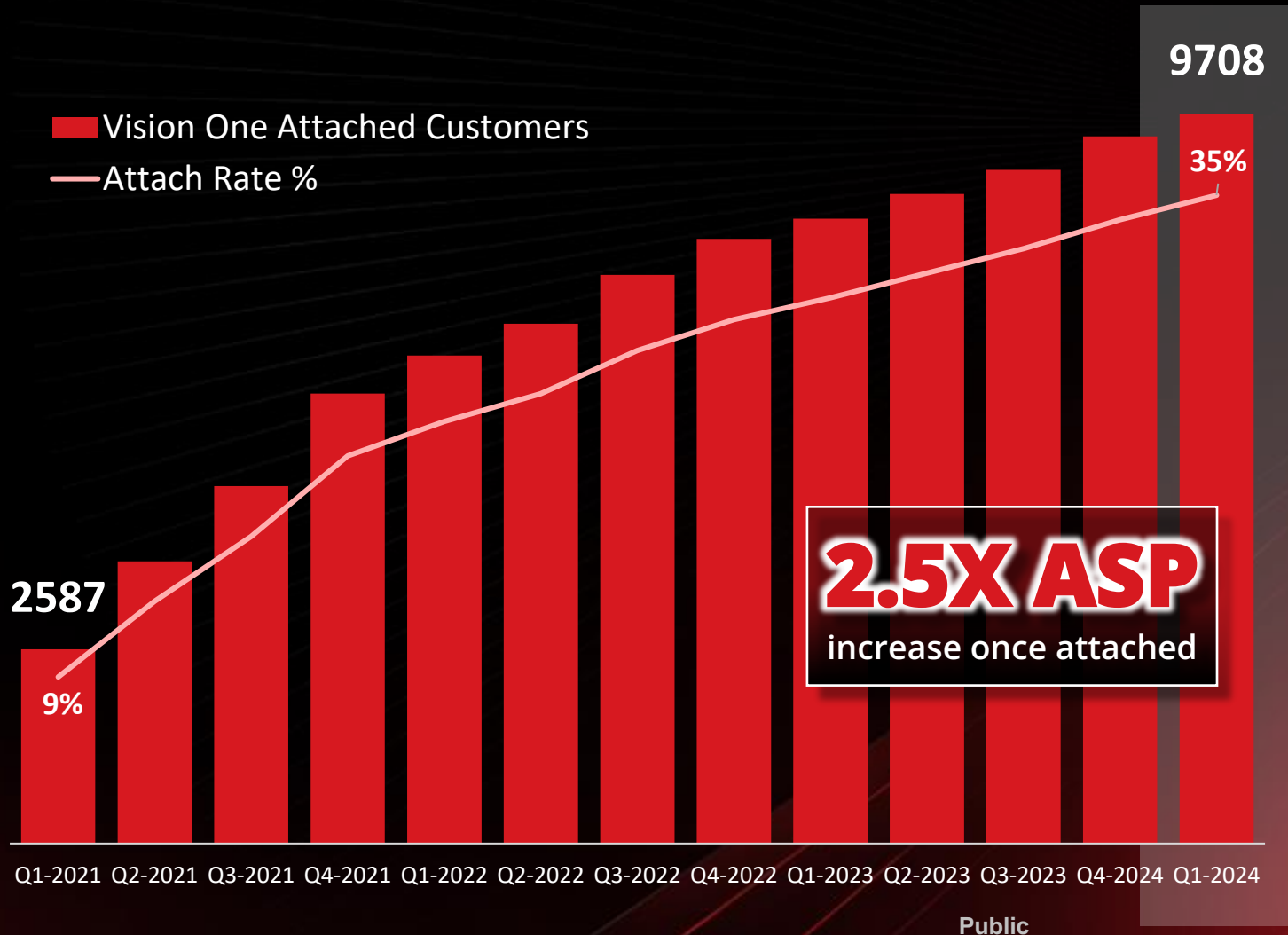
\$1B\*  
+9% YoY

+22%  
+4%  
+1%  
+27%

Q1-2021 Q2-2021 Q3-2021 Q4-2021 Q1-2022 Q2-2022 Q3-2022 Q4-2022 Q1-2023 Q2-2023 Q3-2023 Q4-2023 Q1-2024

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# Large Enterprise Platform Attach



## Q1-2024 Platform Highlights

+1373

Vision One customers in past year

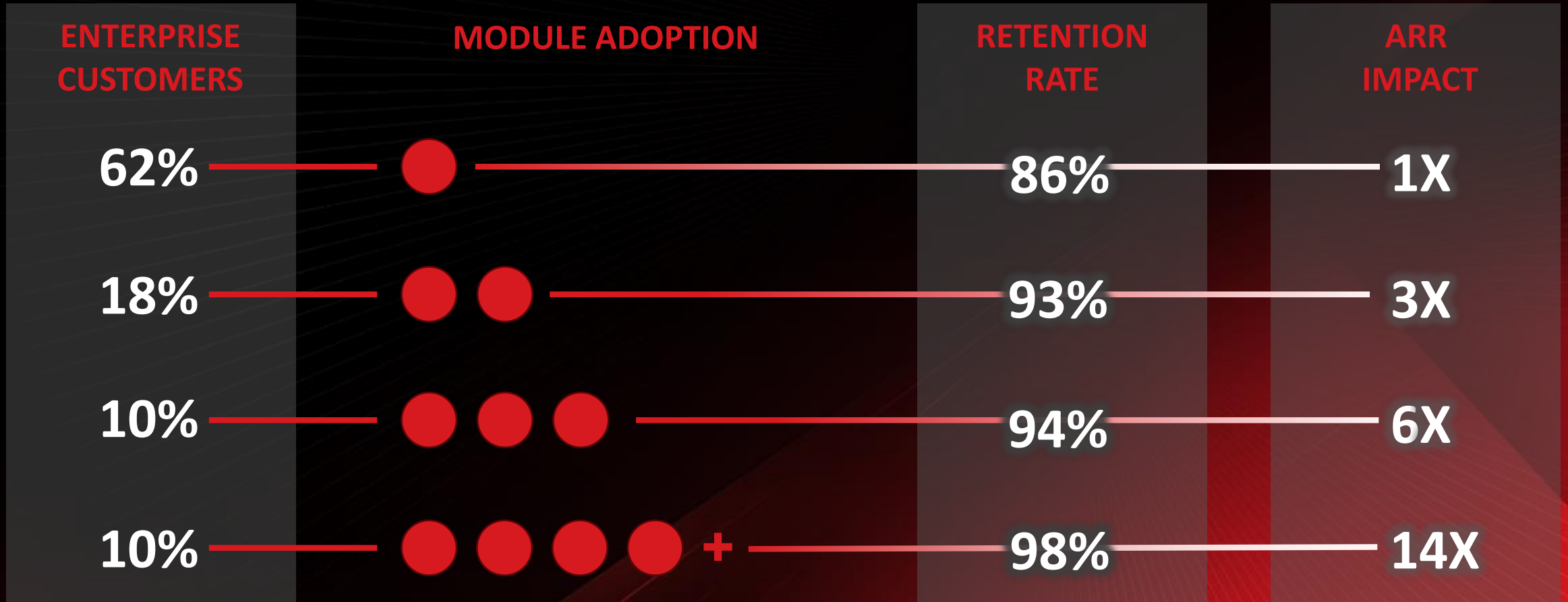
\$228  
Million\*

Next-gen SOC ARR @ +27%

116%

Next-gen SOC Subscription NRR

# The Power of the Platform



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# Q1-2024 Platform Wins



**\$500K**

- Ransomware protection; remove visibility silos; compliance
- **One platform** for AI-powered visibility & protection across endpoint, email, network & cloud with 24/7 SOC services

**US Expansion**



**\$132K**

- Address visibility silos; vendor consolidation
- **One platform** for AI-powered attack surface visibility, risk management, and automation

**AMEA Expansion**



**\$180K**

- Visibility silos; skills shortage; compliance with NIS2
- **One platform** for AI-powered visibility & protection across endpoint, email, & cloud with 24/7 SOC services

**Europe Land**

# Driving Performance

2027

**\$2.7B**

Gross Sales\*

**30%**

Margin

**\$1.7B**

Ent. Hybrid ARR\*

**60%**

Vision One Attach

2024

**\$2.1B**

Gross Sales\*

**20%**

Margin

**\$1.3B**

Ent. Hybrid ARR\*

**40%**

Vision One Attach

Public



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