



# Q2-2024 Business Update

**Kevin Simzer**  
Chief Operating Officer



# AI-Powered Strategy

## 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*

## Trend Micro to Secure AI-Enabled Private Data Centers Worldwide

*New security solution using NVIDIA NIM revealed at COMPUTEX*

## Trend Micro Expands AI-Powered Cybersecurity Platform to Combat Accidental AI Misuse and External Abuse

*Eva Chen, CEO: "The promise of the AI era is only powerful if protected"*

## Trend Micro Launches World's First Security Solutions for Consumer AI PCS

*Global cybersecurity innovator showcases capabilities at COMPUTEX 2024*

# Q2-2024 Summary



## Beat Top and Bottom Line

Net Sales: +13% YoY\*  
Operating Margin: 18%\*

Growth across all regions,  
operating expenses on track



## Enterprise Performance

Enterprise Net Sales @ +16%\*  
10K Vision One Customers

Powered by strong  
platform expansion



## Consumer Growth

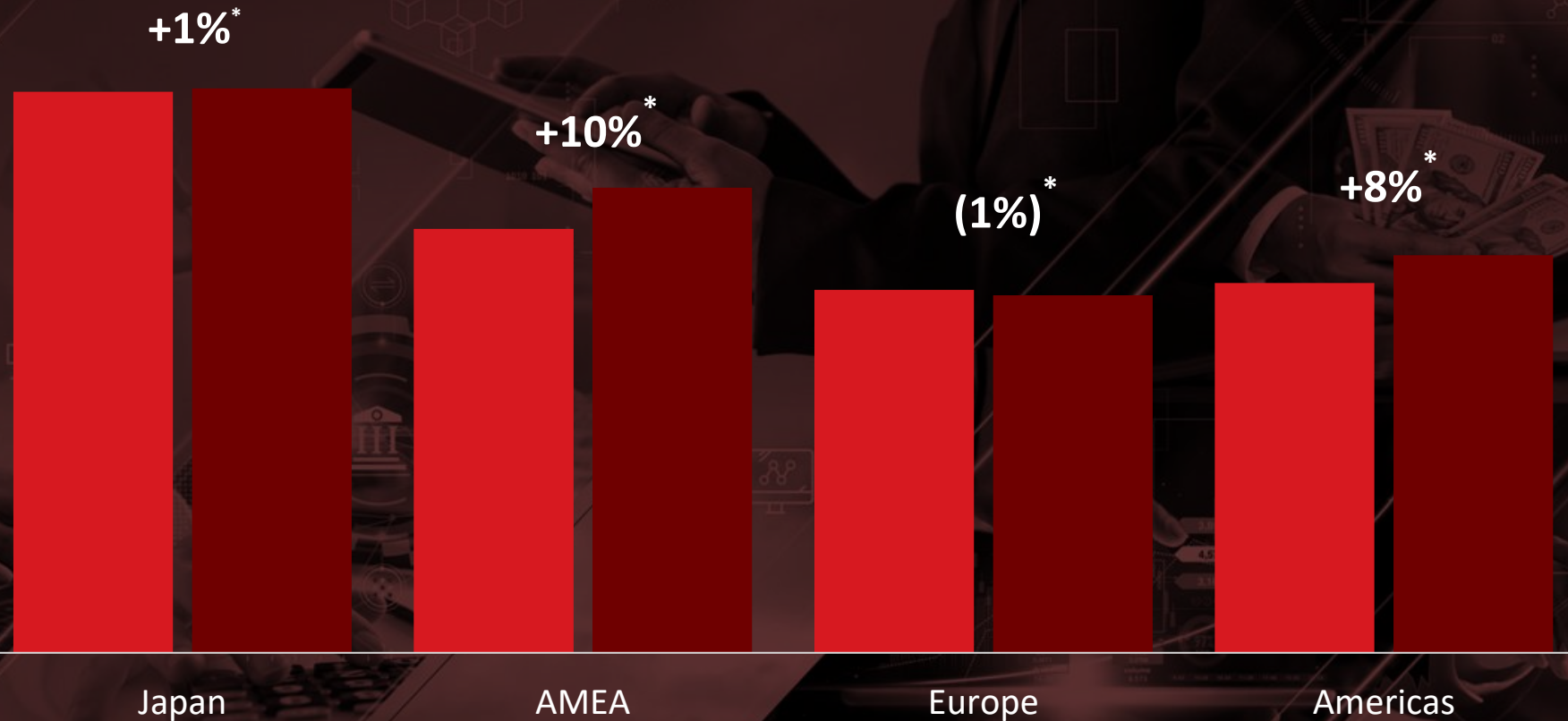
Net Sales: +2% YoY\*  
ARPU: +7%\*\*

Growth in  
non-device offerings

# Q2-2024 Regional Performance

Pre-GAAP

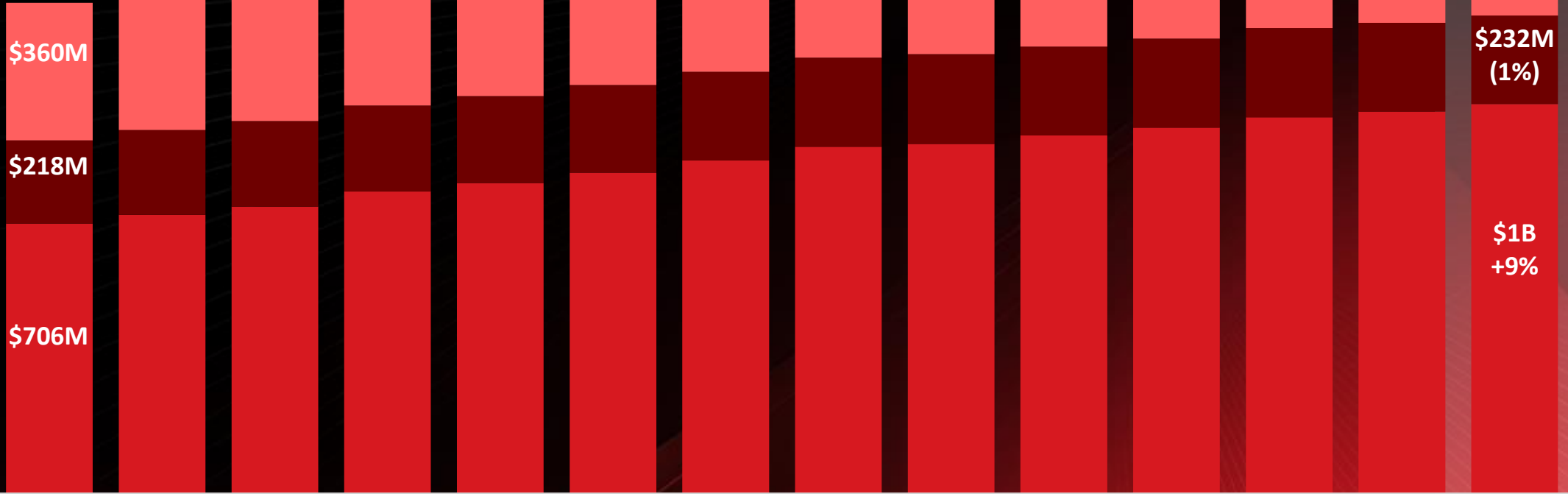
■ Q2-2023 ■ Q2-2024



# Recurring Revenue

- Large Enterprise
- Small Enterprise
- Consumer

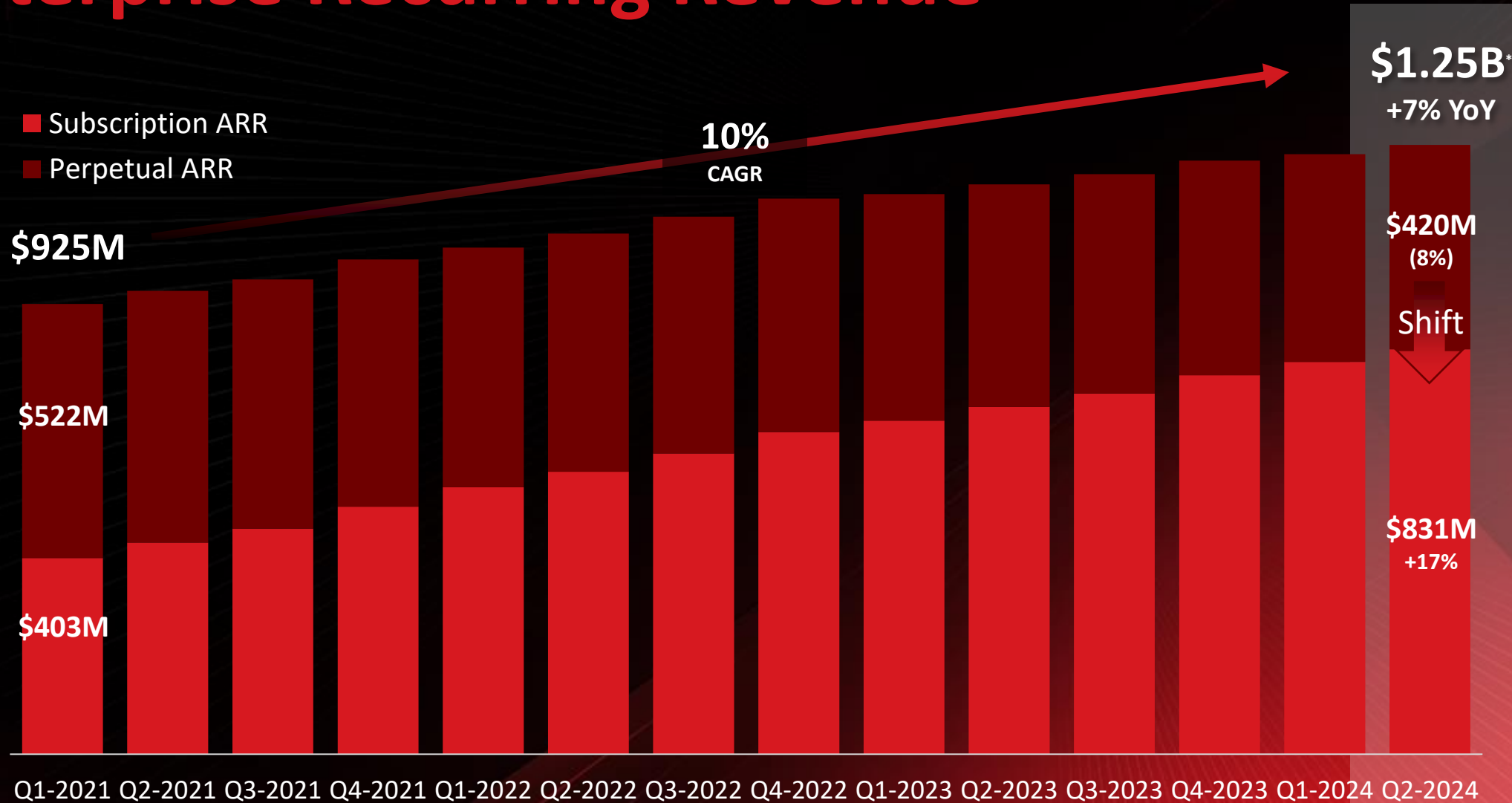
\$1.3B



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 Q2-2024

# Enterprise Recurring Revenue

- Subscription ARR
- Perpetual ARR



# Our Enterprise Opportunity

# 28,000

## LARGE ENTERPRISE CUSTOMERS

### AI-Powered Next Gen SOC

23% of Enterprise ARR\*

ASRM

XDR

SOAR

+ more modules

### Hybrid Multi-Cloud & Endpoint

54% of Enterprise ARR\*

EPP

XDR

Container

+ more modules

### Network

15% of Enterprise ARR\*

IPS

XDR

OT

+ more modules

### Email

9% of Enterprise ARR\*

Email

XDR

Collaboration

S  
E  
R  
V  
I  
C  
E  
S

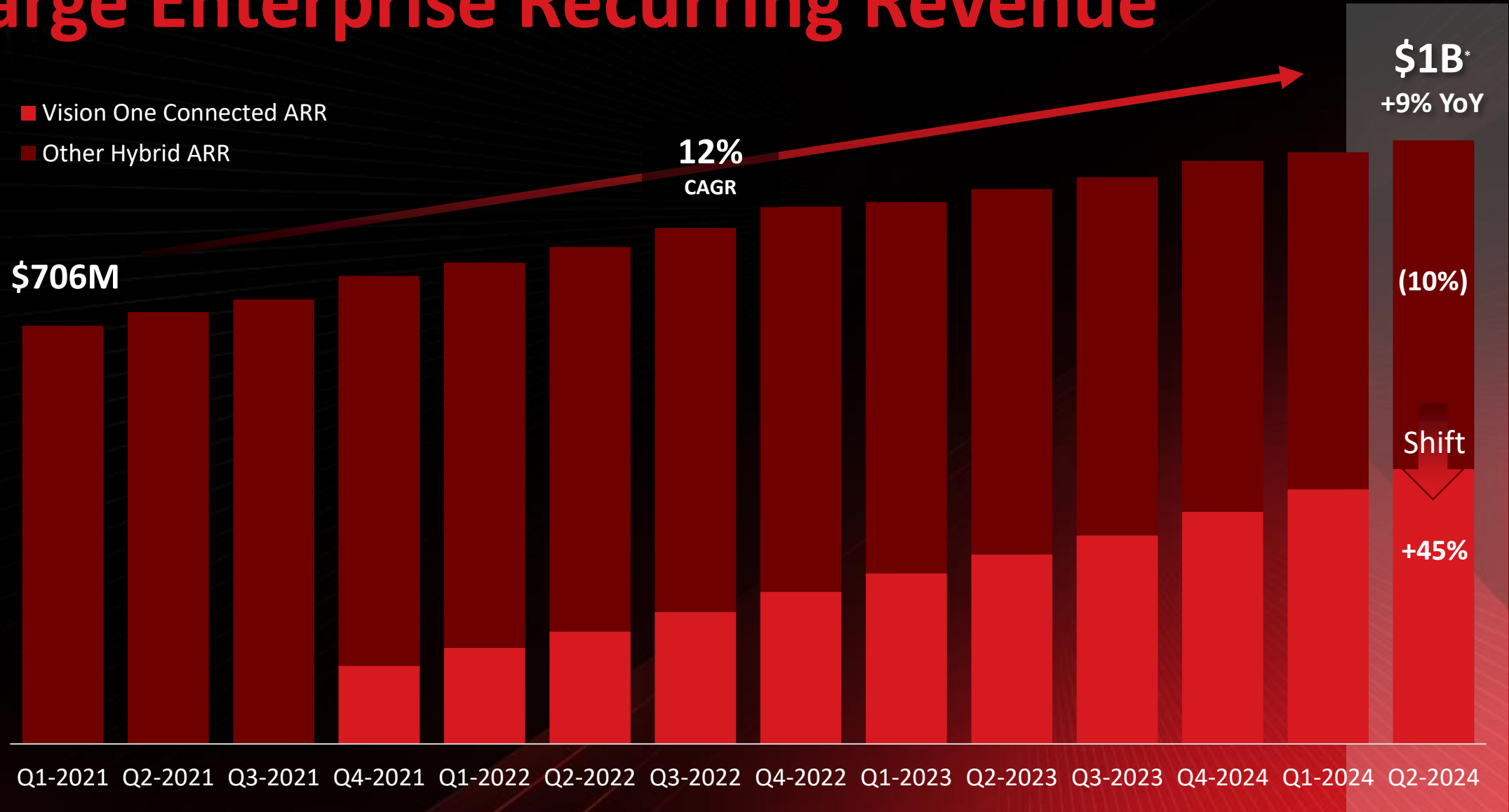
MDR

IR

SOC

# Large Enterprise Recurring Revenue

- Vision One Connected ARR
- Other Hybrid ARR

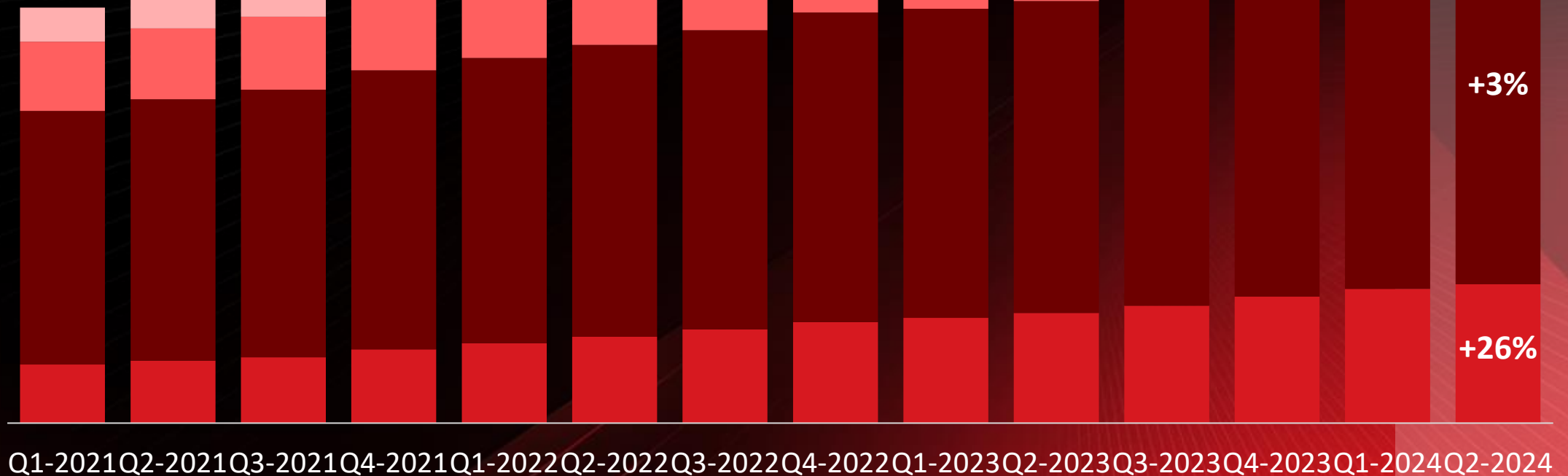


# Large Enterprise Recurring Revenue

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

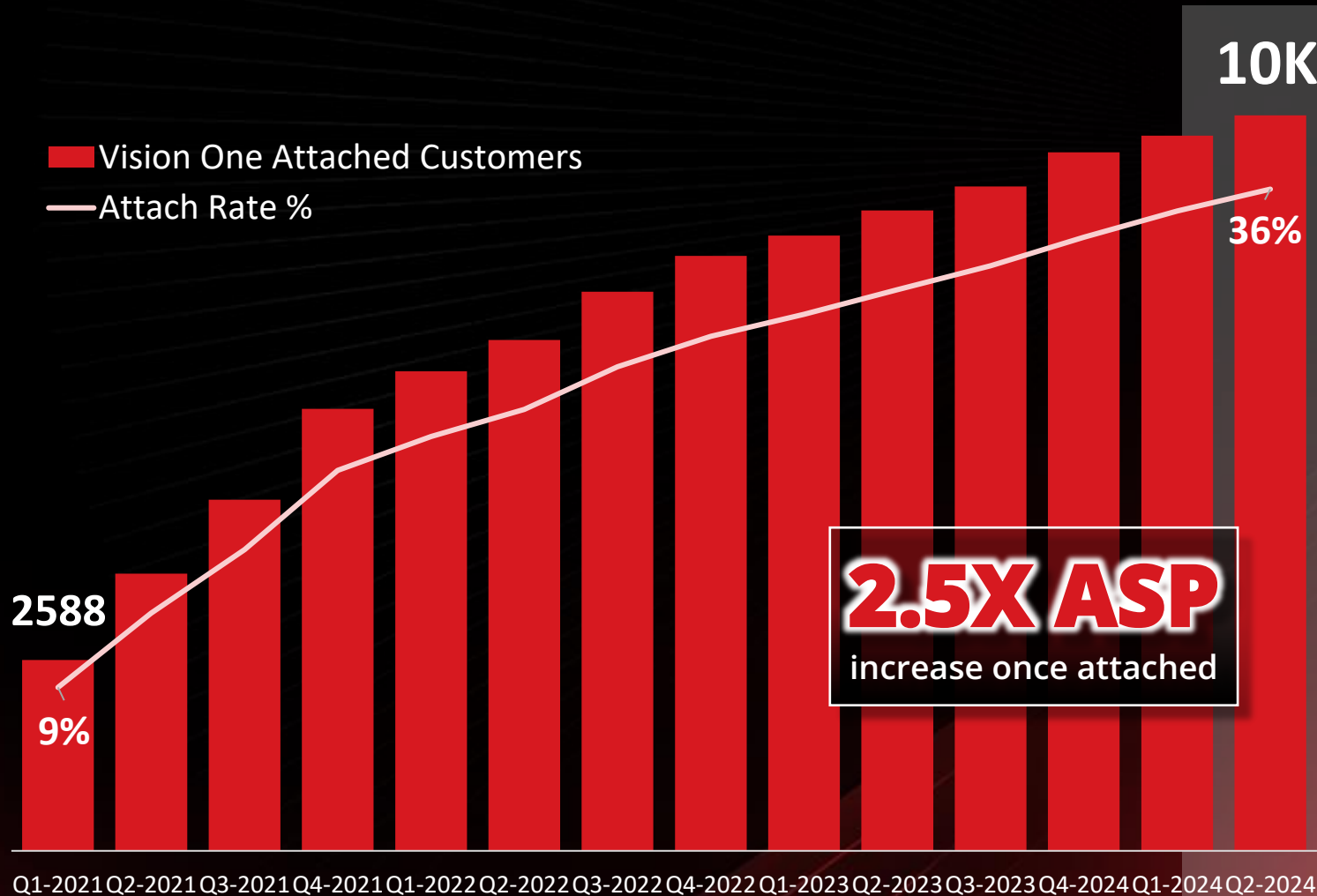
\$706M

12%  
CAGR



\$1B\*  
+9% YoY

# Large Enterprise Platform Attach



## Q2-2024 Platform Highlights

500+

New Vision One customers in 2024

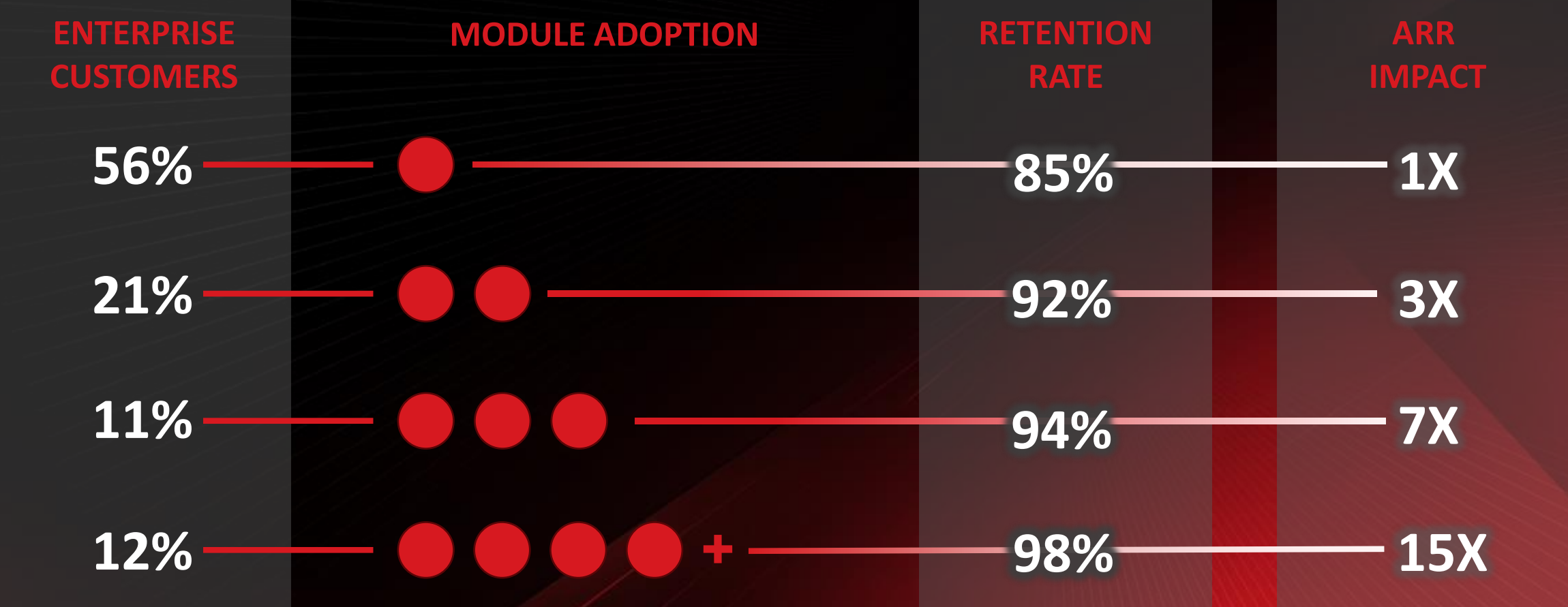
\$236  
Million\*

Next-gen SOC ARR @ +26%

114%

Next-gen SOC Subscription NRR

# The Power of the Platform



# Q2-2024 Enterprise Platform Wins



**\$477K**

- Security tool consolidation supporting acquisitions, lower risk & compliance costs
- **One platform** for AI-powered visibility & protection across endpoint, email, & cloud

**US Expansion**



**\$100K**

- Security modernization project connected to new AI-centric applications
- **One platform** with AI-powered attack surface visibility, risk management, and security for AI-based applications

**AMEA Land**



**\$420K**

- Cloud security project combined with addressing security skills shortage
- **One platform** for AI-powered visibility & protection across endpoint, email, & cloud with 24/7 SOC services

**Europe Expansion**

# Consumer Performance

## Q2-2024 Highlights

**13,948**  
Million Yen

Q2 net sales @ +2% YoY

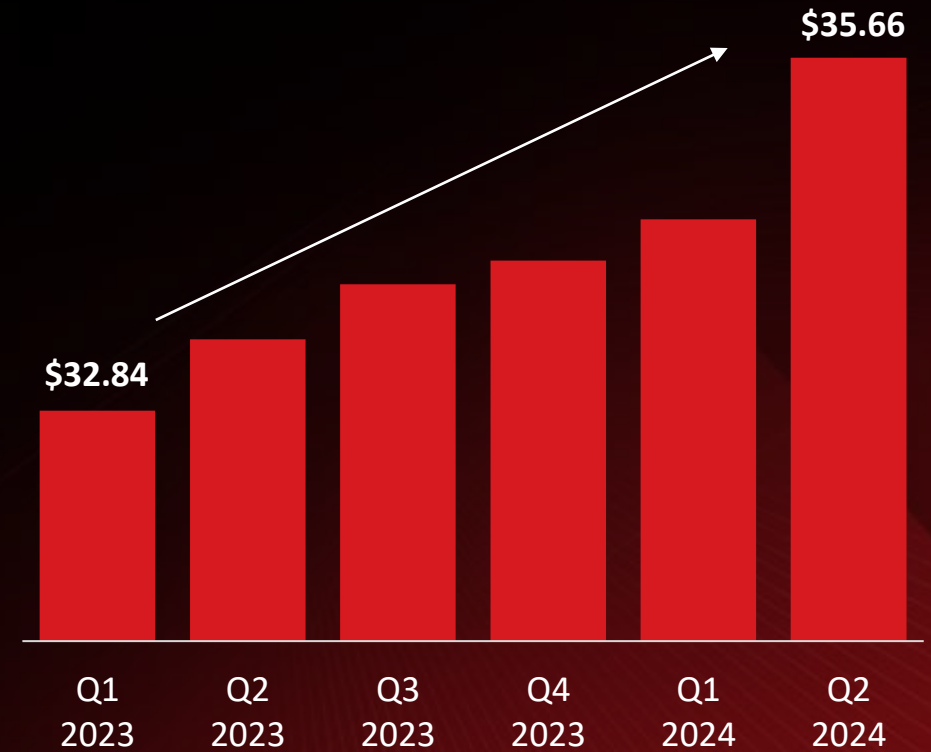
**5%**

Growth in mobile channel revenue

**117%**

Growth in Beyond Device offerings  
as % of overall consumer sales

## Direct Average Retail Price Per User (ARPU)



# Road to 2027

	2022	2023 <sup>(1)</sup>	2024E <sup>(2)</sup>	1H 2024 Progress <sup>(3)</sup>	2027E <sup>(2)</sup>
Post-GAAP Revenue Growth %	18%	11%	9%	13%	8-10%
COGS % of Revenue <sup>(3)</sup>	19%	22%	19%	21%	18-20%
S&M % of Revenue <sup>(3)</sup>	37%	37%	34%	34%	28-30%
R&D % of Revenue <sup>(3)</sup>	17%	17%	17%	18%	12-14%
G&A % of Revenue <sup>(3)</sup>	8%	8%	7%	7%	5-7%
Operating Margin % <sup>(3)</sup>	14%	13%	20%	18%	29-31%
			Operating Income	¥53B	

**Notes:**

1. 2023 includes 1,047M JPY restructure cost
2. Constant currency 1USD= 147.74 yen. % of revenue is based on non-GAAP expenses and reference for internal management
3. Based on consolidated financials in JPY actual rates



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