Q4 & Full Year 2024 Business Update

Kevin Simzer
Chief Operating Officer

In the News...

WIRED

The Alleged LockBit Ransomware Mastermind Has Been Identified

Forbes

Tesla Hacked As Electric Cars Targeted In $1M Hacking Spree

REUTERS

Trend Micro Taps NVIDIA Software Tools for AI Cybersecurity Offering

AXIOS

Cybersecurity Vendors Enter Their AI Brain Era

TREND MICRO

Q4 & FY2024 Results

Company

Q4-2024
Net Sales:
+8% YoY*

Op. Margin:
13%*

FY-2024
Net Sales:
+10% YoY*

Op. Margin:
18%*

Strong global sales performance

Enterprise

Q4-2024
Net Sales:
+10% YoY*

FY-2024
Net Sales:
+12% YoY*

10.7K Vision One Customers

Consistent platform expansion & growth across all regions

Consumer

Q4-2024
Net Sales:
-2% YoY*

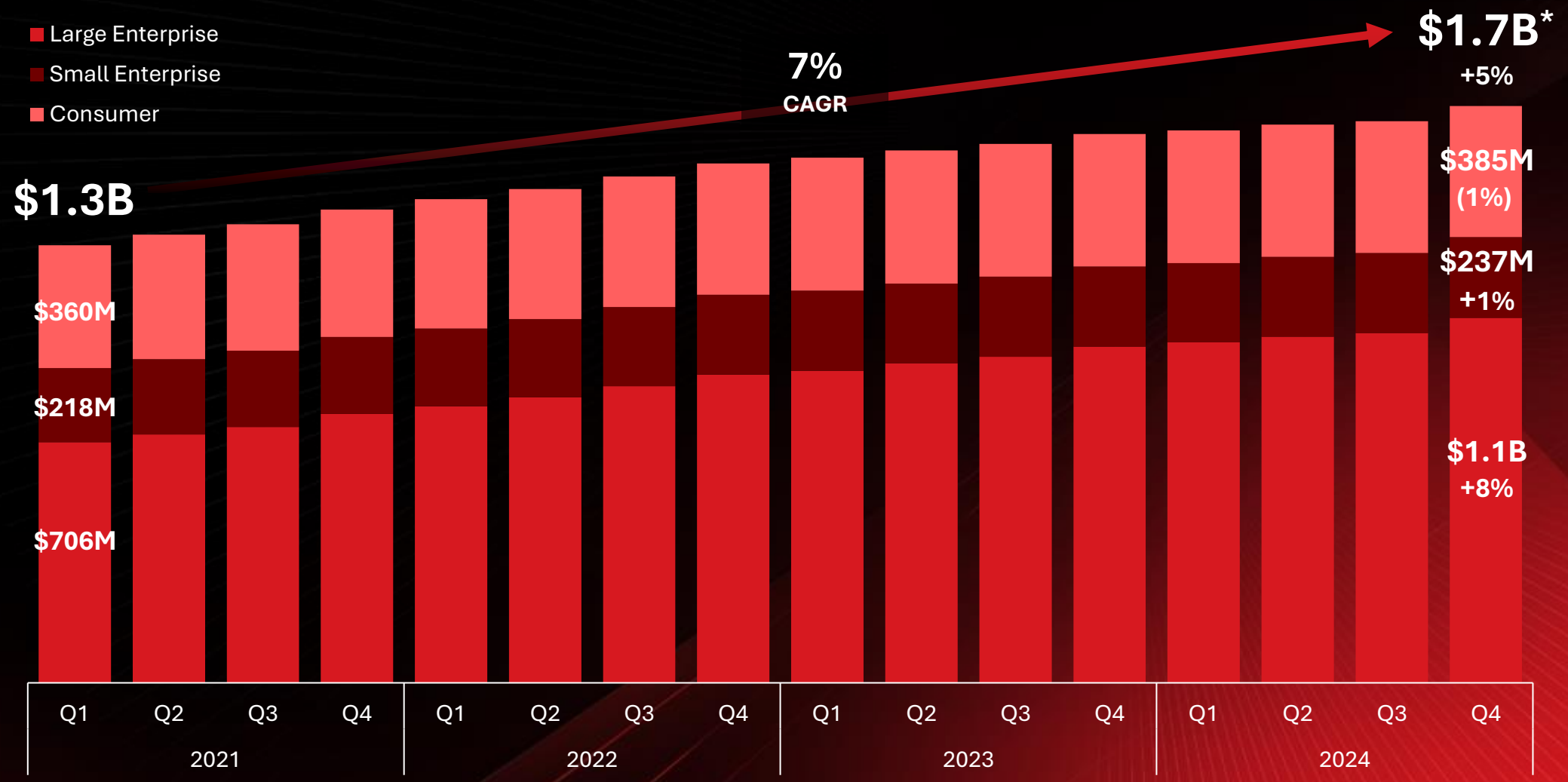
FY-2024
Net Sales:
+1% YoY*

ARPU: +2%

Beyond device protection seeing rapid growth

*Actual currency in Yen **ARPU @ constant currency ($1USD = 147.74 Yen), via direct channels

Recurring Revenue



* Hybrid ARR at constant currency: 1USD= 147.74 yen. Non-GAAP and reference for internal management
Large enterprise defined as 500+ seat organizations

Road to 2027

	2022	2023 [1]	2024	2027E [2]
Net Sales Growth %	18%	11%	10%	8-10%
COGS % of Revenue[3]	19%	22%	20%	18-20%
S&M % of Revenue[3]	37%	37%	34%	28-30%
R&D % of Revenue[3]	17%	17%	18%	13-15%
G&A % of Revenue[3]	8%	8%	8%	5-7%
Operating Margin %	14%	13%	18%	29-31%
		Operating Income	¥48B	

Notes:
1. 2023 includes 1,047M JPY restructure cost
2. At estimated exchange rate of $1USD= 147.74 yen
3. Based on non-GAAP expenses and reference for internal management

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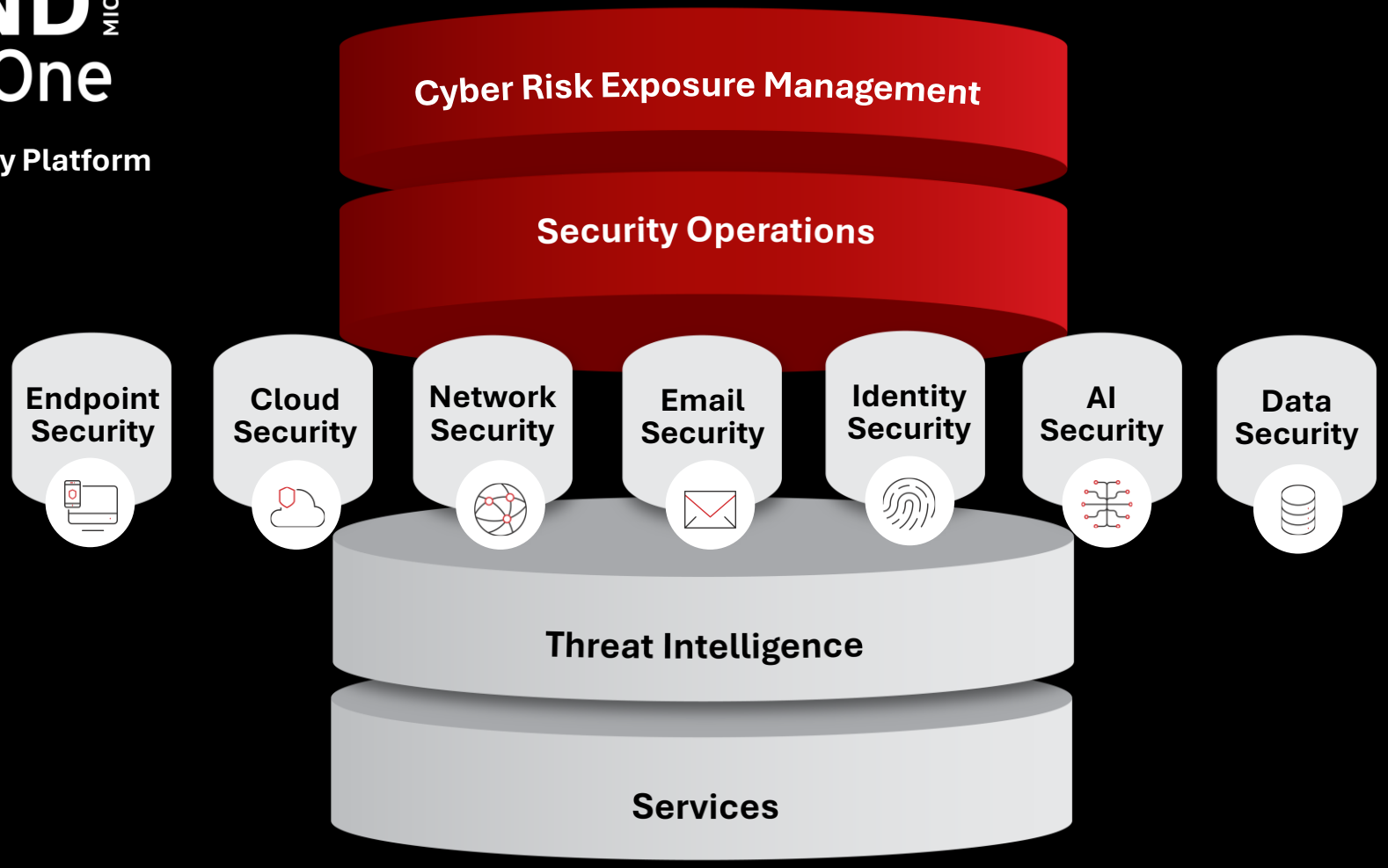
TREND MICRO™ Vision One

Enterprise Cybersecurity Platform



Proactive Security Starts Here.

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Recognized Enterprise Leader

Gartner

Leader in Endpoint Security
(Q3 2024)

Gartner

Leader in Email Security
(Q4 2024)

FORRESTER

Leader in NDR
(Q2 2023)

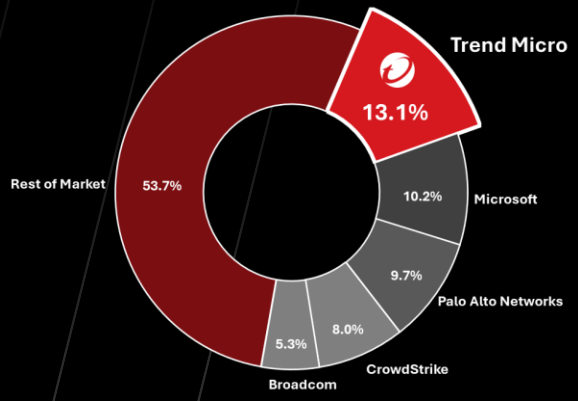
FORRESTER

Leader in ASM
(Q3 2024)

The Customer Choice

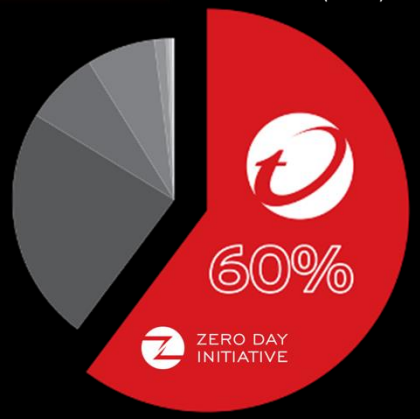
IDC

Ranked #1 in CNAPP Market Shares
(2023)



OMDIA

Ranked #1 in Public Vulnerability Disclosure Market
(2024)



The Partner Choice

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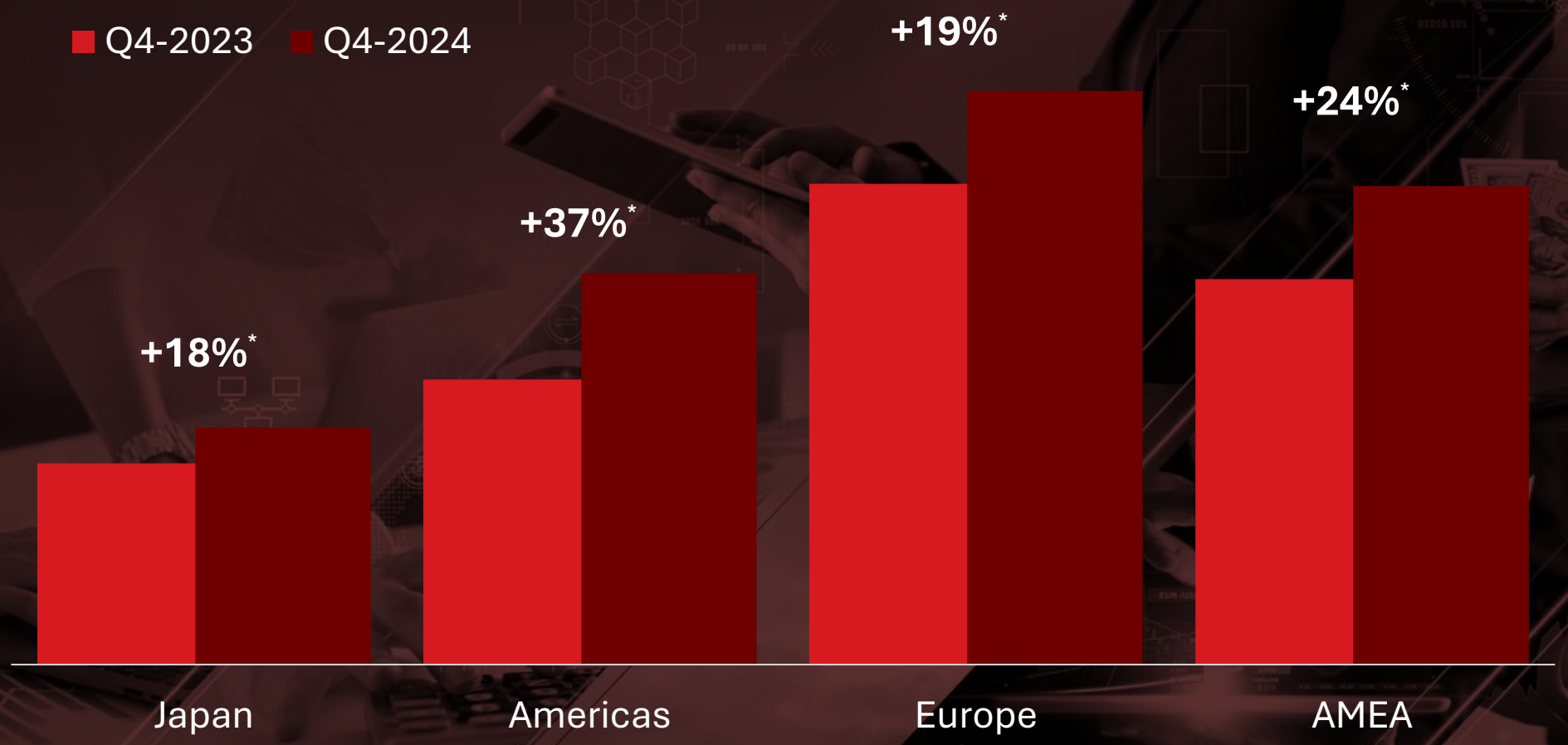
Q4-2024 Regional Enterprise Performance

Pre-GAAP



Global Enterprise Growth

+24% YoY*

* Pre-GAAP in millions of Japanese Yen if ***currency exchange rates used for 4Q2023 were used for 4Q2024***

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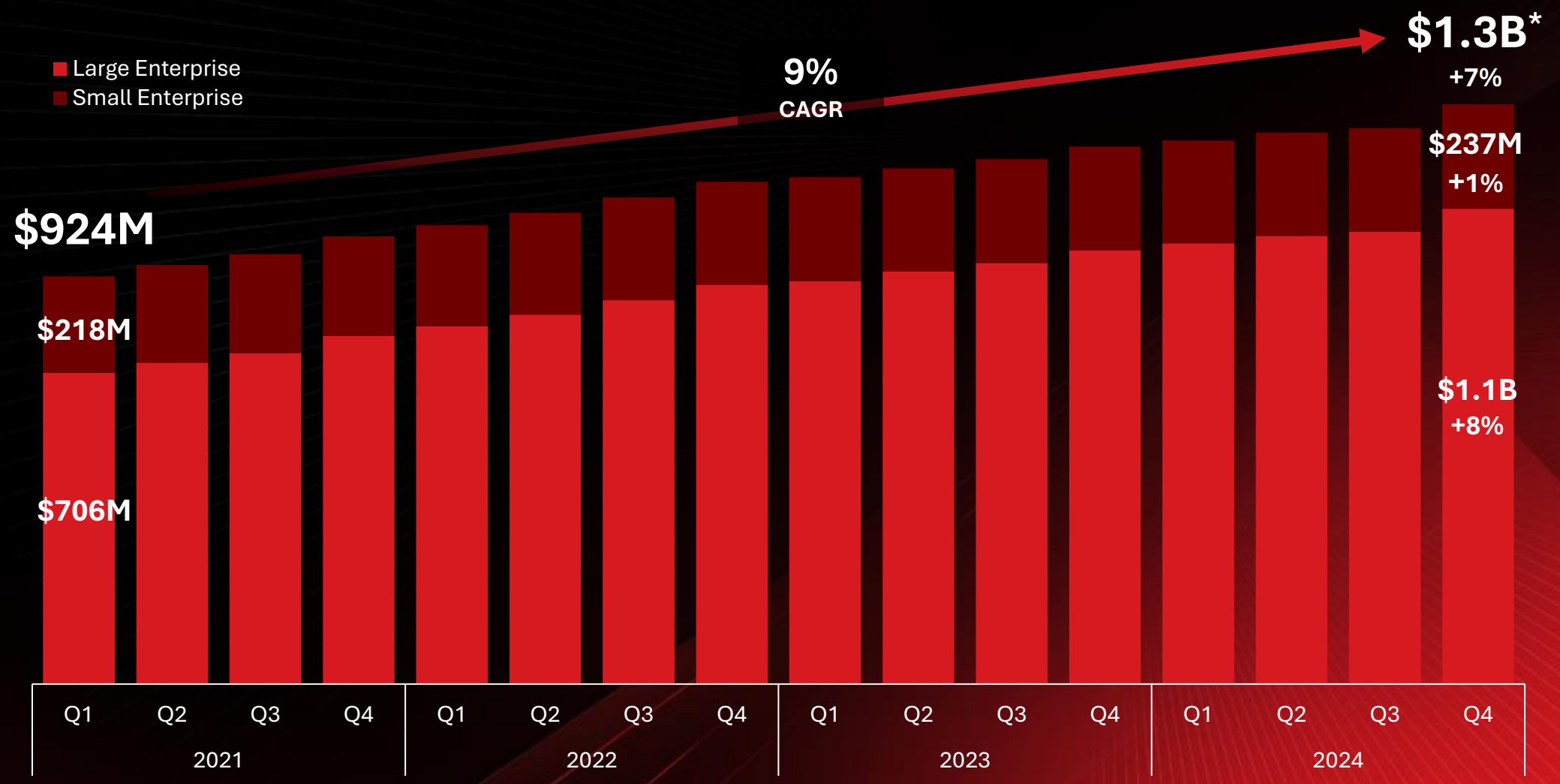
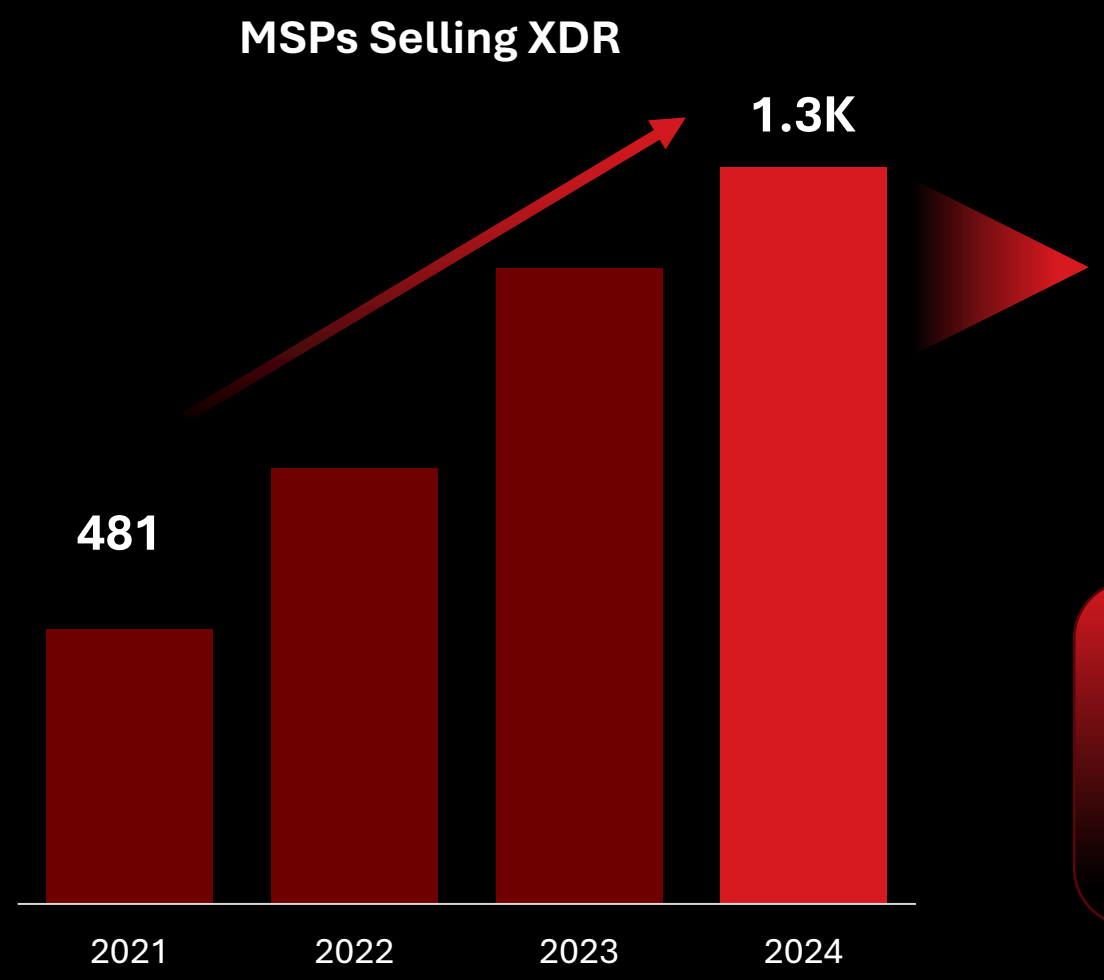
Enterprise Recurring Revenue



* Hybrid Enterprise ARR at constant currency: 1USD= 147.74 yen. Non-GAAP and reference for internal management
Large enterprise defined as 500+ seat organizations

Growing Small Enterprise



NEW: Vision One for MSPs

In First Quarter

85+
Strategic MSPs Selling

2X
ASP Per Customer

> *“The integration of Vision One ASRM into Trend’s MSP offering has **revolutionized our threat detection and mitigation** capabilities.”*
>
> *Merkl IT , Germany*

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Our Large Enterprise Opportunity

27.3K

LARGE ENTERPRISE CUSTOMERS

AI-Powered Next Gen SOC	Hybrid Multi-Cloud	Endpoint (EPP)	Email & Collaboration	Network
24% of Enterprise ARR*	32% of Enterprise ARR*	21% of Enterprise ARR*	9% of Enterprise ARR*	14% of Enterprise ARR*
ASRM	WORKLOAD	ENDPOINT	EMAIL	IPS
SIEM/SOAR	CONTAINER	MOBILE	COLLABORATION	OT
XDR	XDR	XDR	XDR	XDR/NDR
SERVICES				

*Large enterprise ARR as of Q4-2024

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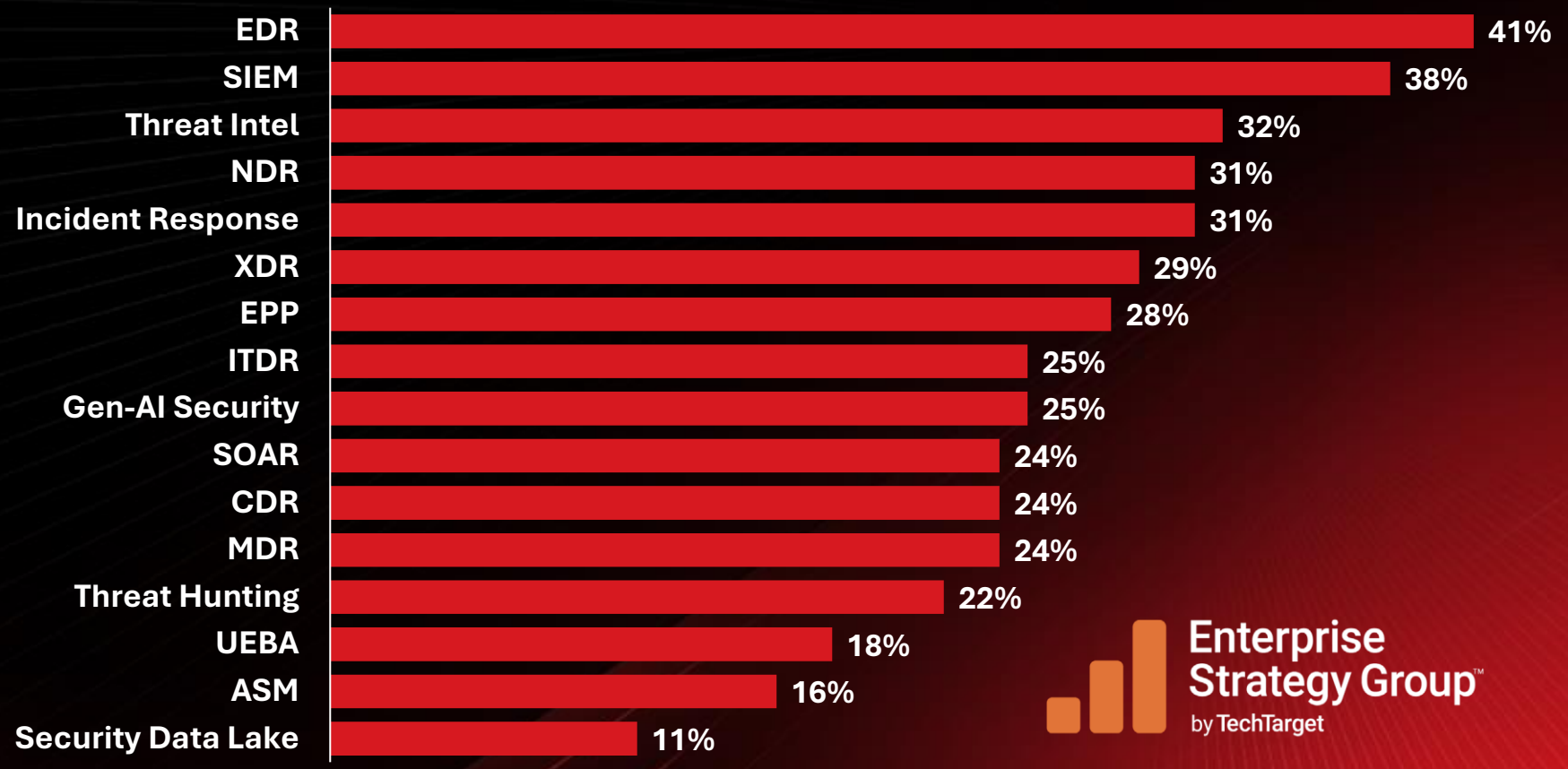
Proactive Security is Top of Mind

Enterprise Security Operations Top Priorities (next 12 months)*



Enterprise Strategy Group™ by TechTarget

* ESG Research "2025 Technology Spending Intentions Survey", December 2024

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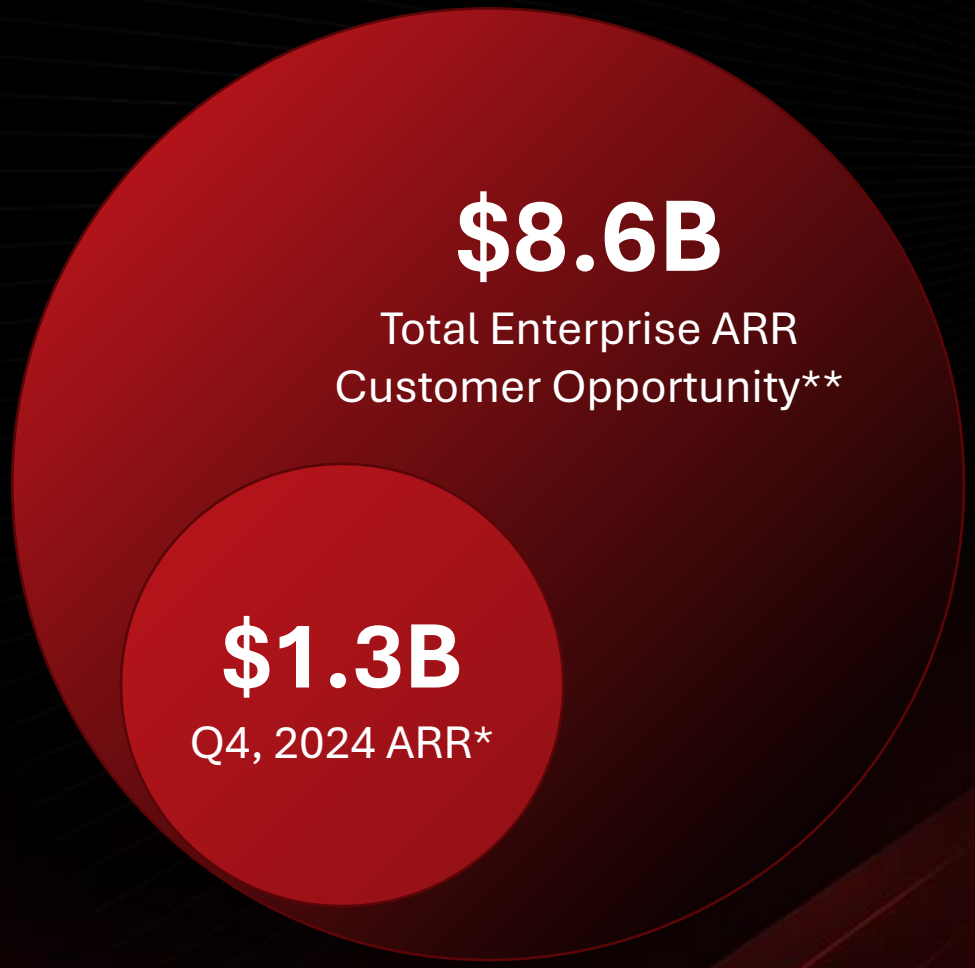
Massive Enterprise Opportunity

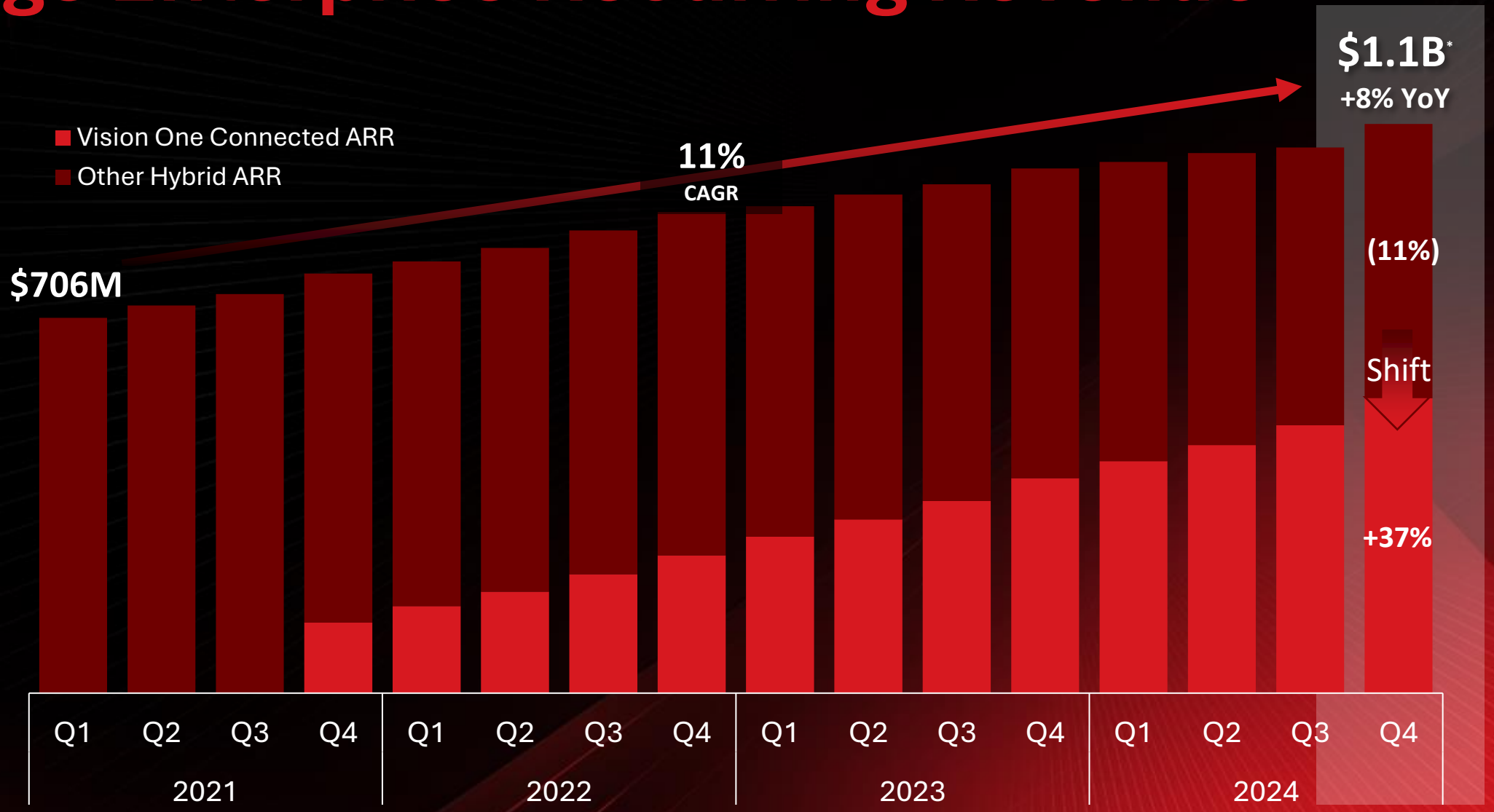


$7.3B

Incremental ARR Opportunity From Existing Trend Customers

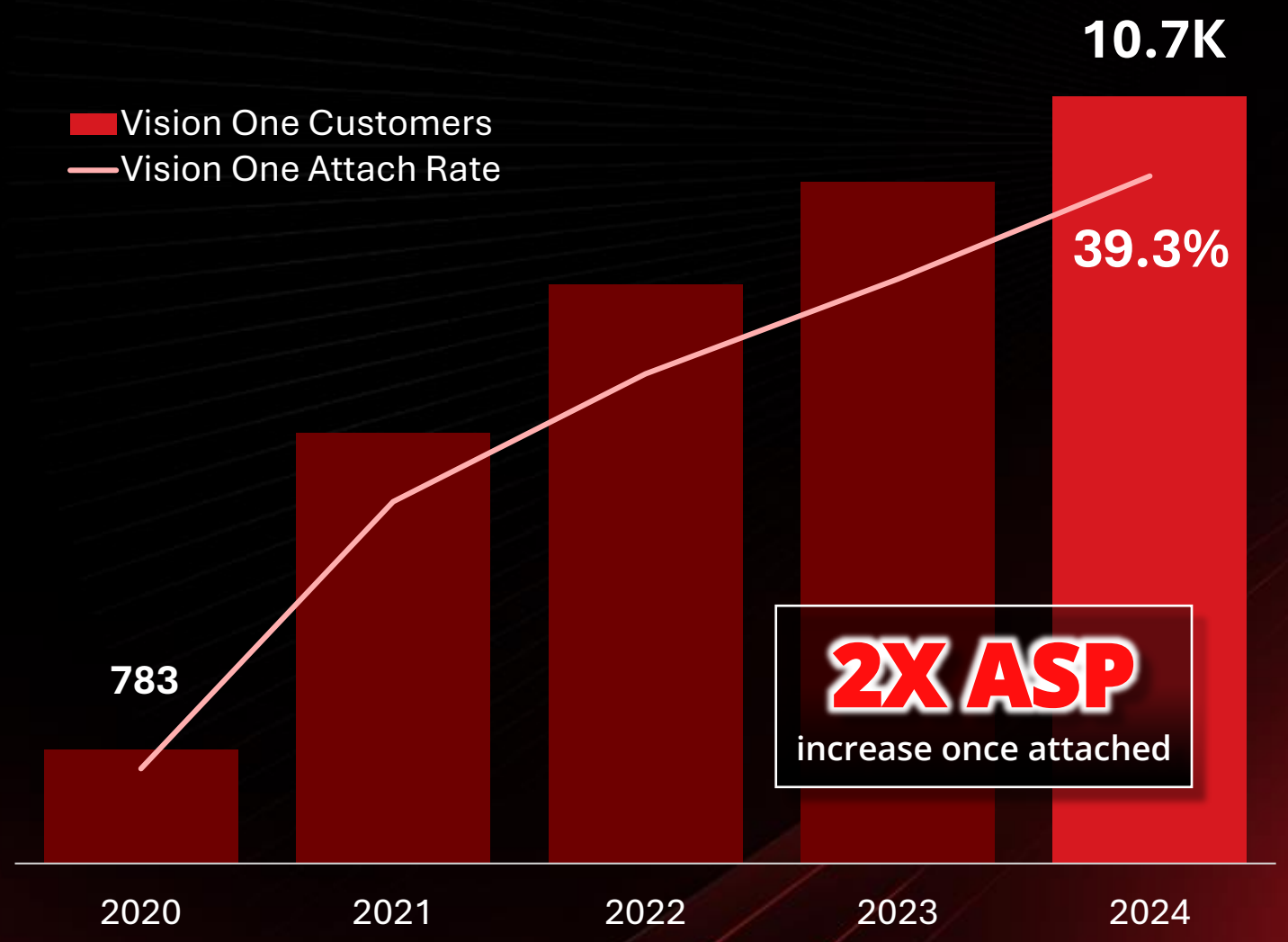
* Constant currency: 1USD= 147.74 yen. Non-GAAP and reference for internal management
** Total enterprise ARR customer opportunity based on internal analysis of existing customers

Large Enterprise Recurring Revenue



** Hybrid ARR at constant currency: 1USD= 147.74 yen. Non-GAAP and reference for internal management*

Large Enterprise Platform Attach



2024 Platform Highlights

- **1.2K+** New Vision One customers in 2024
- **$260 Million*** Next-gen AI SOC ARR @ +21%
- **112%** Next-gen AI SOC Subscription NRR

* Hybrid Large Enterprise ARR at constant currency: 1USD= 147.74 yen. Non-GAAP and reference for internal management

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The Power of the Platform

ENTERPRISE CUSTOMERS	MODULE ADOPTION	RETENTION RATE	ARR IMPACT
45%	●	83%	1X
15%	● ●	93%	2X
10%	● ● ●	90%	3X
30%	● ● ● ● +	94%	10X

** Constant currency: 1USD= 147.74 yen. Non-GAAP and reference for internal management.*

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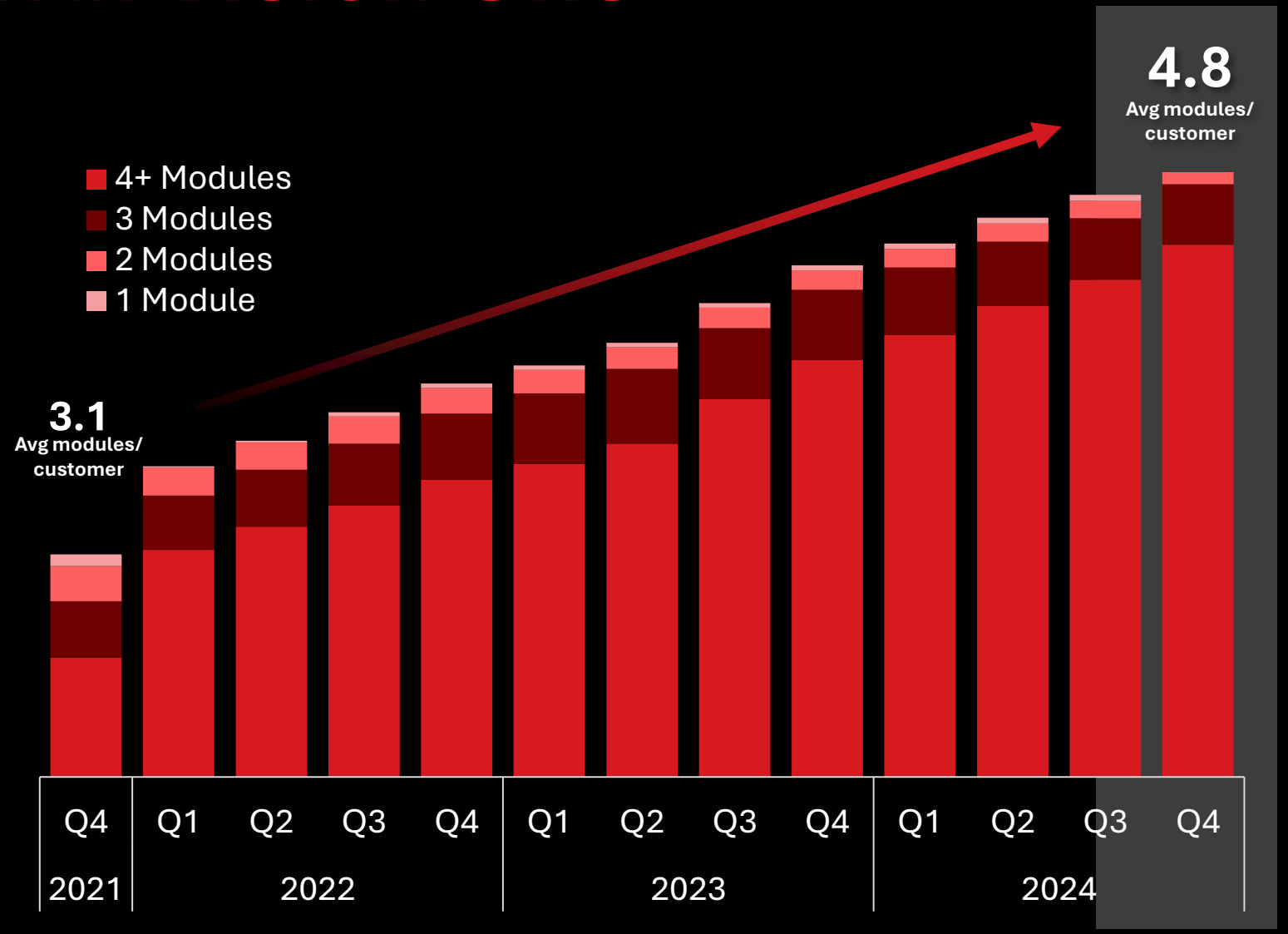
Module Growth with Vision One

Platform Expansion

4.8 Modules/customer with Vision One

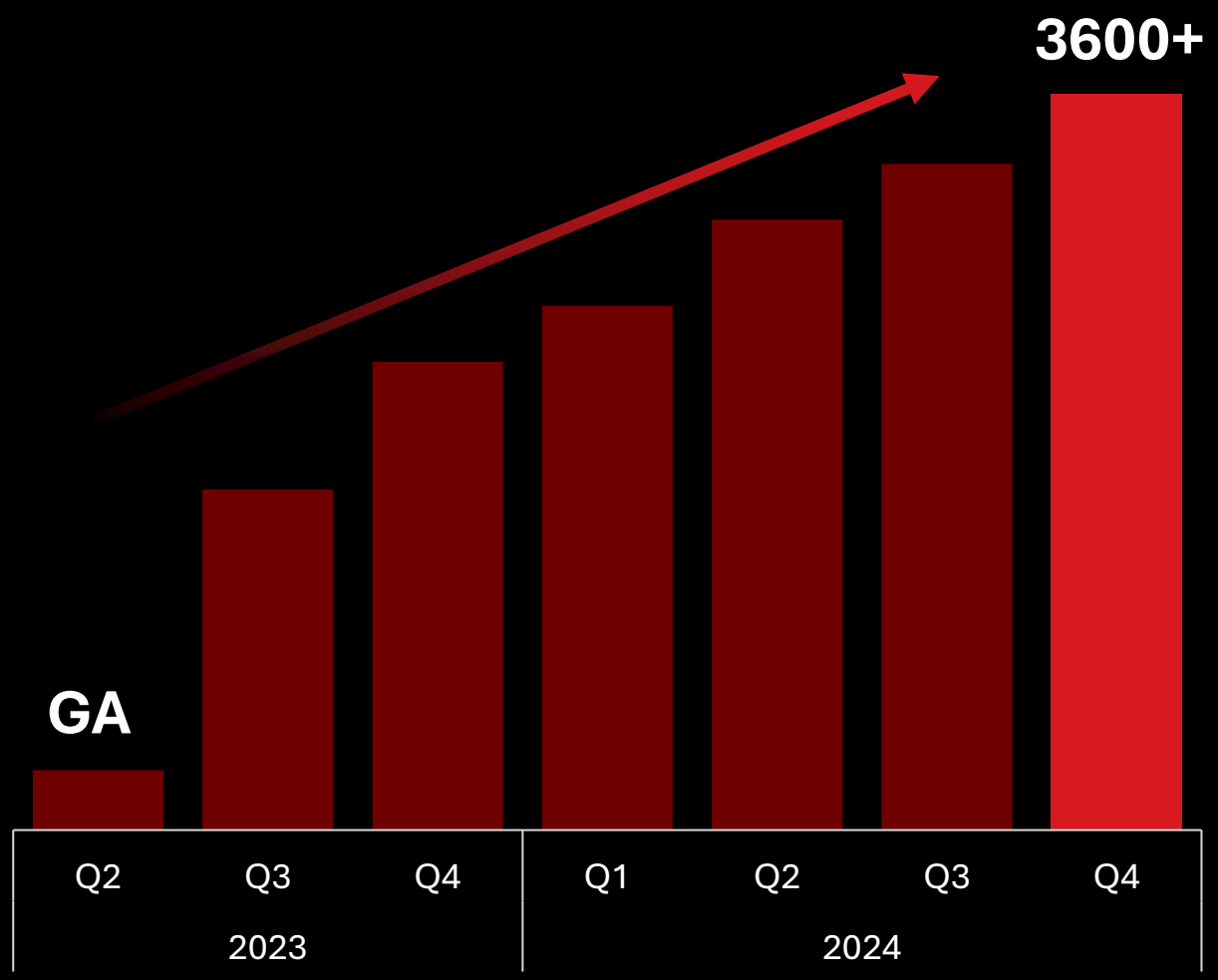
4X* ARR when on Vision One

74% Enterprise ARR from 4+ modules



* Constant currency: 1USD= 147.74 yen. Non-GAAP and reference for internal management

Cyber Risk Exposure Management Module



Platform Expansion

6.5 Modules/customer with Cyber Risk Exposure Management

34% Platform Customers on Cyber Risk Exposure Management

Q4-2024 Enterprise Platform Wins

$900K

- Break data silos and consolidate security tools including SIEM replacement
- **One platform** for complete enterprise visibility and proactive security across endpoint, email, cloud, & network

US Expansion

$440K

- Security skills gap & too many tools; modernization project causing churn
- **One platform** for AI-powered visibility & protection across endpoint, email, & cloud, with easy access to more

Europe Expansion

$1.8M

- Address company risk, help overwhelmed security team, break down data silos
- **One platform** with maximum visibility and proactive security across all environments with expert managed services

AMEA Expansion

$141K

- Breach caused by lack of visibility; lack of security expertise
- **One platform** with visibility across all environments combined with expert managed services for IR and MDR

Japan Expansion

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Consumer Performance

Highlights

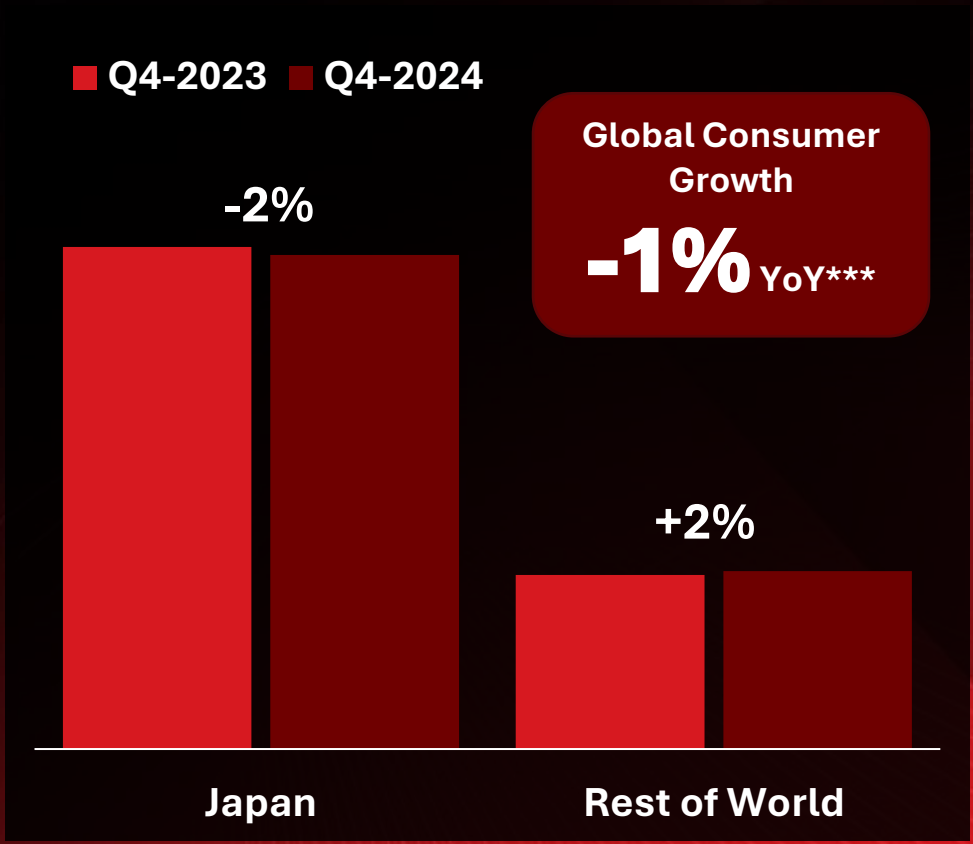
13,811 Million Yen* — Q4-24 net sales @ (2%) YoY

55,430 Million Yen* — FY24 net sales @ +1% YoY

$34.70** — ARPU as of Q4-24 @ +2% YoY

Consumer Regional Performance

*Pre-GAAP Excluding Digital River Impact****

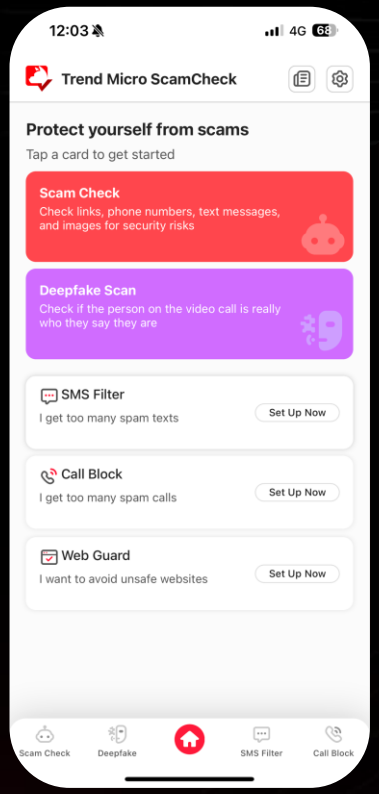


Global Consumer Growth

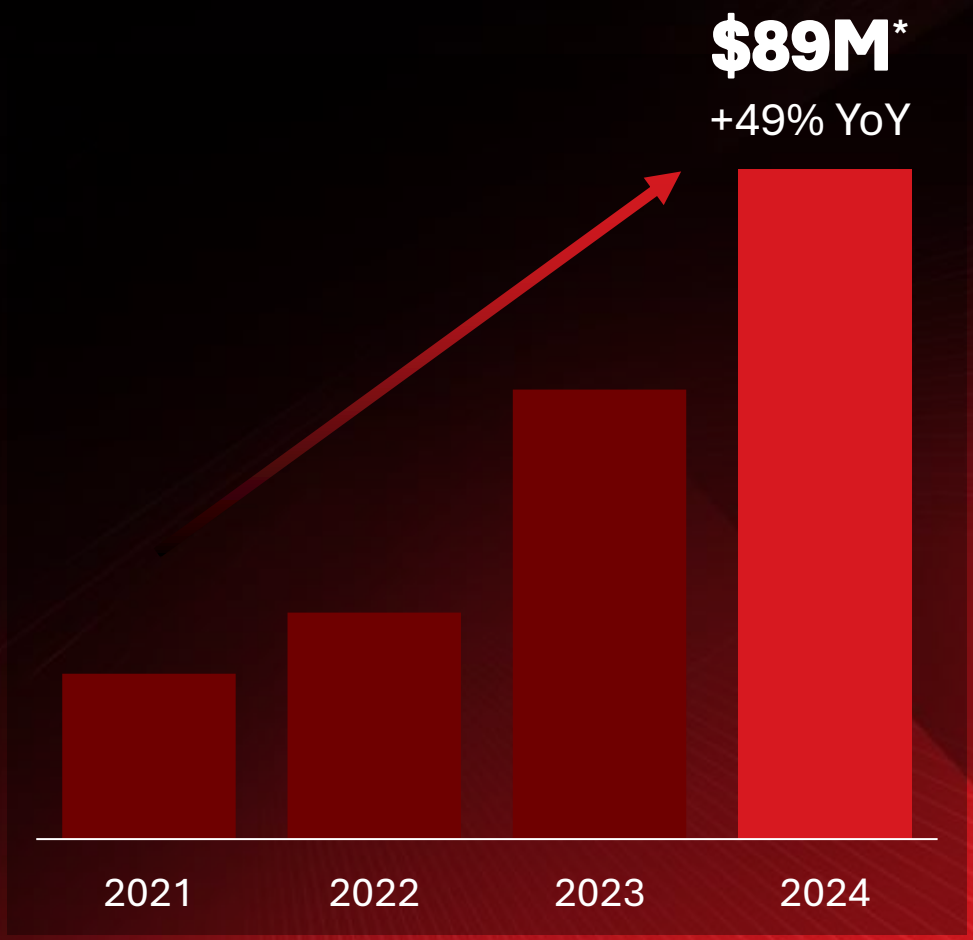
-1% YoY***

* Actual currency in Yen
** ARPU @ constant currency ($1USD = 147.74 Yen), via direct channels
*** Pre-GAAP in millions of Japanese Yen if ***currency exchange rates used for 4Q2023 were used for 4Q2024***

Consumer: Beyond Device Protection

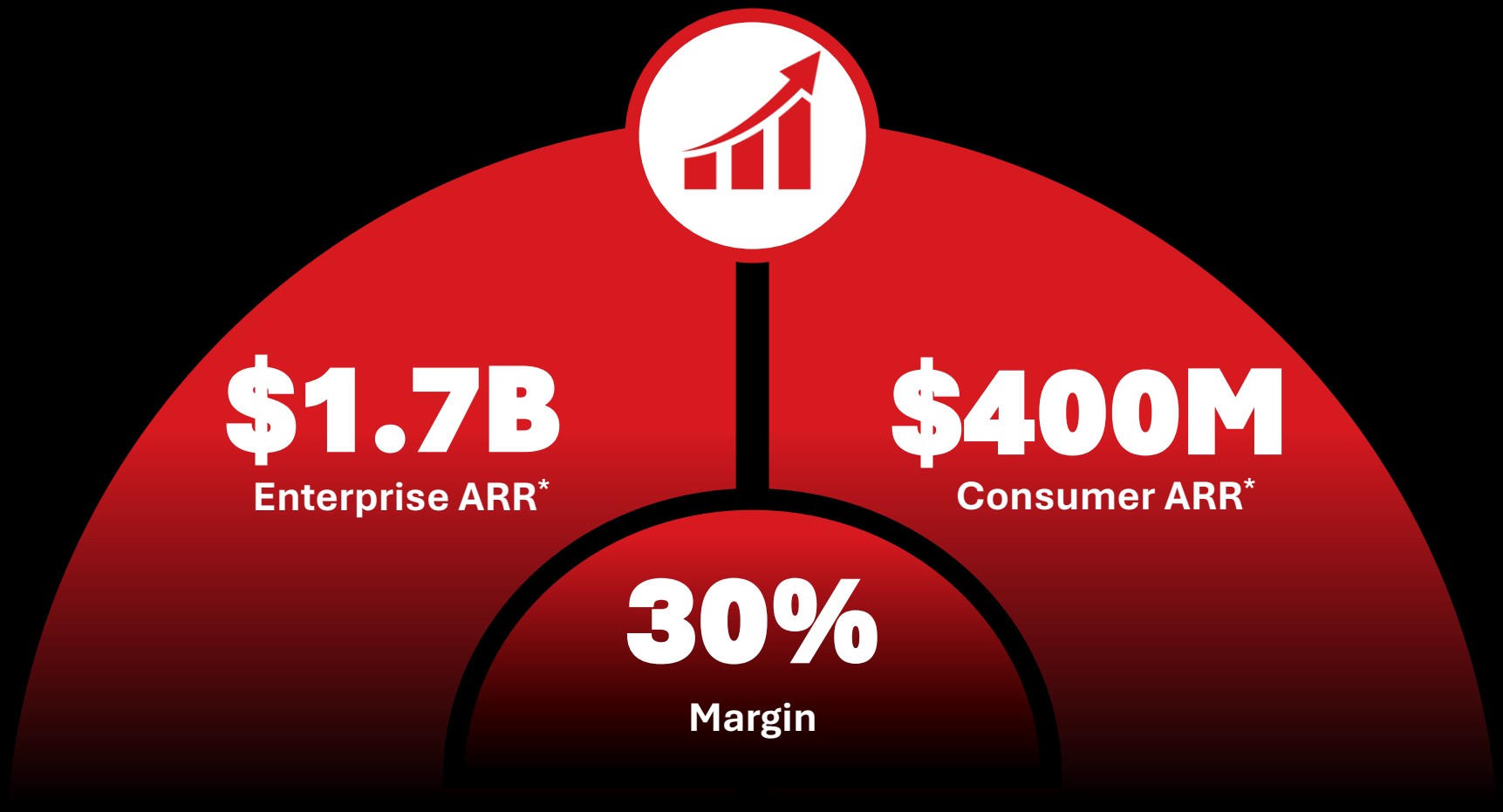


- New ScamCheck app bolstering next-gen offering growth
- Seeing initial uplift on ARPU at +13% with further expected increase on renewal



* Gross sales in constant currency: 1USD= 147.74 yen. Non-GAAP and reference for internal management

Driving to 2027



* At internal company plan rates

Q4 & Full Year 2024 Business Update

Kevin Simzer
Chief Operating Officer