



SYNOPSYS®

Corporate Overview for Investors

August 2024



SYNOPSYS

Forward-Looking Statements

This presentation contains forward-looking statements, including, but not limited to, statements regarding Synopsys, Inc.'s (Synopsys, we or our) short-term and long-term financial targets, expectations and objectives, including, among others, our long-term financial objectives, which include the effects of our pending acquisition of ANSYS, Inc. (the Ansys Merger); strategies related to our products, technology and services; business and market outlook, opportunities, strategies and technological trends, such as artificial intelligence; the Ansys Merger, including, among other things, its anticipated benefits; planned dispositions and their expected impact, such as the previously announced divestiture of our Software Integrity business (the Software Integrity Divestiture); the potential impact of the uncertain macroeconomic and geopolitical environment on our financial results; the expected impact of U.S. and foreign government actions and regulatory changes, including export control restrictions, on our financial results; customer demand and market expansion; our planned product releases and capabilities; industry growth rates; the expected realization of our contracted but unsatisfied or partially unsatisfied performance obligations (backlog); software trends; planned stock repurchases; our expected tax rate; and the impact and result of pending legal, administrative and tax proceedings. These statements involve risks, uncertainties and other factors that could cause our actual results, time frames or achievements to differ materially from those expressed or implied in such forward-looking statements. Such risks, uncertainties and factors include, but are not limited to: macroeconomic conditions and geopolitical uncertainty in the global economy; uncertainty in the growth of the semiconductor and electronics industries; the highly competitive industry we operate in; actions by the U.S. or foreign governments, such as the imposition of additional export restrictions or tariffs; consolidation among our customers and our dependence on a relatively small number of large customers; risks and compliance obligations relating to the global nature of our operations; failure to complete the Ansys Merger on the terms described in our filings with the Securities and Exchange Commission (the SEC), if at all; failure to obtain required governmental approvals related to the Ansys Merger or the imposition of conditions to such governmental approvals that may have an adverse effect on us; failure to realize the benefits expected from the Ansys Merger; failure to complete the Software Integrity Divestiture, or the Software Integrity Divestiture disrupting our business or failing to achieve its intended benefits, and more. Additional information on potential risks, uncertainties and other factors that could affect Synopsys' results is included in filings we make with the SEC from time to time, including in the sections entitled "Risk Factors" in our latest Annual Report on Form 10-K, and in our latest Quarterly Report on Form 10-Q. The financial information contained in this presentation should be read in conjunction with the consolidated financial statements and notes thereto included in Synopsys' most recent reports on Forms 10-K and 10-Q, each as may be amended from time to time. Synopsys' financial results for its third quarter of fiscal year 2024 are not necessarily indicative of Synopsys' operating results for any future periods. The information provided herein is as of August 21, 2024. Synopsys undertakes no duty to, and does not intend to, update any forward-looking statement, whether as a result of new information, future events or otherwise, unless required by law.

Regulation G

In addition to financial results prepared in accordance with Generally Accepted Accounting Principles (GAAP), this presentation also contains certain non-GAAP financial measures. When possible, Synopsys provides a reconciliation of non-GAAP financial measures to their most closely applicable GAAP financial measures. Reconciliations of certain of the non-GAAP financial measures (either contained in this presentation or given verbally) to their most comparable GAAP measures are included in the table at the end of this presentation, along with the third quarter of fiscal year 2024 earnings release and financial supplement, dated August 21, 2024, and available on Synopsys' website at <https://investor.synopsys.com/overview/default.aspx>. Synopsys is unable to provide a reconciliation of its long-term, multi-year target for annual non-GAAP EPS growth and certain fourth quarter and full fiscal year 2024 non-GAAP financial targets to the corresponding GAAP financial measures on a forward-looking basis because Synopsys believes that it would not be possible for it to have the required information necessary to quantitatively reconcile such measures with sufficient precision without unreasonable efforts due to, among other things, the potential variability and limited predictability of the excluded adjustment items necessary for a full reconciliation such as certain acquisition/divestiture related items, restructuring charges, tax deduction variability, changes in the fair value of non-qualified deferred compensation plan, and gains (losses) on the sale of strategic investments. For the same reasons, Synopsys is unable to address the probable significance of the unavailable information. Investors are encouraged to review Item 2.02 of Synopsys' Current Report on Form 8-K filed on August 21, 2024, for additional information about the measures Synopsys uses to evaluate its core business operations.

Empowering Customers' Innovation

PURPOSE

To power innovation today
that ignites the ingenuity
of tomorrow

MISSION

Empower technology
innovators everywhere

VALUE PROPOSITION

Maximize customers'
R&D capabilities and multiply
their productivity

SYNOPSYS[®]

Our Technology, **Your Innovation**[™]

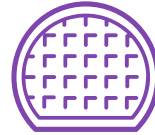
Powering the Era of Pervasive Intelligence



Artificial intelligence

Exponential productivity
and efficiency gains

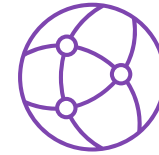
Overcoming energy
and compute limits



Silicon proliferation

More silicon content
everywhere

Addressing productivity
and talent gaps



Software-defined systems

New applications,
new methodologies

Enabling increased complexity,
enablement of new developers

SILICON-TO-SYSTEMS DESIGN SOLUTIONS

New design paradigm; Solving challenges and addressing complexity

Synopsys: The Market & Technology Leader

Broad Product Portfolio

Electronic Design Automation (EDA)

Semiconductor Intellectual Property (IP)

	FY23	FY24 Targets ^{1, 2}
Revenue:	\$5.32B	\$6.105B – \$6.135B
Growth Rate:	15.2%	~15%
Non-GAAP Operating Margin:	36.3%	~38.5%* *Midpoint of range
Non-GAAP Diluted EPS:	\$10.54	\$13.07 – \$13.12
Growth Rate:	25.5%	~24%
Business Model:	Time-based, recurring revenue model; Non-cancellable backlog	

¹ Targets and multi-year objectives provided as of August 21, 2024. See below for GAAP to non-GAAP reconciliations for more information.

² On May 5, 2024, Synopsys entered into an agreement to sell its Software Integrity business. Unless otherwise noted, Synopsys' Software Integrity business has been presented as a discontinued operation in the Synopsys' consolidated financial statements for all periods presented in this presentation and all financial results and targets are presented herein on a continuing operations basis.

Long-term Financial Objectives on a Combined Company Basis¹

Our combined company long-term, multi-year objectives are:

Revenue

Industry-leading double-digit growth

- Design Automation: double digits
- Design IP: mid-teens

Margin

Long-term non-GAAP operating margins in mid 40s

Long-term unlevered free cash flow margins in mid 30s

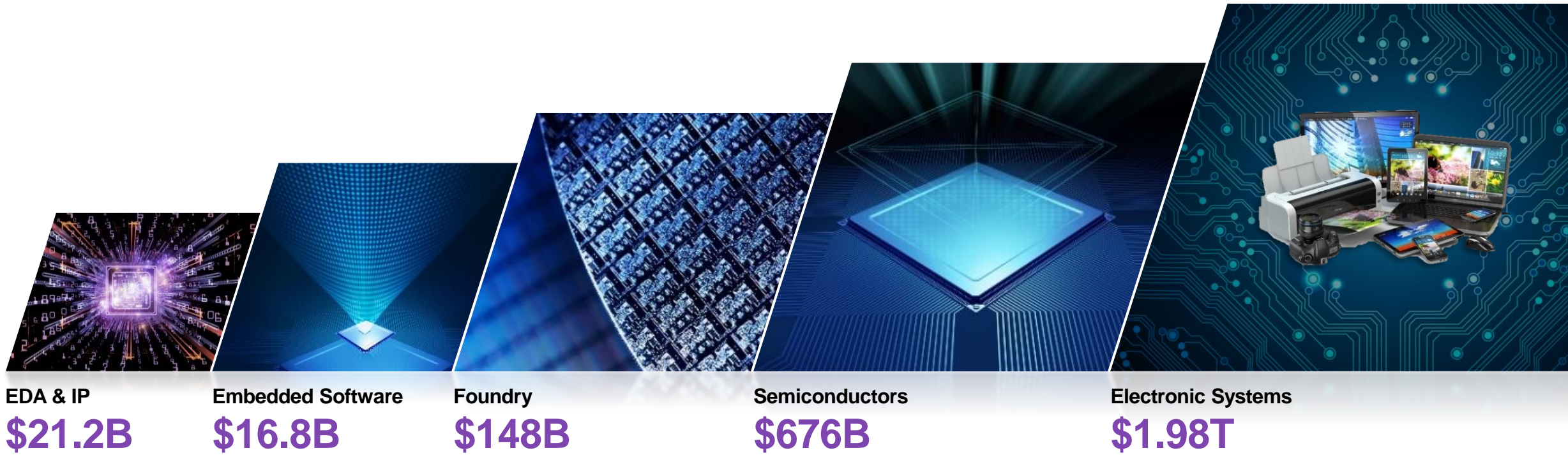
Earnings

Non-GAAP EPS growth in the high-teens range

¹ These multi-year objectives are provided as of August 21, 2024 and include the pending acquisition of Ansys.

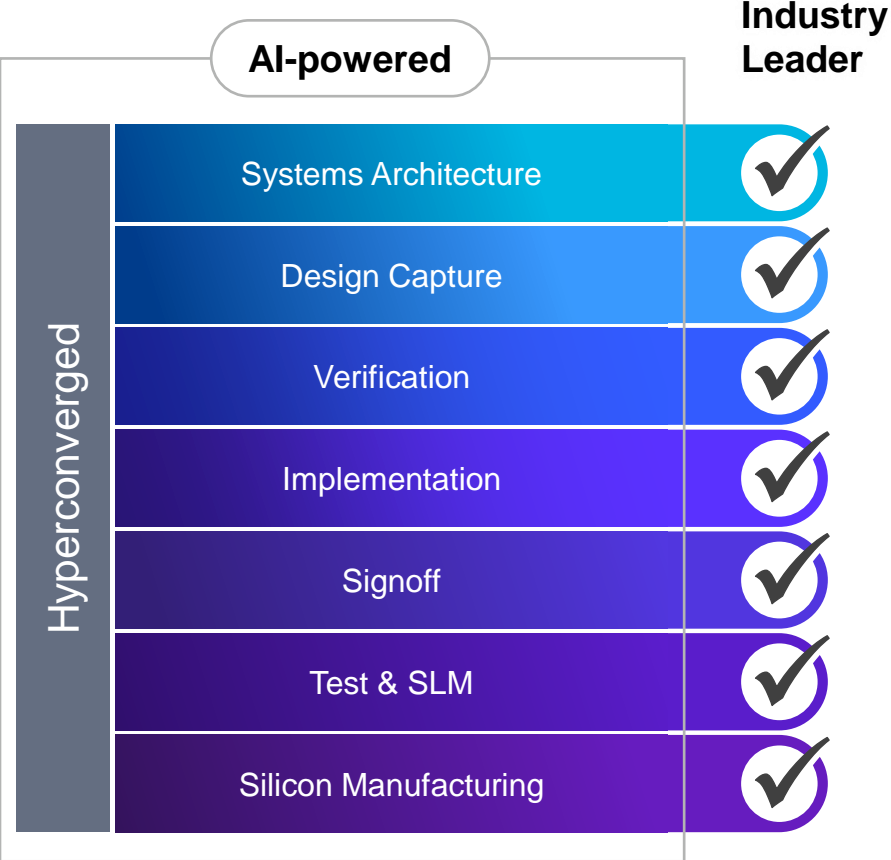
Global Value Chain—2024E

EDA & IP—At the Heart of Accelerating Electronics Innovation



Sources: ESD Alliance, Ipnest, MarketsandMarkets, IC Insights (2024)

Industry-Leading, Full-Stack EDA Solution



#1 in EDA, Leader in digital design and verification

Over 1200 tape-outs at 16nm and below*

Leader in GPU-accelerated analog verification

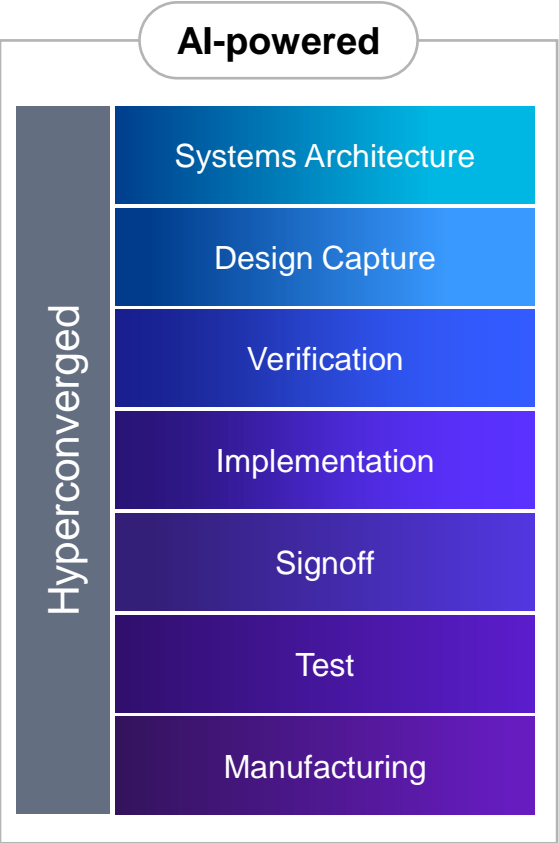
Gold standard in Signoff and TCAD

Pioneer in Silicon Lifecycle Management

* Synopsys internal data

Superior customer outcomes through deeper integration of best-in-class tools

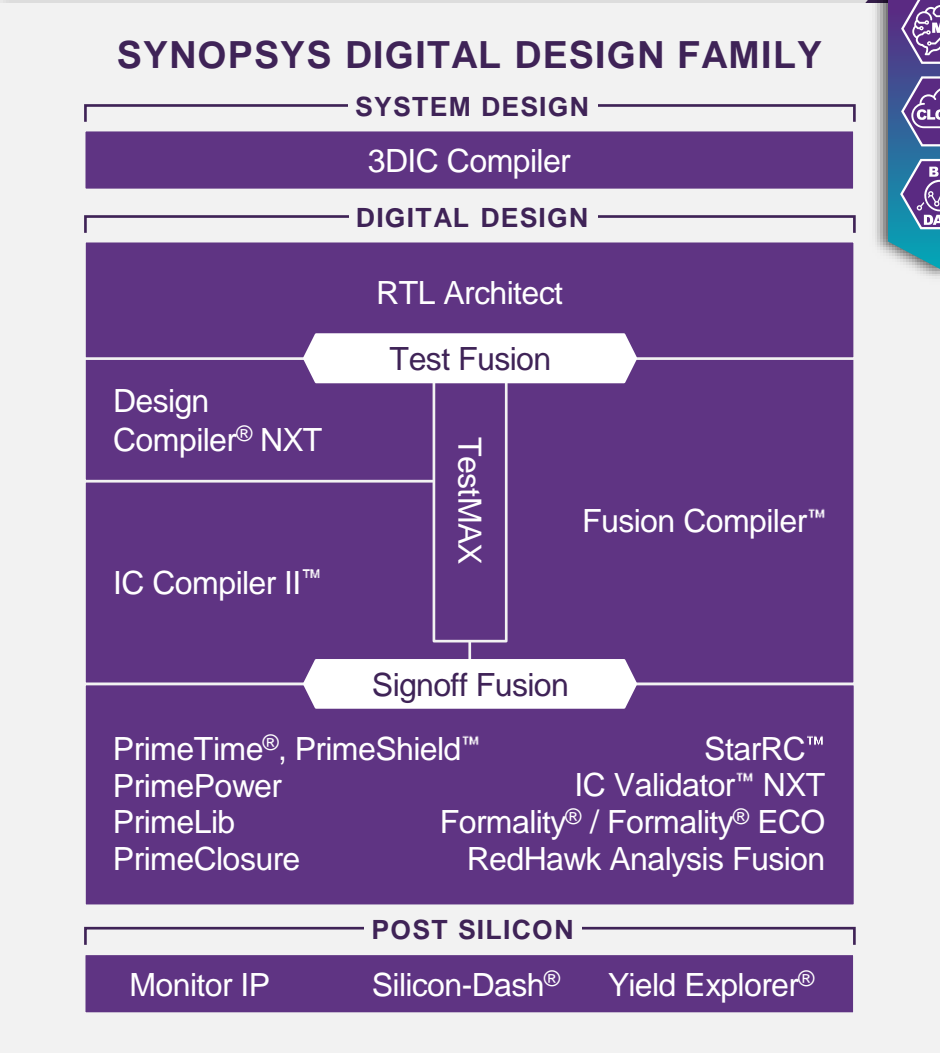
First to Deliver AI-Powered EDA



Generative AI Since 2023	Generative Generate RTL, Test Bench, Formal Collateral	Collaborative Expert answers, expert root causes		
AI-driven data analytics Since 2022	Design.da Better PPA from aggregated insights	Silicon.da Higher yield and quality	Fab.da Higher fab efficiency	
AI-driven optimization Since 2020	DSO.ai™ 10% better performance per watt	VSO.ai™ 4x TAT for same coverage	TSO.ai™ 25% average pattern count reduction	ASO.ai™ 4x TAT for circuit opt.

Reducing time to market and delivering best PPA

Synopsys Digital Design



Fusion Architecture

- Flagship tools: synthesis, P&R, signoff
- Fusion of algorithms, engines, data model
- Two fusion types: test and signoff

Innovative Products

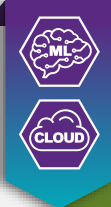
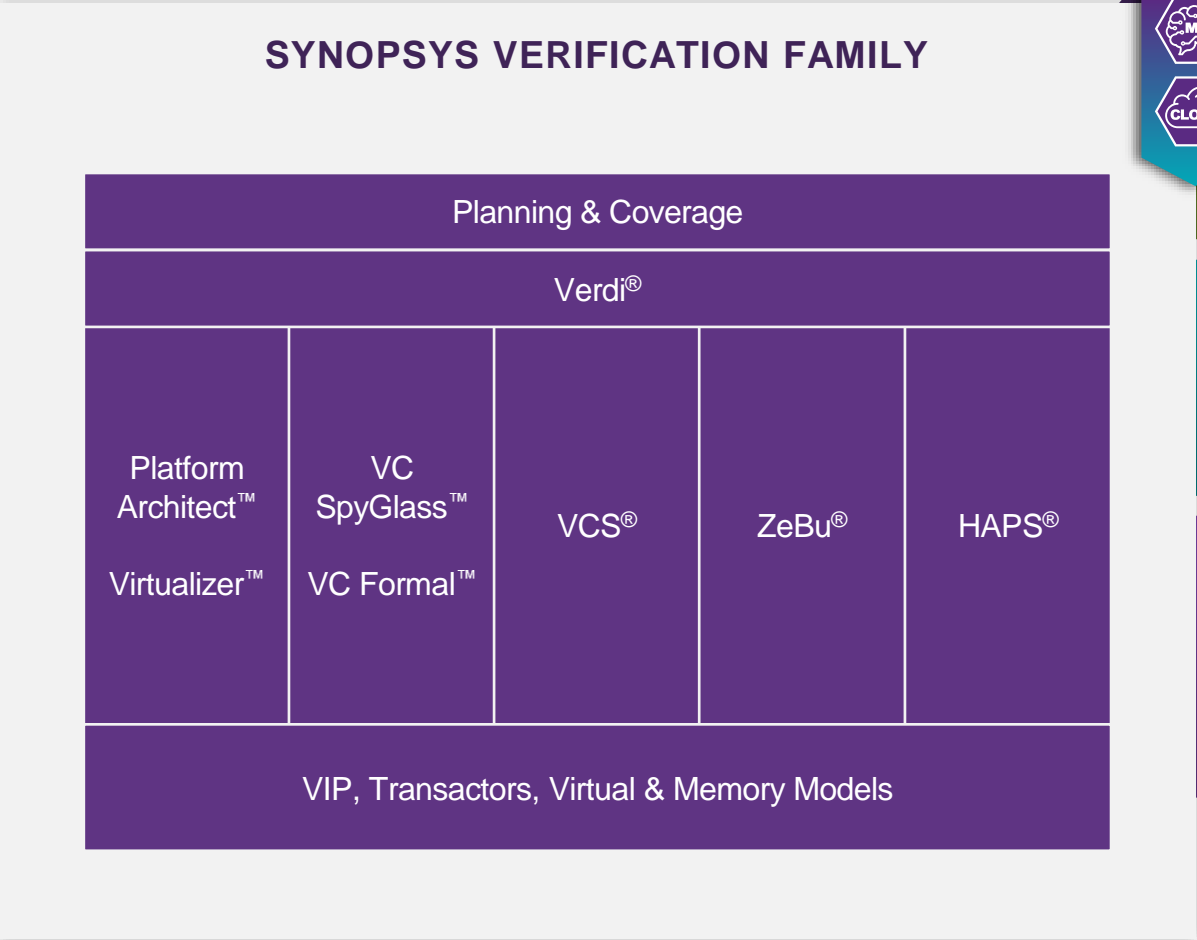
- Industry-unique Fusion Compiler™
- Design Compiler® NXT, TestMAX, IC Validator™ NXT
- PrimeShield™, PrimeClosure, RTL Architect

A Market Leader

- ML-enhanced tools, AI-driven apps: DSO.ai™ and TSO.ai™
- Accelerating AI, automotive, and multi-die systems
- Cloud-ready

20% Better Quality-of-Results
2X Faster Time-to-Results

Synopsys Verification



Best-in-Class Verification

Complete product family with leading products in all categories, hardware-based and software-based

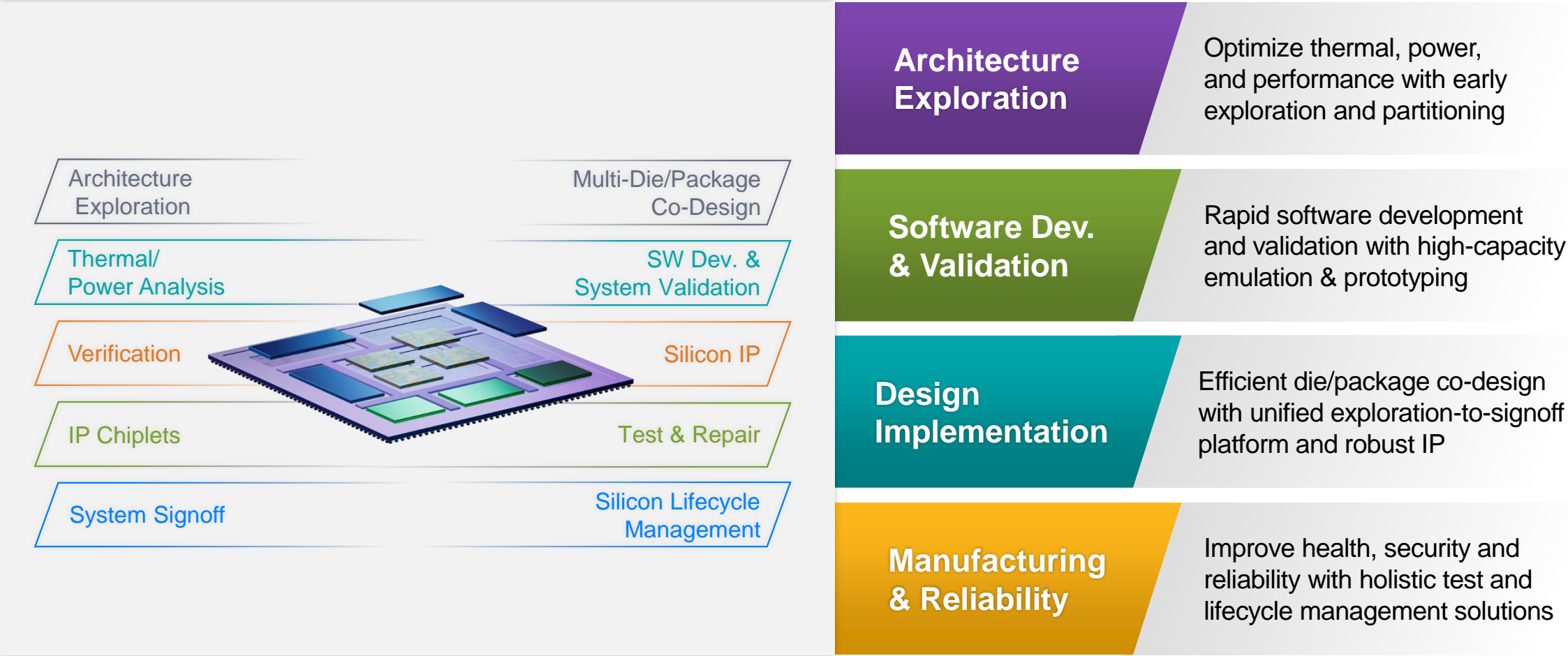
Fastest Engines

Highest-performance engines accelerate time-to-market

Accelerating Innovation

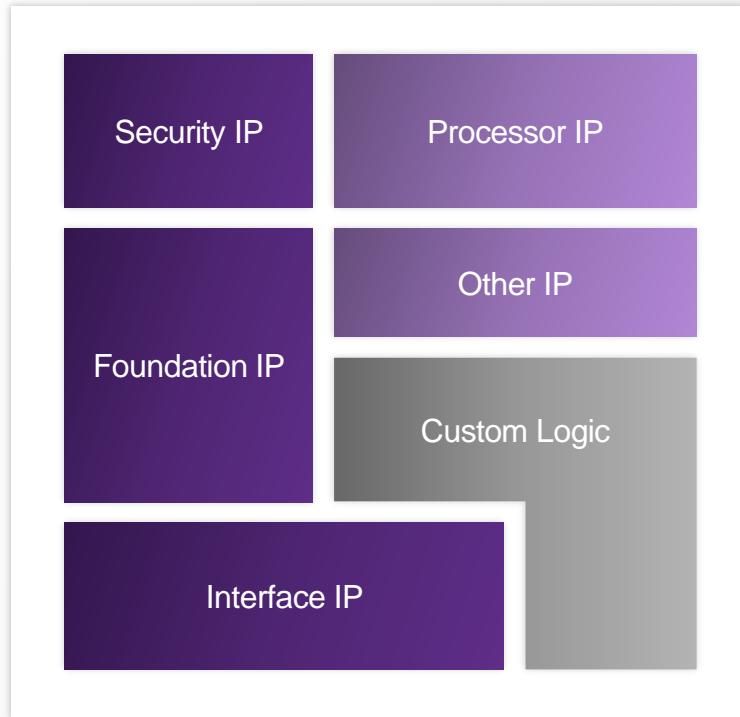
- ML-enhanced tools, AI-driven apps: VSO.ai™
- Investing in domain-specific verification solutions
- Cloud-ready

Efficient Design Implementation for Multi-Die Systems



A Comprehensive Solution for Heterogeneous Integration

Broadest IP Portfolio



25 years of investment & commitment

#2 IP provider worldwide

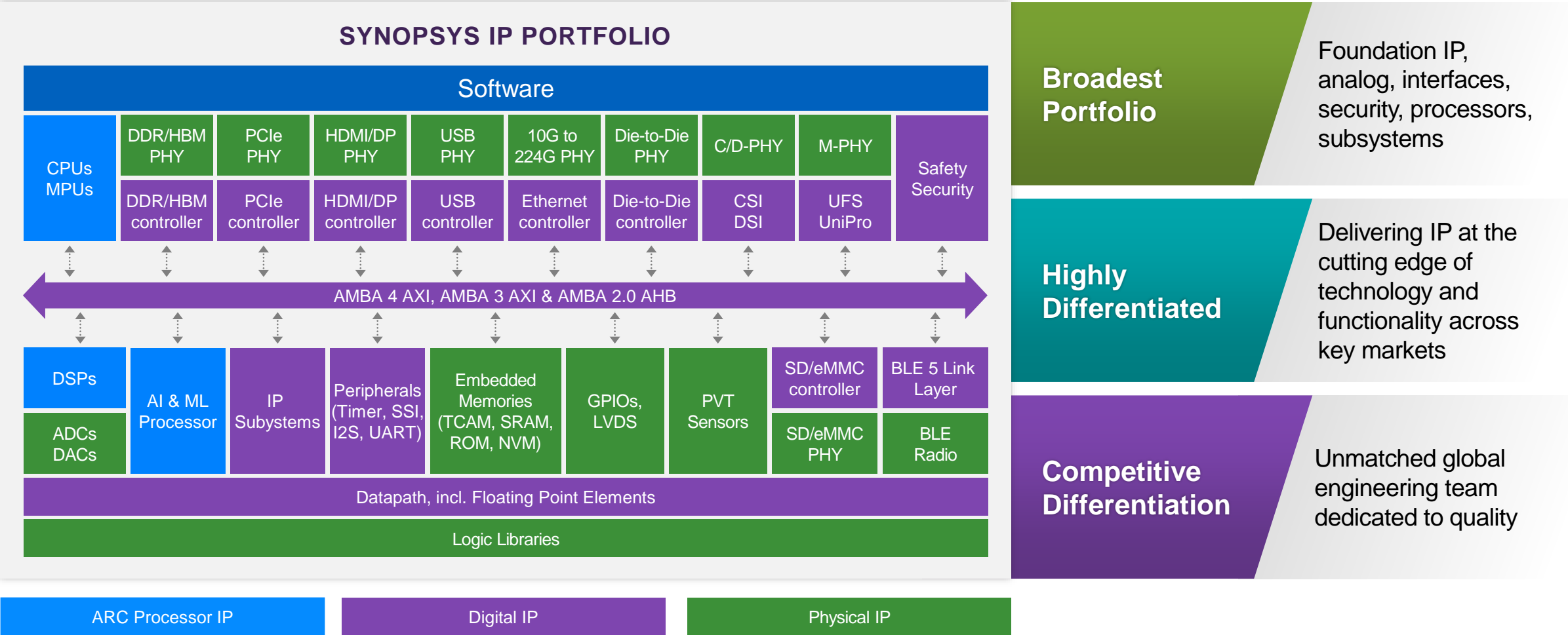
Leader in Interface IP

Leader in Foundation IP

Growing Processor IP portfolio with ARC-V™

Reduce design risk and speed time-to-market with high-quality IP

Broadest and Most Comprehensive IP Portfolio



GAAP to Non-GAAP Reconciliation^{1, 2}

Earnings Per Share—Full Fiscal Year 2024 Targets

	Range for Fiscal Year Ending	
	October 31, 2024	
	Low	High
Target GAAP earnings per diluted share attributed to Synopsys	\$ 9.71	\$ 9.85
Adjustments:		
Amortization of acquired intangible assets	0.44	0.42
Stock-based compensation	4.27	4.23
Acquisition/divestiture related items ⁽³⁾	0.82	0.79
Gain on sale of strategic investments	(0.35)	(0.35)
Tax adjustments	(1.82)	(1.82)
Target non-GAAP earnings per diluted share attributed to Synopsys	\$ 13.07	\$ 13.12
Shares used in non-GAAP calculation (midpoint of target range)	156,000	156,000

¹ Synopsys' fiscal year 2024 has one extra week and will end on November 2, 2024. For presentation purposes, we refer to the closest calendar month end.

² Presented on a continuing operations basis.

³ Adjustments reflect actual expenses incurred by Synopsys as of August 3, 2024 as well as certain contractually obligated financing fees and related amortization expenses, and do not fully reflect all potential adjustments for future periods.

For additional information about the measures Synopsys uses to evaluate its core business operations, please review the earnings press release and Item 2.02 of the Current Report on Form 8-K filed on August 21, 2024.

GAAP to Non-GAAP Reconciliation^{1, 2, 3}

Operating Margin—Midpoint of Fiscal Year 2024 Targets

	Fiscal Year Ending October 31, 2024
At midpoint of revenue and expense guidance ranges	
GAAP operating margin	25.1 %
Amortization of acquired intangible assets	1.1 %
Stock-based compensation	10.8 %
Acquisition/divestiture related items ⁽⁴⁾	1.5 %
Target non-GAAP operating margin	<u>38.5 %</u>

¹ Synopsys' fiscal year 2024 has one extra week and will end on November 2, 2024. For presentation purposes, we refer to the closest calendar month end.

² These numbers represent the midpoint of targets in the prepared remarks provided on August 21, 2024, and do not represent official guidance for fiscal year 2024.

³ Presented on a continuing operations basis.

⁴ Adjustments reflect actual expenses incurred by Synopsys as of August 3, 2024 as well as certain contractually obligated financing fees and related amortization expenses, and do not fully reflect all potential adjustments for future periods.

For additional information about the measures Synopsys uses to evaluate its core business operations, please review the earnings press release and Item 2.02 of the Current Report on Form 8-K filed on August 21, 2024.

Prioritizing Corporate Responsibility

ENVIRONMENT

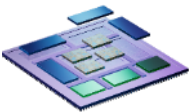
Addressing our footprint and enabling our customers to innovate for a Greener World



Reducing our carbon footprint with science-based targets



Recognized as a sustainability leader (A-)



Empower customers to design energy-efficient, powerful and trusted chips

SOCIAL

Empowering our talent through a culture of innovation, inclusion, and respect



Bridging academia and industry to create new opportunities for innovation and collaboration



Donated \$5.5M to charities in CY23 focused on STEM education, community and environment

GOVERNANCE

Standing by our commitment to integrity as a hallmark of our success

All employees are required to take annual Ethics and Compliance Training during Integrity Awareness Month

3 of 11 members of our Board of Directors are women

ISO 22301 Business Continuity Certification

Thank You