



# Corporate Overview for Investors

February 2025

## 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 anticipated effects of our pending acquisition of ANSYS, Inc. (the Ansys Merger); our products, technology and services; business and market outlook, opportunities, strategies and technological trends, such as artificial intelligence (AI); planned acquisitions and their expected impact, such as the Ansys Merger; planned dispositions and their expected impact; the potential impact of the uncertain macroeconomic environment on our financial results, including, but not limited to, the effects of sustained global inflationary pressures and elevated interest rates, potential economic slowdowns or recessions, supply chain disruptions, geopolitical pressures, including, among others, the unknown impact of current and future U.S. and foreign trade regulations, government actions and regulatory changes, such as export control restrictions and tariffs, and regional or global military conflicts, and fluctuations in foreign exchange rates, and associated global economic conditions; 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, regulatory, 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 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; 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 first quarter of fiscal year 2025 are not necessarily indicative of Synopsys' operating results for any future periods. The information provided herein is as of February 26, 2025. 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 first quarter of fiscal year 2025 earnings release and financial supplement, dated February 26, 2025, 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 first quarter and full fiscal year 2025 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 February 26, 2025, for additional information about the measures Synopsys uses to evaluate its core business operations.

# Empowering Our 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™**

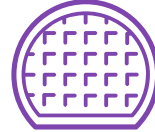
# Powering the Era of Pervasive Intelligence



## Artificial intelligence

Exponential productivity  
and efficiency gains

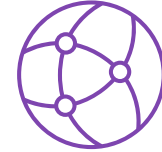
Overcoming energy  
and compute limits



## 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: Industry & Technology Leader

## Broad Product Portfolio

Electronic Design Automation (EDA)

Semiconductor Intellectual Property (IP)

	FY24 <sup>1</sup>	FY25 Targets <sup>2, 3</sup>
Revenue:	\$6.127B	\$6.745B – \$6.805B
Growth Rate:	15.2%	~10-11%
Non-GAAP Operating Margin:	38.5%	~40.0%* *Midpoint of range
Non-GAAP Diluted EPS:	\$13.20	\$14.88 – \$14.96
Growth Rate:	25.2%	~13%

<sup>1</sup> On September 30, 2024, Synopsys completed the sale of 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.

<sup>2</sup> Targets and multi-year objectives provided as of February 26, 2025. See for GAAP to non-GAAP reconciliations below for more information.

<sup>3</sup> Synopsys' fiscal year 2025 will end on October 31, 2025.

# Long-term Financial Objectives on a Combined Company Basis<sup>1</sup>

## 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

<sup>1</sup> These multi-year objectives are provided as of February 26, 2025 and include the pending acquisition of ANSYS, Inc. See GAAP to non-GAAP reconciliations below for more information.

# Global Value Chain—2024E

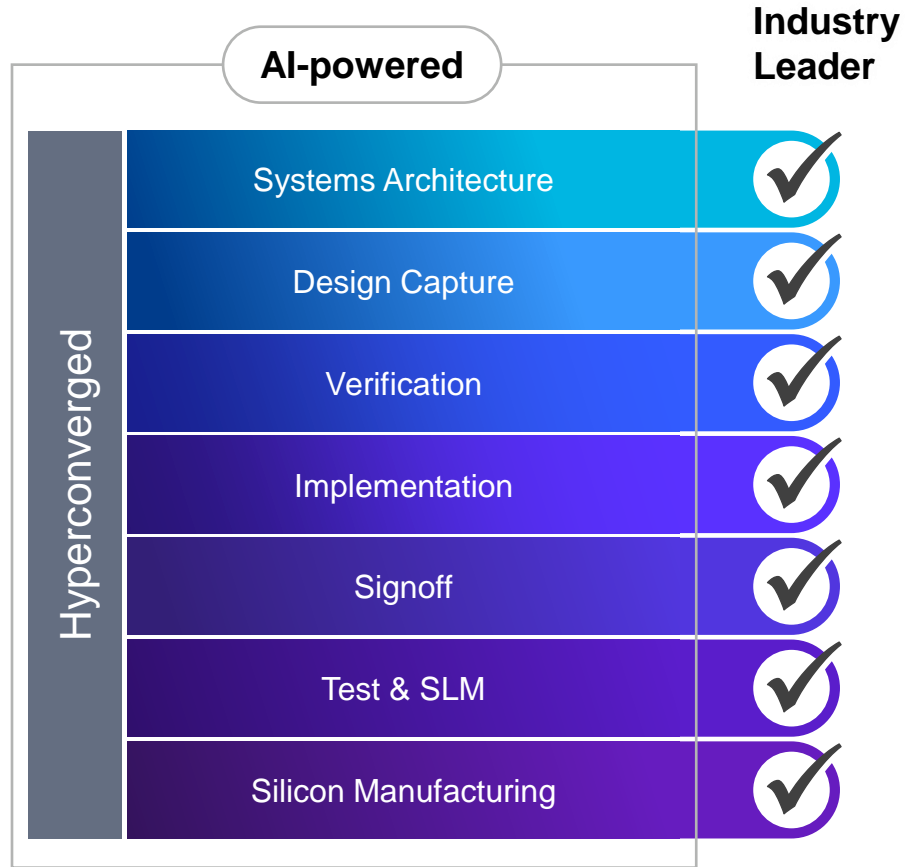
EDA & IP—At the Heart of Accelerating Electronics Innovation



Sources: Synopsys Estimates, Verified Market Research, TechInsights



# 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

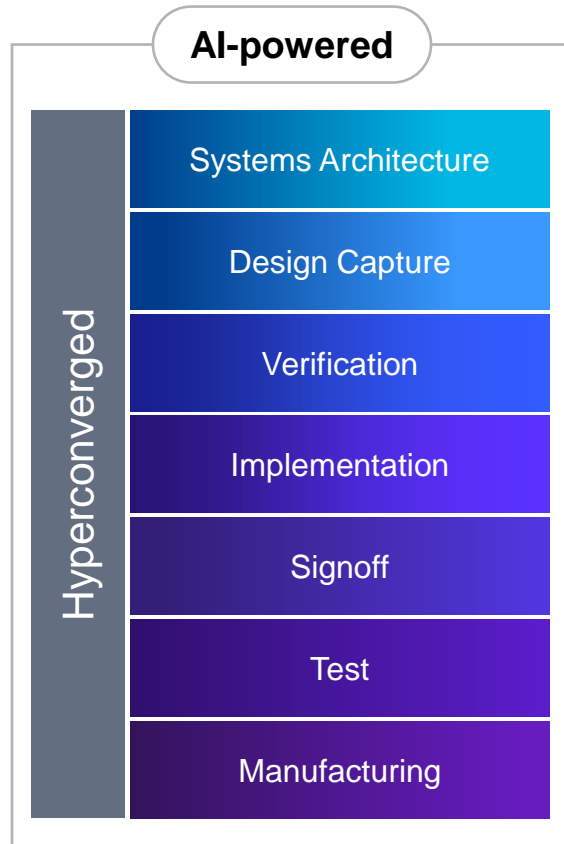
Pioneer in Silicon Lifecycle Management

\* Synopsys internal data

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



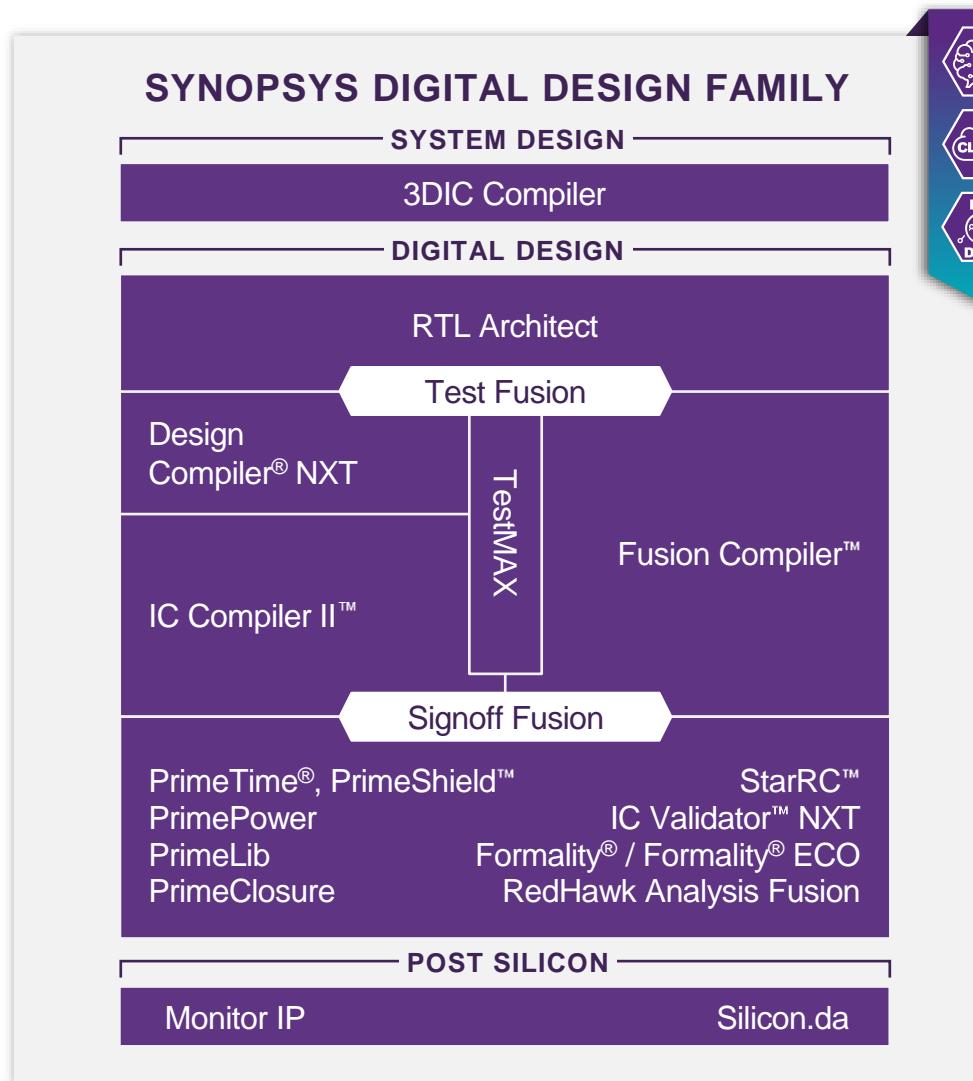
# First to Deliver AI-Powered EDA



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

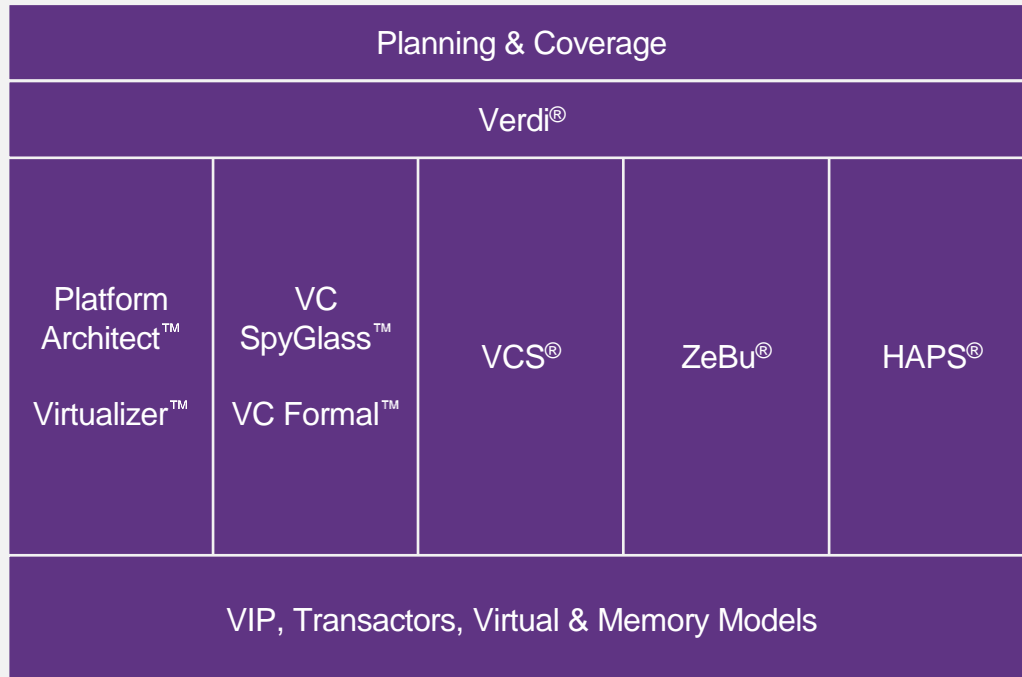
## Market Leadership

- 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

## SYNOPSYS VERIFICATION FAMILY



### Best-in-Class Verification

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

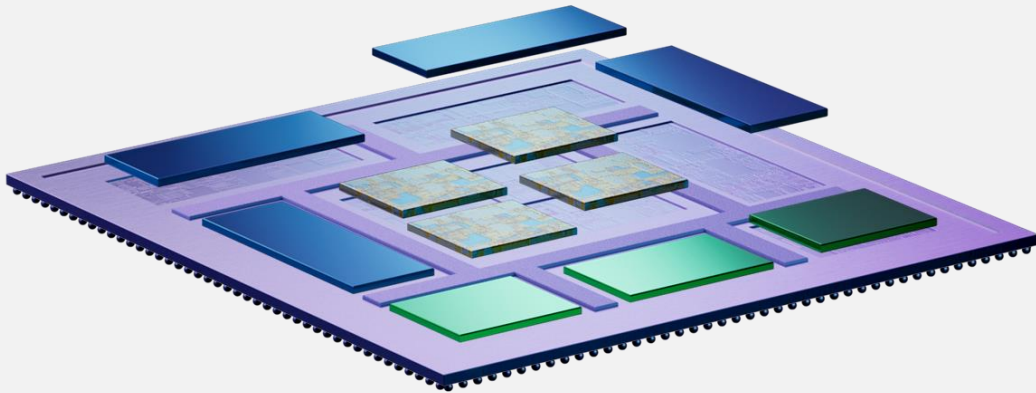
### Fastest Engines

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

# Synopsys Multi-Die Solution



## Architecture Exploration

Optimize thermal, power, and performance with early exploration and partitioning

## Software Dev. & Validation

Rapid software development and validation with high-capacity emulation & prototyping

## Design Implementation

Efficient die/package co-design with unified exploration-to-signoff platform

## Silicon IP

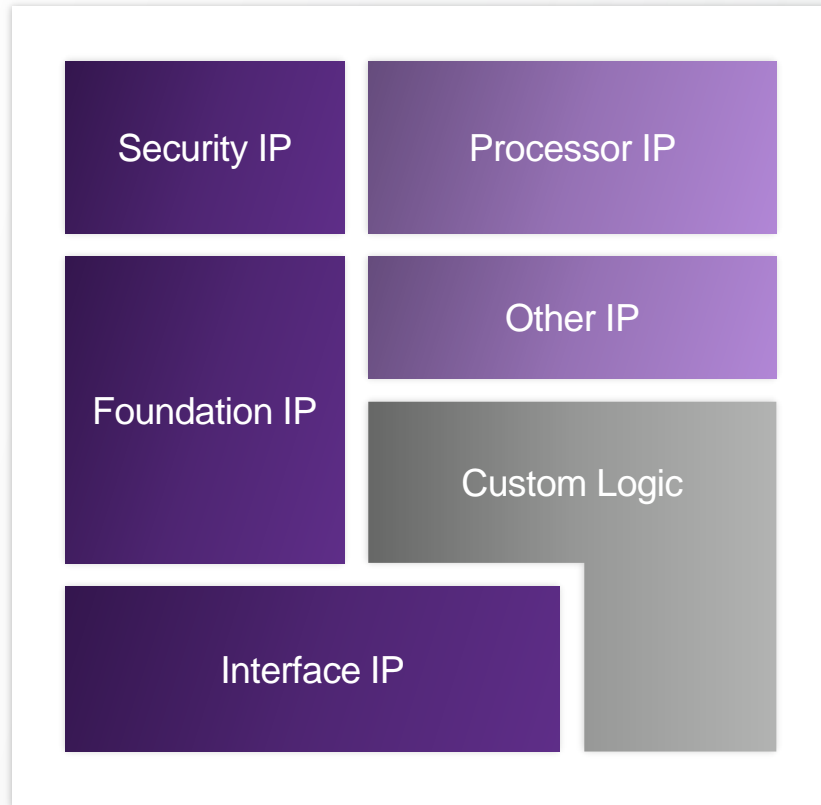
Best-in-class IP portfolio for 2.5D & 3D standard & adv. packaging

## Manufacturing & Health

Improve health, security & reliability from production to in-field with test, analysis & repair solution

A Comprehensive and Scalable Solution for Fast Heterogeneous Integration

# Broadest & Most Advanced IP Portfolio



**25 years** of investment & commitment

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**#2 IP provider** worldwide

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**Leader in** Foundation IP

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**Leader in** Interface IP

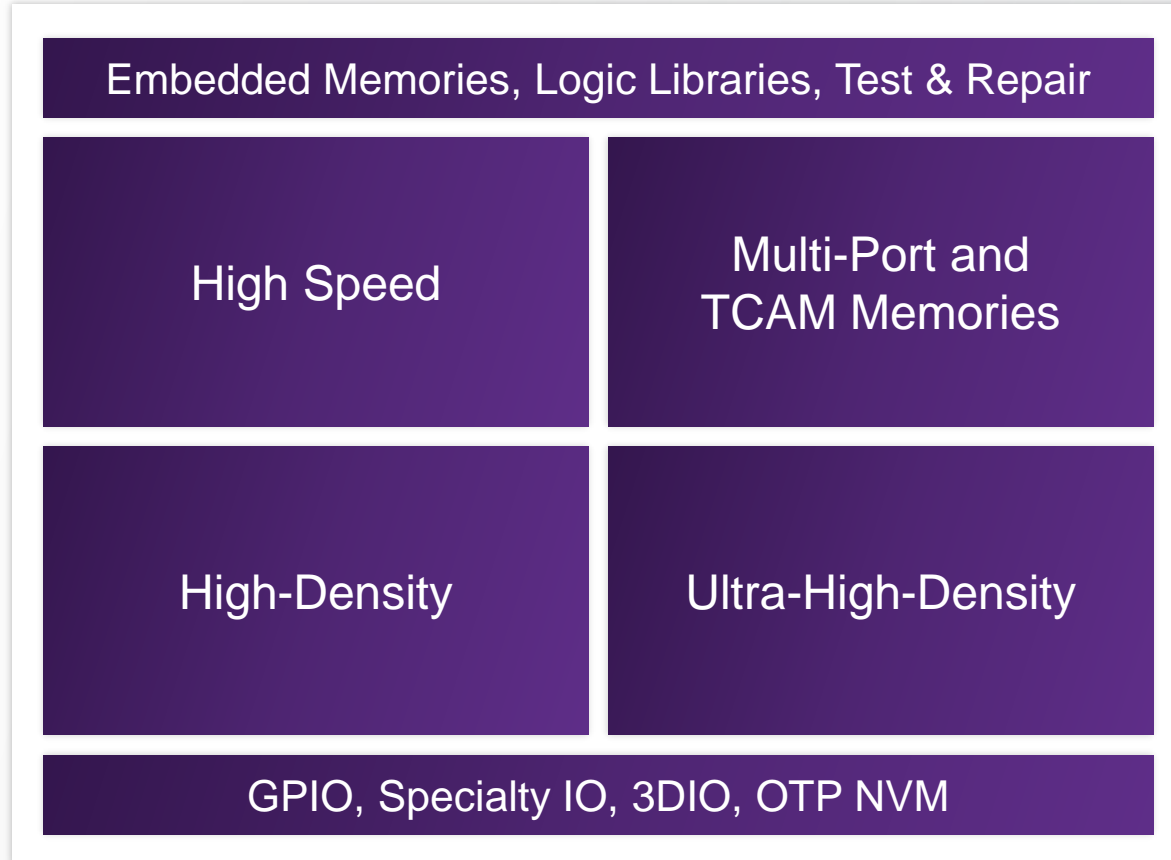
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**Growing** Processor and Security IP portfolios

Increase productivity and reduce design risk with high-quality Synopsys IP

# Broadest Portfolio of Foundation IP for Advanced Nodes

Lowest Power, Highest Performance and Smallest Area



- Comprehensive solution delivering best PPA, proven in billions of devices
  - Optimized cell set tailored for advanced nodes and market segments
  - Memory DFT and power management support
- Aligned with foundry PDK versions and EDA views
- Proven with industry leading EDA tools

# GAAP to Non-GAAP Reconciliation

## Earnings Per Share—Full Fiscal Year 2025 Targets

	Range for Fiscal Year Ending	
	October 31, 2025	
	Low	High
Target GAAP earnings per diluted share attributed to Synopsys	\$ 10.09	\$ 10.31
Adjustments:		
Amortization of acquired intangible assets	0.32	0.29
Stock-based compensation	5.27	5.19
Acquisition/divestiture related items <sup>(1)</sup>	0.70	0.66
Tax adjustments	(1.50)	(1.49)
Target non-GAAP earnings per diluted share attributed to Synopsys	\$ 14.88	\$ 14.96
Shares used in non-GAAP calculation (midpoint of target range)	158,000	158,000

<sup>1</sup> Adjustments reflect actual expenses incurred by Synopsys as of January 31, 2025 or 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 February 26, 2025.



# GAAP to Non-GAAP Reconciliation<sup>1</sup>

## Operating Margin—Midpoint of Fiscal Year 2025 Targets

	<b>Fiscal Year Ending October 31, 2025</b>
At midpoint of revenue and expense guidance ranges	
GAAP operating margin	26.2 %
Amortization of acquired intangible assets	0.7 %
Stock-based compensation	12.2 %
Acquisition/divestiture related items <sup>(2)</sup>	0.9 %
Target non-GAAP operating margin	40.0 %

<sup>1</sup> These numbers represent the midpoint of targets in the prepared remarks provided on February 26, 2025, and do not represent official guidance for fiscal year 2025.

<sup>2</sup> Adjustments reflect actual expenses incurred by Synopsys as of January 31, 2025 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 February 26, 2025.

# GAAP to Non-GAAP Reconciliation<sup>1</sup>

## Earnings Per Share – Fiscal Year 2024 Actual Results

	<b>Twelve Months Ended October 31, 2024</b>
GAAP net income from continuing operations per diluted share attributed to Synopsys	\$ 9.25
Adjustments:	
Amortization of acquired intangible assets	0.67
Stock-based compensation	4.21
Acquisition/divestiture related items	1.11
Gain on sale of strategic investments	(0.35)
Tax adjustments	(1.69)
Non-GAAP net income from continuing operations per diluted share attributed to Synopsys	<u>\$ 13.20</u>
Shares used in computing net income per diluted share amounts:	155,944

<sup>1</sup> Synopsys' fiscal year 2024 ended on November 2, 2024. For presentation purposes, we refer to the closest calendar month end. Fiscal year 2024 was a 53-week year, which included an extra week in the first quarter.

# ESG Highlights

## ENVIRONMENT

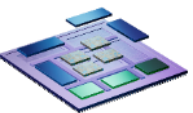
Addressing our footprint and enabling our customers to innovate for a greener world



Reducing our carbon footprint with SBTi targets



Recognized for environmental management (B)



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

## SOCIAL

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

Received nearly 60 awards in 14 countries in FY24



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



Donated \$5.6M to charities in CY24 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 of our governing Board of Directors are women

ISO 22301 Business Continuity Certification

**SYNOPSYS®**

Thank you