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## I. FISCAL YEAR 2024 SELECTED FINANCIAL TARGETS

(1) (2)

|                                                          | Q3 FY2024         | FY2024            |
|----------------------------------------------------------|-------------------|-------------------|
| Revenue (million)                                        | \$1,505 - \$1,535 | \$6,090 - \$6,150 |
| GAAP Expenses (million)                                  | \$1,099 - \$1,119 | \$4,559 - \$4,614 |
| Non-GAAP Expenses (million)                              | \$920 - \$930     | \$3,770 - \$3,810 |
| Non-GAAP Interest & Other Income (Expense) Net (million) | \$4 - \$6         | \$32 - \$36       |
| Non-GAAP Tax Rate                                        | 15%               | 15%               |
| Fully Diluted Outstanding Shares (million)               | 155 - 157         | 155 - 157         |
| GAAP Operating Margin                                    |                   | Midpoint: ~25.1%  |
| Non-GAAP Operating Margin                                |                   | Midpoint: ~38.1%  |
| GAAP Earnings Per Share                                  | \$2.22 - \$2.35   | \$9.14 - \$9.36   |
| Non-GAAP Earnings Per Share                              | \$3.25 - \$3.30   | \$12.90 - \$12.98 |
| Cash Flow from Operations (million)                      |                   | ~ \$1,300         |
| Free Cash Flow (million) <sup>(3)</sup>                  |                   | ~ \$1,100         |
| Capital Expenditures (million)                           |                   | ~\$200            |

(3) Free Cash Flow is calculated as cash provided from operating activities less capital expenditures and capitalization of software development costs.

## II. LONG-TERM FINANCIAL OBJECTIVES ON A COMBINED COMPANY BASIS

(1)(2)

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

| Revenue                                                  | Margin                                                | Earnings                                    |
|----------------------------------------------------------|-------------------------------------------------------|---------------------------------------------|
| Industry-leading double-digit growth                     | Long-term non-GAAP operating margins in mid 40s       | Non-GAAP EPS growth in the high-teens range |
| Design Automation: double-digits<br>Design IP: mid-teens | Long-term unlevered free cash flow margins in mid 30s |                                             |

(1) These multi-year objectives are provided as of May 22, 2024 and include the pending acquisition of ANSYS, Inc. See GAAP to non-GAAP reconciliations below 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 financial supplement to our earnings results for the second quarter of fiscal year 2024 (this Supplement) and all financial results and targets are presented herein on a continuing operations basis.

### III. REVENUE BY PRODUCT GROUP (Unaudited)<sup>(1)</sup>

| (\$ millions) | FY22           | Q123           | Q223           | Q323           | Q423           | FY23           | Q124           | Q224           |
|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| EDA           | 3,194.8        | 874.3          | 900.8          | 972.2          | 931.4          | 3,678.7        | 970.7          | 1,007.7        |
| % of Revenue  | 69.2%          | 70.9%          | 71.3%          | 71.8%          | 63.5%          | 69.2%          | 64.2%          | 69.3%          |
| Design IP     | 1,315.5        | 343.7          | 335.2          | 350.2          | 513.7          | 1,542.7        | 525.7          | 399.8          |
| % of Revenue  | 28.5%          | 27.9%          | 26.5%          | 25.9%          | 35.0%          | 29.0%          | 34.8%          | 27.5%          |
| Other         | 105.4          | 15.6           | 26.7           | 31.9           | 22.3           | 96.6           | 14.6           | 47.3           |
| % of Revenue  | 2.3%           | 1.3%           | 2.1%           | 2.4%           | 1.5%           | 1.8%           | 1.0%           | 3.2%           |
| <b>Total</b>  | <b>4,615.7</b> | <b>1,233.5</b> | <b>1,262.7</b> | <b>1,354.4</b> | <b>1,467.4</b> | <b>5,318.0</b> | <b>1,511.0</b> | <b>1,454.7</b> |

Revenue from our products and services is categorized into three groups:

- EDA, which includes digital and custom integrated circuit (IC) design software, verification hardware and software products, manufacturing-related design products, field-programmable gate array (FPGA) design software, artificial intelligence (AI) driven EDA solutions, and professional services;
- Design IP, which includes our Synopsys IP portfolio; and
- Other, which includes university programs, optical products, mechatronic simulation, and the impact of gains and losses from foreign currency hedges.

Note: Amounts included in the table above may not foot due to rounding. Product revenue data for multi-product transactions reflect internal allocations based upon certain assumptions and management's methodology. In addition, we allocate maintenance revenue to the products to which those maintenance services relate.

(1) Presented on continuing operations basis.

### IV. REVENUE BY GEOGRAPHIC REGION (Unaudited)<sup>(1)</sup>

| (\$ millions) | FY22           | Q123           | Q223           | Q323           | Q423           | FY23           | Q124           | Q224           |
|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| North America | 2,089.7        | 592.5          | 585.5          | 571.5          | 746.0          | 2,495.5        | 731.7          | 638.2          |
| % of Revenue  | 45%            | 48%            | 46%            | 42%            | 51%            | 47%            | 48%            | 44%            |
| Europe        | 430.4          | 117.2          | 134.1          | 125.8          | 137.7          | 514.8          | 137.3          | 147.5          |
| % of Revenue  | 9%             | 10%            | 11%            | 9%             | 9%             | 10%            | 9%             | 10%            |
| Korea         | 523.5          | 143.2          | 154.4          | 161.8          | 166.1          | 625.5          | 182.0          | 192.7          |
| % of Revenue  | 11%            | 12%            | 12%            | 12%            | 11%            | 12%            | 12%            | 13%            |
| China         | 774.3          | 191.5          | 190.0          | 292.1          | 181.4          | 855.0          | 241.1          | 221.8          |
| % of Revenue  | 17%            | 16%            | 15%            | 22%            | 12%            | 16%            | 16%            | 15%            |
| Other         | 797.9          | 189.1          | 198.8          | 203.2          | 236.2          | 827.2          | 219.0          | 254.5          |
| % of Revenue  | 17%            | 15%            | 16%            | 15%            | 16%            | 16%            | 14%            | 17%            |
| <b>Total</b>  | <b>4,615.7</b> | <b>1,233.5</b> | <b>1,262.7</b> | <b>1,354.4</b> | <b>1,467.4</b> | <b>5,318.0</b> | <b>1,511.0</b> | <b>1,454.7</b> |

Note: Amounts included in the table above may not foot due to rounding. Geographic revenue data for multi-regional, multi-product transactions reflect internal allocations and are based upon certain assumptions and management's methodology.

(1) Presented on continuing operations basis.

## V. SELECTED FINANCIAL AND OPERATING METRICS <sup>(1)</sup>

|                                                            | FY22      | Q123    | Q223    | Q323      | Q423    | FY23      | Q124    | Q224      |
|------------------------------------------------------------|-----------|---------|---------|-----------|---------|-----------|---------|-----------|
| Revenue License Type (millions) <sup>(2)</sup>             |           |         |         |           |         |           |         |           |
| - Time-based Products                                      | \$2,657.9 | \$690.3 | \$717.8 | \$827.4   | \$780.7 | \$3,016.3 | \$805.1 | \$781.7   |
| - Upfront Products                                         | \$1,221.1 | \$331.0 | \$335.0 | \$292.6   | \$441.5 | \$1,400.1 | \$442.4 | \$396.4   |
| - Maintenance and Service <sup>(3)</sup>                   | \$736.8   | \$212.2 | \$209.9 | \$234.3   | \$245.2 | \$901.6   | \$263.6 | \$276.6   |
| Recurring Revenue (% of Total Revenue) <sup>(4)</sup>      | 82%       | 78%     | 79%     | 83%       | 78%     | 80%       | 76%     | 81%       |
| Non-GAAP Operating Margin <sup>(5)</sup>                   | 34.2%     | 36.7%   | 34.4%   | 36.4%     | 37.3%   | 36.3%     | 40.1%   | 37.3%     |
| Cash, Cash Equivalents & Short-term Investments (millions) |           | \$1,296 | \$1,691 | \$1,830   | \$1,586 |           | \$1,268 | \$1,660   |
| - % held in U.S.                                           |           | 35%     | 51%     | 44%       | 53%     |           | 47%     | 54%       |
| Outstanding Debt                                           |           | \$21    | \$20    | \$18      | \$18    |           | \$17    | \$17      |
| Operating Cash Flow <sup>(2),(6)</sup>                     | \$1,739   | \$115   | \$703   | \$560     | \$326   | \$1,703   | (\$88)  | \$477     |
| Capital Expenditures <sup>(2)</sup>                        | \$133     | \$43    | \$47    | \$44      | \$52    | \$186     | \$40    | \$38      |
| Share Repurchases (millions) <sup>(2)</sup>                |           |         |         |           |         |           |         |           |
| - Number of Shares                                         | 3.6       | 0.8     | 0.8     | 0.8       | 0.6     | 3.0       | 0.1     | 0.0       |
| - Gross Share Repurchases                                  | (\$1,100) | (\$306) | (\$300) | (\$300)   | (\$300) | (\$1,206) | \$0     | \$0       |
| - Remaining Repurchase Authorization                       | \$1,400   | \$1,094 | \$794   | \$494     | \$194   | \$194     | \$194   | \$194     |
| DSO                                                        |           | 60      | 58      | 42        | 43      |           | 59      | 57        |
| Employee Headcount                                         |           | ~17,225 | ~17,190 | ~17,910   | ~18,195 |           | ~18,465 | ~18,925   |
| Revenue by Segment (millions) <sup>(7)(8)</sup>            |           |         |         |           |         |           |         |           |
| - Design Automation                                        | \$3,300.2 | \$889.8 | \$927.5 | \$1,004.2 | \$953.7 | \$3,775.3 | \$985.3 | \$1,054.9 |
| % of Total                                                 | 71.5%     | 72.1%   | 73.5%   | 74.1%     | 65.0%   | 71.0%     | 65.2%   | 72.5%     |
| - Design IP                                                | \$1,315.5 | \$343.7 | \$335.2 | \$350.2   | \$513.7 | \$1,542.7 | \$525.7 | \$399.8   |
| % of Total                                                 | 28.5%     | 27.9%   | 26.5%   | 25.9%     | 35.0%   | 29.0%     | 34.8%   | 27.5%     |
| Adjusted Op Income by Segment (millions) <sup>(7)(8)</sup> |           |         |         |           |         |           |         |           |
| - Design Automation                                        | \$1,176.1 | \$339.4 | \$353.4 | \$410.0   | \$311.1 | \$1,413.9 | \$359.5 | \$418.2   |
| - Design IP                                                | \$403.8   | \$113.4 | \$81.5  | \$82.8    | \$236.4 | \$514.1   | \$245.7 | \$124.8   |
| Adjusted Operating Margin by Segment <sup>(7)(8)</sup>     |           |         |         |           |         |           |         |           |
| - Design Automation                                        | 35.6%     | 38.1%   | 38.1%   | 40.8%     | 32.6%   | 37.5%     | 36.5%   | 39.6%     |
| - Design IP                                                | 30.7%     | 33.0%   | 24.3%   | 23.6%     | 46.0%   | 33.3%     | 46.7%   | 31.2%     |

- (1) All metrics except for Outstanding Debt and Operating Cash Flow presented on a continuing operations basis.
- (2) Amounts may not foot due to rounding.
- (3) Includes maintenance on term and perpetual licenses.
- (4) We define recurring revenue as revenue generated from time-based products, multi-period IP contracts, and maintenance and services, for which revenue is recognized over time.
- (5) Should be read in conjunction with our Form 8-K filed with the Securities and Exchange Commission (SEC) on May 22, 2024 and the reconciliations of certain non-GAAP financial measures, including, among other things, non-GAAP operating margin to their most closely applicable GAAP measures found in this Supplement).
- (6) Typically tracks earnings before interest, taxes, depreciation and amortization over time (less cash taxes). It is important to consider multi-year averages, as operating cash flow is inherently lumpy.
- (7) We manage the business on a long-term, annual basis and consider quarterly fluctuations of revenue and profitability as a normal element of our business.
- (8) These segments results are presented in conformity with Accounting Standards Codification (ASC) 280, Segment Reporting. Synopsys' chief operating decision maker (CODM) is its Chief Executive Officer. The CODM does not allocate certain operating expenses managed at a consolidated level to our reportable segments and, as a result, the reported operating income and operating margin do not include these unallocated expenses as shown in the table above. Amount may not foot due to rounding.

## VI. RECONCILIATIONS AND ADJUSTMENTS

### SUPPLEMENTAL GAAP TO NON-GAAP INFORMATION OF FIRST QUARTER FISCAL YEAR 2024 <sup>(1)(5)</sup>

(Unaudited and in thousands, except per share amounts)

|                                                                                                                 | Three Months Ended January 31, 2024 |                            |            |
|-----------------------------------------------------------------------------------------------------------------|-------------------------------------|----------------------------|------------|
|                                                                                                                 | GAAP                                | Adjustments <sup>(2)</sup> | Non-GAAP   |
| Cost of revenue:                                                                                                |                                     |                            |            |
| Products                                                                                                        | \$ 175,498                          | \$ (17,412)                | \$ 158,086 |
| Maintenance and service                                                                                         | 90,540                              | (10,042)                   | 80,498     |
| Amortization of acquired intangible assets                                                                      | 13,155                              | (13,155)                   | —          |
| Operating expenses:                                                                                             |                                     |                            |            |
| Research and development                                                                                        | \$ 525,534                          | \$ (112,332)               | \$ 413,202 |
| Sales and marketing                                                                                             | 218,843                             | (43,590)                   | 175,253    |
| General and administrative                                                                                      | 131,264                             | (52,506)                   | 78,758     |
| Amortization of acquired intangible assets                                                                      | 3,529                               | (3,529)                    | —          |
| Operating income                                                                                                | \$ 352,626                          | \$ 252,566                 | \$ 605,192 |
| Interest and other income (expense), net                                                                        | \$ 104,828                          | \$ (93,522)                | \$ 11,306  |
| Provision (benefit) for income taxes <sup>(3)</sup>                                                             | \$ 22,909                           | \$ 69,567                  | \$ 92,476  |
| Net income (loss) attributed to non-controlling interest and redeemable non-controlling interest <sup>(4)</sup> | \$ (2,905)                          | \$ 1,447                   | \$ (1,458) |
| Net income from continuing operations attributed to Synopsys                                                    | \$ 437,450                          | \$ 88,030                  | \$ 525,480 |
| Net income from continuing operations per diluted share                                                         | \$ 2.82                             | \$ 0.56                    | \$ 3.38    |

Shares used in computing per share amounts:

|         |         |         |
|---------|---------|---------|
| Diluted | 155,334 | 155,334 |
|---------|---------|---------|

(1) Synopsys' first quarter of fiscal year 2024 ended on February 3, 2024. For presentation purposes, we refer to the closest calendar month end. The first quarter of fiscal year 2024 included one extra week.

(2) The adjustments to the various line items resulted from excluding the following non-GAAP measures: stock-based compensation of \$165.5 million, amortization of acquired intangible assets of \$16.7 million, acquisition/divestiture related items of \$31.9 million, change in the fair value of the non-qualified deferred compensation plan of \$39.4 million, gain on sale of strategic investments of \$55.1 million, and tax effect of non-GAAP adjustments of (\$69.6) million.

(3) The GAAP tax rate differs from the non-GAAP tax rate primarily due to the tax effects related to stock-based compensation and the differences in the tax rate effect of certain deductions, such as the deduction for foreign-derived intangible income and credits.

(4) The adjustment includes non-GAAP expenses attributable to non-controlling interest and redeemable non-controlling interest.

(5) Presented on a continuing operations basis.

## SUPPLEMENTAL GAAP TO NON-GAAP INFORMATION OF SECOND QUARTER FISCAL YEAR 2024 <sup>(1)(5)</sup>

(Unaudited and in thousands, except per share amounts)

|                                                                                                                 | Three Months Ended April 30, 2024 |                            |            |
|-----------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------|------------|
|                                                                                                                 | GAAP                              | Adjustments <sup>(2)</sup> | Non-GAAP   |
| Cost of revenue:                                                                                                |                                   |                            |            |
| Products                                                                                                        | \$ 198,719                        | \$ (14,446)                | \$ 184,273 |
| Maintenance and service                                                                                         | 88,178                            | (9,440)                    | 78,738     |
| Amortization of acquired intangible assets                                                                      | 13,500                            | (13,500)                   | —          |
| Operating expenses:                                                                                             |                                   |                            |            |
| Research and development                                                                                        | \$ 493,136                        | \$ (95,890)                | \$ 397,246 |
| Sales and marketing                                                                                             | 209,783                           | (33,329)                   | 176,454    |
| General and administrative                                                                                      | 114,763                           | (39,804)                   | 74,959     |
| Amortization of acquired intangible assets                                                                      | 4,561                             | (4,561)                    | —          |
| Operating income                                                                                                | \$ 332,072                        | \$ 210,970                 | \$ 543,042 |
| Interest and other income (expense), net                                                                        | \$ 9,458                          | \$ (4,962)                 | \$ 4,496   |
| Provision (benefit) for income taxes <sup>(3)</sup>                                                             | \$ 45,437                         | \$ 36,694                  | \$ 82,131  |
| Net income (loss) attributed to non-controlling interest and redeemable non-controlling interest <sup>(4)</sup> | \$ (3,018)                        | \$ 1,481                   | \$ (1,537) |
| Net income from continuing operations attributed to Synopsys                                                    | \$ 299,111                        | \$ 167,833                 | \$ 466,944 |
| Net income from continuing operations per diluted share                                                         | \$ 1.92                           | \$ 1.08                    | \$ 3.00    |

Shares used in computing per share amounts:

|         |         |         |
|---------|---------|---------|
| Diluted | 155,770 | 155,770 |
|---------|---------|---------|

(1) Synopsys' second quarter of fiscal year 2024 ended on May 4, 2024. For presentation purposes, we refer to the closest calendar month end.

(2) The adjustments to the various line items resulted from excluding the following non-GAAP financial measures: stock-based compensation of \$162.7 million, amortization of acquired intangible assets of \$18.1 million, acquisition/divestiture related items of \$25.3 million, changes in the fair value of the non-qualified deferred compensation plan of \$11.1 million, and tax effect of non-GAAP adjustments of (\$36.7) million.

(3) The GAAP tax rate differs from the non-GAAP tax rate primarily due to the tax effects related to stock-based compensation and the differences in the tax rate effect of certain deductions, such as the deduction for foreign-derived intangible income and credits.

(4) The adjustment includes non-GAAP expenses attributable to non-controlling interest and redeemable non-controlling interest.

(5) Presented on a continuing operations basis.

## GAAP TO NON-GAAP OPERATING MARGIN RECONCILIATION <sup>(1)(4)</sup>

(Unaudited)

|                                                           | Three Months Ended<br>April 30, 2024 |
|-----------------------------------------------------------|--------------------------------------|
| GAAP operating margin                                     | 22.8 %                               |
| Amortization of acquired intangible assets <sup>(2)</sup> | 1.2 %                                |
| Stock-based compensation <sup>(2)</sup>                   | 11.2 %                               |
| Acquisition/divestiture related items <sup>(3)</sup>      | 1.3 %                                |
| Non-qualified deferred compensation plan                  | 0.8 %                                |
| Non-GAAP operating margin                                 | 37.3 %                               |

(1) Synopsys' second quarter of fiscal year 2024 ended on May 4, 2024. For presentation purposes, we refer to the closest calendar month

(2) The adjustment includes non-GAAP expenses attributable to non-controlling interest and redeemable non-controlling interest.

(3) The adjustment excludes the amortization of bridge financing costs entered into in connection with the pending acquisition of Ansys, that was recorded in interest and other income (expense), net in our unaudited condensed consolidated statements of income.

(4) Presented on a continuing operations basis.

## GAAP TO NON-GAAP TAX RATE RECONCILIATION <sup>(1)(2)</sup>

(Unaudited)

### Three Months Ended April 30, 2024

|                                                 |        |
|-------------------------------------------------|--------|
| GAAP effective tax rate                         | 13.3 % |
| Income tax effect of above non-GAAP adjustments | 1.7 %  |
| Non-GAAP effective tax rate                     | 15.0 % |

(1) Synopsys' second quarter of fiscal year 2024 ended on May 4, 2024. For presentation purposes, we refer to the closest calendar month end.

(2) Presented on a continuing operations basis.

## TOTAL ADJUSTED SEGMENT OPERATING INCOME RECONCILIATION <sup>(1) (2)(5)</sup>

(in millions)

Synopsys provides segment information, namely revenue, adjusted segment operating income and adjusted segment operating margin, in accordance with Financial Accounting Standards Board ASC Topic 280, Segment Reporting. Synopsys' CODM is our Chief Executive Officer. In evaluating our business segments, the CODM considers the income and expenses that the CODM believes are directly related to those segments. The CODM does not allocate certain operating expenses managed at a consolidated level to our business segments and, as a result, the reported operating income and operating margin do not include these unallocated expenses as shown in the table below. These unallocated expenses are presented in the table below to provide a reconciliation of the total adjusted operating income from segments to our consolidated operating income from continuing operations:

### Three Months Ended April 30, 2024

|                                                            |          |
|------------------------------------------------------------|----------|
| GAAP total operating income – as reported                  | \$ 332.1 |
| Other expenses managed at consolidated level               |          |
| -Amortization of acquired intangible assets <sup>(3)</sup> | 18.1     |
| -Stock-based compensation <sup>(3)</sup>                   | 162.7    |
| -Non-qualified deferred compensation plan                  | 11.1     |
| -Acquisition/divestiture related items <sup>(4)</sup>      | 19.2     |
| Total adjusted segment operating income                    | \$ 543.0 |

(1) Synopsys manages the business on a long-term, annual basis, and considers quarterly fluctuations of revenue and profitability as normal elements of our business. Amounts may not foot due to rounding.

(2) Synopsys' second quarter of fiscal year 2024 and 2023 ended on May 4, 2024 and April 29, 2023, respectively. For presentation purposes, we refer to the closest calendar month end.

(3) The adjustment includes non-GAAP expenses attributable to non-controlling interest and redeemable non-controlling interest.

(4) The adjustment excludes the amortization of bridge financing costs entered into in connection with the pending acquisition of Ansys, that was recorded in interest and other income (expense), net in our unaudited condensed consolidated statements of income.

(5) Presented on a continuing operations basis.

## GAAP TO NON-GAAP RECONCILIATION OF THIRD QUARTER FISCAL YEAR 2024 TARGETS

(1) (2)

(in thousands, except per share amounts)

|                                            | Range for Three Months Ending |                   |
|--------------------------------------------|-------------------------------|-------------------|
|                                            | July 31, 2024                 |                   |
|                                            | Low                           | High              |
| Target GAAP expenses                       | \$ 1,099,000                  | \$ 1,119,000      |
| Adjustments:                               |                               |                   |
| Amortization of acquired intangible assets | (17,000)                      | (20,000)          |
| Stock-based compensation                   | (162,000)                     | (169,000)         |
| Target non-GAAP expenses                   | <u>\$ 920,000</u>             | <u>\$ 930,000</u> |

|                                                                   | Range for Three Months Ending |                |
|-------------------------------------------------------------------|-------------------------------|----------------|
|                                                                   | July 31, 2024                 |                |
|                                                                   | Low                           | High           |
| Target GAAP earnings per diluted share attributed to Synopsys     | \$ 2.22                       | \$ 2.35        |
| Adjustments:                                                      |                               |                |
| Amortization of acquired intangible assets                        | 0.13                          | 0.11           |
| Stock-based compensation                                          | 1.08                          | 1.04           |
| Acquisition/divestiture related items <sup>(3)</sup>              | 0.10                          | 0.07           |
| Tax adjustments                                                   | (0.28)                        | (0.27)         |
| Target non-GAAP earnings per diluted share attributed to Synopsys | <u>\$ 3.25</u>                | <u>\$ 3.30</u> |

|                                                                |         |         |
|----------------------------------------------------------------|---------|---------|
| Shares used in non-GAAP calculation (midpoint of target range) | 156,000 | 156,000 |
|----------------------------------------------------------------|---------|---------|

(1) Synopsys' third quarter of fiscal year 2024 will end on August 3, 2024. For presentation purposes, we refer to the closest calendar month end. The first quarter of fiscal year 2024 included one extra week.

(2) Presented on a continuing operations basis.

(3) Adjustments reflect actual expenses incurred by Synopsys as of May 4, 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 the reasons set forth in "GAAP to Non-GAAP Reconciliation" below.

## GAAP TO NON-GAAP RECONCILIATION OF FULL FISCAL YEAR 2024 TARGETS <sup>(1)(2)</sup>

(in thousands, except per share amounts)

|                                                      | Range for Fiscal Year Ending |                     |
|------------------------------------------------------|------------------------------|---------------------|
|                                                      | October 31, 2024             |                     |
|                                                      | Low                          | High                |
| Target GAAP expenses                                 | \$ 4,559,099                 | \$ 4,614,099        |
| Adjustments:                                         |                              |                     |
| Amortization of acquired intangible assets           | (67,000)                     | (72,000)            |
| Stock-based compensation                             | (672,000)                    | (682,000)           |
| Acquisition/divestiture related items <sup>(3)</sup> | (50,099)                     | (50,099)            |
| Target non-GAAP expenses                             | <u>\$ 3,770,000</u>          | <u>\$ 3,810,000</u> |

|                                                                   | Range for Fiscal Year Ending |                 |
|-------------------------------------------------------------------|------------------------------|-----------------|
|                                                                   | October 31, 2024             |                 |
|                                                                   | Low                          | High            |
| Target GAAP earnings per diluted share attributed to Synopsys     | \$ 9.14                      | \$ 9.36         |
| Adjustments:                                                      |                              |                 |
| Amortization of acquired intangible assets                        | 0.46                         | 0.43            |
| Stock-based compensation                                          | 4.37                         | 4.31            |
| Acquisition/divestiture related items <sup>(3)</sup>              | 0.55                         | 0.49            |
| Gain on sale of strategic investments                             | (0.35)                       | (0.35)          |
| Tax adjustments                                                   | (1.27)                       | (1.26)          |
| Target non-GAAP earnings per diluted share attributed to Synopsys | <u>\$ 12.90</u>              | <u>\$ 12.98</u> |

Shares used in non-GAAP calculation (midpoint of target range) 156,000 156,000

(1) Synopsys' fiscal year 2024 will end November 2, 2024. For presentation purposes, we refer to the closest calendar month end. The first quarter of fiscal year 2024 included one extra week.

(2) Presented on a continuing operations basis.

(3) Adjustments reflect actual expenses incurred by Synopsys as of May 4, 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 the reasons set forth in "GAAP to Non-GAAP Reconciliation" below.

## GAAP TO NON-GAAP RECONCILIATION OF OPERATING MARGIN AT MIDPOINT OF FULL FISCAL YEAR 2024 TARGETS <sup>(1)(2)(3)</sup>

|                                                      | Fiscal Year Ending<br>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                             | 11.1 %                                 |
| Acquisition/divestiture related items <sup>(4)</sup> | 0.8 %                                  |
| Target non-GAAP operating margin                     | <u>38.1 %</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 May 22, 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 May 4, 2024 and do not fully reflect all potential adjustments for future periods for the reasons set forth in "GAAP to Non-GAAP Reconciliation" below.



## VII. NOTICE TO INVESTORS

### GAAP TO NON-GAAP RECONCILIATIONS

Please see our Current Report on Form 8-K filed with the SEC on May 22, 2024 available at <http://www.sec.gov> for the reasons why Synopsys believes that the presentation of non-GAAP financial measures provides useful information to our stockholders regarding our financial condition and results of operations and the purposes for which management uses such non-GAAP financial measures. Certain non-GAAP data used by management, as well as the reconciliation of such data to its most closely applicable GAAP measures, is contained in the second quarter of fiscal year 2024 earnings release available on Synopsys' website at <https://investor.synopsys.com/news/default.aspx> and our Current Report on Form 8-K filed with the SEC on May 22, 2024. Synopsys is unable to provide a reconciliation of its long-term, multi-year target for annual non-GAAP EPS growth and certain third 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.

### FORWARD-LOOKING STATEMENTS

Certain statements contained herein and in our investor conference call contain forward-looking statements, including, but not limited to, statements regarding 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 pending 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 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 Supplement 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 second quarter of fiscal year 2024 are not necessarily indicative of Synopsys' operating results for any future periods. The information provided herein is as of May 22, 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.

## **EFFECTIVENESS OF INFORMATION**

The information provided herein is as of May 22, 2024. Although this Supplement will remain available on Synopsys' website through the date of the earnings results call for the third quarter of fiscal year 2024, its continued availability through such date does not mean that Synopsys is reaffirming or confirming its continued validity. Synopsys undertakes no duty to, and does not intend to, update any forward-looking statement, whether as a result of new information or future events, or otherwise update, the information contained in this Supplement unless required by law.