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## I. FISCAL YEAR 2025 SELECTED FINANCIAL TARGETS <sup>(1)(2)</sup>

	Q3 FY2025	FY2025
Revenue (million)	\$1,755 - \$1,785	\$6,745 - \$6,805
GAAP Expenses (million)	\$1,273 - \$1,293	\$5,011 - \$5,068
Non-GAAP Expenses (million)	\$1,055 - \$1,065	\$4,045 - \$4,085
Non-GAAP Interest and Other Income (Expense), Net (million)	\$9 - \$11	\$118 - \$122
Non-GAAP Tax Rate	16%	16%
Fully Diluted Outstanding Shares (million)	156 - 158	156 - 158
GAAP Operating Margin		Midpoint: ~25.6%
Non-GAAP Operating Margin		Midpoint: ~40.0%
GAAP Earnings Per Share	\$2.63 - \$2.74	\$10.14 - \$10.34
Non-GAAP Earnings Per Share	\$3.82 - \$3.87	\$15.11 - \$15.19
Cash Flow from Operations (million)		~\$1,500
Free Cash Flow (million) <sup>(3)</sup>		~\$1,300
Capital Expenditures (million)		~\$170

- (1) Synopsys' third quarter of fiscal year 2025 will end on July 31, 2025, and its fiscal year 2025 will end on October 31, 2025. These targets reflect a change in Synopsys' fiscal year from a 52/53-week period ending on the Saturday nearest to October 31 of each year to October 31 of each year. As a result of this change, there will be ten fewer days in the first half of fiscal year 2025 and two extra days in the second half of fiscal year 2025, which results in eight fewer days in the aggregate in Synopsys' fiscal year 2025 as compared to its fiscal year 2024.
- (2) Targets do not reflect the impact of any future financing transactions related to the Ansys Merger (as defined below) or targets for the combined company.
- (3) Free Cash Flow is calculated as cash provided from operating activities less capital expenditures.

## II. 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

- (1) These multi-year objectives are provided as of May 28, 2025 and include the pending Ansys Merger. See GAAP to non-GAAP reconciliations below for more information.

### III. REVENUE BY PRODUCT GROUP (Unaudited)

(\$ millions)	FY23	Q124	Q224	Q324	Q424	FY24	Q125	Q225
EDA	3,678.7	970.7	\$1,007.7	\$1,020.1	\$1,073.0	4,071.5	\$978.7	\$1,073.1
% of Revenue	69.2%	64.2%	69.3%	66.9%	65.6%	66.4%	67.3%	66.9%
Design IP	1,542.7	525.7	399.8	463.1	517.8	1,906.3	435.1	482.0
% of Revenue	29.0%	34.8%	27.5%	30.4%	31.7%	31.1%	29.9%	30.0%
Other	96.6	14.6	47.3	42.5	45.2	149.6	41.5	49.2
% of Revenue	1.8%	1.0%	3.2%	2.7%	2.8%	2.5%	2.8%	3.1%
<b>Total</b>	<b>5,318.0</b>	<b>1,511.0</b>	<b>1,454.7</b>	<b>1,525.7</b>	<b>1,636.0</b>	<b>6,127.4</b>	<b>1,455.3</b>	<b>1,604.3</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 interface, foundation, security, and embedded processor IP, IP subsystems, and IP implementation services; 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.

### IV. REVENUE BY GEOGRAPHIC REGION (Unaudited)

(\$ millions)	FY23	Q124	Q224	Q324	Q424	FY24	Q125	Q225
North America	2,495.5	731.7	638.2	672.6	738.5	2,781.0	622.6	655.1
% of Revenue	47%	48%	44%	44%	45%	45%	43%	41%
Europe	514.8	137.3	147.5	144.6	185.2	614.6	153.7	194.8
% of Revenue	10%	9%	10%	9%	11%	10%	11%	12%
Korea	625.5	182.0	192.7	194.8	203.5	773.0	250.4	257.6
% of Revenue	12%	12%	13%	13%	12%	13%	17%	16%
China	855.0	241.1	221.8	266.7	259.9	989.5	173.9	157.5
% of Revenue	16%	16%	15%	17%	16%	16%	12%	10%
Other	827.2	219.0	254.5	247.0	248.9	969.3	254.7	339.2
% of Revenue	16%	14%	17%	16%	15%	16%	18%	21%
<b>Total</b>	<b>5,318.0</b>	<b>1,511.0</b>	<b>1,454.7</b>	<b>1,525.7</b>	<b>1,636.0</b>	<b>6,127.4</b>	<b>1,455.3</b>	<b>1,604.3</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.

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

	FY23	Q124	Q224	Q324	Q424	FY24	Q125	Q225
Revenue License Type (millions) <sup>(2)</sup>								
- Time-based Products	\$3,016.3	\$805.1	\$781.7	\$803.1	\$834.4	\$3,224.3	\$828.2	\$828.3
- Upfront Products	\$1,400.1	\$442.4	\$396.4	\$442.5	\$520.9	\$1,802.2	\$368.1	\$510.7
- Maintenance and Service <sup>(3)</sup>	\$901.6	\$263.6	\$276.6	\$280.1	\$280.7	\$1,100.9	\$259.0	\$265.3
Recurring Revenue (% of Total Revenue) <sup>(4)</sup>	80%	76%	81%	78%	76%	77%	80%	73%
Non-GAAP Operating Margin <sup>(5)</sup>	36.3%	40.1%	37.3%	40.0%	36.9%	38.5%	36.5%	38.0%
Cash, Cash Equivalents & Short-term Investments (millions)		\$1,268	\$1,660	\$1,994	\$4,050		\$3,809	\$14,264
- % held in U.S.		47%	54%	51%	77%		79%	95%
Outstanding Debt (millions)		\$17	\$17	\$16	\$16		\$14	\$10,051
Operating Cash Flow (millions) <sup>(2),(6)</sup>	\$1,703	(\$88)	\$477	\$455	\$563	\$1,407	(\$67)	\$275
Capital Expenditures (millions) <sup>(2)</sup>	\$186	\$40	\$38	\$40	\$4	\$122	\$41	\$56
Share Repurchases (millions) <sup>(2)</sup>								
- Number of Shares	3.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0
- Gross Share Repurchases	(\$1,206)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Remaining Repurchase Authorization	\$194	\$194	\$194	\$194	\$194	\$194	\$194	\$194
DSO		59	57	49	49		55	52
Employee Headcount		~18,465	~18,925	~19,600	~20,070		~20,455	~21,065
Revenue by Segment (millions) <sup>(7)(8)</sup>								
- Design Automation	\$3,775.3	\$985.3	\$1,054.9	\$1,062.6	\$1,118.2	\$4,221.1	\$1,020.2	\$1,122.3
% of Total	71.0%	65.2%	72.5%	69.6%	68.3%	68.9%	70.1%	70.0%
- Design IP	\$1,542.7	\$525.7	\$399.8	\$463.1	\$517.8	\$1,906.3	\$435.1	\$482.0
% of Total	29.0%	34.8%	27.5%	30.4%	31.7%	31.1%	29.9%	30.0%
Adjusted Op Income by Segment (millions) <sup>(7)(8)</sup>								
- Design Automation	\$1,413.9	\$359.5	\$418.2	\$440.9	\$413.3	\$1,631.9	\$404.7	\$458.8
- Design IP	\$514.1	\$245.7	\$124.8	\$169.7	\$189.9	\$730.2	\$126.5	\$150.5
Adjusted Operating Margin by Segment <sup>(7)(8)</sup>								
- Design Automation	37.5%	36.5%	39.6%	41.5%	37.0%	38.7%	39.7%	40.9%
- Design IP	33.3%	46.7%	31.2%	36.7%	36.7%	38.3%	29.1%	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 28, 2025, 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 Financial Accounting Standards Board (FASB) 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 SECOND QUARTER

### FISCAL YEAR 2025

(Unaudited and in thousands, except per share amounts)

	Three Months Ended April 30, 2025		
	GAAP	Adjustments <sup>(1)</sup>	Non-GAAP
Cost of revenue:			
Products	\$ 216,216	\$ (22,306)	\$ 193,910
Maintenance and service	94,471	(9,164)	85,307
Amortization of acquired intangible assets	7,660	(7,660)	—
Operating expenses:			
Research and development	\$ 553,979	\$ (96,736)	\$ 457,243
Sales and marketing	215,021	(33,002)	182,019
General and administrative	136,497	(59,980)	76,517
Amortization of acquired intangible assets	3,996	(3,996)	—
Operating income	\$ 376,426	\$ 232,844	\$ 609,270
Interest expense	\$ (94,336)	\$ 29,943	\$ (64,393)
Other income (expense), net	\$ 114,101	\$ 22,541	\$ 136,642
Provision (benefit) for income taxes <sup>(2)</sup>	\$ 47,181	\$ 61,862	\$ 109,043
Net income (loss) attributed to non-controlling interest	\$ (222)	\$ —	\$ (222)
Net income from continuing operations attributed to Synopsys	\$ 349,232	\$ 223,466	\$ 572,698
Net income from continuing operations per diluted share	\$ 2.24	\$ 1.43	\$ 3.67

Shares used in computing per share amounts:

Diluted	156,088	156,088
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(1) The adjustments to the various line items resulted from excluding the following non-GAAP financial measures: stock-based compensation of \$201.7 million, amortization of acquired intangible assets of \$11.7 million, acquisition/divestiture related items of \$69.5 million, changes in the fair value of the non-qualified deferred compensation plan of (\$20.1) million, loss on sale of strategic investments of \$2.4 million, and tax effect of non-GAAP adjustments of (\$61.9) million.

(2) 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.

### GAAP TO NON-GAAP OPERATING MARGIN RECONCILIATION

(Unaudited)

	Three Months Ended April 30, 2025
GAAP operating margin	23.5 %
Amortization of acquired intangible assets	0.7 %
Stock-based compensation	12.6 %
Acquisition/divestiture related items <sup>(1)</sup>	2.5 %
Non-qualified deferred compensation plan	(1.3) %
Non-GAAP operating margin	38.0 %

(1) The adjustment excludes the amortization of bridge financing costs entered into in connection with the pending Ansys Merger that was recorded in interest expense in our unaudited condensed consolidated statements of income.

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

(Unaudited)

	Three Months Ended April 30, 2025
GAAP effective tax rate	11.9 %
Stock-based compensation	(0.5)%
Acquisition/divestiture related items <sup>(2)</sup>	0.9 %
Tax adjustments <sup>(3)</sup>	3.7 %
Non-GAAP effective tax rate	16.0 %

(1) Presented on a continuing operations basis.

(2) The adjustment is primarily due to the capital loss on the sale of Synopsys' ownership in OpenLight Photonics, Inc.

(3) The adjustments are primarily related to the differences in the tax rate effect of certain deductions, such as the deduction for foreign-derived intangible income and credits.

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

(in millions)

Synopsys provides segment information, namely revenue, adjusted segment operating income and adjusted segment operating margin, in accordance with FASB 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:

	Three Months Ended April 30, 2025
GAAP total operating income – as reported	\$ 376.4
Other expenses managed at consolidated level	
-Amortization of acquired intangible assets	11.7
-Stock-based compensation	201.7
-Non-qualified deferred compensation plan	(20.1)
-Acquisition/divestiture related items <sup>(2)</sup>	39.6
Total adjusted segment operating income	\$ 609.3

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

## GAAP TO NON-GAAP RECONCILIATION OF THIRD QUARTER FISCAL YEAR 2025 TARGETS

(in thousands, except per share amounts)

	Range for Three Months Ending July 31, 2025	
	Low	High
Target GAAP expenses	\$ 1,273,000	\$ 1,293,000
Adjustments:		
Amortization of acquired intangible assets	(11,000)	(14,000)
Stock-based compensation	(207,000)	(214,000)
Target non-GAAP expenses	\$ 1,055,000	\$ 1,065,000

	Range for Three Months Ending July 31, 2025	
	Low	High
Target GAAP earnings per diluted share attributed to Synopsys	\$ 2.63	\$ 2.74
Adjustments:		
Amortization of acquired intangible assets	0.09	0.07
Stock-based compensation	1.36	1.32
Acquisition/divestiture related items <sup>(1)</sup>	0.01	—
Tax adjustments	(0.27)	(0.26)
Target non-GAAP earnings per diluted share attributed to Synopsys	\$ 3.82	\$ 3.87
Shares used in non-GAAP calculation (midpoint of target range)	157,000	157,000

(1) Adjustments reflect 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 2025 TARGETS

(in thousands, except per share amounts)

	Range for Fiscal Year Ending October 31, 2025	
	Low	High
Target GAAP expenses	\$ 5,011,252	\$ 5,068,252
Adjustments:		
Amortization of acquired intangible assets	(46,000)	(51,000)
Stock-based compensation	(820,000)	(832,000)
Acquisition/divestiture related items <sup>(1)</sup>	(100,252)	(100,252)
Target non-GAAP expenses	\$ 4,045,000	\$ 4,085,000

	Range for Fiscal Year Ending October 31, 2025	
	Low	High
Target GAAP earnings per diluted share attributed to Synopsys	\$ 10.14	\$ 10.34
Adjustments:		
Amortization of acquired intangible assets	0.32	0.29
Stock-based compensation	5.30	5.22
Acquisition/divestiture related items <sup>(1)</sup>	0.93	0.92
Gain on sale of strategic investments	0.02	0.02
Tax adjustments	(1.60)	(1.60)
Target non-GAAP earnings per diluted share attributed to Synopsys	\$ 15.11	\$ 15.19
Shares used in non-GAAP calculation (midpoint of target range)	157,000	157,000

(1) Adjustments reflect actual expenses incurred by Synopsys as of April 30, 2025 or 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 2025 TARGETS <sup>(1)</sup>

	<b>Fiscal Year Ending October 31, 2025</b>
At midpoint of revenue and expense guidance ranges	
GAAP operating margin	25.6%
Amortization of acquired intangible assets	0.7%
Stock-based compensation	12.2%
Acquisition/divestiture related items <sup>(2)</sup>	1.5%
Target non-GAAP operating margin	40.0%

(1) These numbers represent the midpoint of targets in the prepared remarks provided on May 28, 2025, and do not represent official guidance for fiscal year 2025.

(2) Adjustments reflect actual expenses incurred by Synopsys as of April 30, 2025 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 28, 2025 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 2025 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 28, 2025. Synopsys is unable to provide a full reconciliation of its long-term, multi-year target for annual non-GAAP EPS growth and certain third 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.

### 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 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 AI; the Ansys Merger, including, among other things, the anticipated timing of closing, the status of the related regulatory approvals, and its expected impact; 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 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 2025 are not necessarily indicative of Synopsys' operating results for any future periods. The information provided herein is as of May 28, 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.





## **EFFECTIVENESS OF INFORMATION**

The information provided herein is as of May 28, 2025. Although this Supplement will remain available on Synopsys' website through the date of the earnings results call for the third quarter of fiscal year 2025, 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.