These Prepared Remarks contain forward-looking statements, including, but not limited to, statements regarding Synopsys, Inc.'s ("***Synopsys***", "***our***" or "***we***") 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 ; 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 (as defined below), 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 Securities and Exchange Commission (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 these Prepared Remarks 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. Although these Prepared Remarks are expected to remain available on Synopsys' website through the date of the earnings results call for the third quarter of fiscal year 2025, their continued availability through such date does not mean that Synopsys is reaffirming or confirming their continued validity. Synopsys undertakes no duty, 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.

These Prepared Remarks also contain non-GAAP financial measures as defined by the SEC in Regulation G. Reconciliations of certain non-GAAP financial measures to their most closely applicable GAAP measures are included in the second quarter of fiscal year 2025 earnings release and financial supplement, each dated May 28, 2025 and available on Synopsys' website at www.synopsys.com. Additional information about such reconciliations can be found in Exhibit 99.1 of Synopsys' Current Report on Form 8-K, filed with the SEC on May 28, 2025.

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Good afternoon. We had a strong second quarter with revenue up 10% year over year, exceeding the midpoint of our guidance, and non-GAAP EPS was above our guided range. We are reiterating our revenue guidance for the full year as these results demonstrate the strength of our products – which are mission-critical to our customers' innovation - the resiliency of our business, and relentless execution by our global team. I'll provide more details about the quarter, and then Shelagh will delve deeper into the financials.

At the macro level, the 'tale of two markets' persisted in Q2. Despite market fluctuations, the AI and HPC sectors remained robust, and while we're seeing signs of stabilization in industrial and automotive, non-AI end market demand remains subdued. For Synopsys, a slowdown in China was offset by strong demand from customers in other regions. The mega trends of AI, software-defined systems, and silicon proliferation continue to drive our growth. These trends are increasing design complexity and costs, while also increasing compute performance and energy demands. Synopsys benefits as a mission-critical partner in addressing these challenges and as the industry leader in applying AI to help customers innovate faster.

Our pending acquisition of Ansys will address the need for new, AI-powered 'silicon to systems' design solutions integrating electronics and multi-physics. We have regulatory clearances in all jurisdictions other than China. We are working cooperatively and actively negotiating with SAMR to secure China regulatory clearance, and we continue to anticipate closing in the first half of this year. Now, let's move on to the business highlights.

Design Automation demonstrated resilience with revenue up 6% year over year. Our new hardware-assisted verification products, HAPS-200 and ZeBu-200, are off to a strong start. These systems offer the highest performance and ultimate flexibility between prototyping and emulation.

In EDA, the industry's growing adoption of multi-die architecture plays to our strengths and leadership position. In Q2, we supported multiple active production deployments with a leading HPC/AI chip maker, including delivering what we consider the most complex 3D heterogeneous integrated design with over 40 chiplets and advanced packaging technology.

We also displaced manual high-bandwidth memory layout flows with Synopsys' automated 3DIC Compiler implementation at a top-tier Asian semiconductor customer, achieving best-in-class productivity and quality-of-results improvements.

The race for performance is driving adoption of leading-edge process nodes, and Synopsys is proud to help usher in the angstrom era with our foundry partners. In Q2, we enabled the industry's first 2nm-based HPC design and delivered multiple, successful test chips across sub-2nm process technologies.

And the leading AI capabilities we've pioneered across the full stack are generating wins among both semiconductor and systems customers. In Q2, DSO.ai momentum continued, driving multiple design wins for flagship CPU and GPU cores, while a major AI infrastructure customer began large-scale deployment of VSO.ai across 5 projects. Additionally, our AI capabilities are winning analog designs, with a major automotive tier 1 in Japan adopting Synopsys' ASO.ai after extensive evaluation.

Turning to Design IP, where revenue increased 21% year-over-year as customers rely on Synopsys IP to minimize integration risk and speed time-to-market. Our leading foundation and interface IP also expedites customer adoption of the latest protocols and leading-edge process nodes.

Driven by AI and the need to transport more data, faster, we're seeing strong demand for high-speed SerDes IP, with Synopsys 224G PHY securing multiple competitive wins in Q2. AI accelerators and GPUs necessitate ultra-efficient networking infrastructure and Synopsys is the first mover in PCIe 7.0 with 7 unique customer wins and the clear leader in UALink, with over 20 customer engagements. Our recently announced support of Nvidia's NVLink Fusion ecosystem will further enhance scale-up optionality for AI factories.

Before wrapping up, I want to thank the many customers and partners who joined us for SNUG Silicon Valley and our inaugural Executive Forum in March. There, we showcased our generative AI-powered assistive and creative capabilities, which are unlocking new levels of efficiency for customers. For example, what previously took hours searching documentation or waiting for expert help can now take minutes with Synopsys.ai Copilot assistive capabilities. And using GenAI to generate design collateral - like RTL or test benches - is helping early access customers accelerate design and verification cycle times from days to hours and hours to minutes. Synopsys' leading GenAI capabilities are a necessary foundation for the paradigm shift that comes next. Agentic AI will transform engineering workflows - allowing R&D teams to focus on important architecture and design decisions while tasking AgentEngineer technology with implementation details. It's an exciting time. Engineering is undergoing unprecedented transformation and Synopsys is seizing the opportunity to re-engineer engineering.

A few closing thoughts: our business model is resilient, and our solutions are essential to our customers' innovation. We have steady momentum across the business, supported by growth trends. Synopsys is leading AI for chip design, and we are investing to maintain and extend this leadership position. Thank you to our employees, customers, and partners for a strong quarter and for your continued commitment. Now over to Shelagh.

Thank you, Sassine. We delivered a strong Q2, with revenue of $1.6 billion, non-GAAP operating margin of 38%, and non-GAAP EPS of $3.67. Backlog came in at $8.1 billion, up $400 million quarter on quarter. These results reflect our leadership position, consistent execution and resilient business model in a market fueled by the secular mega trends of AI, software-defined systems and silicon proliferation. Despite a dynamic macro-economic environment, we are reaffirming our full-year 2025 targets for revenue and non-GAAP operating margin and updating our EPS and free cash flow guidance to account for our Q2 results and bond issuance. I'll now review our second quarter results. All comparisons are year-over-year, unless otherwise stated.

We generated total revenue of $1.6 billion, up 10%, with strong growth in Design IP. Regionally we saw strength in Europe and South Korea, offsetting China headwinds. Total GAAP costs and expenses were $1.23 billion. Total non-GAAP costs and expenses were $995 million, resulting in a non-GAAP operating margin of 38%. GAAP earnings per share were $2.24, and non-GAAP earnings per share were $3.67. Non-GAAP earnings included a $0.28 benefit from the sale of a building as well as approximately $0.06 of net charges associated with the $10 billion bond issuance in Q2. These items were not included in our prior guidance.

Now, onto our segments. Design Automation segment revenue was $1.12 billion, up 6%, against a strong compare. Design Automation adjusted operating margin was 40.9%. Design IP segment revenue was $482 million, up 21%, with strong performance from interface IP. Design IP adjusted operating margin was 31.2%.

Moving to cash. Free cash flow was approximately $220 million. We ended the quarter with cash and short-term investments of $14.3 billion, and debt of $10.1 billion.

Now to guidance. Full-year revenue and operating margin targets remain unchanged from our prior guidance. For fiscal year 2025, the full year targets are: revenue of $6.745 to $6.805 billion; total GAAP costs and expenses between $5.01 and $5.07 billion; total non-GAAP costs and expenses between $4.05 and $4.09 billion, resulting in non-GAAP operating margin of 40% at the mid-point; non-GAAP tax rate of 16%; GAAP earnings of $10.14 to $10.34; non-GAAP earnings of $15.11 to $15.19 per share. Our non-GAAP EPS targets have been increased from the prior guidance to reflect the Q2 outperformance, partly offset by net interest expenses associated with our bond issuance. Cash flow from operations of approximately $1.5 billion, and free cash flow of approximately $1.3 billion, lower than the prior guide due to financing and acquisition related costs. Now to the targets for the third quarter: revenue between $1.755 and $1.785 billion; total GAAP costs and expenses between $1.27 and $1.29 billion; total non-GAAP costs and expenses between $1.06 and $1.07 billion; GAAP earnings of $2.63 to $2.74; and non-GAAP earnings of $3.82 to $3.87 per share, which includes a $0.13 impact from bond-related costs. Our press release and financial supplement include additional targets and GAAP to non-GAAP reconciliations.

In conclusion, we delivered a strong Q2 and are poised to deliver a strong second half. Our confidence reflects our relentless execution and leadership position to take advantage of the secular mega-trends driving the semiconductor industry. With that, I'll turn it over to the operator for questions.