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**I. FISCAL YEAR 2026 SELECTED FINANCIAL TARGETS <sup>(1)</sup>**

	Q2 FY2026	FY2026
Revenue (million) <sup>(2)</sup>	\$2,225 - \$2,275	\$9,560 - \$9,660
GAAP Expenses (million)	\$2,020 - \$2,085	\$8,461 - \$8,601
Non-GAAP Expenses (million)	\$1,380 - \$1,410	\$5,690 - \$5,750
Non-GAAP Interest and Other Income (Expense), Net (million)	(\$117) - (\$113)	(\$500) - (\$490)
Non-GAAP Tax Rate	18%	18%
Fully Diluted Outstanding Shares (million)	192 - 194	192 - 194
GAAP Operating Margin		Midpoint: ~11.2%
Non-GAAP Operating Margin		Midpoint: ~40.5%
GAAP Earnings Per Share	\$0.23 - \$0.43	\$2.21 - \$2.62
Non-GAAP Earnings Per Share	\$3.11 - \$3.17	\$14.38 - \$14.46
Cash Flow from Operations (million)		~\$2,200
Free Cash Flow (million) <sup>(3)</sup>		~\$1,900
Capital Expenditures (million)		~\$300

- (1) Synopsys' second quarter of fiscal year 2026 will end on April 30, 2026, and its fiscal year 2026 will end on October 31, 2026.
- (2) Fiscal year 2026 revenue includes \$2.9 billion of expected Ansys revenue and reflects the impact of approximately \$110 million of divested Optical Solutions Group and PowerArtist RTL businesses.
- (3) Free Cash Flow is calculated as cash provided from operating activities less capital expenditures.

**II. LONG-TERM FINANCIAL OBJECTIVES <sup>(1)</sup>**

Our 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 Design IP: mid-teens	Long-term unlevered free cash flow margins in mid 30s	

- (1) These multi-year objectives are provided as of February 25, 2026 and, following our acquisition of ANSYS, Inc. (the Ansys Merger), reflect the inclusion of Ansys. See GAAP to non-GAAP reconciliations below for more information.

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

(\$ millions)	FY24	Q125	Q225	Q325	Q425	FY25	Q126
EDA <sup>(2)</sup>	4,071.5	978.7	1,073.1	1,182.6	1,135.4	4,369.7	1,098.8
% of Revenue	66.4%	67.3%	66.9%	68.0%	50.3%	62.0%	45.6%
Design IP	1,906.3	435.1	482.0	427.6	407.1	1,751.8	407.0
% of Revenue	31.1%	29.9%	30.0%	24.6%	18.1%	24.8%	16.9%
Ansys <sup>(2)</sup>				88.9	667.7	756.6	885.6
% of Revenue				5.1%	29.6%	10.7%	36.8%
Other <sup>(3)</sup>	149.6	41.5	49.2	40.6	44.7	176.1	17.4
% of Revenue	2.5%	2.8%	3.1%	2.3%	2.0%	2.5%	0.7%
<b>Total</b>	<b>6,127.4</b>	<b>1,455.3</b>	<b>1,604.3</b>	<b>1,739.7</b>	<b>2,254.9</b>	<b>7,054.2</b>	<b>2,408.8</b>

Revenue from our products and services is categorized into four 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 logic libraries, embedded memories, wired interface IP, memory interface IP, security IP, and embedded processors;
- Ansys, which includes system-on-chip (SoC) and IC analysis and simulation solutions, solutions used to virtually test and optimize designs across various physics domains, such as structural analysis, thermal analysis, and computational fluid dynamics (CFD); and
- Other, which includes university programs, mechatronic simulation, and the impact of gains and losses from foreign currency hedges.

- (1) 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.
- (2) Our Ansys product group represents the acquired Ansys product portfolio, including the SoC and IC analysis and simulation solutions. In the third quarter of fiscal year 2025, SoC and IC analysis and simulation solutions were reported as a part of the EDA product group and the remaining Ansys products were previously categorized as Simulation & Analysis.
- (3) Our Other product group also includes revenue from Synopsys' Optical Solutions Group through October 17, 2025 at which time it was divested.

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

(\$ millions)	FY24	Q125	Q225	Q325	Q425	FY25	Q126
North America	2,781.0	622.6	655.1	824.7	1,047.3	3,149.8	1,123.6
% of Revenue	45%	43%	41%	47%	46%	45%	47%
Europe	614.6	153.7	194.8	178.6	361.4	888.5	467.0
% of Revenue	10%	11%	12%	10%	16%	13%	19%
Korea	773.0	250.4	257.6	202.1	236.9	947.0	246.6
% of Revenue	13%	17%	16%	12%	11%	13%	10%
China	989.5	173.9	157.5	247.3	235.6	814.3	211.1
% of Revenue	16%	12%	10%	14%	10%	12%	9%
Other	969.3	254.7	339.2	287.0	373.7	1,254.6	360.4
% of Revenue	16%	18%	21%	16%	17%	18%	15%
<b>Total</b>	<b>6,127.4</b>	<b>1,455.3</b>	<b>1,604.3</b>	<b>1,739.7</b>	<b>2,254.9</b>	<b>7,054.2</b>	<b>2,408.8</b>

- (1) 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)(2)(3)</sup>

	FY24	Q125	Q225	Q325	Q425	FY25	Q126
Revenue License Type (millions)							
- Time-based Products	\$3,224.3	\$828.2	\$828.3	\$892.4	\$940.7	\$3,489.6	\$951.5
- Upfront Products	\$1,802.2	\$368.1	\$510.7	\$516.4	\$615.4	\$2,010.6	\$741.5
- Maintenance and Service <sup>(4)</sup>	\$1,100.9	\$259.0	\$265.3	\$331.0	\$698.8	\$1,554.0	\$715.7
Recurring Revenue (% of Total Revenue) <sup>(5)</sup>	77%	80%	73%	75%	81%	78%	84%
Non-GAAP Operating Margin <sup>(6)</sup>	38.5%	36.5%	38.0%	38.5%	36.5%	37.3%	42.1%
Cash, Cash Equivalents & Short-term Investments (millions)		\$3,809	\$14,264	\$2,594	\$2,961		\$2,203
- % held in U.S.		79%	95%	51%	54%		41%
Outstanding Debt (millions)		\$14	\$10,051	\$14,340	\$13,485		\$10,044
Operating Cash Flow (millions) <sup>(7)</sup>	\$1,407	(\$67)	\$275	\$671	\$640	\$1,519	\$857
Capital Expenditures (millions)	\$122	\$41	\$56	\$39	\$35	\$169	\$35
Share Repurchases (millions)							
- Number of Shares	0.1	0.0	0.0	0.0	0.0	0.0	0.0
- Gross Share Repurchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0
- Remaining Repurchase Authorization	\$194	\$194	\$194	\$194	\$194	\$194	\$194
DSO		55	52	57	61		62
Employee Headcount		~20,455	~21,065	~28,330	~28,135		~26,750
Revenue by Segment (millions) <sup>(8)(9)</sup>							
- Design Automation	\$4,221.1	\$1,020.2	\$1,122.3	\$1,312.1	\$1,847.7	\$5,302.4	\$2,001.8
% of Total	68.9%	70.1%	70.0%	75.4%	81.9%	75.2%	83.1%
- Design IP	\$1,906.3	\$435.1	\$482.0	\$427.6	\$407.2	\$1,751.8	\$407.0
% of Total	31.1%	29.9%	30.0%	24.6%	18.1%	24.8%	16.9%
Adjusted Op Income by Segment (millions) <sup>(8)(9)</sup>							
- Design Automation	\$1,631.9	\$404.7	\$458.8	\$583.8	\$766.3	\$2,213.5	\$947.6
- Design IP	\$730.2	\$126.5	\$150.5	\$86.0	\$56.2	\$419.3	\$66.1
Adjusted Operating Margin by Segment <sup>(8)(9)</sup>							
- Design Automation	38.7%	39.7%	40.9%	44.5%	41.5%	41.7%	47.3%
- Design IP	38.3%	29.1%	31.2%	20.1%	13.8%	23.9%	16.2%

- (1) All metrics except for Outstanding Debt and Operating Cash Flow presented on a continuing operations basis.
- (2) We completed our acquisition of ANSYS, Inc. (Ansys) in the third quarter of fiscal 2025. Future financial reporting periods include our Ansys product group, which is reported as a part of our Design Automation segment.
- (3) Amounts may not foot due to rounding.
- (4) Includes maintenance on term and perpetual licenses.
- (5) 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.
- (6) Should be read in conjunction with our Form 8-K filed with the Securities and Exchange Commission (SEC) on February 25, 2026 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.
- (7) 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.
- (8) 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.
- (9) These segment 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 FOR FIRST QUARTER FISCAL YEAR 2026

(Unaudited and in thousands, except per share amounts)

	Three Months Ended January 31, 2026		
	GAAP	Adjustments <sup>(1)</sup>	Non-GAAP
Cost of revenue:			
Products	\$ 242,402	\$ (20,484)	\$ 221,918
Maintenance and service	146,738	(13,394)	133,344
Amortization of acquired intangible assets	248,242	(248,242)	—
Operating expenses:			
Research and development	\$ 714,988	\$ (131,325)	\$ 583,663
Sales and marketing	396,375	(63,895)	332,480
General and administrative	182,732	(58,991)	123,741
Amortization of acquired intangible assets	155,993	(155,993)	—
Restructuring charges	118,282	(118,282)	—
Operating income	\$ 203,046	\$ 810,606	\$ 1,013,652
Interest expense	\$ (162,715)	\$ —	\$ (162,715)
Other income (expense), net	\$ 38,722	\$ (13,773)	\$ 24,949
Provision for income taxes <sup>(2)</sup>	\$ 14,337	\$ 143,322	\$ 157,659
Net income (loss) attributed to non-controlling interest	\$ (242)	\$ —	\$ (242)
Net income attributed to Synopsys	\$ 64,958	\$ 653,511	\$ 718,469
Net income per diluted share	\$ 0.34	\$ 3.43	\$ 3.77

Shares used in computing per share amounts:

Diluted	190,762	190,762
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(1) The adjustments to the various line items resulted from excluding the following non-GAAP financial measures: amortization of acquired intangible assets of \$404.2 million, stock-based compensation of \$258.7 million, restructuring charges of \$118.3 million, acquisition/divestiture related items of \$15.6 million, changes in the fair value of the non-qualified deferred compensation plan of \$13.8 million, and income tax effect of non-GAAP adjustments of (\$143.3) 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 January 31, 2026
GAAP operating margin	8.4 %
Amortization of acquired intangible assets	16.8 %
Stock-based compensation	10.7 %
Restructuring charges	4.9 %
Acquisition/divestiture related items	0.7 %
Non-qualified deferred compensation plan	0.6 %
Non-GAAP operating margin	42.1 %

## GAAP TO NON-GAAP TAX RATE RECONCILIATION

(Unaudited)

	<b>Three Months Ended January 31, 2026</b>
GAAP effective tax rate	18.1 %
Stock-based compensation	(7.9)%
Restructuring charges	(2.1)%
Income tax adjustments <sup>(1)</sup>	9.9 %
Non-GAAP effective tax rate	<u>18.0 %</u>

(1) The tax adjustments are primarily due to 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:

	<b>Three Months Ended January 31, 2026</b>
GAAP total operating income – as reported	<u>\$ 203.0</u>
Other expenses managed at consolidated level	
Amortization of acquired intangible assets	404.2
Stock-based compensation	258.7
Non-qualified deferred compensation plan	13.8
Restructuring charges	118.3
Acquisition/divestiture related items	15.6
Total adjusted segment operating income	<u>\$ 1,013.7</u>

(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.

## GAAP TO NON-GAAP RECONCILIATION OF SECOND QUARTER FISCAL YEAR 2026 TARGETS

(in thousands, except per share amounts)

	Range for Three Months Ending	
	April 30, 2026	
	Low	High
Target GAAP expenses	\$ 2,020,000	\$ 2,085,000
Adjustments:		
Amortization of acquired intangible assets	(400,000)	(405,000)
Stock-based compensation	(210,000)	(220,000)
Restructuring charges	(30,000)	(50,000)
Target non-GAAP expenses	\$ 1,380,000	\$ 1,410,000

	Range for Three Months Ending	
	April 30, 2026	
	Low	High
Target GAAP earnings per diluted share attributed to Synopsys	\$ 0.23	\$ 0.43
Adjustments:		
Amortization of acquired intangible assets	2.10	2.07
Stock-based compensation	1.14	1.09
Restructuring charges	0.26	0.16
Tax adjustments	(0.62)	(0.58)
Target non-GAAP earnings per diluted share attributed to Synopsys	\$ 3.11	\$ 3.17
Shares used in non-GAAP calculation (midpoint of target range)	193,000	193,000

## GAAP TO NON-GAAP RECONCILIATION OF FULL FISCAL YEAR 2026 TARGETS

(in thousands, except per share amounts)

	Range for Fiscal Year Ending	
	October 31, 2026	
	Low	High
Target GAAP expenses	\$ 8,460,592	\$ 8,600,592
Adjustments:		
Amortization of acquired intangible assets	(1,610,000)	(1,620,000)
Stock-based compensation	(945,000)	(965,000)
Restructuring charges	(200,000)	(250,000)
Acquisition/divestiture related items <sup>(1)</sup>	(15,592)	(15,592)
Target non-GAAP expenses	\$ 5,690,000	\$ 5,750,000

	Range for Fiscal Year Ending	
	October 31, 2026	
	Low	High
Target GAAP earnings per diluted share attributed to Synopsys	\$ 2.21	\$ 2.62
Adjustments:		
Amortization of acquired intangible assets	8.39	8.34
Stock-based compensation	5.00	4.90
Restructuring charges	1.30	1.04
Acquisition/divestiture related items <sup>(1)</sup>	0.08	0.08
Tax adjustments	(2.60)	(2.52)
Target non-GAAP earnings per diluted share attributed to Synopsys	\$ 14.38	\$ 14.46
Shares used in non-GAAP calculation (midpoint of target range)	193,000	193,000

(1) Adjustments reflect actual expenses incurred by Synopsys as of January 31, 2026, 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 2026 TARGETS <sup>(1)</sup>**

	<b>Fiscal Year Ending October 31, 2026</b>
At midpoint of revenue and expense guidance ranges	
GAAP operating margin	11.2%
Amortization of acquired intangible assets	16.8%
Stock-based compensation	9.9%
Restructuring charges	2.4%
Acquisition/divestiture related items <sup>(2)</sup>	0.2%
Target non-GAAP operating margin	<u>40.5%</u>

(1) These numbers represent the midpoint of targets in the prepared remarks provided on February 25, 2026, and do not represent official guidance for fiscal year 2026.

(2) Adjustments reflect actual expenses incurred by Synopsys as of January 31, 2026 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 February 25, 2026 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 first quarter of fiscal year 2026 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 February 25, 2026. Synopsys is unable to provide a full reconciliation of its long-term, multi-year target for annual non-GAAP EPS growth and certain second quarter and full fiscal year 2026 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, 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 concerning our short-term and long-term financial targets, expectations and objectives; our businesses, business segments, strategies, partnerships, initiatives and opportunities, including, among other things, the reallocation of resources in our Design IP segment to higher growth opportunities and planned restructuring activities; industry growth and technological trends, such as artificial intelligence; business and market outlook; the macroeconomic environment and global economic conditions; the impact of current and future U.S. and foreign trade regulations, government actions and regulatory changes, such as export control restrictions and tariffs, including the anticipated impact of China export control restrictions; the Ansys integration and its expected impact, including expected synergies and the timing thereof and our ability to create joint solutions as a combined company; planned dispositions and their expected impact; our key customers, customer concentration, customer demand and market expansion; strategies related to our products, technology and services, including product development and our planned product releases and capabilities; the expected realization of our contracted but unsatisfied or partially unsatisfied performance obligations (backlog); 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 realize the benefits expected from the Ansys Merger or unexpected difficulties or expenditures arising therefrom; risks related to inaccuracies in, or failures to achieve, our operational and business metrics or forecasts of growth; 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 first quarter of fiscal year 2026 are not necessarily indicative of Synopsys' operating results for any future periods.

### EFFECTIVENESS OF INFORMATION

The information provided herein is as of February 25, 2026. Although this Supplement will remain available on Synopsys' website through the date of the earnings results call for the second quarter of fiscal year 2026, 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.