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; 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, including our development and planned commercialization thereof; business and market outlook; the potential impact of the uncertain macroeconomic environment and global economic conditions on our financial results; the impact of current and future U.S. and foreign trade regulations, government actions and regulatory changes, such as export control restrictions and tariffs; the ANSYS, Inc. ("***Ansys***") integration and its expected impact, including expected synergies and the timing thereof, our ability to create joint solutions as a combined company, and related accounting changes; planned and recently completed acquisitions or divestitures, and their anticipated timing and impact; our key customers, customer concentration, customer engagement, customer demand and market expansion; results and 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 status, expected outcome or expected impact of litigation and/or regulatory investigations. 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 transactions we complete, including the acquisition of Ansys 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 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 third quarter of fiscal year 2026 are not necessarily indicative of Synopsys' operating results for any future periods. The information provided herein represents Synopsys' expectations and beliefs as of August 26, 2026. Although these Prepared Remarks are expected to remain available on Synopsys' website through the time Synopsys announces its results for the fourth quarter and fiscal year 2026, their continued availability through such time 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 third quarter of fiscal year 2026 earnings release and financial supplement, each dated August 26, 2026 and available in the investor relations portion of Synopsys' corporate 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 August 26, 2026.

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Good afternoon. Synopsys delivered an outstanding third quarter with revenue, non-GAAP operating margin, and EPS all exceeding the high-end of guidance. These results reflect broad-based strength, including outperformance in EDA and Ansys, and continued growth in IP. We are raising our full-year revenue, non-GAAP operating margin, and EPS guidance. In addition, we expect EDA growth to accelerate in Q4 and to deliver double-digit growth for the full year.

The key takeaway from Q3 is that the fundamentals across our portfolio are strengthening. EDA is accelerating, Design IP has returned to growth, and Ansys is performing strongly while beginning to create new growth opportunities across the combined portfolio.

This quarter marked one year since the Ansys acquisition close, and in Q3 we launched our first joint Synopsys and Ansys solutions, Multiphysics Fusion. I want to recognize our global team for executing with focus and agility to integrate our world class capabilities. The combination has strengthened our competitive position, expanded our opportunity, and enabled us to deliver differentiated solutions addressing the physics challenges of modern chip design.

Industry trends are aligned to our strategy and our strengths as the leading provider of engineering solutions from silicon to systems. Unprecedented design complexity driven by the demands of AI is fueling the need for the IP and design solutions necessary to deliver next-generation AI compute, infrastructure and physical AI systems. These trends are evident in our Q3 results.

Starting with Design Automation, which achieved healthy growth in Q3, underpinned by strength in EDA, including record hardware revenue. We expect this momentum to continue, with EDA growth accelerating to double digits in Q4 and for the full year. Design activity is highest among AI and high-performance compute customers developing increasingly specialized chips with multi-die architectures, more complex packaging, and system requirements. These are all areas where Synopsys leads.

AMD's recently launched Instinct MI455X GPU is a good example. To deliver this highly sophisticated new product series, AMD leveraged Synopsys' 3DIC Compiler, the industry's only exploration-to-signoff platform for multi-die and advanced-package co-design and optimization.

The complex software and system requirements of AI compute also drive demand for Synopsys hardware-assisted verification solutions. We secured 12 new and 66 repeat HAV customer wins in the quarter.

As I mentioned, the launch of Multiphysics Fusion was a major EDA milestone in Q3 and creates a new growth opportunity for Synopsys. Multiphysics Fusion combines Synopsys and Ansys technology in the industry's only solution with thermal analysis fully integrated into the chip design flow. Customers, including NVIDIA, Cisco, MediaTek, and Samsung Foundry, have validated up to 10x faster design closure and 3x faster runtime. This drives greater value for our customers and also for our products. We expect these add-on capabilities to begin contributing to EDA growth in 2027.

Agentic AI is another growth vector for Synopsys, and we demonstrated strong progress in Q3. At the DAC conference, with NVIDIA we showcased a fully autonomous, long-running design verification agent that can orchestrate the entire chip verification cycle and deliver up to 50X faster time-to-validated RTL while achieving 20% additional coverage improvement. With Microsoft and AMD, we introduced the first autonomous EDA workflows on Microsoft Discovery that can automate debug, implementation, and design closure. Early engagements show up to 40% reduction in debug cycle time, saving weeks of engineering effort while improving design quality.

We're seeing strong customer interest in our agentic AI platform, with more than 30 active customer engagements underway. Early feedback has made clear that as these agents take on more engineering work, they orchestrate our underlying EDA tools at a significantly higher rate. That allows customers to run more design and verification workloads, creating an incremental growth opportunity for Synopsys as we capture our fair share of the value that these agentic workflows and foundational tools provide for our customers.

Turning to Ansys. One year into our integration, Ansys continues to see strong demand. From semis to aerospace to industrial and more, companies are embracing digital engineering. Across industries, Ansys simulation is accelerating innovation while reducing development risk and cost. For example, a leading automaker is using Ansys SimAI to achieve roughly 98% prediction accuracy and move crash analysis to near real time. And a leading heavy equipment manufacturer achieved more than 10x faster motor design.

We're applying AI to extend our S&A leadership and further automate the simulation of complex systems. This includes expanding our portfolio of GPU-accelerated Ansys applications, and in Q3 our largest Ansys deal was for GPU-accelerated Ansys CFD to support a company-wide digital twin at a multinational electronics component maker.

Turning to Design IP, which grew sequentially and year-over-year on broad AI infrastructure demand. As AI drives demand for higher bandwidth, faster connectivity, and more complex system architectures, our interface, memory, and die-to-die IP portfolio sits at the center of the stack and our Q3 results showed it. We won more than 95% of PCIe 7.0 opportunities, including a subsystem win at a marquee enterprise-storage customer. And in LPDDR6 — silicon-proven across multiple nodes and foundries — we've secured 25 design wins year-to-date. Our die-to-die business is on pace to double year-over-year, and we now more than 100 cumulative design wins.

The industry continues to rely on Synopsys for silicon-proven quality at unrivaled scale. Our standards-based "build once, sell many" IP model remains foundational to our growth strategy. We'll continue to invest and grow this business (what I call 'Factory 1'), which benefits from strong chip-start activity and solid traction across industries. For example, in Automotive, we've sustained a 90-percent-plus design-win rate for three consecutive quarters, as ADAS platforms refresh onto 5- and 3-nanometer. In Mobile, consumer and Edge AI, our USB IP has now crossed $2B in lifetime bookings - with tier-one design wins already moving to the leading-edge node. As AI extends beyond digital infrastructure into physical products, demand for silicon will continue to expand, providing a tailwind for our standards-based IP business.

The higher growth opportunity in IP lies with a growing set of AI customers who are asking for deeper collaboration and IP solutions optimized to their specific workloads and architectures. To meet that demand, we are expanding into differentiated IP subsystems and enabling custom silicon solutions. Customers ranging from hyperscalers, ASIC vendors, foundries and classic semiconductors want to partner with Synopsys to accelerate their chip development efforts and leverage our IP and engineering expertise to build increasingly differentiated custom silicon.

This is our 'Factory 2' model for customized IP. It moves us up the value chain - from licensing alone to licensing plus royalties - and positions us to capture the fast-growing custom-silicon opportunity. This is a large focus. We are making strong progress and are in active discussions with multiple 'Factory 2' customers and I look forward to sharing more at Investor Day.

To summarize, I want to thank the entire Synopsys team for their continued focus, innovation, and execution. Q3 reinforced the strength of our strategy and our confidence in a strong finish to the year. AI is driving demand for advanced silicon, system-level engineering, and AI-powered design. Our leadership portfolio positions us to capture a greater share of R&D investment across industries. We remain focused on translating our technology leadership into sustainable growth and margin expansion. Now over to Shelagh.

Thank you, Sassine. We delivered an outstanding Q3, achieving revenue of $2.477B, non-GAAP operating margin of 41.6% and non-GAAP EPS of $3.91 – all beating the high end of our guidance range. With broad-based strength across the business, the revenue outperformance was driven by EDA, as well as strength in the Ansys business.

Backlog remains very strong at $10.9B, modestly down quarter over quarter due to the divestiture of the Processor IP solutions business that closed in Q3. With the strength in Q3, strong cash flow generation, and continued momentum into Q4 we are raising our full year revenue, non-GAAP operating margin, EPS and cash flow guidance.

I'll now review our third quarter results. All comparisons are year-over-year, unless otherwise stated. We generated total revenue of $2.477B up approximately 42%, including Ansys revenue of approximately $711M.

As Sassine noted, one year into the combination, Ansys continues to perform strongly. We are also ahead of schedule on the cost synergy commitments we made at close and have repaid the term loans earlier than planned.

Total GAAP costs and expenses were $2.119B, with GAAP earnings per share of $2.84. Q3 GAAP EPS includes a gain associated with the sale of the processor IP solutions business that closed in the quarter.

Total non-GAAP costs and expenses were $1.446B, on the lower end of our guided range, as we continue to improve operational efficiency and deliver Ansys cost synergies ahead of schedule, resulting in non-GAAP operating margin of 41.6%. Non-GAAP earnings per share were $3.91, ahead of our guidance underscoring our strong operational execution in the quarter.

Now, onto our segments. Design Automation segment revenue was approximately $2B. As a reminder, this excludes the Optical Solutions Group, which was divested in Q4'25. Within the Design Automation segment, Q3 EDA revenue increased 8.5% year over year, reflecting robust EDA software performance and another record quarter for hardware-assisted verification solutions. Design Automation adjusted operating margin was 45.2%.

The Design IP segment returned to growth with revenue of $474M, up approximately 11% year on year. Consistent with our outlook, this represents continued sequential growth in the IP segment as we've repositioned the portfolio to focus on the highest value opportunities.

Design IP adjusted operating margin was 26.5%.

Turning to cash. Free cash flow was $746M in Q3, and we ended the quarter with cash and short-term investments of $3.6B. Total debt at the end of Q3 was approximately $10B.

Now to guidance for the full year. We are raising our total revenue guidance by $50M at the midpoint, driven by the strength in the Design Automation segment led by EDA. As Sassine stated, momentum in EDA remains strong, and we expect double-digit organic EDA revenue growth in Q4 and for the full year 2026. We continue to expect the IP business to grow sequentially in Q4. This results in a revenue range of $9.690B to $9.740B. Within that, Ansys revenue contribution is expected to be approximately $2.98B, up $20M versus our prior guidance.

Next Expenses - Total GAAP costs and expenses are expected to be between $8.667B and $8.742B. This includes an increase in expected charges for fiscal year 2026 in relation to our previously announced restructuring program, as we continue to accelerate our committed synergies. Total non-GAAP costs and expenses are expected to be between $5.670B and $5.700B; and non-GAAP operating margin of 41.5% at the midpoint, a 50 basis-point raise to our previous guidance.

GAAP earnings are expected to be between $3.84 to $4.08 per share. We expect non-GAAP earnings of $15.04 to $15.10 per share, a $0.31 increase at the midpoint from our prior guidance due to higher revenue and increased operational efficiency.

We are raising our cash flow from operations guidance by $500M to approximately $2.8B on strong cash collections and reducing our capex guidance to approximately $225M, resulting in free cash flow of approximately $2.6B, an increase of $600M versus our previous guidance.

Now to the targets for the fourth quarter. Total Revenue between $2.530B and $2.580B. Total GAAP costs and expenses between $2.225B and $2.300B. Total non-GAAP costs and expenses between $1.450B and $1.480B. GAAP earnings of $0.60 to $0.85 per share and non-GAAP earnings of $4.10 to $4.16 per share. Our press release and financial supplement include additional targets and GAAP to non-GAAP reconciliations.

Thanks to our global Synopsys team for another strong quarter. These results reflect strong execution across the business, continued demand for our technology, and disciplined operating performance as we build the foundation for the next phase of growth. We look forward to seeing many of you at our

September Investor Day, to discuss the compelling long-term opportunity we have as a mission-critical partner for our customers. With that, I'll turn it over to the operator for questions.