



Synopsys Inc.

Synopsys Spotlight
Software Integrity Group (SIG)

Tuesday, October 4, 2022

Webcast



Forward-Looking Statements

This presentation contains forward-looking statements, including, but not limited to, statements regarding Synopsys' short-term and long-term financial targets, expectations and objectives such as our long-term multi-year growth objectives; strategies related to our products and technology; business and market outlook, opportunities and strategies; customer demand and market expansion; our planned product releases and capabilities; industry growth rates; software trends; planned acquisitions and stock repurchases; our expected tax rate; the expected impact of U.S. and foreign government actions and regulatory changes on our financial results; and the continued impact of the COVID-19 pandemic. 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: risks from the continued impact of the COVID-19 pandemic on the global economy and on our business, operations and financial condition; macroeconomic conditions and uncertainty in the global economy; uncertainty in the growth of the semiconductor and electronics industries; the highly competitive industry we operate in; 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 as well as actions by the U.S. or foreign governments, such as the imposition of additional export restrictions or tariffs; 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 Annual Report on Form 10-K for the fiscal year ended October 31, 2021, and in our latest Quarterly Report on Form 10-Q. The information provided herein is as of October 4, 2022. 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.



Software Integrity

Jason Schmitt

GM, Software Integrity Group

October 4, 2022





Software Integrity Snapshot

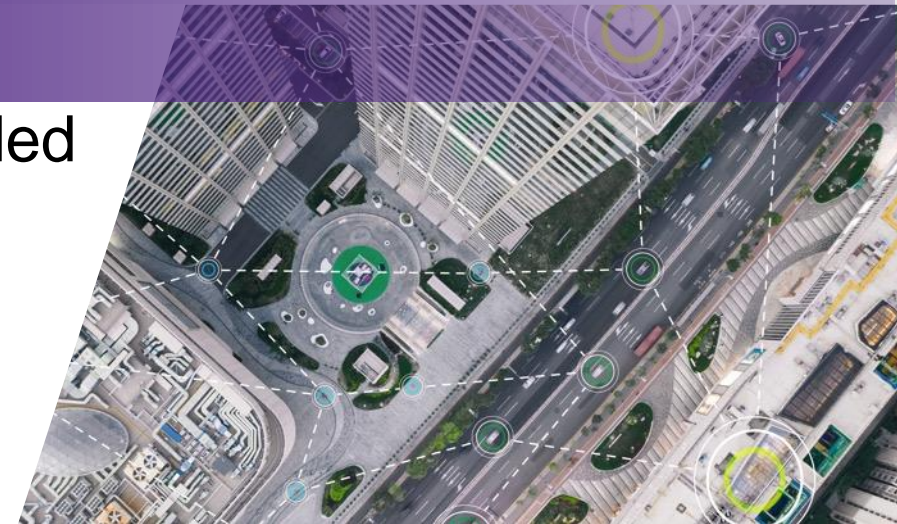
What is Software Integrity?



Solutions that enable organizations to manage application security, quality and compliance risks at the speed their business demands

\$449M TTM Revenue

Serving organizations in sectors ranging from embedded (including semis, systems) to enterprise (incl financial services, medical, industrial, automotive)



Software Integrity Group – Building Trust in Software



Comprehensive Application Security Testing

- Broad portfolio of software security tools
- Addresses all key personas and stages of software development
- Fast-growing SaaS offerings
- Leading strategic consulting specializing in software security

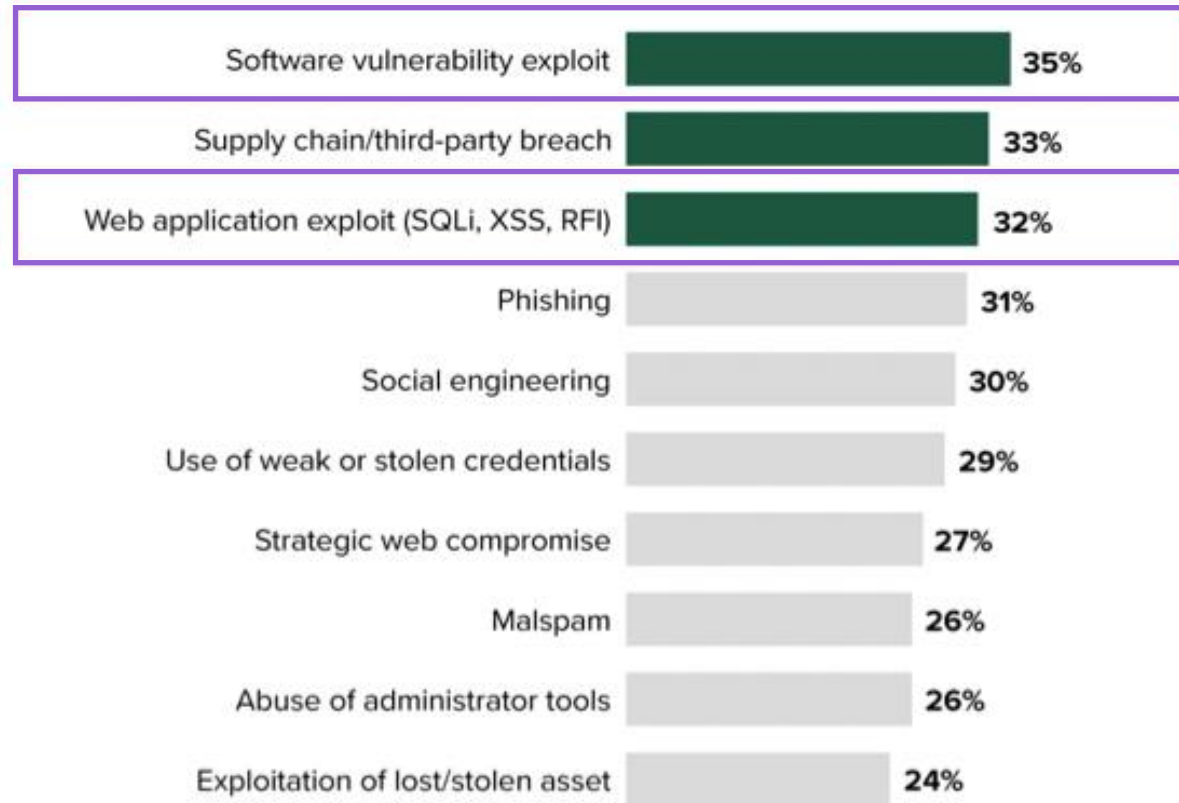
Holistic Solution to Software Risk

- Securing the SDLC/DevOps
- Open source risk management
- Cloud transformation and app security
- Software supply chain risk management
- Embedded systems security and reliability
- M&A software due diligence

Market Landscape

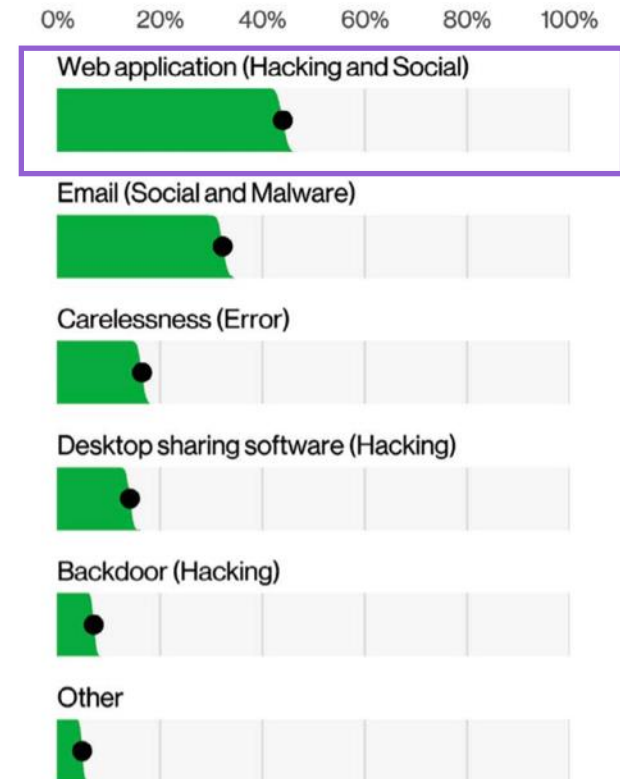
New Security Reality – Software is the #1 Attack Vector

How was the external attack carried out?



Source: Forrester “The State of Application Security 2022”

Top Action vectors in breaches (n=3,279)



Source: Verizon “Data Breach Investigations Report 2022”

Software complexity is growing rapidly



Recent attacks like SolarWinds and Log4j bring boardroom and White House-level awareness to open source risk and the need to build trust in the software supply chain



Of scanned codebases contained open source components that were more than four years out-of-date

98%

Codebases contained OSS

80%

Codebases have at least one OSS vulnerability

50%

Codebases have at least one high risk vulnerability

Conflicting priorities and ownership

Software Security



Prove that the software delivered is secure, reliable and can be trusted

WHY?

Software is the #1 attack surface for cybercriminals

Development Velocity



Ensure that security testing and compliance do not slow down development

WHY?

Developers will reject tools and processes that slow them down

Business Risk

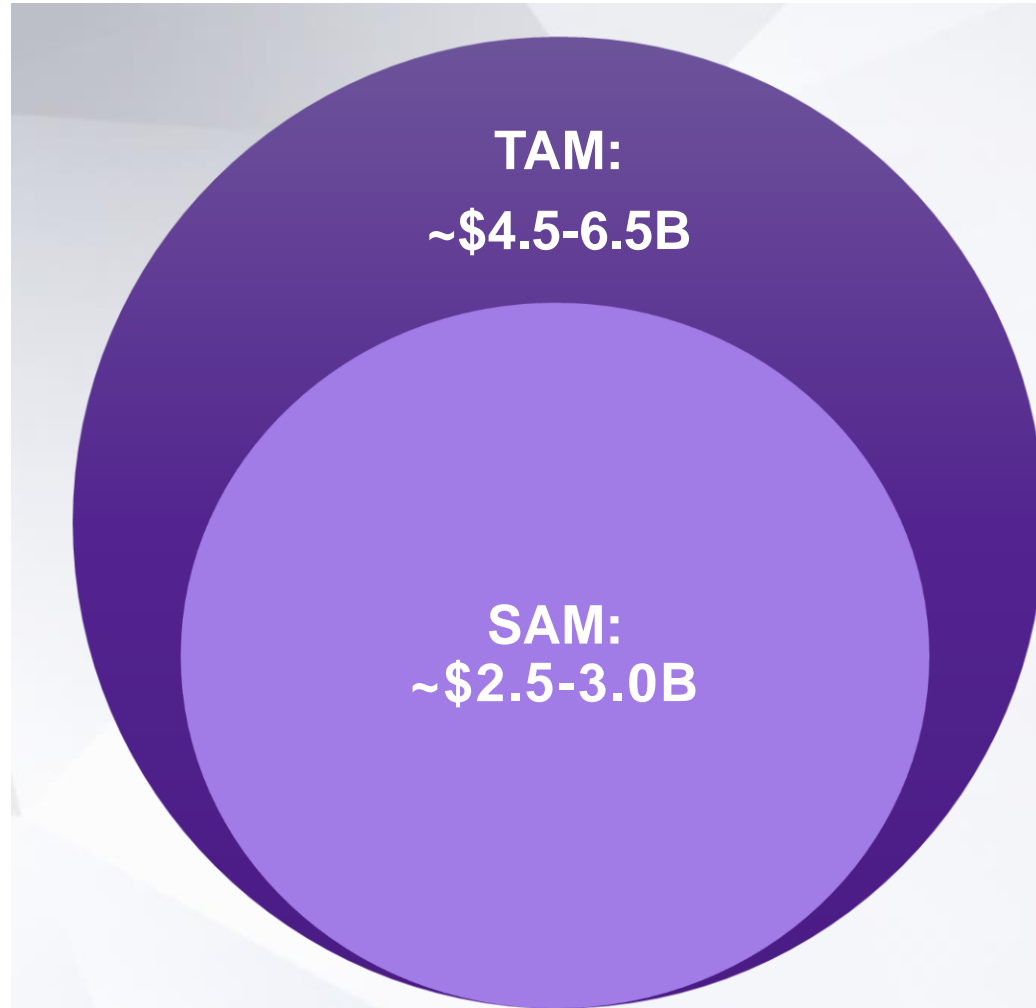


Manage the true business risks caused by software insecurity

WHY?

Teams are overwhelmed by vulnerability remediation

Software Security & Quality Market



- Evolving market, ~15% growth
- Growth drivers:
 - Ubiquity and growth of software
 - Cloud transformation
 - Significant business risk from breaches
 - Rise of open source
 - Software supply chain complexities
- Synopsys L-T multi-year growth objective: ~15-20% range*

Sources: Gartner, Forrester, IDC, other external and internal analyses

*This multi-year objective was provided as of August 17, 2022

Strategy & Solutions

Synopsys Vision – Build Trust in Software

Complete Security Assurance for All Software



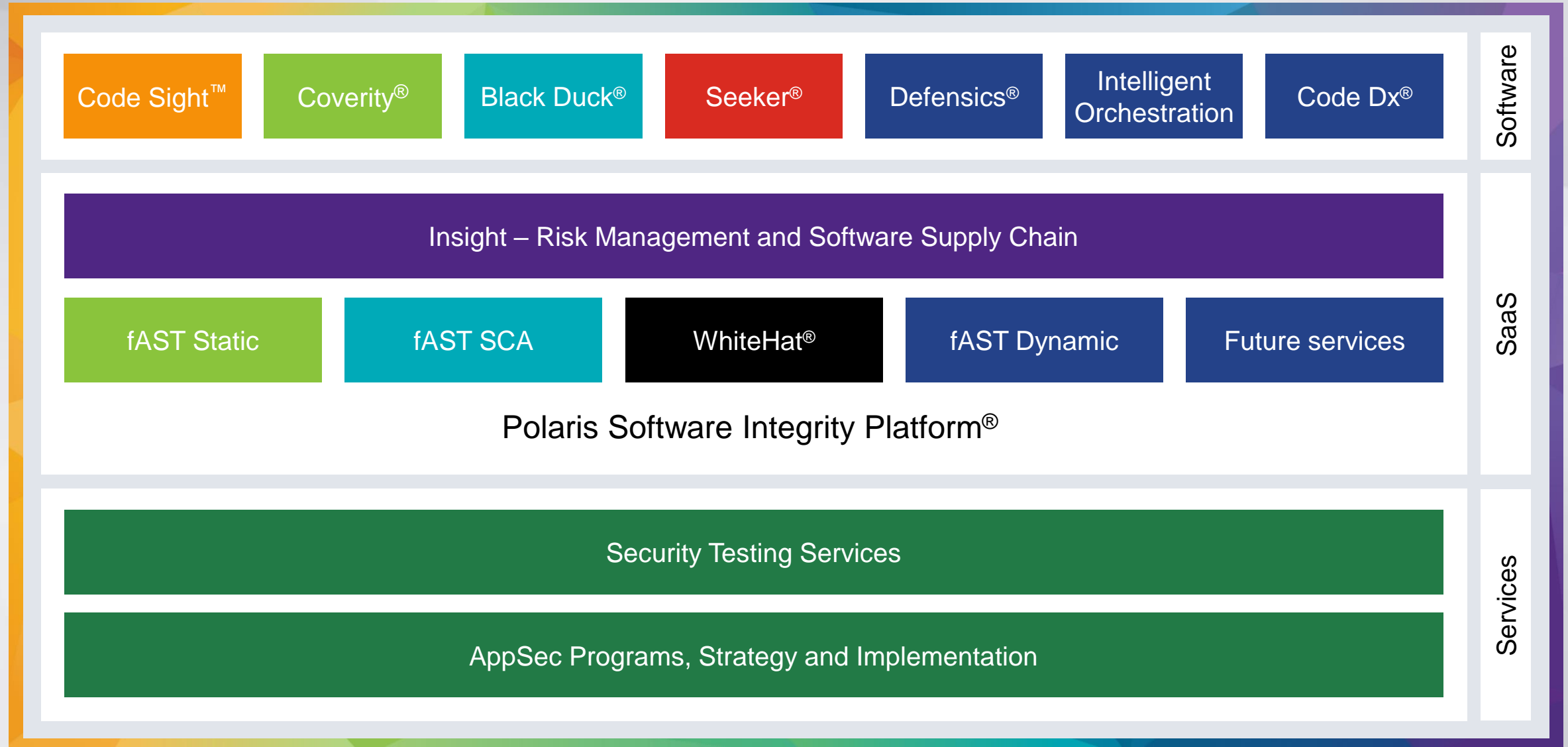
- Align people, process and tools across the entire lifecycle
- Secure all sources of software – custom, open source and third-party
- Unified and AI-driven policy, visibility and prioritization
- Cohesive, integrated platform for managing risk and compliance

Addressing All Customer Demand Drivers



- Cloud transformation - rapid cloud adoption and movement of dev workflows to the cloud
- Software supply chain – ensure safe and effective adoption of open source and 3rd party software, minimize external threats from software
- DevOps – create velocity, rather than impede it

Software Integrity Portfolio



Go-to-Market Strategy

- 1 Build global, scalable and leveraged go-to-market engine that targets all key economic and technical buyers –
 - Developers, DevOps and Security teams
- 2 Lead with strategic consulting that
 - deepens relationships
 - improves retention through strong product pre- and post-sale customer success
- 3 Drive incremental growth and geographic expansion
 - through partnerships with systems integrators and value-added resellers

Partner Business Expanding Reach

of New Logos



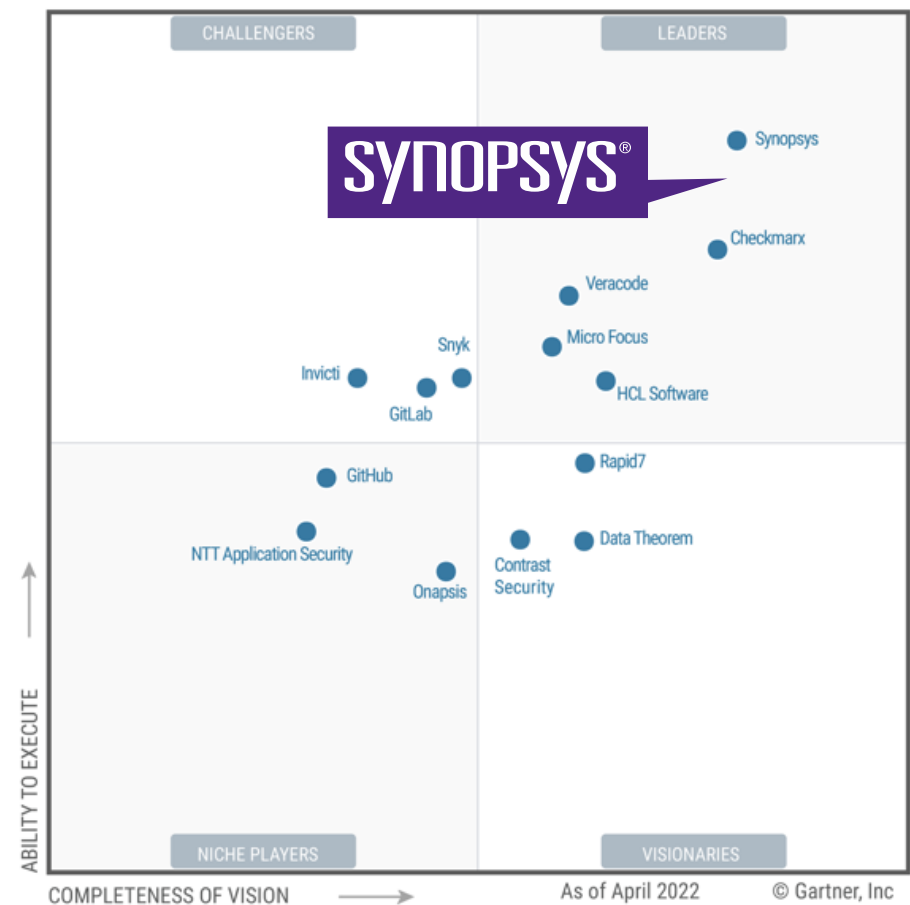


Market Recognition & Success Stories

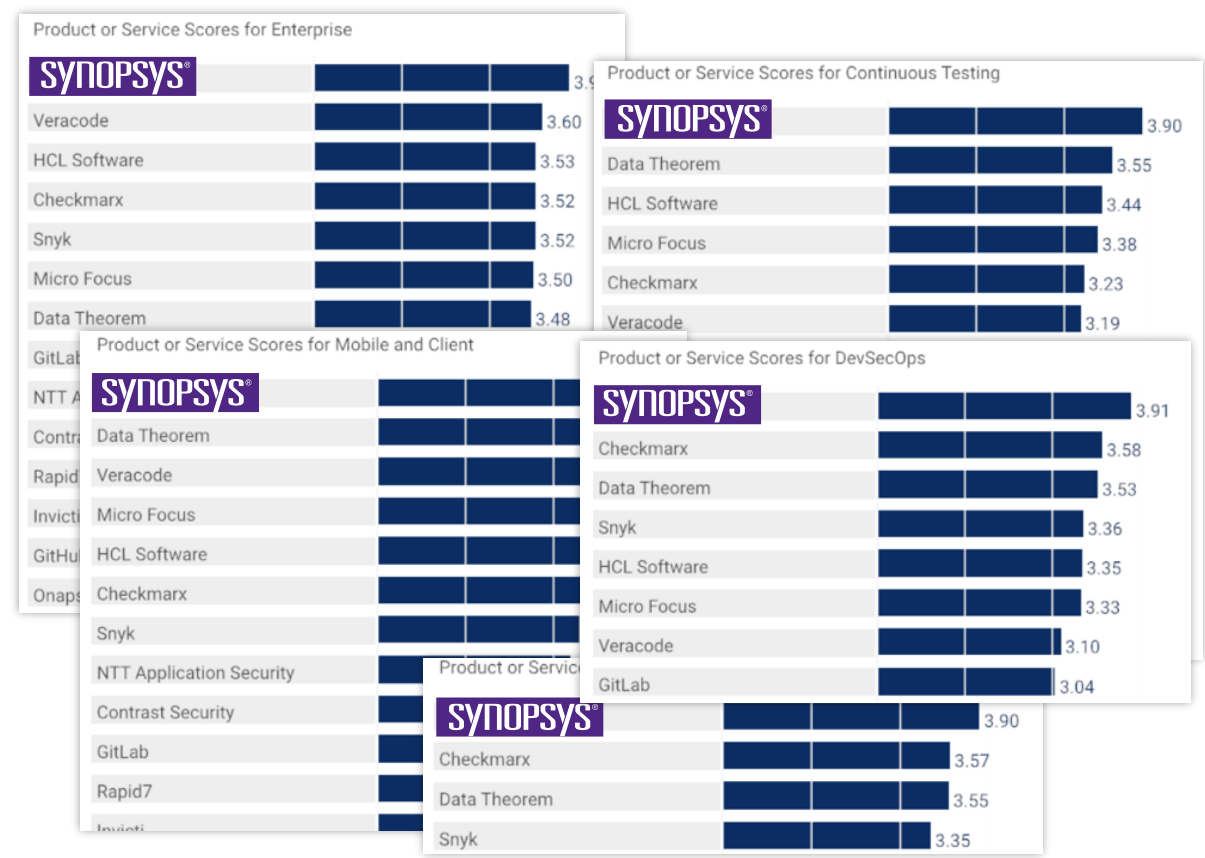
Market Leadership



Magic Quadrant for Application Security Testing



Top ranking in all five Critical Capabilities for Application Security Testing



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Customer success stories

Breadth of customer base and portfolio



About Calix

- Provides cloud and software systems and services to major communications services providers
- Tens of millions of lines of code, w/ custom, open source and 3rd party code

What they use from Synopsys

- Static analysis, software composition analysis (SCA) and protocol & API fuzzing
- Started with static, added SCA, fuzzing, services

Results

- Software deployments faster, better security
- Tight integration with DevOps workflows for rapid remediation of vulnerabilities
- Consolidated visibility into identifying and eliminating risk



About Nuance

- Global provider of voice and language solutions
- For 8 of 10 largest handset manufacturers and the 10 largest automotive players

What they use from Synopsys

- Chose Synopsys to build a compliance program for open source governance
- Services expertise to build program, and software solutions to automate the process

Results

- Improved dev times by working with trusted open source code
- Assurance to customers that open source security is programmatic and integrated into their offerings
- Empowered and energized development

Summary

- Consistent 15-20% growth objective on path to annual revenue of \$1B and beyond
- Strong portfolio of organic innovation, SaaS transformation and M&A creating expansionary SAM
- Sizable, broad customer base; strength in embedded and fast growth in enterprise
- Incremental revenue and leverage from global channel component of scaled GTM engine

THANK YOU