Corporate Overview for Investors

February 2021
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; business outlook, opportunities and strategies; customer demand and market expansion; strategies related to our products and technology; our planned product releases and capabilities; industry growth rates; software trends; planned acquisitions and buybacks; our expected tax rate; the expected impact of U.S. and foreign government action on our results; and the expected 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 our forward-looking statements. Such risks, uncertainties and factors include, but are not limited to: risks from the effect of the COVID-19 pandemic and the associated economic downturn on our business, operations and financial condition; uncertainty in the growth of the semiconductor and electronics industries; 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 measures in response to the COVID-19 pandemic or the imposition of additional tariffs or export restrictions; macroeconomic conditions and uncertainty in the global economy; fluctuation of our operating results; increased variability in our revenue due to the adoption of ASC 606, including the resulting increase in recognizing upfront revenue as a percentage of total revenue; and more. Additional information on potential risks, uncertainties and other factors that could affect Synopsys’ results is included in filings it makes with the Securities and Exchange Commission from time to time, including in the sections entitled “Risk Factors” in its Annual Report on Form 10-K for the fiscal year ended October 31, 2020 and in its latest Quarterly Report on Form 10-Q. The information provided herein is as of February 17, 2021. 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.

Regulation G

In addition to financial results prepared in accordance with Generally Accepted Accounting Principles, or GAAP, this presentation will also contain certain non-GAAP financial measures. Except for certain forward-looking non-GAAP financial measures for which a reconciliation is not possible without unreasonable efforts, reconciliations of the non-GAAP financial measures contained in this presentation or given verbally to their most comparable GAAP measures are included in the table at the end of this presentation, along with the first quarter of fiscal year 2021 earnings release and financial supplement, dated February 17, 2021, and available on Synopsys’ website at https://www.synopsys.com/company/investor-relations/financial-news.html.
## Synopsys: The Market & Technology Leader

### Broad Product Portfolio

**Electronic Design Automation (EDA)**

**Semiconductor Intellectual Property (IP)**

**Software Security and Quality**

<table>
<thead>
<tr>
<th></th>
<th>FY20</th>
<th>FY21 Targets(^{(1)})</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue:</strong></td>
<td>$3.685B</td>
<td>$4.0B - $4.05B</td>
</tr>
<tr>
<td><strong>Growth Rate:</strong></td>
<td>9.6%</td>
<td>8.5% - 10%</td>
</tr>
<tr>
<td><strong>Non-GAAP Operating Margin:</strong></td>
<td>28%</td>
<td>29% - 30%</td>
</tr>
<tr>
<td><strong>Non-GAAP EPS:</strong></td>
<td>$5.55</td>
<td>$6.23 - $6.30</td>
</tr>
<tr>
<td><strong>Operating Cash Flow:</strong></td>
<td>$991M</td>
<td>$1.2B - $1.3B</td>
</tr>
<tr>
<td><strong>Business Model:</strong></td>
<td>Time-based, recurring revenue model</td>
<td>2.5-3 years contract duration in FY21</td>
</tr>
</tbody>
</table>

\(^{(1)}\) These targets were provided by Synopsys as of February 17, 2021, and are not being updated at this time; a GAAP to non-GAAP reconciliation of FY21 Operating Margin targets and FY21 EPS targets are included at the end of this presentation.
Synopsys: The Market & Technology Leader

Electronic Design Automation

>30 years of investment and execution
~65% of revenue

Market Leader

Semiconductor IP

~20 years
~25% of revenue

#2 IP Vendor

Software Integrity

~6 years
~10% of revenue

Emerging Leader, Brodest Portfolio
Long-Term Financial Objectives¹

- While the results in any given period may vary due to acquisitions or other near-term priorities, our primary long-term objective is to drive **double-digit non-GAAP EPS growth** on a multi-year basis, through a mix of the following elements:
- Grow **total revenue²** generally in the **high single-digit range**:
  - EDA revenue
    - generally in the **mid-to-high single-digits**
  - IP & System Integration revenue
    - generally in the **low double-digits**
  - Software Integrity revenue
    - exceeding market growth, generally in the **15-20% range**
      - long-term as market evolves
- Drive non-GAAP operating margin into the **high-twenties by 2021** and **greater than 30% longer-term**
- Utilize our strong **cash flow primarily for M&A and share buybacks**

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¹. These multi-year objectives are provided as of February 17, 2021
². Period to period fluctuations are a normal element of our business, driven particularly by timing of hardware and IP deliveries. Variability, which increased as a result of ASC 606 adoption, should be expected.
Synopsys: The Market and Technology Leader

Uniquely Positioned for Stability and Growth

- Robust End Markets Driving Growth
  - Clear Technology Leadership
  - Financial Strength and Growth
Global Value Chain – 2020

EDA & IP – At the Heart of Accelerating Electronics Innovation

- EDA & IP: $11.9B
- Embedded Software: $11.6B
- Foundry: $85.4B
- Semiconductors: $480.9B
- Electronic Systems: $1.65T

Sources: IBS (Dec 2020), Ipnest (Apr 2020), MarketsandMarkets (Mar 2020), IC Insights (Jan 2021), Internal estimates (Jan 2021)
Blue Chip, Diversified Customer Base

**Semiconductors**
- Semi R&D (including EDA) is a top investment priority for semi and system customers in all phases of business cycle
- Consists of virtually all semiconductor companies in the world, including all of the top 20
- One >10% customer in FY20

**Systems**
- ~40% of our revenue comes from systems companies
- Systems companies develop chips as an input to an end product, rather than selling the chip itself
- Verification challenges are rapidly growing at the intersection of hardware and software

**Software Developers**
- Key function across all industries: semis and systems, to enterprises in segments such as financial services, medical devices, automotive, and industrial
- Targeting the 20M+ SW developers
- Immense software complexity challenges plus high impact of security vulnerabilities
New Technology is Impacting Every Vertical
Artificial Intelligence Market Growth

Deep Learning Chipset Market to Reach $72B by 2025

Source: Tractica 2019
Enabling and Leveraging the Potential of AI

Synopsys tools incorporate AI/ML technologies while enabling AI processor development

Design and Verification Tools for AI Processors

• Multiple years of collaboration alongside AI pioneers – deep understanding of AI design implications and challenges

• Verification solutions from architecture to simulation to emulation and prototyping

• Fusion Design Platform™ significantly enhanced to address AI processor design challenges
Enabling and Leveraging the Potential of AI

Synopsys tools incorporate AI/ML technologies while enabling AI processor development

Leading AI-based Chip Design Technologies

• DSO.ai (Mar. 2020): The world’s first autonomous AI app for design, delivers a leap in designer productivity

• “ML Everywhere” enables continuous improvement for better PPA and faster TTR

• “Synopsys’s PrimeTime with new machine-learning technology allows us to complete ECO runs in hours versus the days it took before, and reuse learnings across blocks, hierarchies, and even design styles.” - Renesas
Enabling and Leveraging the Potential of AI

Synopsys tools incorporate AI/ML technologies while enabling AI processor development

IP Solutions Designed for AI Applications

- Proven IP solutions accelerate time-to-market
- Memory/interface/analog IP designed to handle the uniquely intensive AI demands of memory capacity, bandwidth and coherency
- ABI Research forecasts AI chipset sales to exceed $10B in 2024 with SoCs across all markets containing AI capabilities
Automotive – A Case Study

**CHIPS**
4 Billion transistors

**SYSTEMS**
Infotainment, GPS, Drivetrain, Sensors

**SOFTWARE**
>150M Lines of Code per vehicle

**ARTIFICIAL INTELLIGENCE**
Big Data, Capture, Analyze, Decision Making

**AUTONOMOUS DRIVING**
Systems of Systems

**OWNERSHIP & INFRASTRUCTURE**
Entire Ecosystem
New Electronics Architecture Required

Integrated Compute and Smart Sensor Architecture Requires Redesign

- Integrated Controllers per Domain
- Sensor Fusion
- Connectivity and upgradeability
- Highest reliability, security and safety
Automotive Opportunity: Quality, Safety, & Security

11 of the Top 15
Automotive OEMs use Synopsys Software Integrity

QUALITY
Find critical defects and vulnerabilities in code
Gap analysis / remediation planning
Protocol Robustness with fuzzing

SAFETY
Functional Safety Compliance (MISRA, ISO26262)
Supply chain total health with Software BoM
HARA/TARA analysis for connected systems

SECURITY
Find known vulnerabilities in open-source & 3rd party code
BSIMM / Map to assess cyber security standards readiness
Remediation plan execution
Advanced Process Development Continues

Samsung’s Aggressive EUV Plans: 6nm Production in H2, 5nm & 4nm On Track

All 2020 iPhones To Reportedly House 5nm Chips With X55 5G Modem

TSMC starts constructing facilities to turn out 3nm chips by 2023

ARM lays out plans for 5nm “Hercules” core design by 2020

Tesla’s In-House SoC Is Built On 14nm, Has A 260mm² Area & 2100FPS

Intel Will Launch 7nm Chips in 2021, Ice Lake Ships in June

Samsung Unveils The World’s First 10-nm FinFET Semiconductor Technology

AMD Zen+ 7nm “Gray Hawk” APU To Be Out In 2019 | 4 Cores, 8 Threads & 10W, Reports say
Synopsys: The Market and Technology Leader

Uniquely Positioned for Stability and Growth

• Robust End Markets Driving Growth

► Clear Technology Leadership

• Financial Strength and Growth
Synopsys: Silicon to Software

Software
- Application security & quality testing
- Leader in Gartner’s Magic Quadrant

Verification
- Fastest engines & unified platform
- HW/SW verification & early SW bring-up

IP
- Broadest portfolio of silicon-proven IP
- #1 interface, embedded mem. & physical IP

Design
- Digital & custom AMS platforms
- Long-standing market leader
- Best quality of results & highest productivity

Silicon
- TCAD, lithography tools & yield optimization
- Down to 5nm & below
LEADER IN EDA

• Market and technology leader in EDA, the tools and technologies used to design semiconductor chips and systems
  ~$7.6 billion market*; generally tracks semiconductor R&D spend over time

• Growth drivers: all aspects of chip & system complexity

• All leading semiconductor companies in the world use Synopsys technology

• State-of-the-art design and verification platforms with unmatched global support

* Source: IBS (Dec 2020), Internal estimates (Jan 2021)
#1 in Digital Design: Synopsys Fusion Design Platform™
Trusted Anchor Products, Correlated Platform with Synergistic Value Links

![Fusion Design Platform Diagram]

**FUSION DESIGN PLATFORM**

- RTL Architect
- Design Compiler NXT
- IC Compiler II
- Formality / ECO PrimeECO

**Test Fusion**
- TestMAX

**Fusion Compiler**
- Fusion

**Signoff Fusion**
- PrimeTime
- PrimePower
- PrimeShield
- StarRC
- IC Validator
- RH Fusion

**Trusted Anchor Products**
- #1 Synthesis, #1 P&R, #1 Signoff
- Machine Learning Technologies
- Fusion: algorithms, engines, data model

**Correlated Platform with Value Links**
- Deep Integrations Across Platform
- In-Design Physical Signoff
- Co-Design Custom Implementation
Synopsys Fusion Compiler™

- Only single product on market with innovative next-generation integration of synthesis, place & route and key signoff technologies
- Built with market-leading products
- Redefines conventional product boundaries; sharing of algorithms, code and data model
- New synthesis engine, developed from ground up for significantly higher capacity & performance
- Strong momentum with considerable benchmark wins and competitive displacements, driving accelerating digital design revenue growth
Synopsys Custom Compiler™ Adoption Growing

CUSTOM DESIGN PLATFORM

Custom Compiler
- HSPICE
- FineSim
- CustomSim

Signoff Fusion
- Formality / ECO
- PrimeECO
- PrimeTime
- PrimePower
- PrimeShield
- StarRC
- IC Validator
- RH Fusion

Custom Compiler Adoption

Customers
#1 in Digital/Functional Verification

Verification Continuum™ Platform

- Complete platform with #1 products in all categories
- Industry’s highest-performance engines
- Uniquely positioned for early software bring-up
- Domain-specific solutions for automotive, 5G and AI designs
- Accelerating innovation with investments in cloud and machine learning technologies
Verification Hardware: ZeBu® Server 4 Emulation System

Leading System for Software Bring-up
Only modern system to allow software-on-hardware validation

Industry’s Fastest Emulation System
2x higher performance

Industry’s Largest Capacity
Scalable to 19B+ gates

Industry’s Lowest Total Cost of Ownership
1/10th lower power consumption, half data center footprint
#1 in Analog/Mixed Signal Simulation

## Custom Design Platform

- **Custom Compiler**
  - FineSim
  - CustomSim

- **Formality / ECO**
  - PrimeECO

- **PrimeTime**
- **PrimePower**
- **PrimeShield**
- **StarRC**
- **IC Validator**
- **RH Fusion**

## Circuit Simulation Leadership

- **Foundry**
- **CPU**
- **GPU**
- **Auto**
- **FLASH**
- **DRAM**

- Market leader for >20 years
- Close collaboration with leaders in memory, automotive IC and high-performance computing
• #2 market share in IP, the reusable building blocks that are used for chip designs
  - Leading supplier of interface, memory, analog and physical IP
  - ~$4.2 billion market*, benefitting from our customers’ move to outsourcing more and more complex IP

• IP reuse reduces our customers’ chip design costs, lowers risk and speeds time-to-market

• Serving high-impact, growing markets (IoT, Automotive, Security, Cloud Computing) & latest processes and protocols

• ~20 years of investment and commitment resulting in unmatched portfolio breadth, quality and reliability

* Source: Ipnest (Apr 2020); IBS (Dec 2020) Internal estimates (Jan 2021)
Synopsys DesignWare® IP

- Broadest portfolio available in the market; FY20 revenue >$900M
- Covers vast majority of chip
- Growing demand for more integrated subsystems
- New markets drive new opportunities
- Customers count on us for the long haul to accelerating time-to-market and reduce risk

* Small boxes are standard cell library elements.
High-Impact Markets: Increasing Technology Complexity
Driving Growth in Third-Party IP Demand

AI
Machine Learning, Deep Neural Networks

AUTOMOTIVE
ADAS, Infotainment, Connected Vehicle

CLOUD
Networking, Servers AI Accelerators

IoT
Smart Home, Industrial, Wearables
Comprehensive IP Solutions for Cloud Computing SoCs

**Servers**
- Improved power efficiency for high-density and edge environments

**Networking**
- Increasing data volume driven from rich media and high-speed devices

**Storage**
- Rapid data growth requires faster data access & local processing

**Artificial Intelligence**
- AI accelerators in cloud servers extract insights from large data sets

**DesignWare® Interface, Foundation and Processor IP for Cloud Applications**

- **Interface IP**: PCIe 5.0, CXL, HBM2/2E, DDR5, 112G Ethernet, Die-to-Die
- **Foundation IP**: specialty memories & logic libraries
- **Processor IP**: ARC HS Processors
Leader in Software Integrity

• Entered the software security & quality space in 2014
  – Assembled and developed the broadest portfolio of solutions on the market; $358 million revenue in FY20
  – Solutions allow software code developers to fix security and quality defects early in development
  – Approximately $2-2.5 billion served market: fragmented, with numerous point solutions; recognition of cost of software failure has increased dramatically
  – Synopsys Polaris Software Integrity Platform™ enables customers to fully leverage the strength of the core products and integrate Synopsys into critical development workflows
Software Security & Quality Market

- Evolving, nascent market
- Growth drivers:
  - Omnipresence of software
  - Widespread connectivity exacerbates security issues
  - Significant business risk from breaches
  - Large development teams
- Market growth rate: mid-teens %
- Synopsys L-T multi-year growth objective: ~15-20% range as the market evolves*

**TAM**: ~$4.5-6.5B

**SAM**: ~$2-2.5B

1. AST, TVM/VA, cloud security

*This multi-year objective is provided as of February 17, 2021

Sources: Gartner, Forrester, IDC, other external and internal analyses
Growing the Software Integrity Platform - Acquisitions

- **Coverity**
  - Acquired 2014
  - TOOLS ACQUIRED:
    - Quality & Security Advisor
    - Coverity
    - TA DEV

- **Codenomicon**
  - Acquired 2015
  - TOOLS ACQUIRED:
    - Defensics Fuzzer
    - AppCheck

- **Protecode**
  - Acquired 2015
  - TOOLS ACQUIRED:
    - Software Composition Analysis

- **Digital Codiscope**
  - Acquired 2016
  - SERVICES ACQUIRED:
    - Professional Services
    - Managed Services
    - BSIMM
  - TOOLS ACQUIRED:
    - SecureAssist
    - eLearning

- **BlackDuck**
  - Acquired 2017
  - TOOLS ACQUIRED:
    - Open source software management
    - Source code scanner
    - Comprehensive open source database

- **Kalistick**
  - Acquired 2014
  - TOOLS ACQUIRED:
    - TA QA

- **Seeker**
  - Acquired 2015
  - TOOLS ACQUIRED:
    - IAST
    - R&D team from Quotium

- **Goanna**
  - Acquired 2015
  - TOOLS ACQUIRED:
    - Goanna (Coverity)

- **Forcheck**
  - Acquired 2016
  - TOOLS ACQUIRED:
    - Static analysis for Fortran

- **Tinfoil Security**
  - Acquired 2020
  - TOOLS ACQUIRED:
    - Developer-friendly dynamic application security testing (DAST) for APIs and web apps
# The Most Complete Portfolio in the Industry

## Static Analysis
- Find critical defects and vulnerabilities in code
- Runs in the dev environment and DevSecOps workflow
- OWASP Top 10 and CWE Top 25
- Automotive compliance (MISRA, ISO26262)

## Software Composition Analysis
- Find known vulnerabilities in open-source & 3rd party code
- Identifies license and compliance risks
- Tests source and binaries in apps and containers
- Supply chain total health with SW BoM

## Dynamic Analysis
- Tests running apps for security vulnerabilities
- Enables dev to fix security flaws early in the SDLC
- API Scanner for IoT devices and mobile backend servers
- Fuzzing for automotive protocols and 5G

## Security Services
- Strategic analysis to build Software Security Initiative
- DevSecOps integration injects security into dev workflow
- Managed services provides full testing capabilities
- Architecture/design modeling eliminates software flaws
Synopsys Polaris Software Integrity Platform™

- Integrates and orchestrates testing of all kinds
  - The Synopsys portfolio, including managed services
  - Third party products
  - Intelligent, policy driven orchestration
- Consolidated reporting for a clear view of risk
  - Allows for direct alignment between product and services to increase cross-selling opportunities
  - Includes key DevOps feature: plug-in to enable developers to find/fix vulnerabilities directly from desktop
Recognized Leader in End-to-End Application Security

Synopsys recognized as a leader for the fourth year in a row

2020 Gartner Magic Quadrant for Application Security Testing

Download a free copy of the 2020 Magic Quadrant for Application Security Testing.

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Gartner, Inc. "Magic Quadrant for Application Security Testing" by Mark Horvath, Dionisio Zumerle, and Dale Gardner, April 29, 2020
Recognized Leader in End-to-End Application Security

Synopsys is the only vendor recognized as the leader in both SAST & Open Source (SCA)

Download a free copy of The Forrester Wave™: Static Application Security Testing, Q1 2021

Download a free copy of The Forrester Wave™: Software Composition Analysis, Q2 2019
Trusted Partner to >4,000 Companies

Our mission is to help build secure, high-quality software faster
Growth Strategy

• Leverage the Polaris Software Integrity Platform™
  Polaris, coupled with the strength of the core products, enables selling across the entire portfolio to increase revenue potential and create strategic relationships with customers

• Highlight Differentiating Consulting Services
  Services for high-level benchmarking, security strategy/transformation, program development guidance and large product deployments

• Refine and Scale Field
  - Sales channel: leverage international presence; continually enhance capacity and focus on large enterprise customers, key verticals and the growing adoption of DevSecOps and securing the Cloud; indirect channel program
  - Emphasis on customer success to ensure long-term relationships

Balance near-term growth and profitability with investments to capitalize on long-term opportunity
Synopsys: The Market and Technology Leader

Uniquely Positioned for Stability and Growth

• Robust End Markets Driving Growth

• Clear Technology Leadership

► Financial Strength and Growth
Excellent Financial Execution

Nearly 90% recurring revenue model with $4.6B noncancellable backlog provides stability throughout the business cycle***

**A GAAP to non-GAAP reconciliation of FY16 to FY21E earnings per share is included at the end of this presentation

** FY21E reflects guidance provided as of February 17, 2021

*** 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

Strong financial execution while investing for long-term growth
Cash Flow & Capital Allocation

- Roughly tracks EBITDA less cash taxes on multi-year basis
- Variable from year to year, based mainly on timing of large contracts and payments

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Cash Flow (M)</th>
<th>Stock Repurchases (M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY16</td>
<td>$587</td>
<td>$400</td>
</tr>
<tr>
<td>FY17</td>
<td>$635</td>
<td>$400</td>
</tr>
<tr>
<td>FY18*</td>
<td>$424</td>
<td>$400</td>
</tr>
<tr>
<td>FY19</td>
<td>$801</td>
<td>$329</td>
</tr>
<tr>
<td>FY20</td>
<td>$991</td>
<td>$242</td>
</tr>
<tr>
<td>FY21E**</td>
<td>$1,200 - $1,300</td>
<td>$253</td>
</tr>
</tbody>
</table>

- Repurchased more than $2B in stock since 2016
- Capital allocation priorities:
  - Internal investments
  - Buybacks and acquisitions

* Includes approximately $230M in one-time payments
** FY21E reflects targets provided by Synopsys as of February 17, 2021
Corporate Social Responsibility

Our strong belief is that in addition to providing high-value, sophisticated technology, we must be responsible citizens and leaders in how we manage our strategy and operations, act as stewards for our environment, and advance positive social impact. We’re making good progress. For example:

- Taking climate action. In 2020, we pledged to reduce our GHG emissions by 25% reduction by 2024 over our 2018 baseline.
- Ensuring inclusion & diversity throughout our organization. Our I&D efforts have led to notably expanded gender diversity across the company and on our board.
- Enhancing employee engagement. Our efforts to ensure a highly motivated, productive workforce are frequent, thoughtful, and results-driven.
Market and Technology Leader

Electronic Design Automation
Semiconductor Intellectual Property
Software Security & Quality

Solid Financials
Recurring revenue model
Large, non-cancellable backlog
Excellent execution
**GAAP to Non-GAAP Reconciliation**

**Earnings Per Share – Full Fiscal Year 2021 Targets**

<table>
<thead>
<tr>
<th>Target GAAP earnings per share</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated impact of amortization of intangible assets</td>
<td>$0.51</td>
<td>$0.48</td>
</tr>
<tr>
<td>Estimated impact of stock compensation</td>
<td>$2.16</td>
<td>$2.10</td>
</tr>
<tr>
<td>Acquisition-related costs</td>
<td>$0.02</td>
<td>$0.02</td>
</tr>
<tr>
<td>Estimated impact of tax adjustments</td>
<td>$(0.75)</td>
<td>$(0.75)</td>
</tr>
<tr>
<td>Target non-GAAP earnings per share</td>
<td>$6.23</td>
<td>$6.30</td>
</tr>
</tbody>
</table>

| Shares used in non-GAAP calculation (midpoint of target range) | 157,500 | 157,500 |

(1) Synopsys’ fiscal year will end October 30, 2021. For presentation purposes, we refer to the closest calendar month end.

For additional information about the measures Synopsys uses to evaluate its core business operations, please review the earnings press release and Item 2.02 of the Current Report on Form 8-K filed on February 17, 2021.
GAAP to Non-GAAP Reconciliation

Operating Margin – Full Fiscal Year 2020 and Midpoint of 2021 Targets

<table>
<thead>
<tr>
<th>At midpoint of revenue and expense guidance ranges</th>
<th>Twelve Months Ended October 31, 2020</th>
<th>Twelve Months Ended October 31, 2021&lt;sup&gt;(2)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP operating margin</td>
<td>16.8%</td>
<td>19.1%</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>2.5%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Stock compensation</td>
<td>6.7%</td>
<td>8.3%</td>
</tr>
<tr>
<td>Acquisition-related costs</td>
<td>0.4%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Restructuring charges</td>
<td>1.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Change in value of non-qualified deferred compensation</td>
<td>0.6%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Target non-GAAP operating margin</td>
<td>28.0%</td>
<td>29.4%</td>
</tr>
</tbody>
</table>

(1) Synopsys' fiscal year 2020 ended on October 31, 2020, and its fiscal year 2021 will end on October 30, 2021. For presentation purposes, we refer to the closest calendar month end.

(2) These numbers represent the midpoint of targets in the prepared remarks provided on February 17, 2021, and do not represent official guidance for fiscal year 2021.

For additional information about the measures Synopsys uses to evaluate its core business operations, please review the earnings press release and Item 2.02 of the Current Report on Form 8-K filed on February 17, 2021.
# GAAP to Non-GAAP Reconciliation

## Earnings Per Share – Full Fiscal Years 2016 to 2020 Actual Results

<table>
<thead>
<tr>
<th></th>
<th>ASC 605 FY 2016</th>
<th>ASC 605 FY 2017</th>
<th>ASC 605 FY 2018</th>
<th>ASC 606 FY 2019</th>
<th>ASC 606 FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP diluted net income per share</td>
<td>$1.73</td>
<td>$0.88</td>
<td>$2.82</td>
<td>$3.45</td>
<td>$4.24</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>0.84</td>
<td>0.70</td>
<td>0.82</td>
<td>0.65</td>
<td>0.59</td>
</tr>
<tr>
<td>Stock compensation</td>
<td>0.63</td>
<td>0.70</td>
<td>0.91</td>
<td>1.01</td>
<td>1.53</td>
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<tr>
<td>Acquisition-related costs</td>
<td>0.07</td>
<td>0.06</td>
<td>0.14</td>
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<td>0.09</td>
</tr>
<tr>
<td>Restructuring charges</td>
<td>0.06</td>
<td>0.24</td>
<td>0.08</td>
<td>0.31</td>
<td>0.23</td>
</tr>
<tr>
<td>Legal and tax matters</td>
<td>-</td>
<td>0.05</td>
<td>0.17</td>
<td>(0.12)</td>
<td>-</td>
</tr>
<tr>
<td>Income tax related to transition tax</td>
<td>-</td>
<td>-</td>
<td>0.41</td>
<td>-</td>
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<tr>
<td>Income tax related to tax rate change</td>
<td>-</td>
<td>-</td>
<td>0.33</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Income tax related to tax restructuring</td>
<td>-</td>
<td>-</td>
<td>(1.12)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tax Impact of repatriation</td>
<td>-</td>
<td>1.07</td>
<td>-</td>
<td>-</td>
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<td>Tax settlement</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.11</td>
<td>-</td>
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<tr>
<td>Tax adjustments</td>
<td>(0.31)</td>
<td>(0.28)</td>
<td>(0.65)</td>
<td>(0.89)</td>
<td>(1.13)</td>
</tr>
<tr>
<td>Non-GAAP diluted net income per share</td>
<td>$3.02</td>
<td>$3.42</td>
<td>$3.91</td>
<td>$4.56</td>
<td>$5.55</td>
</tr>
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</table>

For additional information about the measures Synopsys uses to evaluate its core business operations, please review the earnings press release and Item 2.02 of the Current Report on Form 8-K filed on February 17, 2021.
THANK YOU