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, 2019 and in its latest Quarterly Report on Form 10-Q. The information provided herein is as of August 19, 2020. 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 third quarter of fiscal year 2020 earnings release and financial supplement, dated August 19, 2020, and available on Synopsys’ website at https://www.synopsys.com/company/investor-relations/financial-news.html.
## Broad Product Portfolio

### Electronic Design Automation (EDA)

### Semiconductor Intellectual Property (IP)

### Software Security & Quality

<table>
<thead>
<tr>
<th></th>
<th>FY19&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>FY20 Targets&lt;sup&gt;(2)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue:</strong></td>
<td>$3.361B</td>
<td>$3.66B - $3.69B</td>
</tr>
<tr>
<td><strong>Growth Rate:</strong></td>
<td>8%</td>
<td>9% - 10%</td>
</tr>
<tr>
<td><strong>Non-GAAP Operating Margin:</strong></td>
<td>25%</td>
<td>~28%</td>
</tr>
<tr>
<td><strong>Non-GAAP EPS:</strong></td>
<td>$4.56</td>
<td>$5.48 - $5.53</td>
</tr>
<tr>
<td><strong>Operating Cash Flow:</strong></td>
<td>$801M</td>
<td>~$900M</td>
</tr>
<tr>
<td><strong>Business Model:</strong></td>
<td>Time-based, recurring revenue model</td>
<td>~3 years contract duration in FY20</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Revenue grew 9% y/y adjusting for the additional week in FY18

<sup>(2)</sup> These targets were provided by Synopsys as of August 19, 2020, and are not being updated at this time; a GAAP to non-GAAP reconciliation of FY20 Operating Margin targets and FY20 EPS targets are included at the end of this presentation
## Synopsys: The Market & Technology Leader

<table>
<thead>
<tr>
<th></th>
<th>6 years</th>
<th>~10% of revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Software Integrity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Semiconductor IP</strong></td>
<td>&gt;15 years</td>
<td>20%+ of revenue</td>
</tr>
<tr>
<td><strong>Electronic Design Automation</strong></td>
<td>&gt;30 years of investment and execution</td>
<td>~65% of revenue</td>
</tr>
</tbody>
</table>

**Emerging Leader, Broadest Portfolio**
L-T growth: ~15-20%*

**#2 IP Vendor**
L-T growth: low double-digits*

**Market Leader**
L-T growth: mid-high single-digits*

* These multi-year objectives are provided as of August 19, 2020
Long-Term Financial Objectives

• 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 revenue 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 as market evolves

• Drive non-GAAP operating margin into the high-twenties by 2021 and 30% range longer-term

• Utilize our strong cash flow primarily for M&A and share buybacks

1. These multi-year objectives are provided as of August 19, 2020
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 & Technology Leader

Uniqueley Positioned for Stability and Growth

- Electronics complexity driving growth
- Clear technology leadership
- Financial strength and growth
Global Value Chain – 2019

EDA & IP – At the Heart of Accelerating Electronics Innovation

EDA & IP $11.3B
Embedded Software $10.4B
Foundry $70.1B
Semiconductors $444.5B
Electronic Systems $1,680B

Sources: ESD Alliance, IPnest, MarketsandMarkets, IC Insights, Internal estimates
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 FY19

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

Chart 5.1  Deep Learning Chipset Revenue, World Markets: 2018-2025

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

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

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

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

Secure
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

<table>
<thead>
<tr>
<th>Quality</th>
<th>Safety</th>
<th>Security</th>
</tr>
</thead>
<tbody>
<tr>
<td>Find critical defects and vulnerabilities in code</td>
<td>Functional Safety Compliance (MISRA, ISO26262)</td>
<td>Find known vulnerabilities in open-source &amp; 3rd party code</td>
</tr>
<tr>
<td>Gap analysis / remediation planning</td>
<td>Supply chain total health with Software BoM</td>
<td>BSIMM / Map to assess cyber security standards readiness</td>
</tr>
<tr>
<td>Protocol Robustness with fuzzing</td>
<td>HARA/TARA analysis for connected systems</td>
<td>Remediation plan execution</td>
</tr>
</tbody>
</table>

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Advanced Process Development Continues

AMD Zen+ 7nm “Gray Hawk” APU To Be Out In 2019 | 4 Cores, 8 Threads & 10W, Reports say

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

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

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

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

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

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

ARM lays out plans for 5nm “Hercules” core design by 2020
Synopsys: The Market & Technology Leader

Uniquely Positioned for Stability and Growth

- Electronics complexity 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
- Best quality of results & highest productivity

Silicon
- TCAD, lithography tools & yield optimization
- Down to 5nm & below
• Market and technology leader in EDA, the tools and technologies used to design semiconductor chips
  ~$7.3 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: ESD Alliance, Internal estimates
Synopsys Fusion Design Platform™

Trusted Anchor Products, Correlated Platform with Synergistic Value Links

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

- 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
- Early stages of multi-year product ramp. Driving considerable benchmark wins and competitive displacements with broad set of customers
Synopsys Custom Compiler™ Adoption Growing
#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**
Now 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

Circuit Simulation Leadership

- 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
  – ~$3.9 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

• We’re investing in new markets (IoT, Automotive, Security, Cloud Computing) & latest processes and protocols

• >15 years of investment and commitment resulting in unmatched portfolio breadth, quality and reliability

* Source: IPnest
Synopsys DesignWare® IP

- Broadest portfolio available in the market; FY19 revenue >$750M
- 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.
New Markets: More Functionality in Key Markets

Driving New Technology Requirements

AI
- Machine Learning, Deep Neural Networks

AUTOMOTIVE
- ADAS, Infotainment, Connected Vehicle

CLOUD
- Networking, Servers AI Accelerators

IoT
- Smart Home, Industrial, Wearables
• Entered the software security & quality space in 2014
  – Since then, have assembled and developed the broadest portfolio of solutions on the market; $335 million revenue in FY19
  – Solutions allow software code developers to fix security and quality defects early in development
  – Approximately $2.5 billion+ served market: fragmented, with numerous point solutions; recognition of cost of software failure has increased dramatically

• Synopsys Polaris Software Integrity Platform™
  – The most advanced and complete set of security and quality tools for every step of the software development lifecycle
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 multi-year growth objective: ~15-20% range as the market evolves*

TAM: ~$4.5-6.5B
SAM: ~$2-2.5B

Sources: Gartner, Forrester, IDC, other external and internal analyses
* This multi-year objective is provided as of August 19, 2020
Growing the Software Integrity Platform - Acquisitions

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

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

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

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

**Black Duck**
- 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

<table>
<thead>
<tr>
<th>Static Analysis</th>
<th>Software Composition Analysis</th>
<th>Dynamic Analysis</th>
<th>Security Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Find critical defects and vulnerabilities in code</td>
<td>Find known vulnerabilities in open-source &amp; 3rd party code</td>
<td>Tests running apps for security vulnerabilities</td>
<td>Strategic analysis to build Software Security Initiative</td>
</tr>
<tr>
<td>Runs in the dev environment and DevSecOps workflow</td>
<td>Identifies license and compliance risks</td>
<td>Enables dev to fix security flaws early in the SDLC</td>
<td>DevSecOps integration injects security into dev workflow</td>
</tr>
<tr>
<td>OWASP Top 10 and CWE Top 25</td>
<td>Tests source and binaries in apps and containers</td>
<td>API Scanner for IoT devices and mobile backend servers</td>
<td>Managed services provides full testing capabilities</td>
</tr>
<tr>
<td>Automotive compliance (MISRA, ISO26262)</td>
<td>Supply chain total health with SW BoM</td>
<td>Fuzzing for automotive protocols and 5G</td>
<td>Architecture/design modeling eliminates software flaws</td>
</tr>
</tbody>
</table>
Synopsys Polaris Software Integrity Platform™

- Platform that integrates products and managed services
  - Cloud-based
  - Enterprise scale
  - Single user interface, easy to use
  - Unified management reports
  - Includes key DevOps feature: plug-in to enable developers to find and 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.

This graphic was published by Gartner, Inc. as part of a larger research document and should be evaluated in the context of the entire document. The Gartner document is available upon request here.

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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 and Open Source (SCA)

Forrester Wave Static Application Security Testing

Forrester Wave Software Composition Analysis

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

- 17 of the top 25 commercial banks
- 9 of the top 10 software companies
- 9 of the top 10 aerospace & defense firms
- 6 of the top 10 semiconductor manufacturers
- 4 of the top 5 managed healthcare firms
- 3 of the top 4 U.S. wireless providers

Our mission is to help you build secure, high-quality software faster for years to come.
Growth Strategy

- High-value products and consulting services to enable efficient and effective security testing during the software development process

  - **Expand Polaris Software Integrity Platform™**
    Cloud-based platform integrating multiple technologies: expands testing capabilities and supports large-scale deployments; roadmap includes additional integrations throughout 2020

  - **Continue to Scale Field**
    Consulting engagements: High-level benchmarking, program development guidance and large product deployments
    Sales channel: leverage international presence, continually enhance capacity and focus on large enterprise customers, key verticals and new regional business

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

Uniquely Positioned for Stability and Growth

- Electronics complexity driving growth
- Clear technology leadership
- Financial strength and growth
Excellent Financial Execution

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

Strong financial execution while investing for long-term growth

* A GAAP to non-GAAP reconciliation of FY15 to FY20E earnings per share is included at the end of this presentation
** FY20E reflects guidance provided as of August 19, 2020
*** 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
Cash Flow & Capital Allocation

Operating Cash Flow (M)

<table>
<thead>
<tr>
<th></th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18*</th>
<th>FY19</th>
<th>~$900</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>$495</td>
<td>$587</td>
<td>$635</td>
<td>$424</td>
<td>$801</td>
<td>~$900</td>
</tr>
</tbody>
</table>

Roughly tracks EBITDA less cash taxes on multi-year basis

Variable from year to year, based mainly on timing of large contracts and payments

Stock Repurchases (M)

<table>
<thead>
<tr>
<th></th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>Q1’20</th>
<th>Q2’20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>$280</td>
<td>$400</td>
<td>$400</td>
<td>$400</td>
<td>$329</td>
<td>$100</td>
<td>$100</td>
</tr>
</tbody>
</table>

Repurchased ~$2.0B in stock since 2015

Capital allocation priorities:
- Internal investments
- Buybacks and acquisitions

* Includes approximately $230M in one-time payments
** FY20E reflects targets provided by Synopsys as of August 19, 2020
Market & 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 2020 Targets

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 August 19, 2020.

<table>
<thead>
<tr>
<th></th>
<th>Range for Fiscal Year</th>
<th>October 31, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Target GAAP earnings per share</td>
<td>$4.10</td>
<td>$4.21</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated impact of amortization of intangible assets</td>
<td>0.61</td>
<td>0.58</td>
</tr>
<tr>
<td>Estimated impact of stock compensation</td>
<td>1.55</td>
<td>1.52</td>
</tr>
<tr>
<td>Acquisition-related costs</td>
<td>0.07</td>
<td>0.07</td>
</tr>
<tr>
<td>Estimated impact of restructuring charges</td>
<td>0.24</td>
<td>0.24</td>
</tr>
<tr>
<td>Impact of tax adjustments</td>
<td>(1.09)</td>
<td>(1.09)</td>
</tr>
<tr>
<td>Target non-GAAP earnings per share</td>
<td>$5.48</td>
<td>$5.53</td>
</tr>
</tbody>
</table>

Shares used in non-GAAP calculation (midpoint of target range) 155,500 155,500

(1) Synopsys’ fourth fiscal quarter and fiscal year will end on October 31, 2020. For presentation purposes, we refer to the closest calendar month end.
# GAAP to Non-GAAP Reconciliation

## Operating Margin – Full Fiscal Year 2019 and Midpoint of 2020 Targets

<table>
<thead>
<tr>
<th></th>
<th>Twelve Months Ended October 31, 2019 (1)</th>
<th>Twelve Months Ending October 31, 2020 (1)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP operating margin</td>
<td>15.5%</td>
<td>17.1%</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>3.0%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Stock compensation</td>
<td>4.6%</td>
<td>6.5%</td>
</tr>
<tr>
<td>Acquisition-related costs</td>
<td>0.2%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Restructuring charges</td>
<td>1.4%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Legal matters</td>
<td>-0.5%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Change in value of non-qualified deferred compensation</td>
<td>0.8%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Non-GAAP operating margin</td>
<td>25.0%</td>
<td>27.9%</td>
</tr>
</tbody>
</table>

(1) Synopsys' fiscal year 2019 ended on November 2, 2019, and its fiscal 2020 will end on October 31, 2020. 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 August 19, 2020, and do not represent official guidance for fiscal 2020.

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 August 19, 2020.
GAAP to Non-GAAP Reconciliation
Earnings Per Share – Full Fiscal Years 2015 to 2019 Actual Results

<table>
<thead>
<tr>
<th></th>
<th>ASC 605 FY 2015</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>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP diluted net income per share</td>
<td>$1.43</td>
<td>$1.73</td>
<td>$0.88</td>
<td>$2.82</td>
<td>$3.45</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>0.86</td>
<td>0.84</td>
<td>0.70</td>
<td>0.82</td>
<td>0.65</td>
</tr>
<tr>
<td>Stock compensation</td>
<td>0.54</td>
<td>0.63</td>
<td>0.70</td>
<td>0.91</td>
<td>1.01</td>
</tr>
<tr>
<td>Acquisition-related costs</td>
<td>0.10</td>
<td>0.07</td>
<td>0.06</td>
<td>0.14</td>
<td>0.04</td>
</tr>
<tr>
<td>Restructuring charges</td>
<td>0.10</td>
<td>0.06</td>
<td>0.24</td>
<td>0.08</td>
<td>0.31</td>
</tr>
<tr>
<td>Legal and tax matters</td>
<td>(0.04)</td>
<td>-</td>
<td>0.05</td>
<td>0.17</td>
<td>(0.12)</td>
</tr>
<tr>
<td>Income tax related to transition tax</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.41</td>
<td>-</td>
</tr>
<tr>
<td>Income tax related to tax rate change</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
</tr>
<tr>
<td>Income tax related to tax restructuring</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1.12)</td>
<td>-</td>
</tr>
<tr>
<td>Tax Impact of repatriation</td>
<td>-</td>
<td>-</td>
<td>1.07</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tax settlement</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.11</td>
</tr>
<tr>
<td>Tax adjustments</td>
<td>(0.22)</td>
<td>(0.31)</td>
<td>(0.28)</td>
<td>(0.65)</td>
<td>(0.89)</td>
</tr>
<tr>
<td>Non-GAAP diluted net income per share</td>
<td>$2.77</td>
<td>$3.02</td>
<td>$3.42</td>
<td>$3.91</td>
<td>$4.56</td>
</tr>
</tbody>
</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 August 19, 2020.
Thank You