


Filed by Ansys, Inc.  
Pursuant to Rule 425 under the Securities Act of 1933,  
as amended, and deemed filed pursuant to Rule 14a-12  
under the Securities Exchange Act of 1934, as amended  
Subject Company: Ansys, Inc.; Synopsys, Inc.;  
Commission File No.: 000-20853



SYNOPSYS®



Ansys



Creating a Leader in  
Silicon to Systems Design Solutions

January 16, 2024

## Ansyes Fiscal Year 2023 Preliminary Results

Ansyes has not completed preparation of its financial statements for the fourth quarter or the fiscal year ended December 31, 2023. The annual contract value ("ACV"), recurring ACV and ACV growth figures provided here as of and for the fiscal year ended December 31, 2023, are preliminary and unaudited and are thus subject to change as Ansyes completes its financial results.

### Synopsys Cautionary Statement Regarding Forward Looking Statements

This document contains certain forward-looking statements within the meaning of the federal securities laws with respect to the proposed transaction between Synopsys and Ansyes, including, but not limited to, statements regarding the proposed transaction and the anticipated timing of the closing thereof; Ansyes' anticipated results of operations for fiscal year 2023; the market outlook, products and business of Synopsys, Ansyes and the combined company, and the benefits of and cost and revenue synergies from the transaction to Synopsys; pro forma financial information; the expected structure and the proposed financing for the transaction and long-term leverage and debt paydown targets; short-term and long-term financial targets of the companies; Synopsys' expectations and objectives; strategies related to Synopsys' and Ansyes' products, technology and services; trends, opportunities, strategies and technological trends, such as artificial intelligence; customer demand and market expansion of each of Synopsys and Ansyes and the combined company; Synopsys' planned product releases and capabilities; industry growth rates; the total addressable markets of Synopsys, Ansyes and the combined company; software trends; planned acquisitions and stock repurchases; the exploration of strategic alternatives; Synopsys' expected tax rate; and the impact and result of pending legal, administrative and tax proceedings. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions or the negatives of these words or other comparable terminology to convey uncertainty of future events or outcomes. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties.

Many risks, uncertainties and other factors could cause actual future events to differ materially from the forward-looking statements in this press release, including, but not limited to: (i) the completion of the proposed transaction on anticipated terms and timing, anticipated tax treatment and unforeseen liabilities, future capital expenditures, revenues, expenses, earnings, synergies, economic performance, indebtedness, financial condition, losses, pricing trends, future prospects, credit ratings, business and management strategies which may adversely affect each of Synopsys' and Ansyes' business, financial condition, operating results and the price of their common stock, (ii) the failure to satisfy the conditions to the consummation of the transaction, including the adoption of the merger agreement by the stockholders of Ansyes and the receipt of certain governmental and regulatory approvals on the terms expected, in a timely manner, or at all, (iii) the risk that such regulatory approvals may result in the imposition of conditions that could adversely affect, following completion of the proposed transaction (if completed), the combined company or the expected benefits of the proposed transaction (including as noted in any forward-looking financial information), (iv) uncertainties as to access to available financing (including any future refinancing of Ansyes' or the combined company's debt) to consummate the proposed transaction upon acceptable terms and on a timely basis or at all, (v) the occurrence of any event, change or other circumstance that could give rise to the termination of the merger agreement, (vi) the effect of the announcement or pendency of the transaction on Ansyes' or Synopsys' business relationships, competition, business, financial condition, and operating results, (vii) risks that the proposed transaction disrupts current plans and operations of Ansyes or Synopsys and the ability of Ansyes or Synopsys to retain and hire key personnel, (viii) risks related to diverting either management team's attention from ongoing business operations of Ansyes or Synopsys, (ix) the outcome of any legal proceedings that may be instituted against Ansyes or Synopsys related to the merger agreement or the transaction, (x) the ability of Synopsys to successfully integrate Ansyes' operations and product lines, (xi) the ability of Synopsys to implement its plans, forecasts, expected financial performance and other expectations with respect to Ansyes' business or the combined business after the completion of the proposed mergers and realize additional opportunities, develop customer relationships, additional products and Ansyes' existing operations and product lines, (xii) the ability of Synopsys to manage additional debt and successfully de-lever following the transaction and the outcome of any strategic review and any resulting transactions, (xiii) risks associated with third party contracts containing consent and/or other provisions that may be triggered by the proposed transaction, (xiv) macroeconomic conditions and geopolitical uncertainty in the global economy, (xv) uncertainty in the growth of the semiconductor, electronics and artificial intelligence industries, (xvi) the highly competitive industries Synopsys and Ansyes operate in, (xvii) actions by the U.S. or foreign governments, such as the imposition of additional export restrictions or tariffs, (xviii) consolidation among Synopsys' customers and Synopsys' dependence on a relatively small number of large customers, (xix) legislative, regulatory and economic developments affecting Ansyes' and Synopsys' businesses, (xx) the evolving legal, regulatory and tax regimes under which Ansyes and Synopsys operate, (xxi) restrictions during the pendency of the proposed transaction that may impact Ansyes' or Synopsys' ability to pursue certain business opportunities or strategic transactions, and (xxii) unpredictability and severity of catastrophic events, including, but not limited to, acts of terrorism or outbreak of war or hostilities, as well as Ansyes' and Synopsys' response to any of the aforementioned factors. The foregoing list of risks, uncertainties and factors is not exhaustive. Unlisted factors may present significant additional obstacles to the realization of forward looking statements.

You should carefully consider the foregoing factors and the other risks and uncertainties that affect the businesses of Synopsys and Ansyes described in the "Risk Factors" section of their respective Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and other documents filed by either of them from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. All forward-looking statements by their nature address matters that involve risks and uncertainties, many of which are beyond Synopsys' and Ansyes' control, and are not guarantees of future results. Readers are cautioned not to put undue reliance on forward-looking statements, and Synopsys and Ansyes assume no obligation and do not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise, unless required by law. Neither Synopsys nor Ansyes gives any assurance that either Synopsys or Ansyes will achieve its expectations.

## Ansys Cautionary Statement Regarding Forward-Looking Statements

This document contains "forward-looking statements" within the meaning of the federal securities laws, including Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are based on Ansys' current expectations, estimates and projections about the expected date of closing of the proposed transaction and the potential benefits thereof, its business and industry, management's beliefs and certain assumptions made by Ansys and Synopsys, all of which are subject to change. In this context, forward-looking statements often address expected future business and financial performance and financial condition, and often contain words such as "expect," "anticipate," "intend," "plan," "believe," "could," "seek," "see," "will," "may," "would," "might," "potentially," "estimate," "continue," "expect," "target," similar expressions or the negatives of these words or other comparable terminology that convey uncertainty of future events or outcomes. Examples of such forward-looking statements include, but are not limited to, statements regarding our preliminary results, expected ACV, recurring ACV, ACV growth and additional 2023 guidance which are subject to change through our audit and customary year-end close and review process. All forward-looking statements by their nature address matters that involve risks and uncertainties, many of which are beyond our control, and are not guarantees of future results, such as statements about the consummation of the proposed transaction and the anticipated benefits thereof. These and other forward-looking statements, including the failure to consummate the proposed transaction or to make any filing or other action required to consummate the transaction on a timely matter or at all, are not guarantees of future results and are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed in any forward-looking statements. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in such statements and, therefore, you should not place undue reliance on any such statements and caution must be exercised in relying on forward-looking statements. Important risk factors that may cause such a difference include, but are not limited to: (i) the completion of the proposed transaction on anticipated terms and timing, including obtaining shareholder and regulatory approvals, anticipated tax treatment, unforeseen liabilities, future capital expenditures, revenues, expenses, earnings, synergies, economic performance, indebtedness, financial condition, losses, future prospects, business and management strategies for the management, expansion and growth of Ansys' and Synopsys' businesses and other conditions to the completion of the transaction; (ii) failure to realize the anticipated benefits of the proposed transaction, including as a result of delay in completing the transaction or integrating the businesses of Ansys and Synopsys; (iii) Ansys' ability to implement its business strategy; (iv) pricing trends, including Ansys' and Synopsys' ability to achieve economies of scale; (v) potential litigation relating to the proposed transaction that could be instituted against Ansys, Synopsys or their respective directors; (vi) the risk that disruptions from the proposed transaction will harm Ansys' or Synopsys' business, including current plans and operations; (vii) the ability of Ansys or Synopsys to retain and hire key personnel; (viii) potential adverse reactions or changes to business relationships resulting from the announcement or completion of the proposed transaction; (ix) uncertainty as to the long-term value of Synopsys' common stock; (x) legislative, regulatory and economic developments affecting Ansys' and Synopsys' businesses; (xi) general economic and market developments and conditions; (xii) the evolving legal, regulatory and tax regimes under which Ansys and Synopsys operate; (xiii) potential business uncertainty, including changes to existing business relationships, during the pendency of the Transaction that could affect Ansys' or Synopsys' financial performance; (xiv) restrictions during the pendency of the proposed transaction that may impact Ansys' or Synopsys' ability to pursue certain business opportunities or strategic transactions; (xv) unpredictability and severity of catastrophic events, including, but not limited to, acts of terrorism or outbreak of war or hostilities, as well as Ansys' and Synopsys' response to any of the aforementioned factors; and (xvi) failure to receive the approval of the stockholders of Ansys. These risks, as well as other risks associated with the proposed transaction, are more fully discussed in the proxy statement/prospectus to be filed with the U.S. Securities and Exchange Commission in connection with the proposed transaction. While the list of factors presented here is, and the list of factors presented in the proxy statement/prospectus will be, considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward looking statements. Consequences of material differences in results as compared with those anticipated in the forward-looking statements could include, among other things, business disruption, operational problems, financial loss, legal liability to third parties and similar risks, any of which could have a material adverse effect on Ansys' or Synopsys' consolidated financial condition, results of operations, or liquidity. Neither Ansys nor Synopsys assumes any obligation to publicly provide revisions or updates to any forward-looking statements, whether as a result of new information, future developments or otherwise, should circumstances change, except as otherwise required by securities and other applicable laws.

## Important Information and Where to Find It

This document relates to a proposed transaction between Synopsys and Ansys. Synopsys will file a registration statement on Form S-4 with the SEC, which will include a document that serves as a prospectus of Synopsys and a proxy statement of Ansys referred to as a proxy statement/prospectus. A proxy statement/prospectus will be sent to all Ansys shareholders. Each party also will file other documents regarding the proposed transaction with the SEC. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT, PROXY STATEMENT/PROSPECTUS AND ALL OTHER RELEVANT DOCUMENTS FILED OR THAT WILL BE FILED WITH THE SEC IN CONNECTION WITH THE PROPOSED TRANSACTION, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS, CAREFULLY AND IN THEIR ENTIRETY IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.

Investors and security holders will be able to obtain free copies of the registration statement, proxy statement/prospectus and all other relevant documents filed or that will be filed with the SEC by Synopsys or Ansys through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov).

The documents filed by Synopsys with the SEC also may be obtained free of charge at Synopsys' website at <https://investor.synopsys.com/overview/default.aspx> or upon written request to Synopsys at Synopsys, Inc., 675 Almanor Avenue, Sunnyvale, California 94085, Attention: Investor Relations Department. The documents filed by Ansys with the SEC also may be obtained free of charge at Ansys' website at <https://investors.ansys.com/> or upon written request to [kelsey.debrjyn@ansys.com](mailto:kelsey.debrjyn@ansys.com).

## Participants in Solicitation

Synopsys, Ansys and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from Ansys' shareholders in connection with the proposed transaction. Information about Ansys' directors and executive officers and their ownership of Ansys' common stock is set forth in Ansys' proxy statement for its 2023 Annual Meeting of Shareholders on Schedule 14A filed with the SEC on March 28, 2023. To the extent that holdings of Ansys' securities have changed since the amounts printed in Ansys' proxy statement, such changes have been or will be reflected on Statements of Change in Ownership on Form 4 filed with the SEC. Information about Synopsys' directors and executive officers is set forth in Synopsys' proxy statement for its 2023 Annual Meeting of Shareholders on Schedule 14A filed with the SEC on February 17, 2023 and Synopsys' subsequent filings with the SEC. Additional information regarding the direct and indirect interests of those persons and other persons who may be deemed participants in the proposed transaction may be obtained by reading the proxy statement/prospectus regarding the proposed transaction when it becomes available. You may obtain free copies of these documents as described in the preceding paragraph.

## No Offer or Solicitation

This document is for informational purposes only and is not intended to and shall not constitute an offer to buy or sell or the solicitation of an offer to buy or sell any securities, or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made, except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended.

## Non-GAAP Financial Information

This document includes certain forward looking financial measures that are not in accordance with the U.S. generally accepted accounting principles ("GAAP").

- Adjusted EBITDA ("Adj. EBITDA") is calculated as GAAP Operating Income excluding depreciation and amortization, stock compensation, non-qualified deferred compensation plan, acquisition-related costs and restructuring charges
- Free Cash Flow ("FCF") is calculated as cash provided from operating activities less capital expenditures and capitalization of software development costs
- Unlevered Free Cash Flow ("uFCF") is calculated as Free Cash Flow excluding tax-effected cash net interest
- Unlevered Free Cash Flow Margin is calculated as Unlevered Free Cash Flow for a period divided by revenue for the same period
- Non-GAAP Earnings Per Share ("EPS") is calculated as GAAP net income excluding amortization of intangible assets, stock compensation, acquisition-related costs, restructuring charges, and legal matters, adjusted for the difference between GAAP and non-GAAP tax rates, divided by fully diluted outstanding shares
- Non-GAAP Operating Income is calculated as GAAP Operating Income, excluding amortization of intangible assets, stock compensation, non-qualified deferred compensation plan, acquisition-related costs and restructuring charges
- Non-GAAP Operating Margin is Non-GAAP Operating Income for a period divided by revenue for the same period

Synopsys and Ansys present non-GAAP financial measures to provide their investors with an additional tool to evaluate Synopsys' and Ansys' respective operating results in a manner that focuses on what Synopsys and Ansys each believe to be their respective core business operations and what Synopsys and Ansys each use to evaluate their respective business operations and for internal budgeting and resource allocation purposes. These non-GAAP measures may be different from non-GAAP measures used by other companies. In addition, these non-GAAP measures are not based on any comprehensive set of accounting rules or principles, and management exercises judgment in determining which items should be excluded in the calculation of non-GAAP measures. The presentation of non-GAAP financial information is not meant to be considered in isolation from, as superior to or as a substitute for the directly comparable financial measures prepared in accordance with GAAP. These non-GAAP financial measures are meant to supplement, and be viewed in conjunction with, the corresponding GAAP financial measures.

When possible with respect to non-GAAP financial measures presented with respect to historical periods, Synopsys and Ansys, respectively, provide a reconciliation of their historic non-GAAP financial measures to their most closely applicable GAAP financial measures in the documents filed by Synopsys and Ansys with the SEC. Synopsys and Ansys, respectively, are unable to provide a reconciliation of certain non-GAAP guidance measures to the corresponding GAAP measures on a forward-looking basis because doing so would not be possible without unreasonable effort due to, among other things, the potential variability and limited visibility of the excluded items and expectations as to the financial performance of each of Synopsys and Ansys upon the completion of the mergers. For the same reasons, Synopsys and Ansys are each unable to address the probable significance of the unavailable information. Synopsys and Ansys are presenting forward looking non-GAAP financial measures for illustrative purposes and may not report on this basis going forward.

Combined company measures for historical periods are based on combining Synopsys' historical financial results and Ansys' historical or preliminary financial results, as applicable, without pro forma adjustments and are included for illustrative purposes in order to provide investors with estimates of what the combined company results could have been. Combined company estimates are not pro forma financial measures, are not prepared in accordance with Regulation S-X under the U.S. Securities Act of 1933, as amended, and are not necessarily indicative of the results that actually would have been realized had Synopsys and Ansys been a single entity during the relevant periods.

## Other Key Business Metrics

Annual Contract Value ("ACV") is a key performance metric for Ansys and is useful to investors in assessing the strength and trajectory of the business. ACV is a supplemental metric to help evaluate the annual performance of the business. Over the life of the contract, ACV equals the total value realized from a customer. ACV is not impacted by the timing of license revenue recognition. ACV is used by Ansys' management in financial and operational decision-making and in setting sales targets used for compensation. ACV is not a replacement for, and should be viewed independently of, GAAP revenue and deferred revenue as ACV is a performance metric and is not intended to be combined with any of these items. There is no GAAP measure comparable to ACV.

ACV is composed of the following: 1) the annualized value of maintenance and subscription lease contracts with start dates or anniversary dates during the period, plus; 2) the value of perpetual license contracts with start dates during the period, plus; 3) the annualized value of fixed-term services contracts with start dates or anniversary dates during the period, plus; 4) the value of work performed during the period on fixed-deliverable services contracts.

## Today's Presenters



**Sassine Ghazi**

President and Chief Executive Officer

synopsys®



**Ajei Gopal**

President and Chief Executive Officer

Ansys



**Shelagh Glaser**

Chief Financial Officer

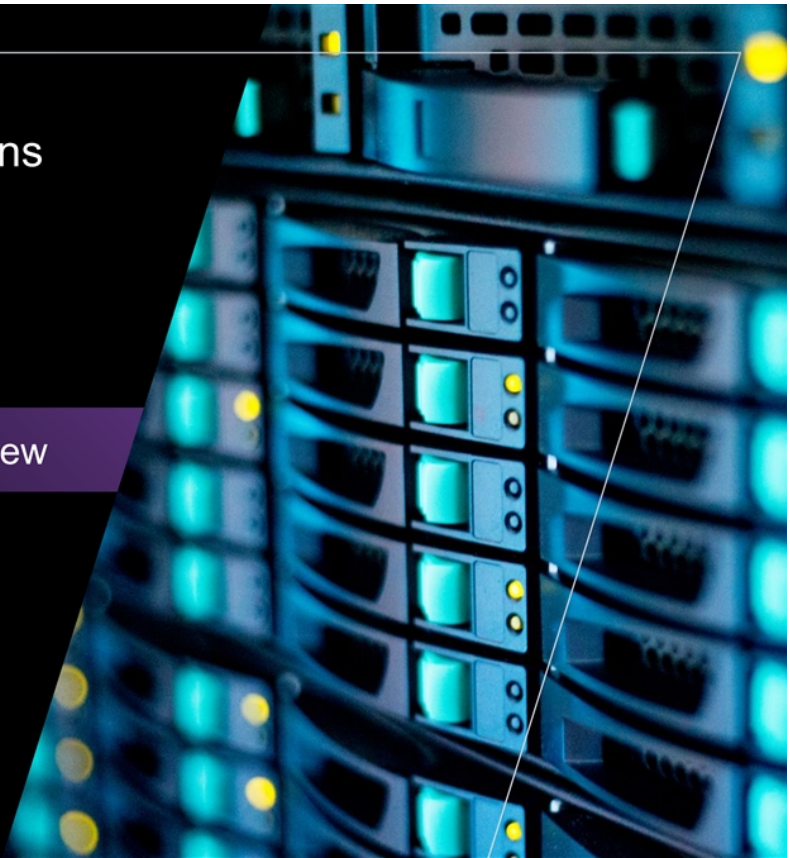
synopsys®

# Creating a Leader in Silicon to Systems Design Solutions

Strategic Vision and Transaction Overview

Ansys: A Global Leader in Simulation

Value Creation for Shareholders



SYNOPSYS®

+

Ansys

Builds on Seven-Year Partnership to Create  
a Leader in Silicon to Systems Design Solutions

### Strategic Logic

- Combines leaders in semiconductor design technology and simulation & analysis to address customer need for fusion of electronics and physics, augmented with AI
- Enhances and accelerates Synopsys' Silicon to Systems strategy, both in core electronic design automation (EDA) and new attractive adjacent growth areas
- Expands Synopsys' TAM by ~1.5x to ~\$28B, growing at ~11% CAGR<sup>1</sup>
- Extends pioneering AI and Cloud leadership in EDA and simulation

### Expected Significant Shareholder Value Creation

- Industry-leading double-digit revenue growth and immediately expands margins
- Expected to be accretive to non-GAAP EPS in second full year post close and substantially accretive thereafter<sup>2</sup>
- Expected to achieve ~\$400 million of cost synergies by year 3 and ~\$400 million of revenue synergies by year 4
- Strong free cash flow generation to enable rapid deleveraging (<2x Adj. EBITDA leverage expected within 2 years post close)

1. Synopsys management estimates; excludes the Software Integrity Group's TAM. CAGR forecast for 2023 to 2028 period.

2. Expected to be accretive in second full year post close including cost synergies only, substantially accretive thereafter including cost and revenue synergies.

# Synopsys at a Glance



**Design Automation**  
Industry Leader

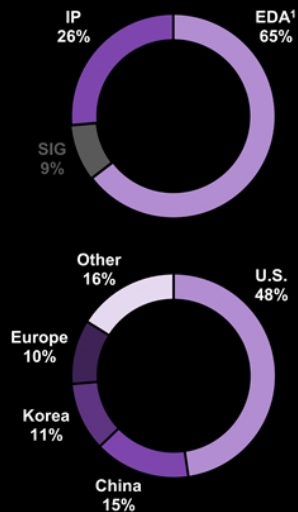


**Design IP**  
#2 IP Vendor



**Software Integrity**  
Industry Leader

FY23 Revenue by Product Group & Region



## Mission

Empower technology innovators everywhere

## Purpose

Power innovation today that ignites the ingenuity of tomorrow

## Value Proposition

We maximize customers' R&D capabilities and multiply their productivity

**~\$6B**

FY23 Revenue

**~15%**

FY23 Revenue Growth Rate

**~35%**

FY23 Non-GAAP Operating Margin

**~20K**

Employees

Source: Company filings. Synopsys FY23 financial metrics for fiscal year ending on October 31, 2023.  
 Note: Software Integrity business is undergoing a strategic review as announced on November 29, 2023.  
 1. Segment includes the EDA and Other revenue groups.



# Track Record of Shareholder Value Creation

## STRATEGIC PRIORITIES

## FY20 – FY23 RESULTS

### Technology and Innovation Leadership

- 3nm/2nm leadership across EDA stack
- Enabling the multi-die industry transition
- Pioneering AI/Cloud in EDA
- Next-gen IP across all leading foundries

### Industry-Leading Growth

- ~17% revenue CAGR (>200bps above Synopsys' TAM<sup>1</sup> CAGR)

### Margin Expansion

- +~700bps non-GAAP operating margin increase (from ~28% to ~35%)

**~120%**  
3 Year TSR<sup>2</sup>

**~3.5x**  
vs. S&P 500



1. Sources: ESDA, Ipnest, Synopsys management estimates.  
2. Total Shareholder Return (TSR) as of December 21, 2023 (the last trading day prior to media speculation regarding a potential transaction).

# The Era of Pervasive Intelligence



## Pervasive Intelligence



### Data Center

Insatiable demand for high-performance compute

New generations of advanced chips pushing the boundaries of semiconductor design

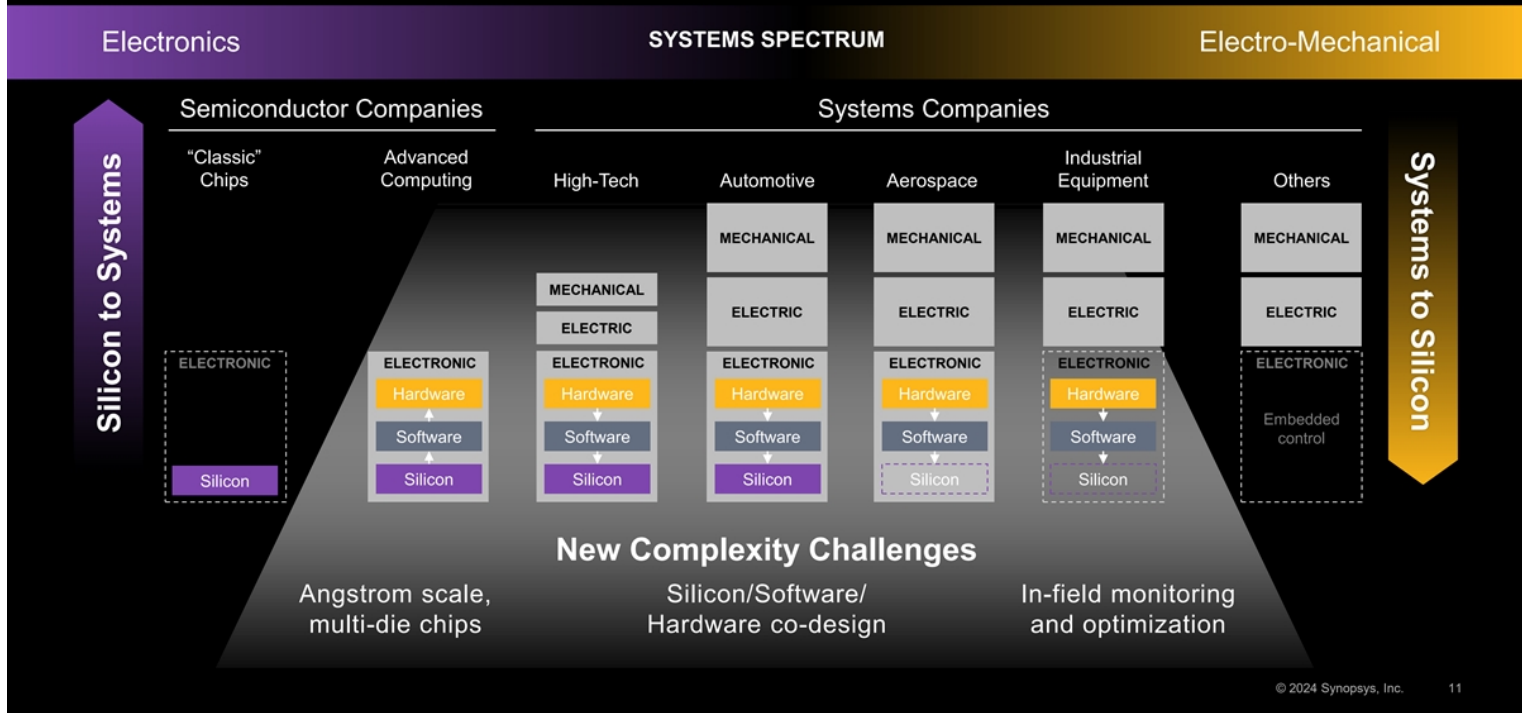


### Edge

Compute deployed in broad array of devices

Proliferation of electronic software-defined systems

# Fundamental Changes in Silicon and Systems Design



# Our Strategy for Sustained, Value-Creating Growth

## STRATEGIC PRIORITIES

Technology and  
Innovation Leadership

Industry-Leading  
Growth

Margin Expansion

## STRATEGY

From Silicon ...

... to Systems

Lead innovation in EDA and IP for  
the era of Pervasive Intelligence

Expand into new adjacent growth  
areas in software-defined systems

Optimize Go-to-Market (GTM) to achieve full growth potential across all  
regions and increase penetration beyond Semiconductor accounts

Unleash productivity gains through digital transformation  
of engineering and operations

# Solving Today's Silicon Design Complexity with Digital Fusion and AI

## Fusion Design Platform™

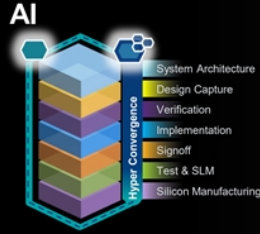
## Harnessing AI

2017 2020 TODAY

### Industry-leading Digital Implementation Platform



### Pioneering AI-powered EDA

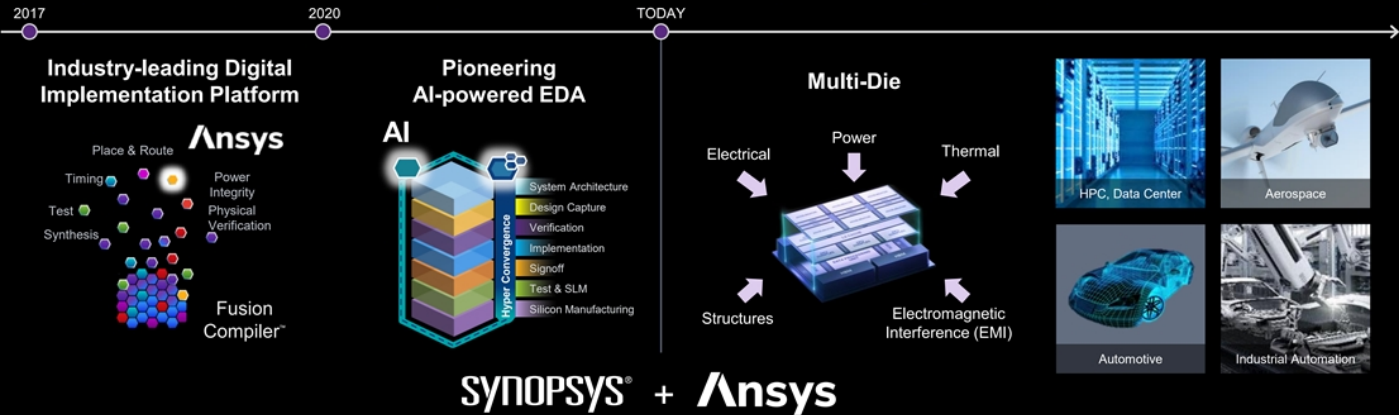


## Partnership with Ansys has been an integral part of Synopsys Fusion since 2017

- Technology and GTM partnership
- Joint solution qualified at leading foundries
- The vast majority of Synopsys Fusion Compiler™ users incorporate Ansys technology

# New Complexity Challenges Require Fusion of Electronics and Physics

Fusion Design Platform™      Harnessing AI      Next-Gen Multi-Die for High-Performance Compute      Co-Optimized Intelligent Systems



Technology and GTM partnership



Combination to deliver fusion of electronics and physics, augmented with AI

# Creating a Leader in Silicon to Systems Design Solutions

## SYNOPSIS®

Design  
Automation

Industry Leader

Design  
IP

#2 IP Vendor

Software  
Integrity

Industry Leader

~\$6B

FY23 Revenue

## Ansys

Simulation &  
Analysis

Industry Leader

~\$2B<sup>1</sup>

FY23 Revenue Guidance

Building on our successful seven-year partnership

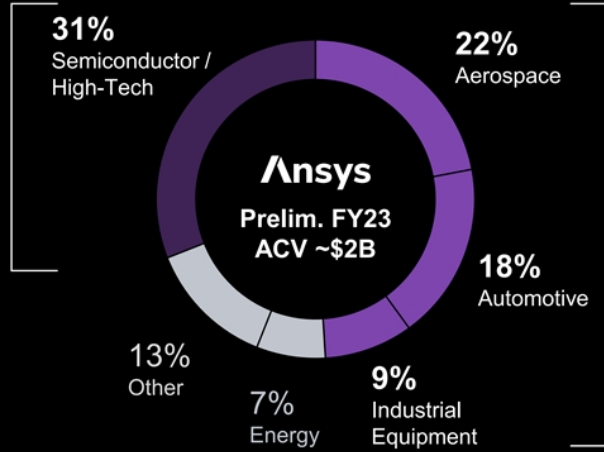
1. Ansys FY2023 revenue guidance provided in November 2023. Final results may differ.

# Combination Enhances and Accelerates Silicon to Systems Strategy

## From Silicon ... ... to Systems

### Strengthens capabilities in advanced chip design technology

- Extends portfolio with industry-leading simulation and analysis solutions
- Enables fusion of multi-physics analysis into digital design flows
- Allows development of joint solutions in new areas (e.g., Analog/RF)



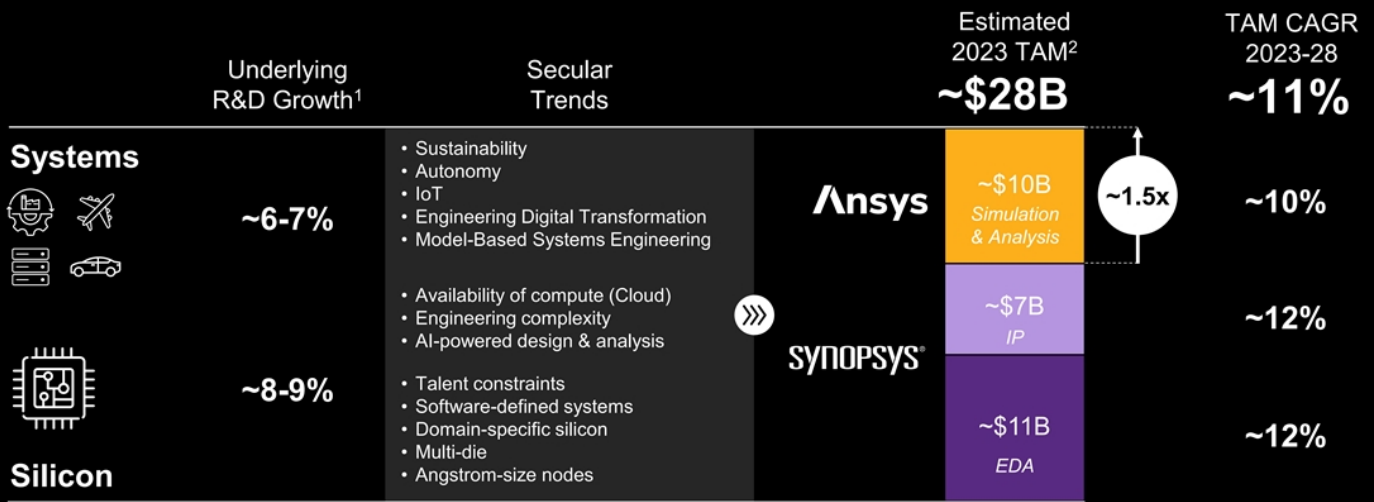
### Accelerates expansion into new growth verticals

- Opportunities to improve EDA penetration
- Scale fast-growing Synopsys system software businesses through Ansys GTM
- High-potential verticals for digital twin and functional safety solutions combining physics and electronics

Note: Ansys' financial metrics based on preliminary unaudited 2023 results. Final results may differ.



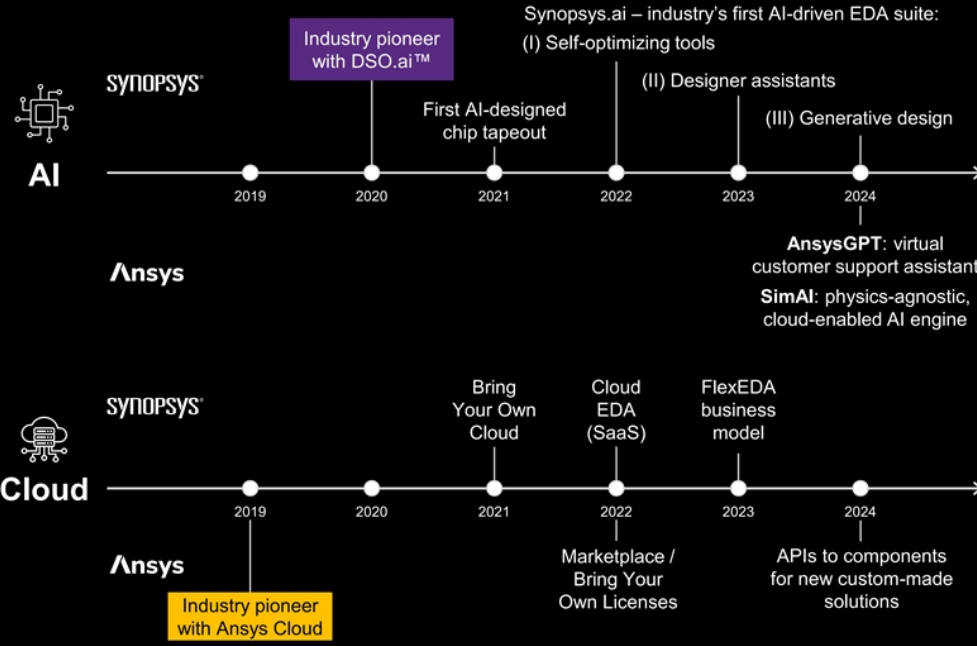
# Provides Access to Attractive ~\$10B Simulation & Analysis TAM



**Expect combined company revenue growth to outpace TAM growth**

1. Wall Street Research and Synopsys management estimates; growth for the period 2007-2021; Systems R&D growth rate calculated as a blended rate across sectors applying Ansys ACV industry mix.  
 2. Synopsys management estimates; excludes the Software Integrity Group's TAM.

# Extends Pioneering AI and Cloud Leadership in EDA and Simulation



## Well-positioned to continue innovating ahead

- ✓ Common underlying technology and know-how
- ✓ Combined total R&D of ~\$2B (~2x industry peer median)<sup>1</sup>
- ✓ Highly talented workforce with deep engineering expertise
- ✓ Cross-domain system data, from in-design to in-field

1. Combined R&D spend based on Synopsys' and Ansys' respective FY22 R&D spends. Industry peer median based on reported FY22 R&D spend from publicly available filings. Peers defined as Altair Engineering, Autodesk, Cadence Design Systems, Dassault Systèmes, Keysight Technologies and PTC.

# Highly Compelling Combination: Transaction Highlights

## Overview

- Synopsys to acquire 100% of Ansys outstanding shares
  - \$197.00 in cash and 0.3450 shares of Synopsys common stock per Ansys share
  - \$390.19<sup>1</sup> implied total consideration represents premium of ~29%<sup>1</sup> and ~35%<sup>1</sup> over Ansys' closing price and 60-day VWAP, respectively
- Ansys shareholders expected to own ~16.5% of combined company

## Expected Combined Company Financial Benefits

- Annual revenue of ~\$8B<sup>2</sup>; industry-leading double-digit growth outpacing TAM growth
- Non-GAAP operating margin expansion of ~125bps and uFCF margin expansion of ~75bps in year 1
- Accretive to non-GAAP EPS in second full year post close and substantially accretive thereafter<sup>3</sup>
- ~\$400M of run-rate cost synergies by year 3 and ~\$400M of run-rate revenue synergies by year 4

## Expected Transaction Financing

- Synopsys intends to fund the \$19B of cash consideration<sup>4</sup> through a combination of cash and debt
- Expect \$16B of fully-committed financing

## Expected Combined Company Leverage

- Plan to de-lever to <2x Adj. EBITDA within 2 years post close
- Expect to maintain investment grade credit ratings and long-term leverage target <1x given strong FCF

## Management & Integration

- Teams know each other well, have collaborated successfully in partnership since 2017
- Dedicated team to execute detailed and actionable plan for smooth integration and realization of identified synergies

## Timing & Next Steps

- Targeting close in the first half of 2025 (subject to customary closing conditions, including approval by Ansys' shareholders and required regulatory approvals)

1. Implied total consideration based on Synopsys' common stock closing price as of December 21, 2023 (the last trading day prior to media speculation regarding a potential transaction); premium calculated over Ansys' common stock closing price as of December 21, 2023, and Ansys' volume-weighted average price for the 60-day period ending on the same date.

2. Based on Synopsys FY2023 revenue and Ansys FY2023 revenue guidance provided in November 2023. Ansys final financial results may differ.

3. Expected to be accretive in second full year post close, including cost synergies only, and substantially accretive thereafter including cost and revenue synergies.

4. Includes the refinancing of Ansys' existing debt and transaction expenses.

# Creating a Leader in Silicon to Systems Design Solutions

Strategic Vision and Transaction Overview

Ansyz: A Global Leader in Simulation

Value Creation for Shareholders



# Ansys Is a Leader in Simulation and Analysis

## Broad and Deep Physics Portfolio

Best-in-class portfolio from component design to mission level engineering powered by

- Numerics
- HPC
- AI/ML
- Cloud & Experience
- Digital Engineering

## Powerful Secular Trends

Megatrends driving customer need for more simulation

- Electrification
- Autonomy
- Connectivity
- Industrial IoT
- Sustainability

## Broad, Diversified Customer Base

Thousands of customers worldwide across geographies, industries and customer types

Top 100 represent ~45% of ACV

## Highly Recurring Business Model

Subscription lease model with three vectors of growth:

- More users
- More products
- More computations

~\$2B

Prelim. FY23 ACV

~\$2B

FY23E Guidance<sup>1</sup> Revenue

~83%

Prelim. FY23 Recurring ACV<sup>2</sup>

~13%

Prelim. FY23 ACV Growth

41-42%

FY23E Guidance<sup>1</sup> Non-GAAP Operating Margin

92%<sup>3</sup>

2023 Customer Satisfaction Score

Note: Unless otherwise noted, Ansys financial metrics based on Ansys' preliminary unaudited 2023 results. Final results may differ.

1. Financial metrics based on Ansys' FY2023 guidance range provided in November 2023.

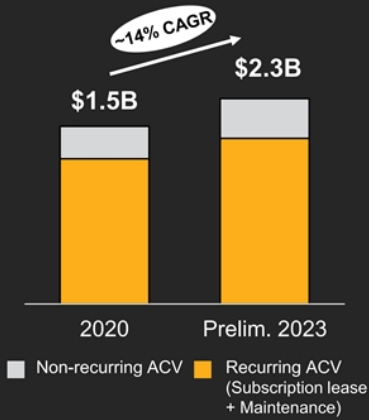
2. Recurring ACV includes both subscription lease ACV and all maintenance ACV (including maintenance from perpetual licenses). Non-recurring ACV includes perpetual license ACV and service ACV.

3. Source: Ansys customer satisfaction program.

# Consistent, High Quality Double-Digit Top Line Growth

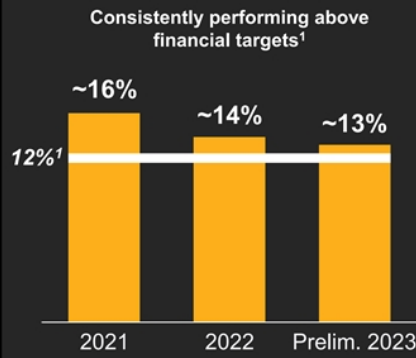
## Industry-Leading Growth

Total ACV  
(Constant currency at 2022 rates)



## Sustained Growth over Time

Y-o-Y Constant Currency ACV Growth



## Quality Growth

**~11%**

Prelim. FY23  
ACV Growth  
ex-Dynamore acquisition

**~83%**

Prelim. FY23  
Recurring ACV

**~16%**

Prelim. FY23  
Recurring ACV Growth  
(Subscription lease + Maintenance)

Note: Unless otherwise noted, financial metrics based on Ansys' preliminary unaudited 2023 results. Final results may differ.  
 1. Represents Ansys' long-term outlook presented in its 2022 Investor Day of 12% constant currency ACV CAGR, including tuck-in M&A, from 2022 to 2025.

# Creating a Leader in Silicon to Systems Design Solutions

Strategic Vision and Transaction Overview

Ansys: A Global Leader in Simulation

Value Creation for Shareholders



# Attractive Financial Benefits Drive Shareholder Value

## High Quality Revenue

Expected to add high quality, durable revenue stream

**~\$8B**

Combined Revenue<sup>1</sup>

- High growth (industry-leading double-digit)
- Neutral to Synopsys revenue growth by first full year and accretive thereafter
- Combined company revenue growth expected to outpace TAM growth
- High quality recurring revenue

## High Margin

Expected to immediately expand margins

**~125 bps**

Year 1 Non-GAAP  
Operating Margin  
Expansion

**~75 bps**

Year 1  
uFCF Margin  
Expansion

- Two high-margin businesses
  - ~37% combined non-GAAP operating margin<sup>2</sup>
- Opportunity for further margin expansion as cost synergies are realized

## Better Together

Significant synergy opportunity expected

**~\$400M**

Run-rate  
Cost Synergies

**~\$400M**

Run-rate  
Revenue Synergies

- Expected to be accretive to non-GAAP EPS within the second full year post close and substantially accretive thereafter<sup>3</sup>
- Identified and actionable run-rate cost synergies of ~\$400M by year 3
- Run-rate revenue synergies of ~\$400M by year 4, growing to ~\$1B+ annually in the longer-term

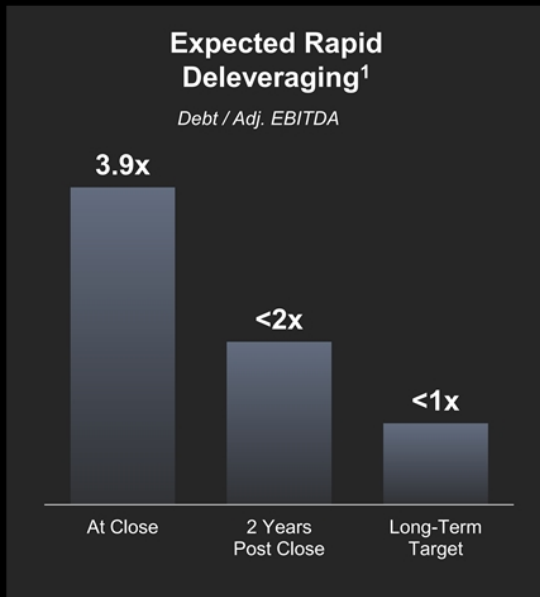
1. Based on Synopsys FY2023 revenue and Ansys FY2023 revenue guidance provided in November 2023. Final results may differ.

2. Based on Synopsys FY2023 non-GAAP operating margin of ~35% and Ansys FY2023 non-GAAP operating margin guidance range of ~41% - 42%, provided in November 2023 guidance. Final results may differ.

3. Expected to be accretive in second full year post close including cost synergies only, substantially accretive thereafter including cost and revenue synergies.



# Strong Combined Balance Sheet with Strong Free Cash Flow Generation Supporting Financial Flexibility



## Financial Flexibility for Disciplined Capital Allocation

### Deleveraging

- Expect rapid deleveraging to <2x within 2 years post close
- Long-term gross leverage target of <1x
- Maintain investment grade credit rating

### Share Buybacks

- Temporary suspension of share buybacks
- Expected to resume as leverage approaches <2x

### M&A

- Focused on successful integration
- Strong free cash flow to support financial flexibility for future M&A

1. Does not include any proceeds from potential divestitures.

# Highly Achievable, Identified Synergies and Potential for More

## ~\$400M

of run-rate cost synergies  
expected by year 3

- Streamlining and realizing the benefits of scale
- Integration of engineering platforms and technology reuse for AI and Cloud

## ~\$400M

of run-rate revenue synergies  
expected by year 4

- Integration of multi-physics system analysis for advanced chip design
- Expansion of direct account coverage for Ansys portfolio in Semiconductor / High-Tech sector
- Joint semiconductor solutions (e.g., Analog/RF)
- Accelerated expansion in Automotive, Aerospace, and Industrial Equipment



## ~\$1B+

of annual revenue synergies  
expected over longer-term

- Full potential realization of current identified synergies and TAM growth
- Significant potential for additional revenue synergies from
  - Further penetration beyond Semiconductor / High-Tech sector
  - New joint innovative system solutions (e.g., digital twin, functional safety)

**We have identified specific, substantial and actionable cost and revenue synergies**

# Long-Term Financial Objectives<sup>1</sup>

## Combined company long-term, multi-year objectives

### Revenue

Industry-leading  
double-digit growth

### Margin

Long-term non-GAAP  
operating margins in  
mid 40s

### Free Cash Flow

Long-term unlevered  
free cash flow margins  
in mid 30s

### EPS

Non-GAAP EPS  
growth in the  
high-teens range

**Near-term prioritization of our strong cash flow for debt paydown**

1. These multi-year objectives are provided as of January 16, 2024.

# Committed to a Successful Integration

Highly complementary businesses

Common underlying secular trends and customer needs

Shared deep tech and science core competences

Very similar talent profile and cultures

Builds on success of seven-year partnership

## Dedicated team in place to execute integration

### Objectives

Manage risk

Maintain business continuity

Retain critical talent and capabilities

Realize identified synergies

### Key Functional Areas

- Engineering
- GTM
- People
- Corporate Functions

*Committed to providing quarterly updates on our integration efforts*

Rigorous integration planning approach informed by comprehensive diligence

## Highly Strategic and Financially Compelling Combination

- ✓ Combines **leaders** in **semiconductor design technology** and **simulation & analysis**
- ✓ **Addresses customer need for fusion of electronics and physics, augmented with AI**
- ✓ Enhances and accelerates our **Silicon to Systems strategy, both in core EDA and new attractive adjacent growth areas**
- ✓ Expands Synopsys' **TAM by ~1.5x to ~\$28B**, forecasted to grow at ~11% CAGR<sup>1</sup>
- ✓ Highly attractive combined company financial profile with **improved margin, unlevered free cash flow and EPS**
- ✓ Expected to deliver identified and actionable run-rate **cost synergies of ~\$400M** by year 3 and run-rate **revenue synergies of ~\$400M** by year 4, growing to over ~\$1B annually in the longer-term
- ✓ Combines two **best-in-class, highly complementary organizations** with deep tech underpinnings

**Synopsys delivered ~120% TSR in the past 3 years<sup>2</sup> and expects to continue to deliver meaningful value creation with the addition of Ansys**

1. Synopsys management estimates. CAGR forecast for 2023 to 2028 period.  
2. Total Shareholder Return (TSR) as of December 21, 2023 (the last trading day prior to media speculation regarding a potential transaction).

# Appendix



# Creating a Leader in Silicon to Systems Design Solutions

**SYNOPSYS®**

**Ansys**

<p>① Complementary Industry Leaders</p>	<p><b>Design Automation</b> <i>Industry Leader</i> <b>Design IP</b> <i>#2 IP Vendor</i></p>		<p>+</p>	<p><b>Simulation &amp; Analysis</b> <i>Industry Leader</i></p>	
<p>② Leaders in Growing TAM<sup>1</sup></p>	<p><b>~\$18B</b> EDA and IP 2023 TAM</p>	<p><b>~12%</b> 2023-2028 TAM CAGR</p>	<p>+</p>	<p><b>~\$10B</b> Simulation &amp; Analysis 2023 TAM</p>	<p><b>~10%</b> 2023-2028 TAM CAGR</p>
<p>③ Complementary Customers<sup>2</sup></p>	<p><b>~85%</b> Semiconductor / High-Tech</p>	<p><b>~15%</b> Other Systems Verticals</p>	<p>+</p>	<p><b>~30%</b> Semiconductor / High-Tech</p>	<p><b>~70%</b> Other Systems Verticals</p>
<p>④ High Growth, High Margin</p>	<p><b>~15%</b> FY23 Revenue Growth</p>	<p><b>~35%</b> FY23 Non-GAAP Operating Margin</p>	<p>+</p>	<p><b>~11%</b> Prelim. FY23 ACV Growth ex-Dynamore Acquisition<sup>3</sup></p>	<p><b>~41 – 42%</b> FY23 Guidance Non-GAAP Op. Margin<sup>4</sup></p>
<p>⑤ AI / Cloud Capabilities</p>	<p><b>Pioneer in AI-enhanced EDA</b> <b>Launched first cloud-based EDA</b></p>		<p>+</p>	<p><b>Advancing AI innovation powered</b> <b>by Ansys' third generation cloud</b></p>	

1. Synopsys management estimates.

2. Synopsys based on FY2023 revenue, Ansys based on preliminary unaudited FY2023 ACV. Final results may differ.

3. Based on Ansys' preliminary unaudited FY2023 results. Final results may differ.

4. Based on Ansys' FY2023 guidance range provided in November 2023. Final results may differ.

# Ansys Is Recognized by Customers as a Segment Leader & Innovator

## Third-Party Survey of Simulation & Analysis Users<sup>1</sup>

### Segment Leader

Leading closest competitors by  
**1.5 - 4x<sup>2</sup>**

### Best in technical capabilities

**Highest rating**  
(8.0 out of 10)

In each major sector:  
Semiconductor / High-Tech,  
Automotive, Aerospace

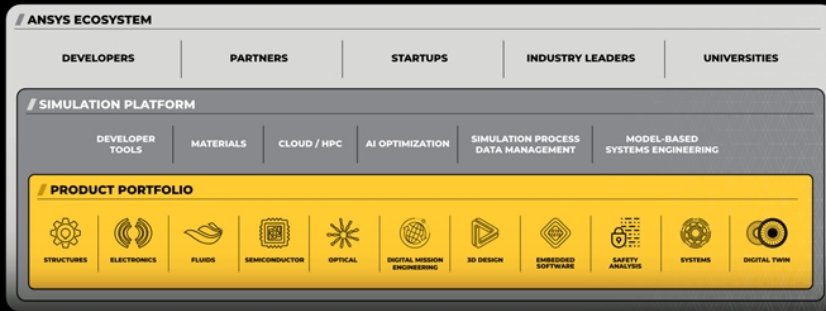
### Leading in innovating and unlocking new use cases

Leading closest competitors by  
**1.2 - 2x<sup>2</sup>**

1. Source: Third-party consulting firm Simulation & Analysis User Survey – Key Insights (January 2024).  
2. Across all core simulation segments surveyed: Structural Mechanics, CFD / Thermal, Electromagnetics.



# Ansys' Comprehensive Portfolio Built through Decades of Investment



- Best-in-class engineering simulation portfolio with an open and integrated ecosystem
- Addressing new multi-physics use cases from component to mission analyses, safety and software
- Model-Based Systems Engineering and digital twin expansion opportunities

## KEY TECHNOLOGY PILLARS

Numerics



High-Performance Computing



AI & ML



Cloud & Experience



Digital Engineering



- Ongoing accuracy, speed and scalability algorithmic advancements
- Continually advancing customer value with new products and features
- Significant investments in Cloud and AI



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**ANSYS**