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8 [Additional Counsel on Signature Page]

9 **UNITED STATES DISTRICT COURT**  
10 **NORTHERN DISTRICT OF CALIFORNIA**

11  
12 \_\_\_\_\_, Individually and on Behalf of  
All Others Similarly Situated,

13 Plaintiff,

14 v.

15 SYNOPSIS, INC., SASSINE GHAZI, and  
16 SHELAGH GLASER,

17 Defendants.

Case No.

**CLASS ACTION COMPLAINT FOR  
VIOLATIONS OF THE FEDERAL  
SECURITIES LAWS**

**JURY TRIAL DEMANDED**

1 Plaintiff \_\_\_\_\_ (“Plaintiff”), individually and on behalf of all others similarly  
2 situated, by and through his attorneys, alleges the following upon information and belief, except as  
3 to those allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff’s  
4 information and belief is based upon, among other things, his counsel’s investigation, which  
5 includes without limitation: (a) review and analysis of regulatory filings made by Synopsys, Inc.  
6 (“Synopsys” or the “Company”) with the United States (“U.S.”) Securities and Exchange  
7 Commission (“SEC”); (b) review and analysis of press releases and media reports issued by and  
8 disseminated by Synopsys; and (c) review of other publicly available information concerning  
9 Synopsys.

### 10 NATURE OF THE ACTION AND OVERVIEW

11 1. This is a class action on behalf of persons and entities that purchased or otherwise  
12 acquired Synopsys securities between December 4, 2024 and September 9, 2025, inclusive (the  
13 “Class Period”). Plaintiff pursues claims against the Defendants under the Securities Exchange Act  
14 of 1934 (the “Exchange Act”).

15 2. Synopsys provides electronic design automation software products used to design  
16 and test integrated circuits. It operates in two segments, Design Automation and Design IP. The  
17 Design IP segment provides pre-designed, silicon-proven components that semiconductor  
18 companies use to build chips and System-on-Chips (SoCs) more quickly and cost-effectively. The  
19 Design IP segment includes, a wide range of products and services, including Interface IP, which  
20 provides pre-designed modules for a variety of widely used protocols. The Company’s Design IP  
21 segment has been the fastest-growing part of Synopsys, growing from 25% of the Company’s  
22 revenue in fiscal year 2022, to 31% in fiscal year 2024.

23 3. On September 9, 2025, after market hours, Synopsys released its third quarter 2025  
24 financial results, revealing the Company’s “*IP business underperformed expectations.*” The  
25 Company reported quarterly revenue of \$1.740 billion, missing its prior guidance for the quarter of  
26 between \$1.755 billion and \$1.785 billion, and reported net income of \$242.5 million, or \$1.50 per  
27 diluted share, compared to \$425.9 million, or \$2.73 per diluted share, for the third quarter of fiscal  
28 year 2024. Moreover, the Company reported its Design IP segment, which accounts for

1 approximately 25% of revenue, came in at \$426.6 million, a 7.7% decline year-over-year. Finally,  
2 management provided guidance which implied that Design IP revenues will decline by at least 5%  
3 on a full-year basis in fiscal 2025.

4 4. In an earnings call held the same day, Sassine Ghazi (“Ghazi”), the Company’s Chief  
5 Executive Office, President, and Director, revealed “results were primarily impacted by  
6 underperformance in the IP business” driven by factors including “challenges at a major foundry  
7 customer” and “*certain road map and resource decisions that did not yield their intended results.*”  
8 As a result, the Company is “*actively pivoting [its] IP resources and road map*” and the Company  
9 is “taking a more cautious view of Q4.” Ghazi further explained, regarding its pivot, that “there’s  
10 more and more customization in particular, for interface IP, and these customizations are moving  
11 from an off-the-shelf to a more subsystem delivery which is it takes longer, it takes more resources.”  
12 Ghazi concluded that, as a result “*our ability to change the business model or the need to change*  
13 *the business model is an ongoing dialogue with our customers.*”

14 5. On this news, Synopsys’s stock price fell \$216.59, or 35.8%, to close at \$387.78 per  
15 share on September 10, 2025, on unusually heavy trading volume.

16 6. Throughout the Class Period, Defendants made materially false and/or misleading  
17 statements, as well as failed to disclose material adverse facts about the Company’s business,  
18 operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) the extent of  
19 the Company’s exposure to “challenges at a major foundry customer;” (2) the extent to which the  
20 Company’s increased focus on artificial intelligence based customers was deteriorating the  
21 economics of its Design IP business; (3) as a result, “certain road map and resource decisions” were  
22 unlikely to “yield their intended results;” (4) as a result, the Company had been reviewing its “ability  
23 to change the business model or the need to change the business model;” and (5) that, as a result of  
24 the foregoing, Defendants’ positive statements about the Company’s business, operations, and  
25 prospects were materially misleading and/or lacked a reasonable basis.

26 7. As a result of Defendants’ wrongful acts and omissions, and the precipitous decline  
27 in the market value of the Company’s securities, Plaintiff and other Class members have suffered  
28 significant losses and damages.

1 **JURISDICTION AND VENUE**

2 8. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange Act  
3 (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. §  
4 240.10b-5).

5 9. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C.  
6 § 1331 and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

7 10. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b) and Section  
8 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in furtherance of the alleged fraud  
9 or the effects of the fraud have occurred in this Judicial District. Many of the acts charged herein,  
10 including the dissemination of materially false and/or misleading information, occurred in  
11 substantial part in this Judicial District. In addition, the Company’s principal executive offices are  
12 located in this District.

13 11. In connection with the acts, transactions, and conduct alleged herein, Defendants  
14 directly and indirectly used the means and instrumentalities of interstate commerce, including the  
15 United States mail, interstate telephone communications, and the facilities of a national securities  
16 exchange.

17 **PARTIES**

18 12. Plaintiff \_\_\_\_\_, as set forth in the accompanying certification,  
19 incorporated by reference herein, purchased Synopsys securities during the Class Period, and  
20 suffered damages as a result of the federal securities law violations and false and/or misleading  
21 statements and/or material omissions alleged herein.

22 13. Defendant Synopsys is incorporated under the laws of Delaware with its principal  
23 executive offices located in Sunnyvale, California. Synopsys’s common stock trades on the  
24 NASDAQ exchange under the symbol “SNPS.”

25 14. Defendant Sassine Ghazi (“Ghazi”) was the Company’s Chief Executive Officer  
26 (“CEO”) at all relevant times.

27 15. Defendant Shelagh Glaser (“Glaser”) was the Company’s Chief Financial Officer  
28 (“CFO”) at all relevant times.



2024. The press release touted the Company’s financial results and announced the Company’s full fiscal year 2025 financial targets, as follows in relevant part:

- Record quarterly revenue of \$1.636 billion, up approximately 11% year over year (YoY), exceeding the mid-point of guidance.
- Quarterly GAAP earnings per diluted share (EPS) of \$1.79; non-GAAP EPS of \$3.40, up approximately 13% YoY, exceeding guidance.
- Achieved record full-year 2024 revenue of \$6.127 billion, up approximately 15% YoY, while improving non-GAAP operating margin and delivering approximately 25% non-GAAP EPS growth.
- Expecting to deliver double digit revenue growth in 2025 while preparing for Ansys acquisition close, which remains on-track for the first half of 2025.

\* \* \*

**First Quarter and Full Fiscal Year 2025 Financial Targets**  
(in millions except per share amounts)

	Range for Three Months Ending January 31, 2025		Range for Fiscal Year Ending October 31, 2025	
	Low	High	Low	High
Revenue	\$ 1,435	\$ 1,465	\$ 6,745	\$ 6,805
GAAP Expenses	\$ 1,142	\$ 1,162	\$ 4,926	\$ 4,983
Non-GAAP Expenses	\$ 945	\$ 955	\$ 4,045	\$ 4,085
Non-GAAP Interest and Other Income (Expense), net	\$ 20	\$ 22	\$ 94	\$ 98
Non-GAAP Tax Rate	16%	16%	16%	16%
Outstanding Shares (fully diluted)	156	158	157	159
GAAP EPS	\$ 1.81	\$ 1.95	\$ 10.42	\$ 10.63
Non-GAAP EPS	\$ 2.77	\$ 2.82	\$ 14.88	\$ 14.96
Operating Cash Flow				~ \$1,800
Free Cash Flow <sup>(2)</sup>				~ \$1,600
Capital Expenditures				~ \$170

	* * *		* * *	
	Three Months Ended October 31, 2024	Three Months Ended October 31, 2023	Twelve Months Ended October 31, 2024	Twelve Months Ended October 31, 2023
Revenue by segment				
- Design Automation	\$ 1,118.2	\$ 953.7	\$ 4,221.1	\$ 3,775.3
% of Total	68.3%	65.0%	68.9%	71.0%
- Design IP	\$ 517.8	\$ 513.7	\$ 1,906.3	\$ 1,542.7
% of Total	31.7%	35.0%	31.1%	29.0%
Adjusted operating income by segment				
- Design Automation	\$ 413.3	\$ 311.1	\$ 1,631.9	\$ 1,413.9
- Design IP	\$ 189.9	\$ 236.4	\$ 730.2	\$ 514.1
Adjusted operating margin by segment				
- Design Automation	37.0%	32.6%	38.7%	37.5%
- Design IP	36.7%	46.0%	38.3%	33.3%

21. On December 19, 2024, the Company submitted its annual report for the fiscal year ended October 31, 2024 on a Form 10-K filed with the SEC (the “FY24 10-K”). The FY24 10-K affirmed the previously reported financial results. The FY24 10-K further reported the Company’s purported growth strategy and the factors impacting the Company’s Design IP segment revenue. Specifically, the FY24 10-K stated as follows, in relevant part:

Our growth strategy is based on maintaining and building on our leadership in our Design Automation products, expanding and proliferating our Design IP offerings and continuing to expand our product portfolio and our total addressable market. Our revenue growth from period to period is expected to vary based on the mix of our time based and upfront products. Based on our leading technologies, customer relationships, business model, diligent expense management, and acquisition strategy, we believe that we will continue to execute our strategies successfully.

\* \* \*

### Design IP Segment

• Design IP includes our interface, foundation, security, and embedded processor IP, IP subsystems, and IP implementation services. These arrangements generally have two performance obligations which consist of transferring of the licensed IP and providing related support, which includes rights to technical support and software updates that are provided over the support term and are transferred to the customer over time. Revenue allocated to the IP licenses is recognized at a point in time upon the later of the delivery date or the beginning of the license period, and revenue allocated to support is recognized over the support term. Royalties are recognized as revenue in the quarter in which the applicable customer sells its products that incorporate our IP. Payments for IP contracts are generally received upon delivery of the IP. Revenue related to the customization of certain IP is recognized over time, generally using costs incurred or hours expended to measure progress.

Our customer arrangements can involve multiple products and various license rights, and our customers negotiate with us over many aspects of these arrangements. For example, they generally request a broader portfolio of solutions, support and services and seek more favorable terms such as expanded license usage, future purchase rights and other unique rights at an overall lower total cost. No single factor typically drives our customers’ buying decisions, and we compete on all fronts to serve customers in highly competitive markets. Customers generally negotiate the total value of the arrangement rather than just unit pricing or volumes.

	Year Ended October 31,			\$ Change	% Change	\$ Change	% Change
	2024	2023	2022	2024 vs. 2023		2023 vs. 2022	
(dollars in millions)							
Design Automation	\$ 4,221.1	\$ 3,775.3	\$ 3,300.2	\$ 445.8	12 %	\$ 475.1	14 %
Design IP	1,906.3	1,542.7	1,315.5	363.6	24 %	227.2	17 %
<b>Total</b>	<b>\$ 6,127.4</b>	<b>\$ 5,318.0</b>	<b>\$ 4,615.7</b>	<b>\$ 809.4</b>	<b>15 %</b>	<b>\$ 702.3</b>	<b>15 %</b>

Our revenues are subject to fluctuations, primarily due to customer requirements including the timing and value of contract renewals. For example, we experience fluctuations in our revenues due to factors such as the timing of IP product sales, Flexible Spending Account (FSA) drawdowns, royalties, and hardware products sales. As revenues from IP products sales and hardware products sales are recognized upfront, customer demand and timing requirements for such IP products and hardware products could result in increased variability of our total revenues.

22. The FY24 10-K further purported to warn of certain risks which “could” or “may” impact the Company, including as follows, in relevant part:

1 ***We may not be successful in our AI initiatives, which could adversely affect our***  
2 ***business, operating results or financial condition.***

3 We have incorporated, and are continuing to develop and deploy, AI into our  
4 products and the operations of our business. While these AI initiatives can present  
5 significant benefits, the AI landscape is rapidly evolving and may create risks and  
6 challenges for our business. If we fail to develop and timely offer products with AI  
7 features, if such products fail to meet our customers' demands, if these products fail  
8 to operate as expected, or if our competitors incorporate AI into their products more  
9 quickly or more successfully than we do, we may experience brand or reputational  
10 harm and lose our competitive position, our products may become obsolete, and our  
11 business, operating results or financial condition could be adversely affected.

12 \* \* \*

13 ***Our hardware products, which primarily consist of prototyping and emulation***  
14 ***systems, subject us to distinct risks.***

15 The growth in sales of our hardware products subjects us to risks, including, but not  
16 limited to:

- 17 •Increased dependence on a sole supplier for certain hardware components, which  
18 may reduce our control over product quality and pricing and may lead to delays in  
19 production and delivery of our hardware products, should our supplier fail to deliver  
20 sufficient quantities of acceptable components in a timely fashion;
- 21 •Increasingly variable revenue and less predictable revenue forecasts, due to  
22 fluctuations in hardware revenue, which is recognized upfront upon shipment, as  
23 opposed to most sales of software products for which revenue is recognized over  
24 time;
- 25 •Potential reductions in overall margins, as the gross margin for our hardware  
26 products, is typically lower than those of our software products;
- 27 •Longer sales cycles, which create risks of insufficient, excess or obsolete inventory  
28 and variations in inventory valuation, which can adversely affect our business,  
operating results and financial condition;

\* \* \*

29 ***Our operating results may fluctuate in the future, which may adversely affect our***  
30 ***stock price.***

31 Our operating results are subject to quarterly and annual fluctuations, which may  
32 adversely affect our stock price. Our historical results should not be viewed as  
33 indicative of our future performance due to these periodic fluctuations.

34 Many factors have in the past and may in the future cause our backlog, revenue or  
35 earnings to fluctuate, including, among other things:

36 \* \* \*

37 ***Changes in the mix of our products sold, as increased sales of our products with***  
38 ***lower gross margins, such as our hardware products, may reduce our overall***  
***margins***

23. On February 26, 2025, Synopsys issued a press release announcing the financial results of its first fiscal quarter ended January 31, 2025. The press release touted the Company's financial results and announced the Company's full fiscal year 2025 financial targets, as follows in relevant part:

Results Summary

- Quarterly revenue of \$1.455 billion, exceeding midpoint of guidance.
- Quarterly GAAP earnings per diluted share of \$1.89; non-GAAP earnings per diluted share of \$3.03, exceeding guidance.
- Reaffirming full-year 2025 guidance.

\* \* \*

**Second Quarter and Full Fiscal Year 2025 Financial Targets**  
(in millions except per share amounts)

	Range for Three Months Ending April 30, 2025		Range for Fiscal Year Ending October 31, 2025	
	Low	High	Low	High
Revenue	\$ 1,585	\$ 1,615	\$ 6,745	\$ 6,805
GAAP Expenses	\$ 1,191	\$ 1,211	\$ 4,972	\$ 5,029
Non-GAAP Expenses	\$ 985	\$ 995	\$ 4,045	\$ 4,085
Non-GAAP Interest and Other Income (Expense), net	\$ 24	\$ 26	\$ 94	\$ 98
Non-GAAP Tax Rate	16%	16%	16%	16%
Outstanding Shares (fully diluted)	156	158	157	159
GAAP EPS	\$ 2.21	\$ 2.33	\$ 10.09	\$ 10.31
Non-GAAP EPS	\$ 3.37	\$ 3.42	\$ 14.88	\$ 14.96
Operating Cash Flow				~\$1,800
Free Cash Flow <sup>(2)</sup>				~\$1,600
Capital Expenditures				~\$170

\* \* \*

	Three Months Ended January 31, 2025	Three Months Ended January 31, 2024
Revenue by segment		
- Design Automation	\$ 1,020.2	\$ 985.3
% of Total	70.1%	65.2%
- Design IP	\$ 435.1	\$ 525.7
% of Total	29.9%	34.8%
Adjusted operating income by segment		
- Design Automation	\$ 404.7	\$ 359.5
- Design IP	\$ 126.5	\$ 245.7
Adjusted operating margin by segment		
- Design Automation	39.7%	36.5%
- Design IP	29.1%	46.7%

24. On February 26, 2025, the Company submitted its quarterly report for the period ended January 31, 2025 on a Form 10-Q filed with the SEC (the "1Q25 10-Q"). The 1Q25 10-Q affirmed the previously reported financial results. The 1Q25 10-Q further stated the following regarding purported growth strategy and the factors impacting the Company's Design IP segment revenue. Specifically, the 1Q25 10-Q stated as follows, in relevant part:

Our growth strategy is based on maintaining and building on our leadership in our Design Automation products, expanding and proliferating our Design IP offerings

1 and continuing to expand our product portfolio and our total addressable market. Our  
 2 revenue growth from period to period is expected to vary based on the mix of our  
 3 time based and upfront products. Based on our leading technologies, customer  
 relationships, business model, diligent expense management, and acquisition  
 strategy, we believe that we will continue to execute our strategies successfully.

4 \* \* \*

5 **Design IP Segment**

6 •Design IP includes our interface, foundation, security, and embedded processor IP,  
 7 IP subsystems, and IP implementation services. These arrangements generally have  
 8 two performance obligations which consist of transferring of the licensed IP and  
 9 providing related support, which includes rights to technical support and software  
 10 updates that are provided over the support term and are transferred to the customer  
 11 over time. Revenue allocated to the IP licenses is recognized at a point in time upon  
 the later of the delivery date or the beginning of the license period, and revenue  
 allocated to support is recognized over the support term. Royalties are recognized as  
 revenue in the quarter in which the applicable customer sells its products that  
 incorporate our IP. Payments for IP contracts are generally received upon delivery  
 of the IP. Revenue related to the customization of certain IP is recognized over time,  
 generally using costs incurred or hours expended to measure progress.

12 Our customer arrangements can involve multiple products and various license rights,  
 13 and our customers negotiate with us over many aspects of these arrangements. For  
 14 example, they generally request a broader portfolio of solutions, support and services  
 and seek more favorable terms such as expanded license usage, future purchase rights  
 and other unique rights at an overall lower total cost. No single factor typically drives  
 our customers’ buying decisions, and we compete on all fronts to serve customers in  
 highly competitive markets. Customers generally negotiate the total value of the  
 16 arrangement rather than just unit pricing or volumes.

17 **Total Revenue**

18

	Year Ended October 31,			\$ Change	% Change	\$ Change	% Change
	2024	2023	2022	2024 vs. 2023		2023 vs. 2022	
(dollars in millions)							
Design							
Automation	\$ 4,221.1	\$ 3,775.3	\$ 3,300.2	\$ 445.8	12 %	\$ 475.1	14 %
Design IP	1,906.3	1,542.7	1,315.5	363.6	24 %	227.2	17 %
<b>Total</b>	<b>\$ 6,127.4</b>	<b>\$ 5,318.0</b>	<b>\$ 4,615.7</b>	<b>\$ 809.4</b>	<b>15 %</b>	<b>\$ 702.3</b>	<b>15 %</b>

21

22

23 25. The 1Q25 10-Q further purported to warn of certain risks which “could” or “may”  
 24 impact the Company, including as follows, in relevant part:

25 ***We may not be successful in our AI initiatives, which could adversely affect our  
 26 business, operating results or financial condition.***

27 We have incorporated, and are continuing to develop and deploy, AI into our  
 28 products and the operations of our business. While these AI initiatives can present  
 significant benefits, the AI landscape is rapidly evolving and may create risks and  
 challenges for our business. If we fail to develop and timely offer products with AI

1 features, if such products fail to meet our customers' demands, if these products fail  
2 to operate as expected, or if our competitors incorporate AI into their products more  
3 quickly or more successfully than we do, we may experience brand or reputational  
harm and lose our competitive position, our products may become obsolete, and our  
business, operating results or financial condition could be adversely affected.

4 \* \* \*

5 ***Our hardware products, which primarily consist of prototyping and emulation***  
6 ***systems, subject us to distinct risks.***

7 The growth in sales of our hardware products subjects us to risks, including, but not  
8 limited to:

9 •Increased dependence on a sole supplier for certain hardware components, which  
10 may reduce our control over product quality and pricing and may lead to delays in  
11 production and delivery of our hardware products, should our supplier fail to deliver  
12 sufficient quantities of acceptable components in a timely fashion;

13 •Increasingly variable revenue and less predictable revenue forecasts, due to  
14 fluctuations in hardware revenue, which is recognized upfront upon shipment, as  
15 opposed to most sales of software products for which revenue is recognized over  
16 time;

17 •Potential reductions in overall margins, as the gross margin for our hardware  
18 products, is typically lower than those of our software products;

19 •Longer sales cycles, which create risks of insufficient, excess or obsolete inventory  
20 and variations in inventory valuation, which can adversely affect our business,  
21 operating results and financial condition;

22 \* \* \*

23 ***Our operating results may fluctuate in the future, which may adversely affect our***  
24 ***stock price.***

25 Our operating results are subject to quarterly and annual fluctuations, which may  
26 adversely affect our stock price. Our historical results should not be viewed as  
27 indicative of our future performance due to these periodic fluctuations.

28 Many factors have in the past and may in the future cause our backlog, revenue or  
earnings to fluctuate, including, among other things:

\* \* \*

•***Changes in the mix of our products sold, as increased sales of our products with  
lower gross margins, such as our hardware products, may reduce our overall  
margins***

26. On May 28, 2025, Synopsys issued a press release announcing the financial results  
of its second fiscal quarter ended April 30, 2025. The press release touted the Company's financial

1 results and announced the Company's full fiscal year 2025 financial targets, as follows in relevant  
 2 part:

3 Results Summary

- 4 • Quarterly revenue of \$1.604 billion, exceeding midpoint of guidance.
- 5 • Quarterly GAAP earnings per diluted share of \$2.24; non-GAAP earnings per diluted share of \$3.67, exceeding guidance.
- 6 • Reaffirming full-year 2025 revenue guidance, and non-GAAP operating margin guidance.

8 \* \* \*

9 **Third Quarter and Full Fiscal Year 2025 Financial Targets**

10 *(in millions except per share amounts)*

	Range for Three Months Ending July 31, 2025		Range for Fiscal Year Ending October 31, 2025	
	Low	High	Low	High
Revenue	\$ 1,755	\$ 1,785	\$ 6,745	\$ 6,805
GAAP Expenses	\$ 1,273	\$ 1,293	\$ 5,011	\$ 5,068
Non-GAAP Expenses	\$ 1,055	\$ 1,065	\$ 4,045	\$ 4,085
Non-GAAP Interest and Other Income (Expense), net	\$ 9	\$ 11	\$ 118	\$ 122
Non-GAAP Tax Rate	16%	16%	16%	16%
Outstanding Shares (fully diluted)	156	158	156	158
GAAP EPS	\$ 2.63	\$ 2.74	\$ 10.14	\$ 10.34
Non-GAAP EPS	\$ 3.82	\$ 3.87	\$ 15.11	\$ 15.19
Operating Cash Flow			~\$ 1,500	
Free Cash Flow <sup>(2)</sup>			~\$ 1,300	
Capital Expenditures			~\$ 170	

16 \* \* \*

	Three Months Ended April 30, 2025	Three Months Ended April 30, 2024	Six Months Ended April 30, 2025	Six Months Ended April 30, 2024
Revenue by segment				
- Design Automation	\$ 1,122.3	\$ 1,054.9	\$ 2,142.5	\$ 2,040.3
% of Total	70.0%	72.5%	70.0%	68.8%
- Design IP	\$ 482.0	\$ 399.8	\$ 917.1	\$ 925.4
% of Total	30.0%	27.5%	30.0%	31.2%
Adjusted operating income by segment				
- Design Automation	\$ 458.8	\$ 418.2	\$ 863.4	\$ 777.7
- Design IP	\$ 150.5	\$ 124.8	\$ 277.1	\$ 370.5
Adjusted operating margin by segment				
- Design Automation	40.9%	39.6%	40.3%	38.1%
- Design IP	31.2%	31.2%	30.2%	40.0%

24 27. On May 28, 2025, the Company submitted its quarterly report for the period ended  
 25 April 30, 2025 on a Form 10-Q filed with the SEC (the "2Q25 10-Q"). The 2Q25 10-Q affirmed the  
 26 previously reported financial results. The 2Q25 10-Q further reported the Company's purported  
 27 growth strategy and the factors impacting the Company's Design IP segment revenue. Specifically,  
 28 the 2Q25 10-Q stated as follows, in relevant part:

Our growth strategy is based on maintaining and building on our leadership in our Design Automation products, expanding and proliferating our Design IP offerings and continuing to expand our product portfolio and our total addressable market. Our revenue growth from period to period is expected to vary based on the mix of our time based and upfront products. Based on our leading technologies, customer relationships, business model, diligent expense management, and acquisition strategy, we believe that we will continue to execute our strategies successfully.

\* \* \*

### Design IP Segment

• Design IP includes our interface, foundation, security, and embedded processor IP, IP subsystems, and IP implementation services. These arrangements generally have two performance obligations which consist of transferring of the licensed IP and providing related support, which includes rights to technical support and software updates that are provided over the support term and are transferred to the customer over time. Revenue allocated to the IP licenses is recognized at a point in time upon the later of the delivery date or the beginning of the license period, and revenue allocated to support is recognized over the support term. Royalties are recognized as revenue in the quarter in which the applicable customer sells its products that incorporate our IP. Payments for IP contracts are generally received upon delivery of the IP. Revenue related to the customization of certain IP is recognized over time, generally using costs incurred or hours expended to measure progress.

Our customer arrangements can involve multiple products and various license rights, and our customers negotiate with us over many aspects of these arrangements. For example, they generally request a broader portfolio of solutions, support and services and seek more favorable terms such as expanded license usage, future purchase rights and other unique rights at an overall lower total cost. No single factor typically drives our customers’ buying decisions, and we compete on all fronts to serve customers in highly competitive markets. Customers generally negotiate the total value of the arrangement rather than just unit pricing or volumes.

	April 30,		\$ Change	% Change
	2025	2024		
	(dollars in millions)			
<b>Three months ended</b>				
Design Automation	\$ 1,122.3	\$ 1,054.9	\$ 67.4	6 %
Design IP	482.0	399.8	82.2	21 %
Total	<u>\$ 1,604.3</u>	<u>\$ 1,454.7</u>	<u>\$ 149.6</u>	10 %
<b>Six months ended</b>				
Design Automation	\$ 2,142.5	\$ 2,040.3	\$ 102.2	5 %
Design IP	917.1	925.4	(8.3)	(1)%
Total	<u>\$ 3,059.6</u>	<u>\$ 2,965.7</u>	<u>\$ 93.9</u>	3 %

28. The 2Q25 10-Q further purported to warn of certain risks which “could” or “may” impact the Company, including as follows, in relevant part:

***We may not be successful in our AI initiatives, which could adversely affect our business, operating results or financial condition.***

We have incorporated, and are continuing to develop and deploy, AI into our products and the operations of our business. While these AI initiatives can present

1 significant benefits, the AI landscape is rapidly evolving and may create risks and  
2 challenges for our business. If we fail to develop and timely offer products with AI  
3 features, if such products fail to meet our customers' demands, if these products fail  
4 to operate as expected, or if our competitors incorporate AI into their products more  
quickly or more successfully than we do, we may experience brand or reputational  
harm and lose our competitive position, our products may become obsolete, and our  
business, operating results or financial condition could be adversely affected.

5 \* \* \*

6 ***Our hardware products, which primarily consist of prototyping and emulation***  
7 ***systems, subject us to distinct risks.***

8 The growth in sales of our hardware products subjects us to risks, including, but not  
limited to:

9 •Increased dependence on a sole supplier for certain hardware components, which  
10 may reduce our control over product quality and pricing and may lead to delays in  
production and delivery of our hardware products, should our supplier fail to deliver  
sufficient quantities of acceptable components in a timely fashion;

11 •Increasingly variable revenue and less predictable revenue forecasts, due to  
12 fluctuations in hardware revenue, which is recognized upfront upon shipment, as  
opposed to most sales of software products for which revenue is recognized over  
13 time;

14 •Potential reductions in overall margins, as the gross margin for our hardware  
products, is typically lower than those of our software products;

15 •Longer sales cycles, which create risks of insufficient, excess or obsolete inventory  
16 and variations in inventory valuation, which can adversely affect our business,  
operating results and financial condition;

17 \* \* \*

18 ***Our operating results may fluctuate in the future, which may adversely affect our***  
19 ***stock price.***

20 Our operating results are subject to quarterly and annual fluctuations, which may  
adversely affect our stock price. Our historical results should not be viewed as  
21 indicative of our future performance due to these periodic fluctuations.

22 Many factors have in the past and may in the future cause our backlog, revenue or  
earnings to fluctuate, including, among other things:

23 \* \* \*

24 ***Changes in the mix of our products sold, as increased sales of our products with***  
25 ***lower gross margins, such as our hardware products, may reduce our overall***  
26 ***margins***

27 29. The above statements identified in ¶¶18-28 were materially false and/or misleading,  
28 and failed to disclose material adverse facts about the Company's business, operations, and

1 prospects. Specifically, Defendants failed to disclose to investors: (1) the extent of the Company’s  
2 exposure to “challenges at a major foundry customer;” (2) the extent to which the Company’s  
3 increased focus on artificial intelligence based customers was deteriorating the economics of its  
4 Design IP business; (3) as a result, “certain road map and resource decisions” were unlikely to “yield  
5 their intended results;” (4) as a result, the Company had been reviewing its “ability to change the  
6 business model or the need to change the business model;” and (5) that, as a result of the foregoing,  
7 Defendants’ positive statements about the Company’s business, operations, and prospects were  
8 materially misleading and/or lacked a reasonable basis.

9 **Disclosures at the End of the Class Period**

10 30. On September 9, 2025, after market hours, Synopsys released its third quarter 2025  
11 financial results, revealing the Company’s “*IP business underperformed expectations.*” The  
12 Company reported quarterly revenue of \$1.740 billion, missing its prior guidance for the quarter of  
13 between \$1.755 billion and \$1.785 billion, and reported net income of \$242.5 million, or \$1.50 per  
14 diluted share, compared to \$425.9 million, or \$2.73 per diluted share, for the third quarter of fiscal  
15 year 2024. Moreover, the Company reported its Design IP segment, which accounts for  
16 approximately 25% of revenue, came in at \$426.6 million, a 7.7% decline year-over-year. Finally,  
17 management provided guidance which implied that Design IP revenues will decline by at least 5%  
18 on a full-year basis in fiscal 2025. Specifically, the press release stated as follows, in relevant part:

19 **Synopsys Posts Financial Results for Third Quarter Fiscal Year 2025**

20 Results Summary

- 21 • Quarterly revenue of \$1.740 billion, up 14% year-over-year (YoY)
- 22 • Quarterly GAAP earnings per diluted share of \$1.50; non-GAAP earnings per  
23 diluted share of \$3.39
- 24 • Results reflect the closing of Ansys acquisition on July 17, 2025
- 25 • Expecting full-year 2025 revenue between \$7.03 and \$7.06 billion dollars as  
Synopsys transformation continues

26 SUNNYVALE, Calif. – Sep. 9, 2025 – Synopsys, Inc. (Nasdaq: SNPS) today  
27 reported results for its third quarter of fiscal year 2025. Revenue for the third quarter  
28 of fiscal year 2025 was \$1.740 billion, compared to \$1.526 billion for the third  
quarter of fiscal year 2024.

“Q3 was a transformational quarter. Against a challenging geo-political backdrop, we closed the Ansys acquisition – expanding our portfolio, customer base and opportunity. Now more than ever, Synopsys is the mission-critical partner technology R&D needs to design and deliver AI-powered products,” said Sassine Ghazi, president and CEO of Synopsys. ***“While I’m proud of how our team navigated external challenges in the quarter, our IP business underperformed expectations.*** We are taking action to enhance our competitive advantage and drive resilient, long-term growth.”

“In Q3, strength in Design Automation was offset by weakness in Design IP,” said Shelagh Glaser, CFO of Synopsys. “We are taking a more conservative view of Q4, while guiding another consecutive year of profitable growth.”

### GAAP Results

On a U.S. generally accepted accounting principles (GAAP) basis, net income for the third quarter of fiscal year 2025 was \$242.5 million, or \$1.50 per diluted share, compared to \$425.9 million, or \$2.73 per diluted share, for the third quarter of fiscal year 2024.

\* \* \*

### Fourth Quarter and Full Fiscal Year 2025 Financial Targets

*(in millions except per share amounts)*

	Range for Three Months		Range for Fiscal Year	
	Ending		Ending	
	Low	High	Low	High
Revenue	\$ 2,230	\$ 2,260	\$ 7,030	\$ 7,060
GAAP Expenses	\$ 2,115	\$ 2,139	\$ 6,079	\$ 6,103
Non-GAAP Expenses	\$ 1,440	\$ 1,450	\$ 4,430	\$ 4,440
Non-GAAP Interest and Other Income (Expense), net	\$ (179)	\$ (181)	\$ (92)	\$ (94)
Non-GAAP Tax Rate	16%	16%	16%	16%
Outstanding Shares (fully diluted)	187	188	165	166
GAAP EPS	\$ (0.27)	\$ (0.16)	\$ 5.03	\$ 5.16
Non-GAAP EPS	\$ 2.76	\$ 2.80	\$ 12.76	\$ 12.80
Operating Cash Flow				~\$1,130
Free Cash Flow <sup>(1)</sup>				~\$950
Capital Expenditures				~\$180

\* \* \*

### Business Segment Reporting

*(in millions)*

	Three Months Ended	Three Months Ended	Nine Months Ended	Nine Months Ended
	July 31, 2025	July 31, 2024	July 31, 2025	July 31, 2024
Revenue by segment				
- Design Automation	\$ 1,312.1	\$ 1,062.6	\$ 3,454.6	\$ 3,103.0
% of Total	75.4%	69.6%	72.0%	69.1%
- Design IP	\$ 427.6	\$ 463.1	\$ 1,344.7	\$ 1,388.5
% of Total	24.6%	30.4%	28.0%	30.9%
Adjusted operating income by segment				
- Design Automation	\$ 583.8	\$ 440.9	\$ 1,447.2	\$ 1,218.6
- Design IP	\$ 86.0	\$ 169.7	\$ 363.1	\$ 540.2
Adjusted operating margin by segment				
- Design Automation	44.5%	41.5%	41.9%	39.3%
- Design IP	20.1%	36.7%	27.0%	38.9%

1 31. In an earnings call held the same day (the “3Q25 Earnings Call”), Ghazi revealed  
2 “results were primarily impacted by underperformance in the IP business” driven by factors  
3 including “challenges at a major foundry customer” and “*certain road map and resource decisions*  
4 *that did not yield their intended results.*” As a result, the Company is “actively pivoting [its] IP  
5 resources and road map” and the Company is “taking a more cautious view of Q4.” Specifically,  
6 Ghazi offered prepared remarks during 3Q25 Earnings Call, wherein he stated as follows, in relevant  
7 part:

8 Good afternoon. Q3 was a transformational milestone quarter for Synopsys. Against  
9 an unprecedented and challenging geopolitical backdrop, we closed the Ansys  
10 acquisition, expanding our revenue, our customer base and our long-term  
11 opportunity. We delivered third quarter revenue of \$1.74 billion and non-GAAP EPS  
12 of \$3.39.

13 *Our results were primarily impacted by underperformance in the IP business as*  
14 *we had the expectation of deals that did not materialize, driven largely by the*  
15 *following 3 factors: one, new export restrictions disrupted design starts in China,*  
16 *compounding China weakness; two, challenges at a major foundry customer are*  
17 *also having a sizable impact on the year. And finally, we made certain road map*  
18 *and resource decisions that did not yield their intended results.*

19 *We are actively pivoting our IP resources and road map towards the highest growth*  
20 *opportunities, which I'll discuss in more detail. Looking ahead, we believe we have*  
21 *derisked our forecast, knowing that transformation takes time and the external*  
22 *headwinds I cited will continue. We are taking a more cautious view of Q4*  
23 *while still expecting to deliver a record revenue year. Let me provide more color on our Q3*  
24 *execution and the actions we're taking to accelerate our strategy before Shelagh*  
25 *covers the financials in more detail.*

26 32. As the 3Q25 Earnings Call moved into its question and answer session, Ghazi further  
27 explained, regarding its pivot, that “there's more and more customization in particular, for interface  
28 IP, and these customization are moving from an off-the-shelf to a more subsystem delivery which  
is it takes longer, it takes more resources.” Ghazi concluded that, as a result “*our ability to change*  
*the business model or the need to change the business model is an ongoing dialogue with our*  
*customers.*” Specifically, Ghazi stated as follows, in relevant part:

So today, if you look at the Synopsys portfolio for IP, we serve multiple markets,  
HPC, Edge AI, automotive, mobile, consumer, and we serve that portfolio for  
multiple foundries, not only one foundry. And as I mentioned to Ruben when he  
asked the question, we have and our customer has expectations, and we have the  
responsibility given that portfolio breadth that we have to serve the multiple  
foundries for those multiple markets in both interface IP and foundation IP. And  
there's more and more customization in particular, for interface IP.

1 *And these customization are moving from an off-the-shelf to a more subsystem*  
2 *delivery which is it takes longer, it takes more resources and our ability to change*  
3 *the business model or the need to change the business model is an ongoing*  
4 *dialogue with our customers because as they're expecting us to do more work than*  
5 *just off-the-shelf IP, there's an opportunity for higher monetization. And that's what*  
6 *we're pivoting our resources, our methodology, our approach from an architecture*  
7 *point of view to serve that market for the interface IP that I talked about.*

8 33. As the 3Q25 Earnings Call continued, Ghazi clarified “the pivot from our customers  
9 in terms of expectation from off-the-shelf IP to customization is not new. But what is new is the  
10 magnitude in which the number of customers are expecting for us to deliver [customization]” and  
11 “[g]iven the demand for that customization, we need to ensure that we are capturing the right value  
12 for the impact we're delivering.” Ghazi concluded “we are absolutely assessing as this market is  
13 pivoting, and we're pivoting with it, *what is the business model to maintain the right profitability*  
14 *in order to capture the opportunity and growth that we have.*” Specifically, Ghazi stated as  
15 follows, in relevant part:

16 *The pivot from our customers in terms of expectation from off-the-shelf IP to*  
17 *customization is not new. But what is new is the magnitude in which the number*  
18 *of customers are expecting for us to deliver instead of discrete IP to deliver a number*  
19 *of IP that we glue them together with some customization logic and test logic, et*  
20 *cetera, and validate and ensure that it hits the mark with the right quality. Each one*  
21 *of those engagements historically had 2 components. It had an NRE component and*  
22 *a use fee component.*

23 *Given the demand for that customization, we need to ensure that we are capturing*  
24 *the right value for the impact we're delivering.* Therefore, it's not something that we  
25 are, I want to say, happy to just say it's an NRE plus a use fee, there has to be another  
26 element in order for us to put priority for these opportunities and deliver to. And  
27 that's what the discussions we're having with a number of these customers. And as  
28 you look ahead, if you fast forward 2-plus years from now, will we start delivering  
from an discrete IP to a subsystem to possibly chiplet? What level of chiplet? Is it a  
soft chiplet? Is it a hardened chiplet, meaning GDS2? Is it all the way down to a  
known good die with a partner?

These are all questions and expectations our customers are asking us, given we are  
the leader in that space, and we have a number of engagements with a few strategic  
partners. *We are absolutely assessing as this market is pivoting, and we're pivoting*  
*with it, what is the business model to maintain the right profitability in order to*  
*capture the opportunity and growth that we have.*

34. On this news, Synopsys’s stock price fell \$216.59, or 35.8%, to close at \$387.78 per  
share on September 10, 2025, on unusually heavy trading volume.

1 **CLASS ACTION ALLEGATIONS**

2 35. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil  
3 Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and entities that purchased  
4 or otherwise acquired Synopsys securities between December 4, 2024 and September 9, 2025,  
5 inclusive, and who were damaged thereby (the “Class”). Excluded from the Class are Defendants,  
6 the officers and directors of the Company, at all relevant times, members of their immediate families  
7 and their legal representatives, heirs, successors, or assigns, and any entity in which Defendants  
8 have or had a controlling interest.

9 36. The members of the Class are so numerous that joinder of all members is  
10 impracticable. Throughout the Class Period, Synopsys’s shares actively traded on the NASDAQ.  
11 While the exact number of Class members is unknown to Plaintiff at this time and can only be  
12 ascertained through appropriate discovery, Plaintiff believes that there are at least hundreds or  
13 thousands of members in the proposed Class. Millions of Synopsys shares were traded publicly  
14 during the Class Period on the NASDAQ. Record owners and other members of the Class may be  
15 identified from records maintained by Synopsys or its transfer agent and may be notified of the  
16 pendency of this action by mail, using the form of notice similar to that customarily used in securities  
17 class actions.

18 37. Plaintiff’s claims are typical of the claims of the members of the Class as all members  
19 of the Class are similarly affected by Defendants’ wrongful conduct in violation of federal law that  
20 is complained of herein.

21 38. Plaintiff will fairly and adequately protect the interests of the members of the Class  
22 and has retained counsel competent and experienced in class and securities litigation.

23 39. Common questions of law and fact exist as to all members of the Class and  
24 predominate over any questions solely affecting individual members of the Class. Among the  
25 questions of law and fact common to the Class are:

26 (a) whether the federal securities laws were violated by Defendants’ acts as  
27 alleged herein;

28

1 (b) whether statements made by Defendants to the investing public during the  
2 Class Period omitted and/or misrepresented material facts about the business, operations, and  
3 prospects of Synopsys; and

4 (c) to what extent the members of the Class have sustained damages and the  
5 proper measure of damages.

6 40. A class action is superior to all other available methods for the fair and efficient  
7 adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the  
8 damages suffered by individual Class members may be relatively small, the expense and burden of  
9 individual litigation makes it impossible for members of the Class to individually redress the wrongs  
10 done to them. There will be no difficulty in the management of this action as a class action.

11 **UNDISCLOSED ADVERSE FACTS**

12 41. The market for Synopsys's securities was open, well-developed and efficient at all  
13 relevant times. As a result of these materially false and/or misleading statements, and/or failures to  
14 disclose, Synopsys's securities traded at artificially inflated prices during the Class Period. Plaintiff  
15 and other members of the Class purchased or otherwise acquired Synopsys's securities relying upon  
16 the integrity of the market price of the Company's securities and market information relating to  
17 Synopsys, and have been damaged thereby.

18 42. During the Class Period, Defendants materially misled the investing public, thereby  
19 inflating the price of Synopsys's securities, by publicly issuing false and/or misleading statements  
20 and/or omitting to disclose material facts necessary to make Defendants' statements, as set forth  
21 herein, not false and/or misleading. The statements and omissions were materially false and/or  
22 misleading because they failed to disclose material adverse information and/or misrepresented the  
23 truth about Synopsys's business, operations, and prospects as alleged herein.

24 43. At all relevant times, the material misrepresentations and omissions particularized in  
25 this Complaint directly or proximately caused or were a substantial contributing cause of the  
26 damages sustained by Plaintiff and other members of the Class. As described herein, during the  
27 Class Period, Defendants made or caused to be made a series of materially false and/or misleading  
28 statements about Synopsys's financial well-being and prospects. These material misstatements

1 and/or omissions had the cause and effect of creating in the market an unrealistically positive  
2 assessment of the Company and its financial well-being and prospects, thus causing the Company's  
3 securities to be overvalued and artificially inflated at all relevant times. Defendants' materially false  
4 and/or misleading statements during the Class Period resulted in Plaintiff and other members of the  
5 Class purchasing the Company's securities at artificially inflated prices, thus causing the damages  
6 complained of herein when the truth was revealed.

7 **LOSS CAUSATION**

8 44. Defendants' wrongful conduct, as alleged herein, directly and proximately caused  
9 the economic loss suffered by Plaintiff and the Class.

10 45. During the Class Period, Plaintiff and the Class purchased Synopsys's securities at  
11 artificially inflated prices and were damaged thereby. The price of the Company's securities  
12 significantly declined when the misrepresentations made to the market, and/or the information  
13 alleged herein to have been concealed from the market, and/or the effects thereof, were revealed,  
14 causing investors' losses.

15 **SCIENTER ALLEGATIONS**

16 46. As alleged herein, Defendants acted with scienter since Defendants knew that the  
17 public documents and statements issued or disseminated in the name of the Company were  
18 materially false and/or misleading; knew that such statements or documents would be issued or  
19 disseminated to the investing public; and knowingly and substantially participated or acquiesced in  
20 the issuance or dissemination of such statements or documents as primary violations of the federal  
21 securities laws. As set forth elsewhere herein in detail, the Individual Defendants, by virtue of their  
22 receipt of information reflecting the true facts regarding Synopsys, their control over, and/or receipt  
23 and/or modification of Synopsys's allegedly materially misleading misstatements and/or their  
24 associations with the Company which made them privy to confidential proprietary information  
25 concerning Synopsys, participated in the fraudulent scheme alleged herein.



1 the national circuits of major newswire services and through other wide-ranging public disclosures,  
2 such as communications with the financial press and other similar reporting services; and/or

3 (d) Synopsys was followed by securities analysts employed by brokerage firms  
4 who wrote reports about the Company, and these reports were distributed to the sales force and  
5 certain customers of their respective brokerage firms. Each of these reports was publicly available  
6 and entered the public marketplace.

7 50. As a result of the foregoing, the market for Synopsys's securities promptly digested  
8 current information regarding Synopsys from all publicly available sources and reflected such  
9 information in Synopsys's share price. Under these circumstances, all purchasers of Synopsys's  
10 securities during the Class Period suffered similar injury through their purchase of Synopsys's  
11 securities at artificially inflated prices and a presumption of reliance applies.

12 51. A Class-wide presumption of reliance is also appropriate in this action under the  
13 Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972),  
14 because the Class's claims are, in large part, grounded on Defendants' material misstatements and/or  
15 omissions. Because this action involves Defendants' failure to disclose material adverse  
16 information regarding the Company's business operations and financial prospects—information that  
17 Defendants were obligated to disclose—positive proof of reliance is not a prerequisite to recovery.  
18 All that is necessary is that the facts withheld be material in the sense that a reasonable investor  
19 might have considered them important in making investment decisions. Given the importance of  
20 the Class Period material misstatements and omissions set forth above, that requirement is satisfied  
21 here.

22 **NO SAFE HARBOR**

23 52. The statutory safe harbor provided for forward-looking statements under certain  
24 circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. The  
25 statements alleged to be false and misleading herein all relate to then-existing facts and conditions.  
26 In addition, to the extent certain of the statements alleged to be false may be characterized as forward  
27 looking, they were not identified as "forward-looking statements" when made and there were no  
28 meaningful cautionary statements identifying important factors that could cause actual results to

1 differ materially from those in the purportedly forward-looking statements. In the alternative, to the  
2 extent that the statutory safe harbor is determined to apply to any forward-looking statements  
3 pleaded herein, Defendants are liable for those false forward-looking statements because at the time  
4 each of those forward-looking statements was made, the speaker had actual knowledge that the  
5 forward-looking statement was materially false or misleading, and/or the forward-looking statement  
6 was authorized or approved by an executive officer of Synopsys who knew that the statement was  
7 false when made.

8 **FIRST CLAIM**

9 **Violation of Section 10(b) of The Exchange Act and**

10 **Rule 10b-5 Promulgated Thereunder**

11 **Against All Defendants**

12 53. Plaintiff repeats and re-alleges each and every allegation contained above as if fully  
13 set forth herein.

14 54. During the Class Period, Defendants carried out a plan, scheme and course of conduct  
15 which was intended to and, throughout the Class Period, did: (i) deceive the investing public,  
16 including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and other  
17 members of the Class to purchase Synopsys's securities at artificially inflated prices. In furtherance  
18 of this unlawful scheme, plan and course of conduct, Defendants, and each defendant, took the  
19 actions set forth herein.

20 55. Defendants (i) employed devices, schemes, and artifices to defraud; (ii) made untrue  
21 statements of material fact and/or omitted to state material facts necessary to make the statements  
22 not misleading; and (iii) engaged in acts, practices, and a course of business which operated as a  
23 fraud and deceit upon the purchasers of the Company's securities in an effort to maintain artificially  
24 high market prices for Synopsys's securities in violation of Section 10(b) of the Exchange Act and  
25 Rule 10b-5. All Defendants are sued either as primary participants in the wrongful and illegal  
26 conduct charged herein or as controlling persons as alleged below.

27 56. Defendants, individually and in concert, directly and indirectly, by the use, means or  
28 instrumentalities of interstate commerce and/or of the mails, engaged and participated in a

1 continuous course of conduct to conceal adverse material information about Synopsys's financial  
2 well-being and prospects, as specified herein.

3 57. Defendants employed devices, schemes and artifices to defraud, while in possession  
4 of material adverse non-public information and engaged in acts, practices, and a course of conduct  
5 as alleged herein in an effort to assure investors of Synopsys's value and performance and continued  
6 substantial growth, which included the making of, or the participation in the making of, untrue  
7 statements of material facts and/or omitting to state material facts necessary in order to make the  
8 statements made about Synopsys and its business operations and future prospects in light of the  
9 circumstances under which they were made, not misleading, as set forth more particularly herein,  
10 and engaged in transactions, practices and a course of business which operated as a fraud and deceit  
11 upon the purchasers of the Company's securities during the Class Period.

12 58. Each of the Individual Defendants' primary liability and controlling person liability  
13 arises from the following facts: (i) the Individual Defendants were high-level executives and/or  
14 directors at the Company during the Class Period and members of the Company's management team  
15 or had control thereof; (ii) each of these defendants, by virtue of their responsibilities and activities  
16 as a senior officer and/or director of the Company, was privy to and participated in the creation,  
17 development and reporting of the Company's internal budgets, plans, projections and/or reports;  
18 (iii) each of these defendants enjoyed significant personal contact and familiarity with the other  
19 defendants and was advised of, and had access to, other members of the Company's management  
20 team, internal reports and other data and information about the Company's finances, operations, and  
21 sales at all relevant times; and (iv) each of these defendants was aware of the Company's  
22 dissemination of information to the investing public which they knew and/or recklessly disregarded  
23 was materially false and misleading.

24 59. Defendants had actual knowledge of the misrepresentations and/or omissions of  
25 material facts set forth herein, or acted with reckless disregard for the truth in that they failed to  
26 ascertain and to disclose such facts, even though such facts were available to them. Such defendants'  
27 material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose  
28 and effect of concealing Synopsys's financial well-being and prospects from the investing public

1 and supporting the artificially inflated price of its securities. As demonstrated by Defendants'  
2 overstatements and/or misstatements of the Company's business, operations, financial well-being,  
3 and prospects throughout the Class Period, Defendants, if they did not have actual knowledge of the  
4 misrepresentations and/or omissions alleged, were reckless in failing to obtain such knowledge by  
5 deliberately refraining from taking those steps necessary to discover whether those statements were  
6 false or misleading.

7 60. As a result of the dissemination of the materially false and/or misleading information  
8 and/or failure to disclose material facts, as set forth above, the market price of Synopsys's securities  
9 was artificially inflated during the Class Period. In ignorance of the fact that market prices of the  
10 Company's securities were artificially inflated, and relying directly or indirectly on the false and  
11 misleading statements made by Defendants, or upon the integrity of the market in which the  
12 securities trades, and/or in the absence of material adverse information that was known to or  
13 recklessly disregarded by Defendants, but not disclosed in public statements by Defendants during  
14 the Class Period, Plaintiff and the other members of the Class acquired Synopsys's securities during  
15 the Class Period at artificially high prices and were damaged thereby.

16 61. At the time of said misrepresentations and/or omissions, Plaintiff and other members  
17 of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff and the other  
18 members of the Class and the marketplace known the truth regarding the problems that Synopsys  
19 was experiencing, which were not disclosed by Defendants, Plaintiff and other members of the Class  
20 would not have purchased or otherwise acquired their Synopsys securities, or, if they had acquired  
21 such securities during the Class Period, they would not have done so at the artificially inflated prices  
22 which they paid.

23 62. By virtue of the foregoing, Defendants violated Section 10(b) of the Exchange Act  
24 and Rule 10b-5 promulgated thereunder.

25 63. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the  
26 other members of the Class suffered damages in connection with their respective purchases and  
27 sales of the Company's securities during the Class Period.

28

1 **SECOND CLAIM**

2 **Violation of Section 20(a) of The Exchange Act**

3 **Against the Individual Defendants**

4 64. Plaintiff repeats and re-alleges each and every allegation contained above as if fully  
5 set forth herein.

6 65. Individual Defendants acted as controlling persons of Synopsys within the meaning  
7 of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions and  
8 their ownership and contractual rights, participation in, and/or awareness of the Company's  
9 operations and intimate knowledge of the false financial statements filed by the Company with the  
10 SEC and disseminated to the investing public, Individual Defendants had the power to influence and  
11 control and did influence and control, directly or indirectly, the decision-making of the Company,  
12 including the content and dissemination of the various statements which Plaintiff contends are false  
13 and misleading. Individual Defendants were provided with or had unlimited access to copies of the  
14 Company's reports, press releases, public filings, and other statements alleged by Plaintiff to be  
15 misleading prior to and/or shortly after these statements were issued and had the ability to prevent  
16 the issuance of the statements or cause the statements to be corrected.

17 66. In particular, Individual Defendants had direct and supervisory involvement in the  
18 day-to-day operations of the Company and, therefore, had the power to control or influence the  
19 particular transactions giving rise to the securities violations as alleged herein, and exercised the  
20 same.

21 67. As set forth above, Synopsys and Individual Defendants each violated Section 10(b)  
22 and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their position  
23 as controlling persons, Individual Defendants are liable pursuant to Section 20(a) of the Exchange  
24 Act. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and other members  
25 of the Class suffered damages in connection with their purchases of the Company's securities during  
26 the Class Period.

27 **PRAYER FOR RELIEF**

28 WHEREFORE, Plaintiff prays for relief and judgment, as follows:

1 (a) Determining that this action is a proper class action under Rule 23 of the Federal  
2 Rules of Civil Procedure;

3 (b) Awarding compensatory damages in favor of Plaintiff and the other Class members  
4 against all defendants, jointly and severally, for all damages sustained as a result of Defendants'  
5 wrongdoing, in an amount to be proven at trial, including interest thereon;

6 (c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this  
7 action, including counsel fees and expert fees; and

8 (d) Such other and further relief as the Court may deem just and proper.

9 **JURY TRIAL DEMANDED**

10 Plaintiff hereby demands a trial by jury.

11 DATED: \_\_\_\_\_, 2025

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