

## TABLE OF CONTENTS

Condensed Consolidated Balance Sheets, December 29, 2018 and December 30, 2017.....	1
Trended Condensed Consolidated Balance Sheets.....	2
Condensed Consolidated Statements of Operations for the Three Months and Years Ended December 29, 2018 and December 30, 2017.....	3
Trended Condensed Statements of Operations.....	4
Condensed Consolidated Statements of Cash Flows for the Years Ended December 29, 2018 and December 30, 2017.....	5
Trended Condensed Consolidated Statements of Cash Flows.....	6
Revenue Mix by Geography.....	7
Revenue Mix by Product Group.....	7
Impact of Non-GAAP Adjustments on Forward Looking Diluted Net Income Per Share, as of February 19, 2019.....	8
Impact of Non-GAAP Adjustments on Forward Looking Net Income, as of February 19, 2019.....	8
Reconciliation of GAAP Net Income (Loss) to Non-GAAP Net Income, for the Three Months and Years Ended December 29, 2018 and December 30, 2017.....	9
Reconciliation of GAAP Diluted Net Income (Loss) Per Share to Non-GAAP Diluted Net Income Per Share, for the Three Months and Years Ended December 29, 2018 and December 30, 2017.....	10
Reconciliation of GAAP Financial Measures to Non-GAAP Financial Measures.....	11
Supplemental Reconciliation of Certain GAAP to Non-GAAP Measures for the Three Months Ended December 29, 2018.....	12
Supplemental Reconciliation of Certain GAAP to Non-GAAP Measures for the Three Months Ended December 30, 2017.....	13
Supplemental Reconciliation of Certain GAAP to Non-GAAP Measures for the Year Ended December 29, 2018.....	14
Supplemental Reconciliation of Certain GAAP to Non-GAAP Measures for the Year Ended December 30, 2017.....	15































**Cadence Design Systems, Inc.**  
**Supplemental Reconciliation of Certain GAAP to Non-GAAP Measures**  
**For the Year Ended December 30, 2017**  
(In thousands)  
(Unaudited)

	Year Ended December 30, 2017		
	GAAP	Adjustments	Non-GAAP*
Revenue:			
Product and maintenance	\$ 1,813,987	\$ -	\$ 1,813,987
Services	129,045	-	129,045
Total revenue	<u>1,943,032</u>	<u>-</u>	<u>1,943,032</u>
Costs and expenses:			
Cost of product and maintenance	156,676	(44,063) (A)	112,613
Cost of services	80,714	(3,324) (A)	77,390
Marketing and sales	419,161	(27,534) (A)	391,627
Research and development	804,223	(87,542) (A)	716,681
General and administrative	134,181	(23,954) (A)	110,227
Amortization of acquired intangibles	14,716	(14,716) (A)	-
Restructuring and other charges	9,406	(9,406)	-
Total costs and expenses	<u>1,619,077</u>	<u>(210,539)</u>	<u>1,408,538</u>
Income from operations	323,955	210,539	534,494
Interest expense	(25,664)	-	(25,664)
Other income, net	16,755	(15,693) (B)	1,062
Income before provision for income taxes	315,046	194,846	509,892
Provision for income taxes	110,945	6,330 (C)	117,275
Net income	<u>\$ 204,101</u>	<u>\$ 188,516</u>	<u>\$ 392,617</u>

\*The non-GAAP measures presented in the table above should not be considered a substitute for financial results and measures determined or calculated in accordance with GAAP. See the earnings press release of Cadence Design Systems, Inc. for its fourth quarter and fiscal year 2018 for a further discussion of its non-GAAP measures.

Notes:

(A) For the year ended December 30, 2017, adjustments to GAAP are as follows for the line items specified:

	Amortization of acquired intangibles	Stock-based compensation expense	Non-qualified deferred compensation expenses	Acquisition and integration-related costs	Total adjustments
Cost of product and maintenance	\$ 41,781	\$ 2,218	\$ 64	\$ -	\$ 44,063
Cost of services	-	3,232	92	-	3,324
Marketing and sales	-	26,838	528	168	27,534
Research and development	-	77,222	3,059	7,261	87,542
General and administrative	-	20,513	2,402	1,039	23,954
Amortization of acquired intangibles	14,716	-	-	-	14,716
Total	<u>\$ 56,497</u>	<u>\$ 130,023</u>	<u>\$ 6,145</u>	<u>\$ 8,468</u>	<u>\$ 201,133</u>

(B) Other income or expense related to investments and non-qualified deferred compensation plan assets

(C) Income tax effect of non-GAAP adjustments