

For Release

FTC to Require Synopsys and Ansys to Divest Assets to Proceed with Merger

FTC takes action to protect competition across several software tool markets used for semiconductor and light simulation design

May 28, 2025





Tags: Competition | Bureau of Competition | Merger | Technology | Hardware

The Federal Trade Commission will require Synopsys, Inc. and Ansys, Inc. to divest certain assets to resolve antitrust concerns surrounding their \$35 billion merger.

The FTC's proposed divestiture order will preserve competition across several software tool markets that are critical for the design of semiconductors and light simulation devices, which are used in a wide range of products. The proposed order will help protect consumers from higher input prices for cars, smartphones, cameras, televisions, and other critical products.

"The FTC's action today protects Americans from higher costs for the countless everyday products that use computer chips, LED screens, fiber optic cables, and many other high-tech components," said Daniel Guarnera, Director of the FTC's Bureau of Competition. "The FTC's divestiture order ensures that competition can thrive across software markets that are critical to designing the digital products that power Americans' daily lives."

Synopsys is a leading developer and supplier of software used to design semiconductors, known as Electronic Design Automation software. Ansys is a provider of simulation software tools, known as Simulation & Analysis software, which engineers use for testing products, including semiconductors.

1 of 3 5/29/2025, 1:37 PM Under a <u>proposed consent order</u> , Synopsys will divest its optical software tools, which enable engineers to design and simulate optical devices that generate, reflect, or refract light, such as LED screens, mirrors, and lenses. Synopsys will also divest its photonic software tools, which assist in the design and simulation of devices that use photons as a signal to transmit information, which include fiber optic cables and solar panels.

In addition, Ansys will divest a power consumption analysis tool, called PowerArtist, which is used to measure and optimize the power consumption of digital chips at an early stage of the design stage, known as Register Transfer Level (RTL) design.

Both Synopsys and Ansys will divest their assets to Keysight Technologies, Inc.

The proposed consent order settles FTC allegations that Synopsys's acquisition of Ansys is anticompetitive across three markets – optical software tools, photonic software tools for designing and simulating photonic devices, and RTL power consumption analysis tools. Synopsys and Ansys directly compete against one another across all three markets. The complaint alleges that the proposed deal would eliminate head-to-head competition and lead to higher prices and decreased innovation, harming device manufacturers and consumers.

The proposed consent order, among other terms, requires that:

- Synopsys and Ansys complete the divestitures no later than 10 days after Synopsys closes its acquisition of Ansys.
- Synopsys and Ansys provide a limited amount of transition services and technological support so that Keysight can compete immediately with the merged company.
- The Commission appoint a monitor to oversee the implementation of the requirements of the consent order and a divestiture trustee in the event Synopsys and Ansys fail to complete the divestitures as required.

FTC staff cooperated closely with staff of the competition agencies in the European Union, United Kingdom, Japan, and South Korea to analyze the proposed acquisition and potential remedies.

The Commission vote to issue the complaint and accept the consent agreement for public comment was 3-0. Chairman Andrew N. Ferguson <u>issued a statement</u> joined by Commissioners Melissa Holynak and Mark R. Meador.

2 of 3 5/29/2025, 1:37 PM

The public will have 30 days to submit comments on the proposed consent agreement package. Instructions for filing comments appear on the docket. Once processed, they will be posted on Regulations.gov.

NOTE: The Commission issues an administrative complaint when it has "reason to believe" that the law has been or is being violated, and it appears to the Commission that a proceeding is in the public interest. When the Commission issues a consent order on a final basis, it carries the force of law with respect to future actions.

The Federal Trade Commission works to <u>promote competition</u>, and protect and educate consumers. The FTC will never demand money, make threats, tell you to transfer money, or promise you a prize. You can learn more about <u>how competition benefits consumers</u> or <u>file an antitrust complaint</u>. For the latest news and resources, <u>follow the FTC on social media</u>, <u>subscribe to press releases</u> and <u>read our blog</u>.

Contact Information

Media Contact

<u>Victoria Graham</u> Office of Public Affairs 415-848-5121

1

3 of 3 5/29/2025, 1:37 PM