

What Does a Seat Actually Mean?

Reading physical verification licence quotations

A price without a seat count is not a price. A seat count without a definition of a seat is not a seat count.

\$50k – \$500k

PUBLIC PER-SEAT RANGE

20 – 30%

FLOATING PREMIUM

3 yr

TYPICAL TERM

1

NUMBER THAT MATTERS

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ABSTRACT

Physical verification licensing is quoted in ways that make comparison between vendors, between years, and between quotations from the same vendor genuinely difficult. The central problem is that the unit of sale — the seat — is not consistently defined, and a quotation that bundles capacity options into a base licence is not comparable to one that lists them separately, even when the totals are similar. This paper sets out a counting method that makes quotations comparable, using only publicly available pricing information. It contains no confidential or contractual figures, and is intended as a framework for reading a quotation rather than as a price list.

01 Why physical verification is the expensive line

Physical verification sits at the end of the design flow, immediately before tape-out, and it is gating. A design that has not been signed off cannot be manufactured, which gives the tool an unusual position: it is used by relatively few engineers, for a relatively small fraction of the project, and it cannot be skipped.

That combination produces a licensing dynamic distinct from tools used continuously by large teams. Demand is spiky — concentrated at tape-out — and the cost of insufficient capacity at that moment is measured in schedule, not in engineer productivity. Organisations therefore buy for peak, and pay for that capacity year-round.

Publicly available discussions of electronic design automation pricing place node-locked commercial licences in a range of roughly fifty thousand to five hundred thousand US dollars per seat per year, with floating licences carrying a premium of approximately twenty to thirty per cent, before maintenance, training and compute infrastructure. Industry commentary describes seat-based contracts of typically three years, priced bespoke against a per-tool schedule, with token-based and unlimited-use arrangements available in particular circumstances. Sources are listed in Appendix A.

WHY A SINGLE NUMBER TELLS YOU NOTHING

The width of that public range — an order of magnitude — is itself the point. It is not imprecision in the sources. It reflects genuine variation by tool, node, capacity and negotiation, and it means that a single quoted figure conveys almost nothing without the parameters that generated it.

02 The counting problem

A physical verification quotation typically comprises a base licence plus a set of additional line items. Those line items fall into two categories that look identical on an invoice and mean entirely different things.

Category	What it is	How it should be counted
Base licence	The entitlement to run the verification engine at all	This is the seat. Count these.
Capacity options	Additional throughput or parallelism for an existing entitlement	Not additional seats. They increase what one seat can do.
Capability options	Additional check types or analyses on an existing entitlement	Not additional seats. They broaden what one seat covers.
Interface and viewer components	Results browsing, layout viewing, interactive debug	Not additional seats. They are how the seat is used.

Table 1 — Line-item categories in a physical verification quotation.

THE COUNTING RULE

The rule that resolves almost every ambiguity: **count only the entitlement that lets you run a verification job at all.** Everything that scales, extends, or presents that entitlement is an option bundled into the seat, not a seat of its own. Applied consistently, this makes quotations with very different line-item structures directly comparable.

Why the miscount goes in a predictable direction

Counting options as seats inflates the apparent seat count and therefore deflates the apparent price per seat. A quotation comprising four base licences and twelve options, counted as sixteen seats, will appear to offer a per-seat

price a quarter of its true level.

This matters most when comparing against an alternative that quotes a single all-inclusive figure. The comparison then flatters whichever vendor itemises more finely, which is not information about value.

03 Reading a quotation: a worked framework

The following steps make two quotations comparable without requiring either vendor to change how they present pricing.

- 1. Identify the base entitlement and count it.** This is the seat count. Everything else is attributed to those seats.
- 2. Sum all option line items into the seat cost.** Do not carry them separately; the buyer does not experience them separately.
- 3. Normalise the term.** A three-year contract and an annual one are not comparable until both are expressed as annual cost. Multi-year terms frequently carry a discount that is genuine but should be recognised as a commitment cost, not a price reduction.
- 4. State capacity explicitly, separately from seats.** A seat with high parallel capacity and a seat without are different products at the same seat count. Record the capacity alongside the count rather than folding it into either figure.
- 5. Include maintenance and support in the annual figure.** These are not optional in practice.
- 6. Exclude compute infrastructure but record it.** It is a real cost, it differs substantially between tools with different scaling behaviour, and it does not belong inside a per-seat licence comparison.

Reported figure	Interpretable?	Why
"X per year"	No	No seat count; could be one seat or forty
"X per seat per year"	Partially	Seat definition unstated; options may or may not be included
"X per year for N base licences, all options included"	Yes	Unambiguous unit, unambiguous inclusion
"X per year for N base licences, all options included, M-way parallel capacity, T-year term"	Fully	Comparable against any other quotation expressed the same way

Table 2 — What a quotation must state to be comparable.

04 What the counting method does not tell you

It does not establish value

Two tools at the same normalised per-seat cost are not equivalent purchases. Rule deck coverage, foundry certification status, runtime on the designs the organisation actually builds, and integration with the existing flow all bear on whether the tool can be used at all. Normalised price makes quotations comparable; it does not make products comparable.

It does not capture the cost of insufficient capacity

The dominant hidden cost in physical verification licensing is queueing at tape-out. A cheaper licence that delays a tape-out by a week has not saved money. This cost is real, is difficult to quantify in advance, and is the reason

organisations buy peak capacity they use for a small fraction of the year.

It does not account for runtime

Two tools with identical licence costs and materially different runtimes have materially different total costs, because runtime determines how many concurrent runs are needed to meet a schedule and therefore how much capacity must be bought. Runtime is a licensing parameter, not only an engineering one — which is why it is treated seriously elsewhere in this series.

WHERE RUNTIME AND LICENSING MEET

Faster verification reduces the capacity required to meet the same schedule. That is the connection between engine performance and licence cost, and it is usually left implicit in both engineering and procurement discussions.

05 Conclusion

Physical verification pricing is difficult to compare not because vendors conceal it but because the unit of sale is inconsistently defined and the line-item structures differ. The counting method proposed here — count base entitlements as seats, fold every option into the seat cost, normalise the term, and state capacity separately — requires no cooperation from any vendor and makes otherwise incomparable quotations comparable.

The single most useful discipline for anyone discussing these numbers is to refuse to state or accept a price without a seat count attached. In physical verification, a price without a seat count is not a data point.

Appendix A — Sources

All pricing information referenced in this paper is drawn from publicly available published sources, listed below. This document contains no confidential, contractual or vendor-supplied pricing information, and no figures from any quotation received by Ramtera or by any Ramtera customer.

#	Source	Used for
1	TestFlow, <i>Top 10 Semiconductor Design Tools (EDA Software) in 2026, Compared</i> testflowinc.com/blog/top-10-semiconductor-design-tools-eda-software	Node-locked per-seat range; floating licence premium
2	Data Gravity, <i>Synopsys and Cadence: The \$160B Unsung Giants of Semiconductor Design</i> datagravity.dev/p/synopsys-and-cadence-the-160b-unsung	Seat-based contract structure; typical term; token and unlimited-use arrangements
3	Vendr, <i>Synopsys Software Pricing & Plans 2026</i> vendr.com/marketplace/synopsys	Subscription and floating licence models; bespoke pricing practice
4	Tech Design Forum, <i>The hidden cost of EDA</i> techdesignforums.com/practice/technique/the-hidden-cost-of-eda	Licence cost as a share of development spend; asset management context
5	SemiAnalysis, <i>EDA Market Primer</i> newsletter.semianalysis.com/p/eda-market-primer	Market structure; foundry certification and tool ecosystem context

Table A1 — Public sources. Accessed August 2026.

Published price ranges vary widely and reflect list or reported figures rather than transacted prices, which are negotiated and confidential. Figures cited are used to establish the order of magnitude and the structure of licensing arrangements, not to characterise any particular vendor's pricing. Ramtera is a supplier of physical verification software and therefore has a commercial interest in this subject; readers should weigh the analysis accordingly.

About Ramtera

Ramtera Inc. develops **LVR**, a physical verification engine that executes foundry SVRF rule decks natively, covering design rule checking, layout versus schematic, electrical rule checking, layout XOR, density and fill, and parasitic extraction. LVR is written in modern C++ with a Qt6 interface, and has been validated against publicly available process design kits including SKY130 and IHP SG13G2.

Ramtera also develops **PRE**, a place-and-route engine sharing LVR's geometry kernel, and maintains a portfolio of granted patents, registered copyrights and trademarks across its verification and implementation technologies.

Ramtera Inc. is incorporated in the United States, with research and development conducted by Ramtera Design Automation India Private Limited in Bangalore, India.

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