

Bentley Systems Fourth Quarter and Full Year 2024 Results and 2025 Financial Outlook



February 26, 2025

Bentley[®]
Advancing Infrastructure

- 01 Perspectives from the Executive Chair**
- 02 Perspectives from the CEO**
- 03 Perspectives from the CFO**
- 04 Q&A**

Disclaimer

This presentation includes forward-looking statements regarding the future results of operations and financial position, business strategy, and plans and objectives for future operations of Bentley Systems, Incorporated (the "Company," "we," "us," and words of similar import). All such statements contained in or made during this presentation, other than statements of historical facts, are forward-looking statements. The words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect" and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations, projections and assumptions about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, and there are a significant number of factors that could cause actual results to differ materially from statements made in or during this presentation including: adverse changes in global economic and/or political conditions; the impact of current and future sanctions, embargoes and other similar laws at the state and/or federal level that impose restrictions on our counterparties or upon our ability to operate our business within the subject jurisdictions; political, economic, regulatory and public health and safety risks and uncertainties in the countries and regions in which we operate; failure to retain personnel necessary for the operation of our business or those that we acquire; failure to effectively manage succession; changes in the industries in which our accounts operate; the competitive environment in which we operate; the quality of our products; our ability to develop and market new products to address our accounts' rapidly changing technological needs; changes in capital markets and our ability to access financing on terms satisfactory to us or at all; the impact of changing or uncertain interest rates on us and on the industries we serve; our ability to integrate acquired businesses successfully; and our ability to identify and consummate future investments and/or acquisitions on terms satisfactory to us or at all; and other risks and uncertainties described in our reports filed from time to time with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2024 and subsequent Form 10-Qs.

The forward-looking statements made in this presentation are made as of February 26, 2025. If this presentation is reviewed after February 26, 2025, even if made available by us, on our website or otherwise, it may not contain current or accurate information. We disclaim any obligation to update or revise any forward-looking statement based on new information, future events, or otherwise.

Please refer to the Appendix of this presentation for definitions of KPIs and non-GAAP financial measures, and where applicable, reconciliations to their nearest GAAP equivalents, included in this presentation.

01 Perspectives from the Executive Chair, Greg Bentley

BSY Investment Virtues...

A "Classic Compounder"

The entrenched leading provider of *infrastructure engineering* software globally

Founder-led company with a strong management bench and well-choreographed succession

Large direct recurring revenue base, low revenue concentration, and long-term account relationships provide strong visibility and consistency

Large (ecosystem) pipeline and track record of programmatic acquisitions to round out business performance growth

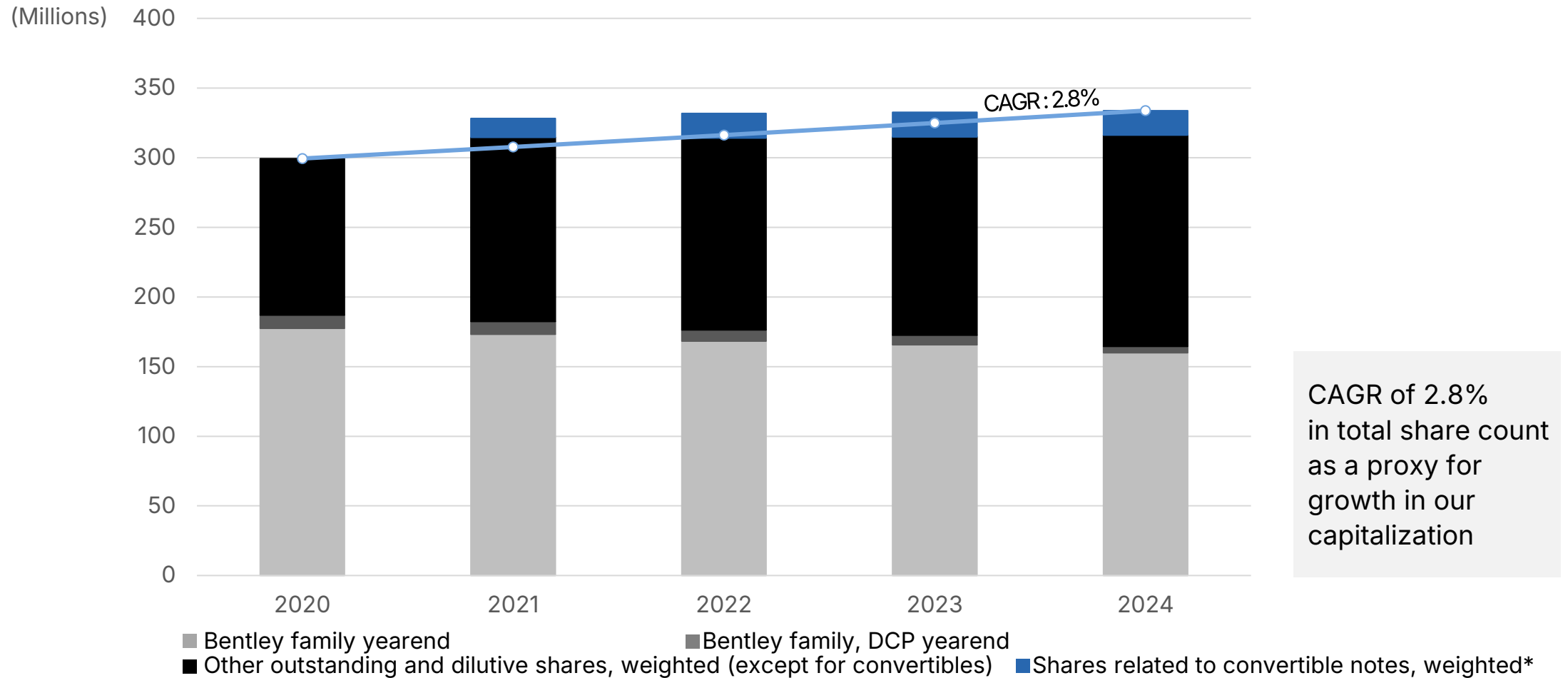
Operating leverage affords a long runway for ~100bps of annual margin expansion (Adjusted operating income inclusive of stock-based compensation expense⁹)

Strong cash flow conversion generates capital for reinvestment, acquisitions, and return of capital (dividends and buybacks to offset SBC dilution)

Sustainable double-digit ARR⁶ growth driven by company-specific growth initiatives AND strongly favorable secular end market conditions

Footnote 6: See appendix for KPI and non-GAAP definitions

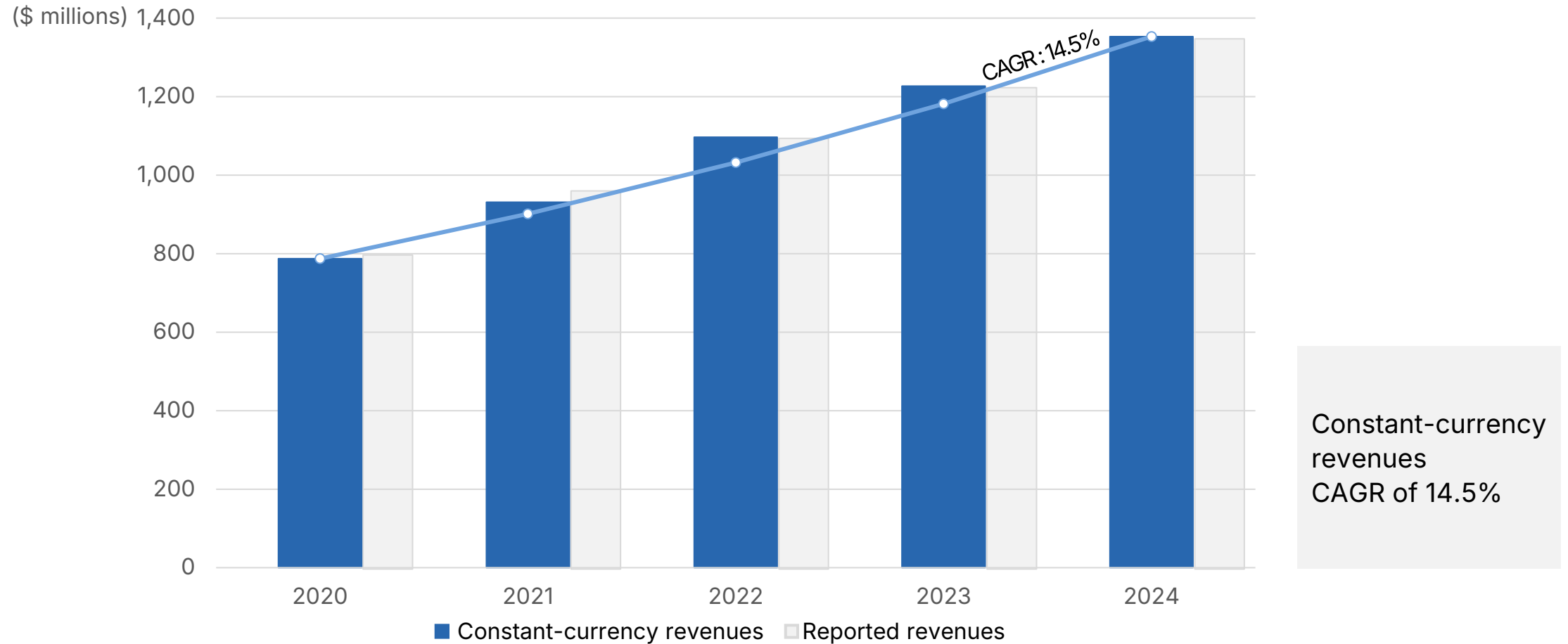
Compounding: share count management



Footnote*: Convertible notes for 2021 are included even though they were anti-dilutive

Compounding: revenues

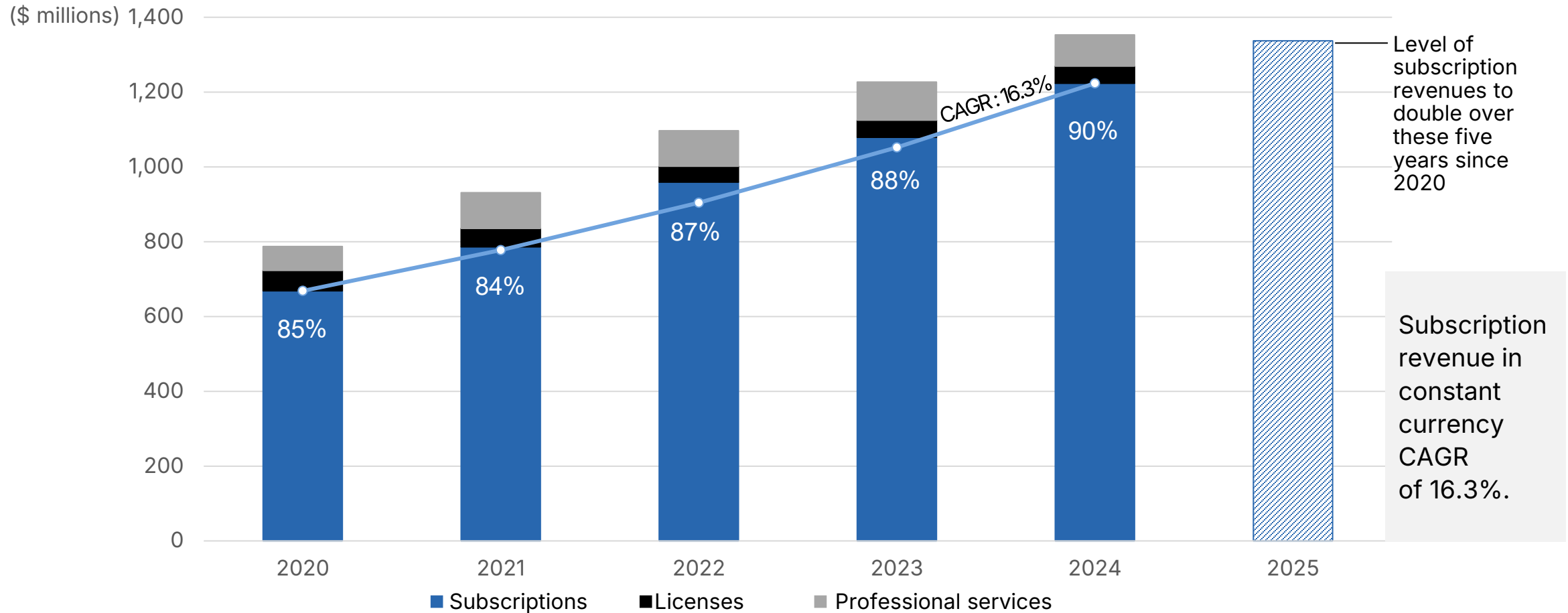
(in constant currency)*



Footnote*: Constant currency¹ calculated using our disclosed constant currency growth rates in our filings.
Footnote 1: See appendix for KPI and non-GAAP definitions

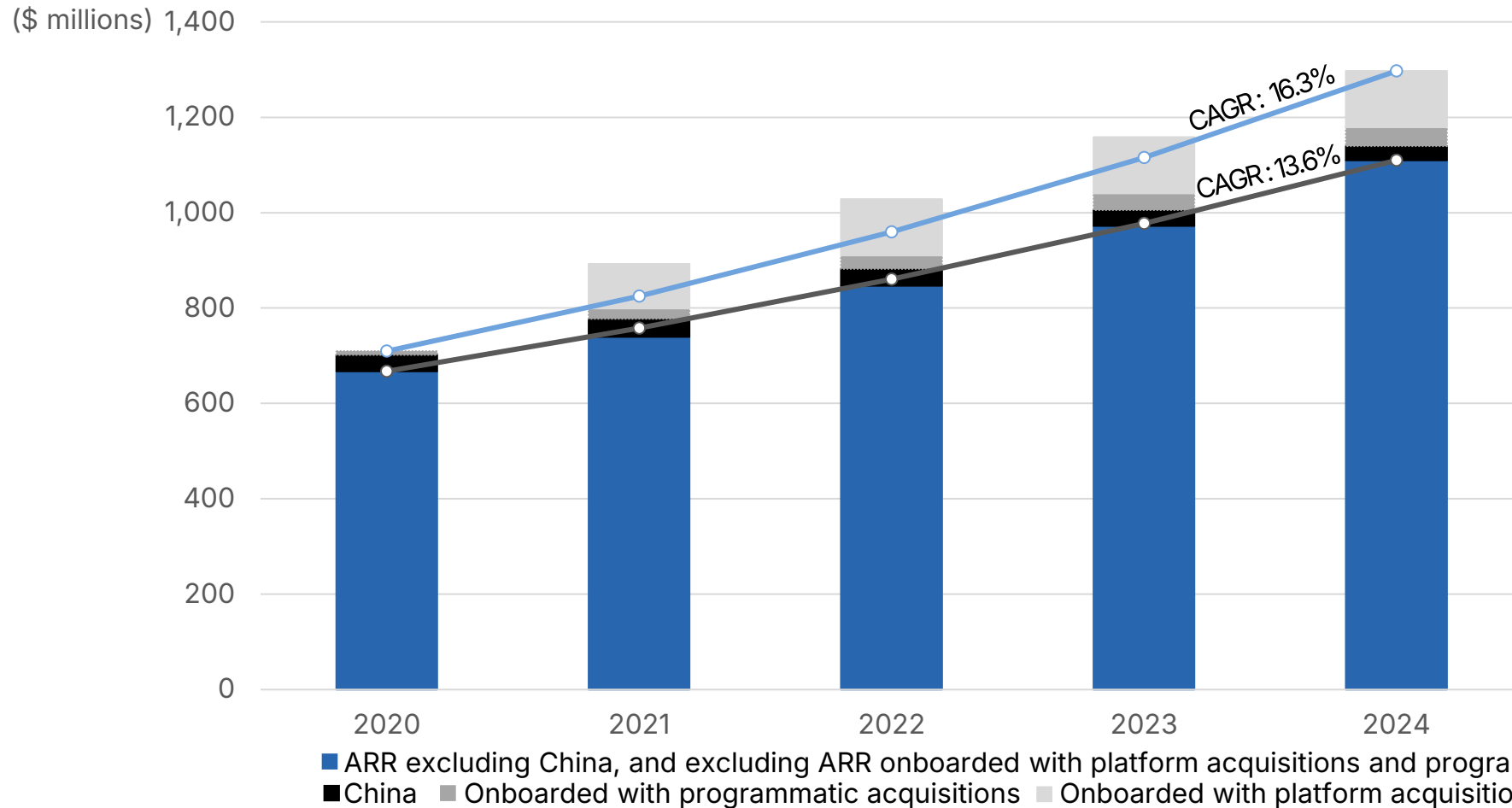
Compounding: revenues

(in constant currency)*



Footnote*: Constant currency¹ calculated using our disclosed constant currency growth rates in our filings.
Footnote 1: See appendix for KPI and non-GAAP definitions

Compounding: ARR⁶

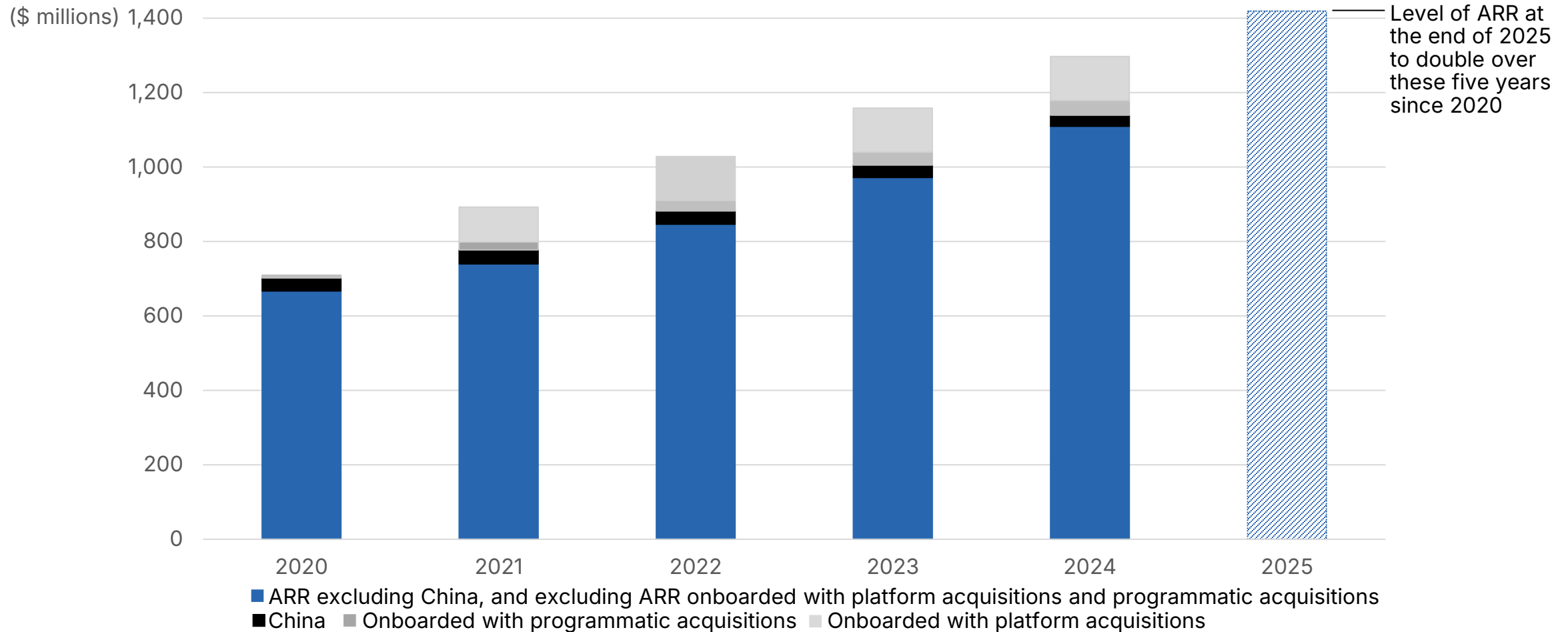


ARR in constant currency CAGR of 16.3%.
Same as for constant-currency subscription revenue

ARR in constant currency ex-China and ex-onboarded acquisitions CAGR of 13.6%.

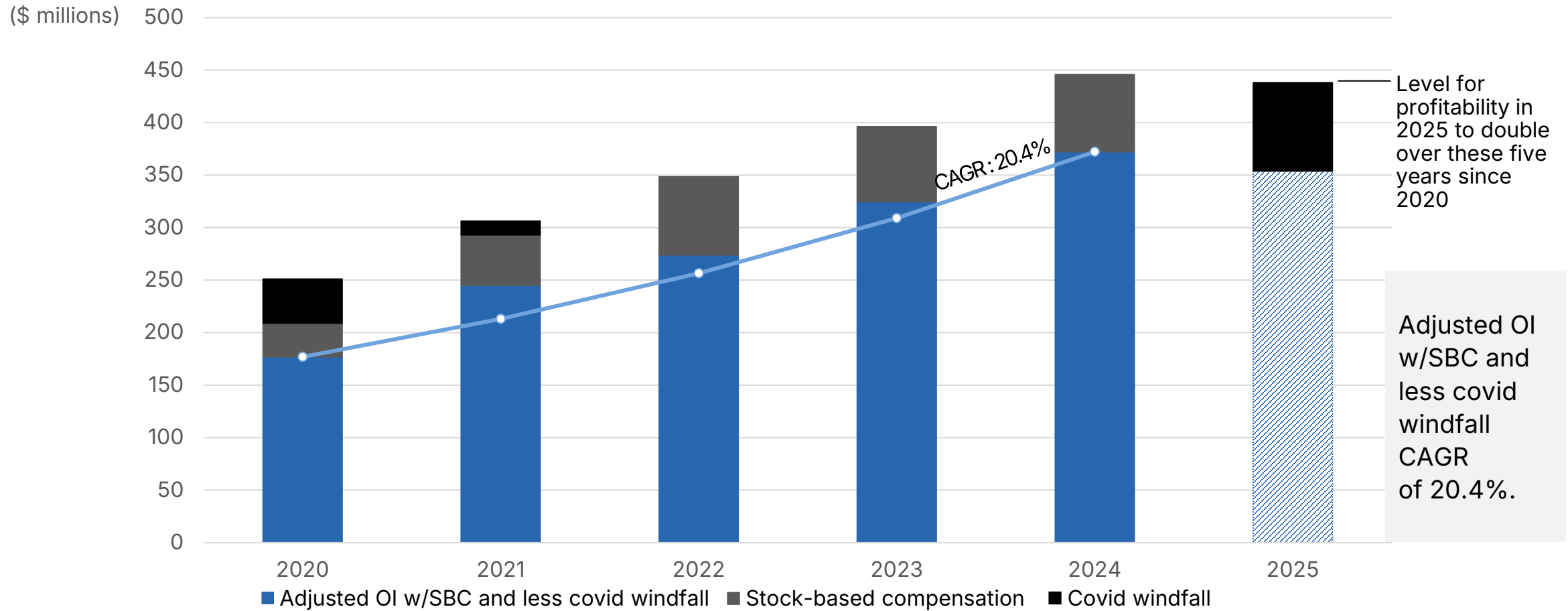
Footnote: ARR⁶ constant currency calculated using 2024 budget exchange rates
Footnote 6: See appendix for KPI and non-GAAP definitions

Compounding: ARR⁶

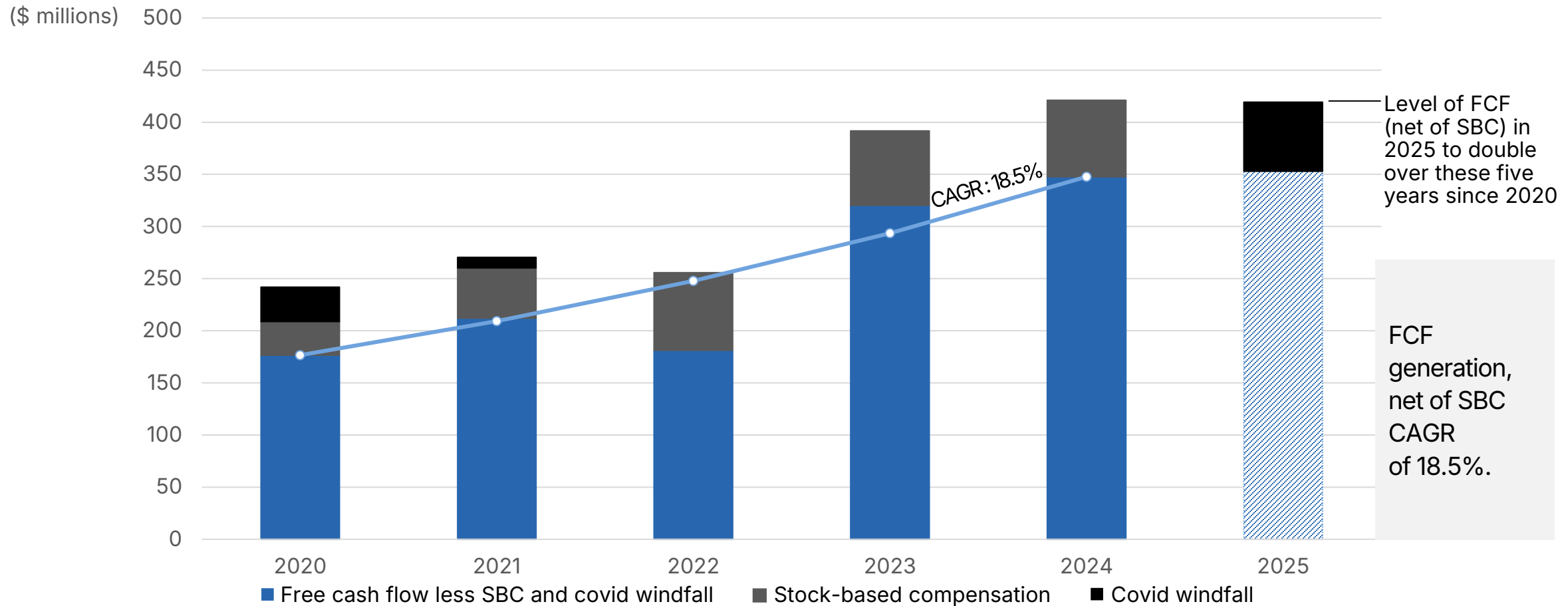


Footnote: ARR⁶ constant currency calculated using 2024 budget exchange rates
Footnote 6: See appendix for KPI and non-GAAP definitions

Compounding: profitability



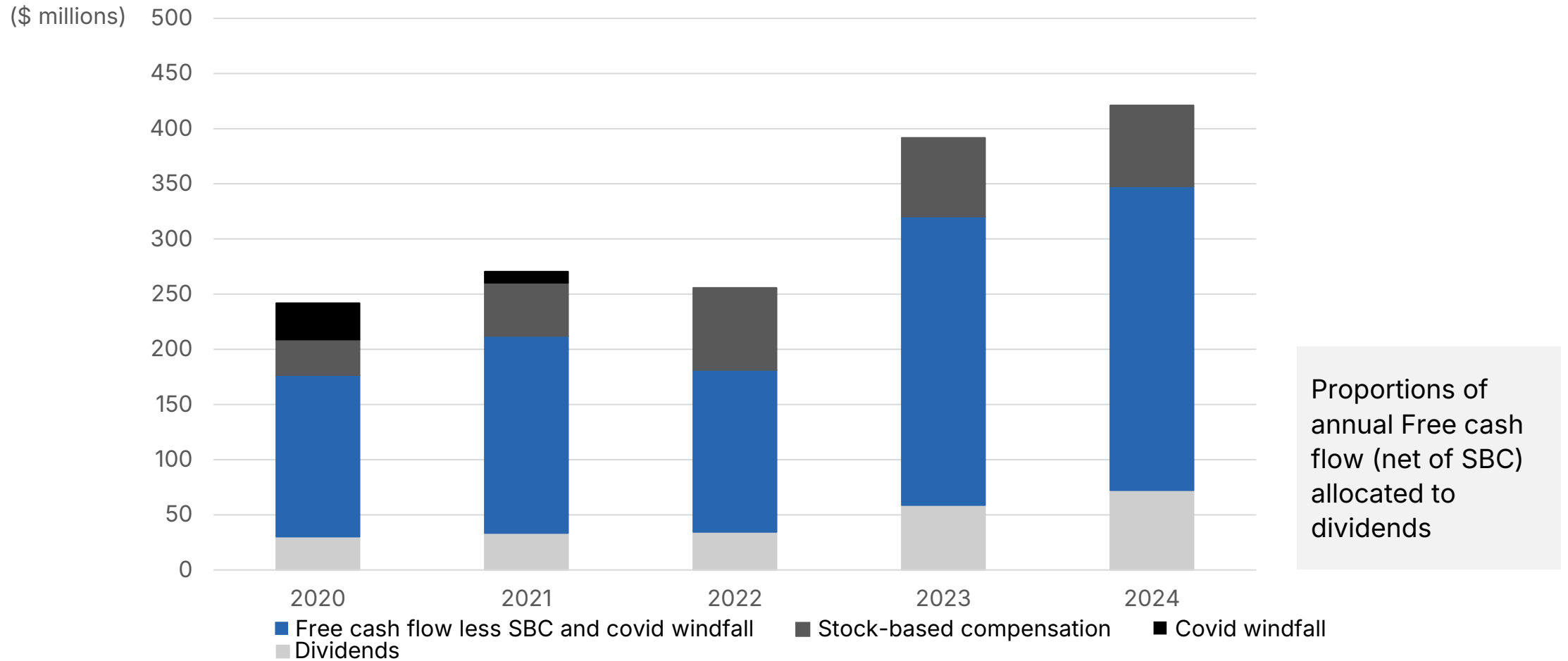
Compounding: FREE cash flow¹³



Footnote 13: See appendix for KPI and non-GAAP definitions

Compounding: FREE cash flow¹³

Dividends

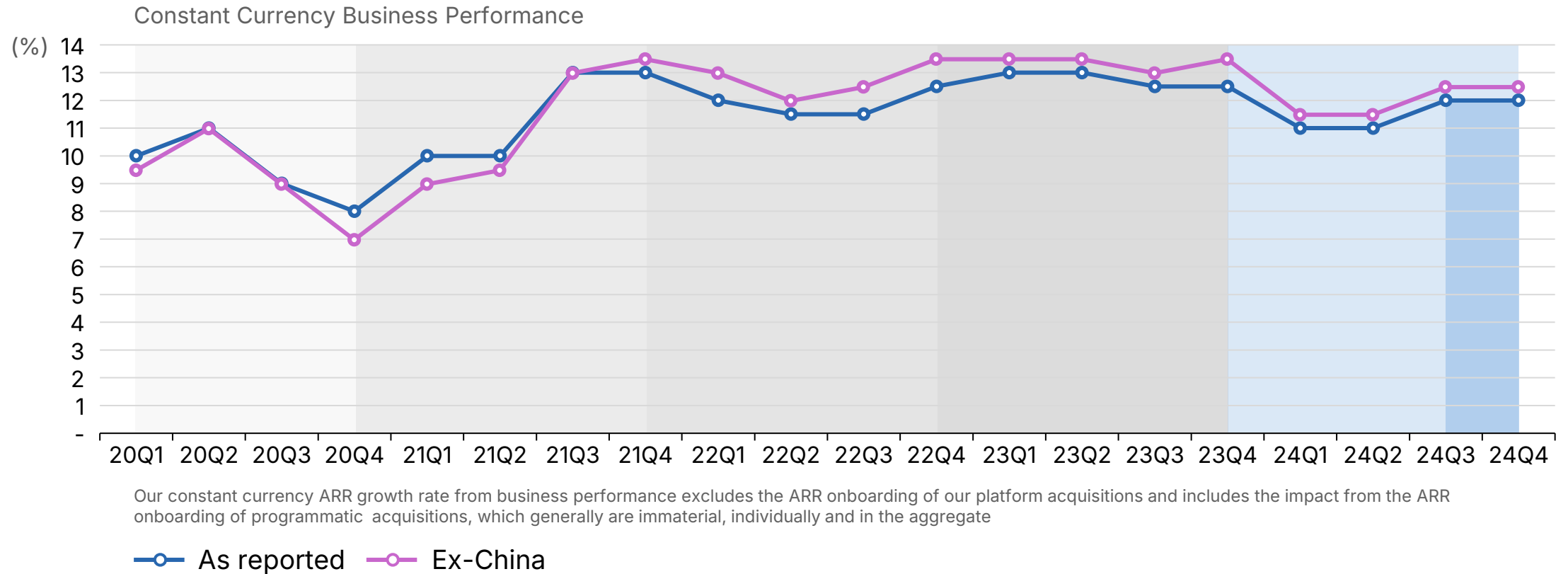


Footnote 13: See appendix for KPI and non-GAAP definitions

02 Perspectives from the CEO, Nicholas Cumins

YoY ARR growth⁸

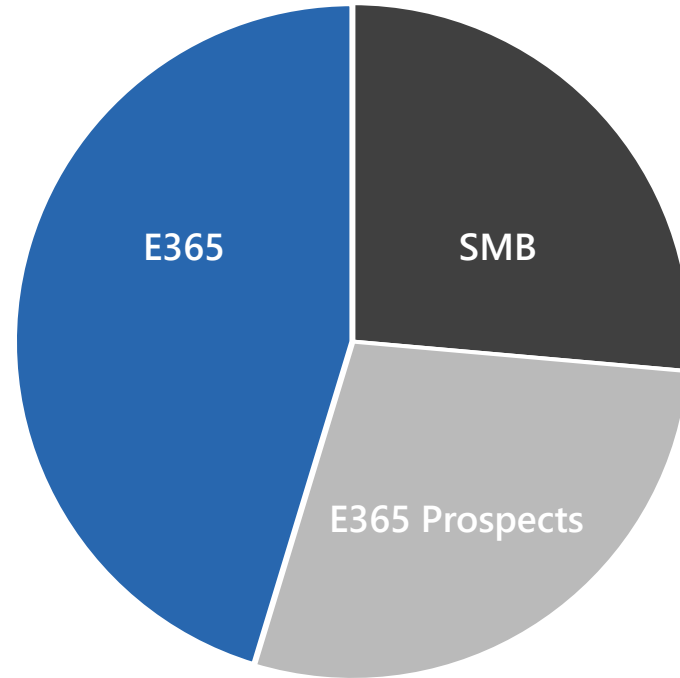
Strong and consistent growth



Note: Annualized Recurring Revenue ("ARR")⁶
Footnotes 6, 8: See appendix for KPI and non-GAAP definitions

ARR⁶ by account size

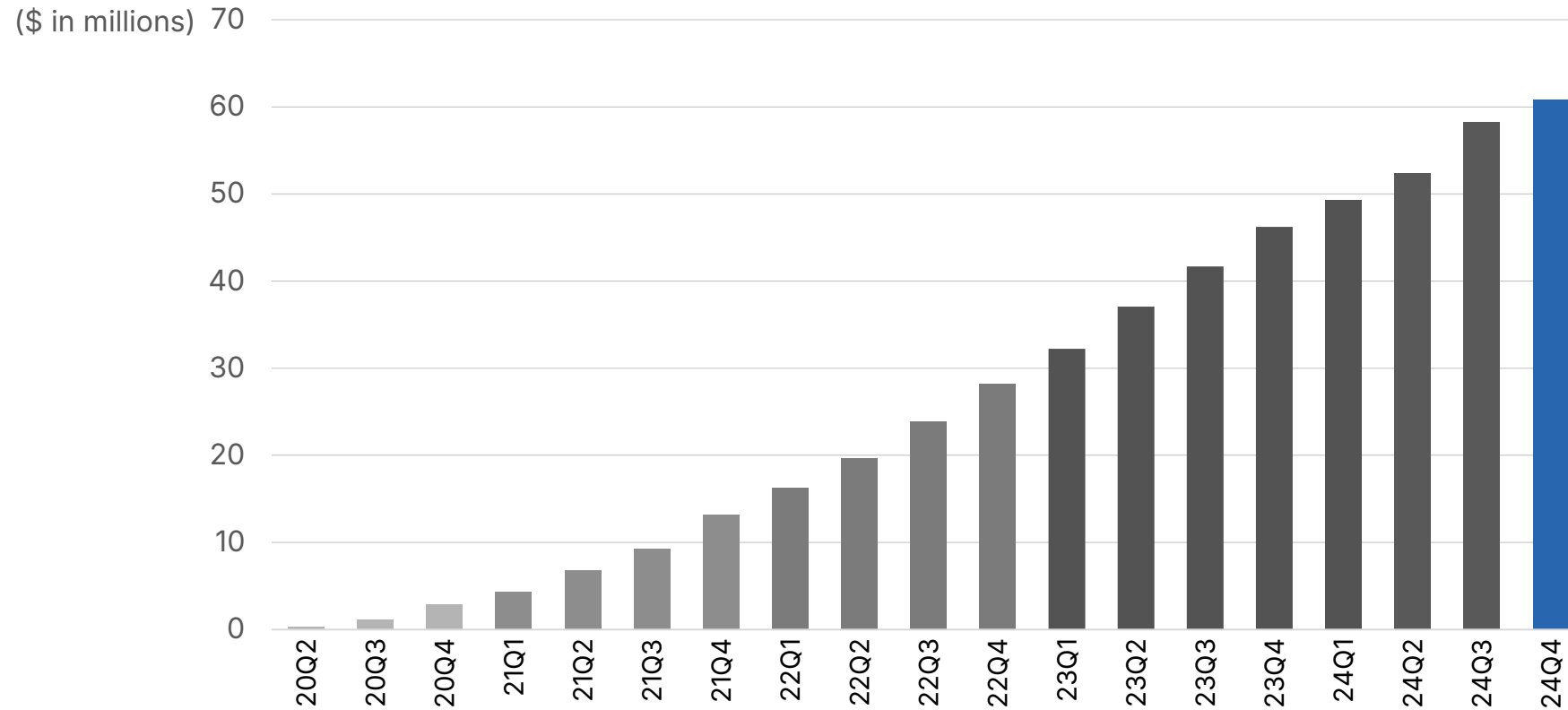
E365 and SMB new logos remain major growth drivers



Note: Chart segment sizing corresponds to underlying % of 24Q4 ARR
Footnote 6: See appendix for KPI and non-GAAP definitions

Virtuosity ARR⁶

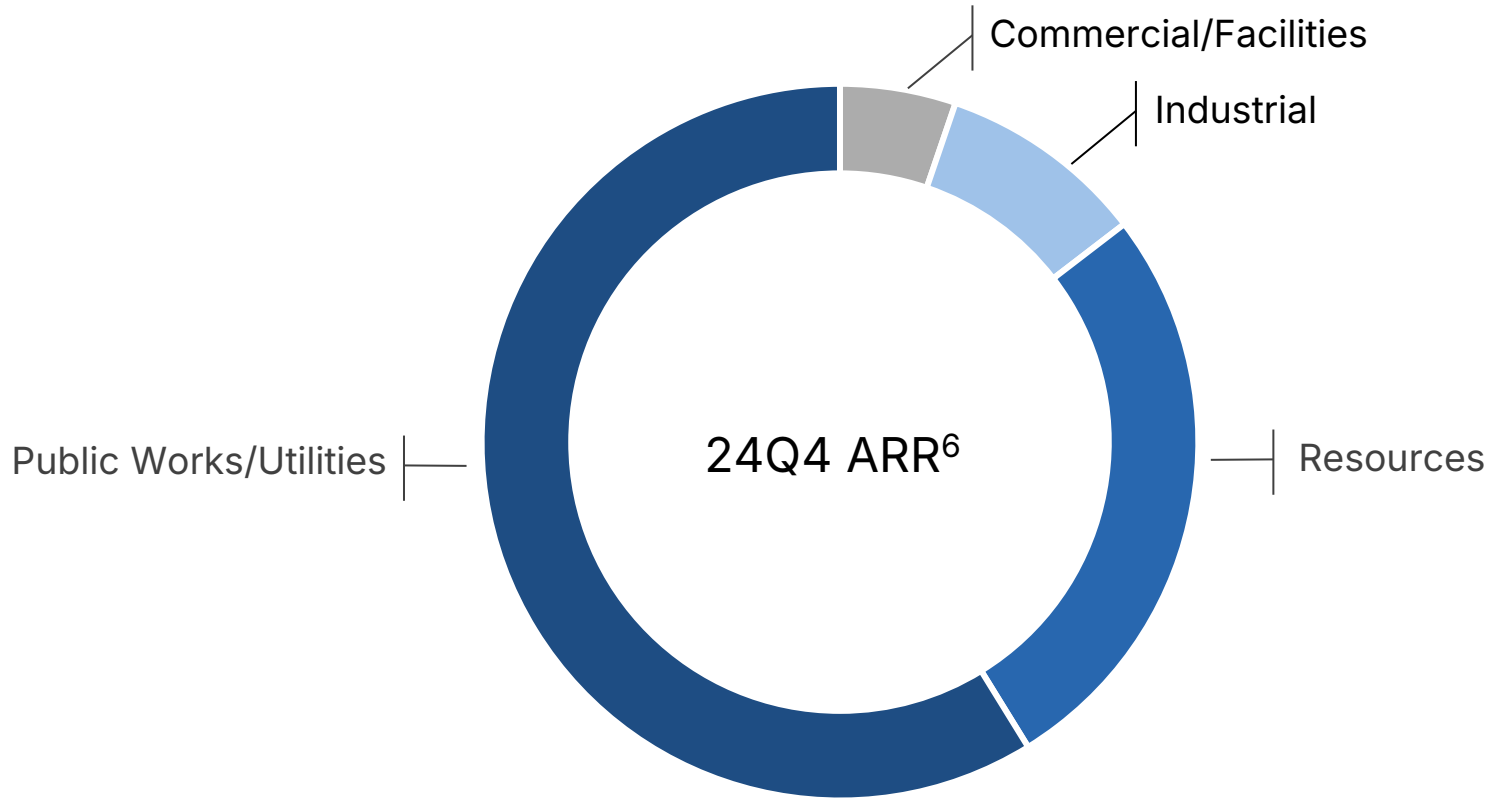
Twelfth straight quarter of at least 600 new logos



Note: All periods use exchange rates as of December 31, 2024
Footnote 6: See appendix for KPI and non-GAAP definitions

Tone of business by infrastructure sector

Consistent trends with previous quarters



Note: Chart segment sizing corresponds to underlying % of 24Q4 Sector-attributable ARR⁶
Footnote 6: See appendix for KPI and non-GAAP definitions

Developments across geographic regions



Americas

Strong growth

- Consistent trends within North America and Latin America
- Engineering community expects continued investments in infrastructure in the U.S.



EMEA

Stand out quarter

- Strength across most of Europe
- Middle East continues to be a major growth driver



Asia Pacific

Strong growth

- India and Southeast Asia leading the region once again
- China headwinds remain the same and we expect further declines

Notable product developments

Bentley Infrastructure Cloud™

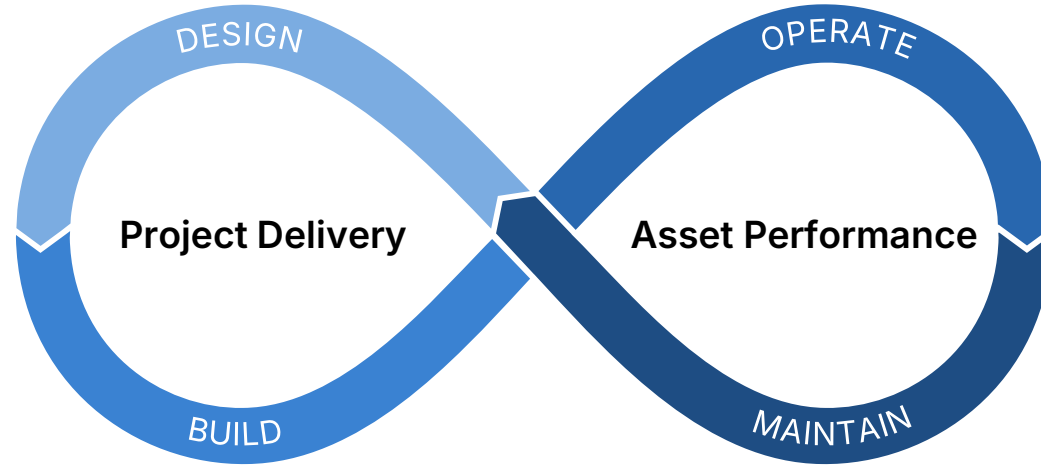
Connecting data and people across the lifecycle

Bentley Open™ Applications

Creating and optimizing engineering designs

Seequent®

Modeling and analyzing the subsurface



Bentley Asset Analytics

Optimizing asset reliability and resilience

Cesium and iTwin® Platform

Powering digital twins of the built and natural environment

State of the AEC industry 2024 report



2024 State of the AEC Industry

Analysis & Insights

Full Report / October 2024

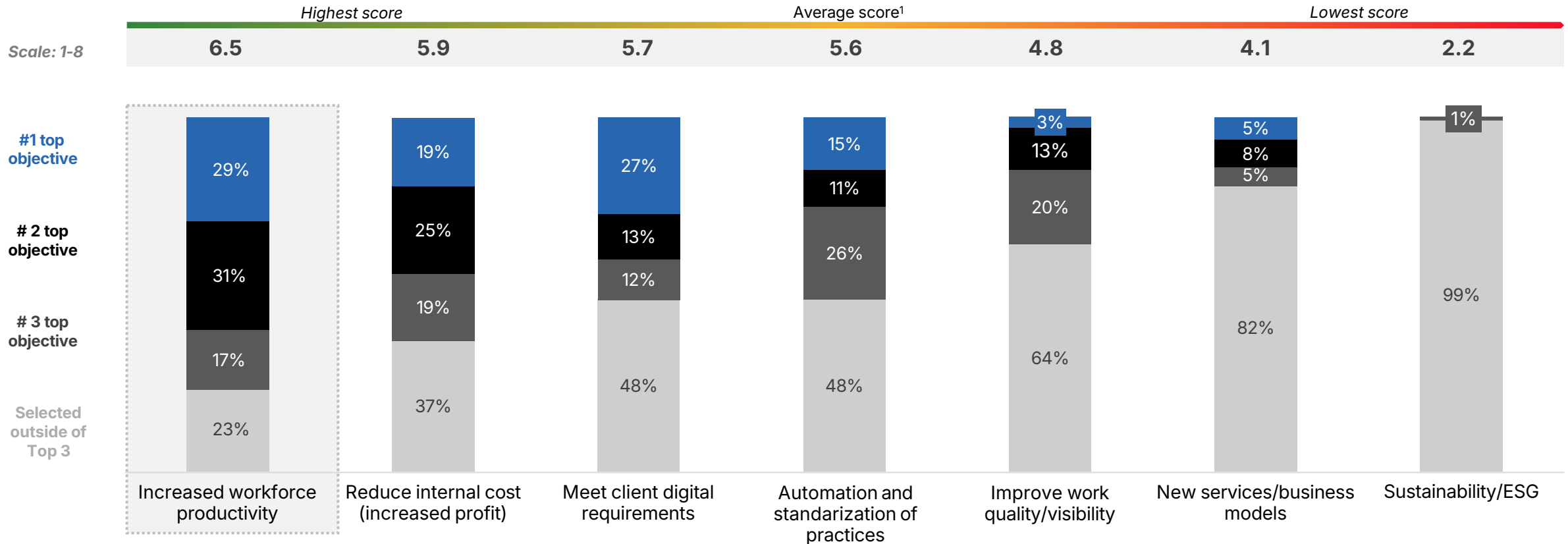
Digital transformation survey participants:

**95 AEC firms,
totaling ~\$34 billions
in gross revenue¹**

¹2023 Gross Revenue figures

Top objectives today

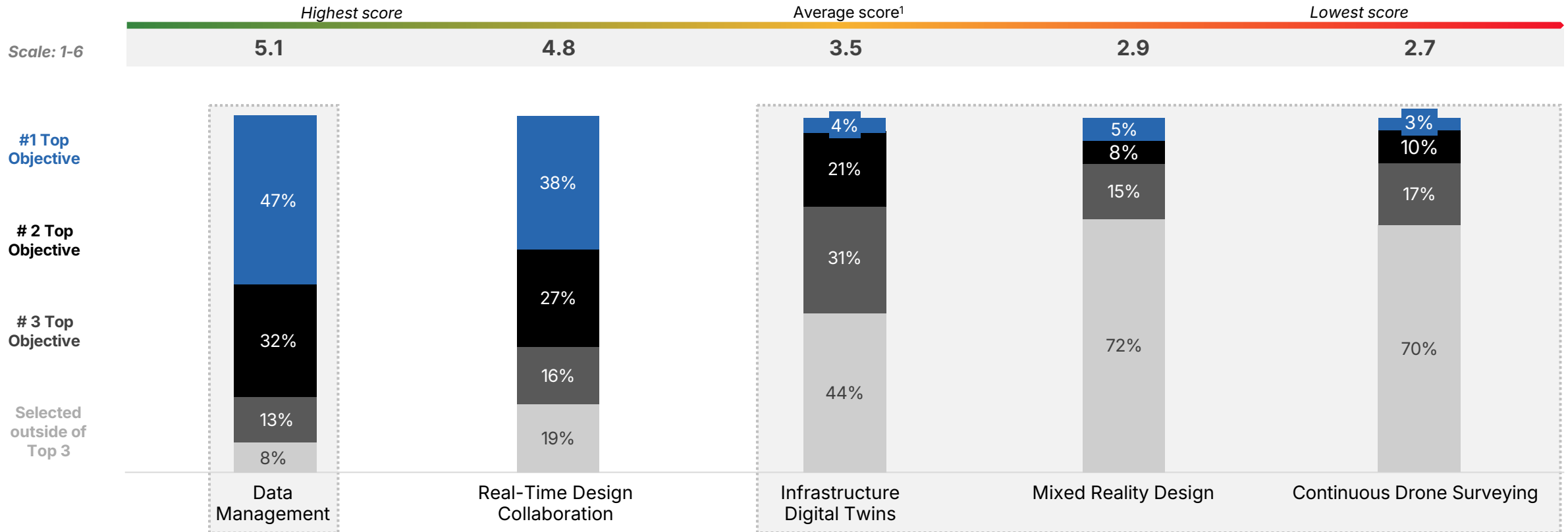
%'s = number of times objective is ranked 1, 2, 3 or outside top 3, sorted by average score from highest to lowest



¹ Average score based on ranking of 8 categories ("Other" not shown above) (i.e., from 1 – 8, with 8 being the top objective)
 Source AEC Advisors; 2024 State of the AEC industry / Full report / October 2024

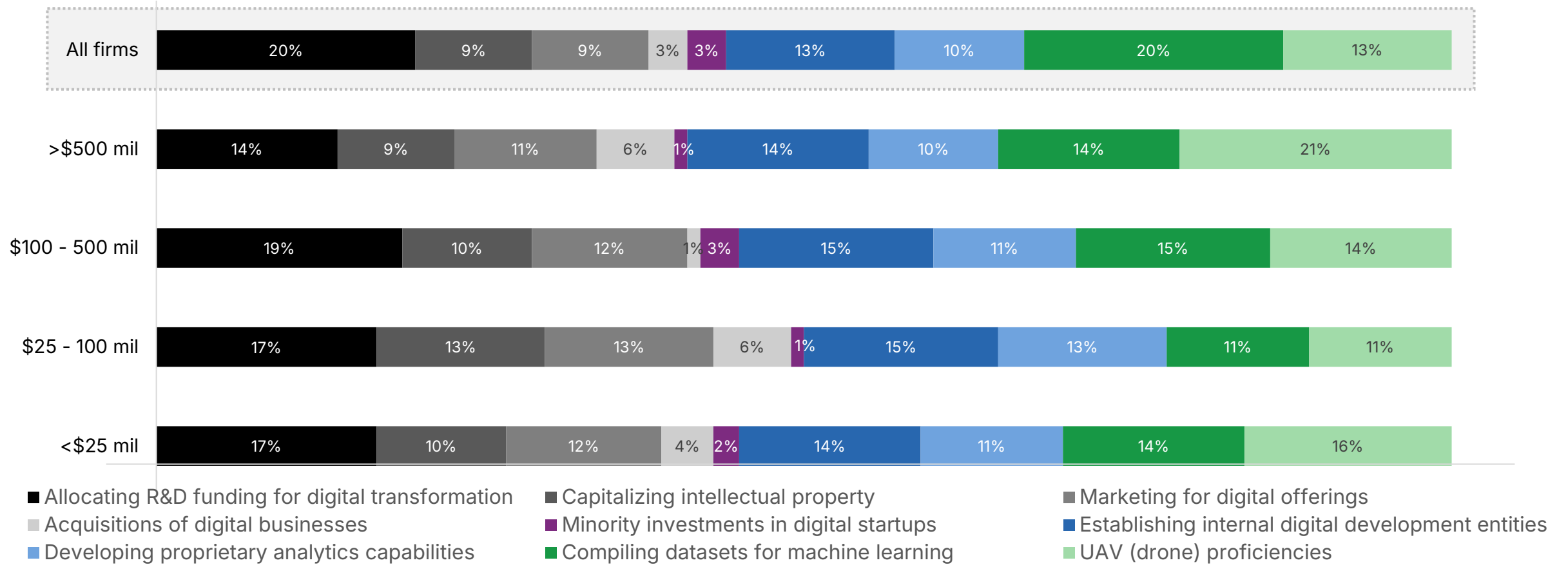
Most important: digital technology


%'s = number of times objective is ranked 1, 2, 3 or outside top 3, sorted by average score from highest to lowest



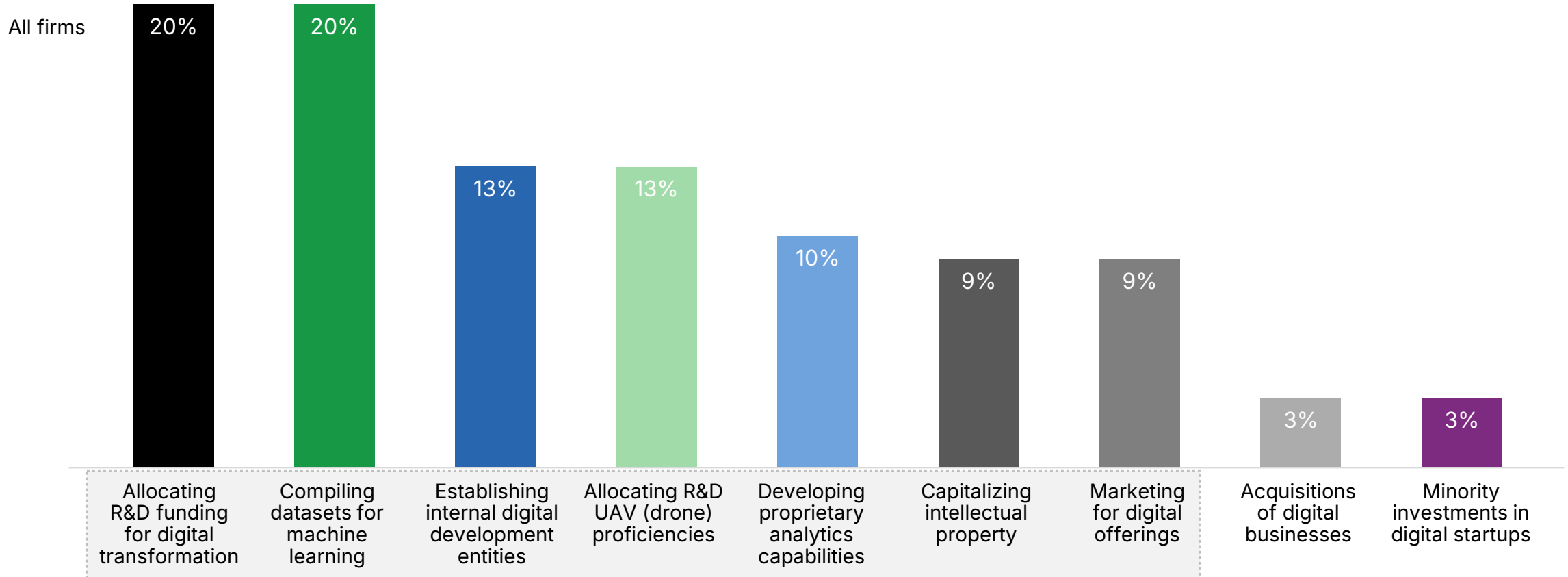
¹ Average score based on ranking of 6 categories ("Other" not shown above) (i.e., from 1 – 6, with 6 being the most important)
 Source AEC Advisors; 2024 State of the AEC industry / Full report / October 2024

Digital investment currently underway



 % of total number of unique response
 Source AEC Advisors; 2024 State of the AEC industry / Full report / October 2024

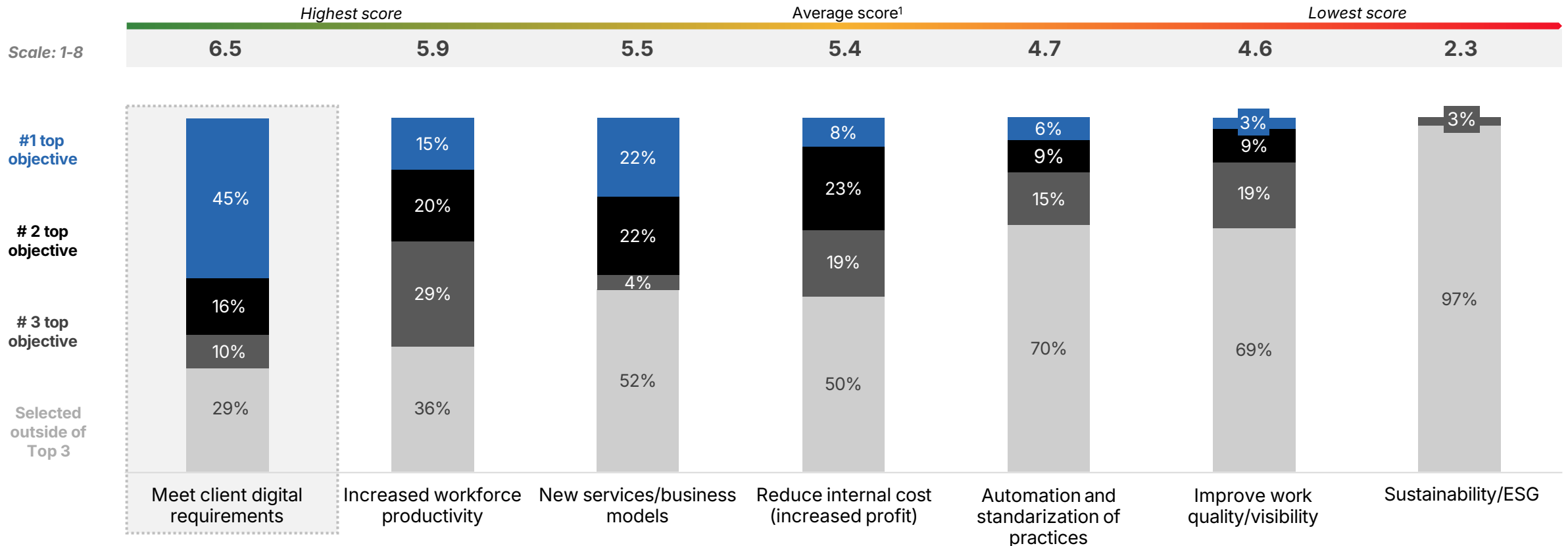
Digital investment currently underway



 % of total number of unique response
Source AEC Advisors; 2024 State of the AEC industry / Full report / October 2024

Top objectives in three years

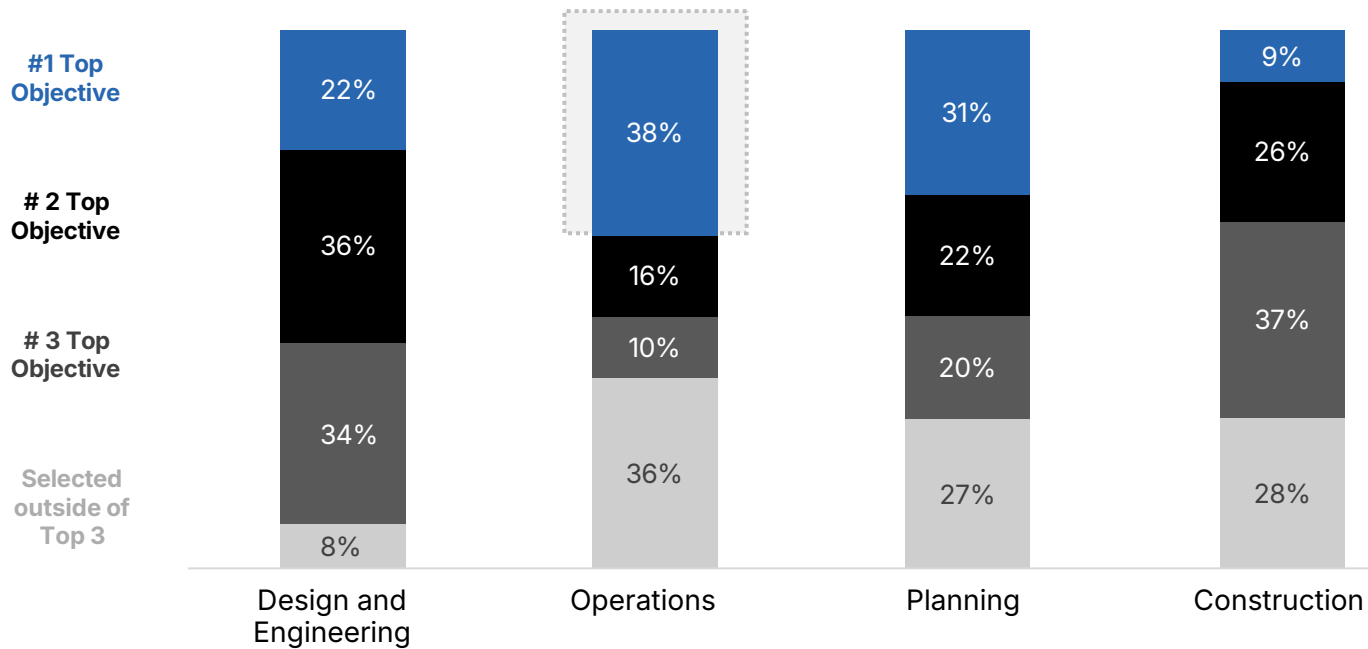
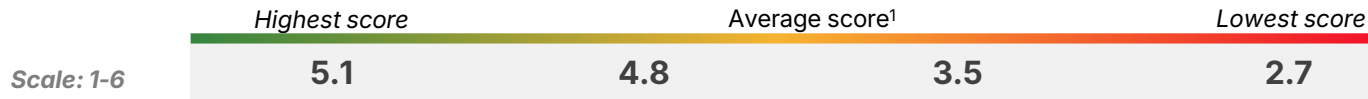
%'s = number of times objective is ranked 1, 2, 3 or outside top 3, sorted by average score from highest to lowest



¹ Average score based on ranking of 8 categories ("Other" not shown above) (i.e., from 1 – 8, with 8 being the top objective)
 Source AEC Advisors; 2024 State of the AEC industry / Full report / October 2024

Future trends and strategy

%'s = number of times objective is ranked 1, 2, 3 or outside top 3, sorted by average score from highest to lowest | % of respondents



Where do you believe infrastructure digital twins will provide the most value?

¹ Average score based on ranking of 5 categories ("Other" not shown above) (i.e., from 1 – 5, with 5 being the most value)
 Source AEC Advisors; 2024 State of the AEC industry / Full report / October 2024

Bentley Systems welcomes James Lee as Chief Operating Officer

*Also consolidating product development
and technology strategy under
Chief Technology Officer Julien Moutte*



EXTON, Pa., January 13, 2025 – Bentley Systems, Incorporated (Nasdaq: BSY), the infrastructure engineering software company, today announced the appointment of James Lee as Chief Operating Officer. Lee joins Bentley from Google, where he served as General Manager for startups and artificial intelligence at Google Cloud.

Prior to joining Google in 2020, Lee spent 12 years at SAP, including as Chief Operating Officer for SAP Ariba and Fieldglass, and as Chief Operating Officer and General Manager of Sales for SAP Greater China. He holds a Master of Business Administration degree from Harvard University and a Bachelor of Commerce degree from the University of British Columbia and is based in the Pacific Northwest.

Lee will strengthen Bentley's cross-functional alignment across planning and execution, will drive operational excellence, and will oversee China, Japan, and portfolio development including growth initiatives such as Bentley Asset Analytics.

...

<https://www.bentley.com/news/bentley-systems-welcomes-james-lee-as-chief-operating-officer/>

Bentley Systems welcomes James Lee as Chief Operating Officer

*Also consolidating product development
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EXTON, Pa., January 13, 2025 – Bentley Systems, Incorporated (Nasdaq: BSY), the infrastructure engineering software company, today announced the appointment of James Lee as Chief Operating Officer.

...

To accelerate innovation and better align product execution with technology strategy, Bentley also announced that the responsibility for product development has been consolidated under Chief Technology Officer Julien Moutte. As a result, the Chief Product Officer role has become redundant, and by mutual agreement Mike Campbell will leave the company.

"I would like to thank Mike for his leadership and many accomplishments as Chief Product Officer during the last two years, and wish him much success in his future endeavors," Cumins added.

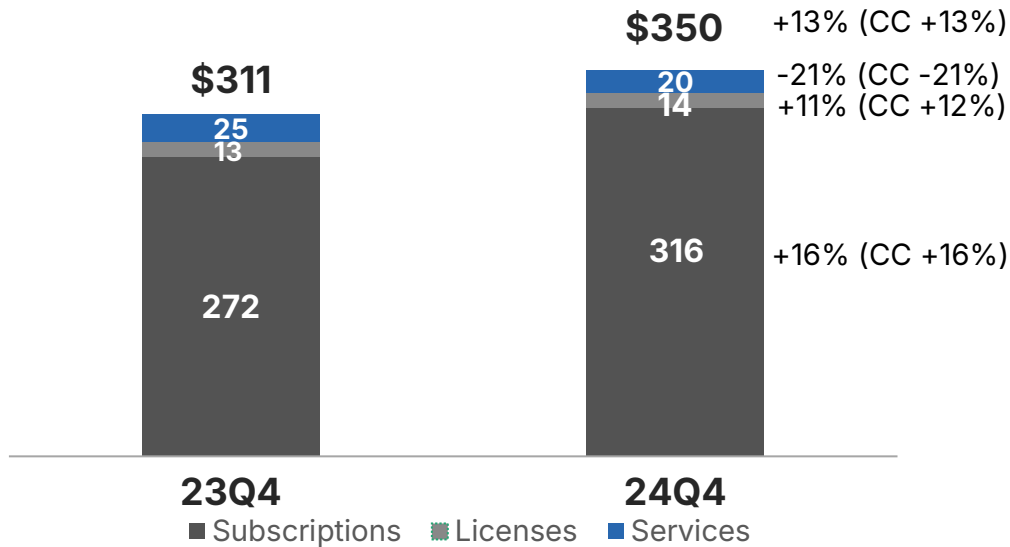
"Streamlining our organizational reporting structure and consolidating product development under Julien puts us in a stronger position to capture the many growth opportunities that we have opened up with infrastructure AI and that are incremental to our core business and consistent momentum. Without a doubt, AI is our generation's paradigm shift and has huge potential for improving infrastructure delivery and performance."

03 Perspectives from the CFO, Werner Andre

Revenue performance

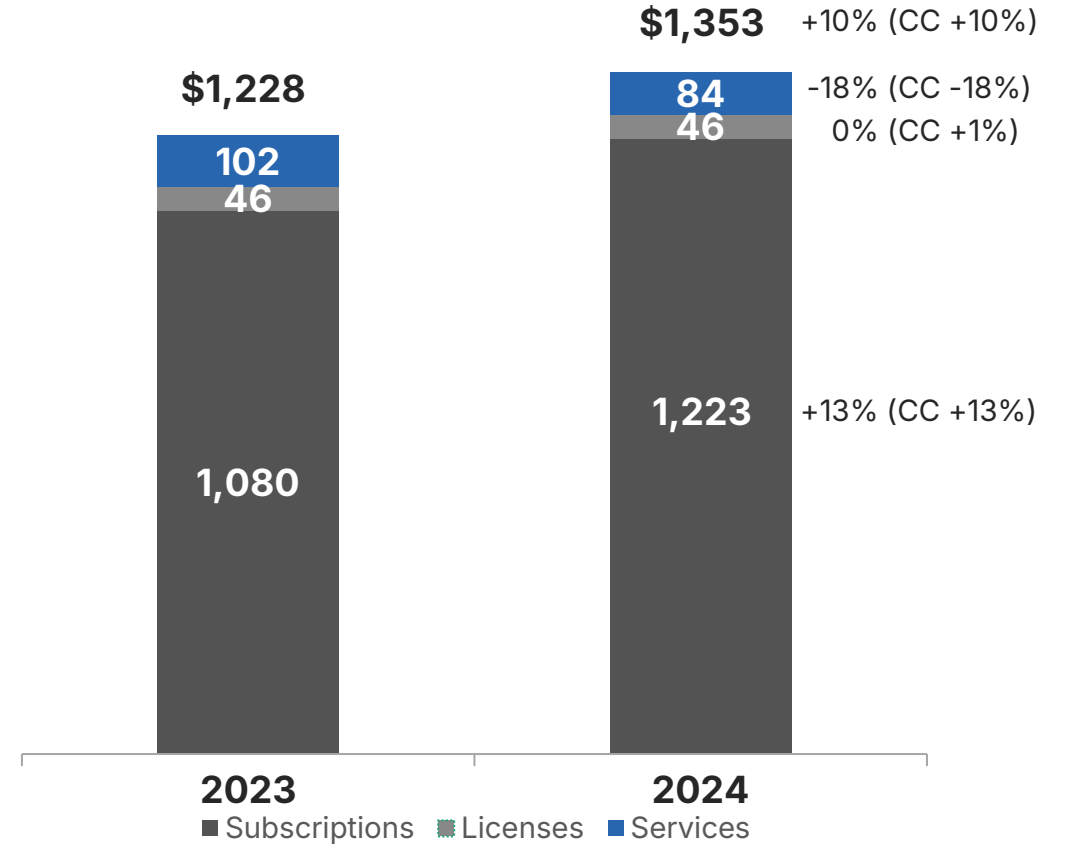
Fourth quarter

\$ in millions
CC constant currency¹



Full year

\$ in millions
CC constant currency¹

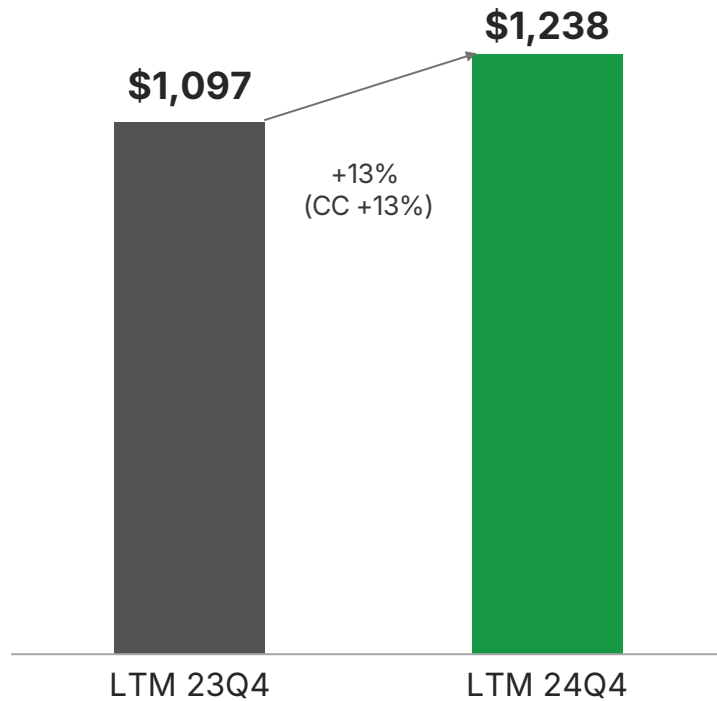


Footnote 1: See appendix for KPI and non-GAAP definitions

Recurring revenue performance

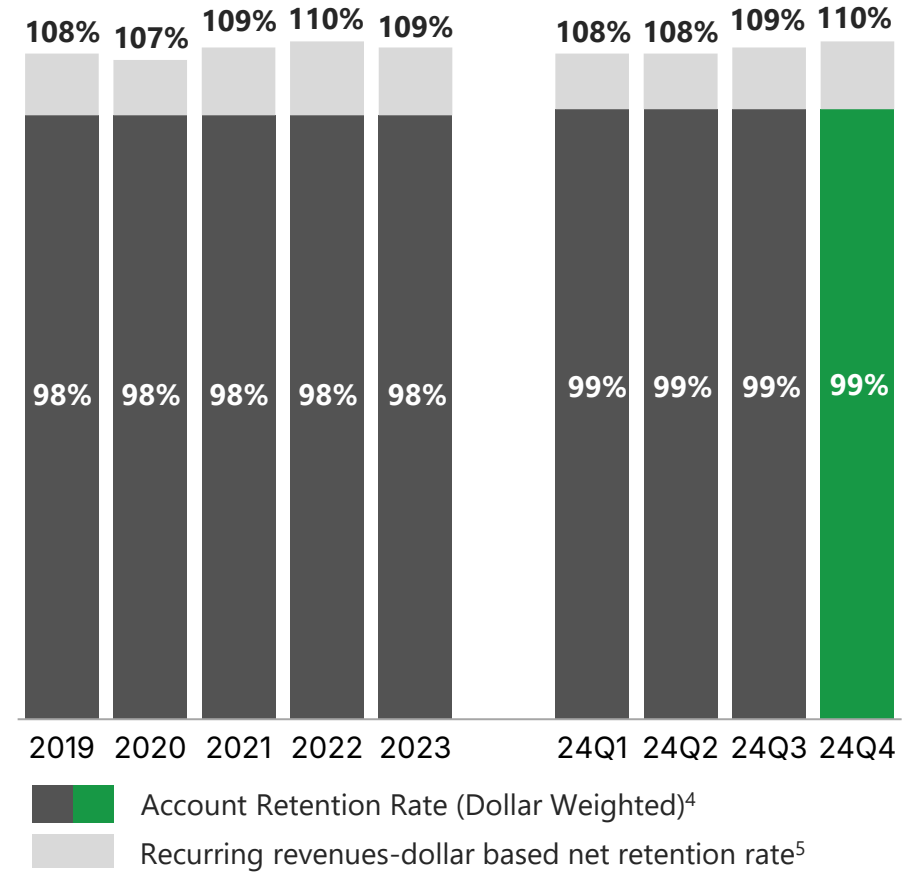
LTM recurring revenues³

\$ in millions
CC constant currency¹



LTM recurring revenue retention

\$ in millions
Constant currency¹, YoY



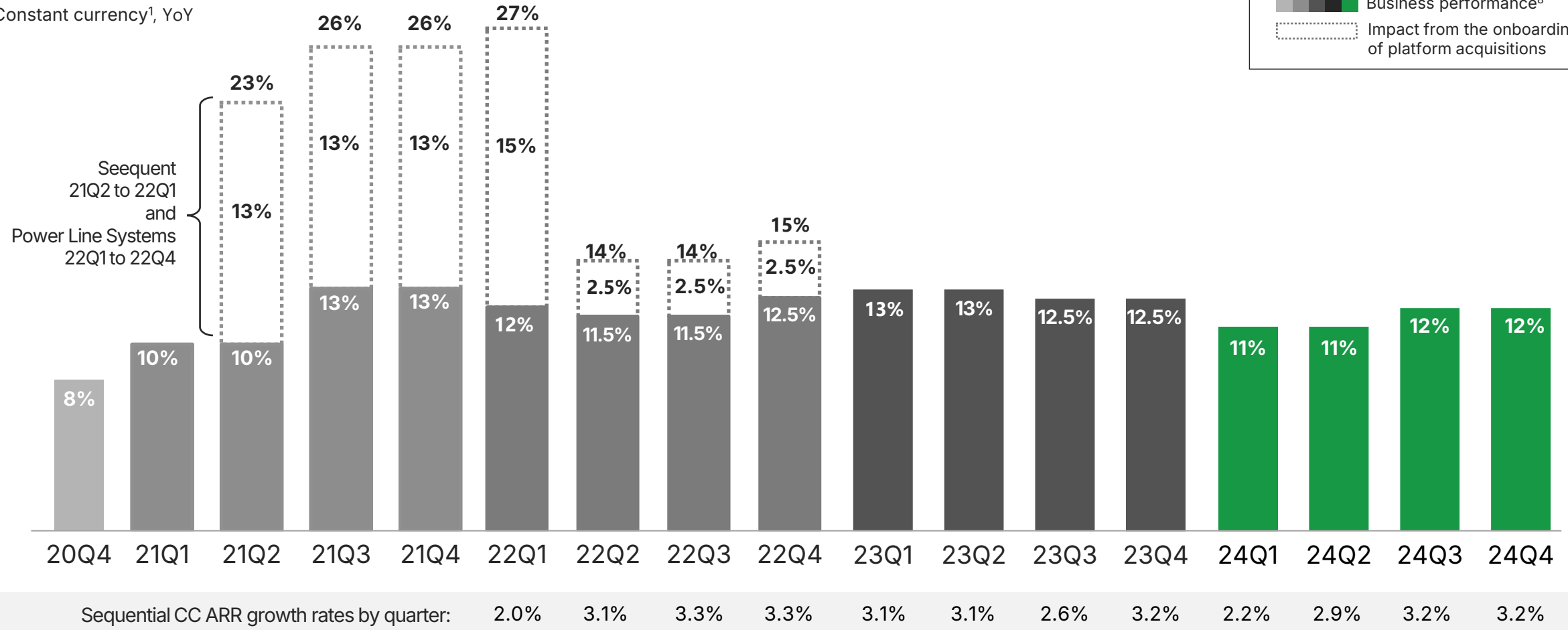
Footnotes 1, 3, 4, 5: See appendix for KPI and non-GAAP definitions

Recurring revenue performance

ARR growth^{7,8}

\$ in millions
Constant currency¹, YoY

ARR⁶: \$1,283 million at 12/31/2024 spot rates

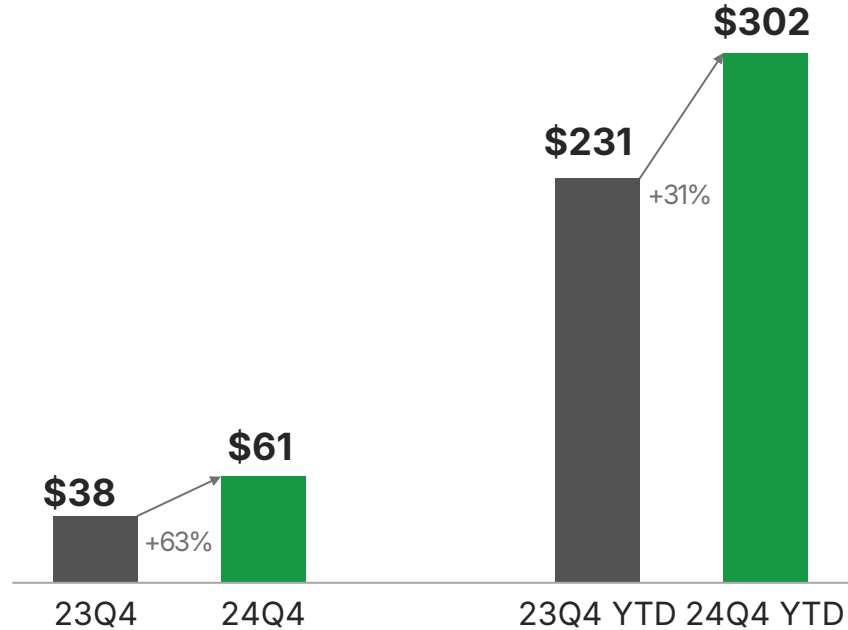


Footnotes 1, 7, 8: See appendix for KPI and non-GAAP definitions

Profitability performance

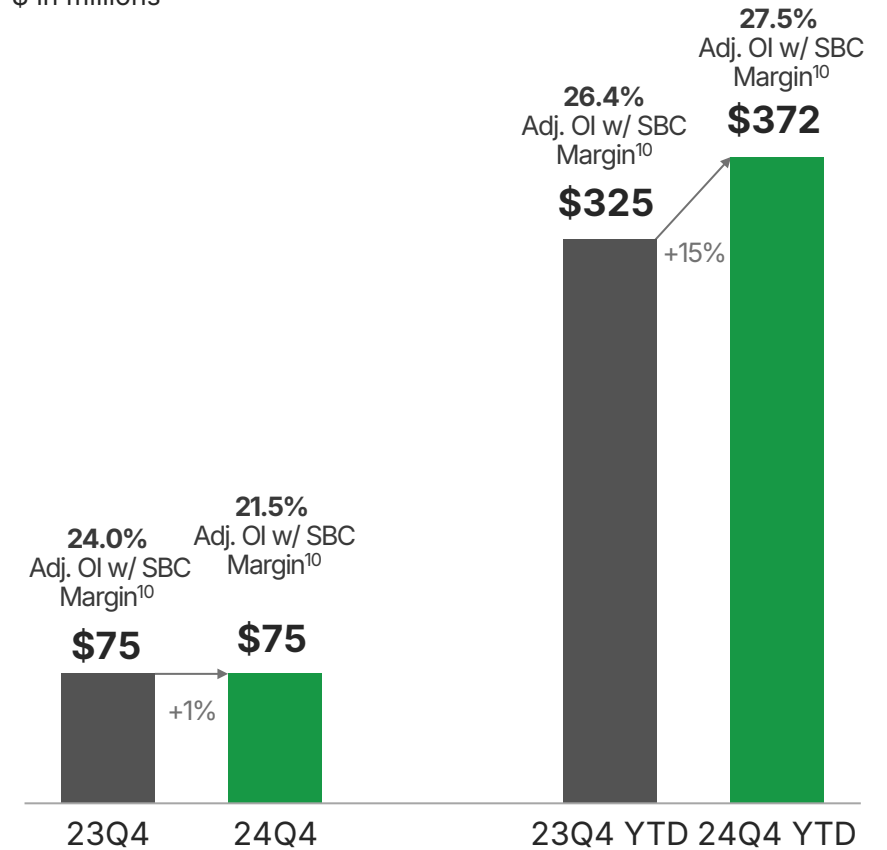
GAAP operating income

\$ in millions



Adjusted OI w/ SBC⁹

\$ in millions

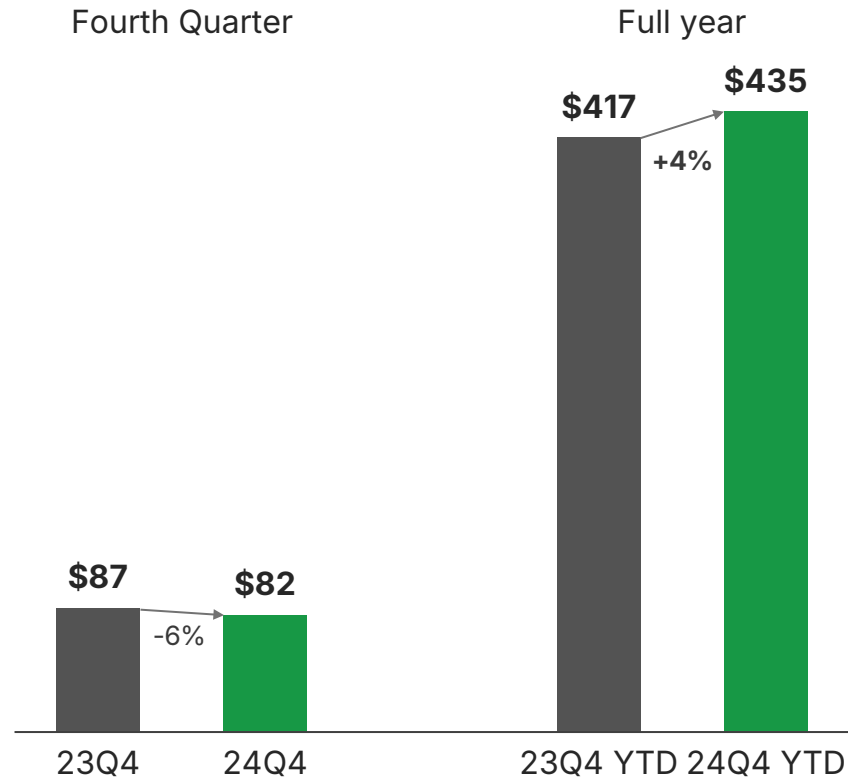


Footnotes 9, 10: See appendix for KPI and non-GAAP definitions

Liquidity and capital structure

GAAP operating cash flows

\$ in millions



24Q4 full year capital allocation

- \$130 million for acquisitions
- \$147 million in net bank debt reduction
- \$77 million in share repurchases, including \$13M of de-facto share repurchases
- \$72 million in dividends

Liquidity and capital structure

12/31/2024 credit metrics

\$ in millions

Cash	\$ 64
Senior debt ^a	\$ 135
Net senior debt ^b	\$ 71
Net senior debt leverage ^c	0.2x
Available revolver credit capacity	\$ 1,165

- Senior debt excludes \$1,263 million^a of convertible notes due 2026/2027 if not converted
 - Annual cash interest on these notes is minimal at ~\$3 million per year
 - Net debt leverage^d including convertible notes as indebtedness is 2.9x
- At \$100 million / year (exceeding recent average) for programmatic acquisitions, we can expect to de-lever at the rate of about .7x (turns of adjusted EBITDA¹¹) annually
- Convertible debt leverage^e is 2.7x

Footnote a: Debt gross of unamortized debt issuance costs

Footnote b: Net senior debt is senior debt minus cash

Footnote c: Net senior debt leverage is net senior debt divided by LTM adjusted EBITDA¹¹

Footnote d: Net debt leverage is net senior debt plus \$1,263M of convertible notes divided by LTM adjusted EBITDA¹¹

Footnote e: Convertible debt leverage is convertible debt divided by LTM adjusted EBITDA¹¹

Footnote 11: See appendix for KPI and non-GAAP definitions

24Q4 senior secured credit facility refinancing

\$ in millions

- Refinanced credit facility in October 2024
- \$1,300 revolving credit facility
- 5 years
- Incremental \$500 accordion feature
- Provides incremental flexibility to address the 2026 converts

Full year 2025 financial outlook

Financial metrics	Outlook
Total Revenues	\$1,461 million to \$1,490 million ^a or \$1,481 million to \$1,510 million in constant currency
Subscriptions Revenues	+10.5% to 12.5% in constant currency
Perpetual Licenses Revenues	Approximately flat in constant currency
Services Revenues	Approximately flat in constant currency
ARR growth ⁸ (constant currency ¹)	10.5% to 12.5% ^b
Adjusted OI w/SBC margin ¹⁰	Approximately 28.5% (representing annual improvement of 100bps)
Effective tax rate	Approximately 21%
Free Cash Flows ¹³	\$415 million to \$455 million
Capital expenditures	Approximately \$20 million

Additional expectations to support financial modeling

- Full year interest expense of approximately \$10 million. Approximately zero cash interest (net of the receipts from our interest rate swap);
- Full year cash taxes of approximately \$75 million;
- Stock-based compensation of approximately 5% of revenues;
- Operating depreciation and amortization of approximately 1.5% of revenues;
- Fully diluted weighted average shares outstanding between 333.3 and 334.9 million;
- Dividends of \$0.28 per share

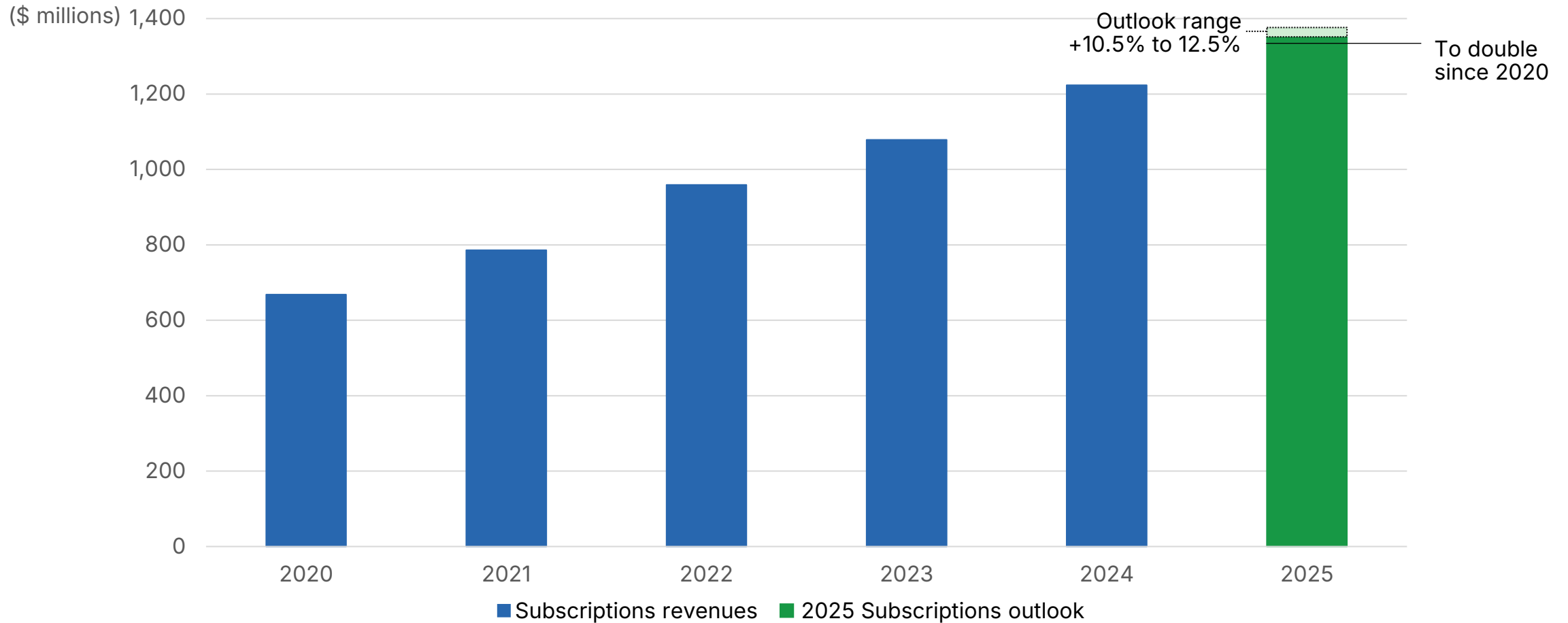
Footnote a: Reflecting an approximate 1.5% headwind to revenue growth in constant currency. We do not update our revenues outlook for subsequent changes in foreign exchange rates

Footnote b: Includes ARR⁶ acquired from programmatic acquisitions, which generally are immaterial, individually, and in the aggregate

Footnotes 1, 8, 10, 13: See appendix for KPI and non-GAAP definitions

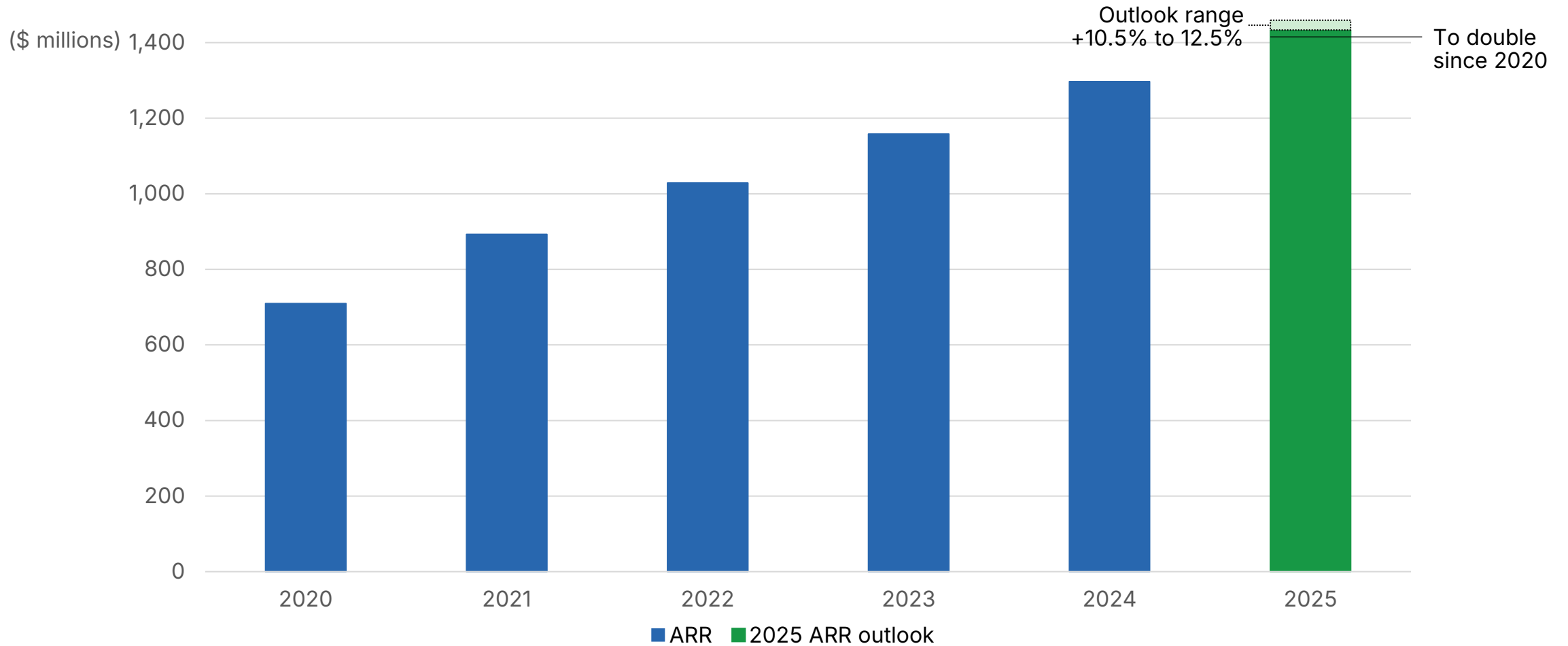
Compounding: subscriptions revenues

(in constant currency)*



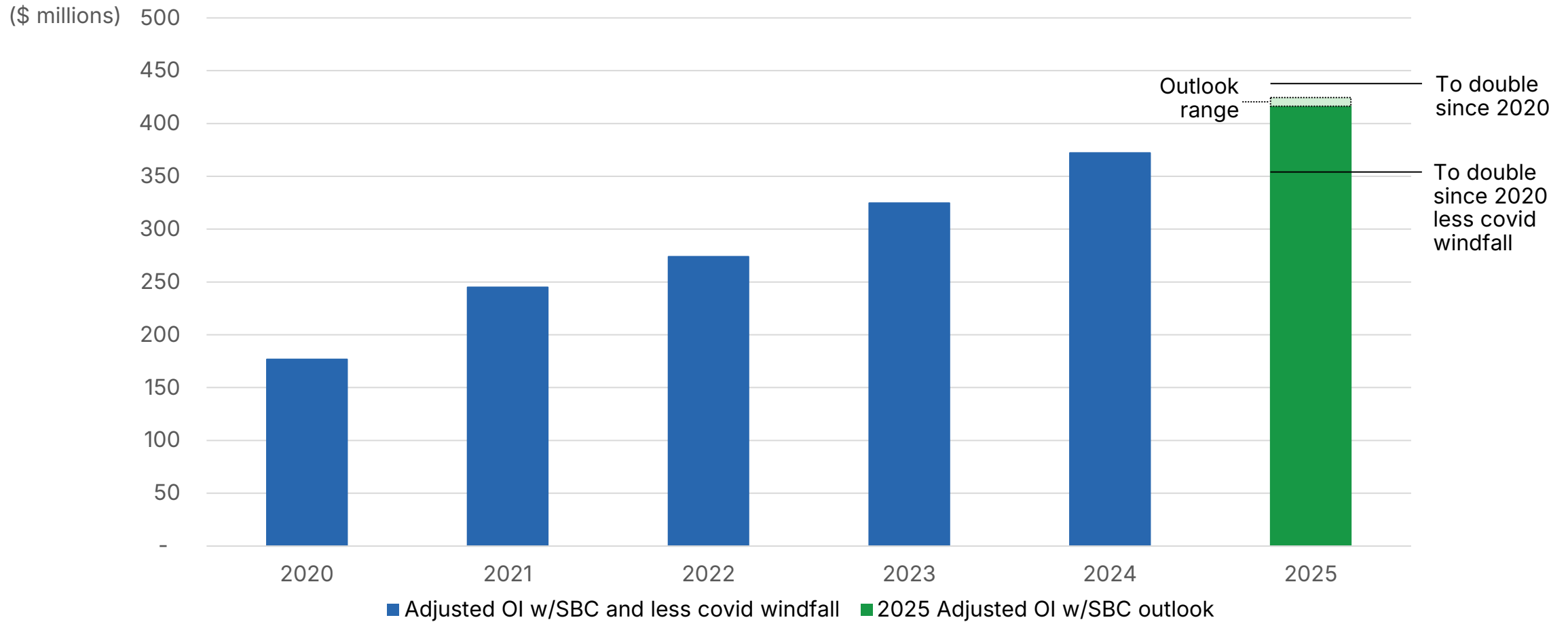
Footnote*: Constant currency¹ calculated using our disclosed constant currency growth rates in our filings.
Footnote 1: See appendix for KPI and non-GAAP definitions

Compounding: ARR⁶

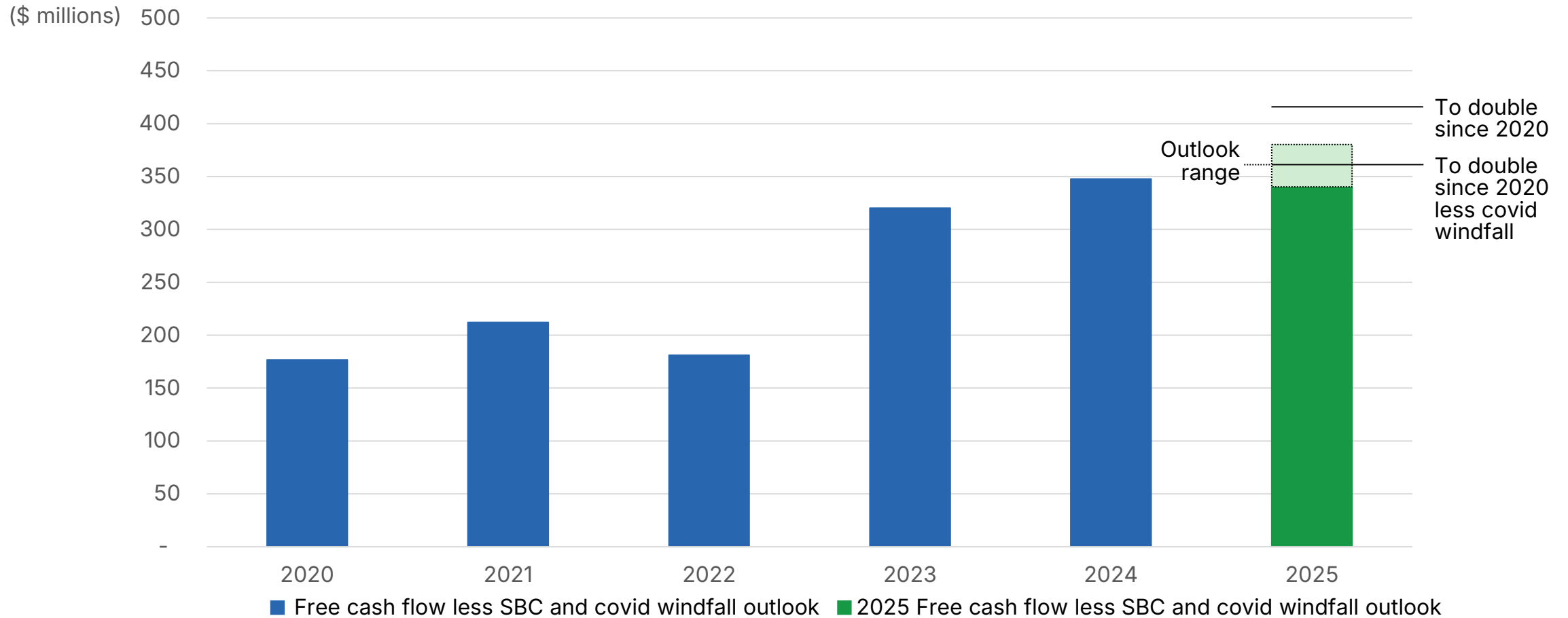


Footnote 6: See appendix for KPI and non-GAAP definitions

Compounding: profitability



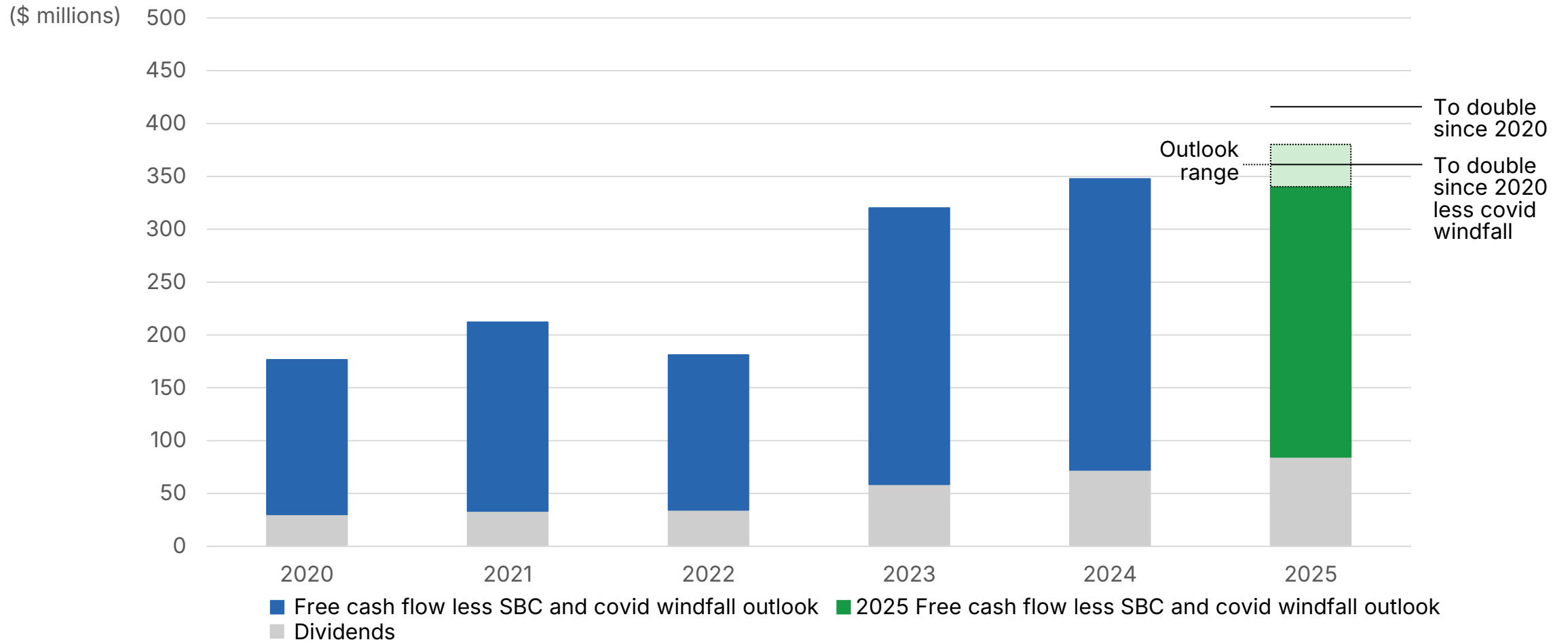
Compounding: FREE cash flow¹³ less SBC



Footnote 13: See appendix for KPI and non-GAAP definitions

Compounding: FREE cash flow¹³ less SBC

Dividends



Footnote 13: See appendix for KPI and non-GAAP definitions

Appendix

KPI and non-GAAP definitions

This presentation includes certain KPIs and non-GAAP financial measures, which are defined herein. Reconciliations of non-GAAP financial measures to their most directly comparable GAAP financial measures are included in our Form 8-K (Quarterly Earnings Release) announcing our quarterly financial results, which can be found on the SEC's website at www.sec.gov and on our website at www.bentley.com.

- 1. Constant currency.** In reporting period-over-period results, except for ARR as discussed further below, we calculate the effects of foreign currency fluctuations and constant currency information by translating current and prior period results on a transactional basis to our reporting currency using prior period average foreign currency exchange rates in which the transactions occurred.
- 2. Recurring revenues.** We define recurring revenues as subscriptions revenues that recur monthly, quarterly, or annually with specific or automatic renewal clauses and professional services revenues in which the underlying contract is based on a fixed fee and contains automatic annual renewal provisions.
- 3. LTM Recurring revenues.** Our last twelve-months ("LTM") recurring revenues are calculated as recurring revenues recognized over the preceding twelve-month period.
- 4. Account retention rate.** Our account retention rate for any given twelve-month period is calculated using the average currency exchange rates for the prior period, as follows: the prior period recurring revenues from all accounts with recurring revenues in the current and prior period, divided by total recurring revenues from all accounts during the prior period. 2019 calculated using ASC 605, and 2020, 2021, 2022, 2023, and 2024 calculated using ASC 606.
- 5. LTM Recurring revenues dollar-based net retention rate.** Our LTM recurring revenues dollar-based net retention rate is calculated, using the average exchange rates for the prior period, as follows: the recurring revenues for the current period, including any growth or reductions from existing accounts, but excluding recurring revenues from any new accounts added during the current period, divided by the total recurring revenues from all accounts during the prior period. A period is defined as any trailing twelve months. Related to our platform acquisitions, recurring revenues into new accounts will be captured as existing accounts starting with the second anniversary of the acquisition when such data conforms to the calculation methodology. This may cause variability in the comparison. 2019 calculated using ASC 605, and 2020, 2021, 2022, 2023, and 2024 calculated using ASC 606.

KPI and non-GAAP definitions

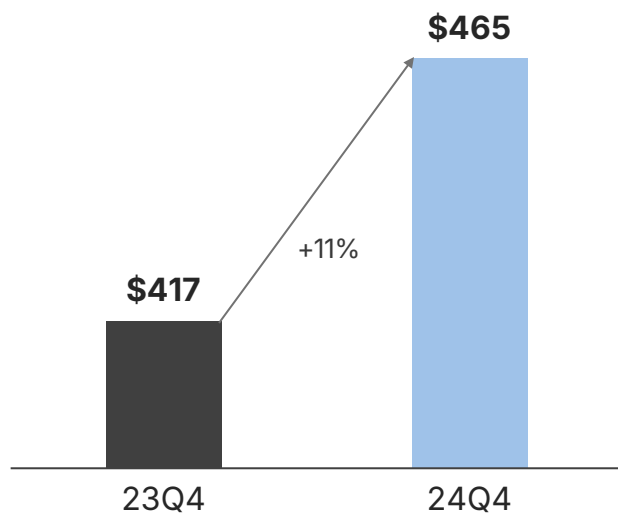
6. **Annualized Recurring Revenues ("ARR").** Our ARR is defined as the sum of the annualized value of our portfolio of contracts that produce recurring revenues as of the last day of the reporting period, and the annualized value of the last three months of recognized revenues for our contractually recurring consumption-based software subscriptions with consumption measurement durations of less than one year, calculated using the spot foreign exchange rates.
7. **ARR growth rate.** Our constant currency ARR growth rate is the growth rate of ARR measured on a constant currency basis. In reporting period-over-period ARR growth rates in constant currency, we calculate constant currency growth rates by translating current and prior period ARR on a transactional basis to our reporting currency using current year budget exchange rates.
8. **ARR growth rate from business performance.** Our constant currency ARR growth rate from business performance excludes the ARR onboarding of our platform acquisitions and includes the impact from the ARR onboarding of programmatic acquisitions, which generally are immaterial, individually and in the aggregate.
9. **Adjusted OI w/SBC.** Our Adjusted operating income inclusive of stock-based compensation expense ("Adjusted OI w/SBC") is defined as operating income adjusted for the following: amortization of purchased intangibles, expense (income) relating to deferred compensation plan liabilities, acquisition expenses, and realignment expenses (income).
10. **Adjusted OI w/SBC margin.** Our Adjusted OI w/SBC margin is calculated by dividing Adjusted OI w/SBC by total revenues.
11. **Adjusted EBITDA.** Our Adjusted EBITDA is defined as cash flow from operations adjusted for the following: cash interest, cash taxes, cash deferred compensation plan distributions, cash acquisition expenses, cash realignment costs, changes in operating assets and liabilities, and other cash items (such as those related to our interest rate swap). Adjusted EBITDA is our liquidity measure in the context of conversion of Adjusted EBITDA to cash flow from operations (i.e., the ratio of GAAP cash flow from operations to Adjusted EBITDA).
12. **Organic ARR.** Organic ARR is defined as reported ARR less ARR onboarded from programmatic acquisitions.
13. **Free cash flow ("FCF").** FCF is defined as cash flow from operations less purchases of property and equipment and investment in capitalized software.

Adjusted EBITDA¹¹

Reconciliation of cash flow from operations to Adjusted EBITDA¹¹

Last twelve months

\$ in millions



Reconciliation of cash flow from operations to adjusted EBITDA

\$ in thousands	LTM 24Q4
Cash flow from operations	\$ 435,292
Cash interest	17,202
Cash taxes	57,526
Cash deferred compensation plan distributions	2,436
Cash acquisition expenses	8,522
Cash realignment costs	12,768
Change in operating assets and liabilities	(59,069)
Other ^a	(9,309)
Adjusted EBITDA	\$ 465,368

Footnote 11: See appendix for KPI and non-GAAP definitions

Footnote a: Includes receipts related to interest rate swap

Non-GAAP reconciliations (constant currency)

Reconciliation of total revenues and subscriptions revenues to total revenues and subscriptions revenues in constant currency

(\$ in thousands)	Three months ended December 31, 2024			Three months ended December 31, 2023		
	Actual	Impact of foreign exchange at 2023 rates	Constant currency	Actual	Impact of foreign exchange at 2023 rates	Constant currency
Total revenues	\$ 349,822	\$ 1,737	\$ 351,559	\$ 310,641	\$(28)	\$ 310,613
Subscriptions revenues	\$ 315,590	\$ 1,598	\$ 317,188	\$ 272,468	\$ 65	\$ 272,533

(\$ in thousands)	Year ended December 31, 2024			Year ended December 31, 2023		
	Actual	Impact of foreign exchange at 2023 rates	Constant currency	Actual	Impact of foreign exchange at 2023 rates	Constant currency
Total revenues	\$ 1,353,095	\$ 846	\$ 1,353,941	\$ 1,228,413	\$ (1,042)	\$ 1,227,371
Subscriptions revenues	\$ 1,223,362	\$ 814	\$ 1,224,176	\$ 1,080,307	\$ (977)	\$ 1,079,330

Historical OI to adjusted OI w/SBC

(\$ in thousands)	2018	2019	2020	2021	2022	2023	2024
Operating income	\$ 121,391	\$ 141,865	\$ 150,150	\$ 94,589	\$ 208,612	\$ 230,542	\$ 302,150
Amortization of purchased intangibles	17,215	18,731	20,721	34,001	53,592	51,219	46,679
Deferred compensation plan	(75)	408	177	95,046	(15,782)	13,580	12,382
Acquisition expenses	6,410	6,597	11,666	34,368	25,398	17,866	10,222
Realignment expenses (income)	6,778	(584)	10,022	-	2,109	11,470	789
Expenses associated with IPO	-	-	26,130	-	-	-	-
Adjusted OI w/SBC	\$ 151,719	\$ 167,017	\$ 218,866	\$ 258,004	\$ 273,929	\$ 324,677	\$ 372,222

Note: 2018 revenues were calculated using ASC 605 / 2019-2024 revenues were calculated using ASC 606
Footnote a: Includes receipts related to interest rate swap

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