

An aerial photograph of a modern cable-stayed bridge spanning a wide body of blue water. The bridge features a central pylon with multiple stay cables supporting the deck. The water is a deep, vibrant blue, and the bridge's concrete and steel structures are clearly visible. The perspective is from directly above, looking down at the bridge and the surrounding water.

Bentley®

Advancing Infrastructure

24Q1 Results

Greg Bentley, CEO, Nicholas Cumins, COO, Werner Andre, CFO

Disclaimer

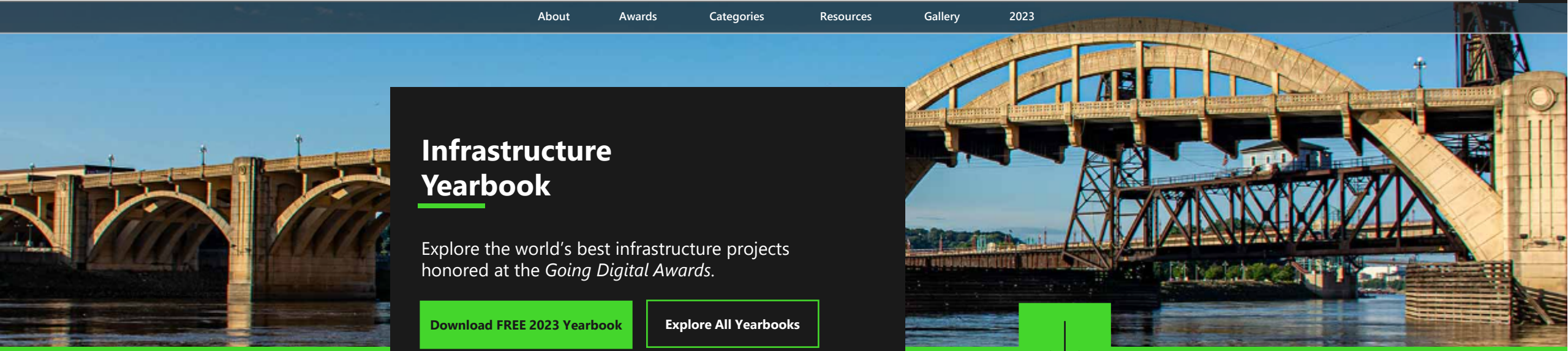
This presentation includes forward-looking statements regarding the future results of operations and financial position, business strategy, and plans and objectives for future operations of Bentley Systems, Incorporated (the "Company," "we," "us," and words of similar import). All such statements contained 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, 2023 and subsequent Form 10-Qs.

The forward-looking statements made in this presentation are made as of May 7, 2024. If this presentation is reviewed after May 7, 2024, 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.

Revenue metrics are presented under Accounting Standard Codification ("ASC") 606, unless stated 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.



Infrastructure Yearbook

Explore the world's best infrastructure projects honored at the *Going Digital Awards*.

Download FREE 2023 Yearbook


Explore All Yearbooks




Showcasing Infrastructure Delivery And Performance Excellence

Beyond being honored at the *Going Digital Awards*, and being honored during the event itself, Bentley also publishes a high-quality *Infrastructure Yearbook* to further showcase the year's top infrastructure projects—and the people behind them.



Order Printed Yearbook 

Download FREE 2023 Yearbook 

<https://www.bentley.com/yii/yearbook>

We Recently Published our 2023 ESG Report

<https://investors.bentley.com/>



Bentley[®]

Advancing Infrastructure

2023 ESG Report

WINNER

*Going Digital Award in
Rail and Transit*

*The Johor Bahru–Singapore Rapid Transit System,
engineered by AECOM Perunding Sdn Bhd, seamlessly
connects Malaysia and Singapore, fostering greater
integration and accessibility between two nations*

Agenda

Directions and Developments

Greg Bentley, Chief Executive Officer

Operational Perspectives

Nicholas Cumins, Chief Operating Officer

Financial Performance

Werner Andre, Chief Financial Officer

Directions and Developments

Greg Bentley, Chief Executive Officer

CEO Transition

Marking Its 40th Anniversary, Bentley Systems Announces CEO Transition Plan

**COO Nicholas Cumins To Be Promoted To CEO July 1, 2024,
As Greg Bentley Will Transition To Executive Chair**

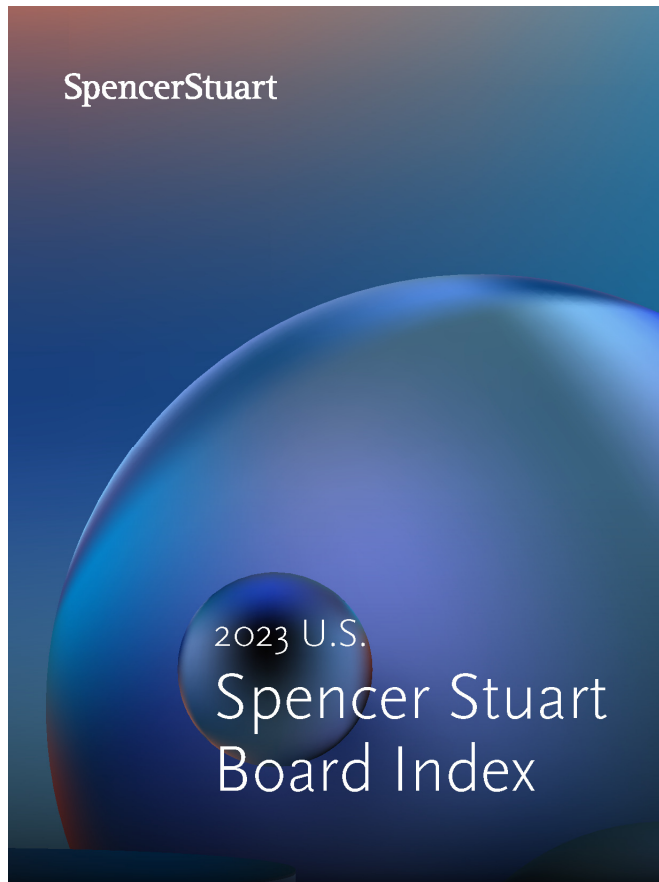
PRESS RELEASE

March 21, 2024


<https://www.bentley.com/news/bentley-systems-announces-ceo-transition-plan/>




Transition to Executive Chair



 **56yrs** the average age of incoming S&P 500 CEOs


 **78%** of incoming CEO's had never been CEO of a public company

 **74%** were internal promotions

 **41%** of former CEOs becoming Executive Chair on transitions

Report Courtesy of SpencerStuart

This report sets out the trends revealed by our in-depth analysis of this year's proxy statements. We profile the "class of 2023" (directors appointed this year), highlight changing governance practices and discuss trends in directors' compensation.

<https://www.spencerstuart.com/research-and-insight/us-board-index> 

Bentley Office - 43rd

8 Bishopsgate

London Office Launch, March 21 2024



Lendlease
The Builders of 8 Bishopsgate

Ben Bateman
Project Director

Graham Murphy
BIM Manager

Project: 910,000 sq.ft. GIA | 52 Storeys

Sustainability Credentials

- BREEAM Outstanding and an EPC A rating
- 25% reduction in steel frame (5,000 tonnes CO₂ saving)
- Efficient substructure design (500 tonnes CO₂ saving)
- Intelligent façade generated a 1.2MW reduction in cooling load

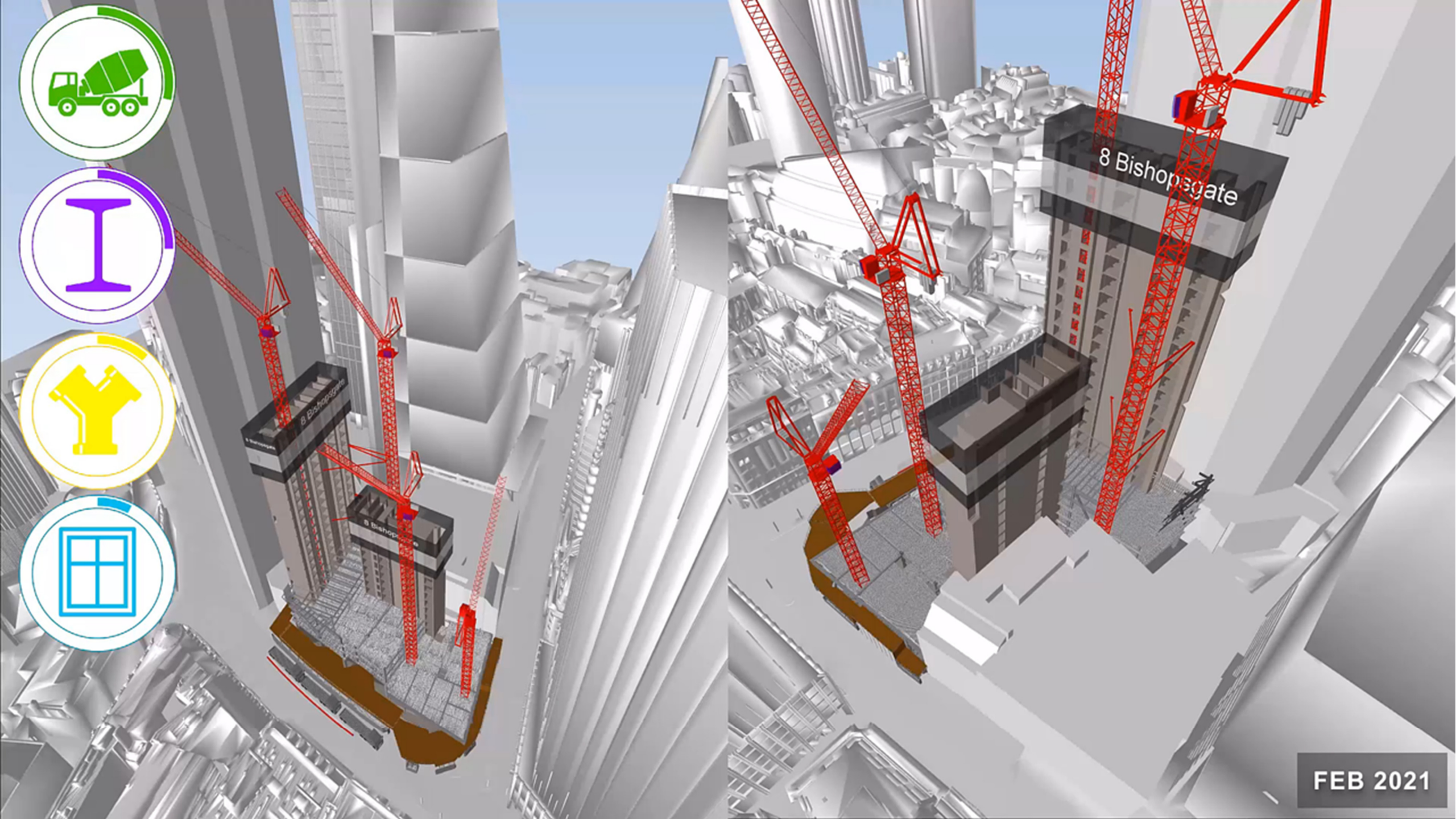
Interesting Facts

- More steel than the Eiffel Tower
- Bentley Applications, Synchro, was used throughout the whole project

Construction Challenges

- Complex structure including 7-meter cantilever
- Constrained Logistics, 1000 millimeters between neighboring offices between the buildings
- 10 years to complete build due to pressures from BREXIT, COVID and Ukrainian War

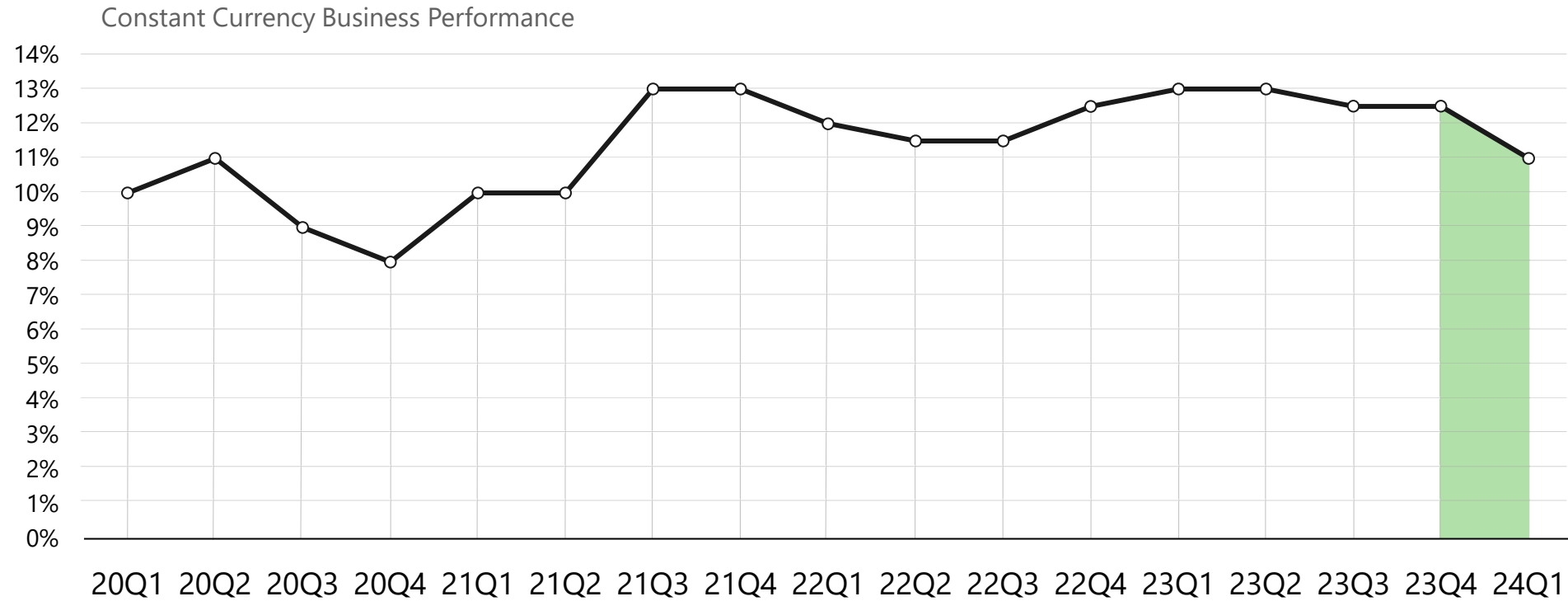




8 Bishopsgate

FEB 2021

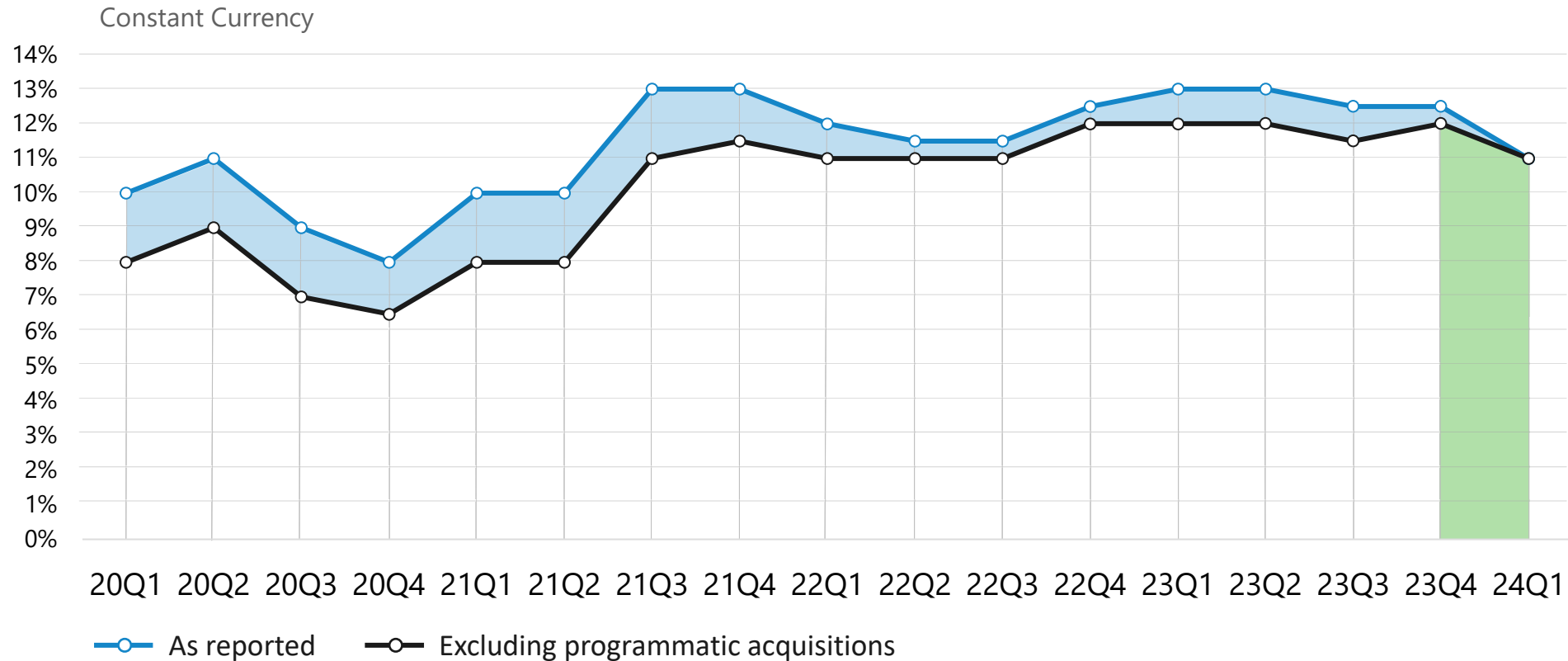
YoY ARR Growth⁸



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

YoY ARR Growth⁸

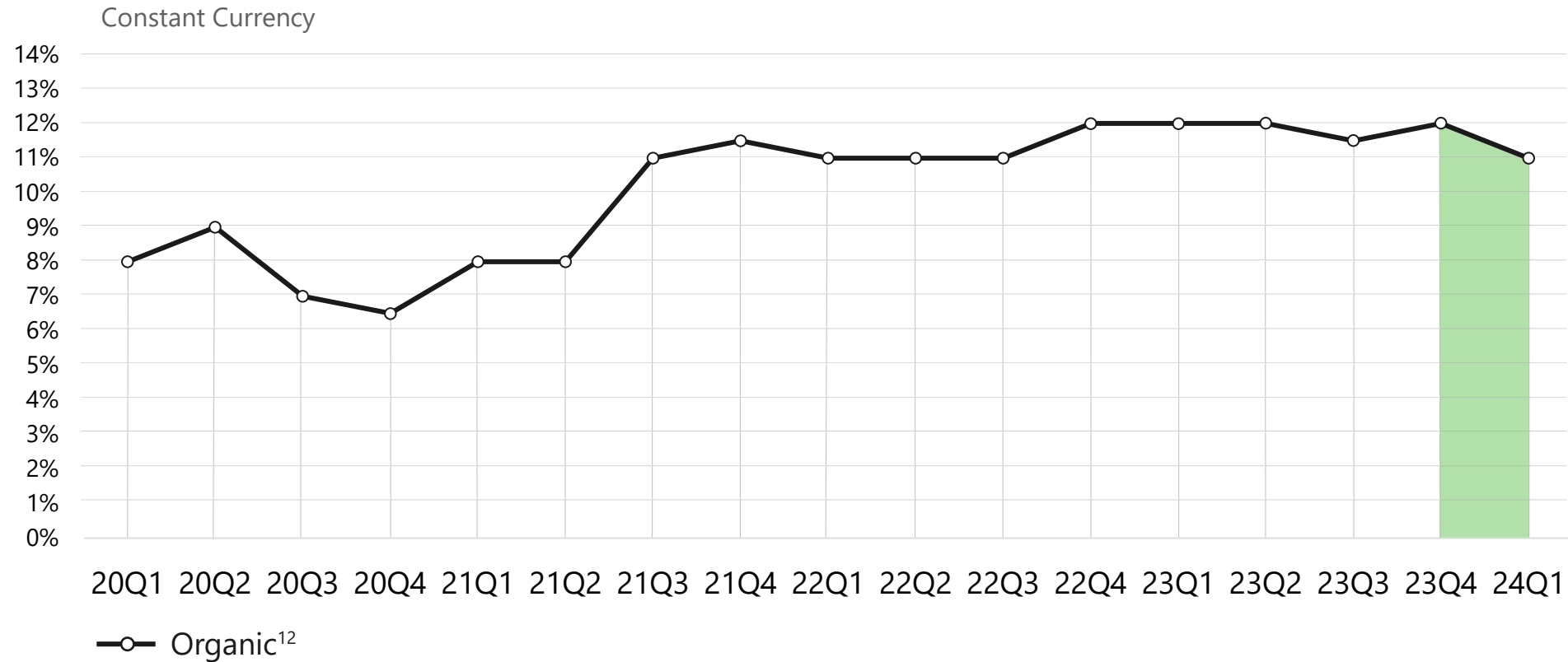
Programmatic Acquisitions



Note: Annualized Recurring Revenue ("ARR")⁶
 Footnotes 6,8,12: See appendix for KPI and non-GAAP definitions

YoY ARR Growth⁸

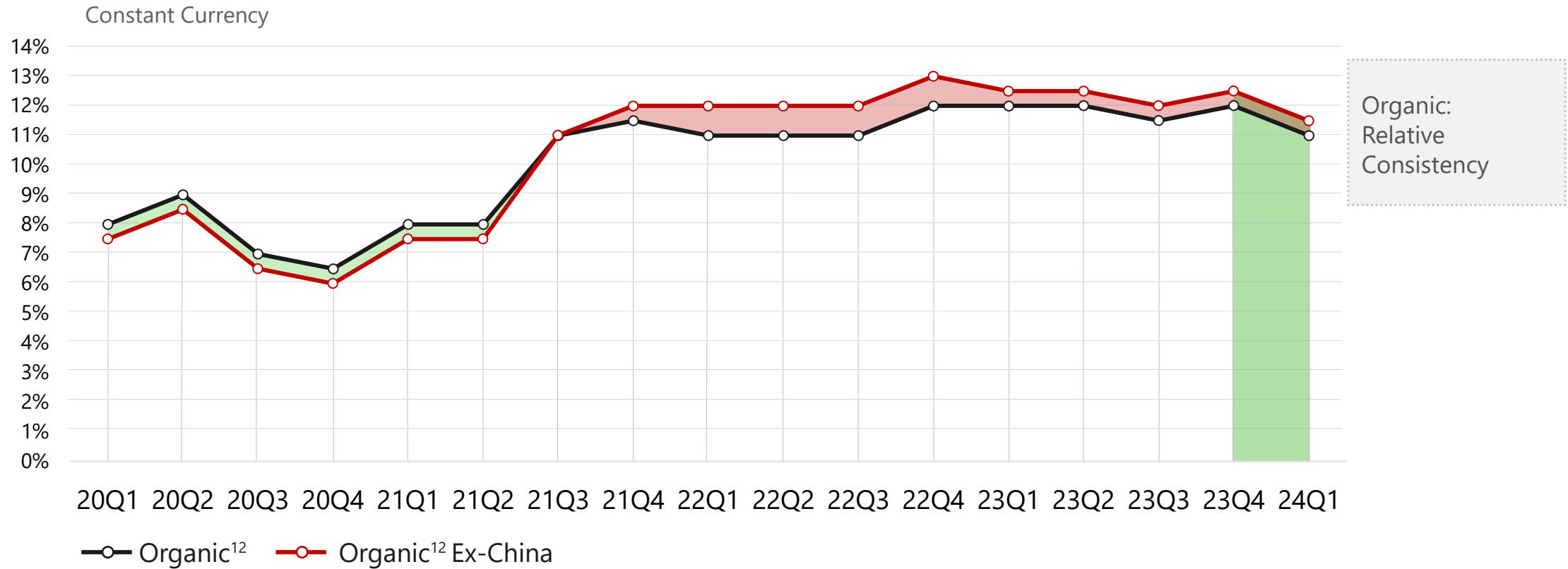
Organic¹²



Note: Annualized Recurring Revenue ("ARR")⁶
Footnotes 6,8,12: See appendix for KPI and non-GAAP definitions

YoY ARR Growth⁸

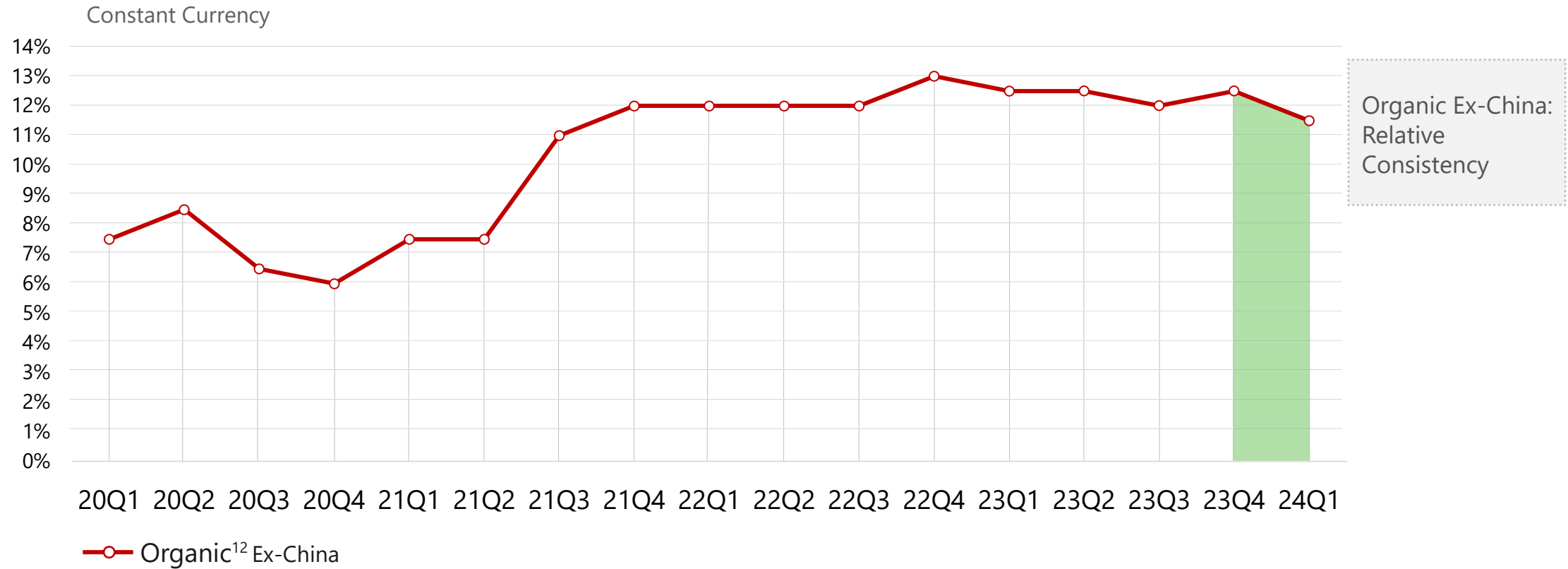
Organic¹²



Note: Annualized Recurring Revenue ("ARR")⁶
Footnotes 6,8,12: See appendix for KPI and non-GAAP definitions

YoY ARR Growth⁸

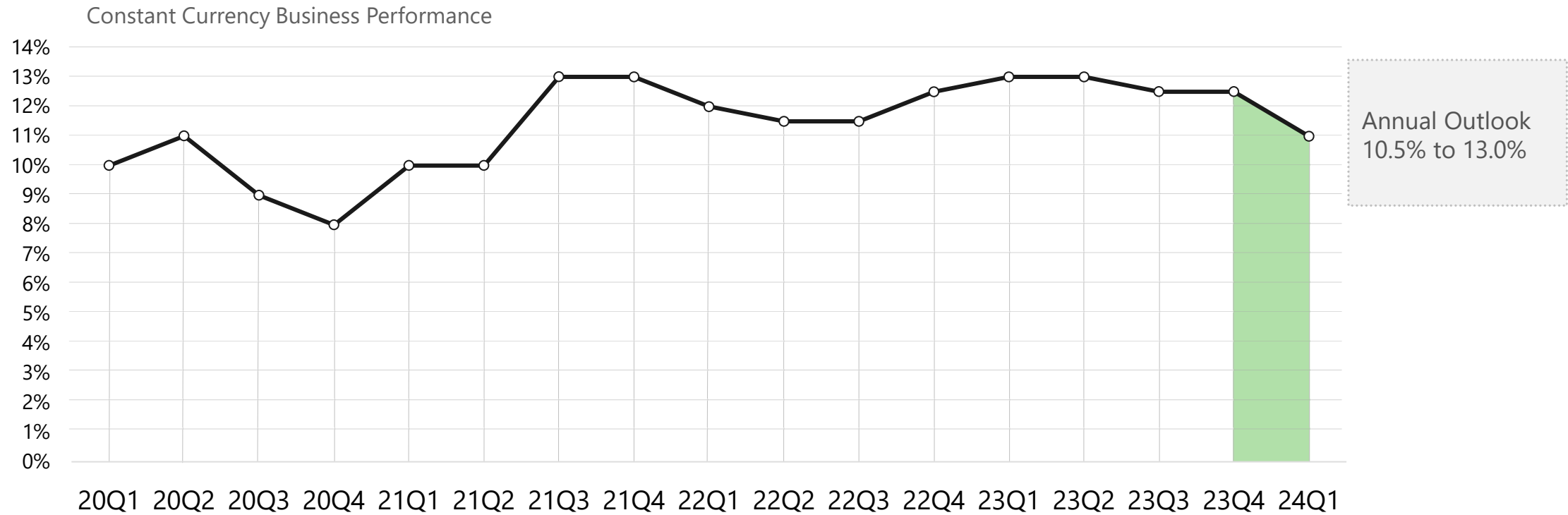
Organic¹² Ex-China



Note: Annualized Recurring Revenue ("ARR")⁶
Footnotes 6,8,12: See appendix for KPI and non-GAAP definitions

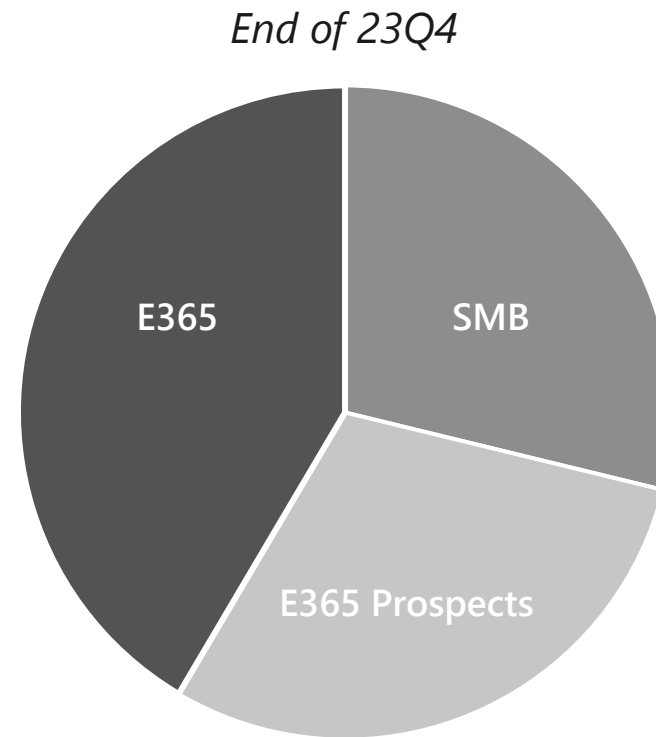
YoY ARR Growth⁸

2024 Outlook



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

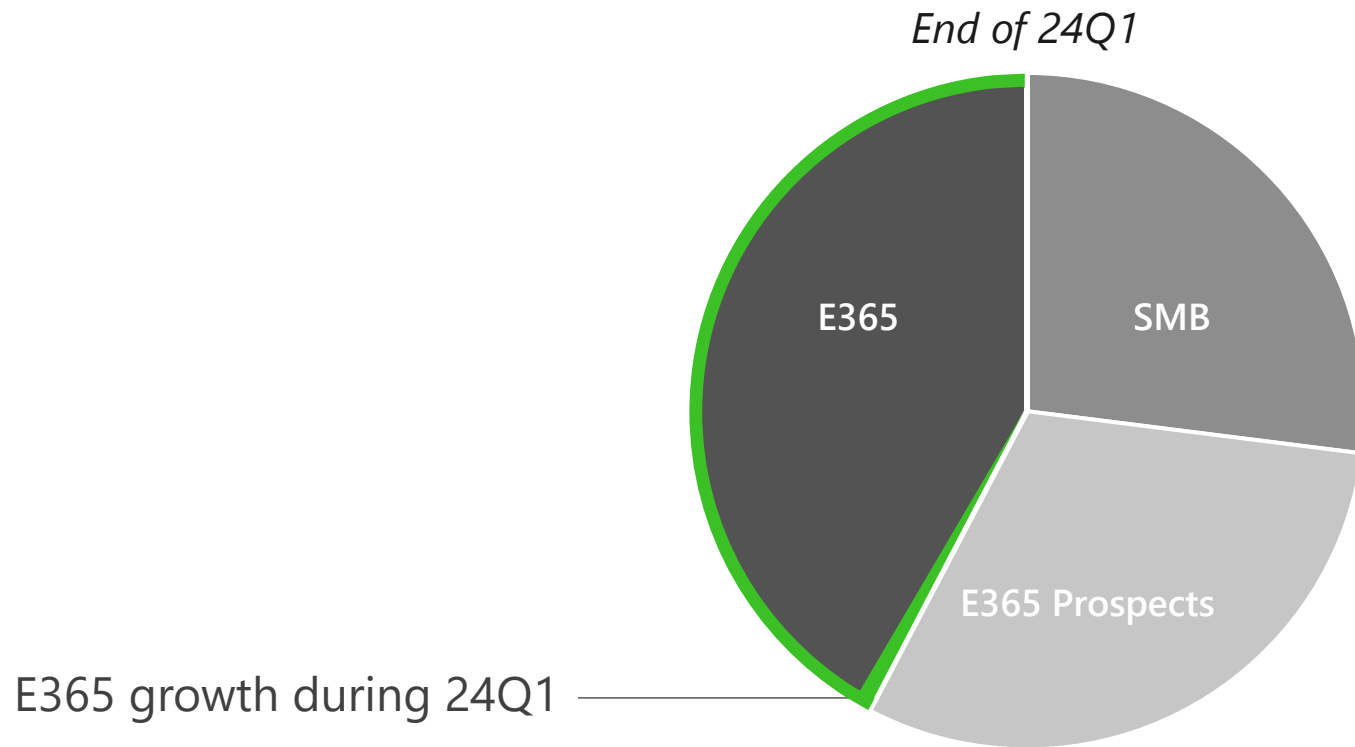
ARR⁶ by Account Size



Note: Chart segment sizing corresponds to underlying % of 23Q4 ARR⁶
Footnote 6 : See appendix for KPI and non-GAAP definitions

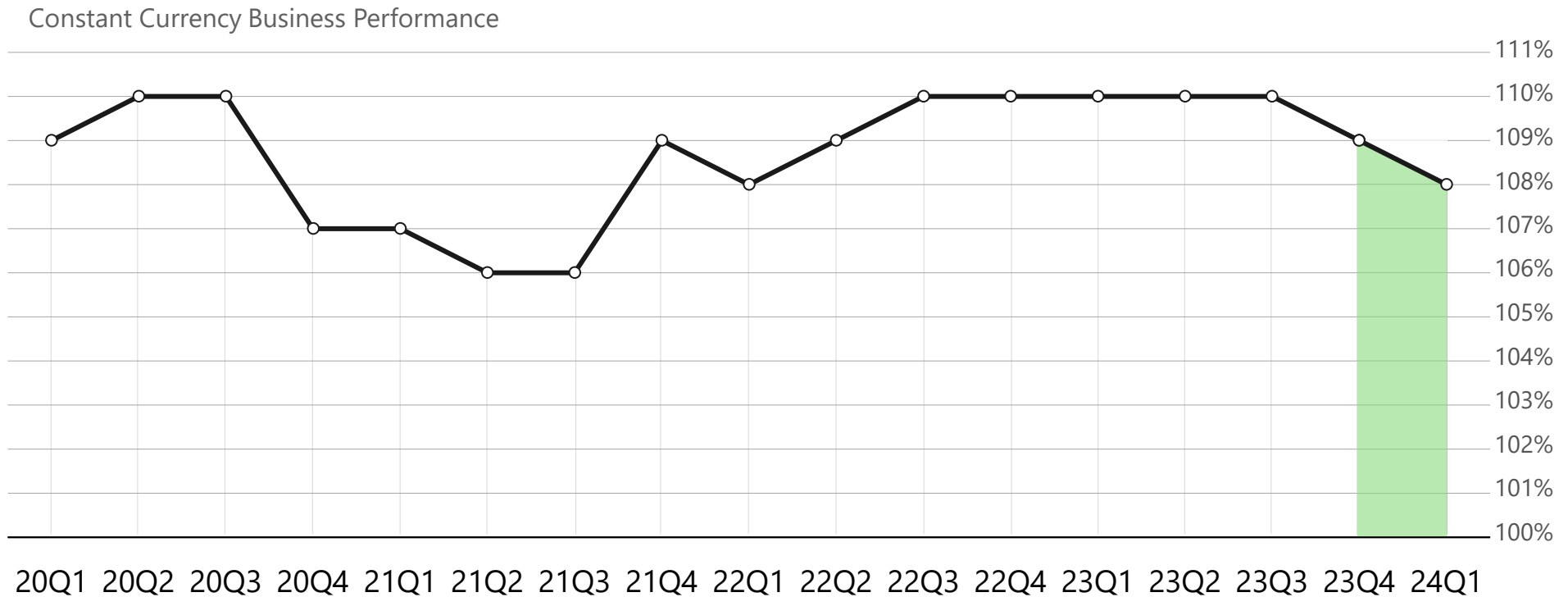
ARR⁶ by Account Size

E365 Growth Continues to Be Driven by Mix Accretion (Upsell and Cross Sell)



Note: Chart segment sizing corresponds to underlying % of 24Q1 ARR⁶
Footnote 6 : See appendix for KPI and non-GAAP definitions

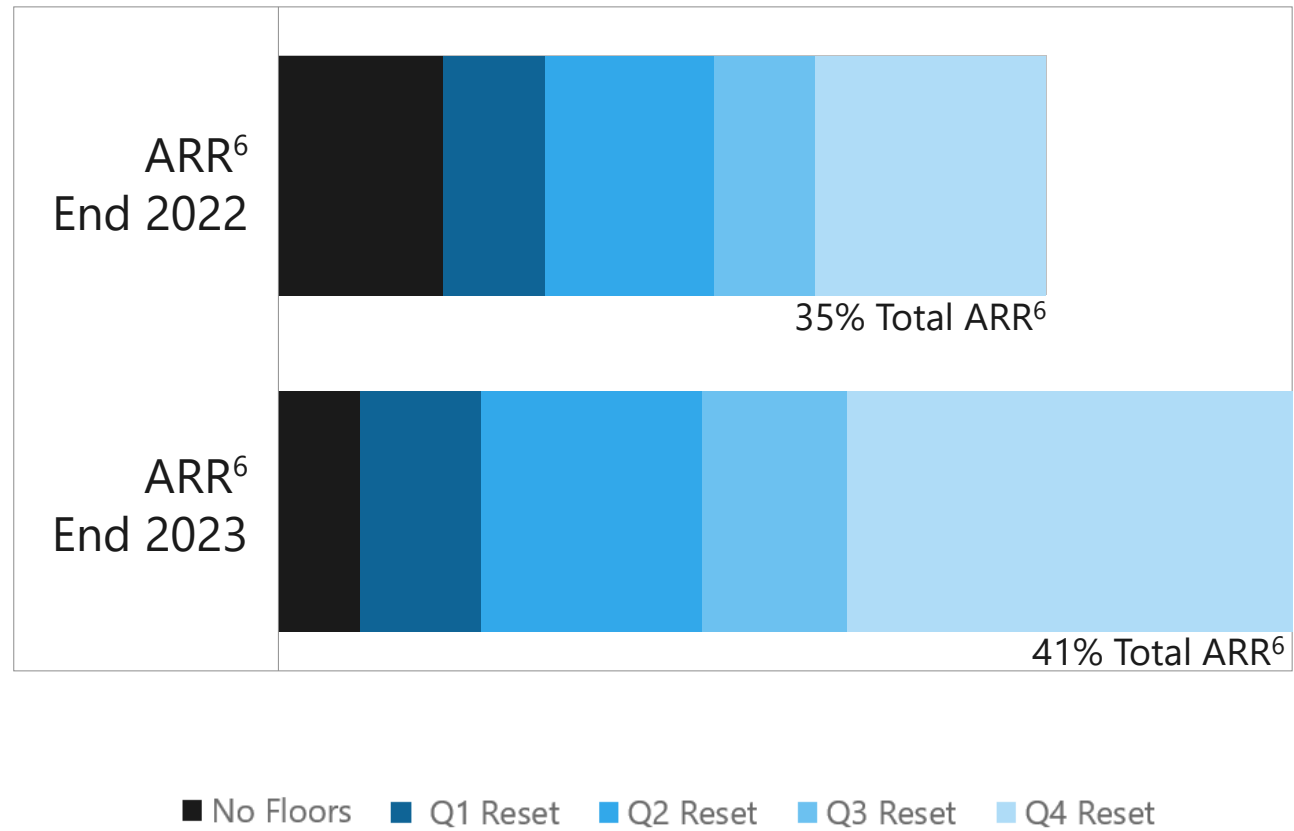
YoY LTM Recurring Revenues Dollar-Based *Net Retention Rate*⁵ (NRR)



Footnote 5: See appendix for KPI and non-GAAP definitions

(Daily) Consumption-based ARR⁶

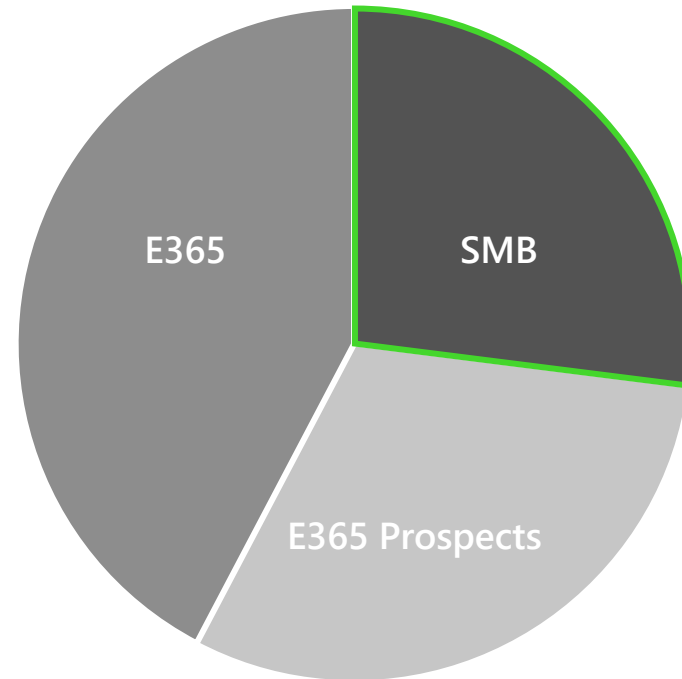
Floor Resets



Note: Annualized Recurring Revenue ("ARR")⁶ measured in Constant Currency at budget rate

ARR⁶ by Account Size

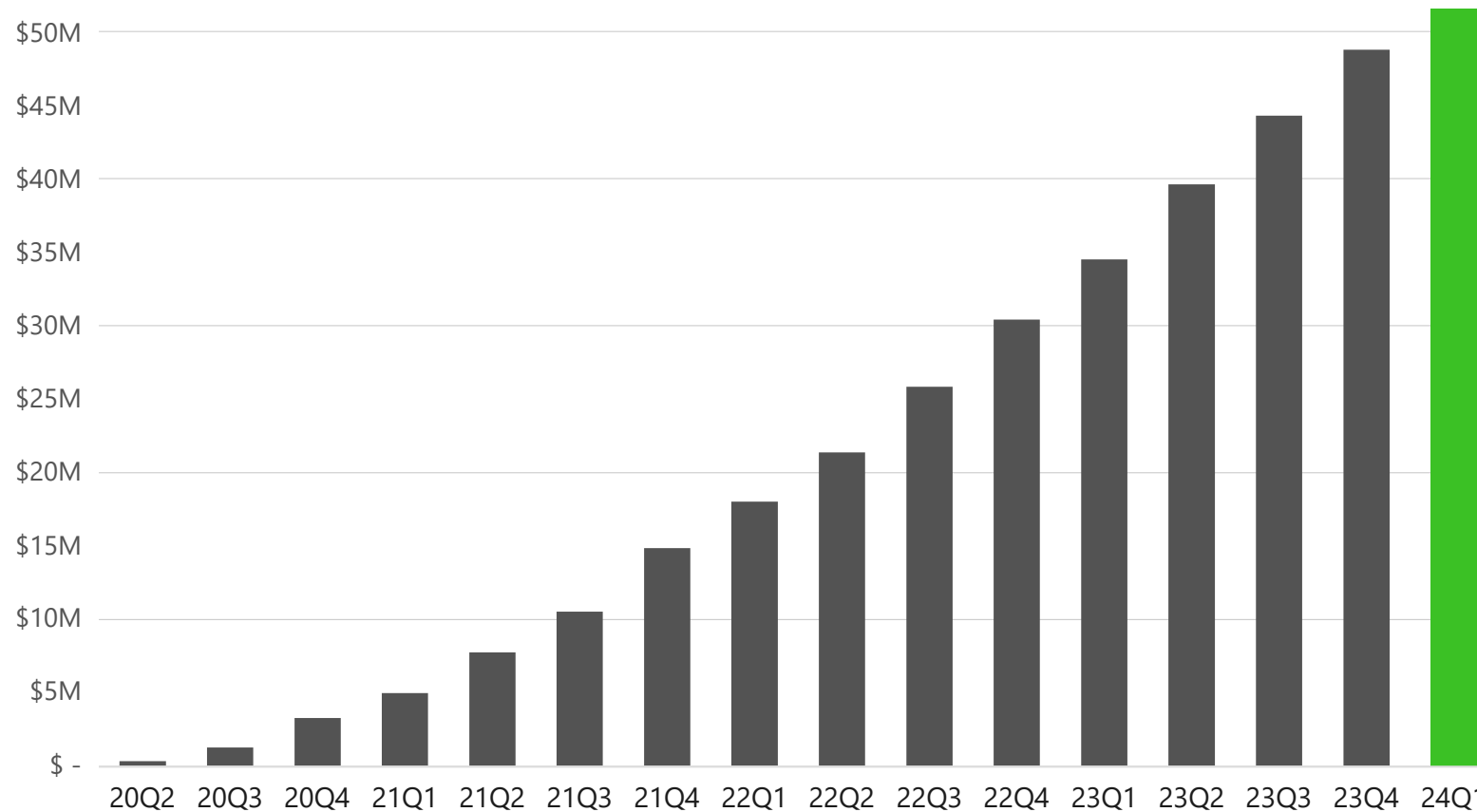
Fifth straight quarters SMB new logos accounted for 300 bps of ARR growth



New logos contribute 4% to ARR growth!

Virtuosity ARR⁶

Eight Straight Quarters of Over 600 New Logos



Notes: All periods use exchange rates as of March 31, 2024
Footnotes 6 : See appendix for KPI and non-GAAP definitions

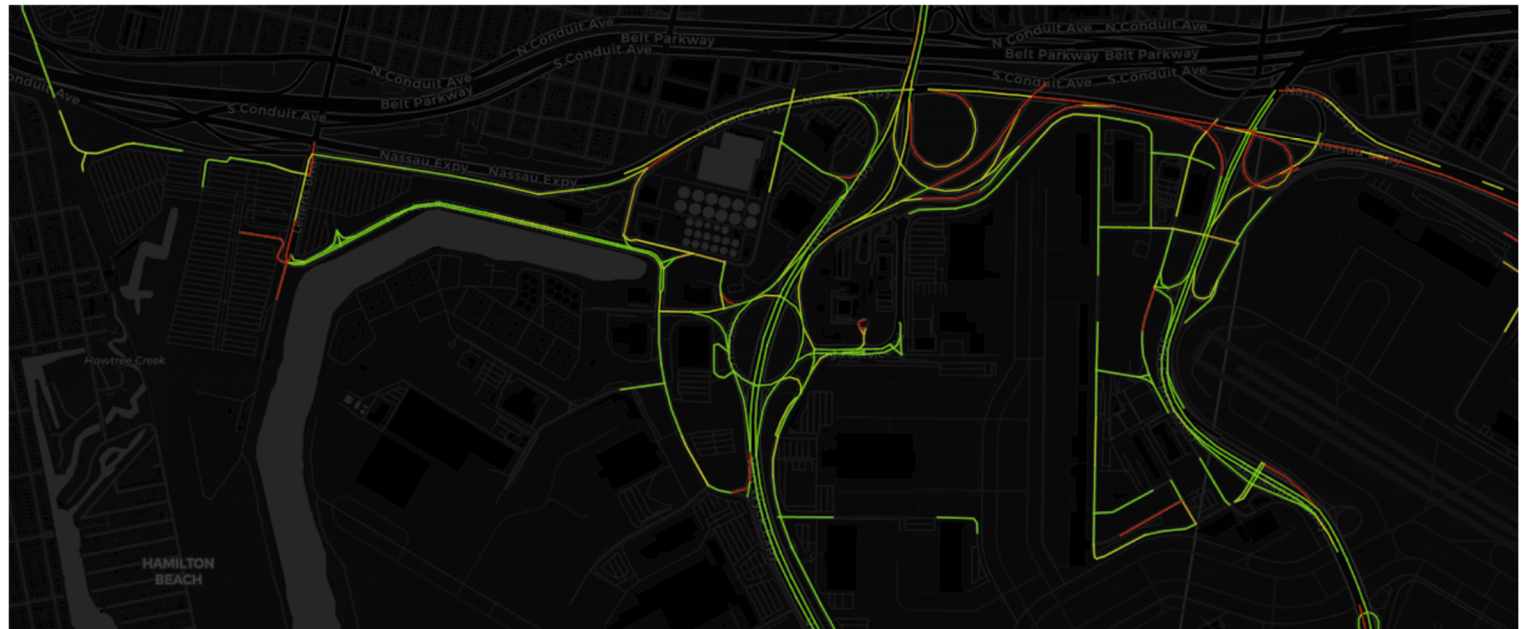


BlynCSY to Release Map of U.S. 35+ MPH Roadway System featuring FHWA Retroreflectivity Minimum Standards

PRESS RELEASE

May 7, 2024

www.bentley.com/newsroom

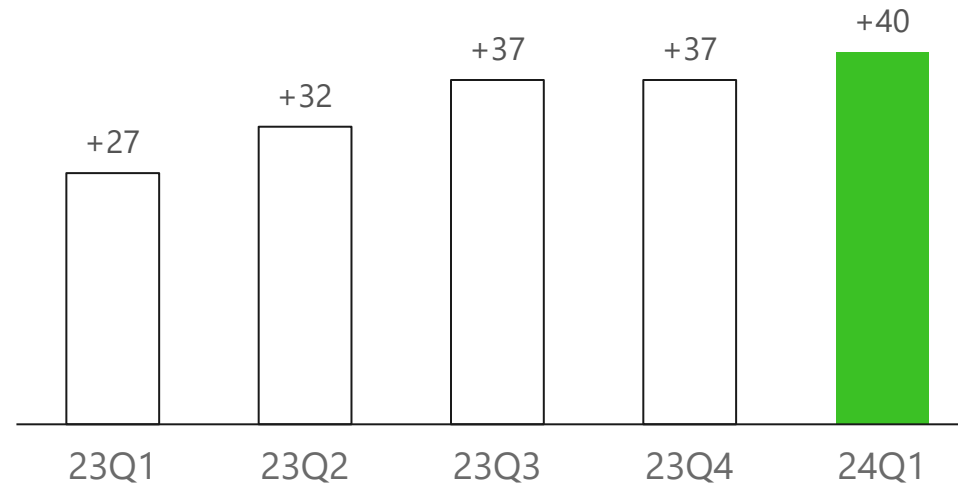


Operational Perspectives

Nicholas Cumins, Chief Operating Officer

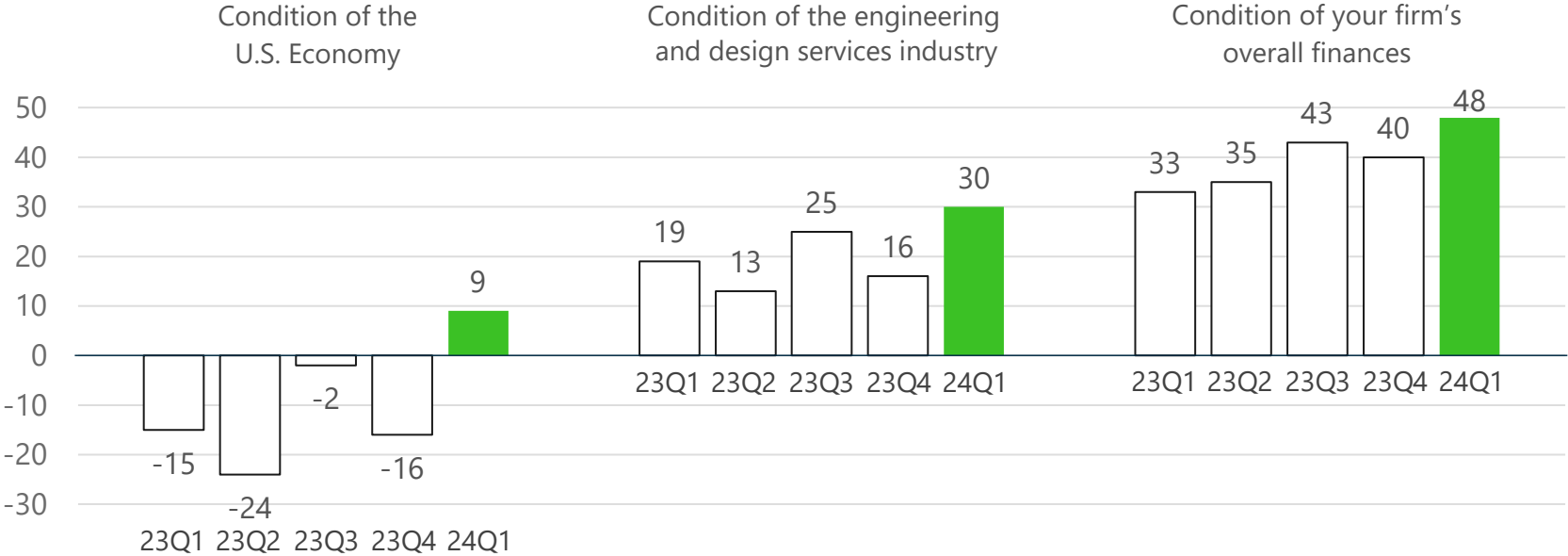
Higher Backlog 12 Months from Now

Net Rating Trend



Source: ACEC Research Institute Engineering Business Sentiment © | 2024 Q1- <https://programs.acec.org/impact-report-21/>

Economic Sentiment 12 Months from Now vs. Previous Quarters



Source: ACEC Research Institute Engineering Business Sentiment © | 2024 Q1- <https://programs.acec.org/impact-report-21/>



International Federation of Consulting Engineers
The Global Voice of Consulting Engineers

The world's infrastructure leaders collaborating to address the key challenges facing the industry

Artificial intelligence • Decarbonization



Global Leadership Forum Summit 25-26 April 2024



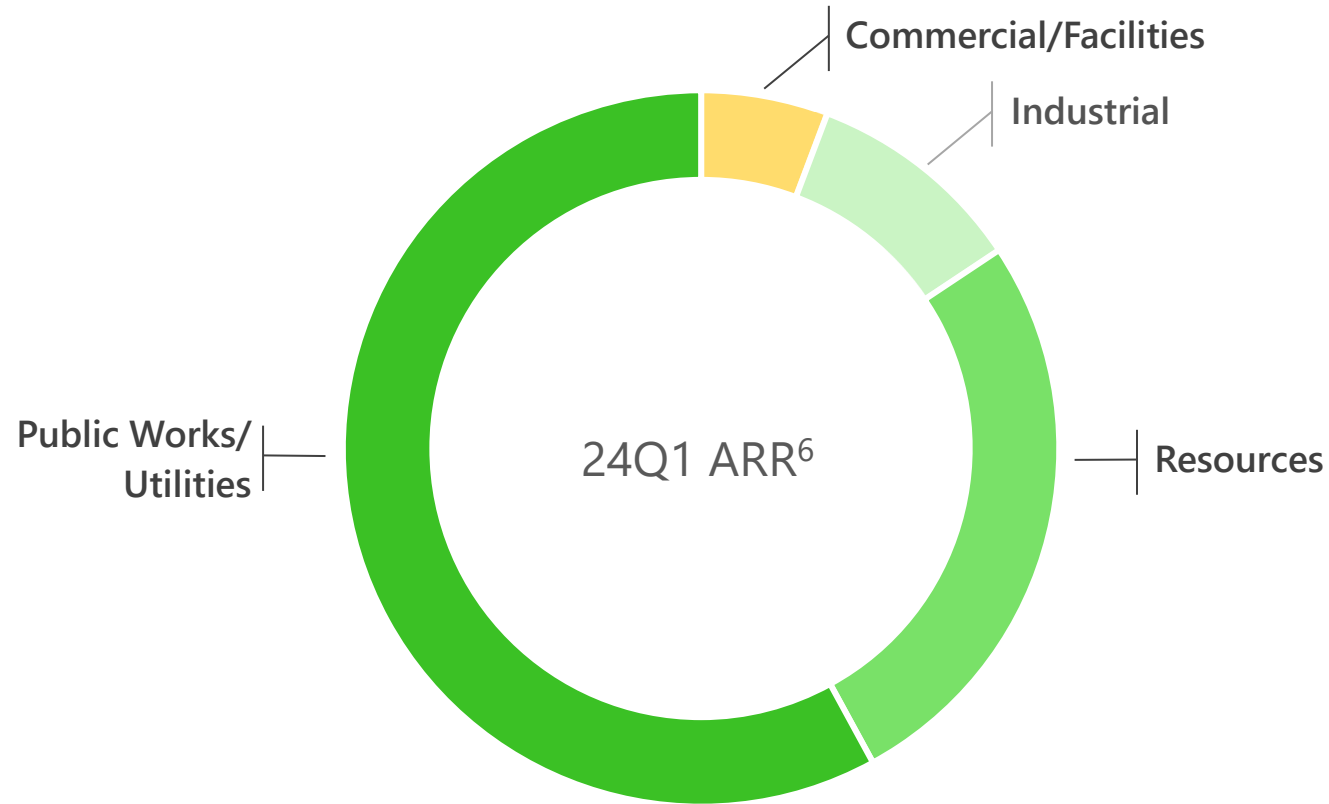
<https://lnkd.in/eWtVhWGF>



Images courtesy of [FIDIC](#)

Tone of Business by Infrastructure Sector

Growth in Public Works/Utilities Continues to Lead the Way



Note: Chart segment sizing corresponds to underlying % of 24Q1 Sector-attributable ARR⁶
Footnote 6 : See appendix for KPI and non-GAAP definitions

Notable Q1 Developments Across Geographies

Balanced Performance Across the Board

Americas

Solid growth

- North America steady performance
- Momentum with US DOTs
- Positive development with U.S. electrical transmission reform

EMEA

Solid growth

- Resources and Public Works lead the growth
- Calls for even more infrastructure investments to address climate change

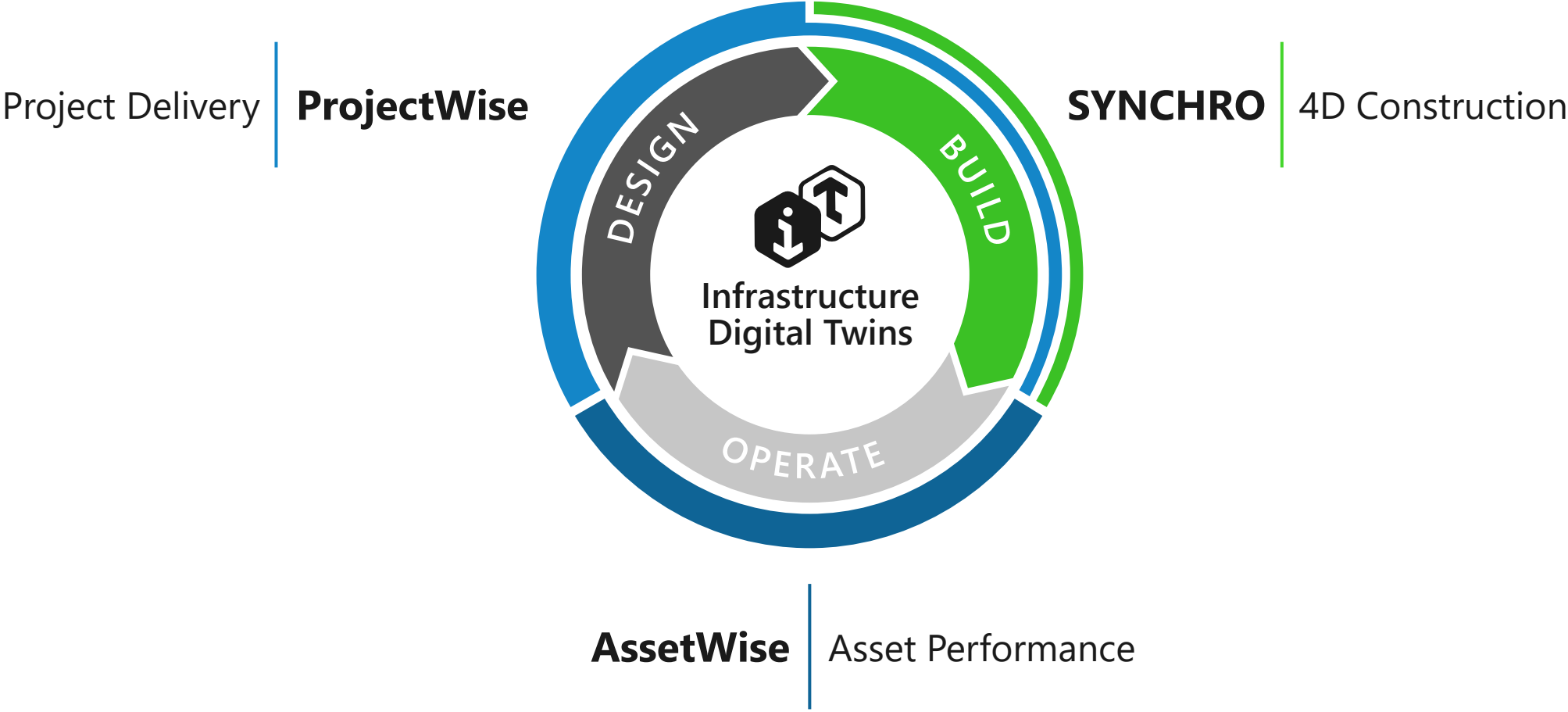
Asia Pacific

Steady growth

- India once again main growth driver
- Momentum in water expanding from project delivery into operations with digital twins
- China headwinds persist but renewal rates improved

Bentley Infrastructure Cloud

Powering Infrastructure Delivery and Performance



EchoWater Project

Location: Sacramento, California, United States

Project Playbook: iTwin, LumenRT, OpenRoads, SYNCHRO

Image/Video Credit: Project Controls Cubed LLC



Image courtesy of Sacramento Regional County Sanitation District

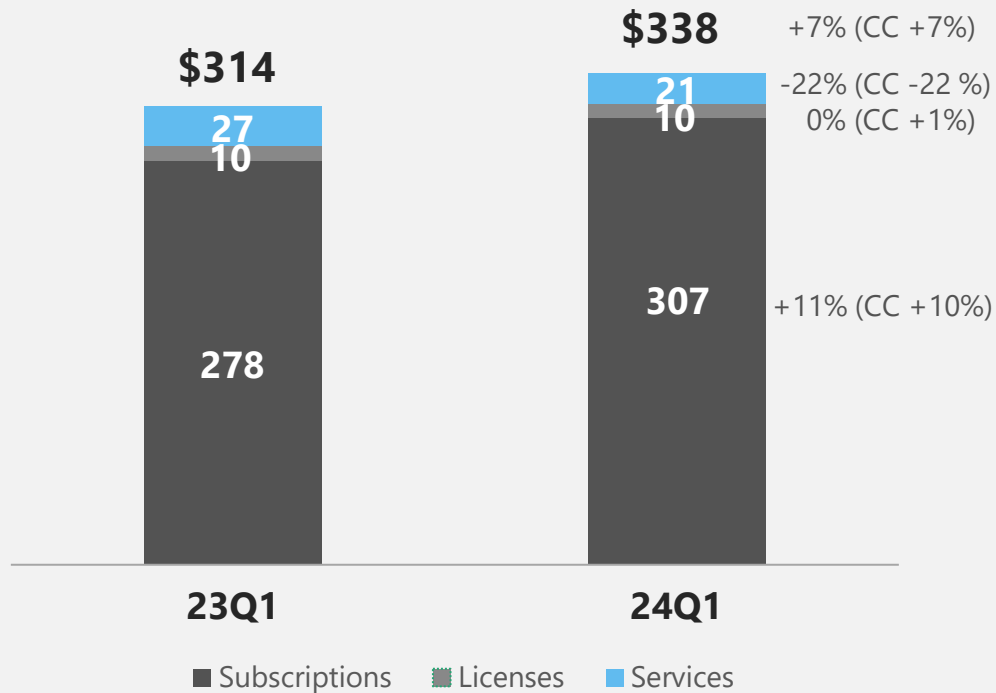
Financial Performance

Werner Andre, Chief Financial Officer

Revenue Performance

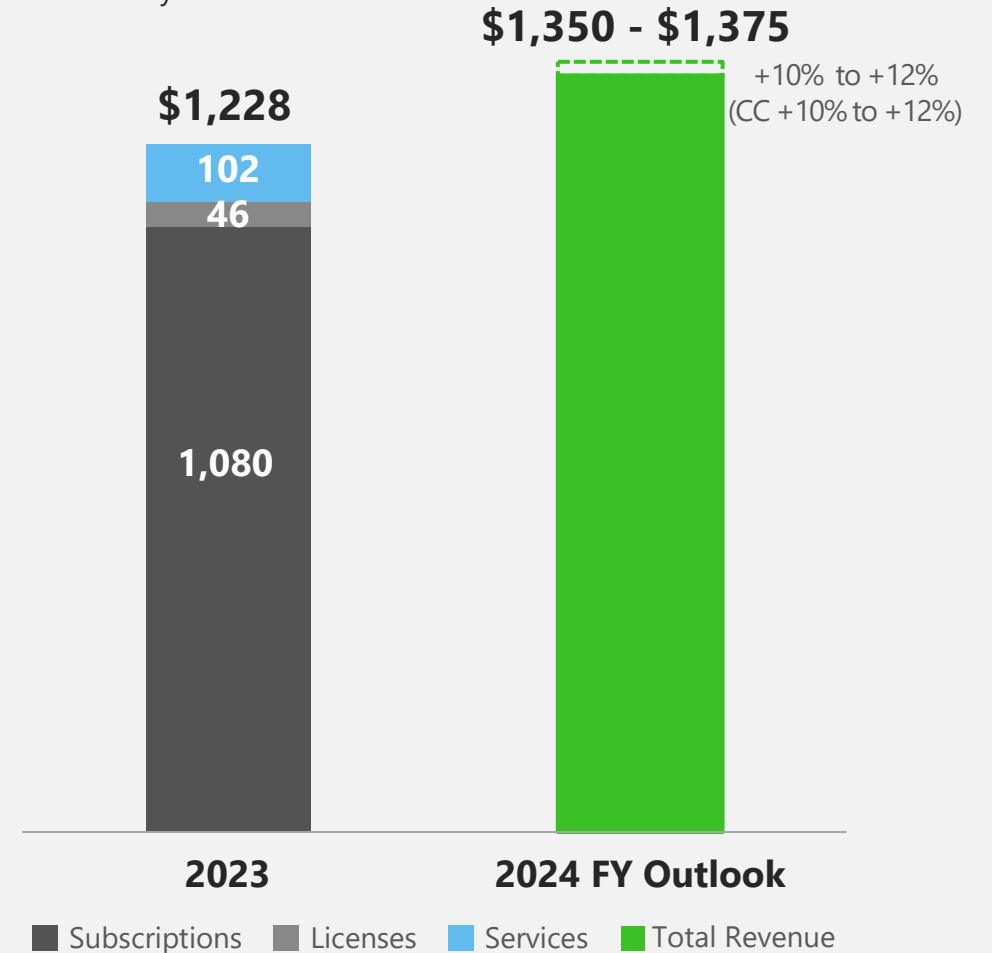
First Quarter

\$ in millions
CC constant currency¹



Full Year (As Presented at our 23Q4 Results Call)

\$ in millions
CC constant currency¹

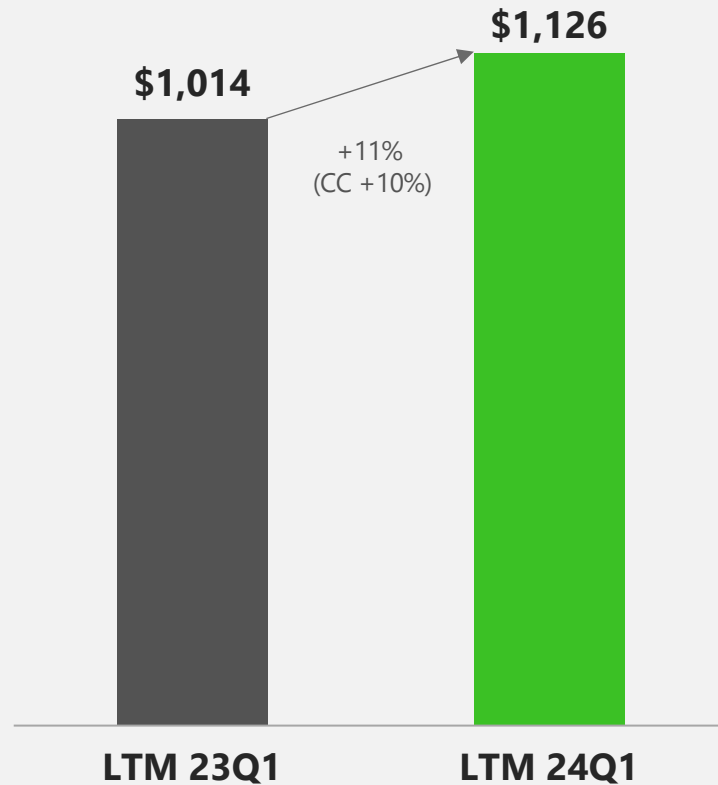


Footnote 1: See appendix for KPI and non-GAAP definitions

Recurring Revenue Performance

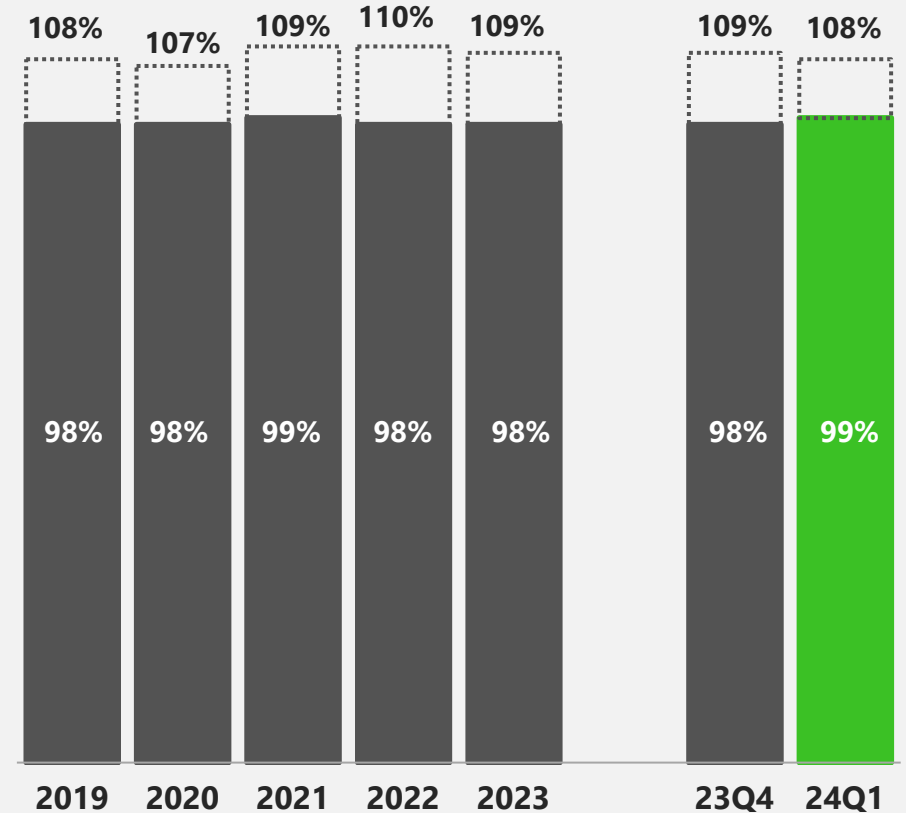
LTM Recurring Revenues³

\$ in millions
CC constant currency¹



LTM Recurring Revenue Retention

Constant Currency¹, YoY



Account Retention Rate (Dollar Weighted)⁴

Recurring revenues-dollar based net retention rate⁵

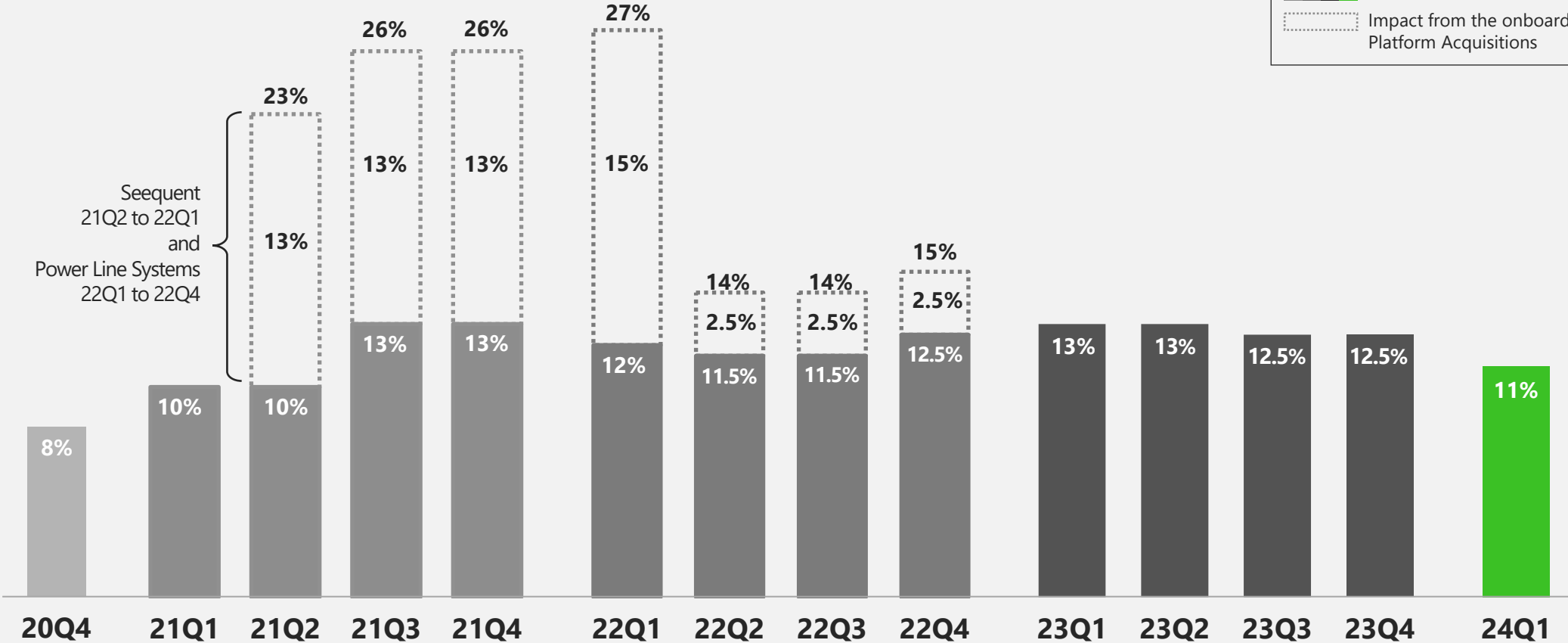
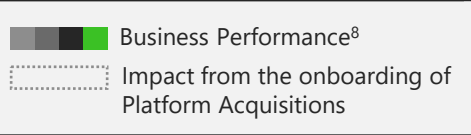
Footnotes 1, 3, 4, 5: See appendix for KPI and non-GAAP definitions

Recurring Revenue Performance

ARR Growth^{7,8}

ARR⁶: \$1,186 million at 03/31/2024 Spot Rates

Constant Currency¹, YoY



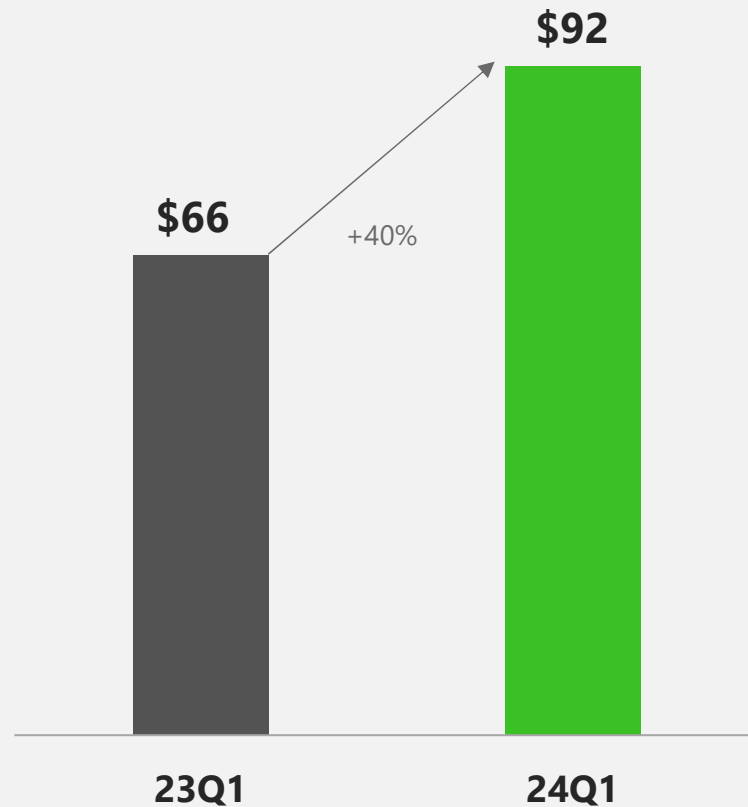
Sequential CC ARR Growth Rates by Quarter	20Q4	21Q1	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1
	8%	10%	10%	13%	13%	12%	11.5%	11.5%	12.5%	13%	13%	12.5%	12.5%	11%

Footnotes 1, 6, 7, 8: See appendix for KPI and non-GAAP definitions

Profitability Performance

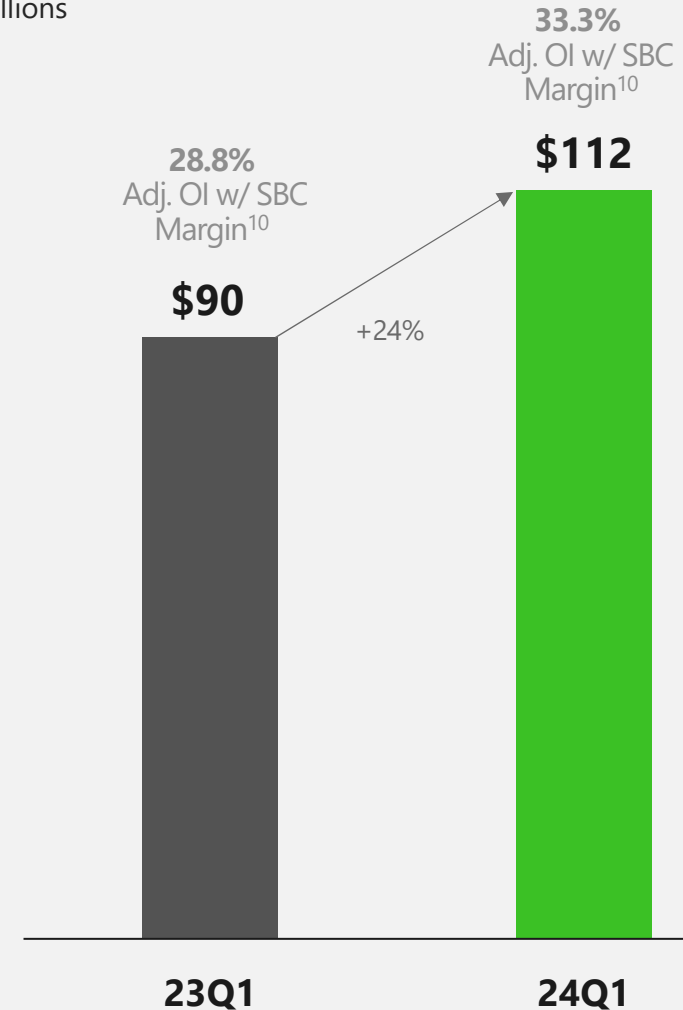
GAAP Operating Income

\$ in millions



Adjusted OI w/ SBC⁹

\$ in millions

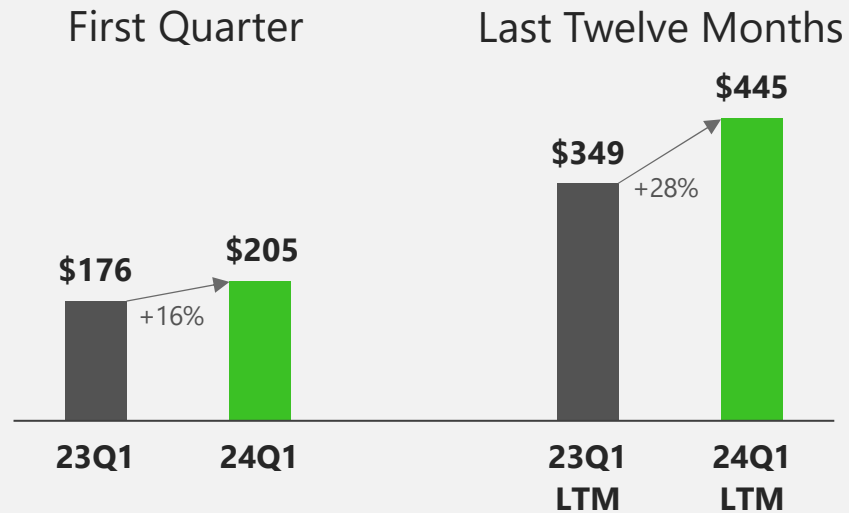


Footnote 9,10: See appendix for KPI and non-GAAP definitions

Liquidity and Capital Structure

GAAP Operating Cash Flows

\$ in millions



24Q1 Credit Metrics

\$ in millions

Cash	\$ 142
Senior Debt ^a	\$ 188
Net Senior Debt ^b	\$ 46
Net Senior Debt Leverage ^c	0.1x
Available Revolver Credit Capacity	\$ 850

- 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 3.0x
- At \$100 million / year (exceeding recent average) for programmatic acquisitions, we can expect to de-lever at the rate of about .7 (turns of Adjusted EBITDA¹¹) annually
- Convertible Debt Leverage^e is 2.9x

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 Adj. EBITDA¹¹

Footnote d: Net Debt Leverage is Net Senior Debt plus \$1,263M of convertible notes divided by LTM Adj. EBITDA¹¹

Footnote e: Convertible Debt Leverage is Convertible Debt divided by LTM Adj. EBITDA

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

24Q1 Capital Allocation

- \$95 million in bank debt reduction. Fully paid down revolving credit facility by the end of January 2024
- \$18 million in dividends
- \$23 million in share repurchases, including \$8M of de-facto share repurchases

Full Year 2024 Financial Outlook

As presented
at our 23Q4 and
Full Year 2023 Results Call

Financial Metrics	Outlook
Total Revenues	\$1,350 million to \$1,375 million ^a (+10% to 12% in constant currency ^a)
ARR Growth ⁸ (constant currency ¹)	10.5% to 13% ^b
Adjusted OI w/SBC Margin ¹⁰	Approximately 100bps annual improvement
Effective Tax Rate	Approximately 20%
Cash Flow from Operations	Approximately 80% of Adjusted EBITDA ¹¹
Capital expenditures	Approximately \$22 million

Additional expectations to support financial modeling

- Full year interest expense of approximately \$29 million. Around \$13 million cash interest (net of around \$9 million of payments received from our interest rate swap);
- Full year cash taxes of around \$50 million;
- Stock-based compensation in the 6% range of revenues;
- Operating depreciation and amortization of approximately 1.5% of revenues;
- Fully diluted weighted average shares outstanding between 333.2 and 334.7 million;
- Dividends of \$0.24 per share.

Footnote a: 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, 6, 8, 10, 11: See appendix for KPI and non-GAAP definitions

Q&A

Live Session Monitored by Eric Boyer, Investor Relations Officer

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, and 2023 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, and 2023 calculated using ASC 606.

KPI and Non-GAAP Definitions

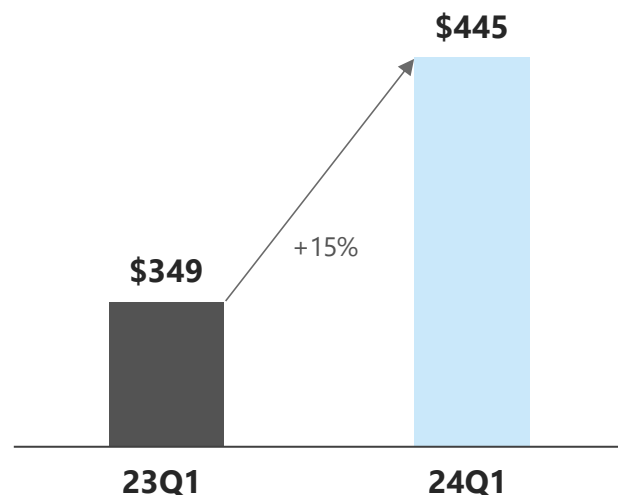
6. **Annualized Recurring Revenues (“ARR”).** Our ARR is defined as the sum of the annualized value of our portfolio of contracts that produce recurring revenues as of the last day of the reporting period, and the annualized value of the last three months of recognized revenues for our contractually 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, 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.

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 24Q1
Cash flow from operations	\$ 445,442
Cash interest	32,173
Cash taxes	47,941
Cash deferred compensation plan distributions	2,177
Cash acquisition expenses	12,163
Cash realignment costs	7,785
Change in operating assets and liabilities	(99,759)
Other ^a	(9,240)
Adjusted EBITDA	\$ 438,682

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 March 31, 2024			Three Months Ended March 31, 2023		
	Actual	Impact of Foreign Exchange at 2023 Rates	Constant Currency	Actual	Impact of Foreign Exchange at 2023 Rates	Constant Currency
Total revenues	\$ 337,763	\$ (843)	\$ 336,920	\$ 314,411	\$ (125)	\$ 314,286
Subscriptions revenues	\$ 307,089	\$ (761)	\$ 306,328	\$ 277,845	\$ (142)	\$ 277,703