

Bentley Q4 and Full Year 2025 Earnings Call Transcript

Eric Boyer: Good morning and thank you for joining Bentley Systems' Q4 and full year 2025 results and 2026 financial outlook.

I'm Eric Boyer, Bentley Systems' Investor Relations Officer.

On the webcast today, we have Bentley Systems' Executive Chair Greg Bentley, Chief Executive Officer Nicholas Cumins, and Chief Financial Officer Werner Andre.

This webcast includes forward-looking statements—made as of February 26, 2026, regarding the future results of operations and financial position, business strategy, and objectives for future operations of Bentley Systems, Incorporated.

All such statements made in or contained during this webcast, other than statements of historical fact, are forward-looking statements.

This webcast will be available for replay on Bentley Systems' Investor Relations website at investors.bentley.com on February 26, 2026.

After our presentation, we will conclude with Q&A. And with that, let me introduce the Executive Chair of Bentley Systems, Greg Bentley.

Greg Bentley: Thanks to each of you for your interest and attention!

Nicholas will review the factors behind our stalwart 2025 operating results, and Werner will then provide our consistent 2026 outlook.

So, I'll take a longer-term perspective.

First, as I hope we'll be welcoming some new investors, I'll begin with an update on Bentley Systems' financial fundamentals.

With 2025 results, I can extend my previous review of our first five years as a public company to now focus on the years since pandemic disruptions.

Our business model prioritizes durability and visibility. Our key metric, annual constant currency ARR growth, has been reliably sustained in the low double digits since 2022. This business performance measure excludes the ARR onboarded with our major platform acquisitions, Seequent and Power Line Systems.

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In 2025, the portion of this growth from smaller, programmatic acquisitions was at a low of under 40 basis points.

During the earlier of these years, rates of inflation (as shown here for the U.S.) were significantly higher, so, in ex-inflation “real” terms, our ARR growth has been more than maintained.

Reflecting our standing commitment to annually improve profitability as we gain efficiencies, especially from our 94% direct sales motion, our adjusted operating income grows faster than revenue.

As we regard stock-based compensation as fungible with cash, our key profit measure is AOI less SBC.

Having institutionalized annual improvement of about 100 basis points in margin, since 2022, we have compounded [AOI] less SBC dollars at over 16% per year.

Our straightforward revenue recognition (primarily ratable and almost never for multiple years) and annually prepaid subscriptions make free cash flow also predictable, though subject to variations in working capital, taxes, and interest.

With such factors having been favorable in 2025, our free cash flow margin reached 35%.

However, cash flow isn't truly “free” to the extent it must be allocated to offset share dilution from stock-based compensation.

Our “truly free” cash flow margin—that is, less SBC—reached 30% in 2025.

For valuation benchmarking, one must reckon per share.

Our fully diluted share count has been substantially constant, including putative dilution from the convertible debt that funded our platform acquisitions.

But last month, we retired the maturing 2026 convertible debt—as will presumably occur again next year—reducing our fully diluted share count by about 3%.

And having reached a satisfactory target range of about 2X, we have completed de-levering since the platform acquisitions and can now allocate more of our cash flow generation towards scaled-up programmatic acquisitions.

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The consistent 2026 financial outlook Werner will present reflects our confidence in both our robust end markets, and in sustaining our execution fundamentals.

But market-perceived risks of AI interloping seem to have discounted our value thereafter to nearly terminal.

In fact, for Bentley Systems, AI is not a risk to be countered, but an unprecedented opportunity. Distinctive fundamentals of infrastructure engineering serve substantially in our favor.

As the industry's established and trusted digital quartermaster, we are best positioned to catalyze, with infrastructure engineering organizations, the value to be realized by taking full advantage of AI's potential to transform the substance of their work.

Over 42 years, our key advantage has been providing continuity across technology generations—something highly valued for long-lived infrastructure projects, assets, and engineering careers.

Based on our actual experience over these decades, enabling and then encouraging progress from CAD to BIM to digital twins: the faster AI and its integration improves, the better for Bentley Systems.

The deliberate pace of technology adoption in infrastructure engineering is rooted in legitimate prudence. Each of our lives, and much of their quality, depends on vital infrastructure meeting standards for safety, resilience, and fitness for purpose.

This is why, specific to public infrastructure, regulatory regimes variously require a licensed professional engineer to personally seal project deliverables, vouching—under penalty of law, and of liability—that they supervised the work. This requirement cannot be met by casually adopted, unproven AI tools.

Institutionally and contractually, project collaborators across engineering disciplines must adhere to formally structured interactions and data formats.

Owner-operators and engineering enterprises mandate strictly approved toolsets for interoperability and quality assurance.

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In this world, do-it-yourself AI tools without years of vetting would confine an engineer to trivial work, at their own risk.

From a practical standpoint, the nature of our applications is unlike the administrative software now suspected to be vulnerable to AI replacement.

Like other professionals, infrastructure engineers do use administrative software, but not from Bentley Systems. Our applications are virtually devoid of the forms, transactions, and text that characterize administrative work.

The screen captures you see here include, by the way, a data center site as typically construction-modeled by DPR Construction, a world leader in virtual design and construction.

Infrastructure engineering is performed through immersive, interactive 3D geospatial modeling experiences like these. With almost all projects juxtaposed within real-world brownfield environments, their design requires all context, all the time, while orchestrating complex algorithms and simulations.

And while engineering is a creative profession, unlike other 3D creators, an engineer cannot be satisfied with the notional abstractions of mere visualization; often, what can't be seen is most important.

Precision is paramount, with zero tolerance for approximation, let alone hallucination.

Beyond the confidentiality required for physical and cybersecurity of essential infrastructure, their designs constitute the valuable intellectual property of engineering firms and their owner-operator clients.

As by far the longstanding primary system of record for infrastructure design, all data managed through ProjectWise within Bentley Infrastructure Cloud is strictly proprietary to the engineering organization.

We responsibly steward this complex engineering data for their authorized use only, including for AI training. There is no such credentialed data publicly accessible to be scraped for such training.

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In any case, our users' economic incentives to seek alternatives are perhaps surprisingly mild. Though mission-critical to produce, capture, and deliver an engineer's work, our software costs, on average, per user day, only about 3% of that user's burdened daily labor cost.

This low substitution rate of technology for labor, compared to other industries, is likely rooted in owner-operators' archaic norm of paying by the hour (and often based on low bid) for engineering services, perversely dis-incenting advances in productivity.

Spurred by now-chronic shortages of engineering capacity, I believe that AI is poised to transform infrastructure engineering business models to finally compensate not for manhour inputs, but for better quality outcomes.

All boats will be raised, but especially software and computing spending per engineer, with AI agents automating design optimization.

Engineers could, of course, improve their designs without automation—to the extent they would be allowed time to explore more iterations.

But with the current technical norm of attended consumption, compounded by the current commercial norm of hourly billing, budgets rarely afford such repetitions.

AI can break through this bottleneck by enabling an engineer's AI agents to automate the workflow of systematically permuting the engineer's initial design over a many-dimensional solution space, for instance, varying geometry, dimensions, materials, capacities, utilization, and so forth. As a start for this, we're already providing copilot AI for users to create, from natural language, scripts that run against the APIs of some applications.

Through many more APIs to be instrumented across our portfolio, these automation agents will "headlessly" invoke our proven modeling and simulation functionality in a heuristic search strategy to converge to qualified superior alternatives for the human in the loop to subjectively assess.

But, consider that AI could extend design optimization even further, for example, to reuse proven components from past projects and to minimize construction effort, schedule, and risk. The potential incremental value of such optimization

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can reach a very significant portion of infrastructure projects' total installed cost, which, together, is literally in the trillions of dollars annually.

Owner-operators will willingly pay more for designs accordingly AI-optimized for quality.

Project delivery teams finally will be able to expand beyond the current constraints of engineers' time, and will compete to generate value by leveraging their IP in AI agents and in proprietary project and asset data.

For our part, Bentley Systems will, in due course, incrementally monetize API consumption on a scale orders of magnitude greater than that of continuing attended consumption.

But a quite immediate opportunity already opened for us is to apply AI and digital twins towards optimizing the operations and maintenance lifecycle of assets.

This is a committed priority of Bentley Systems' new management generation.

Our comparatively small proportion of revenue from asset performance to date, in relation to years of investment, shows how slow this had been to significantly grow.

But more recently, in conjunction with fast-improving reality capture technologies ranging from drones through dashcams, AI has enabled instant-on digital twins.

Our asset analytics strategy, accelerated by year-end acquisitions, reached the \$50 million run-rate milestone for asset consumption revenue in 2025.

Our progenitor, OpenTower IQ, continues its leadership, with ARR now in eight figures.

It exemplifies our winning strategy: uniquely combining market-leading digital twin creation with best-in-class engineering simulation.

Blynco for roadway operations also had a breakthrough 2025 and is now being piloted by many departments of transportation. Hawaii announced a statewide commitment, including providing dashcams to drivers to extend coverage.

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Alabama is using Blynco to improve decisions on maintenance and capital project spending.

Our two acquisitions were strategically complementary.

We acquired the assets of Pointivo, whose R&D and valuable patent portfolio extend our asset analytics platform in new directions.

Pointivo's software has been broadly applied for advanced AI-based point cloud processing, automated measurement and condition analysis, and inspection workflows.

And we acquired Talon Aerolytics, the leader in asset analytics for telecom and utilities, with capabilities proven at the level of eight-figure contracts. Talon originated drone capture for wireless structures and evolved its AI-based software to expedite construction completions and ongoing maintenance.

Talon already relied on our iTwin Capture for engineering-grade digital twins. Recently, they collaborated with integrated-grid utilities to pioneer AI-based digital twins for electrical distribution poles. To automate the structural analysis for hundreds of thousands of poles, we helped Talon to implement API consumption of our SPIDA simulation software.

To gauge the potential for this: The U.S. alone has 180 million distribution poles, and for each digital-twin inspection and simulation, our Talon asset consumption revenue is in low double digits. By law, distribution pole inspections are required only every five years, which is a reason that classification as ARR is not obvious. The best outcome is for digital twins and AI to make annual monitoring affordable and effective.

The next opportunity for our expanded asset analytics platform is to leverage Power Line Systems' simulation to improve resilience of electrical transmission tower capacity—that's the infrastructure most needed for AI computing to grow.

For API consumption, we are now prioritizing propagation. But I consider that the progression we just talked about—from Talon's seven-figure API usage to our mid eight figures of asset consumption revenue—to be representative of our potential to monetize AI at scale.

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By virtue of Bentley Systems' majority family ownership, our compass has always been set to benefit the long term. Our solid financial fundamentals, and our directly relevant organizational experience, equip us to tolerably bear the marginal risks and volatility inevitably associated with these increased AI investments and ambitions.

My assessment is that AI transformation for infrastructure engineering augurs better times than ever for Bentley Systems. Here's to 2026, and beyond!

And now, over to Nicholas.

Nicholas Cumins: Thank you, Greg. Building on the context you've provided for AI, I want to start today by outlining our strategy, the significant progress we made in 2025, and how we plan to execute on it going forward.

Our approach is twofold: we are not only embedding our own AI capabilities into our products, but also instrumenting our platforms so our users and partners can build their own AI-driven workflows.

We are investing in AI across our entire portfolio.

But for this conversation, I want to focus on three key areas that are central to our business and represent a comprehensive and principled approach to infrastructure AI.

First, in Bentley Open applications, we are leveraging AI to enhance the work of engineers.

This includes leveraging AI to automate interactions with our applications, such as the Python Assistant for MicroStation; automate time-consuming design tasks, like generating drawing annotations for OpenRoads; and even optimize entire designs, as seen with the site layout optimization in OpenSite+.

Just as importantly, our applications serve as the critical environment where AI recommendations are not just tested, but continuously optimized. This is not a single pass/fail gate. It is an iterative process where our software is used continuously to improve the AI-orchestrated design, ensuring it becomes progressively more sound. This process naturally drives greater consumption of our applications' core engineering capabilities as they become central to the AI-driven design workflow.

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Second, Bentley Asset Analytics, which Greg spoke about, uses a two-step process. It leverages AI—primarily computer vision—to process imagery and detect features on an asset. It then uses Bentley Open applications to understand what those features mean from an engineering perspective. For example, can a tower safely take on more load? The output is actionable engineering intelligence that an AI workflow can then use—for example, to automatically trigger remediation work in a third-party EAM system like IBM Maximo.

Third, Bentley Infrastructure Cloud serves as the data foundation for AI. This is where the world's leading engineering firms manage the design files for their current and past projects, primarily using ProjectWise. Our iTwin technology provides the capability to access data from countless file formats and systems, and map it to our base infrastructure schema, making it ready for AI.

This unlocks tremendous potential. It allows engineers to search past project data using natural language. It will enable our users to fine-tune our AI models with their own proprietary data, or even train entirely new custom models.

We envision a not-so-distant future where Bentley Copilot, drawing on an organization's past projects stored in Bentley Infrastructure Cloud, can proactively recommend the best design components. And crucially, as Bentley Infrastructure Cloud maintains a digital thread through operations, it will be able to surface invaluable performance data from the field. This will allow our users to understand how designs created before have held up over time, providing a historical, evidence-based foundation to inform and de-risk the next generation of designs.

But leveraging historical data is only the first step. The true power of our integrated platform comes to life when Bentley Copilot itself becomes an optimizer. Imagine it not only recommending that proven component, but then offering to reduce its carbon footprint using iTwin capabilities; refine its foundation with PLAXIS; optimize its structure with STAAD; and ensure its constructability with SYNCHRO. That is the unique, compounding power of a truly integrated platform for infrastructure AI.

Finally, all of this is built on a principled approach to data. Data ownership is a critical topic in infrastructure. What makes us distinct is our unwavering commitment to data stewardship, a principle we first articulated in 2023. Our users—and only our users—decide if and when their data is used to train AI models. To enforce this, we provide a Data Agreement Registry, where an

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account can formally grant or revoke its consent to have its data included in AI training sets, ensuring they remain in full control.

I want to be clear about our commercial approach to AI, as it is intentionally different across our portfolio.

With Bentley Asset Analytics, AI is applied to mature operational needs where it delivers tangible ROI. Our focus there is rightly on driving revenue growth.

For the foundational area of AI in design, however, we are playing a longer game. These are still early days for applying AI to mission-critical engineering. Therefore, our immediate priority is to lead the exploration for the highest-value AI-powered workflows while, at the same time, building the market and driving their adoption, rather than focusing on direct monetization.

As *the* infrastructure engineering software company, we believe it's our responsibility to lead this transition thoughtfully. This means actively engaging across the entire infrastructure ecosystem.

From our deep collaborations with engineering firms and owner-operators, to policy discussions with government bodies and partnerships with other technology leaders, we are helping to establish the standards and trust necessary for this technology to be adopted safely and effectively. Through these efforts, we are building the foundation of usage and trust first, confident that monetization will follow as these new AI-powered workflows mature and prove their immense value.

So, that is the strategic foundation we are building for our next phase of growth.

Now, turning to our results from the fourth quarter, our performance shows the continued strength of our established business today.

We delivered a strong finish to the year, and that momentum gives us confidence in our 2026 outlook, where we aim to deliver another year of compounding results within our financial framework.

I want to thank all of our colleagues for their dedication and hard work, and our users for their continued trust.

Q4 ARR increased 11.5% year-over-year, which was a solid increase from Q3 as we expected.

Net revenue retention was stable at 109%.

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E365 performance remained steady, and we added 300 basis points of ARR growth from new logos once again, primarily within the SMB segment.

For the 16th consecutive quarter, we added at least 600 new SMB logos through our online store, with retention in this segment remaining high.

Turning to our tone of business by infrastructure sector.

Resources was once again our fastest-growing sector. The standout growth of Seequent is expanding our addressable market into critical resources—a domain that includes mining, as well as new energy sources and groundwater. The performance of Seequent, even during the recent mining slowdown, demonstrates the resilience of its business model, which is deeply embedded in operational workflows rather than cyclical capital projects. As market conditions in mining continue to improve, we are confident Seequent will remain a key growth engine for us in 2026 and beyond.

Our largest sector, public works/utilities, delivered another quarter of strong growth, driven by sustained global infrastructure investment, and the standout performance of Bentley Asset Analytics. Power Line Systems also continues to be a key growth driver, benefiting from global demand for grid resilience and increased power generation.

Growth in the industrial sector was solid, while commercial/facilities remained relatively flat.

Turning to our tone of business by geographic region: our largest region, the Americas, saw another quarter of strong growth. This was driven by a favorable macro backdrop for infrastructure investment that we expect to continue into 2026.

The U.S. market remains healthy, with stable public funding ensuring that project backlogs remain large and engineering services firms busy. We also see our accounts—already at capacity—capitalizing on the large, private sector investments in data centers, driven primarily by demand for AI compute. Even though the core design work is more akin to building design, the immense strain these projects place on the local infrastructure, in particular the power grid and water network, creates a sustained tailwind for our broad portfolio of infrastructure engineering applications.

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Beyond infrastructure, the U.S. administration's announcement of Project Vault—a \$12 billion investment to establish a strategic reserve for critical minerals—is a clear signal of a broader, global trend: the imperative to secure domestic resources, which, in turn, drives the mining activity that benefits Seequent.

Growth in EMEA was once again led by the Middle East. We expect this exceptional performance to continue in 2026, as investments there shifts towards transportation, utilities, and mining—playing to our strengths even more.

Europe delivered a strong quarter, with infrastructure clearly remaining a top priority for the EU. This was evidenced by several policy initiatives published in Q4 targeting key strategic goals: energy transition, transport connectivity, and supply chain security.

The U.K. was softer in Q4, reflecting the tail end of project pauses from earlier in 2025. However, looking ahead into 2026, the pipeline for design and engineering work is improving significantly. For instance, we were very encouraged by last month's green light for Northern Powerhouse Rail. This adds another multi-billion-pound project to the design pipeline alongside massive engineering efforts now underway, such as Sizewell C.

In Asia Pacific, India delivered solid growth. The long-term outlook here remains strong. In addition to ongoing investments in transportation and the water infrastructure, the country's 2047 vision calls for massive investment in grid modernization, to provide "Power for All." With Power Line Systems as the industry standard for transmission engineering, we are uniquely positioned to help.

China, which represents approximately 2% of ARR, continued to be impacted in the quarter by the economic and geopolitical headwinds, which are likely to remain through 2026.

Growth in Australia is showing signs of recovery, as headwinds from government changes and a pause in transportation projects subside. We expect stronger growth in 2026, driven by a resurgence in the mining sector and new infrastructure projects related to the Olympics.

All in all, we are very pleased with the continued strength of our business, and we are well positioned with a great foundation and strategy to help the infrastructure ecosystem leverage AI to deliver even better outcomes.

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And now, for a detailed review of our financial results and outlook for 2026, over to you, Werner.

Werner Andre: Thank you, Nicholas.

We are pleased with our finish to a solid year of financial performance, which marks a strong close to 2025. We delivered strong financial results for both the fourth quarter and the full year.

For the full year 2025, total revenues were \$1.502 billion, growing 11% on a reported basis and 10% in constant currency. For the fourth quarter, total revenues were \$392 million, an increase of 12% reported and 10% in constant currency.

The primary driver of our growth continues to be our mainstay subscription revenues. For the full year, subscription revenues grew 13% reported and 12% in constant currency. This strong growth continued through year end, with fourth-quarter subscription revenues also growing 13% reported and 11% in constant currency.

Subscription revenues now represent 92% of our total revenues, up two percentage points from 2024. Our E365 and SMB initiatives remain solid contributors, with E365 now comprising 45% of our subscription revenues—an increase from 42% in 2024.

Our smaller and less predictable revenue streams performed as we signaled during the year. Perpetual license revenues were essentially flat for both the quarter and the full year. For services revenues, the full-year decline of 6% reported and 7% in constant currency was consistent with expectations. The fourth quarter saw a modest increase of 4% reported, or 2% in constant currency.

Last 12-months recurring revenues increased by 12% year-over-year, and represent now 93% of our total revenues, up 2 percentage points year-over-year.

Our last 12-months constant currency account retention rate remained strong and consistent at 99%. Our constant currency net revenue retention rate remains at a strong 109%. The combination of our high retention rates and new business momentum gives us confidence in the continued durability of our recurring revenue growth.

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Now, turning to ARR. We ended Q4 with ARR of \$1.462 billion at quarter-end spot rates.

On a constant currency basis, our ARR growth rate was 11.5% year-over-year. The sequential quarterly growth of 4% was in line with the expectations we set in Q3, reflecting our typical fourth-quarter seasonality and the timing of anticipated asset analytics deals and programmatic acquisitions.

For the full year, M&A contribution to our ARR growth was less than 40 basis points.

Turning to profitability. Our GAAP operating income was \$79 million for the fourth quarter, and \$363 million for the year. I have previously explained the impact on our GAAP operating results from deferred compensation plan liability revaluations and acquisition expenses.

Adjusted operating income less stock-based compensation was \$94 million for the quarter, with a margin of 24.1%. This strong quarterly margin expansion was in line with the Opex seasonality we discussed in our last call.

For the full year, adjusted operating income less stock-based compensation was \$430 million, up 16%, with a margin of 28.6%. This represents 110 basis points of margin improvement year-over-year, in line with our full-year outlook.

Our free cash flow generation for the year was very strong, totaling \$520 million, up 24% year-over-year. The fourth quarter, in particular, significantly exceeded our expectations, driven by continued strong collections and effective working capital management.

While we are pleased with this result, please note that Q4 is our largest renewal quarter, where the timing of collections can introduce variability across calendar years.

We maintained our disciplined and balanced approach to capital allocation. In 2025, we invested \$93 million in acquisitions while strengthening our balance sheet by paying down \$135 million in bank debt and repurchasing \$10 million of convertible notes. We also delivered substantial returns of capital, deploying \$157 million for share repurchases and \$85 million for dividends.

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Our balance sheet provides significant strategic flexibility. At year end, our \$1.3 billion revolver remained undrawn—with access to an additional \$500 million accordion feature—and we reduced our net debt leverage to a healthy 2.1 times, a four-year low. Our current leverage range and cash generation affords capacity to fund dividends and ongoing share repurchases, and up to \$400 million in programmatic acquisitions annually.

Subsequent to year end, we retired our 2026 convertible notes at maturity, utilizing available cash on hand and approximately \$600 million from our revolver. Retiring this convert reduced our fully diluted share count by approximately 3%.

While this repayment shifts our debt profile, we continue to actively manage our interest rate exposure. We have safeguards in place, including the low fixed coupon on our remaining convertible notes and a \$200 million interest rate swap, expiring in 2030.

In summary, we enter 2026 from a position of strong financial fundamentals. This provides the foundation for our outlook, which builds on our long-term objectives of durable low-double-digit ARR growth, continued annual margin expansion, and strong free cash flow generation.

For 2026, we expect our total revenues constant currency growth to be in the range of 11% to 13%. At current exchange rates, this translates to total revenues in the range of \$1.685 billion to \$1.715 billion.

Our mainstay subscription revenues, which comprise 92% of our business, are expected to grow between 11% and 13% in constant currency.

In our smaller revenue streams, we expect a reacceleration in our services revenues, with constant currency growth between 15% and 20%. This is attributable to increased scale of our asset analytics business, as well as a strong order book for our Cohesive Maximo business. We expect perpetual license revenues to remain relatively flat.

Turning to our primary metric of business momentum, we are projecting constant currency ARR growth between 10.5% and 12.5%, reflecting momentum in our established business and that upside from our AI-powered asset analytics initiatives isn't necessarily [annually] recurring.

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Now, turning to profitability. Our long-term financial framework includes a commitment to deliver approximately 100 basis points of operating margin improvements annually.

Historically, our margin percentage has had a natural hedge against currency fluctuations. However, as our business mix has evolved—primarily with the growth of Seequent, which bills globally in U.S. dollars but has significant costs in other currencies—our exposure has shifted.

While a weakening U.S. dollar can now create a headwind to our reported margin percentage, it also provides greater stability to our margin in absolute dollars.

To reflect this shift towards increased stability of our absolute profit dollars, we will now provide our profitability outlook as a dollar range.

Before I provide that range, I want to note one final refinement to our primary profitability metric. Going forward, our focus will be on adjusted operating income less operating stock-based compensation. This change is for consistency. Our metric has always excluded cash-settled, acquisition-related stay bonuses, and this refinement simply aligns the treatment for equity-settled stay bonuses, which could become more significant.

This removes M&A-related volatility from a key operational metric and results in an approximate 50 basis point increase in the calculated margin, compared to the prior definition.

For 2026, we expect adjusted operating income less operating stock-based compensation expense to be in the range of \$495 million to \$510 million. This incorporates our annual improvement commitment of approximately 100 basis points in constant currency, applied to the new baseline and offset by the 50 basis points FX headwind at current rates versus 2025.

We expect our effective tax rate for 2026 to be approximately 21%, consistent with 2025.

Finally, turning to free cash flow. For 2026, we are projecting a range of approximately \$500 million to \$570 million.

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The wider range directly reflects the timing variability of collections in our large fourth quarter.

The midpoint of this range continues to represent very strong operational cash generation.

However, the year-over-year growth is moderated as a direct result of repaying our 2026 notes, which will result in an approximate \$30 million cash interest outflow, compared to a negligible amount in 2025.

We expect that approximately 45% to 50% of our free cash flow will be generated during the first half of 2026.

To help with your modeling, we expect our quarter-over-quarter ARR growth rate to be similar to 2025, which will cause year-over-year ARR growth rates to be relatively stable throughout the year.

Similarly, we expect our revenue seasonality to be comparable to 2025, while [for] operating expenses, we plan to invest earlier this year, which will result in spend being more weighted towards the first half and less concentrated in the fourth quarter.

I also include here on the slide additional expectations on Capex, interest expense and cash interest, cash taxes, total and operating stock-based compensation, operating depreciation and amortization, outstanding shares, and our unchanged dividend.

And with that, over to Eric to moderate Q&A. Thank you.

Eric B: Thanks, Werner. Before we begin, I want to point out, for your modeling purposes, we have included the historical adjusted operating income less operating SBC reconciliation on page 47 and 48 of our Q4 presentation, which you can find on our IR website. Also, please limit yourself to one question due to time. Our first question comes from Matt Hedberg of RBC.

Matthew Hedberg: Great, thanks for taking my question. Thanks, Eric. Congrats on the year. And it seems like there's a lot to be optimistic for in your 2026 growth outlook.

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I'm curious, and I appreciate all the focus on AI at the start of the call. It's obviously topical for every investor in terms of how AI could potentially drive upside to growth. And it really does feel like you guys are well positioned there.

Taking a step back and realizing you did some smaller acquisitions to end 2025, what do you see as the most important elements that could push constant currency ARR growth closer to that higher end of the range? Feels like there's a number of opportunities. And is AI one of those?

Greg B: Well, AI is contributing now in the form of asset analytics and faster growth in asset analytics than elsewhere. The caveat is it isn't necessarily growth in ARR because we don't yet classify it as annual recurring in all cases. That's simply because the inspections for many types of infrastructure assets are not done every year, and regulatory requirement is not annual.

We want to make it annual with the favorable economics of automated AI-based asset analytics. But that's a process over time. So, AI will goose our asset analytics revenues. It takes time for that to come into ARR per se.

Eric B: Thanks, Matt. The next question comes from Jason Celino from KeyBanc.

Jason Celino: So, interesting comments on kind of leverage and M&A potentially. Looks like leverage is down to more optimal level. And I think you said annually, you're open to 400 million of programmatic acquisitions. Is that 400 million consistent with what you've been open to in the past? I know you've closed much lower amounts based on your cash flow statement. So, are you messaging that we could see like a pickup in tuck-ins going forward?

Greg B: Well, over the past several years, while we've had higher leverage, we've been particular to focus on asset analytics opportunities. And there, we're fussy, but we've closed the ones we've cared most about. There are others of those.

But now, with leverage down to where it is, we are expanding our—where we're open in M&A to beyond asset analytics, potentially. And it's not that we're necessarily trying to do \$400 million in annual acquisitions. But even if we did as much as \$400 million, it wouldn't increase our leverage from where we are now.

Jason C: Got it. I see. OK, thank you.

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Eric B: Thanks, Jason. Next question comes from Joe Vruwink from Robert W. Baird.

Joe Vruwink: Thanks for the time today. Digital twins seem to be coming up more and more just even within the last six months. I know this has never been a buzzword for Bentley. It's a practical application. And you talk today about how there's data and applications around the strategy when it comes to you.

But I'm wondering if all the attention this is now seeing, and digital twins as kind of a foundation for physical AI projects, is that opening up pipeline, or are you finding it's becoming easier to fund digital twin projects at the type of account that maybe hesitated in the past just now that they're getting inundated with this messaging, and you're certainly bringing tangible use cases that can be referenced back to them?

Nicholas C: We're making the investments into digital twins as easy as possible because our products themselves are leveraging the digital twin technology, meaning processes that before were powered simply by files are now powered by digital twins. So, if you're going to do a design review right now, the technology to actually enable that design review, to be able to combine perspectives from different engineering practices, is actually the digital twin. If you're going to do a 4D model of the construction project, then the technology you're going to use to do that is also a digital twin. And then, if you're going to do an inspection of an existing asset, the technology that enables to do that is also a digital twin. So, it's basically happening without the accounts necessarily being aware of it because it is the technology which is underlying our products across our portfolio now.

Eric B: Thanks, Joe. The next question comes from Siti Panigrahi from Mizuho.

Siti Panigrahi: Thanks for taking my question. I want to ask about the macro-demand environment and infrastructure budgets. So, what have you assumed in your guidance in terms of macro? You talked about some of the trends, but the last few years, we have seen some kind of slowdown in construction. Are you seeing any kind of changes in infrastructure owner-operator budgets right now, or any kind of delayed projects or elongated sales cycle? And if I may, can you clarify any kind of revenue contribution from those two acquisitions in Q4 or in '26?

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Nicholas C: So, the macro environment we are assuming for 2026 is remarkably consistent with what we've seen in 2025. So, look on our side, the only area where we've seen a slowdown over the past few years was really the sector of facilities, commercial/facilities, basically buildings. But all the other sectors have been growing very well.

So, resources, which goes beyond infrastructure, was again our fastest growing sector in Q4. But public works/utilities, which is the biggest sector we have, again, strong growth in Q4, and even industrial was solid. So, that's what we're actually assuming for the rest of the year for 2026, which is a consistent demand environment.

Greg B: Something that's different is China, quite apart from the geopolitical aspects, is slowing down. And to your second question, we don't ever break out revenue from acquisitions. We do show the—because it's easy to capture—the onboarded ARR from platform acquisitions, but not the revenues.

Eric B: Thanks. The next question comes from Kristen Owen from Oppenheimer.

Kristen Owen: Hi, good morning. Thank you for the question. I wanted to ask about your assumptions on the services revenue recovery in your 2026 guide. How much of that is being driven by some of the unique aspects of this asset analytics early revenue stage versus a recovery in some of that core Maximo-related business, just to help us understand your drivers there? Thank you.

Nicholas C: Yeah, we've seen definitely an improvement of our services business related to IBM Maximo. And that is the bulk of our services revenue. So, it's really good that the investments in upgrading actually to the newest version of Maximo MAS, MAS 8 and 9, has definitely resumed. And that started, let's say, towards the middle of 2025 and then carried over. And that's what we expect also for 2026.

Greg B: The asset analytics acquisitions do bring us some data acquisition services but minimal. And our intention is further to minimize that.

Eric B: Thanks, Kristen. The next question comes from Jay Vleeschhouwer from Griffin Securities.

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Jay Vleeschouwer: Good morning. Nicholas, I'd like to follow up on something we talked about a quarter ago on the subject of your product development and product releases. And the sequel question is, at Amsterdam at the conference, you talked about new packaging that would be forthcoming, presumably this year. Could you talk about that, and whether the new packaging is at all baked into your guidance for 2026?

Nicholas C: Definitely baked in because the new packaging was actually released in Q4. It is related to the announcements we made at our annual conference of Connect as the entry point to Bentley Infrastructure Cloud. And behind the introduction of Connect, there was a repackaging of ProjectWise in particular to simpler, easier to understand and consume tiers. Now, we're getting a lot of positive feedback, and we got it already in Q4, about the new packaging because of its simplicity.

Connect itself is getting very quickly adopted. Some of Connect comes from an older product we had called ProjectWise 365 and about 50% of the active projects in ProjectWise 365 have already been migrated to Connect. So, it's really taking up quite a bit of momentum, which is fantastic. But the new packaging of ProjectWise in particular is really resonating with accounts, because now, they have a much easier access to advanced capabilities, such as design review or constructability review or clash detection. And it's made available to a much larger user base on our side. And our thinking is, this is going to translate into higher consumption of those capabilities and is going to support our growth going forward.

Eric B: Thanks, Jay. Next question comes from Faith Brunner from William Blair.

Faith Brunner: Hey, guys. Thanks for taking my question. I wanted to ask about the future of AI on the design side. You guys talked about you're playing the long game here, so maybe talk to us about how you're leveraging your network and customer base to really start designing this roadmap.

Nicholas C: We definitely are not designing our roadmap in a ivory tower. We're doing it in conjunction with our accounts, whether they are engineering services firms or owner-operators. And we make sure that these accounts that we're engaging with are as representative as possible of our market. And we are building on, I would say, 42 years of trust. Greg is using this expression of digital quarterback. That is 42 years of us being the digital quarterback of infrastructure,

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where we've helped engineering services firms and owner-operators successfully navigate through multiple paradigm shifts—from CAD to 3D, from 3D to 4D and digital twins, and now with AI.

So, when we gave an update on our roadmap at our annual conference, we also announced a co-innovation initiative called Infrastructure.AI. And in the context of this initiative, we're talking with our accounts on how we need to evolve. The most fundamental part of our portfolio are engineering applications, both technically and commercially, in order to support AI-driven workflows.

We have very strong engagement. A lot of excitement. And this helps prioritize, actually, which of the first APIs, beyond the ones we already have, that we need to enable in order to support these workflows going forward. However, as we explained in the prepared remarks, we're very clear that, indeed, this is going to take a while because of the peculiarities of the infrastructure sector for this kind of technology to be taken up. And, therefore, focus is very much on adoption, more than monetization, at this point in time. But we're absolutely sure that as that technology gets adopted and as value is really created and appreciated, that we'll be able to capture the fair share of that value.

Eric B: Thanks, Faith. The next question comes from Blair Abernethy from Rosenblatt Securities.

Blair Abernethy: Thanks. Good morning. Nice quarter. A nice way to end the year. Just on the asset analytics business, with these new acquisitions as well, and more to come, as you're suggesting, what's the go-to-market approach here? Is it really just Bentley-driven, or are there—I think, Greg, you and I have talked in the past about engineering partnerships or working with the large global engineering firms to try and develop a service revenue for these guys. Recurring revenue for these guys. Is that still in the works? Or just maybe an update on how you see the go-to-market on asset analytics.

Greg B: That is the outcome intended—that we will, through our asset analytics platform, if you like, white label that to engineering firms who will bundle it with substantive engineering services in their own IP-driven AI so that when a problem is detected, the remediation is part of their own know-how and their own recurring services. We think that's something—we share an objective with the engineering firms in doing that.

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But in the meantime, there's such a opportunity on the ground floor to get established from one asset type to another. As we mentioned, distribution poles and, next, transmission towers are going to be strong for us this year. And we are tending to get ourselves established there directly to start with.

Eric B: Thanks, Blair. Next question comes from Alexei Gogolev from JPMorgan.

Alexei Gogolev: Thank you, Eric. Hello, everyone. Greg, are you seeing the long-term ownership debate being impacted by the AI disruption dynamics? What I mean is, has it become incrementally more tricky to do a deal in light of this current uncertainty?

Greg B: By deals, do you mean M&A deals?

Alexei G: More of your deals with large corporates, large customers. I'm guessing not from the ARR growth dynamics that you were posting. And it seems like the market has overreacted for a lot of stocks, including Bentley. But what are you seeing on the ground?

Greg B: Well, you've heard me before measure carefully the annual escalation baked into multiyear cap and floor extensions. And that hasn't shown any proclivity to worry about AI displacement. The engineering firms are glad to budget spending more for technology. I think they are as poised as we are to benefit from the transformation in business model when the owner-operators pay more for intellectual property through AI than for the hours of execution. And that inflection still lies ahead. But in the meantime, there's no lack of confidence, as measured by our visibility into the out years of the floor and ceiling brackets that I carefully monitor.

Nicholas C: I would just add, we are again, very early stage with respect to AI, especially when it comes to design. Asset analytics, that's different. But when it comes to design. And I would say, AI is a source of a lot of excitement and exciting conversations with our accounts. So, what I can say is that it is helping us, actually. For example, our commitment to data stewardship makes us quite distinct from other players out there.

And for engineering services firms and also owner-operators to understand that if they're going to use our platform, that their data remains their data always. And we're not going to use it to train our own AI without their explicit ask, actually—is really resonating. So, AI is an opportunity to have a longer-term strategic

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conversation with accounts, and for them to understand and appreciate that, indeed, they have the right partner in Bentley Systems.

Eric B: Thanks. The next question comes from Daniel Jester from BMO.

Daniel Jester: Great. Good morning, everybody. Thank you for taking my question. It's on Seequent. You highlighted fourth-quarter improvement there. And if I go back, it looks like 2025, you saw pretty consistent improvement there.

Maybe stepping back, if you look historically in the business, when we've got into an up cycle in minerals and metals and mining and the like, how has that in the past affected performance of the business? And if we do see this continued cyclical improvement, what are the levers to drive sort of incremental revenue or opportunities for you? Thank you so much.

Nicholas C: Of course. So, what we've seen is, starting a couple of years ago, actually, a slowdown in big capital investments for the exploration of new mines or for major expansions to existing mines. And this was related more to the overall financial environment in which mining companies have been operating, with inflation rate high, with interest rates high, basically making it quite expensive to raise capital.

And this has improved throughout 2025. And that's why we're very, I would say, cautiously optimistic about mining in 2026 and beyond. There's clearly an upward trend here.

Now, what has been remarkable with our Seequent business is that, even during this slowdown of mining over the past few years, it continued to grow faster than the rest of the company. And that speaks a lot to the resilience of their business model. It's not so dependent on capital investments, because their software is used in day-to-day operations of mines, also of energy plants, if we want to talk about geothermal.

Now, with cyclicity, you may be also referring to what's going on with the price of minerals. And that's a pretty complex topic. There are many reasons that explain why the price of gold, like any other commodity, actually is going up or down.

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But this is pretty disconnected from where the Seequent software is used, which is actually on the supply, the production side. And even with gold, by the way, you can see that the production, the volume of production of gold continues to go up and is decorrelated with what's going on with the price of gold.

And that's again because, regardless of what's happening with the price, mining companies need to continue to understand the subsurface. They need to continue to derisk. They need to continue to be as efficient as possible and, therefore, use Seequent software.

Greg B: And an increasing portion of Seequent is for the foundation and civil engineering products—civil engineering projects, because the principal source of risk is subsurface, and that has now been imbued in project risk approaches, the modeling with Leapfrog of the subsurface.

Eric B: Thanks, Dan. Next question comes from Joshua Tilton from Wolfe Research.

Joshua Tilton: Greg, I very much appreciate the masterclass in why Bentley is well positioned to be an AI winner. I think if I listen to the questions from my peers on the call, though, what investors are trying to figure out or hoping to get a little bit more clarity on, at least from my perspective, is just, out of all of the opportunities that you discussed, whether it's asset analytics or more in design, which of those opportunities do you see being a reality sooner?

And is that a 2026 phenomenon, 2027 phenomenon? And exactly how—and touched on a little bit of consumption—but exactly how are we going to see that monetization show up in the model? Does that make sense?

Greg B: Well, asset analytics is immediate. But what's interesting is that with Talon, we started with API consumption. We negotiated what wound up being a seven-figure annual consumption of the engineering simulations based on the digital twins they captured with our iTwin Capture models.

And generally, the API opportunity will massively expand the consumption and the computing for our modeling and simulation across the board. But in our experience, as we mentioned, going from CAD to BIM to digital twins, the obstacle

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in—and for reasons that I got into, the institutional impediments, it's take-up that is the biggest challenge.

And so, we're focusing on helping users identify the APIs for which they'll create AI agents. This year, we've made it as simple that they can do it now from natural language and start to be running many more iterations and see the benefit of that. You can, in many cases, quantify how much better the design outcome will be.

In future years, it'll be more so reuse of existing components and constructability and so forth that we mentioned. But it's pretty immediate to work with accounts to identify how API consumption can help them now, and we'll be working out how we monetize that with them as their digital quartermaster during the year.

Joshua T: Makes sense. Thank you, guys.

Eric B: Yeah, thanks. The last question will be from Koji Ikeda from Bank of America.

Koji Ikeda: So, I was wondering, as we think about design software and the data that's embedded in there, how do we think about the pace of monetization potential of this data, either within Bentley itself or other vendors within the ecosystem that work with systems like Bentley, to plug into your data, access that data, and for Bentley to monetize that data? Is this an opportunity that could happen sometime in the next 12 months? Or do you think this is something that could happen potentially over the next several years? Thank you.

Greg B: Well, first, I will say that ProjectWise and Bentley Infrastructure Cloud—you can see on our distribution of ARR that that is the largest of any individual product we have in terms of ARR. So, we're already monetizing the compounding of semantically addressable project data that becomes more valuable now, with the opportunity for our accounts to use it themselves, in the ways we've described, including training their own AI models and for optimization to occur within our modeling and simulation products, but under their own AI agents, exploring that outcome space.

So, we are monetizing now, in that respect, and have been. And now, over to Nicholas to talk about the future.

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Nicholas C: Yeah. And to make it super clear when we say we're monetizing it now, so this is not about using the data from one infrastructure organization and then monetizing with other infrastructure organizations. No, no, not at all. What we're monetizing is the ability for infrastructure organizations to surface data from their own files in the context of ProjectWise and Bentley Infrastructure Cloud and then use it for their own purposes.

Their data is their data, full stop. But there could be, actually, some additional data monetization - true data monetization opportunities for us going forward. And I'm just thinking, for example, of Cesium, that we are deploying across our portfolio.

And Cesium itself opens up an ecosystem of third-party data that can be brought into the design environment of infrastructure engineers so they can design in full context. I'm thinking, for example, of the Google 3D Photorealistic Tiles or some additional terrain data or other data sets that could be offered. And I would say, in the longer run, it is fairly possible that all of these engineering insights that are being created with our software in the context of operations and maintenance also becomes context for the infrastructure engineers to design, for example, extension of existing assets or do some remediation work on existing assets.

And some of these insights can be created from third-party data and can be monetized as such as well. So, I would say, in the longer run, an exciting opportunity, monetizing, potentially, third-party data as well.

Greg B: And it is Cesium's stock and trade to have become that geospatial platform for such immersion in the world at large.

Eric B: Great. That was the last question. So, that concludes our call today. We thank you for your interest and time in Bentley Systems. Please feel free to reach out to Investor Relations with further questions and follow up. And we look forward to updating you on our performance in coming quarters. Thanks.

Nicholas C: Thank you.

Greg B: Cheers.