



Bentley[®]
Advancing Infrastructure

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THE
Infrastructure Engineering Software
Company

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; 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; our ability to integrate acquired businesses successfully; our ability to identify and consummate future investments 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, 2022 and subsequent Forms 10-Qs.

The forward-looking statements made in this presentation are made as of March 20, 2023. If this presentation is reviewed after March 20, 2023, 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.

This presentation includes certain non-GAAP financial measures, including Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted OI w/SBC. Non-GAAP financial measures such as these should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with GAAP. Please refer to the Appendix of this presentation for definitions of the non-GAAP financial measures included in this presentation.

BSY Investment Distinctions

Classically Compounding...

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-associated) pipeline and track record of programmatic acquisitions to round out organic growth

Operating leverage affords a long runway for ~100bps of annual (Adjusted Operating Income *with SBC*) margin expansion

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

Sustainable double-digit ARR growth by virtue of company-specific growth initiatives AND extraordinary favorability of end markets

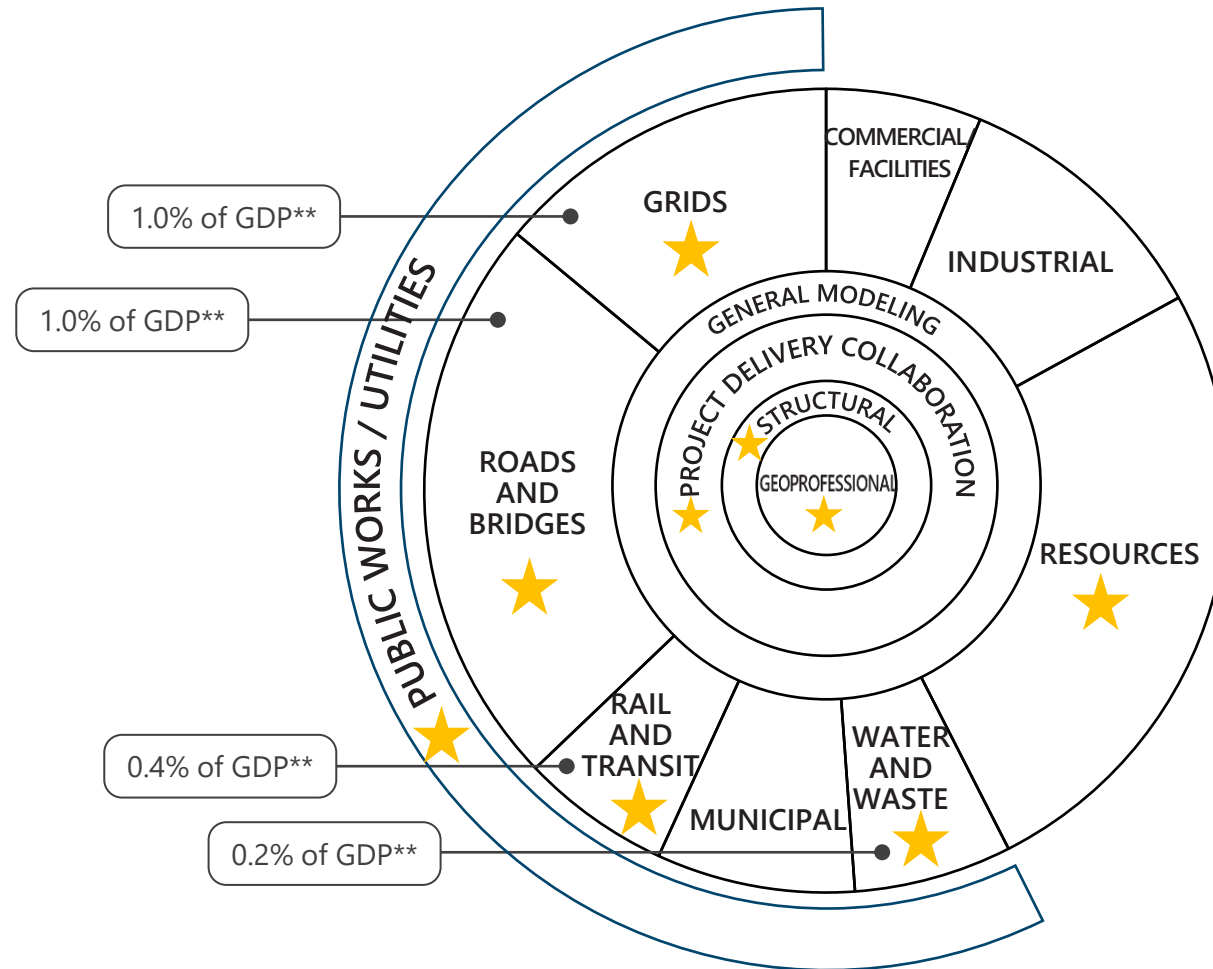


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ARR* by End Markets (Infrastructure Sectors)

THE *Infrastructure Engineering Software* Company



★ We believe we are the market leader

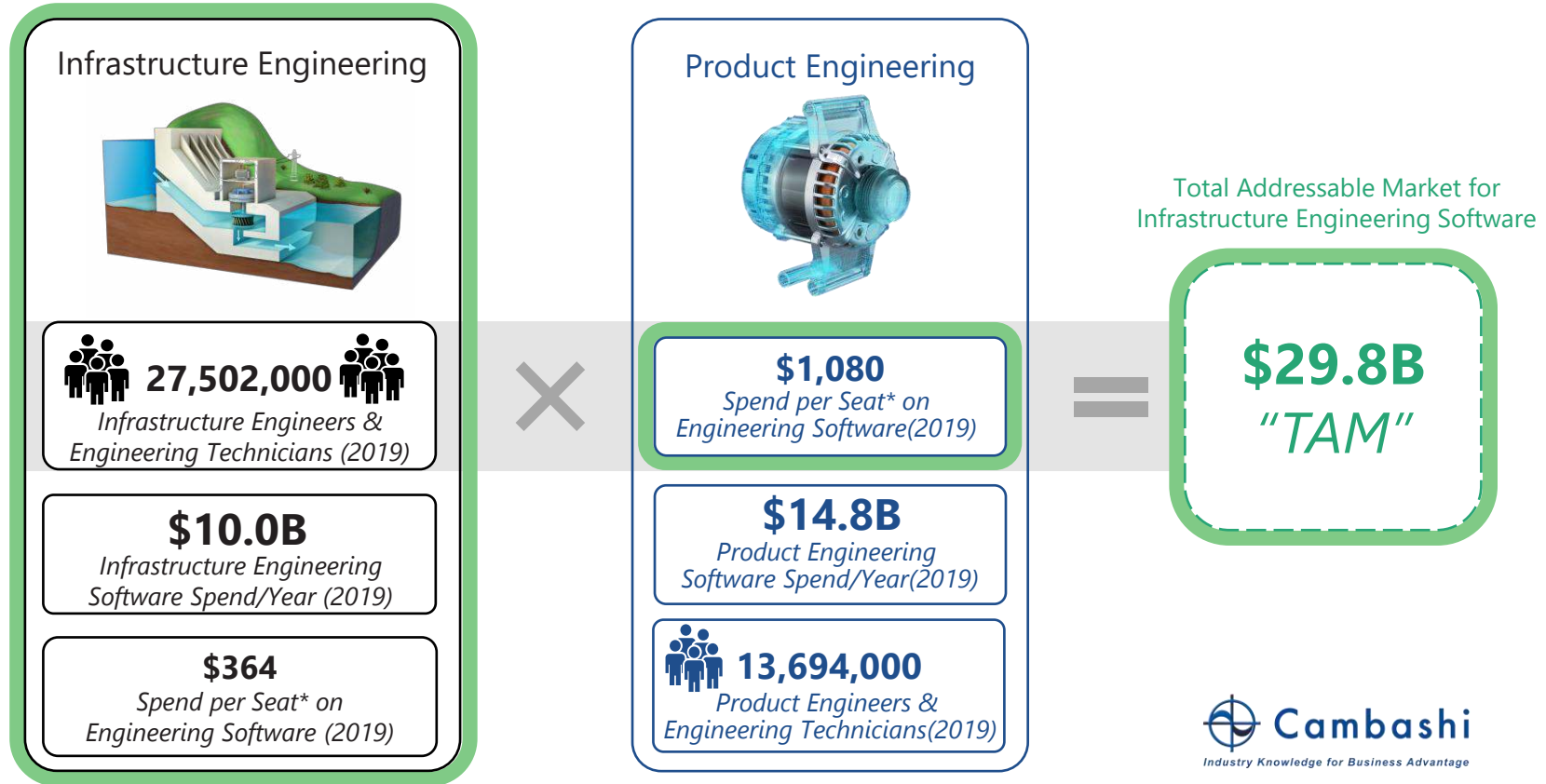
* Annualized Recurring Revenue

** Oxford Economics Outlook Global Infrastructure Spending 2016 through 2040

Note: Chart segment sizing corresponds to the underlying % of 2022 ASC 606 Revenue

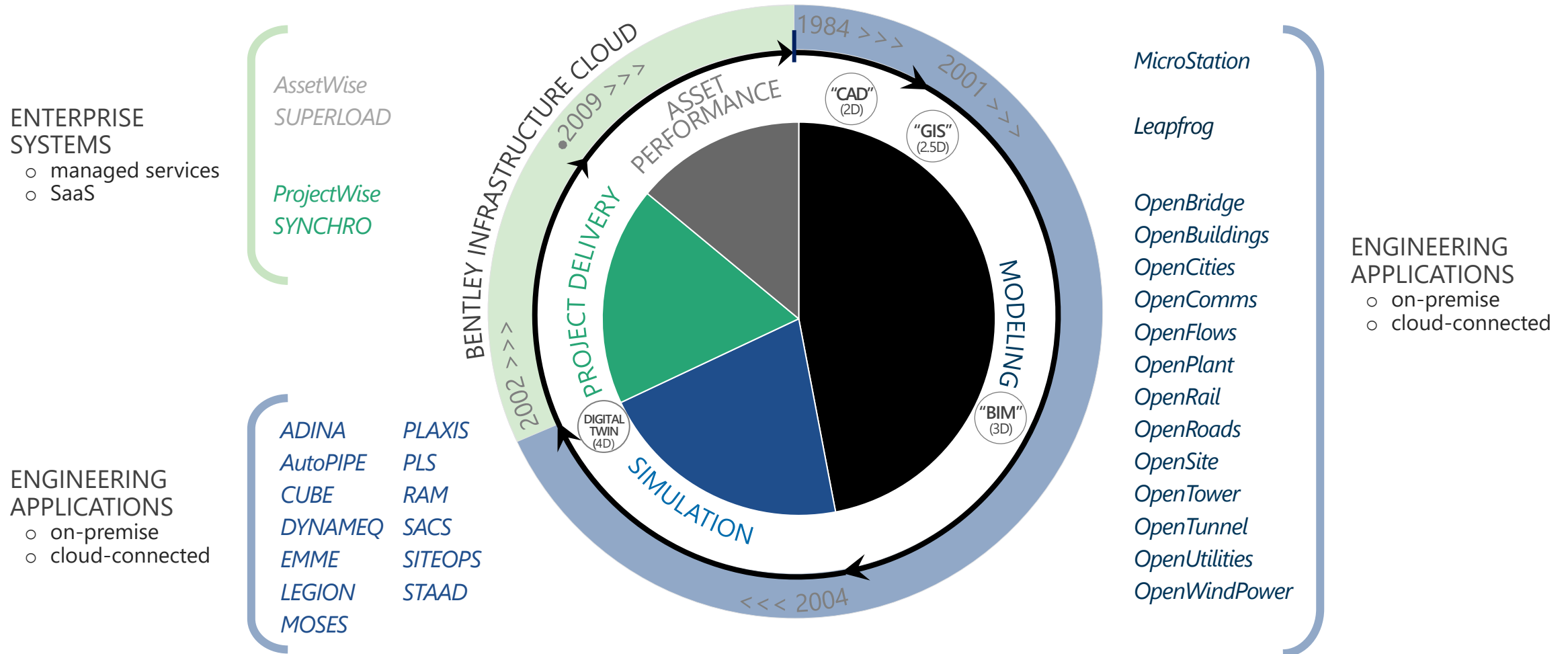
Total Addressable Market¹³ ("TAM")

What if infrastructure engineers/technicians would each spend on engineering software the same amount that product engineers/technicians (on average) already spend?



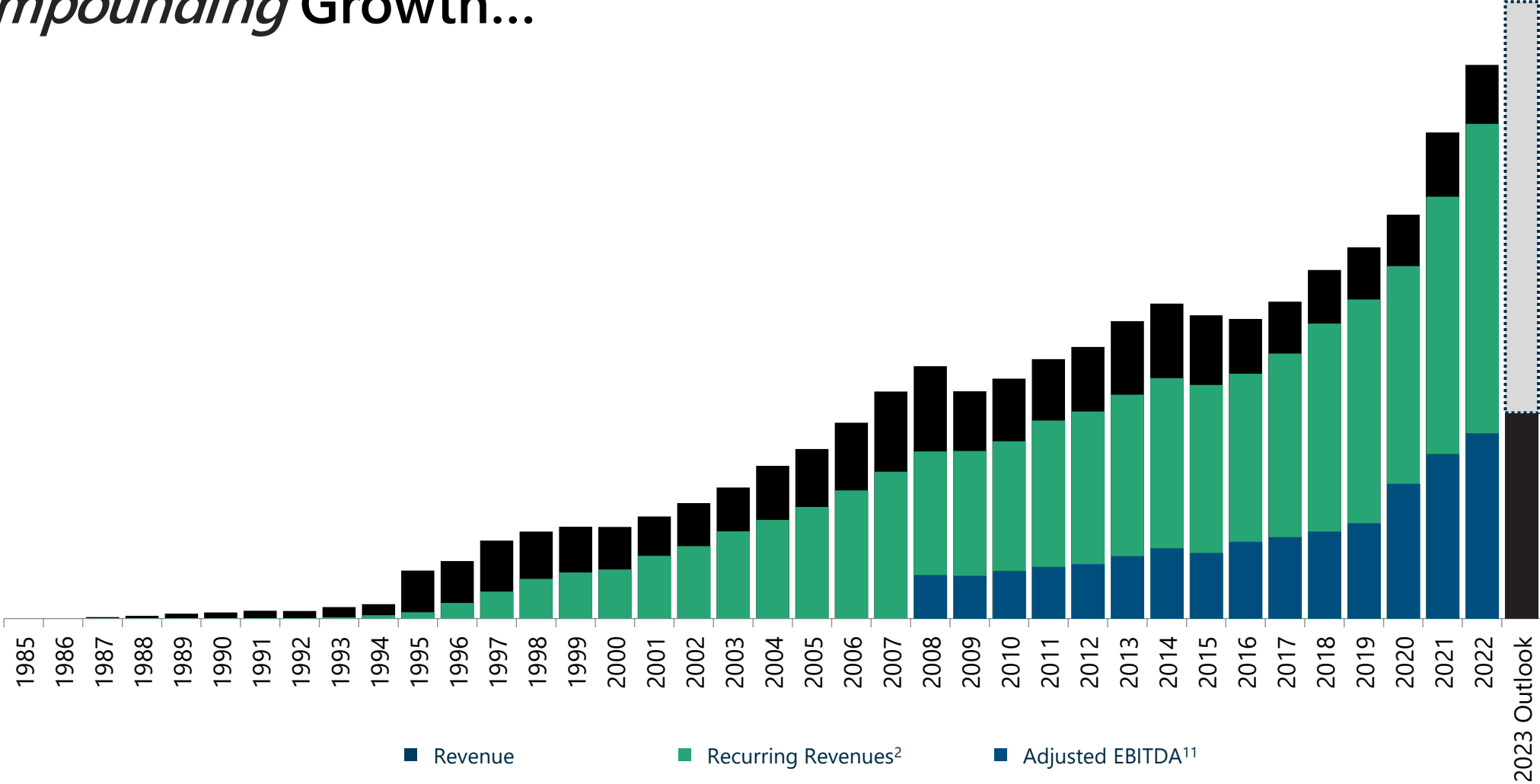
* Computed for "high spend intensity" countries with consistent employment count from 2018 to 2019
 Source: Oct. 2021 Cambashi study commissioned by Company
 See Appendix, footnote 13

Comprehensiveness Across (Infrastructure and BSY) Lifecycle...



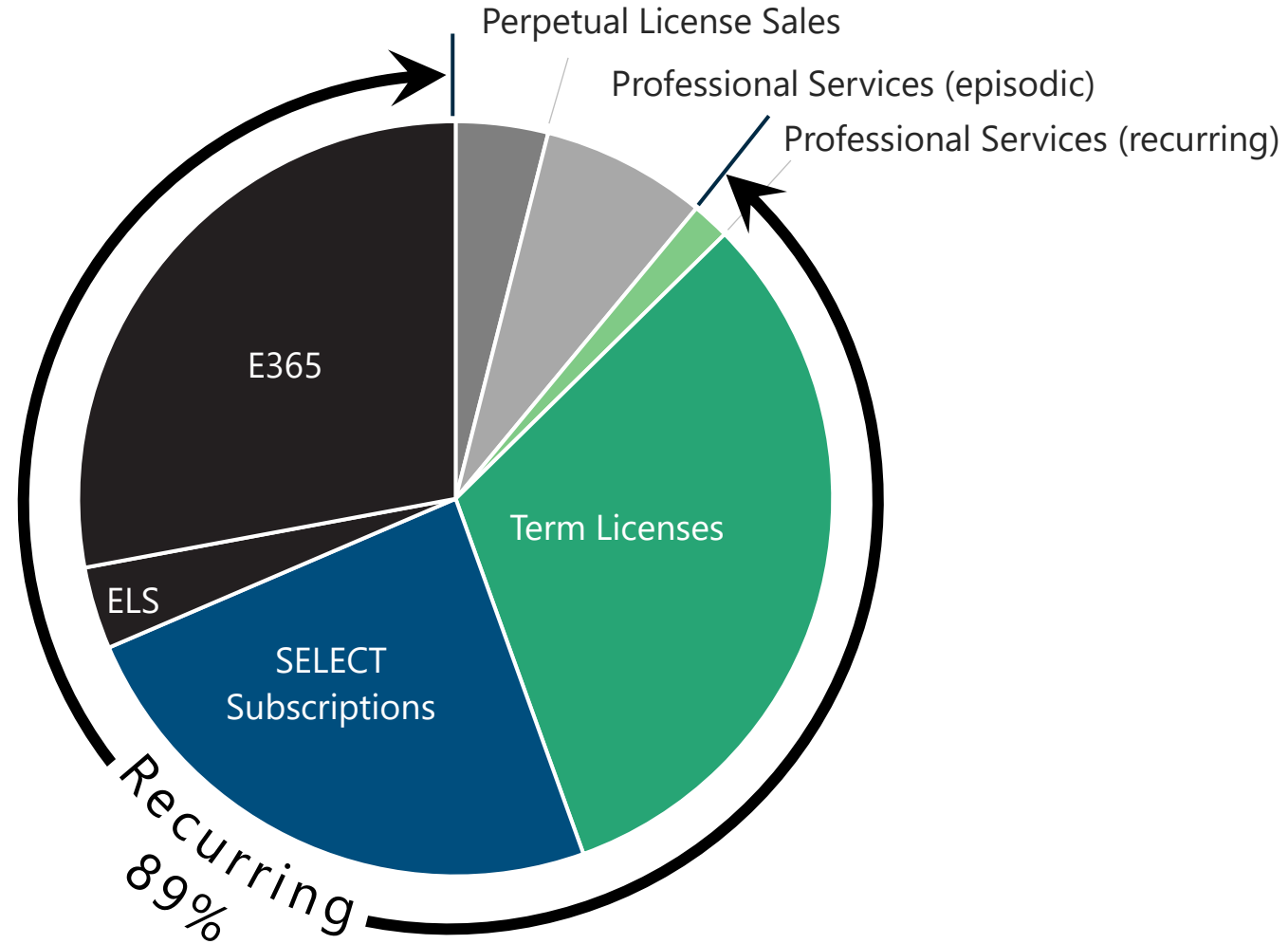
Note: Chart segment sizing corresponds to underlying % of 2022 ASC 606 Revenue

Compounding Growth...



Note: 1985–2018 revenues were calculated using ASC 605. 2019, 2020, 2021, and 2022 revenue calculated using ASC 606
Footnotes 2, 11: See Appendix

Revenues by *Commercial Model*

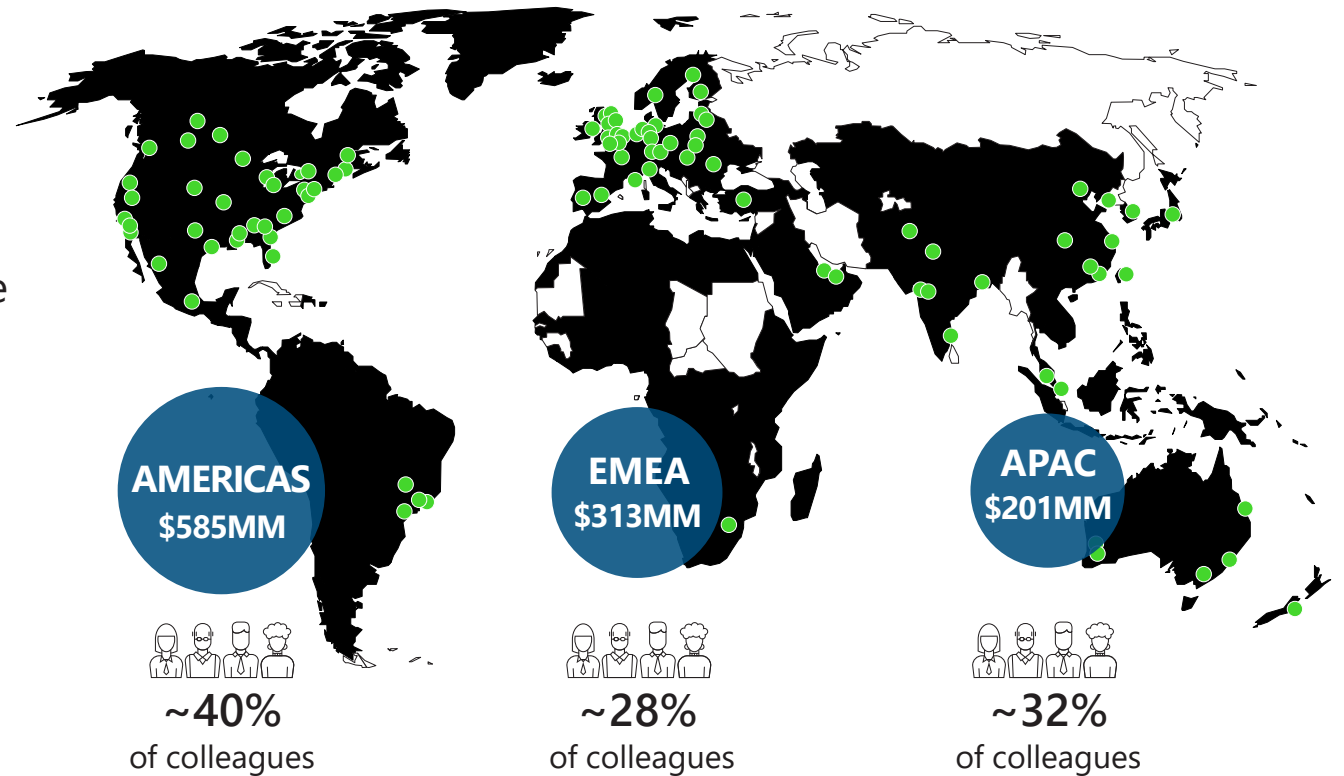


Note: Chart segment sizing corresponds to underlying % of 2022 ASC 606 Revenue

Comprehensiveness Across *Geographies*

■ 194+ Countries where BSY's solutions are in use

● ~5,000 Colleagues/Offices in 40 Countries



Note: \$ Amounts are revenues in millions, based on 2022 Revenue using ASC 600
Colleague count numbers as of December 31, 2022.

Going Digital Awards In Infrastructure

The Year(s) of Asia EX-China

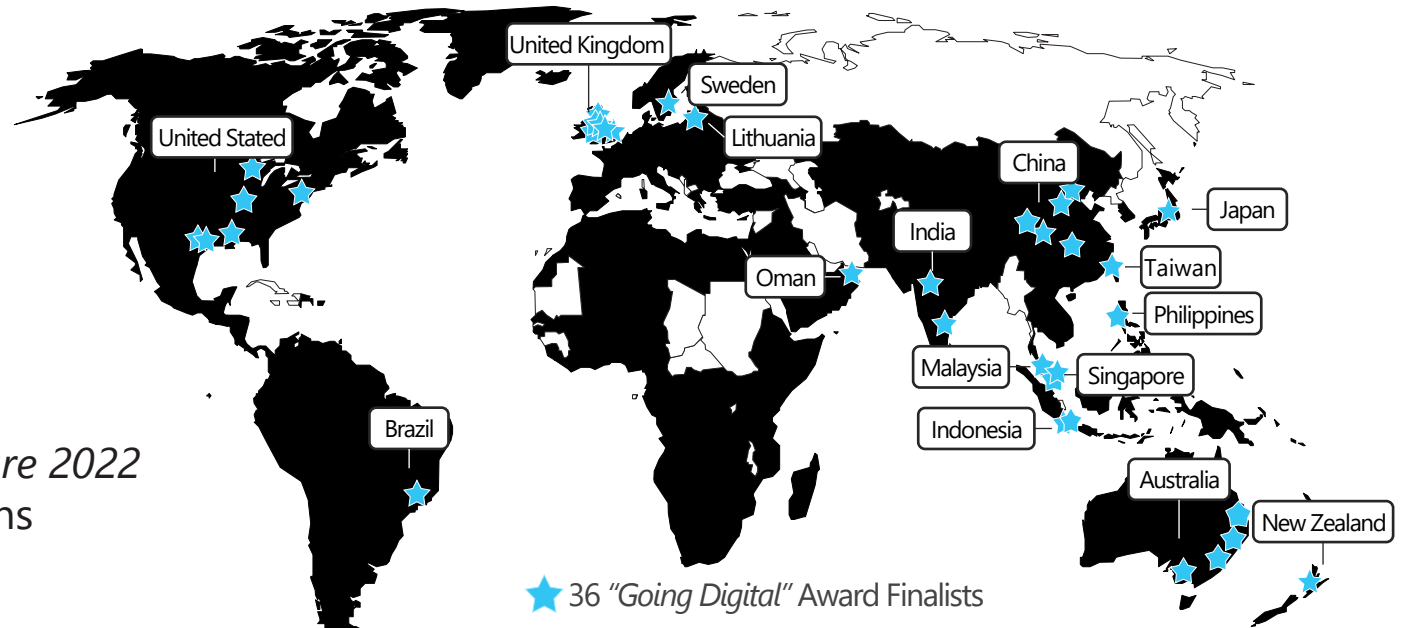
~300 nominations from BSY accounts

12 independent-juried categories

12 Founders' Awards

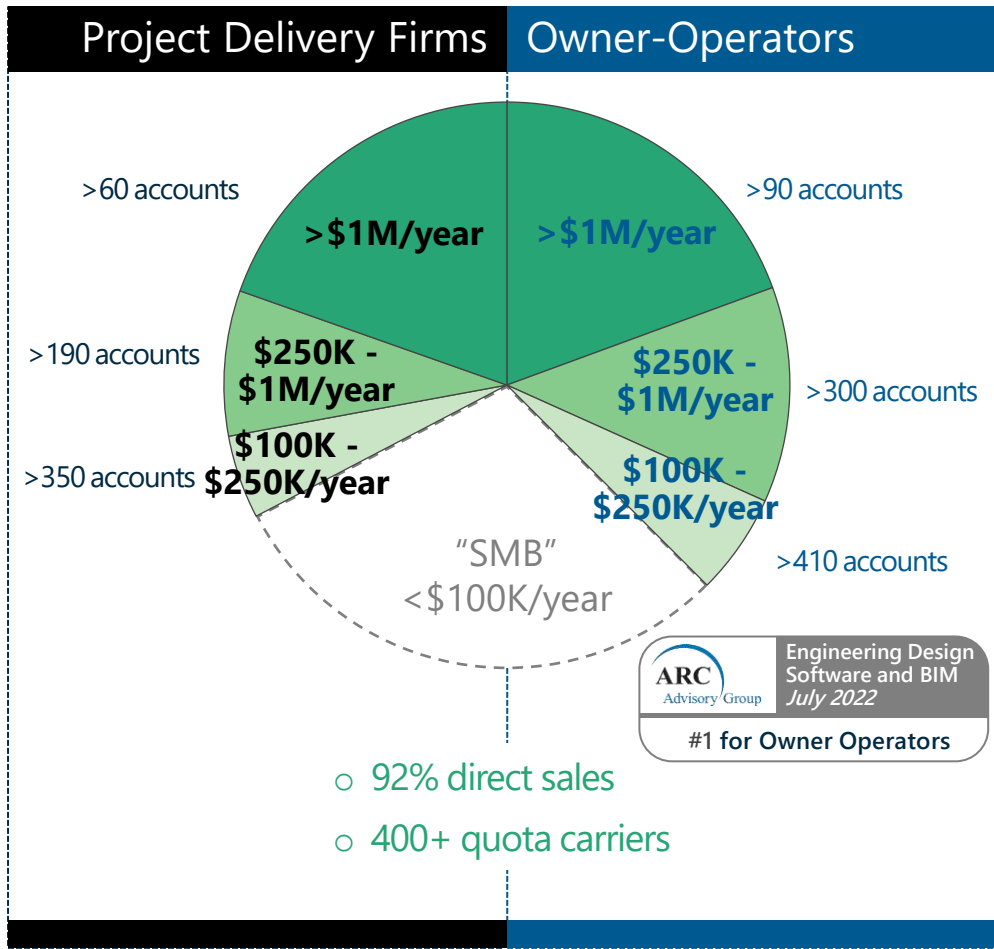
> 100 infrastructure journalists at *Year in Infrastructure 2022* Conference in London, covering Finalist presentations

Online gallery of these case studies at
<https://www.bentley.com/events/going-digital-awards/>



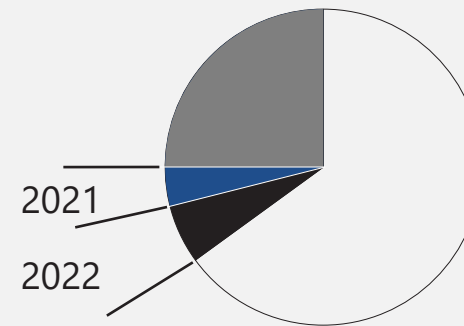
Growth Initiative #1 - E365

Accretion in Enterprise Accounts

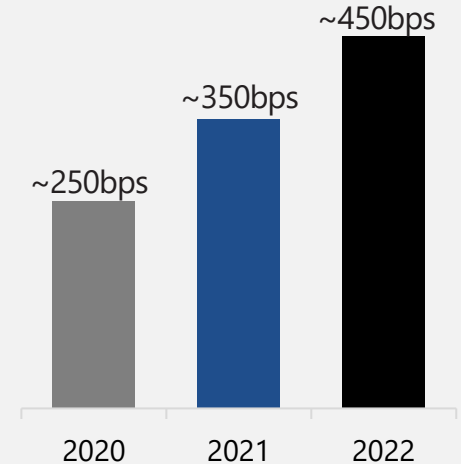


Note: Colleague count numbers as of December 31st, 2022

E365 ARR Growth



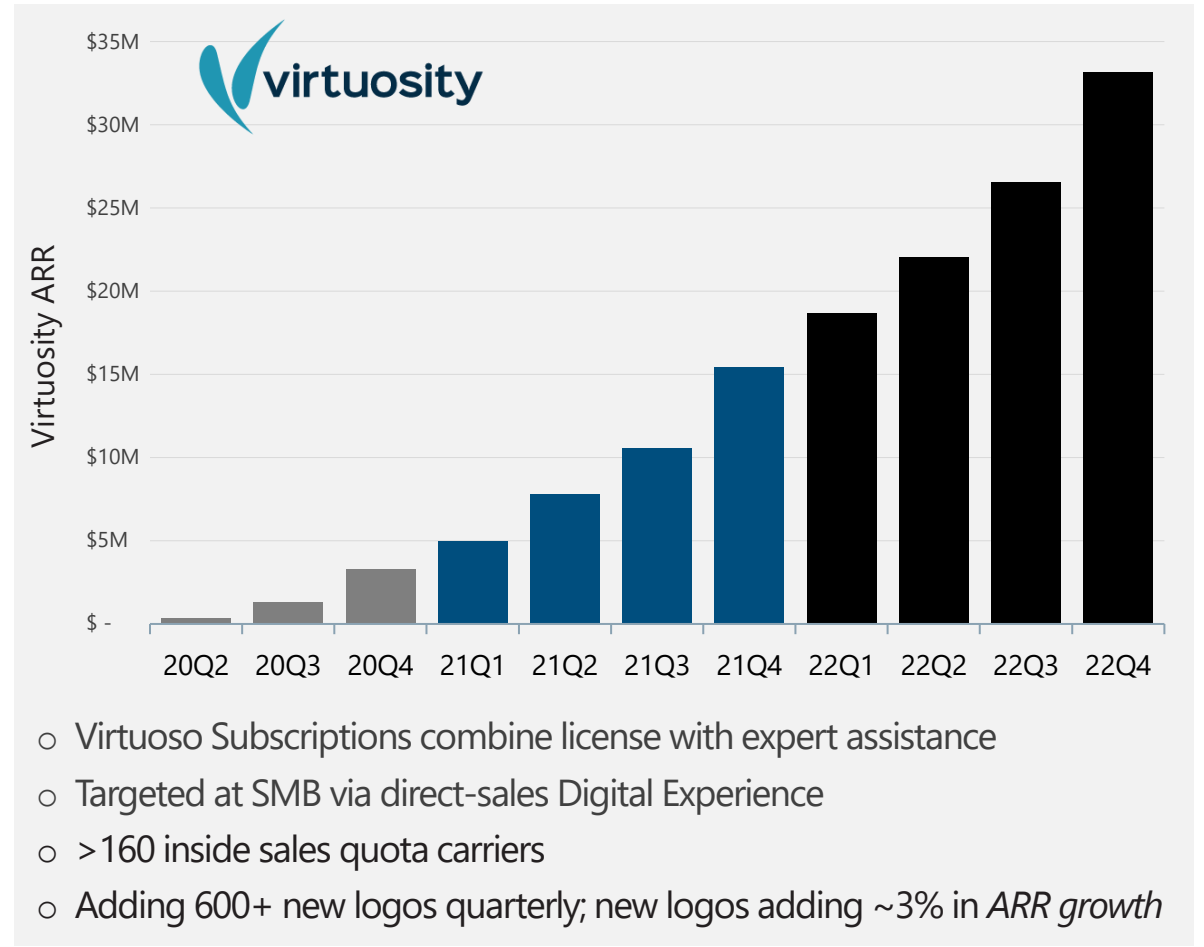
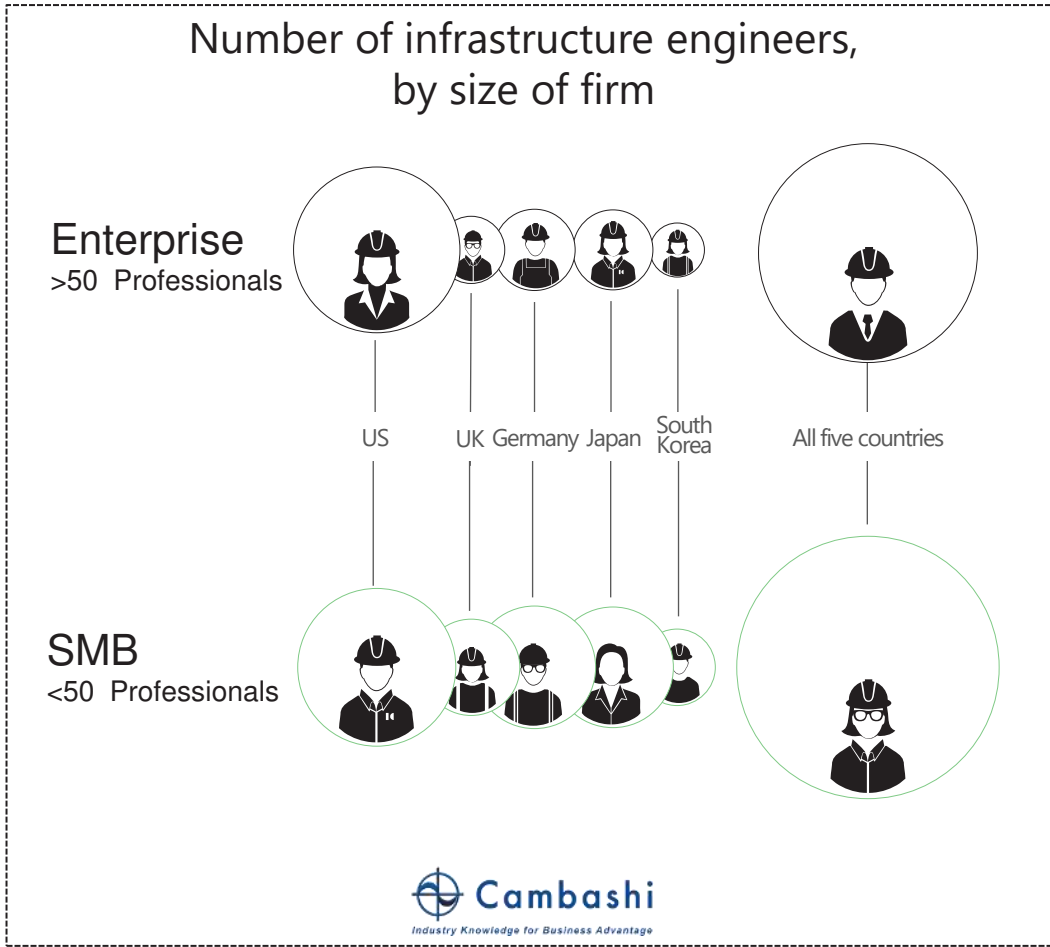
Application Mix Accretion (Upsell) ARR Growth



- E365 success force: >600 infrastructure engineer experts
- E365 includes quarterly menu of Success Blueprint (for new digital workflows)

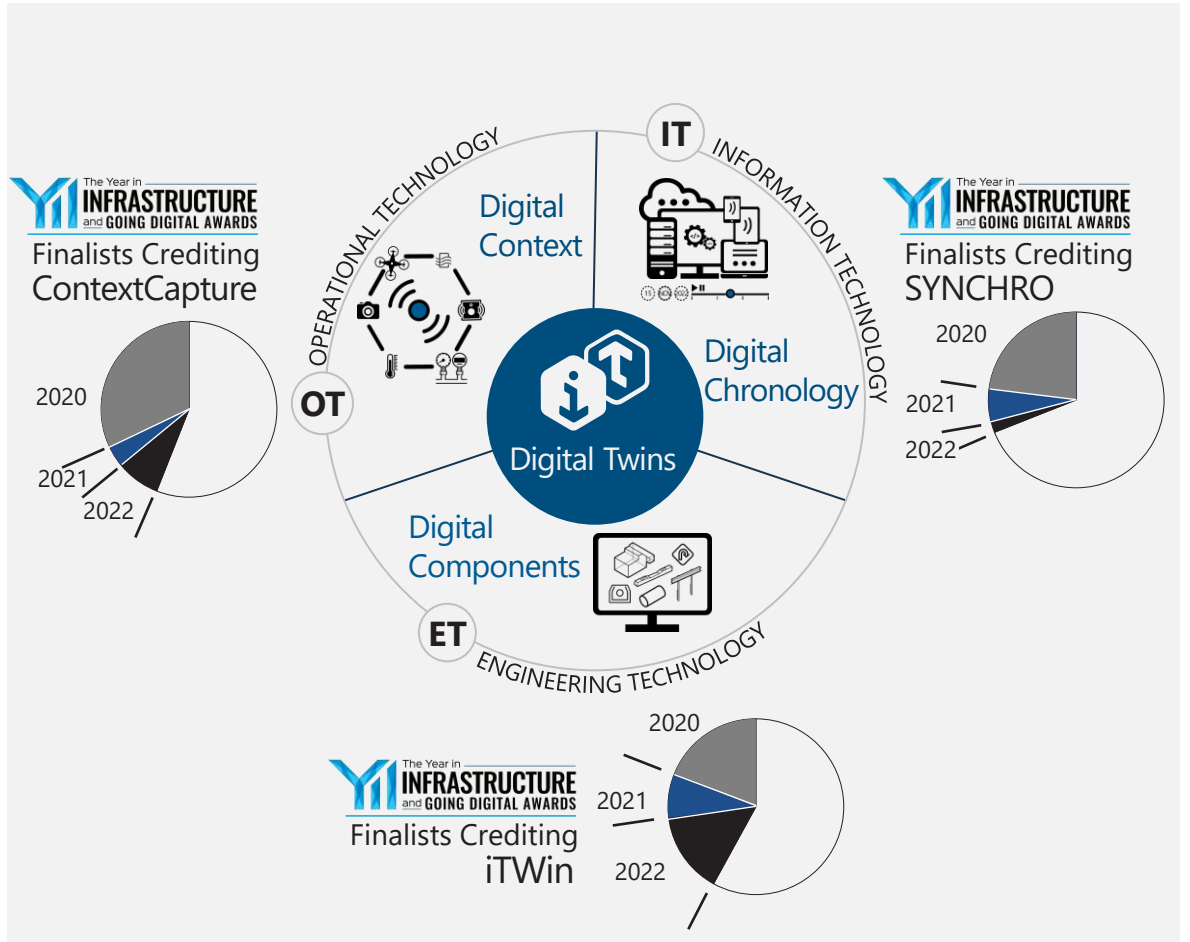
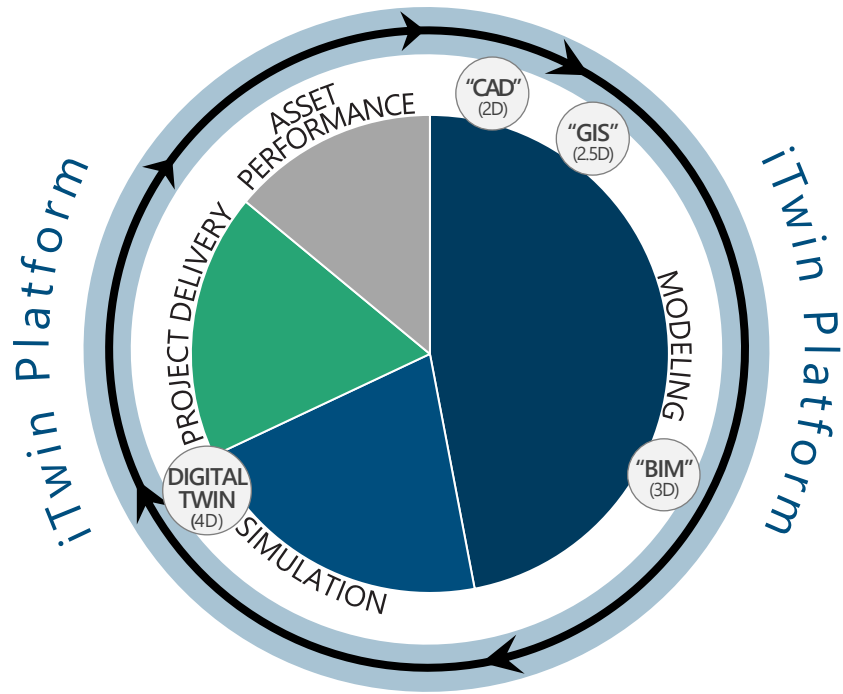
Growth Initiative #2 - *Virtuosity*

Penetration and Accretion in Small and Medium-Sized Businesses ("SMBs")



Growth Initiative #3 - *Digital Twins*

Powered by iTwin Platform!



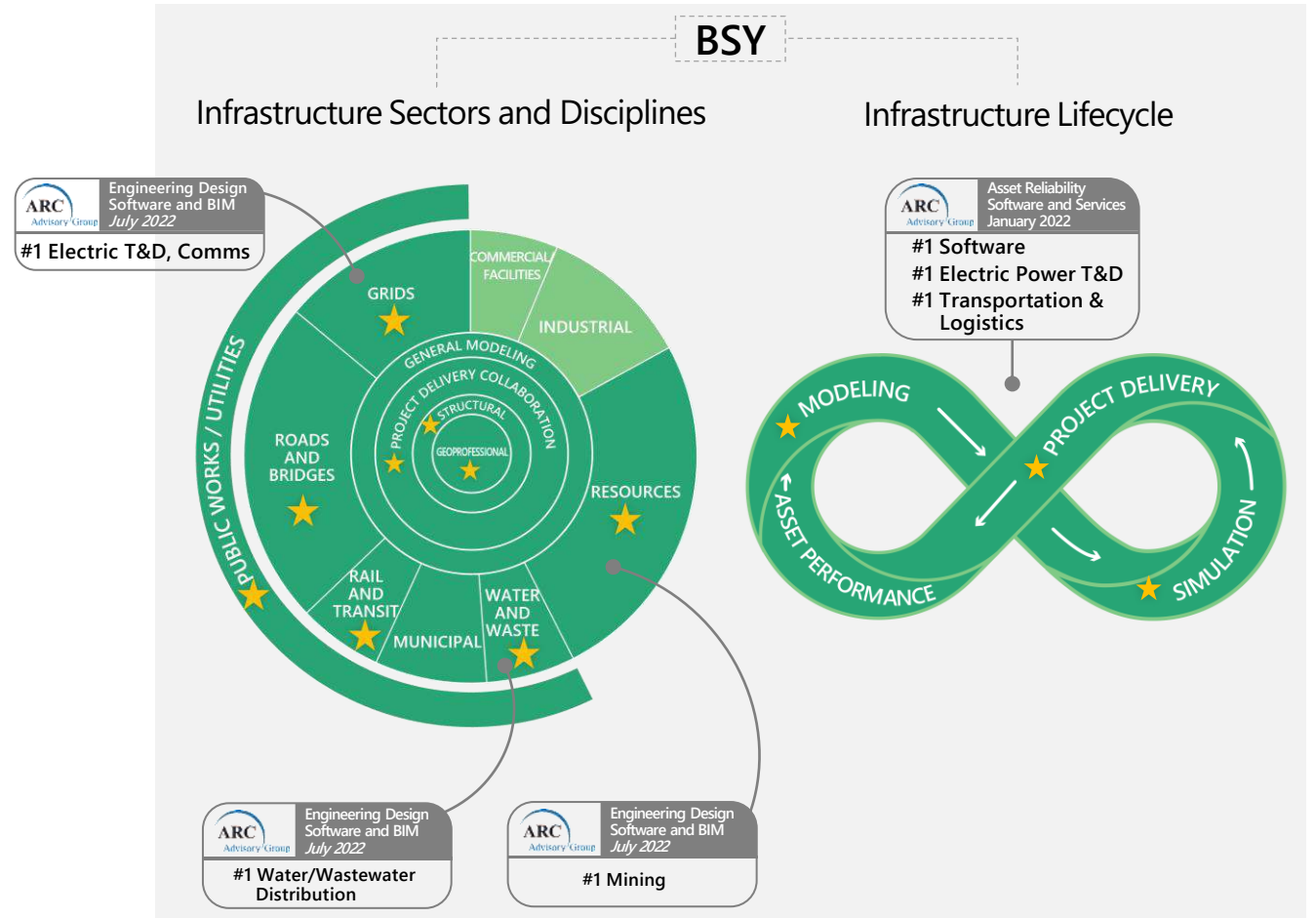
Competitive Landscape

THE Infrastructure Engineering Software Company

	BSY	ADSK	TRMB	ESRI	HEX	AVV	NEM	DASTY	AZPN
PUBLIC WORKS / UTILITIES	★								
GRIDS	★								
ROADS AND BRIDGES	★								
RAIL AND TRANSIT	★								
MUNICIPAL	★			★					
WATER AND WASTE	★								
RESOURCES	★								
INDUSTRIAL					★	★			
COMMERCIAL / FACILITIES		★							
GEOPROFESSIONAL	★								
STRUCTURAL	★								
PROJECT DELIVERY COLLABORATION									
GENERAL MODELING									
MODELING									
SIMULATION	★								
PROJECT DELIVERY	★								
ASSET PERFORMANCE	★			★					

Market Presence	Strong	Moderate	Low	Minor
★ Market Leader				

ADSK - Autodesk	AVV - Aveva
TRMB - Trimble	NEM - Nemetschek
ESRI - Esri	DASTY - Dassault Systems
HEX - Hexagon	AZPN - AspenTech



Programmatic Acquisitions...



Platform Acquisitions...

ES(D)G: Empowering Sustainable Development Goals

SUSTAINABLE DEVELOPMENT GOALS



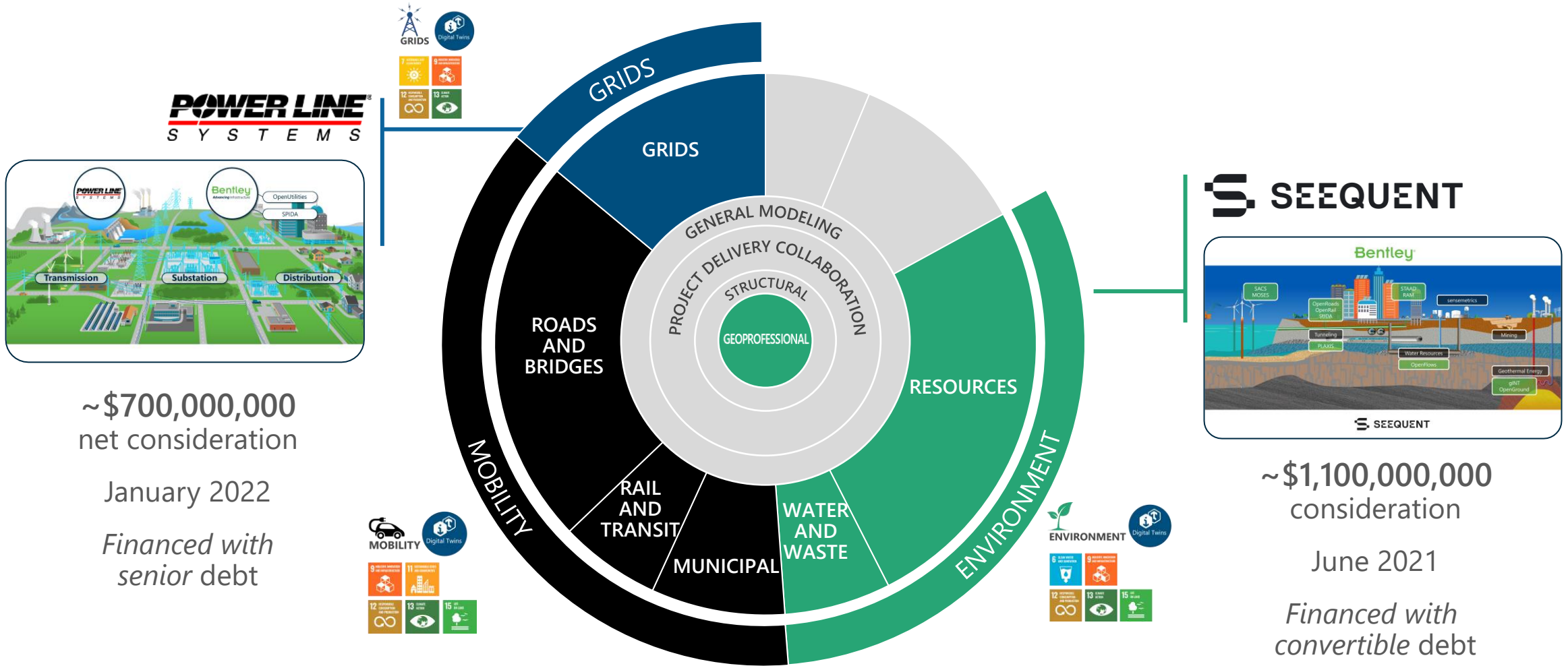
MOBILITY Digital Twins

ENVIRONMENT Digital Twins

GRIDS Digital Twins

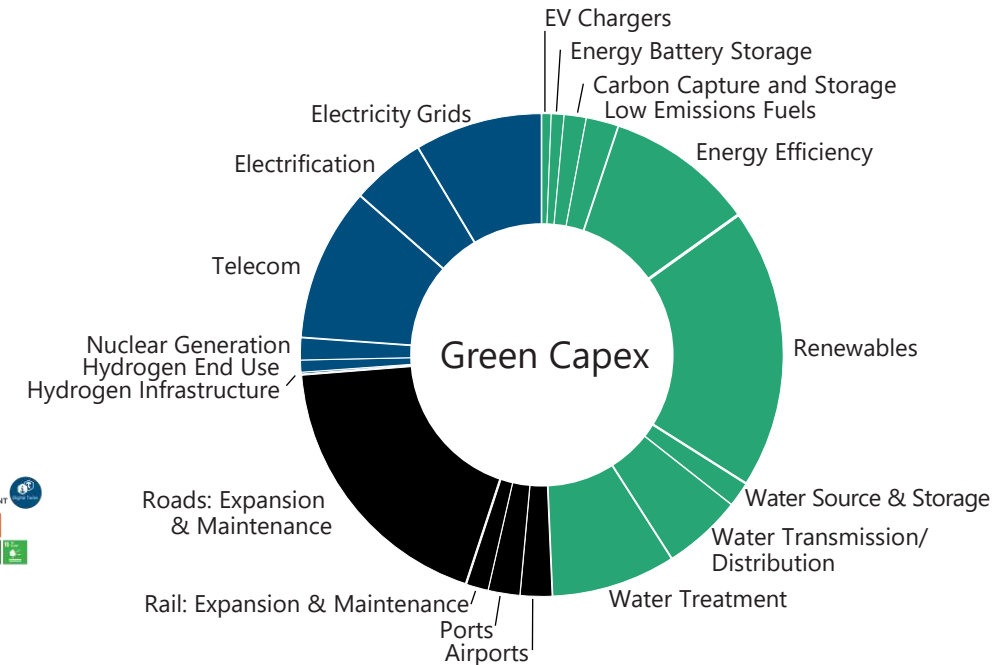
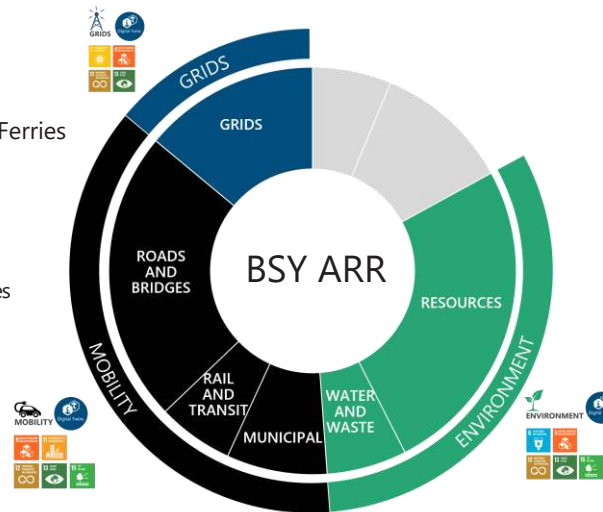
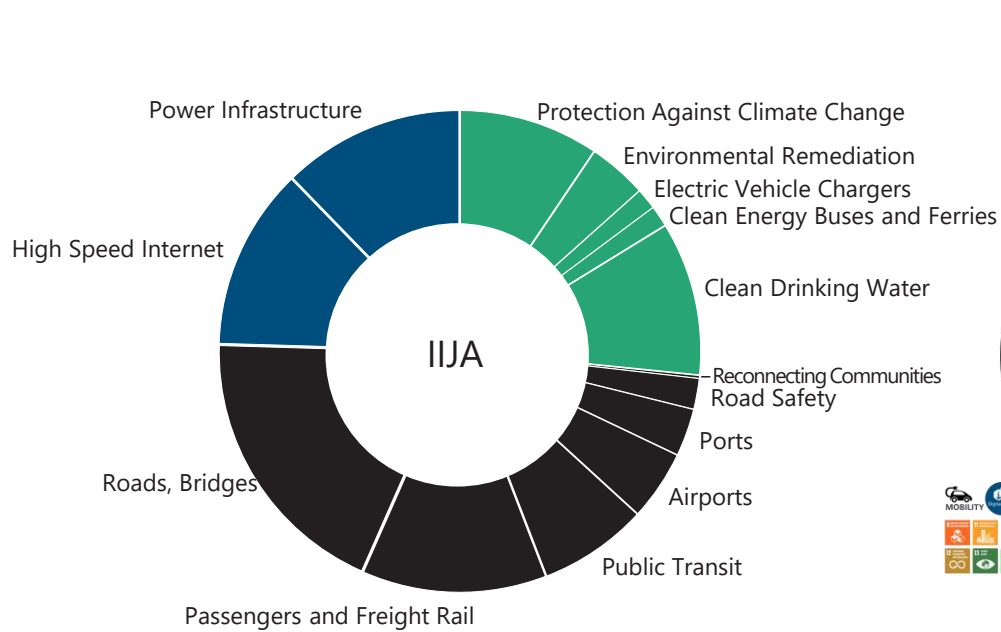
Platform Acquisitions

Expanding Opportunities for Grid and Environment Digital Twins



Note: Chart segment sizing corresponds to underlying % of 2022 ASC 606 Revenue

Global (Infrastructure) Investment Priorities



U.S. Infrastructure Investment and Jobs Act (IIJA)

(IIJA, and "IRA" in U.S. are representative of incremental multi-year infrastructure and energy transition investment programs also exist in EU, UK, India, Australia, China, ...)

Green Capex: Capturing the Opportunities

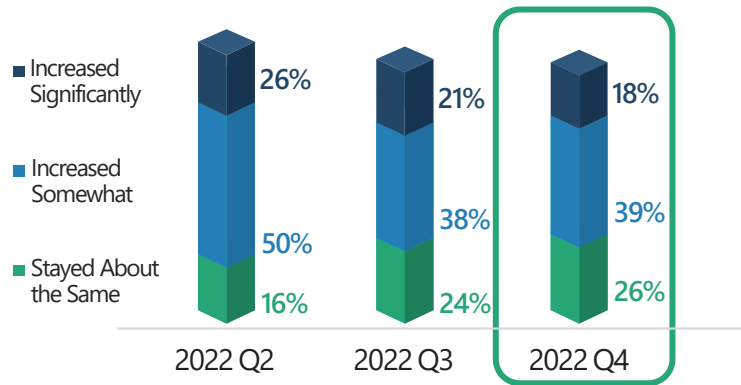
2022 Sustainability And Impact Series

Annual investment required, 2020s (US\$ tn)

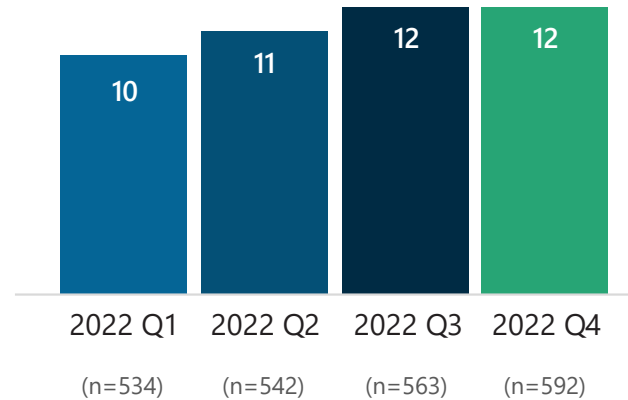
Source: IEA, OECD, McKinsey & Company, Goldman Sachs Global Investment Research – 2021/10/11 <https://www.goldmansachs.com/insights/pages/gs-research/green-capex/green-capex-making-infrastructure-happen.pdf>

Infrastructure Engineering at Capacity (*Going Digital...*)

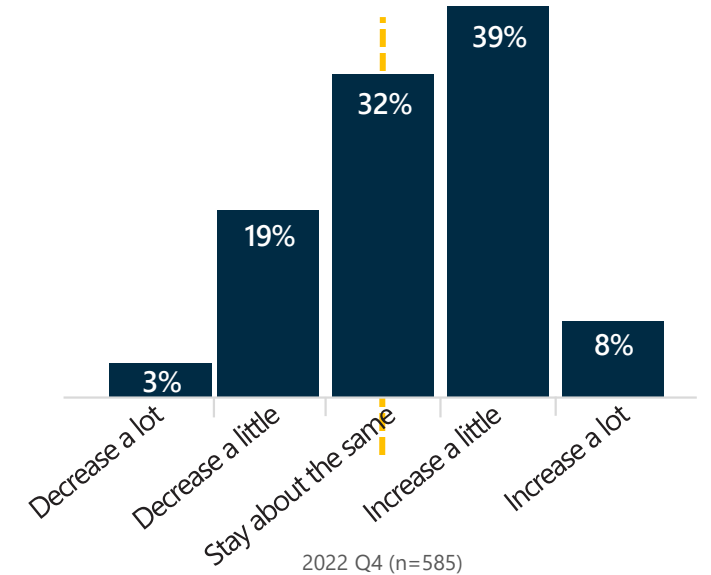
Change in Civil Engineers' Backlog Over the Last 6 Months



Current Backlog vs. Previous Quarters

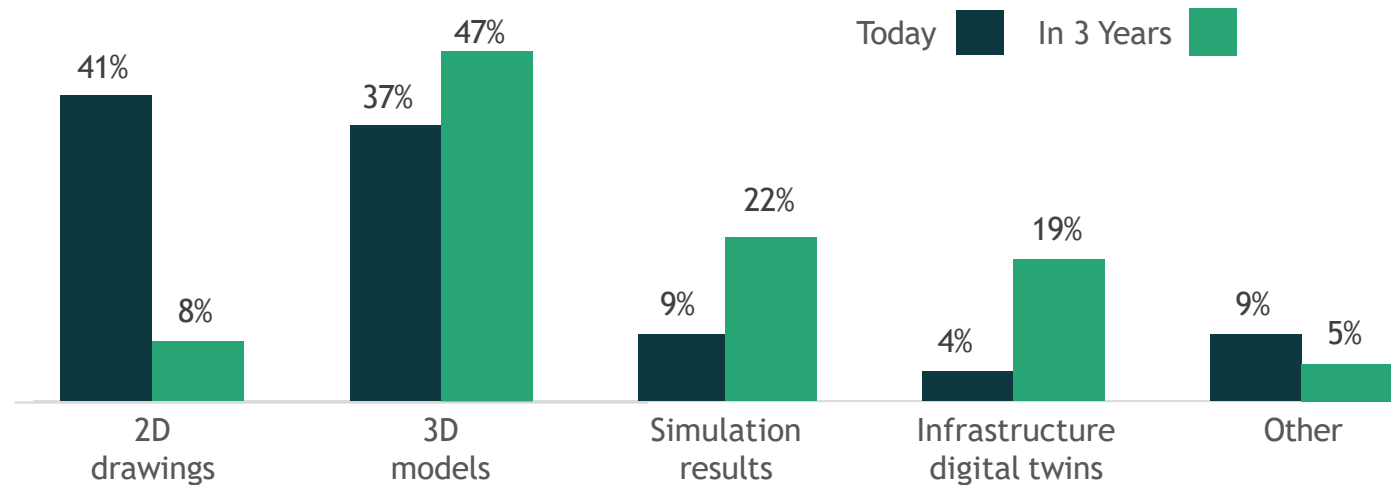


Backlog 12 Months from Now



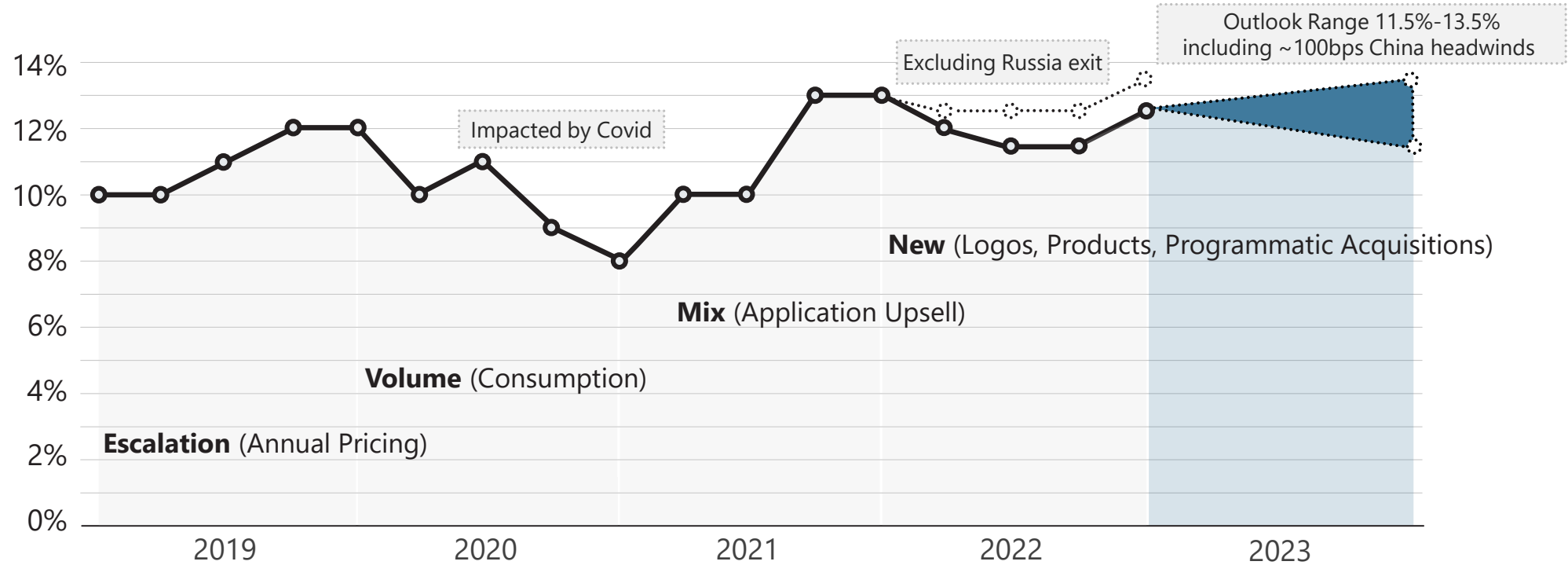
Infrastructure Engineering Priorities (*Going Digital...*)

Client Priorities Today and in Three Years
Deliverables Prioritized by Your Clients (Based on Priority 1 Rank)



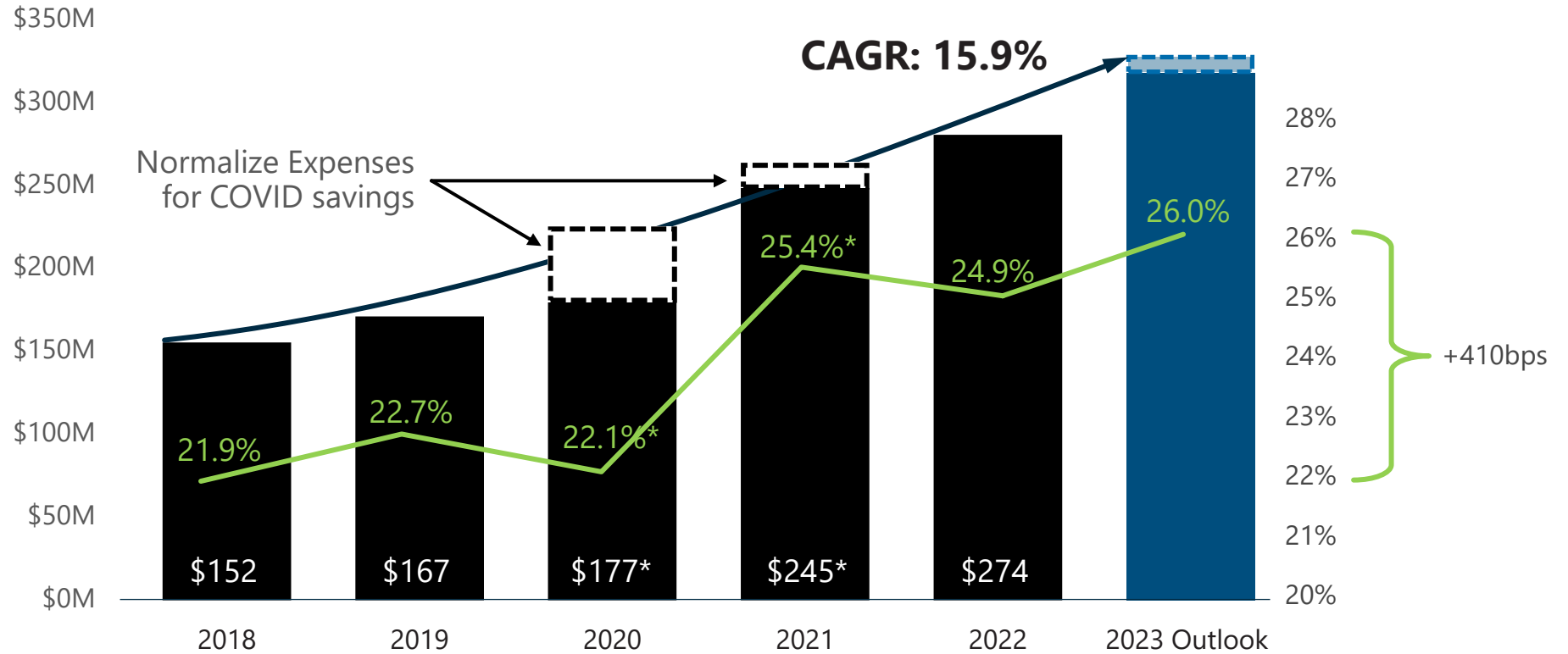
Compounding Drivers of *ARR Growth*

YoY Constant Currency Business Performance



Adjusted Operating Income with Stock-Based Compensation

Compounding Earnings



Note: *Normalized for Covid Savings

2023 Financial Outlook

Financial Metrics	Outlook
Total Revenues	\$1,205 million to \$1,235 million ^a (increase of 9.5% to 12.5%)
ARR Growth ⁶ (constant currency ¹)	11.5% to 13.5% ^b
Adjusted OI w/SBC Margin ¹⁰	~ 26%
Effective Tax Rate	~ 20%
Cash Flow from Operations	~ 80% of Adjusted EBITDA ¹¹
Capital expenditures	~ \$30 million, which includes certain IT investments

Additional expectations to support financial modeling

- Full-year interest expense of ~\$49 million. ~\$33 million cash interest (net ~\$9 million of payments received from int. rate swap);
- Full-year cash taxes of ~ \$45 million;
- Stock-based compensation in the 6% range of revenues;
- Operating depreciation and amortization of ~ 1.5% of revenues;
- Fully diluted weighted average shares outstanding between 331 and 332.5 million;
- Dividends of \$0.20 per share.

Footnote a: Revenue outlook is net of a ~\$8.5 million decrease due to the strengthening of the US dollar. Constant currency growth of 10.5% to 13.5%

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

Footnotes 1, 6, 10, 11: See appendix for KPI and non-GAAP definitions and reconciliations

Financial Drivers

Operating Leverage

Resilient ARR Growth

~90% Subscription Revenues

Commitment to robust R&D investment

>22% of revenue

Commitment to annual margin improvement

Global, direct sales investments complete

~100 bp in *Adjusted OI w/SBC*

Cashflow efficiency

~70% of revenue paid annually in advance

~20% effective tax rate

~80% Adjusted EBITDA conversion



Financial Drivers

Capital Allocation

Commitment to (stock and/or convertible debt) **repurchases** to offset dilution from stock-based compensation

Commitment to (modest) **dividend**

Commitment to programmatic **acquisitions**

Convertible debt funded accretive platform acquisitions

~\$1.3B, debt service fixed at ~0.24% coupon through 2026/2027 maturities

Convertible leverage ~3.4x as of end-2022

Will convert at ~ current market multiples and earnings CAGR

Senior debt

\$195MM term loan, fixed at ~2.73% via interest rate swap maturing 2030

\$346MM revolver balance, \$504MM availability as of end-2022

Senior debt net leverage ~1.3x as of end-2022, within target leverage



Compounding *Predictability*

Predictable governance

Farsighted founding family control
(dual-class corresponds to majority economic ownership, sunseting otherwise)

Predictable performance

Operating management incentives based on ARR Growth
(but conditioned on annual operating margin improvement)

Predictable resilience

Mainstay public works / utilities end market is tolerably counter-cyclical

Impregnable “comprehensive moat”

THE infrastructure engineering software company
(continuously reinforced by platform-enabled programmatic acquisitions)

Sustainable investment thesis:

Intersection of global priorities: *going digital and infrastructure!*

Environmental resilience and adaptation

(decarbonization, urbanization, resource imperatives)

Energy transition and security (grid integration, renewables, nuclear, ...)

ES(D)G “handprint”!



Learning about BSY

Investor Relations



investors.bentley.com

ESG Commitment



bentley.com/esg

Going Digital Awards



yii.bentley.com/awards

Infrastructure Yearbook(s)



bentley.com/infrastructure-yearbook



Financial Appendix



KPI and Non-GAAP Definitions

This presentation includes certain non-GAAP financial measures, which are defined herein. Reconciliations of Adjusted OI w/SBC and Adjusted EBITDA to their nearest GAAP equivalents are included in our Form 8-K (Quarterly Earnings Release) announcing our quarterly operating results, which can be found on the SEC's website at www.sec.gov and on our website at investors.bentley.com.

- 1. Constant currency.** In reporting period-over-period results, we calculate the effects of foreign currency fluctuations and constant currency information by translating current period results using prior period average foreign currency exchange rates.
- 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 is 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. 2018 and 2019 calculated using ASC 605, and 2020, 2021, and 2022 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. 2018 and 2019 calculated using ASC 605 and 2020, 2021, and 2022 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 for our business performance, measured on a constant currency basis.
8. **Business Performance.** 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 (“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 net income adjusted for the following: interest expense, net, provision (benefit) for income taxes, depreciation and amortization, stock-based compensation, expense (income) relating to deferred compensation plan liabilities, acquisition expenses, realignment expenses (income), other non-operating (income) expense, net, and (income) loss from investments accounted for using the equity method, net of tax.
12. **Adjusted EBITDA margin.** Our Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by total revenues.
13. **Total addressable market.** Cambashi Limited (“Cambashi”) quantifies our TAM as what would be the total spend for infrastructure engineering software solutions if the intensity of infrastructure engineering software spending would become equivalent to that of product engineering software spending. This TAM value is derived by banding countries by intensity of product engineering software spend and multiplying average product engineering software spend levels per product engineer (or product engineering technician) by the total number of infrastructure engineers (and infrastructure engineering technicians) for each respective band.

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