

Introduction to Bentley Systems

The *Infrastructure Engineering Software* Company



Bentley[®]
Advancing Infrastructure

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: current and potential future impacts of the COVID-19 pandemic on the global economy and our business, and consolidated financial statements; 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, including the potential impact of any proposed or final infrastructure bill in the United States; 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, 2021 and subsequent Forms 10-Q.

The forward-looking statements made in this presentation are made as of November 8, 2022. If this presentation is reviewed after November 8, 2022, 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 and Adjusted EBITDA Margin. Non-GAAP financial measures such as Adjusted EBITDA and Adjusted EBITDA Margin 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 a reconciliation of the non-GAAP financial measures included in this presentation to the most directly comparable financial measures prepared in accordance with GAAP.

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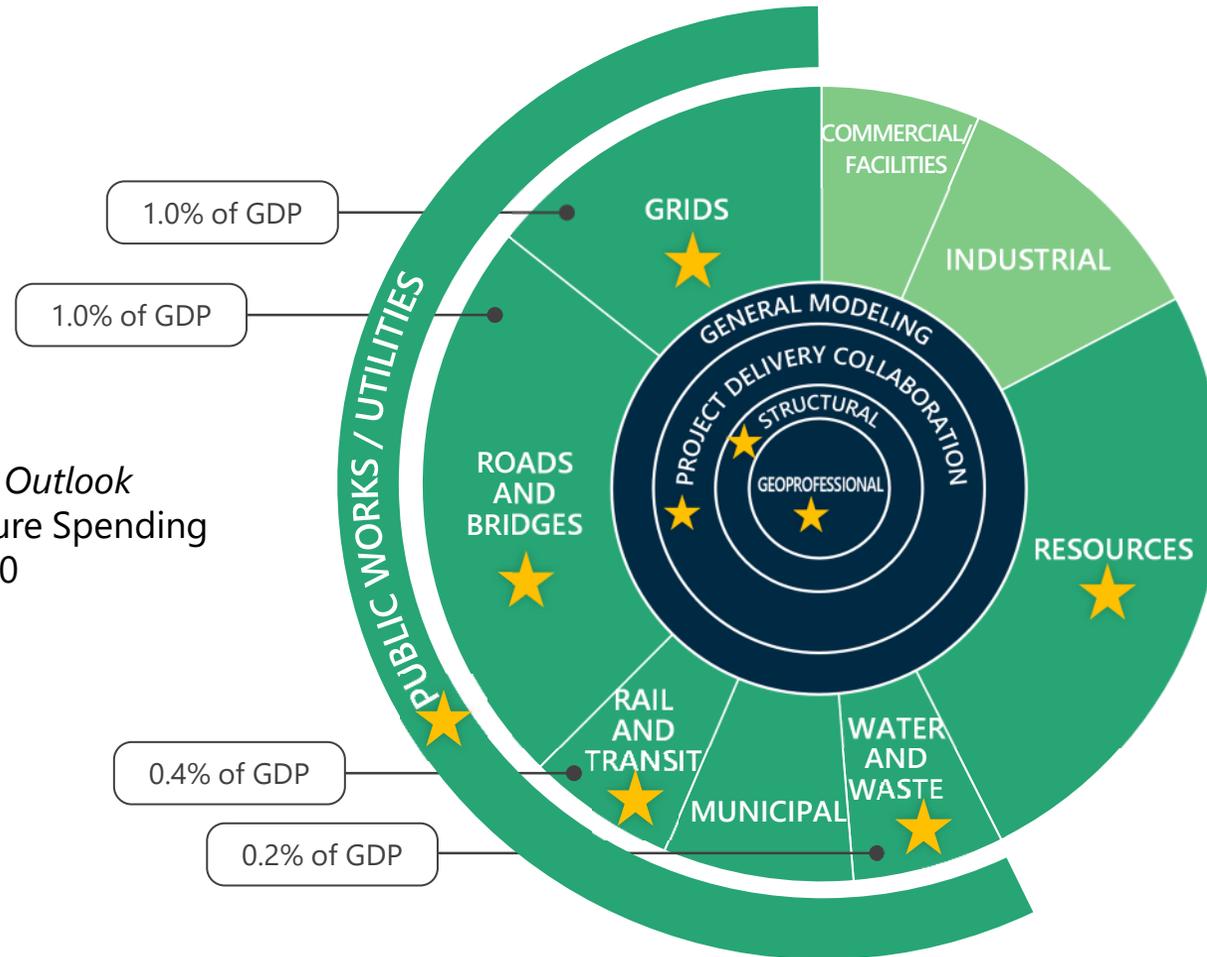
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The Infrastructure Engineering Software Company

ARR by End Markets (Infrastructure Sectors and Disciplines)

Oxford Economics Outlook
Global Infrastructure Spending
2016 through 2040

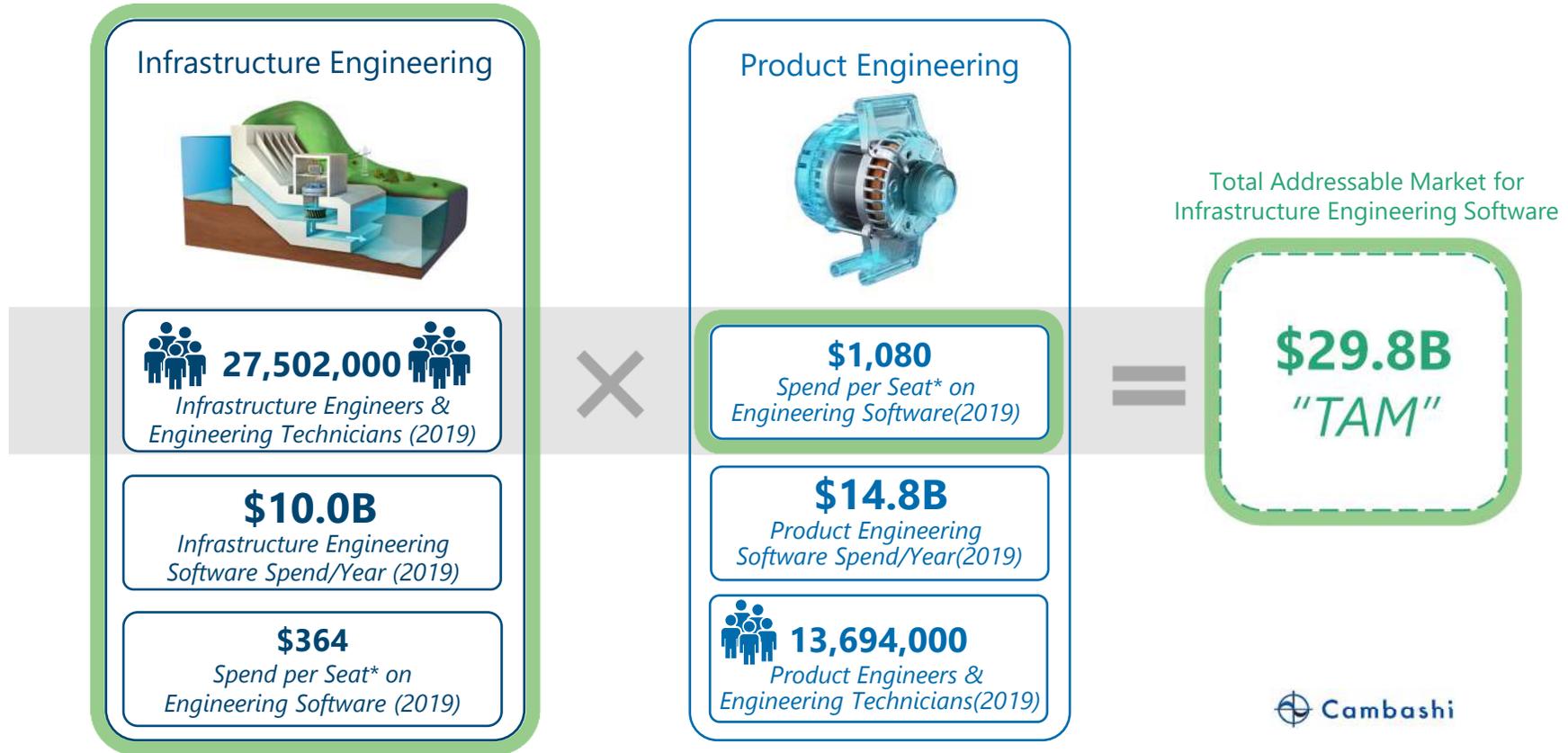


★ We believe we are the market leader

Source: Oxford Economics Global Infrastructure Outlook, 2017.
Note: Chart segment sizing corresponds to underlying % of 22Q3 ARR

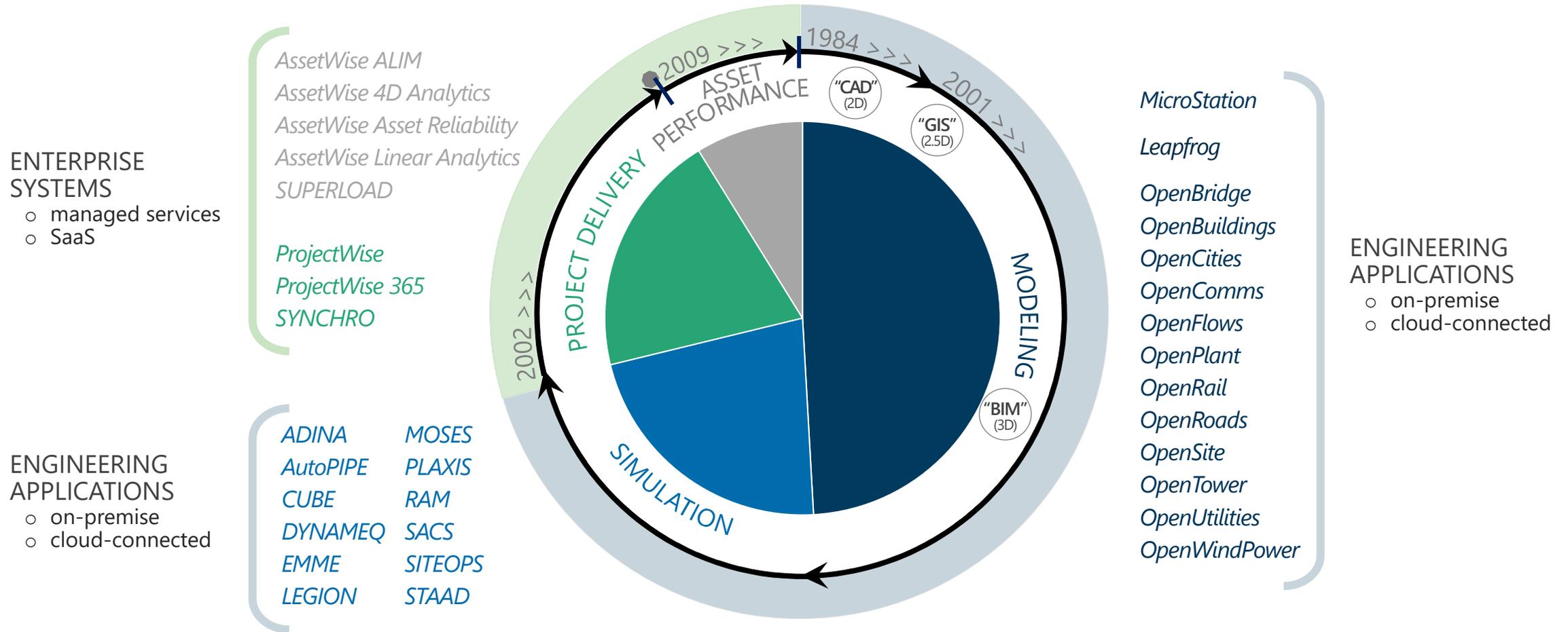
BSY's Total Addressable Market⁷ ("TAM")

What if infrastructure engineers would each spend on engineering software the same amount that product engineers (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 7

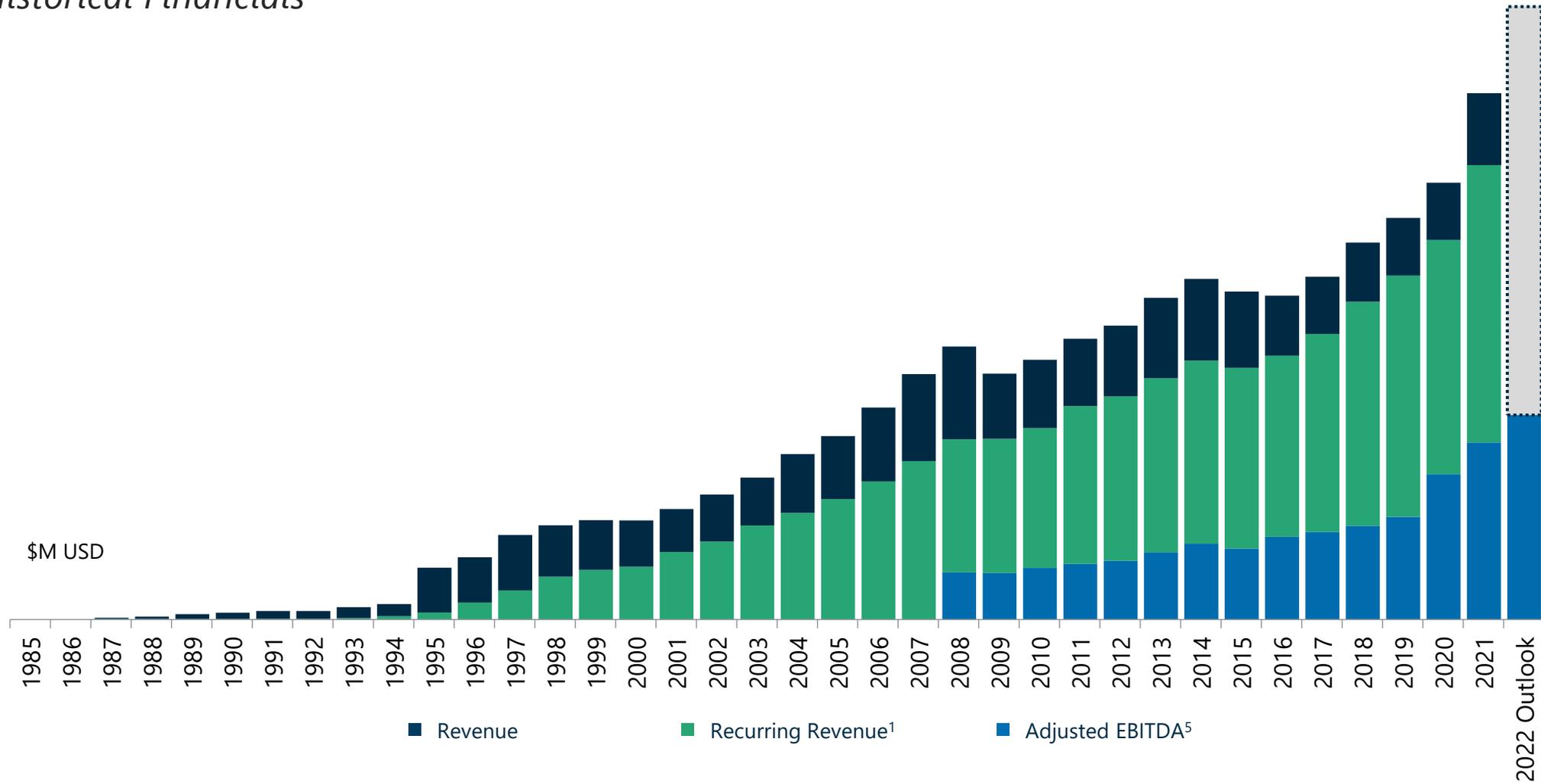
Comprehensiveness Across (Infrastructure and BSY) Lifecycle...



Note: Chart segment sizing corresponds to underlying % of 22Q3 ARR

Compounding Growth...

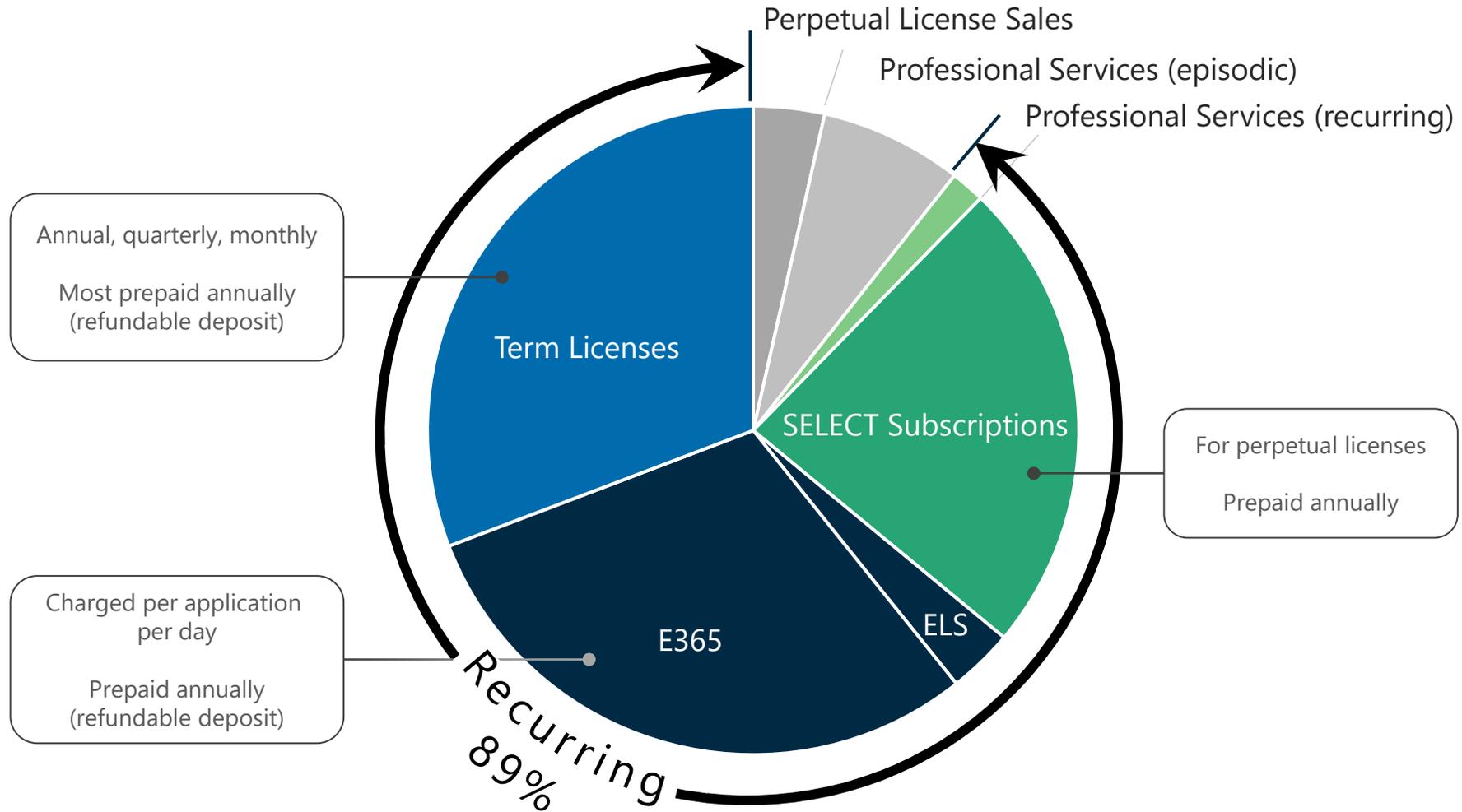
Historical Financials



¹See Appendix, footnote 1 and 5

Note: 1985 – 2018 revenues calculated using ASC 605. 2019, 2020, and 2021 revenue calculated using ASC 606.

Revenues by Commercial Model



Note: Chart segment sizing corresponds to underlying % of 22Q3 ASC 606 Revenue.

Comprehensiveness Across Geographies



180+

Countries where BSY's solutions are in use



42

Countries with BSY Office



36

2022 "Going Digital" Award Finalists



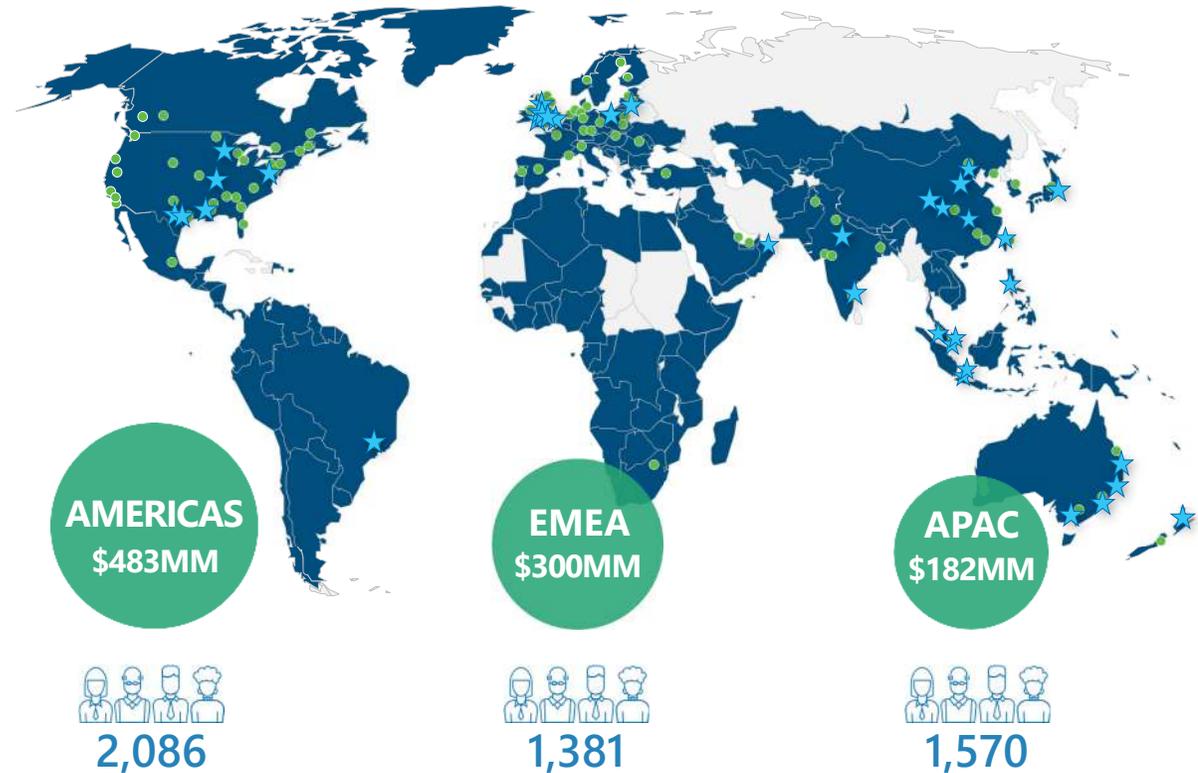
~\$1B

Annual revenue (2021)



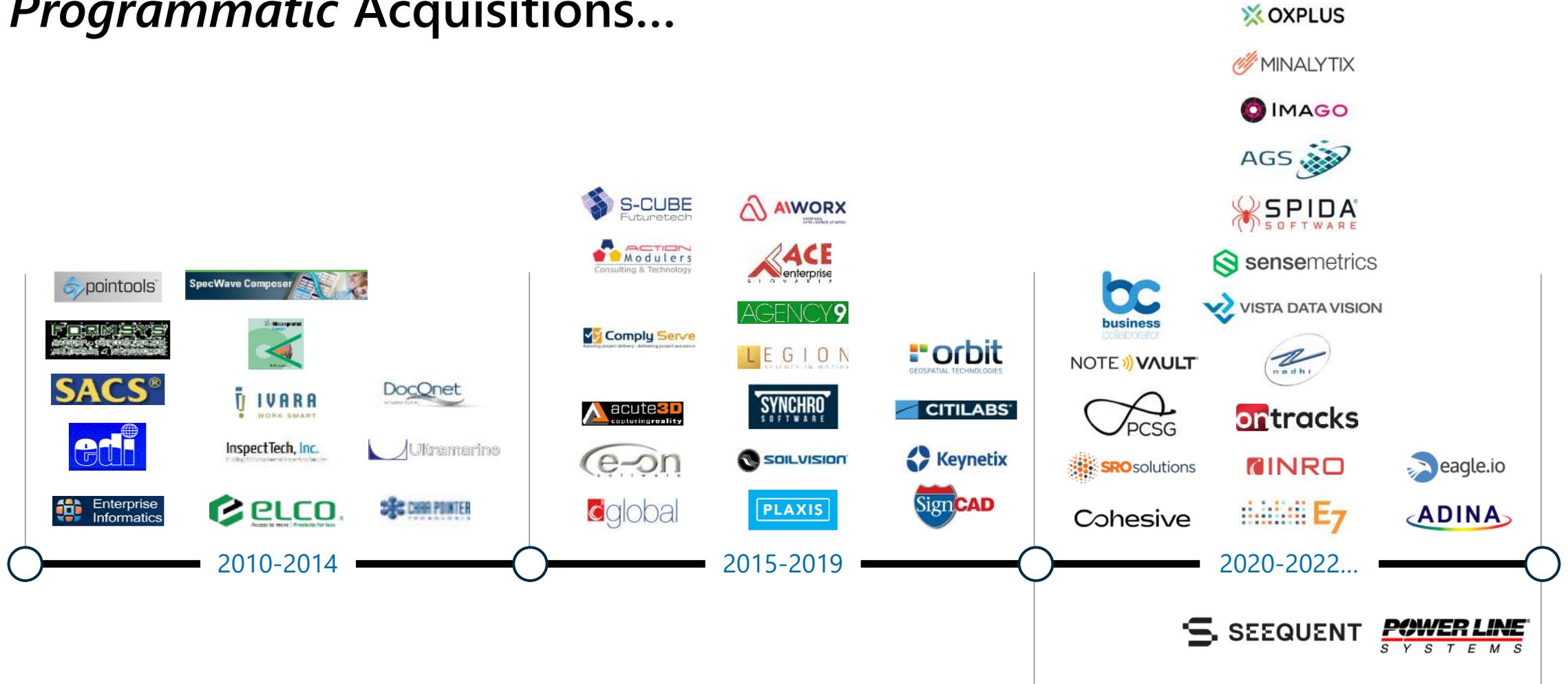
~5,000

Colleagues



Note: \$ Amounts are revenues in millions, based on 2021 Revenue using ASC 606.
Colleague count numbers as of June 30, 2022.

Programmatic Acquisitions...



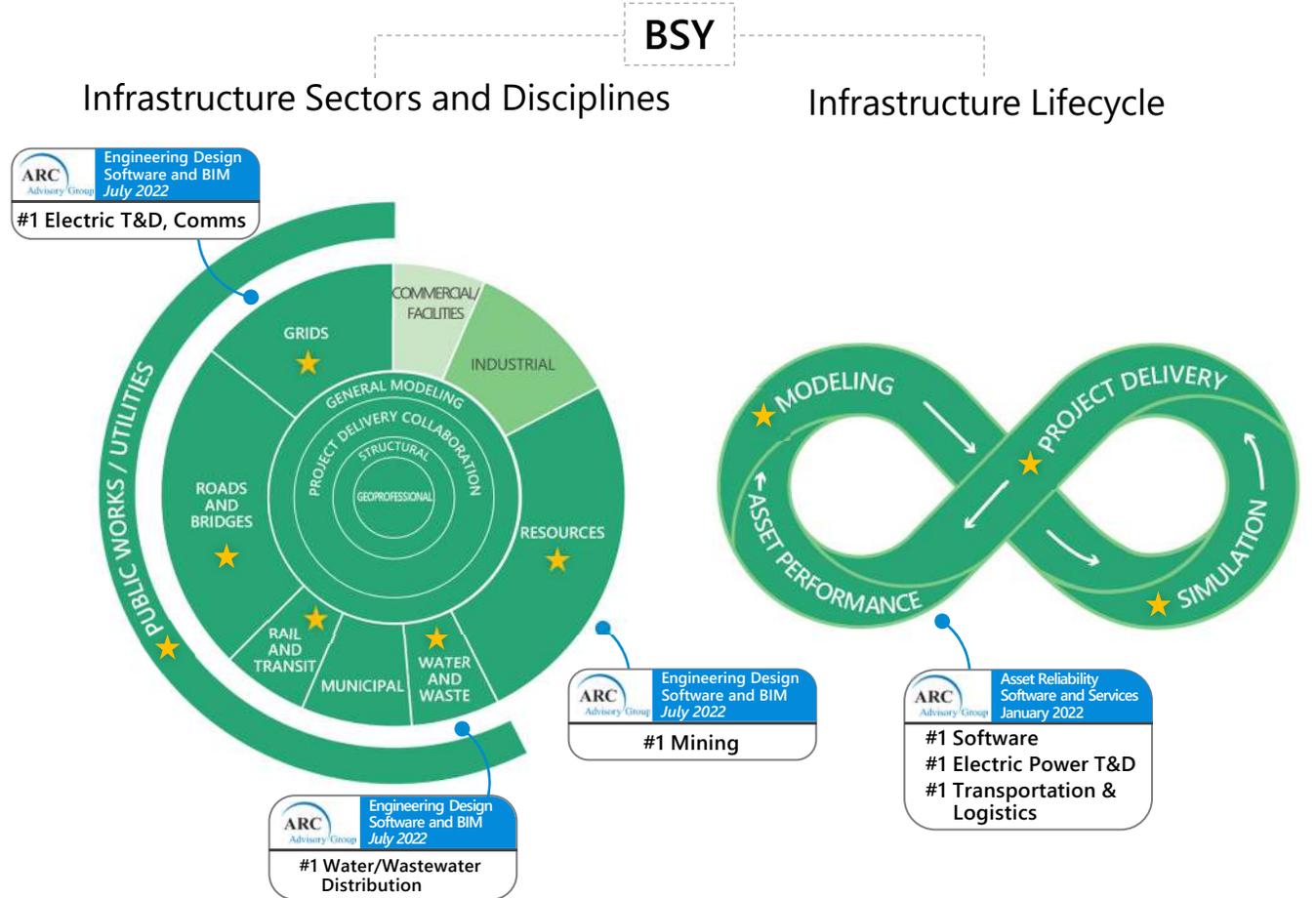
Platform Acquisitions...

THE Infrastructure Engineering Software Company

Competitive Landscape

	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	<div style="display: flex; flex-direction: column; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #008000; margin-bottom: 5px;"></div> Strong </div> <div style="display: flex; flex-direction: column; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #90EE90; margin-bottom: 5px;"></div> Moderate </div> <div style="display: flex; flex-direction: column; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #C8E6C9; margin-bottom: 5px;"></div> Low </div> <div style="display: flex; flex-direction: column; align-items: center;"> <div style="width: 15px; height: 15px; background-color: #FFFFFF; border: 1px solid #000; margin-bottom: 5px;"></div> Minor </div>	ADSK - Autodesk TRMB - Trimble ESRI - Esri HEX - Hexagon	AVV - Aeva NEM - Nemetschek DASTY - Dassault Systems AZPN - AspenTech
★ Market Leader			

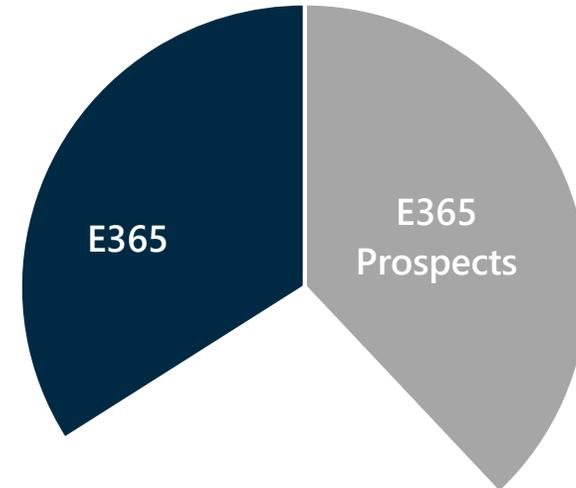
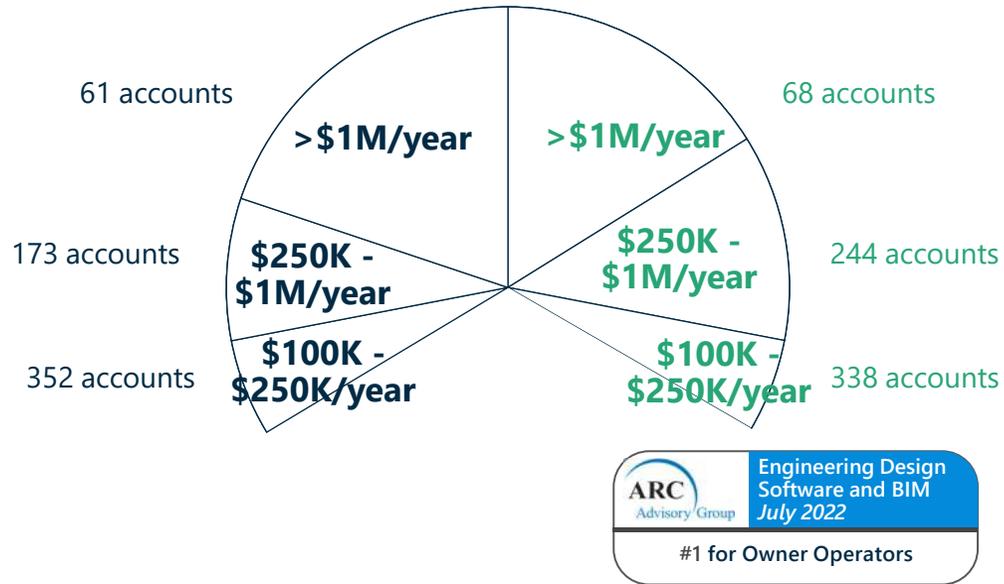


Note: Chart segment sizing corresponds to underlying % of 22Q3 ARR

2020s Growth Drivers

Enterprise Account *Flywheel*

Project Delivery Firms | Owner-Operators



- 92% direct sales
- 400+ quota carriers

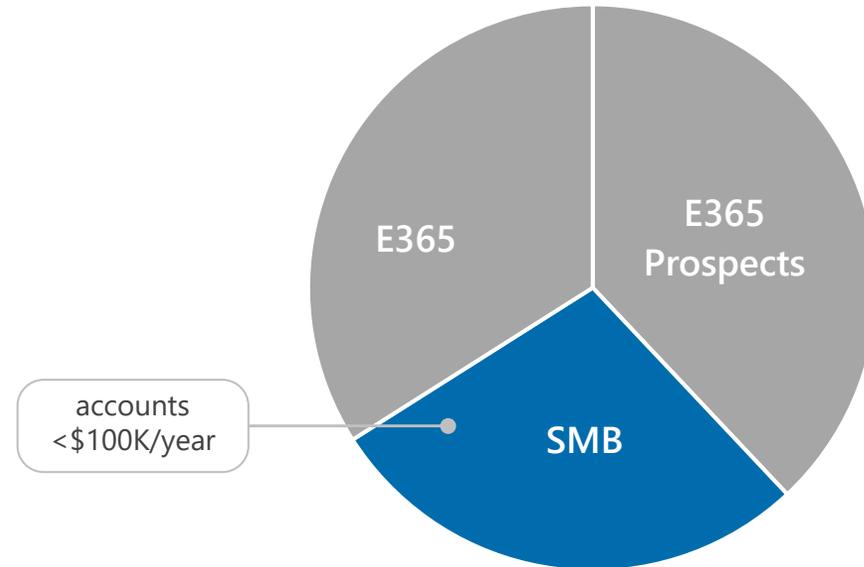
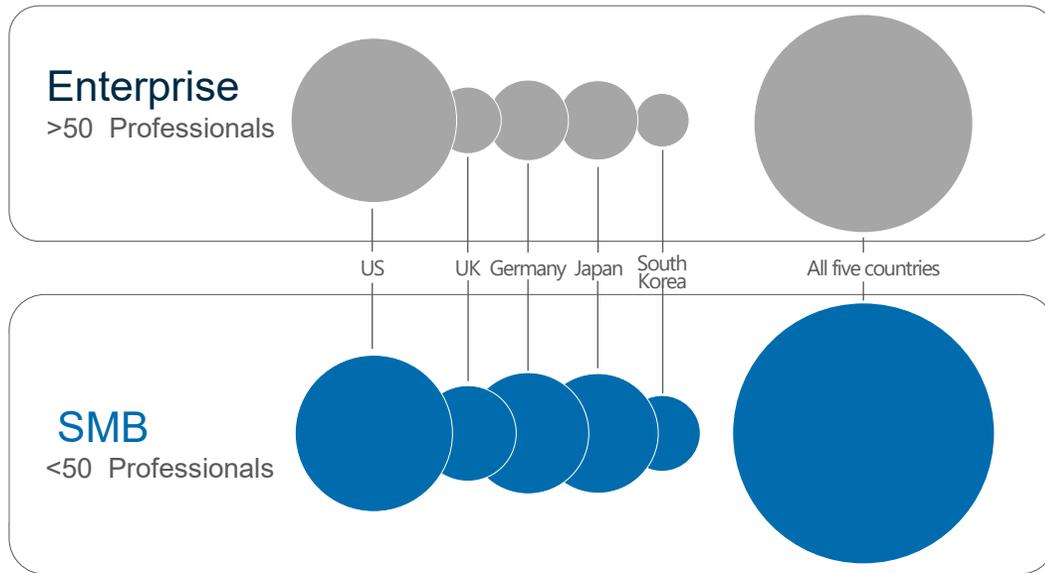
- E365 includes Success Blueprint services (for new digital workflows)
- Enterprise Success Force: >600 credentialed infrastructure engineer experts

Note: Chart segment sizing corresponds to underlying % of 2021 Revenue using ASC 606. Colleague count numbers as of December 31st, 2021.

Note: Chart segment sizing corresponds to underlying % of 22Q3 ARR

2020s Growth Drivers

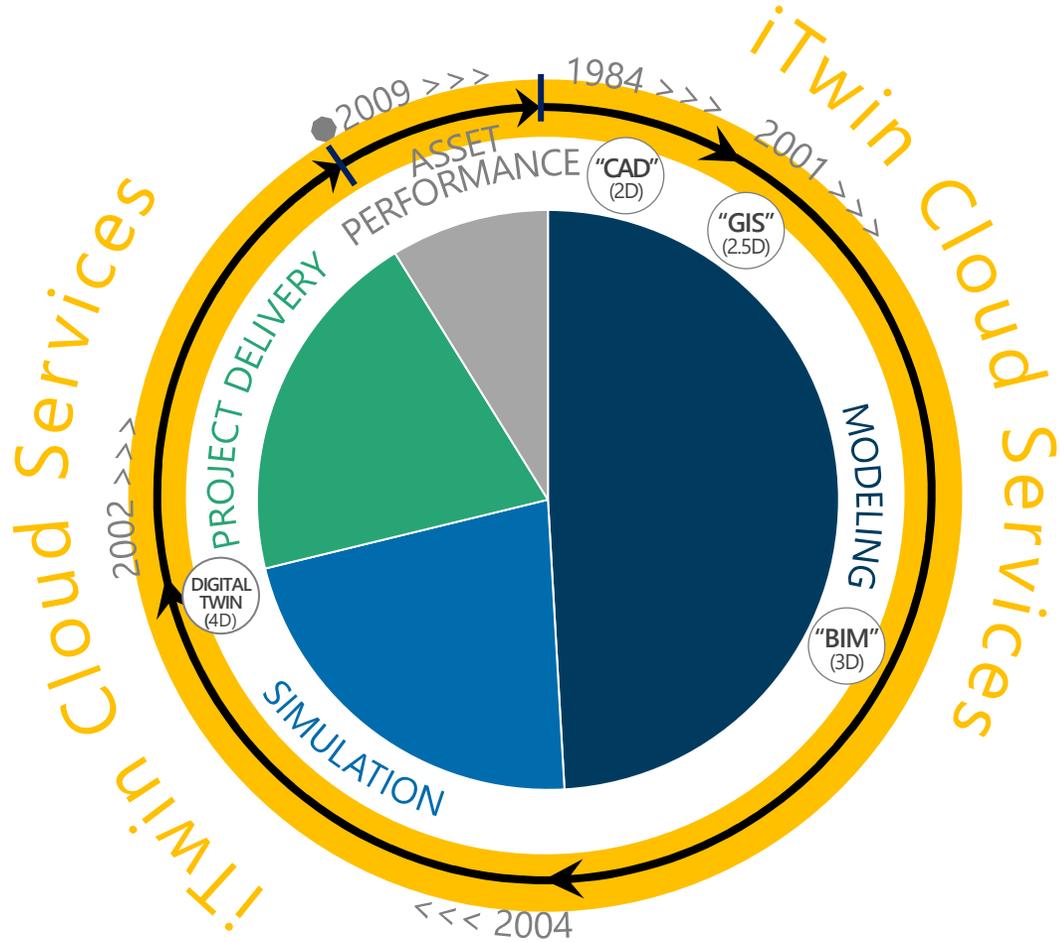
SMB Opportunity!



- Virtuoso Subscriptions combine license with expert assistance
- Targeted at SMB via direct-sales Digital Experience
- Virtuosity: ~ 200 inside sales quota carriers
- Adding 600+ new logos quarterly; new logos adding 3% in ARR growth

2020s Growth Drivers

The *Digital Twin* Future



Finalists Crediting...	2022	2021	2020
ContextCapture	44%	36%	32%
SYNCHRO	31%	29%	23%
iTwin	42%	27%	19%

The *Digital Twin* Gallery



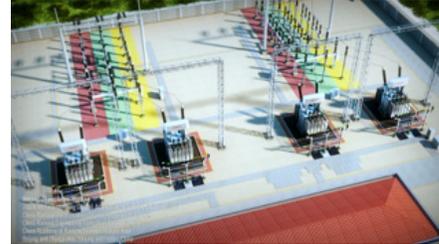
Suixian & Guangshui 80MWp Ground-Based Photovoltaic Power Project of Hubei Energy Group
PowerChina Hubei Electric Eng. Co., Ltd.
China



Microsoft / Doosan Heavy Industries & Construction



Khatan Group of Villages Water Supply Scheme
L&T Construction
India



Beijing-Zhangjiakou High-speed Railway
China Railway Electrification Engineering Group Co., Ltd., China Railway Engineering Consulting Group Co., Ltd., China Academy of Railway Sciences Corporation Limited
China



Stone Arch Bridge Rehabilitation
Collins Engineers, Inc.
United States



Diablo Dam Digital Twin Modeling
HDR
United States



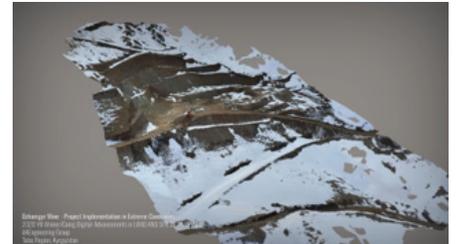
Hydroelectric Power Station Expansion Project
Power China ZhongNan Engineering Corporation Limited
China



Overcoming Challenges Under COVID-19 Lockdown
Network Rail
UK



AV/AC in Southern Italy: Napoli-Bari route
Italferr S.p.A.
Italy



Dzhamgyr mine. Project implementation in extreme conditions
AAEngineering Group
Kyrgyzstan



Guinea Alumina Engineering Digital Twin Application Project of CHALCO Hong Kong Co., Ltd.
Shenyang Aluminum & Magnesium Engineering & Research Institute Co., Ltd.
China



Application of BIM+GIS in Municipal Reconstruction in Shanbanqiao Area of Chengdu
Chengdu Municipal Engineering Design and Research Institute Chengdu Institute of Survey & Investigation
China



MUMBAI COASTAL ROAD PROJECT (SOUTH) PACKAGE – II
SAI-SYSTR A Group
India



Digital Twin Opportunities

ES(D)G: Empowering Sustainable Development Goals



MOBILITY



ENVIRONMENT

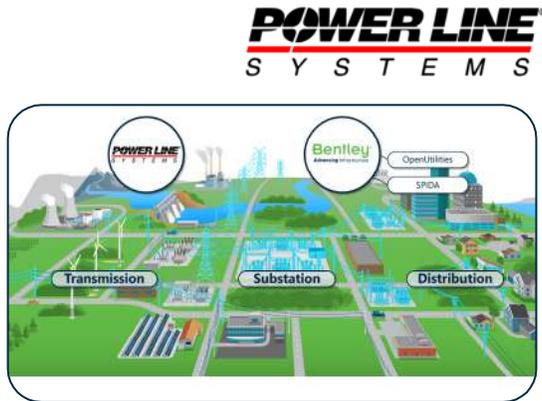


GRIDS



Digital Twin Opportunities

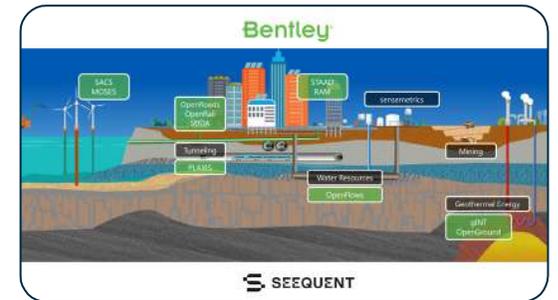
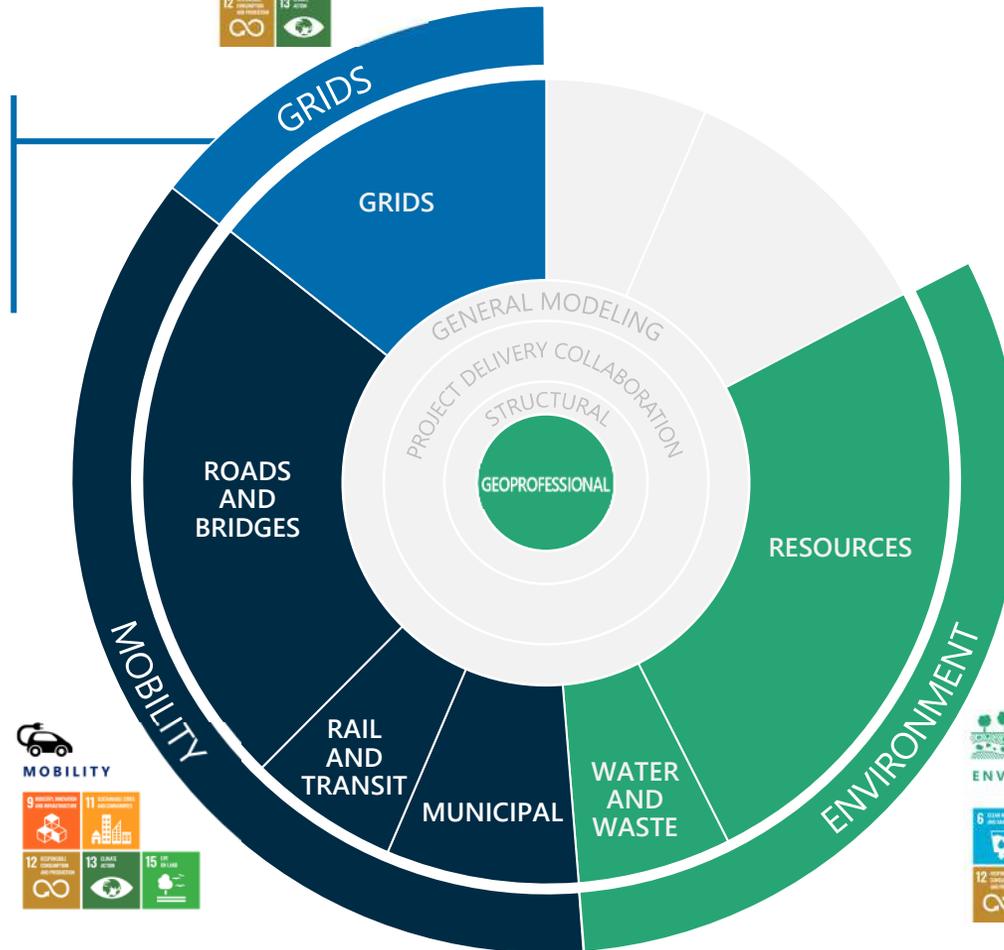
Platform Acquisitions!



~\$600,000,000
net consideration

January 2022

Financed with
senior debt



~\$1,100,000,000
consideration

June 2021

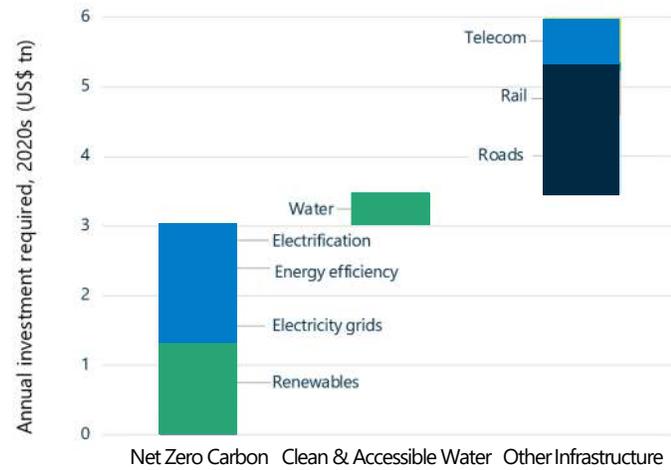
Financed with
convertible debt



Note: Chart segment sizing corresponds to underlying % of 22Q3 ARR

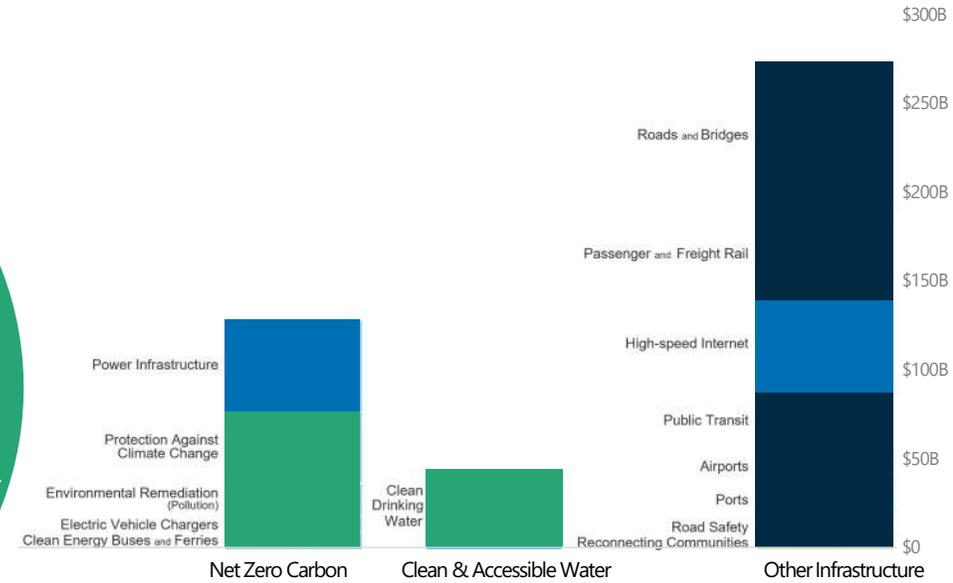
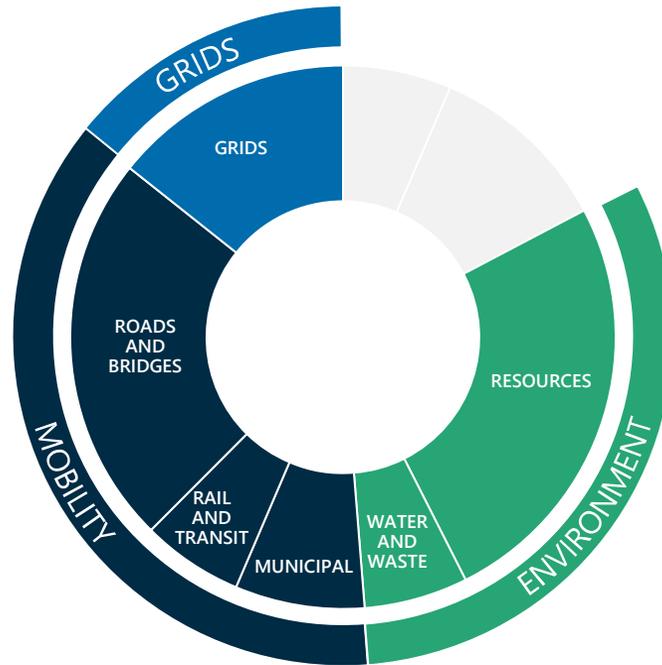
Digital Twin Opportunities

Global (Infrastructure) Investment Priorities



Goldman Sachs

Source: IEA, OECD, McKinsey & Company, Goldman Sachs Global Investment. Research – 2021/10/11



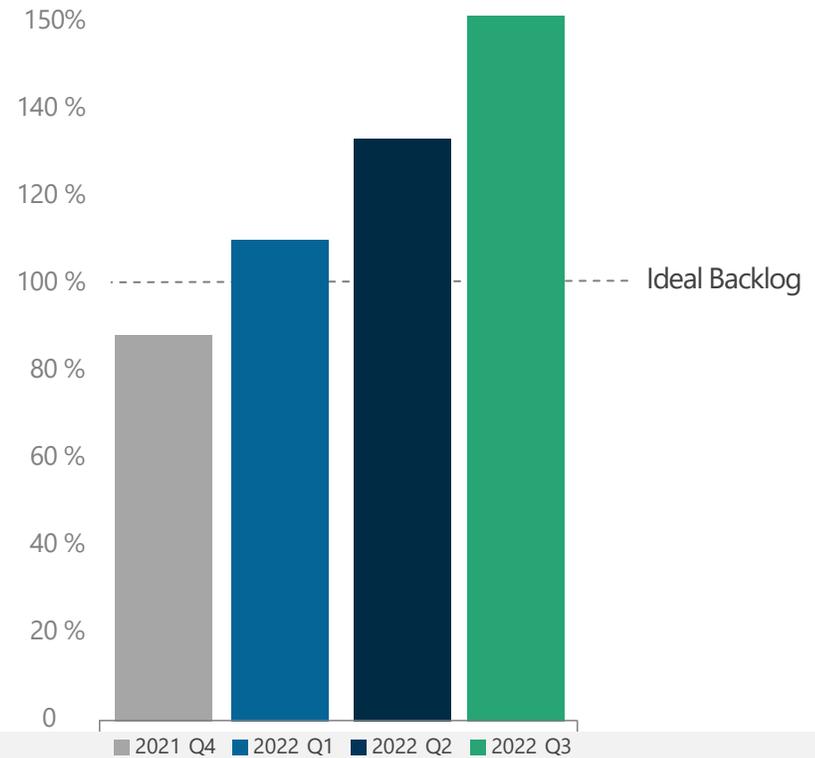
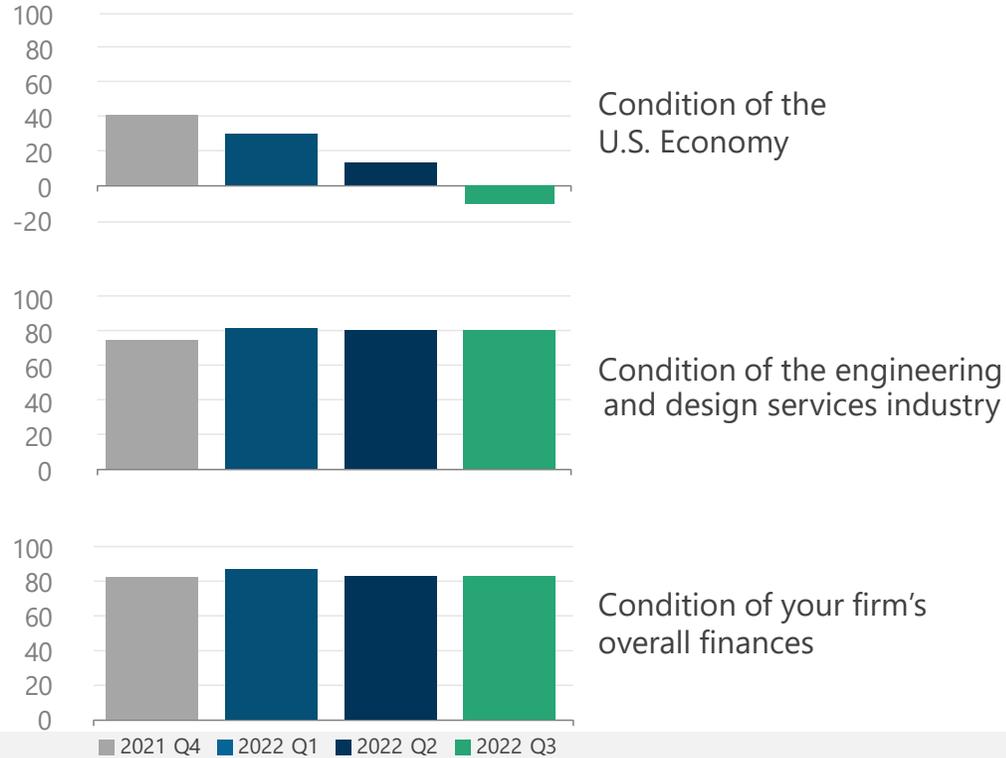
U.S. Infrastructure Investment and Jobs Act (IIJA)

Source: The White House

Note: Chart segment sizing corresponds to underlying % of 22Q3 ARR

2022

Infrastructure Engineering Firms' Outlook



Current Economic Sentiment vs. Last Quarter

<https://programs.acec.org/impact-report-21/>

Source: left ACEC Research Institute Engineering Business Sentiment © | 2022 Q3



Ratio of Current to Ideal Backlog for Civil Engineers

<https://www.construction.com/toolkit/reports/The-Civil-Quarterly-Issue-4-2022>

Source right: Dodge Construction Network. Q3 2022 Quarterly Report

2022

BSY's Outlook



Press Release

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Bentley Systems Announces 21Q4 and 2021 Operating Results, and its 2022 Financial Outlook

EXTON, Pa. - **March 1, 2022** - Bentley Systems, Incorporated (Nasdaq: BSY) ("Bentley Systems" or the "Company"), the *infrastructure engineering software* company, today announced operating results for its fourth quarter and full year ended December 31, 2021, and its financial outlook for 2022.

2022 Financial Outlook

The Company is sharing the following outlook for the year ending December 31, 2022.

- *Total revenues* in the range of \$1,110 million to \$1,140 million, representing growth of 15.0% to 18.1% (16.9% to 20.1% in constant currency);
- *Constant currency ARR growth rate* of 14% to 16% (1);
- *Adjusted EBITDA* in the range of \$370 million to \$380 million, representing growth of 13.9% to 16.9% (16.3% to 19.5% in constant currency), and *Adjusted EBITDA margin* of approximately 33%;



Press Release

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Bentley Systems Announces Operating Results for the Third Quarter of 2022

EXTON, Pa. - **November 8, 2022** - Bentley Systems, Incorporated (Nasdaq: BSY) ("Bentley Systems" or the "Company"), the *infrastructure engineering software* company, today announced operating results for its third quarter and nine months ended September 30, 2022.

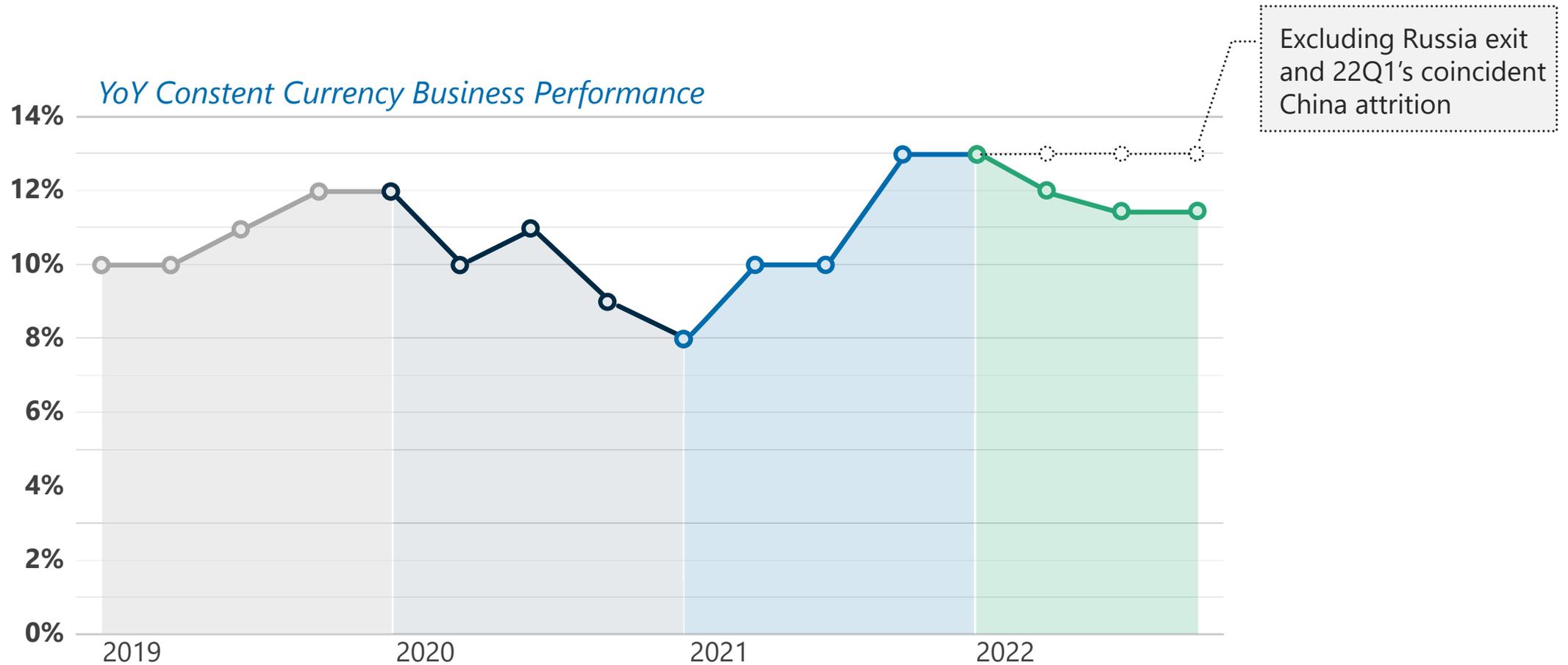


We are pleased to report that Bentley Systems' operating performance continues dependably toward our established financial outlook range for full-year 2022, albeit with reported revenues subject to this year's foreign exchange gyrations.

– Greg Bentley, CEO

2022

Resilient *ARR growth*



Financial Drivers

Operations



Working capital efficiency

- 70% of revenue paid annually in advance

Tax efficiency

- <15% effective tax rate forecasted for full year 2022

Cashflow efficiency

- 85-90% Adjusted EBITDA conversion

Commitment to annual margin improvement

- ~100 bp in Adjusted EBITDA

Commitment to robust R&D investment

- >22% of revenue

Financial Drivers

Capital Allocation



Consistent with Bentley family majority economic stewardship...

Stock-based compensation (~6 % of revenue) below low range of peers

- Ongoing stock repurchases to offset dilution

Commitment to (modest) dividend

Commitment to programmatic acquisitions

- Subject to “make vs. buy” decisions

Convertible debt funded accretive platform acquisitions

- ~\$1.3B, debt service fixed at ~0.24% coupon through 2026/2027 maturities
- Convertible leverage¹ 3.4x as of 22Q3

Senior debt

- \$200MM term loan, fixed at ~2.73% via interest rate swap maturing 2030
- \$345MM revolver balance, \$505MM availability as of 22Q3
- Senior debt net leverage¹ 1.3x as of 22Q3

Footnote 1: LTM Adj. EBITDA⁵ used to calculate leverage is pro-forma for acquisitions, most notably Seequent and PLS

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

Compounding Investment Distinctions



Distinctively predictable governance

- Farsighted founding family control
- Dual-class voting sunsets reasonably

Distinctively predictable performance

- 89% long-recurring subscriptions as of 22Q3

Distinctively predictable resilience

- Mainstay public works / utilities, plausibly COUNTER-cyclical

Distinctively impregnable “comprehensive moat”

- THE infrastructure engineering software company
- Reinforced by (accretive!) platform acquisitions

Distinctively sustainable investment premises:

- Intersection of global priorities: *going digital* and *infrastructure!*
- Environmental resilience (climate, decarbonization, mineral imperatives)
- Energy 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 and Reconciliations

- 1. Recurring revenues.** Last twelve-months recurring revenues is calculated as recurring revenues recognized over the preceding twelve-month period. 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.
- 2. 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 Topic ASC 605 and 2020, 2021, and 2022 calculated using Topic ASC 606.
- 3. Recurring revenues dollar-based net retention rate.** Our 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. Related to our platform acquisitions of Power Line Systems and Seequent, 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. A period is defined as any trailing twelve months. 2018 and 2019 calculated using Topic ASC 605 and 2020, 2021, and 2022 calculated using Topic ASC 606.
- 4. Annualized Recurring Revenue (ARR).** Our ARR is defined as the sum of the annualized value of our portfolio of contracts that produce recurring revenue 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.
- 5. Adjusted EBITDA.** Our Adjusted EBITDA is defined as net income (loss) adjusted for 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, other non-operating (income) expense, net, and (income) loss from investment accounted for using the equity method, net of tax.
- 6. Adjusted EBITDA margin.** Our Adjusted EBITDA divided by Total Revenues.
- 7. 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. Cambashi accordingly estimates that if engineering software spending would become as intensive per engineer (or engineering technician) in infrastructure engineering as in product engineering, global infrastructure engineering software spending would be \$29.8 billion.

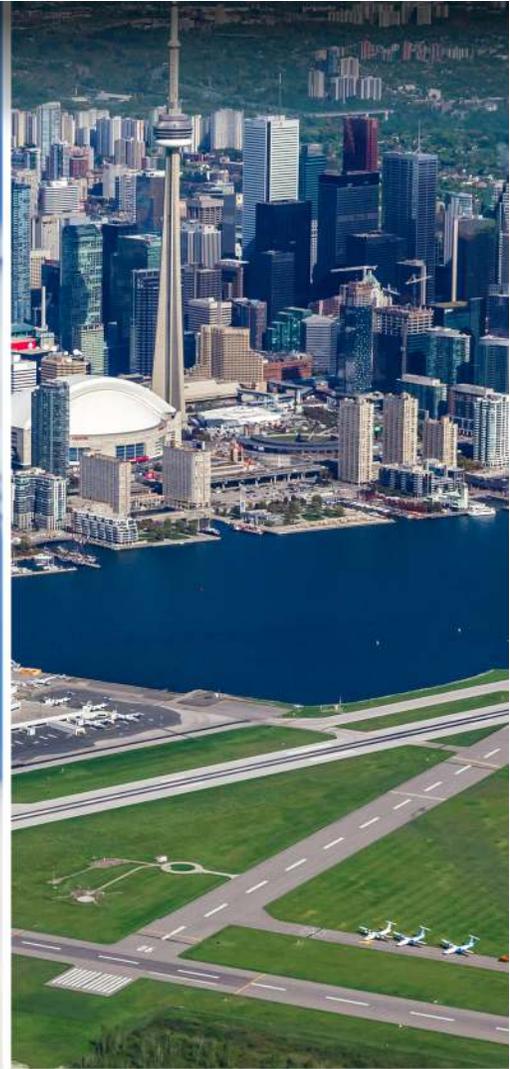
Note: See detailed definitions of KPIs and individual Adjusted EBITDA reconciling items in the MD&A section of the associated Form 10-Q.

Non-GAAP Reconciliation: Adjusted EBITDA

\$ in thousands	Three Months Ended September 30		Nine Months Ended September 30	
	2022	2021	2022	2021
Net Income	\$ 36,997	\$ (48,022)	\$ 149,058	\$ 54,611
Interest expense, net	8,382	3,836	23,046	8,608
Provision (benefit) for income taxes	9,664	5,025	8,221	(5,090)
Depreciation and amortization	17,914	16,666	53,644	35,946
Stock-based compensation	18,626	11,588	50,974	32,186
Deferred compensation plan	(4,576)	88,965	(21,873)	89,327
Acquisition expenses	3,203	4,789	21,056	27,999
Realignment expenses	(971)	-	2,223	-
Other (income) expense, net	(180)	957	(14,318)	(9,748)
Loss from investments accounted for using the equity method, net of tax	681	664	1,846	2,939
Adjusted EBITDA	\$ 89,740	\$ 84,468	\$ 273,877	\$ 236,778

Note: See further commentary on adjustments in MD&A section of the September 30, 2022 10-Q

Infrastructure is what makes other things possible



Introduction to Bentley Systems

The *Infrastructure Engineering Software* Company



Bentley[®]
Advancing Infrastructure



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