



Bentley Systems' 21Q2 Operating Results

Greg Bentley, CEO
David Hollister, CFO

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; 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; 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, 2020 and subsequent Forms 10-Q.
- The forward-looking statements made in this presentation are made as of August 10, 2021. If this presentation is reviewed after August 10, 2021, 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.

21Q2 Operating Results...

Greg Bentley, CEO
August 10, 2021

Agenda

- Tone of Business
- Corporate Developments
- BSY's Seequent Business
- The *Digital Twins* Imperative
- 21Q2 Financial Performance...



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Bentley Systems Announces Operating Results for the Second Quarter of 2021 and Updates Its 2021 Financial Outlook

EXTON, Pa. – August 10, 2021 – Bentley Systems, Incorporated (Nasdaq: BSY) (“Bentley Systems” or the “Company”), the infrastructure engineering software company, today announced operating results for its second quarter and six months ended June 30, 2021.

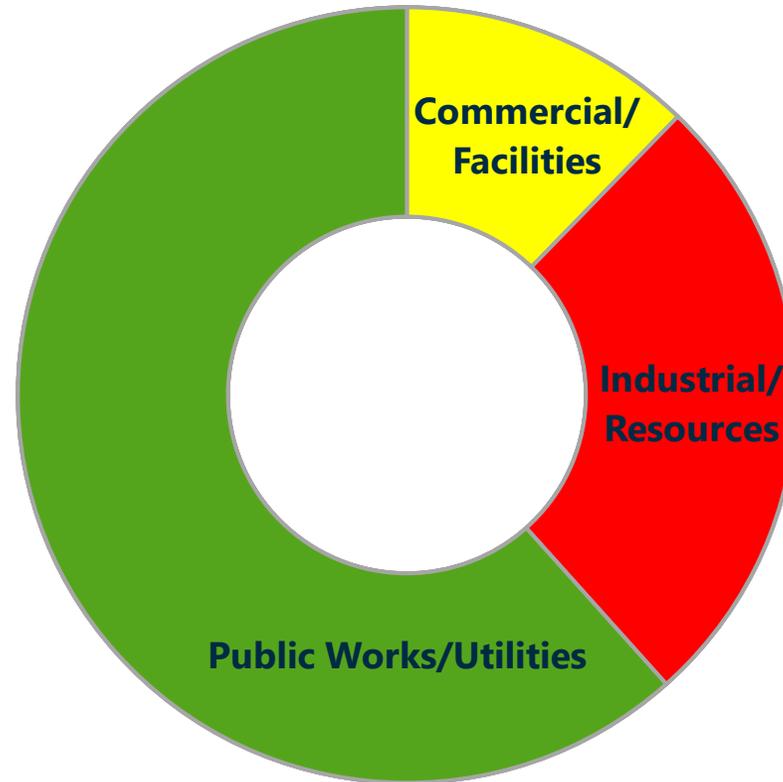
Second Quarter 2021 Financial Results:

- *Total revenues were \$222.9 million, up 21.0% year-over-year;*
- *Subscriptions revenues were \$185.5 million, up 17.6% year-over-year;*
- *Last twelve-month recurring revenues were \$746.2 million, up 12.1% year-over-year;*
- *Last twelve-month recurring revenues dollar-based net retention rate was 106% (calculated under Topic 606), compared to 110% (calculated under Topic 605) for the same period last year;*
- *Last twelve-month account retention rate was 98% (calculated under Topic 606), compared to 98% (calculated under Topic 605) for the same period last year;*
- *Annualized Recurring Revenue (“ARR”) was \$882.4 million as of June 30, 2021, representing a constant currency ARR growth rate of 23% from June 30, 2020;*
- *GAAP operating income was \$32.2 million, compared to \$44.6 million for the same period last year;*

Tone of Business

2021 to Date...

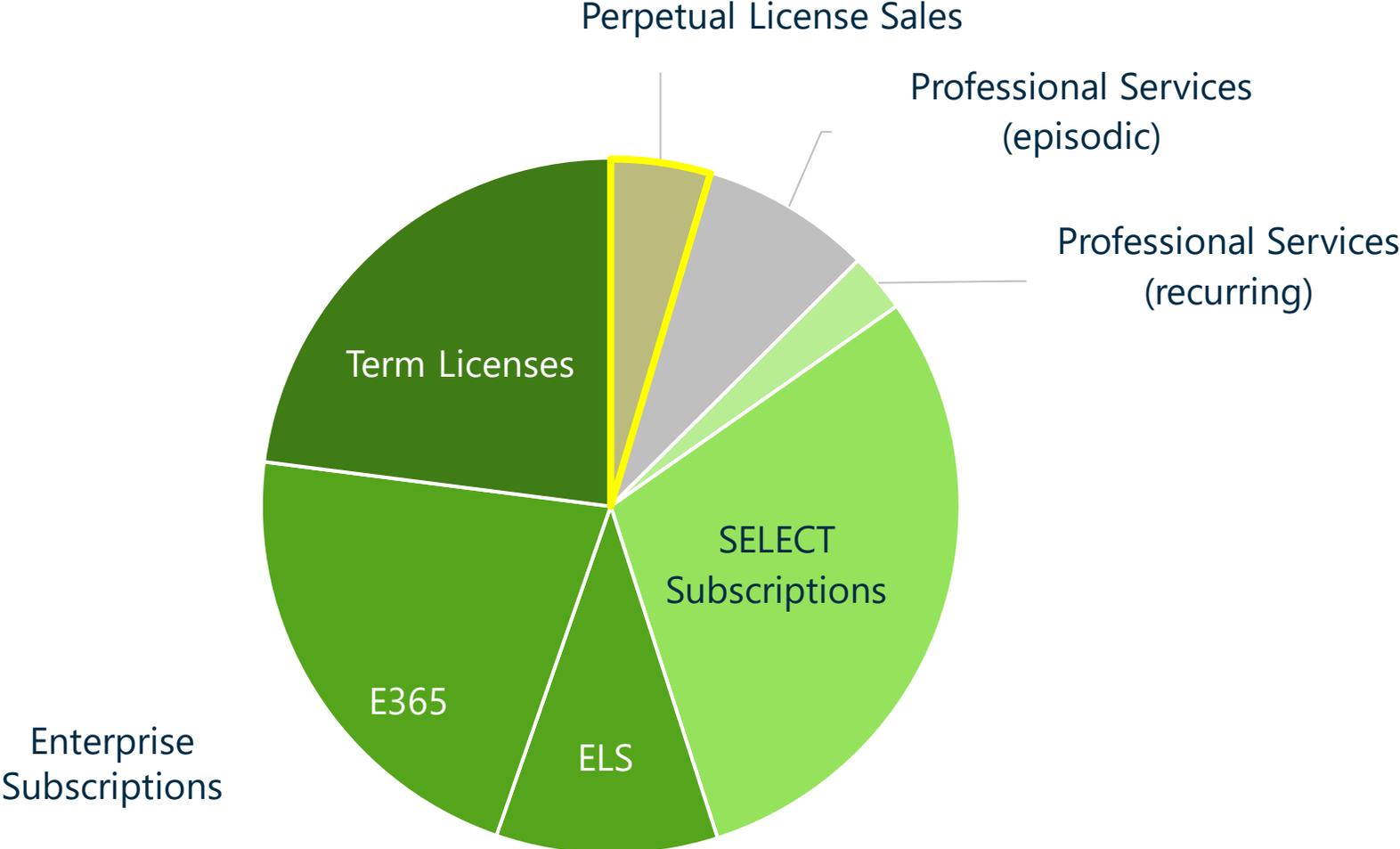
As presented
at our 21Q1
Operating Results Call



Note: Chart segment sizing corresponds to underlying % of 2020 ASC 606 Revenue.

Revenues by Commercial Model

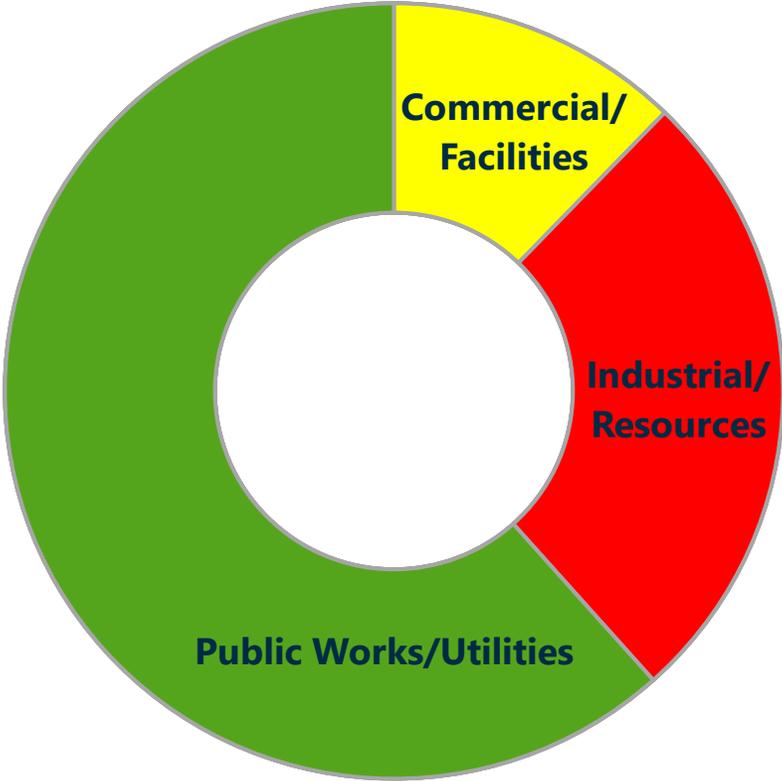
As presented
at our 21Q1
Operating Results Call



Note: Chart segment sizing corresponds to underlying % of Q1 2021 ASC 606 Revenue.

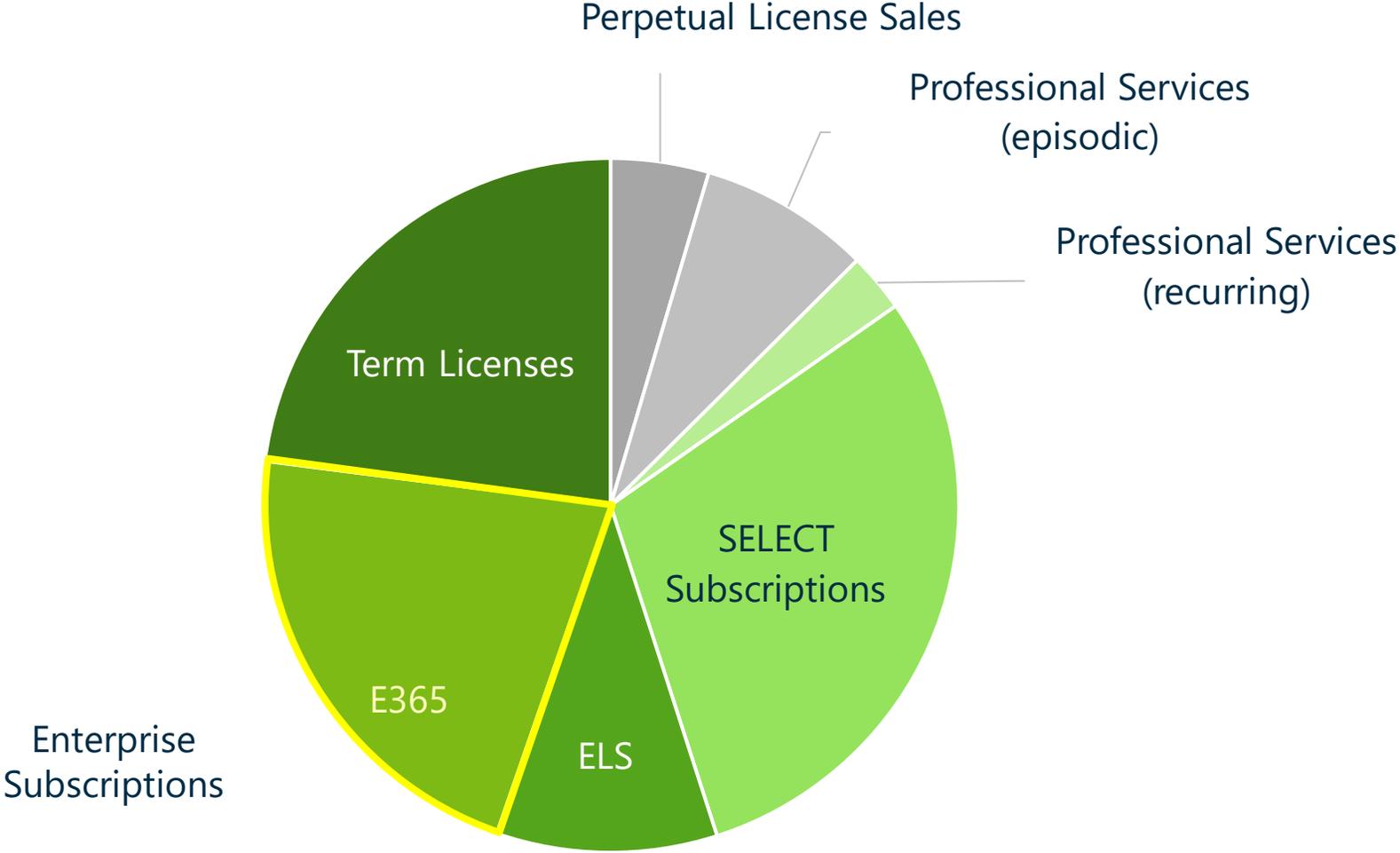
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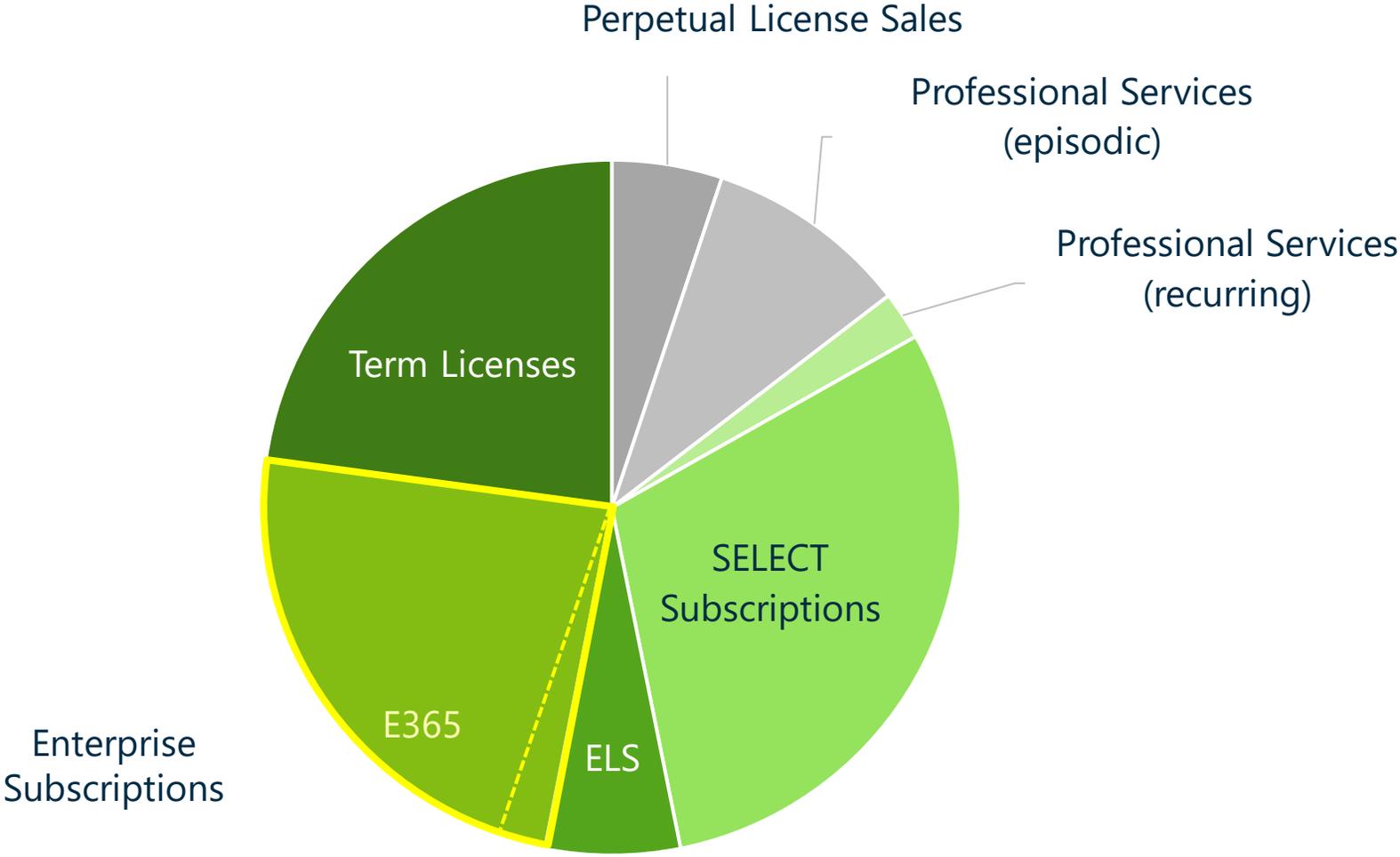
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Revenues by *Commercial Model*



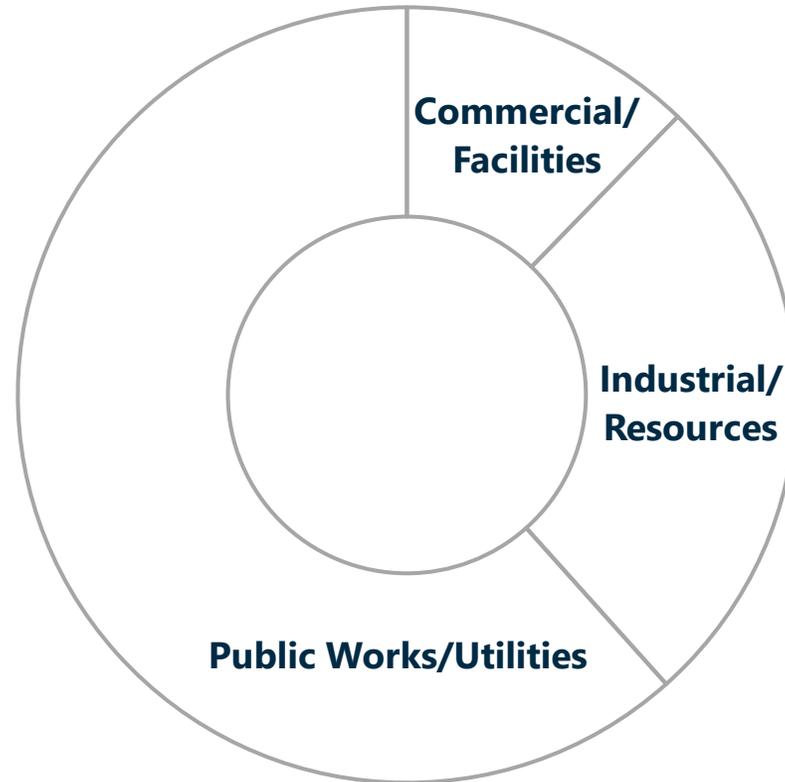
Note: Chart segment sizing corresponds to underlying % of Q1 2021 ASC 606 Revenue.

Revenues by *Commercial Model*



Note: Chart segment sizing corresponds to underlying % of Q2 2021 ASC 606 Revenue.

Application Usage Trends by Infrastructure Sector



Note: Chart segment sizing corresponds to underlying % of 2020 ASC 606 Revenue.

New Business Growth

As presented
at our 20Q4
Operating Results Call

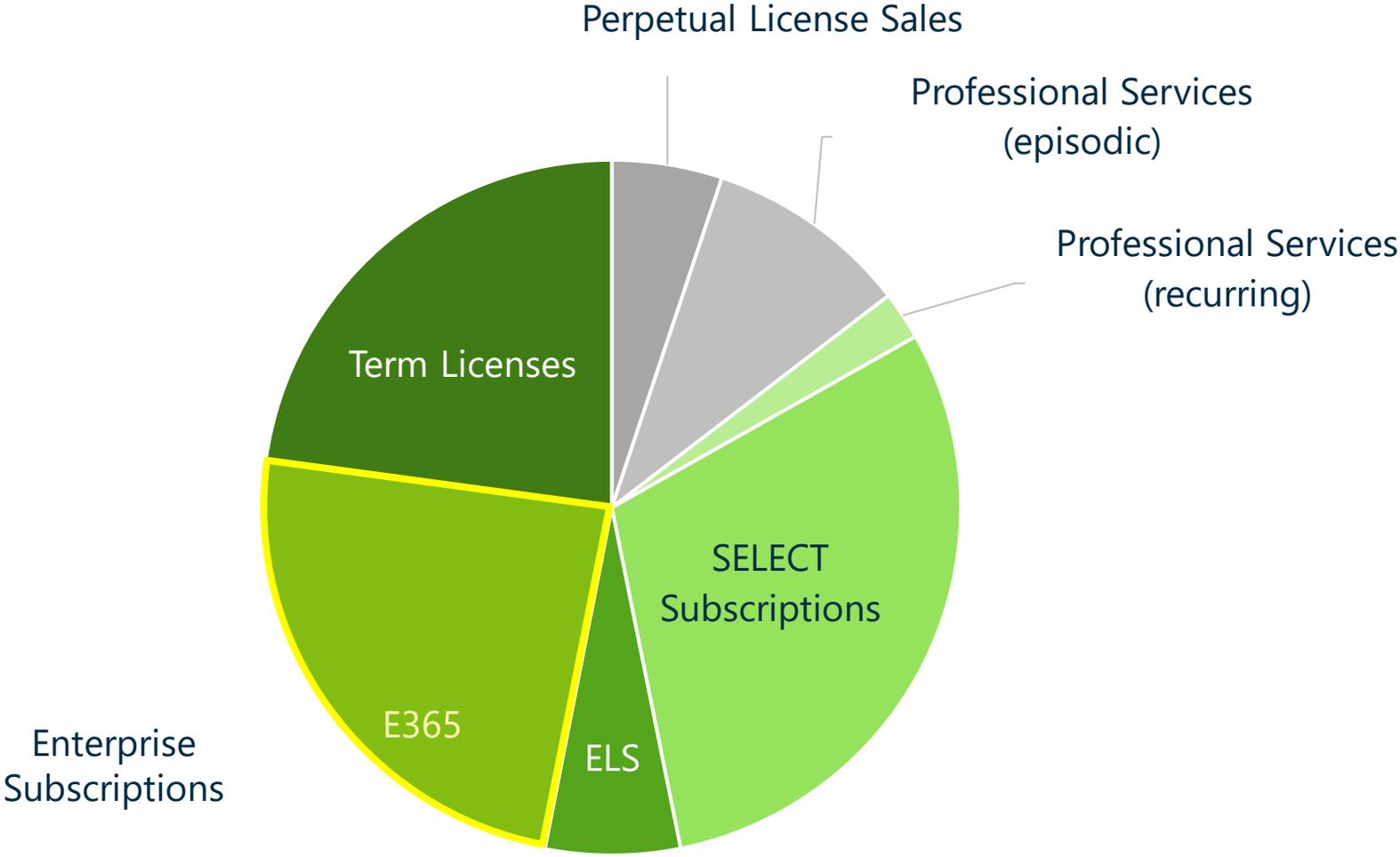


e.g. *MicroStation* (\$\$) to
OpenRoads (\$\$\$\$) "upsell"

- New Account
- Incremental Product
- Incumbent Product

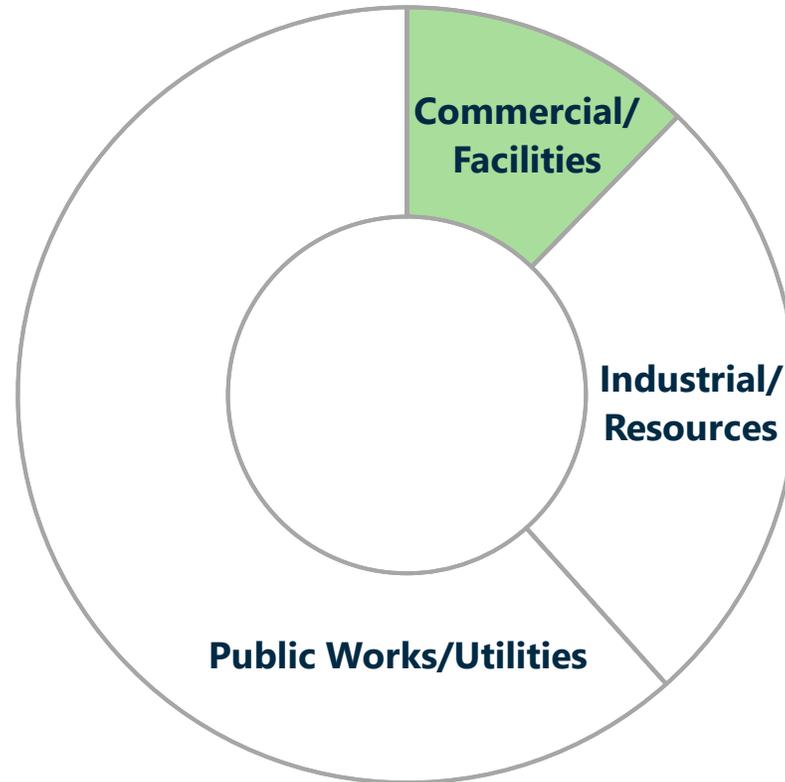
Note: Excludes the impact of changes in foreign currency exchange rates. The company's 2019 budget exchange rates have been applied for all periods.

Revenues by *Commercial Model*



Note: Chart segment sizing corresponds to underlying % of Q2 2021 ASC 606 Revenue.

Application Usage Trends by Infrastructure Sector



Note: Chart segment sizing corresponds to underlying % of 2020 ASC 606 Revenue.

Infrastructure Empowered Workforce Plan

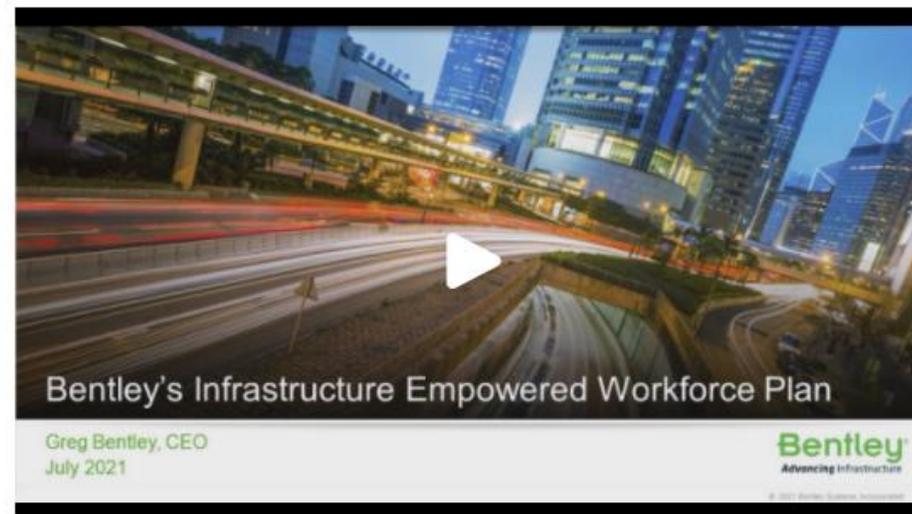
About the Infrastructure Empowered Workforce Plan (IEWP)

The IEWP is built on a solid foundation of trust. Given the flexibility, colleagues are empowered to make responsible and effective choices on the right balance between working from the office and remotely. This plan does not require colleagues to come into the office at any specific frequency. Rather, it provides colleagues the flexibility to make these choices with their manager and within their teams, to achieve business success and maintain a high level of productivity and engagement.

[Read the full email announcement](#)

[Access Here](#)

Greg Bentley, CEO introduces the Infrastructure Empowered Workforce Plan (IEWP)



Principles of the Infrastructure Empowered Workforce Plan

- **Be responsible** – make plans in the best interest of ourselves, our teams, our users, and the Company.
- **Stay connected** – with our managers, teams, stakeholders, and users.
- **Develop new skills** – to lead and work in hybrid teams effectively, with a special focus on equity and inclusion.

Bentley and SIEMENS

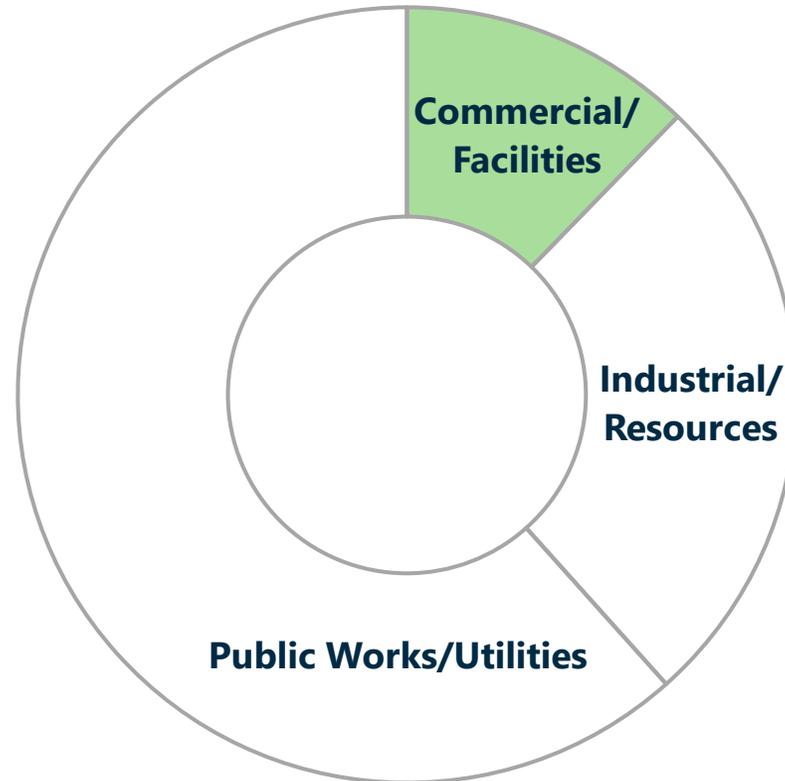
Siemensstadt Square



Video courtesy of Siemens

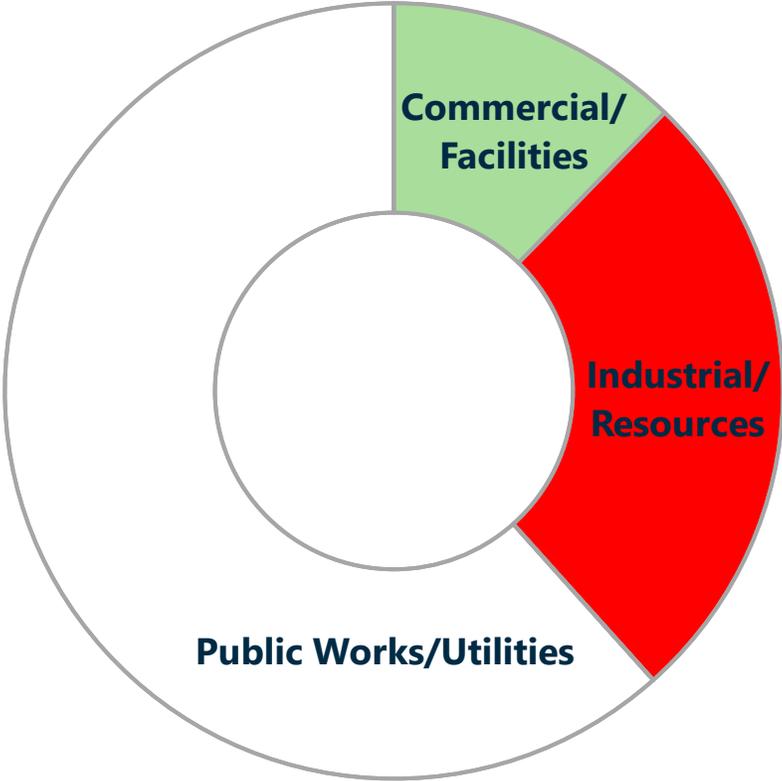


Application Usage Trends by Infrastructure Sector



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Application Usage Trends by Infrastructure Sector



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Bentley Systems Announces Operating Results and Updates I

EXTON, Pa. – August 10, 2021 – Bentley Systems, Inc. (“Company”), the infrastructure engineering software leader, today announced its second quarter and six months ended June 30, 2021.

Second Quarter 2021 Financial Results:

- Total revenues were \$222.9 million, up 2%
- Subscriptions revenues were \$185.5 million, up 14%
- Last twelve-month recurring revenues were \$185.5 million, up 14% compared to 110% (calculated under Topic 605) for the same period last year.
- Last twelve-month account retention rate (calculated under Topic 605) for the same period last year.
- Annualized Recurring Revenue (“ARR”) was \$185.5 million, up 23% from June 2020, or a currency ARR growth rate of 23% from June 2020.
- GAAP operating income was \$32.2 million, up 17.4% year-over-year;

Six Months Ended June 30, 2021 Financial Results:

- Total revenues were \$444.9 million, up 17.4% year-over-year;
- Subscriptions revenues were \$373.6 million, up 14.0% year-over-year;
- GAAP operating income was \$87.9 million, compared to \$90.6 million for the same period last year;
- GAAP net income was \$101.9 million, compared to \$68.7 million for the same period last year. GAAP net income per diluted share was \$0.32, compared to \$0.23 for the same period last year;
- Adjusted Net Income was \$138.3 million, compared to \$89.2 million for the same period last year. Adjusted Net Income per diluted share was \$0.43 compared to \$0.30 for the same period last year;
- Adjusted EBITDA was \$151.9 million, compared to \$115.5 million for the same period last year. Adjusted EBITDA margin was 34.1%, compared to 30.5% for the same period last year;
- Cash flow from operations was \$149.0 million, compared to \$136.2 million for the same period last year.

Definitions of the non-GAAP financial measures used in this press release and reconciliations of such measures to the most comparable GAAP financial measures are included below under the heading “Use and Reconciliation of Non-GAAP Financial Measures.”

CEO Greg Bentley said, “Amidst the fits and starts which characterize the global resumption of growth for infrastructure engineering in 2021, going digital has remained an overarching priority that continues to benefit our software users, infrastructure projects and assets, and our operating results. A highlight for us this quarter has been the inclusion of Seequent, and subsurface digital twins, into our company and into our new financial outlook. Somewhat restrained favorable directions continue in the preponderance of our business, with usage growth beyond the pre-pandemic levels of 2019, resulting uptrends in ARR and new business and subscription revenues, and continued upward inflections in SMB subscriptions and resulting business from new accounts. Our growth bottlenecks continue to be ever more localized to industrial and resources ‘capex,’ and to the geographies (especially Middle East and Southeast Asia) most dependent on this sector—with a new concern brought on by unanticipated subscription attrition within mid-size enterprise accounts in greater China, despite an otherwise healthy demand environment in that territory.”

Mr. Bentley continued, “Our updated financial outlook for the full year 2021 contemplates surpassing the milestones of one billion-dollars in revenue (pro forma for the acquisition of Seequent as if it had occurred at the beginning of 2021), double-digit ARR growth even exclusive of Seequent, and, importantly, maintaining our 32% Adjusted EBITDA margin target for 2021 while absorbing at the same time our incremental investments in growth

Press Release

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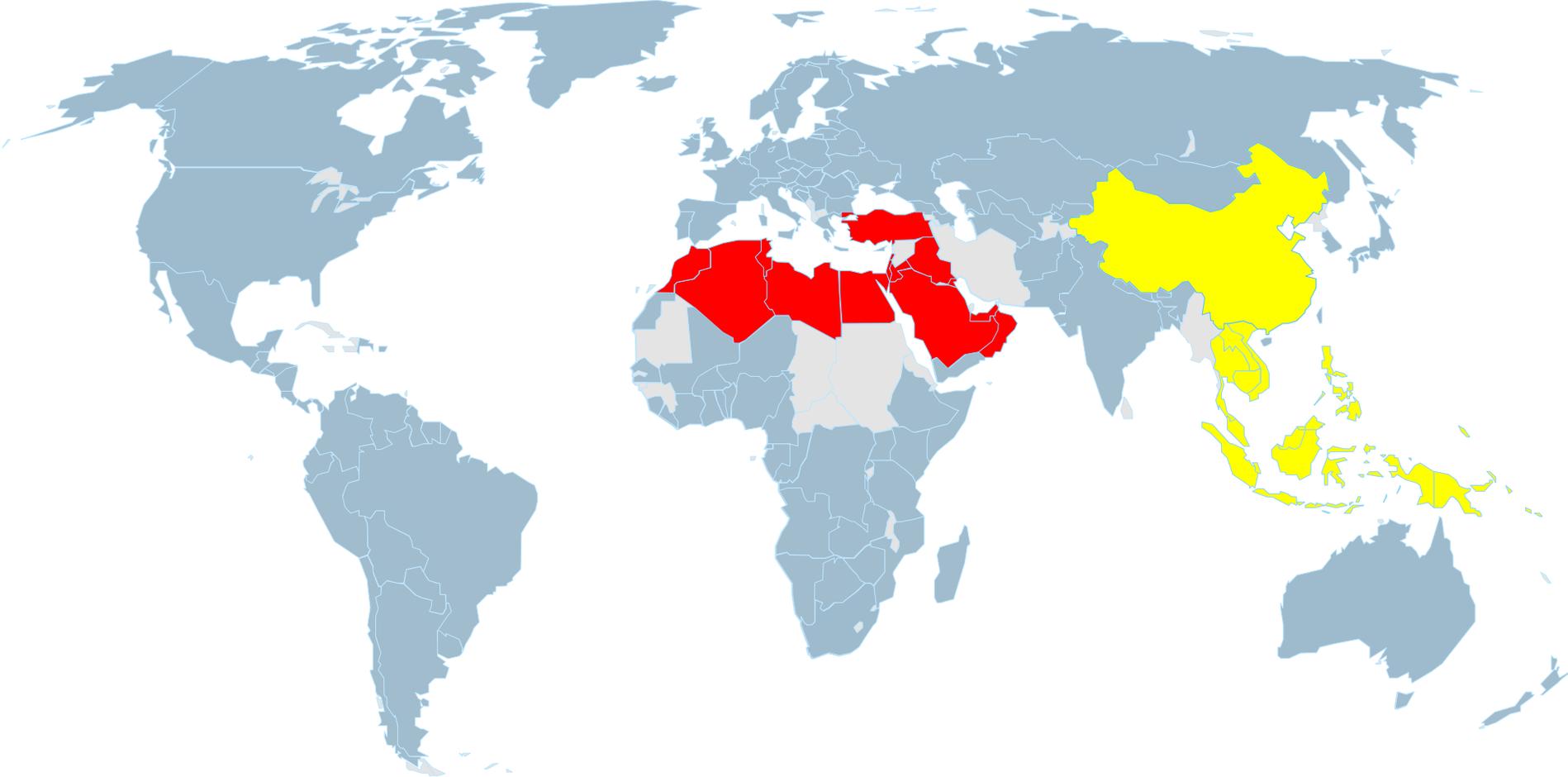
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Comprehensiveness Across Geographies: *Notable New Business Growth*



Note: \$ Amounts are revenues in millions, based on 2019 ASC 606.

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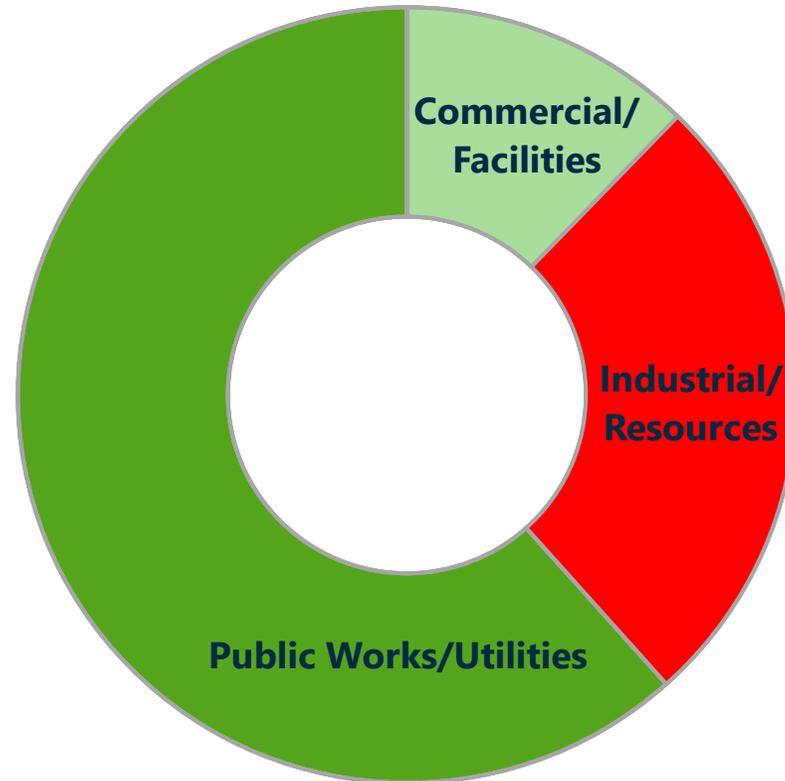
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Application Usage Trends by Infrastructure Sector



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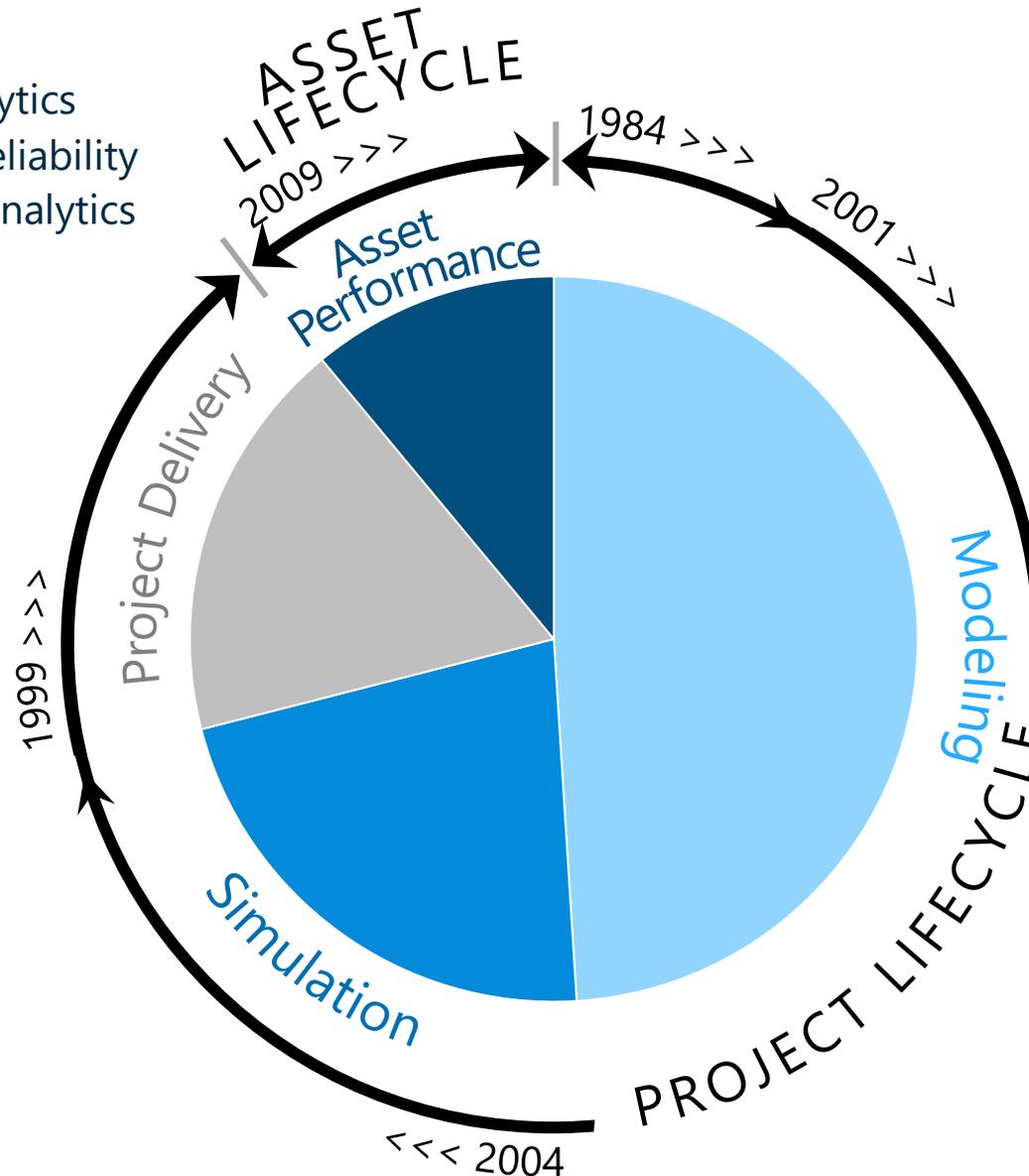
Revenues by *Infrastructure Lifecycle*: *Notable New Business Growth*

- AssetWise ALIM
- AssetWise 4D Analytics
- AssetWise Asset Reliability
- AssetWise Linear Analytics
- SUPERLOAD

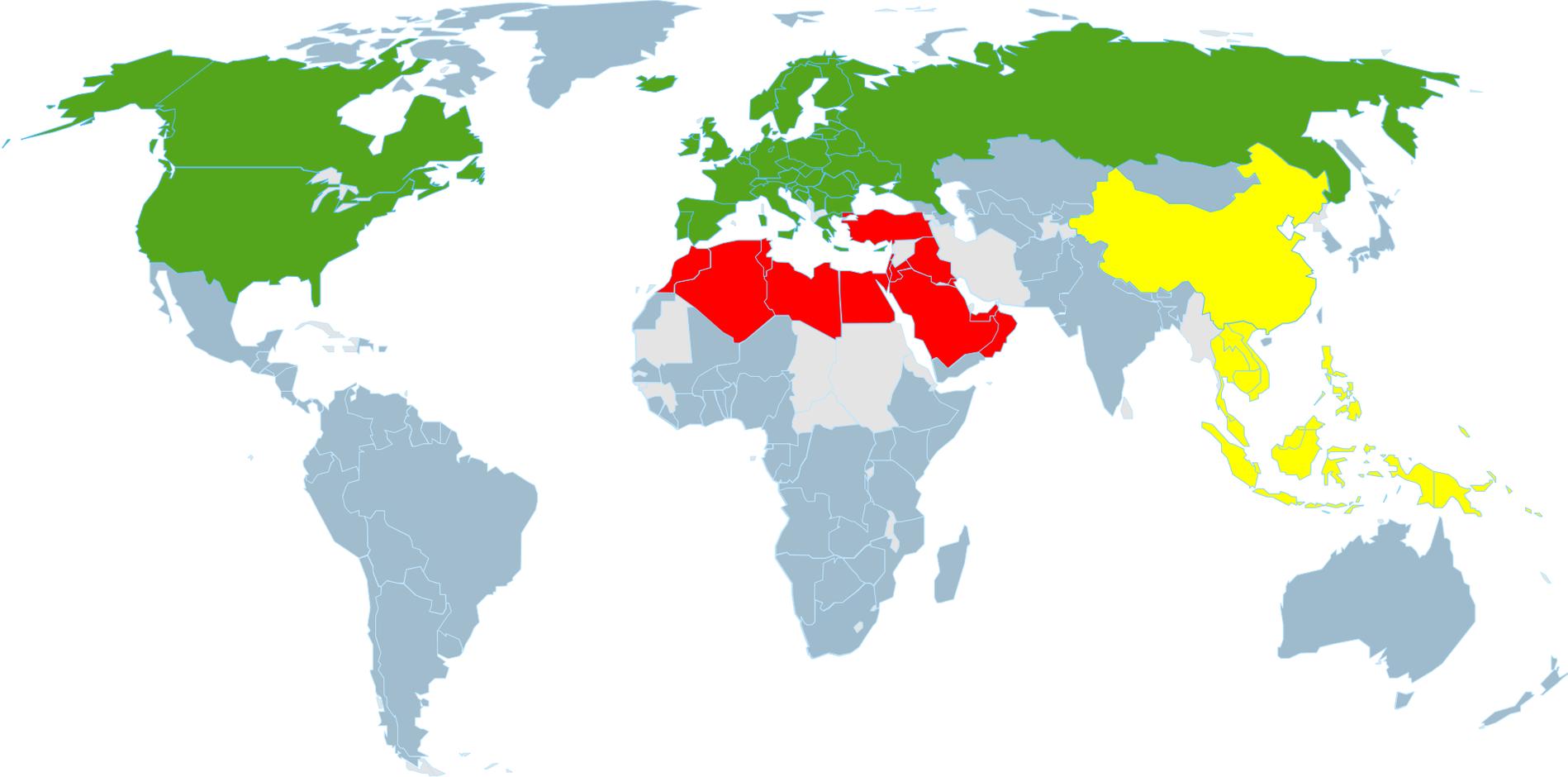
- ProjectWise
- ProjectWise 365
- SYNCHRO

- STAAD
- RAM
- PLAXIS
- LEAP
- LEGION
- CUBE
- SITEOPS
- SACS
- MOSES
- AUTOPIPE

- MicroStation
- OpenPlant
- OpenBuildings
- OpenRoads
- OpenRail
- OpenSite
- OpenBridge
- OpenFlows
- OpenUtilities
- OpenCities
- OpenTower
- OpenWindPower
- OpenComms



Comprehensiveness Across Geographies: *Notable New Business Growth*



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Corporate Developments

Apps > ProjectWise 365



ProjectWise 365

Bentley Systems, Incorporated

Web Apps

Free trial

☆☆☆☆ (0 Ratings) Write a review

Starting at Free

Get it now

★ Saved

Overview

Plans + Pricing

Reviews

Details + support

Project Collaboration for Small and Mid-size Design Firms

ProjectWise 365 is a new offering available to any organization new to ProjectWise, including small to mid-sized design teams and firms, as an instant-on, 100% cloud-based solution to keep remote workers securely connected to project data and each other.

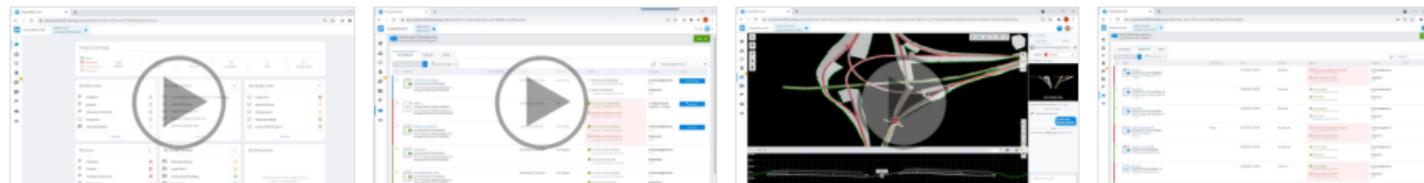
With ProjectWise 365, maximize team productivity by simplifying access to project data, accelerating design coordination, and eliminating wasted time navigating disjointed software solutions.

Contact us to get started on ProjectWise 365 today.

Teams Using ProjectWise 365 Can:

1. Obtain information faster - Store, find, and share project information quickly and easily from your web browser or Microsoft Teams environment.
2. Accelerate design reviews - Capture and manage feedback on 2D and 3D designs to accelerate collaboration and resolve issues faster.
3. Better manage contractual exchanges - Automate and manage contractual exchanges and reviews to shorten approval cycles and reduce risk.

At a glance



Welcome to Virtuosity | Bentley's eStore for Small Businesses

Affordable Bentley software bundled with customizable training and support

Browse by Project 

Show all products



STAAD

Structural analysis and design software

- ✔ Design using any material
- ✔ Save time with automation
- ✔ Automatically convert your model into an analytical model
- ✔ Improve collaboration

[More about STAAD →](#)



OpenBridge

Bridge design and analysis software

- ✔ Model, design, and analyze steel and concrete bridges
- ✔ Generate project deliverables
- ✔ Integrate roadway geometry and topography
- ✔ Perform construction sequence investigation

[More about OpenBridge →](#)



iTwin Design Review

Design review and collaboration software

- ✔ Review 2D and 3D designs
- ✔ Collaborate with team members

[More about iTwin Design Review →](#)

 
Hi, Looking for the right solution
for your project?



Market Check

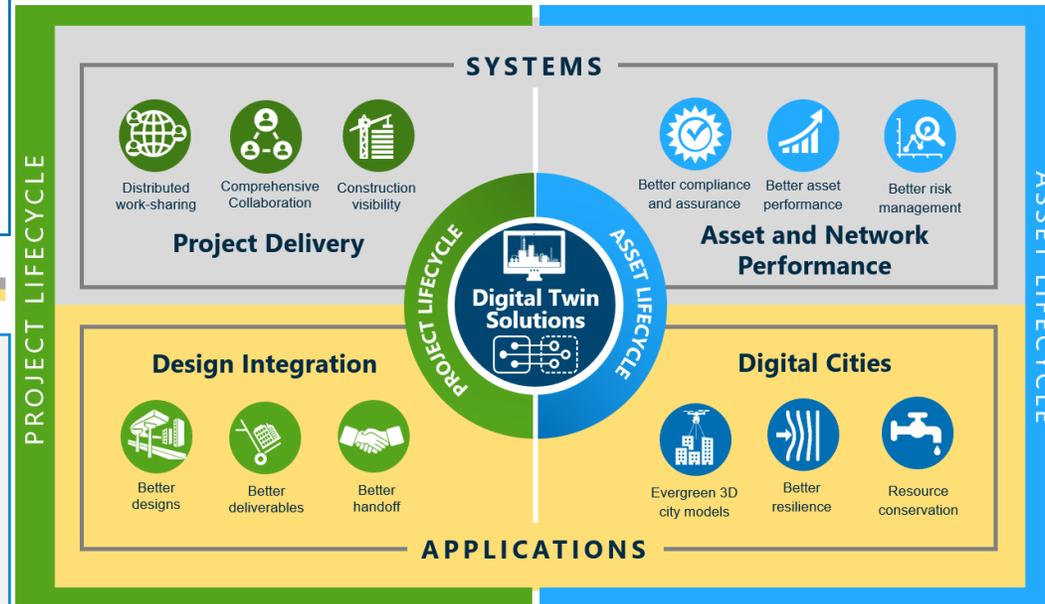
ARC Advisory Group
Engineering Design Software and BIM Market Analysis July 2021
#1 in Collaborative BIM

ARC Advisory Group
Asset Reliability Software & Services
 December 2019
#1 Overall in Software
#1 in Electric Power T&D
#1 in Oil & Gas
#1 in Transportation

2020 ENR TOP 500
 ProjectWise is used by **43 of the Top 50 Engineering News Record Top Design Firms**

ARC Advisory Group
Engineering Design Software and BIM Market Analysis July 2021
#1 in Electric T&D, Comms
#1 Water/Wastewater Distribution
#1 in Mining
#2 Overall

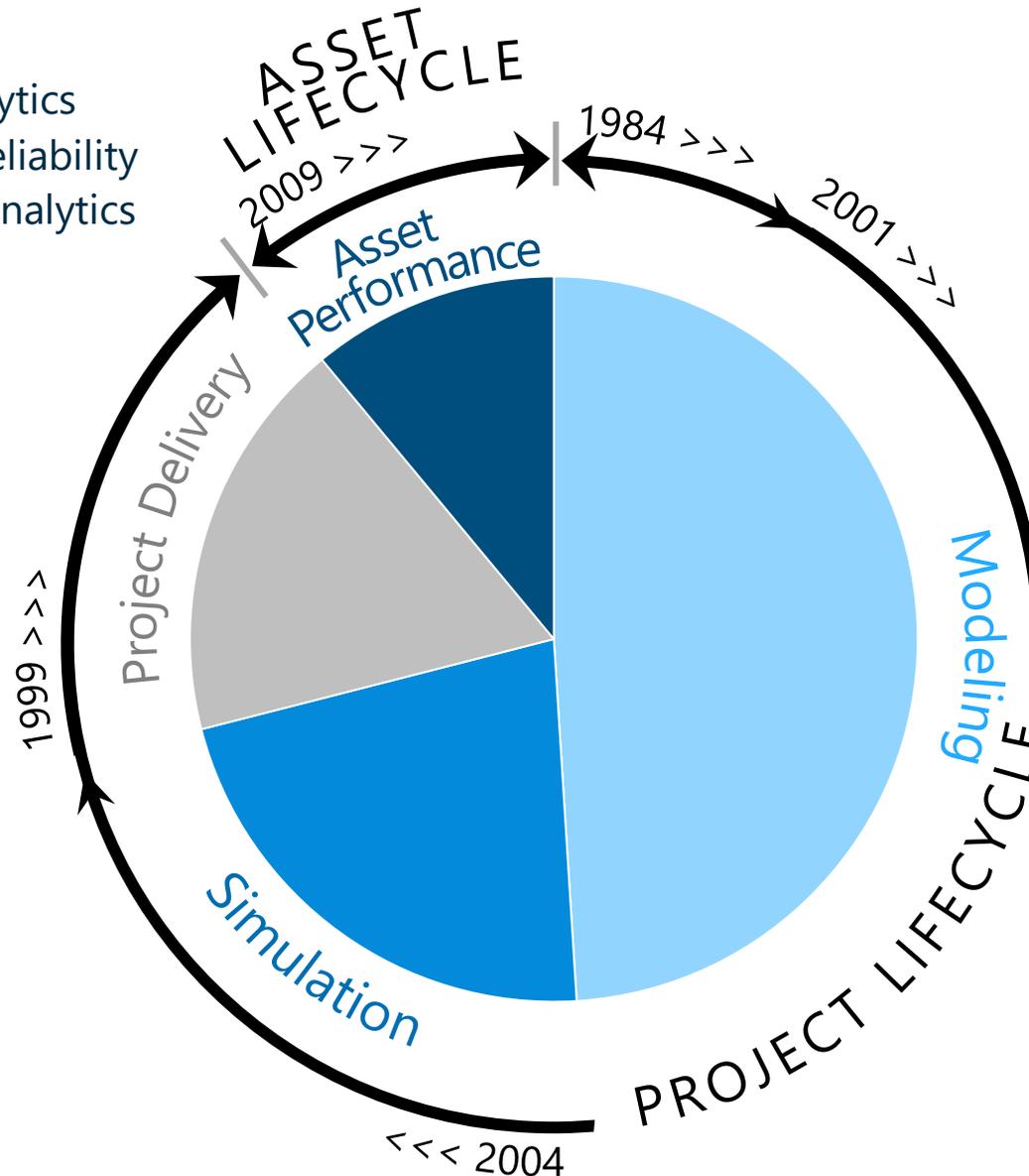
2020 ENR TOP 500
 Among the *Engineering News Record* 640 Top Design Firms, more than **88 percent** rely on Bentley's design integration portfolio



Bentley INFRASTRUCTURE **500 TOP OWNERS**
 Among the *Bentley Infrastructure 500 Top Owners*, **24 among the top 50** rely upon AssetWise

Revenues by *Infrastructure Lifecycle*: *Notable New Business Growth*

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- OpenCities
- OpenTower
- OpenWindPower
- OpenComms

Press Release

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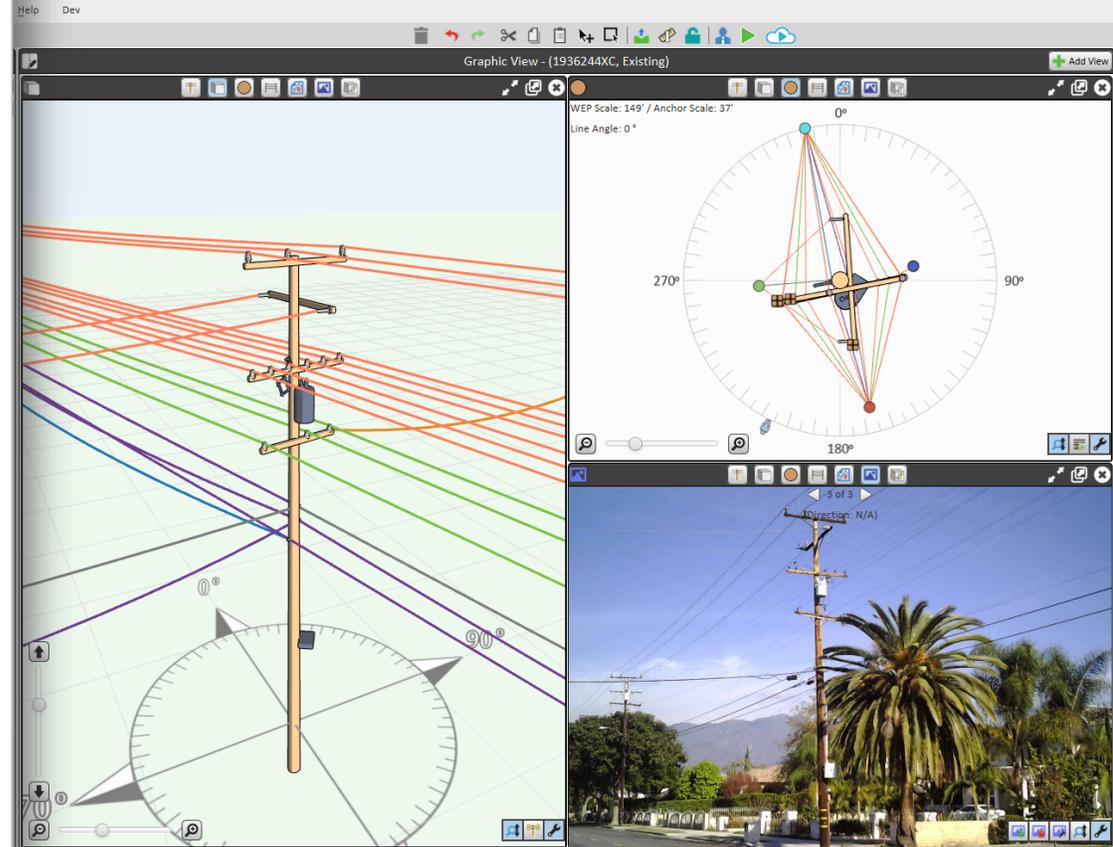
[@BentleySystems](https://twitter.com/BentleySystems)

Bentley Systems Announces Acquisition of SPIDA, Leader in Utility Pole Structure Management

To Extend OpenUtilities' Grid Resilience Digital Twins to the Last Mile!

EXTON, Pa. **June 15, 2021** – Bentley Systems, Incorporated (Nasdaq: BSY), the *infrastructure engineering software* company, today announced the acquisition of SPIDA Software, developers of specialized software for the design, analysis, and management of utility pole systems. Founded in 2007 in Columbus, Ohio, SPIDA offers modeling, simulation, and data management software solutions to electric and communications utilities, and their engineering services providers, in the U.S. and Canada. The integration of SPIDA within Bentley's OpenUtilities engineering software and grid digital twin cloud services will help address the challenges of transitioning to new renewable energy sources including for electric vehicle charging, of joint usage of utility poles to support broadband networks' 5G expansion, and of modernizing and hardening the electric grid to maintain reliability and resilience.

Grid digital twins can provide utilities with immersive and engineering-accurate geospatial representations of their transmission and distribution assets, combining intelligent network and structural analysis with as-operated 3D and 4D physical reality. Bentley's OpenUtilities grid digital twin solutions enable operators and power producers to evaluate grid trade-offs and opportunities, now spanning traditional and renewable sources and energy storage, as they



Market Check

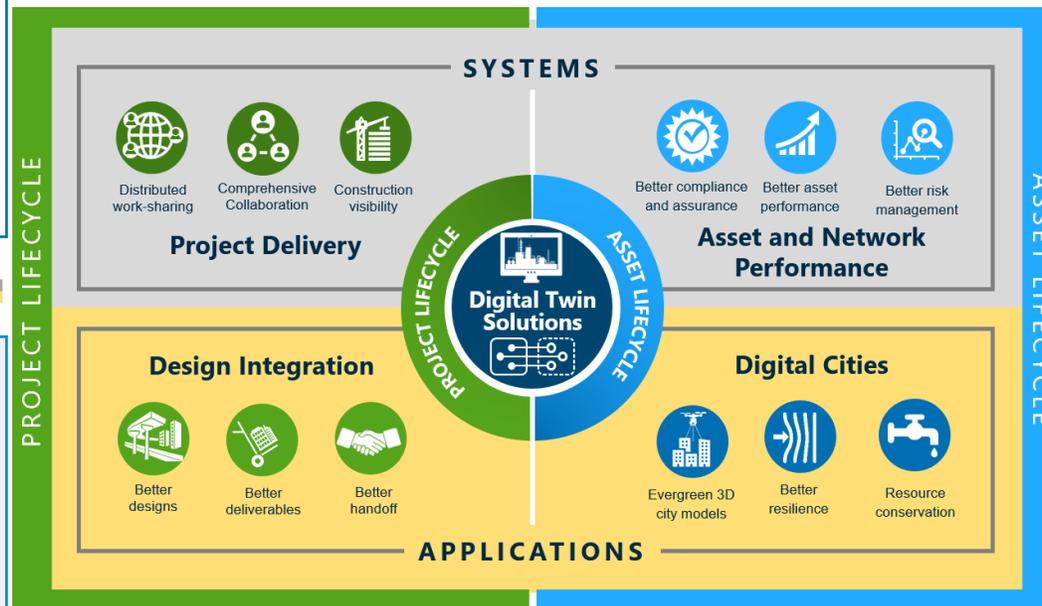
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Bentley INFRASTRUCTURE 500 TOP OWNERS
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Bentley and SIEMENS

PlantSight

EARLY USER TESTIMONIALS OF THE CLOUD-BASED, PLANTSIGHT COLLABORATIVE ENGINEERING SERVICE

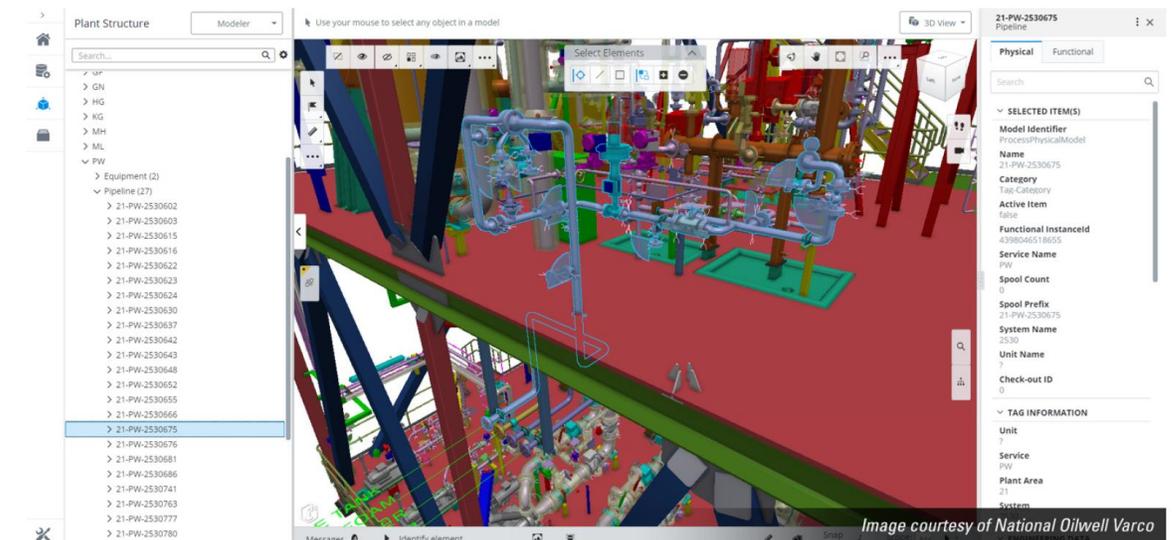
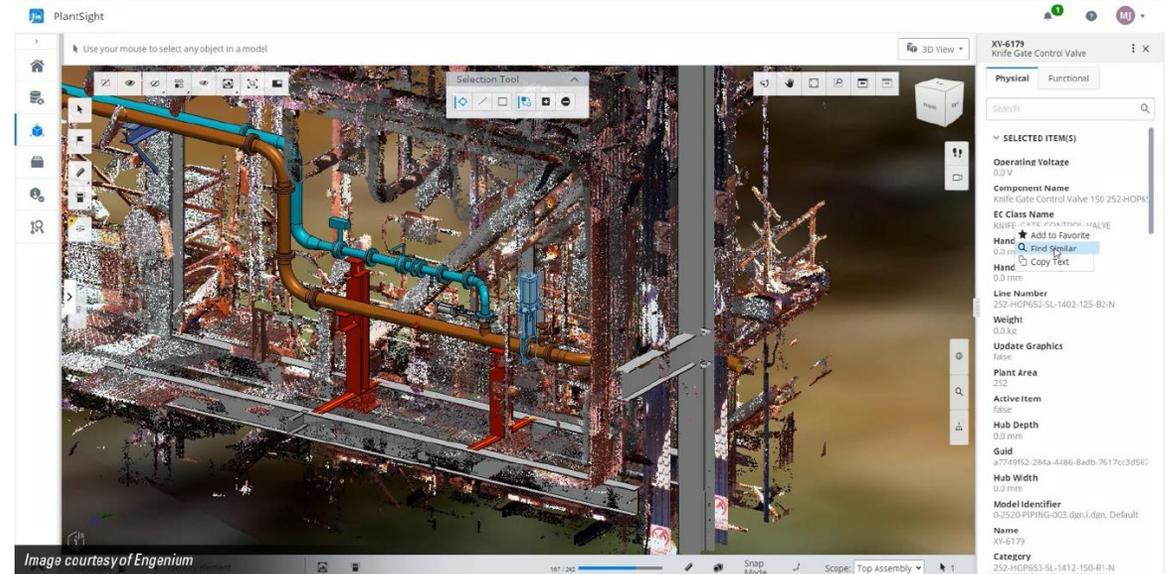
ARC White Paper
March 2021

This white paper provides insight into the rationale several engineering and construction companies have used when choosing a cloud-based digital twin for 1D, 2D, and 3D asset information to support the design/build, construction, operation, and maintenance of industrial assets. Users explain their implementation approaches, experiences, and the initial benefits achieved. The white paper aims to guide other users in their respective strategies when choosing and rolling out this new category of applications.

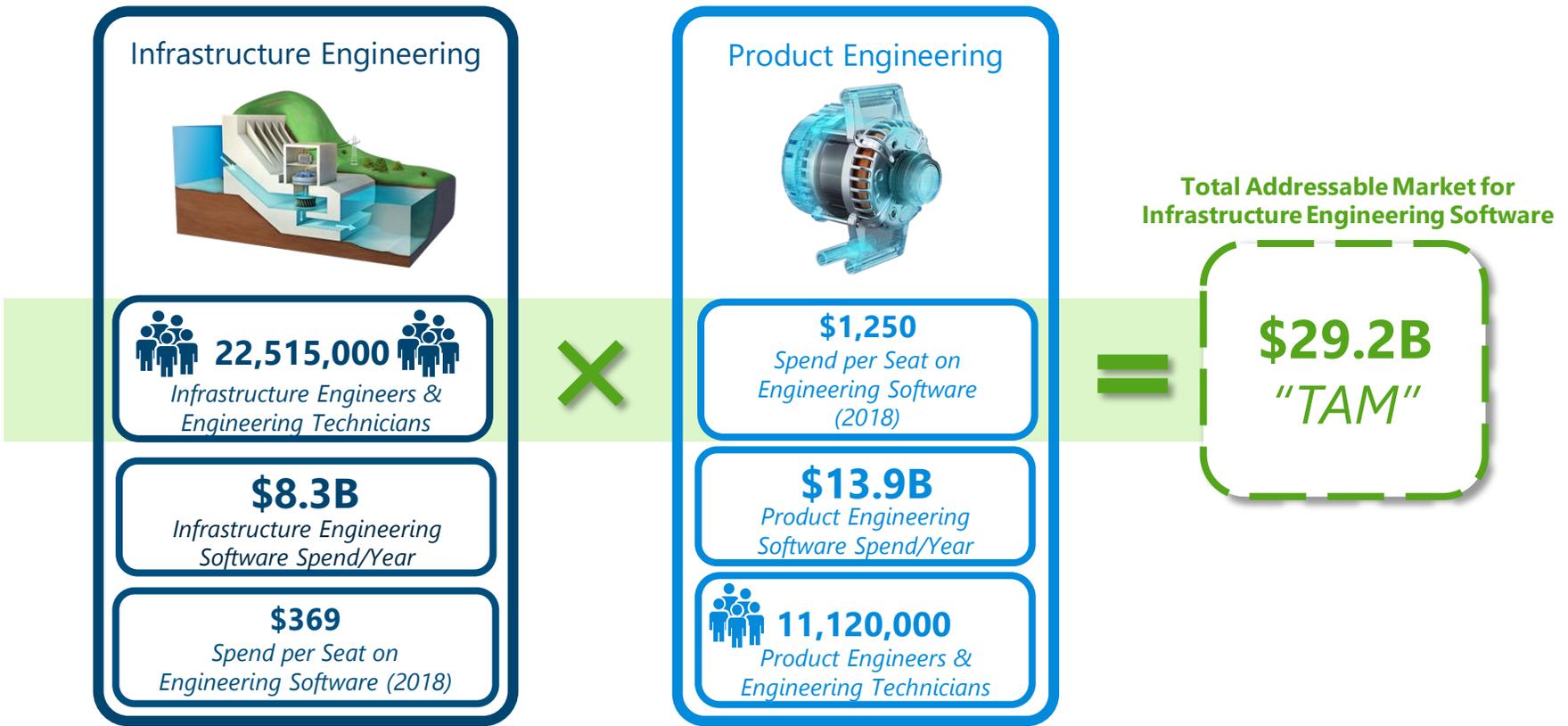
By Valentijn de Leeuw
Vice President, ARC Advisory Group



VISION, EXPERIENCE, ANSWERS FOR INDUSTRY



"TAM" (Total Addressable Market)



Source: Feb. 2020 Cambashi study commissioned by Company.
See Appendix, footnote 5 for TAM definition.

Bentley®

\$575,000,000 ***Convertible Notes Offering***

Due June 24, 2027

0.375% Coupon

June, 2021



BofA SECURITIES 

MIZUHO

KeyBanc
Capital Markets


 **HSBC**

 **PNC**

 **TD Securities**

INDEX

Bentley®

BSY's Seequent Business

Deepening the Potential of Infrastructure Digital Twins

Bentley is now in a unique position to give the most complete picture above and below the ground

Seequent led a paradigm shift in the understanding of the subsurface



Leadership of Seequent, a Bentley Company

Bringing world-class talent to Bentley

Proven track record in M&A and go-to-market execution

Culturally aligned in our commitment to sustaining the economy and environment through infrastructure



CEO, Graham Grant



CFO, Phillip Keith



CRO, Daniel Wallace



CTO, James Lawton



CPO, Lisa Wall



Acting CCO, Issa Breibish



SVP Geotech, Paul Grunau



Strat. Programs, Phil Ohs



EVP APAC, Nick Fogarty



EVP NAM, Iain McLean



EVP LAM, Ana Cristine Chaves



EVP EMEA, Colin Hay



Seequent Team Around the World

A global footprint,
complementary to Bentley

+430 colleagues at time of close

Aligning geosciences with
infrastructure engineering

Executing a growth playbook and
expanding into new markets

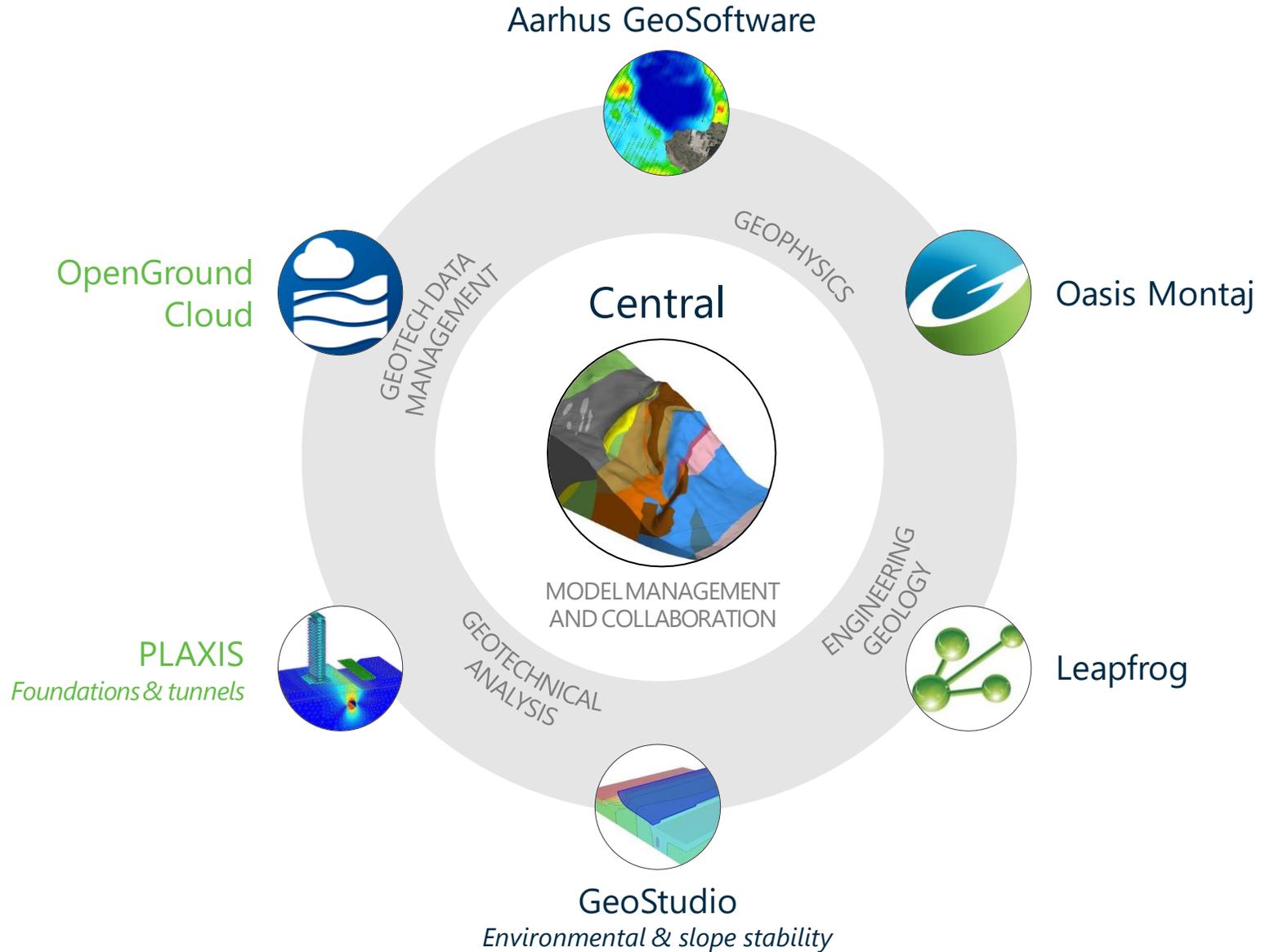


Geotechnical Powerhouse

A better understanding of the earth
creates a better world for all

Largest geotech software portfolio

Lower risk, more resilient infrastructure



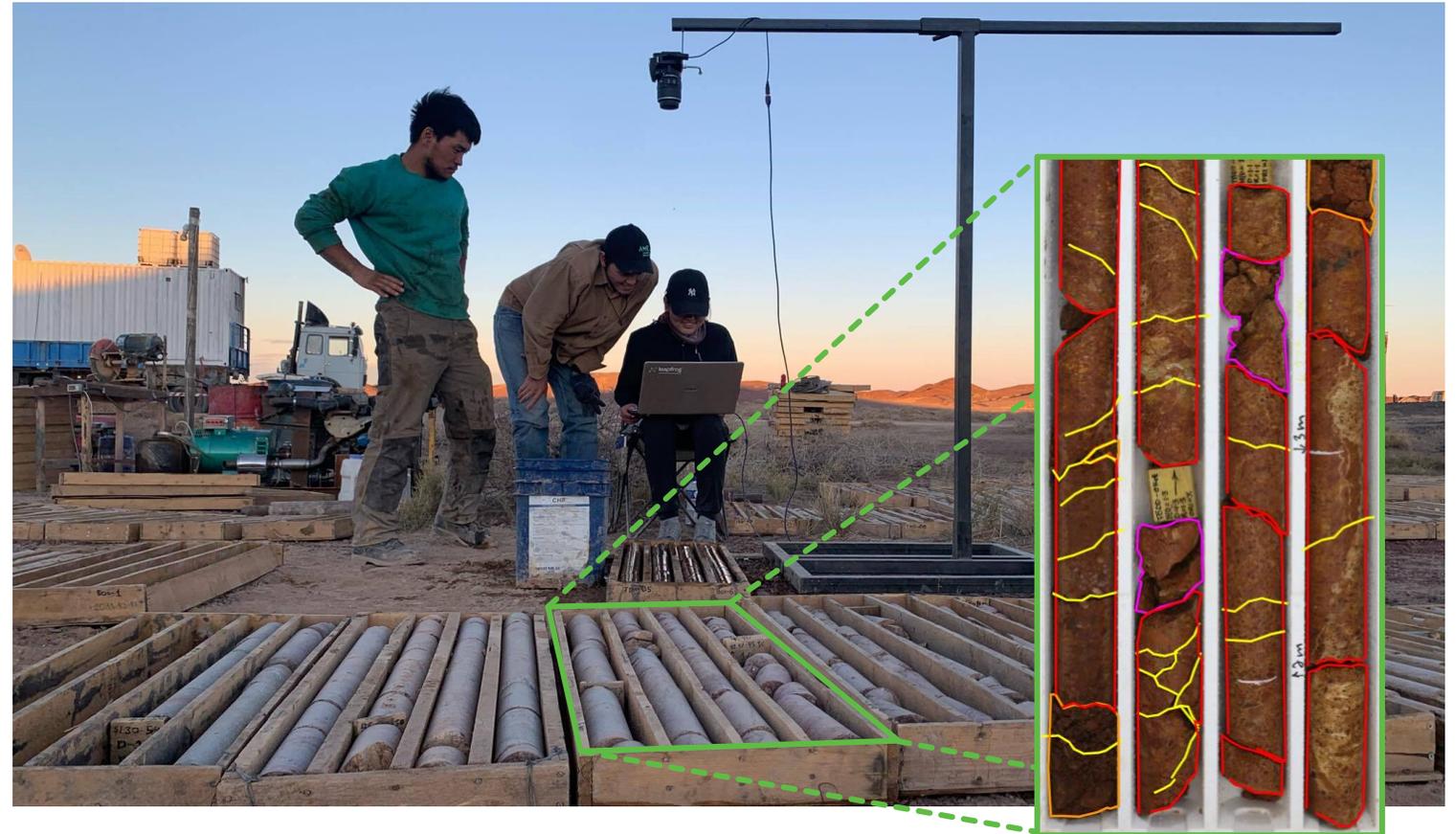
Acquisition of Imago

A better understanding of the earth requires a range of specialized and complementary capabilities

Image capture

Catalog and access

Machine learning



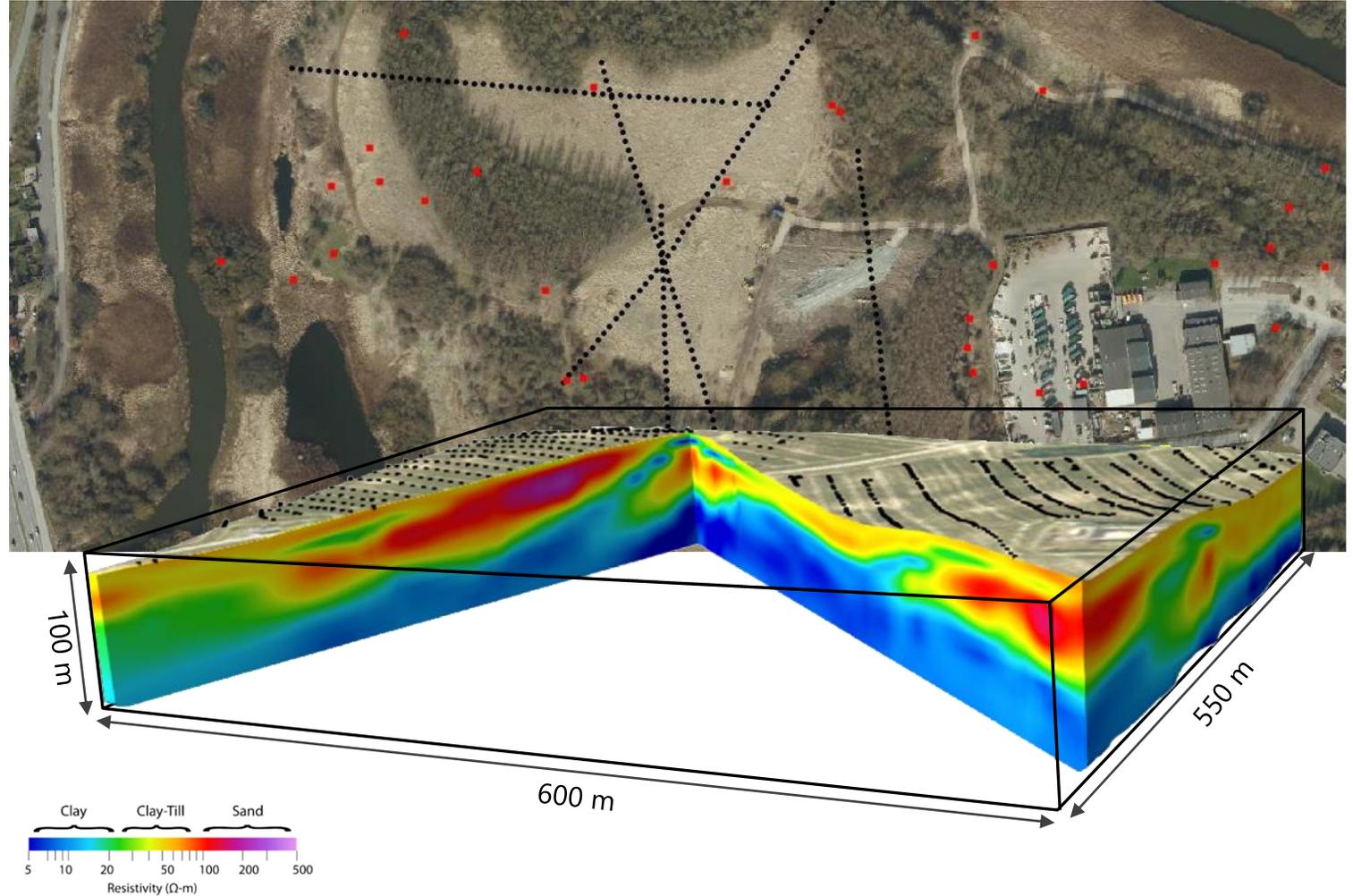
Acquisition of Aarhus GeoSoftware

A better understanding of the earth requires a range of specialized and complementary capabilities

Remote sensing of geo-attributes

Large scale (aircraft)

Focused (on ground)



Strategic Objectives of Bentley + Seequent



1

Ensure economic performance
of infrastructure projects

2

Ensure long-term sustainability
of infrastructure assets

3

Accelerate environmental
sustainability

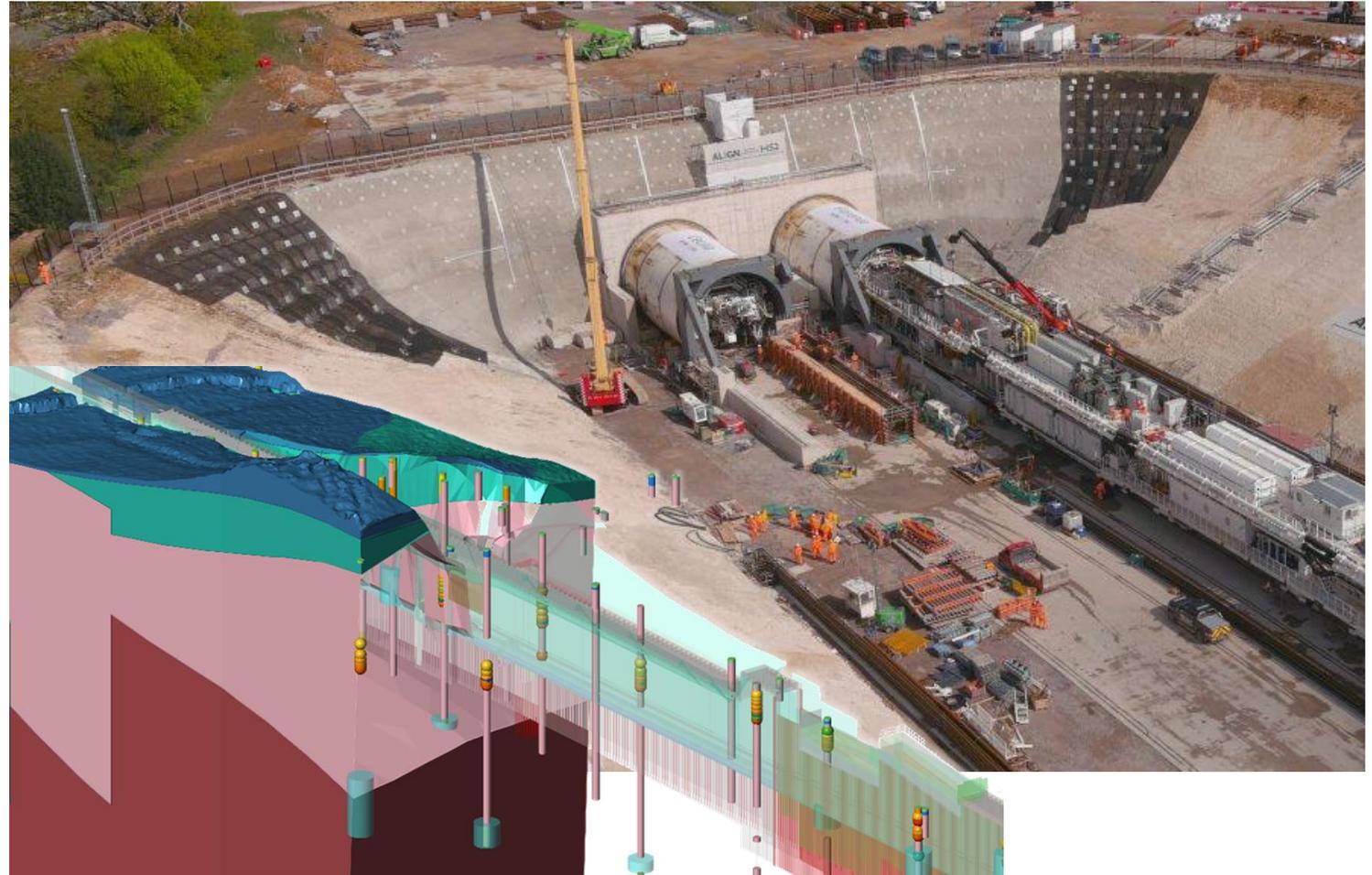
Infrastructure Project Performance: HS2

Live updates of the shared ground model allow for iterative design saving time and money

Over 80 geoscientists

Just-in-time data updates

Accelerated delivery and risk reduction



<https://www.hs2.org.uk/what-is-hs2/phase-one-london-west-midlands/>

Long-Term Infrastructure Sustainability: Upper Chelburn Reservoir

3D geological modeling for the risk reduction of an early 19th century reservoir

Historic records blended with LiDAR

Highly targeted improvement works

Reduced overall remediation costs



Image courtesy of MMB



All Things Sustainable: Environment

We are seeing a vast, emerging business opportunity to apply geosciences to long-term sustainability

Saltwater intrusion

Contamination

Unexploded ordnance

Clean water





All Things Sustainable: Energy

We are seeing a vast, emerging business opportunity to apply geosciences to long-term sustainability

Energy transition

Sustainable minerals

Clean energy



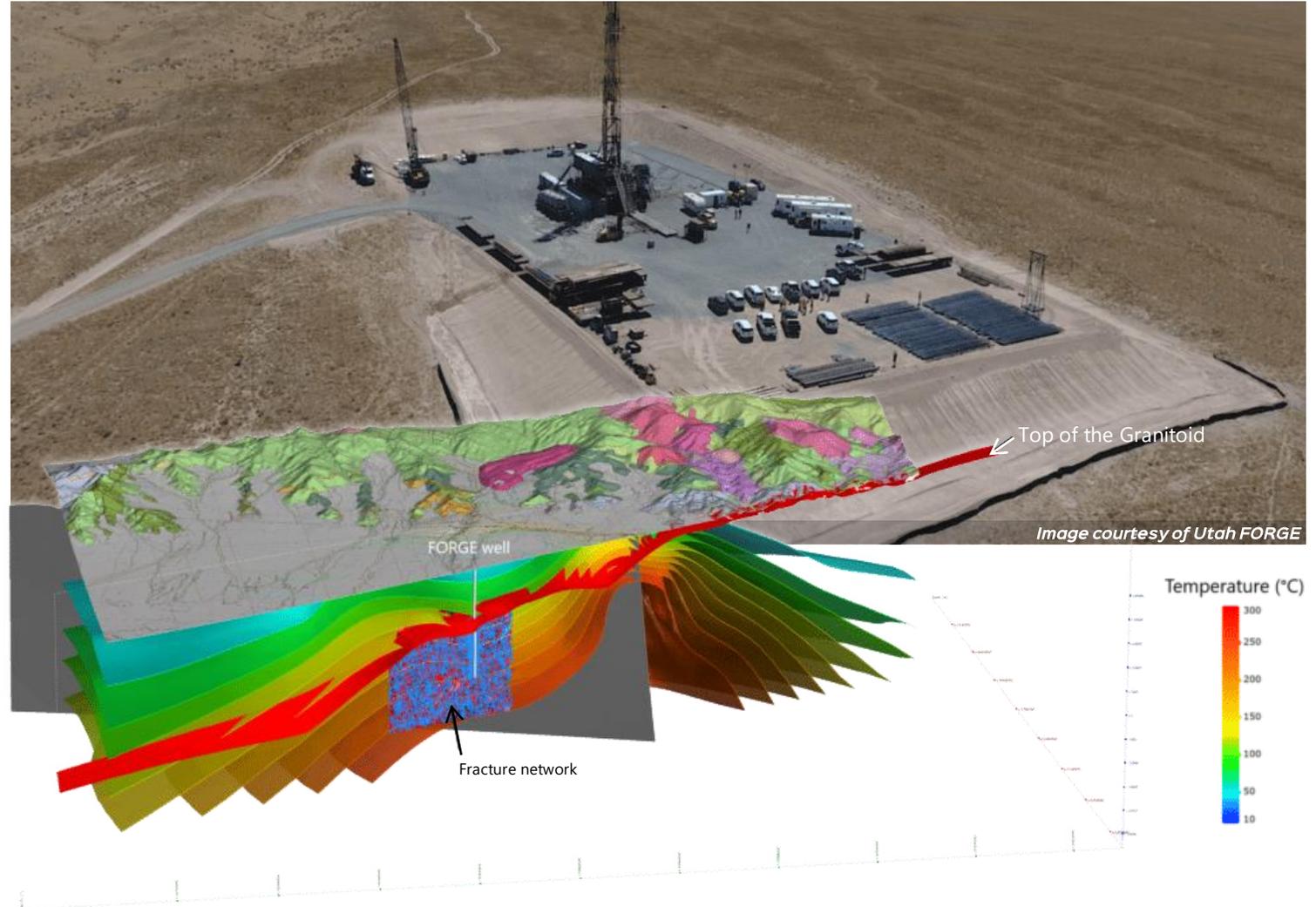
Accelerating Energy Transition: Utah FORGE

We are uniquely positioned to underpin the energy transition

Test bed for geothermal energy

Funded by US Department of Energy

Earth model design and communication



TOGETHER we can understand the full geosciences picture as we head **TOWARDS** a more resilient, connected and sustainable **TOMORROW**



1 global event - September 22

4 regional events - September 23-30

Deepening the Potential of Infrastructure Digital Twins

Bentley is now in a unique position to give the most complete picture above and below the ground

Seequent led a paradigm shift in the understanding of the subsurface



The *Digital Twins* Imperative



UN Sustainable Development Goals: **SDG**

Environment, Social, and Governance: **ESG**

1 NO POVERTY



2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



10 REDUCED INEQUALITIES



11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



14 LIFE BELOW WATER



15 LIFE ON LAND



16 PEACE, JUSTICE AND STRONG INSTITUTIONS

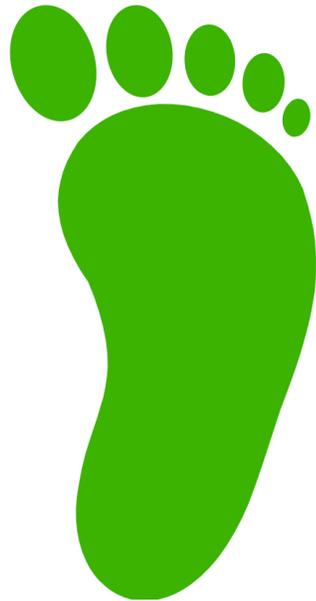


17 PARTNERSHIPS FOR THE GOALS



SUSTAINABLE DEVELOPMENT GOALS

BSY's Footprint



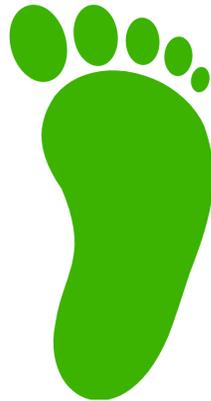
The sustainability of
our operations

BSY's Handprint



The sustainability
impact of engineers
using our products

BSY's Footprint



The sustainability of
our operations

BSY's Handprint



The sustainability
impact of engineers
using our products

The *Digital Twins* Imperative



The Year in _____
INFRASTRUCTURE
and **GOING DIGITAL AWARDS**

SAVE THE DATE

Let's celebrate the extraordinary work behind the most innovative infrastructure projects.

Join CEO Greg Bentley, Bentley executives, Siemens, and AEC Advisors for their latest insights during the *Year in Infrastructure*. Throughout the event, we will celebrate the digital advancements in infrastructure and sustainability by spotlighting the winners of the *2021 Going Digital Awards in Infrastructure*.

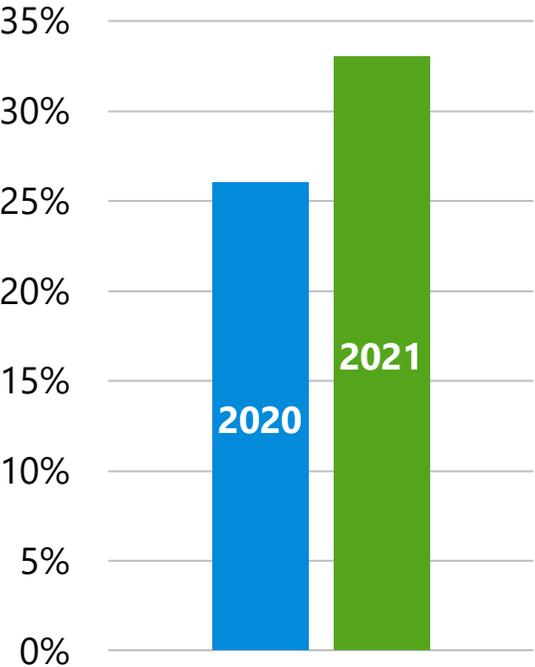
**VIRTUAL
EVENT**

December 1 & 2, 2021

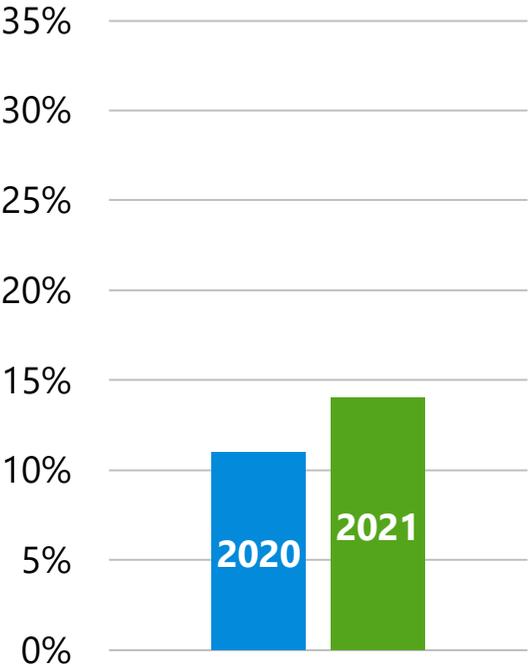
Bentley®

Going Digital Awards: Nomination Trends for 2021

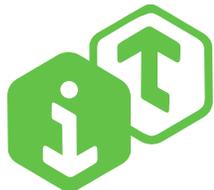
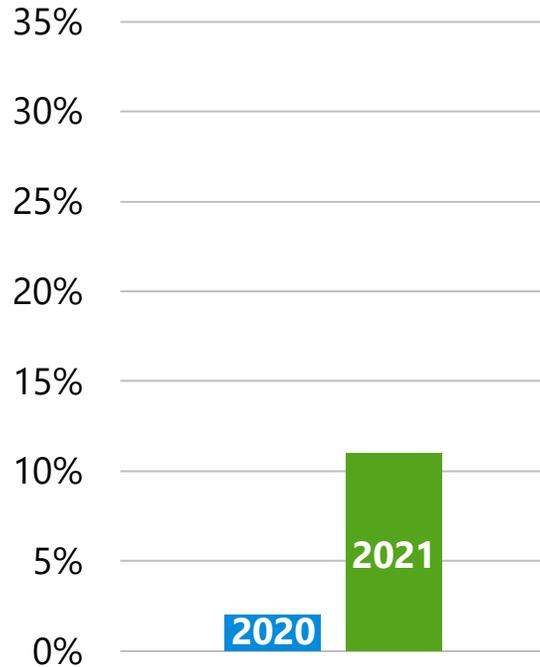
Nominees crediting ContextCapture



Nominees crediting iModels



Nominees crediting iTwin Cloud Services, iModel.js and/or iModelHub



INDEX



The Year in _____
INFRASTRUCTURE
and **GOING DIGITAL AWARDS**

SAVE THE DATE

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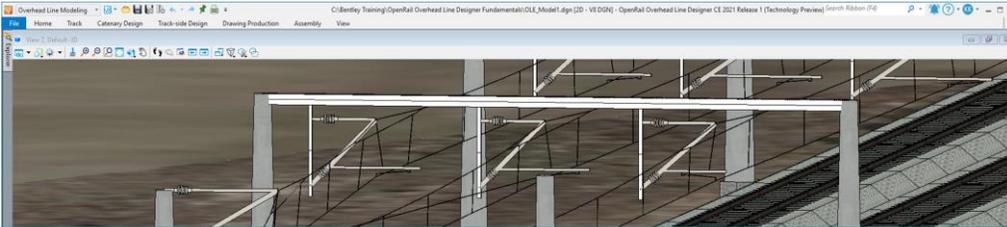
**VIRTUAL
EVENT**

December 1 & 2, 2021

Bentley®

Bentley and SIEMENS

OpenRail Overhead Line Designer



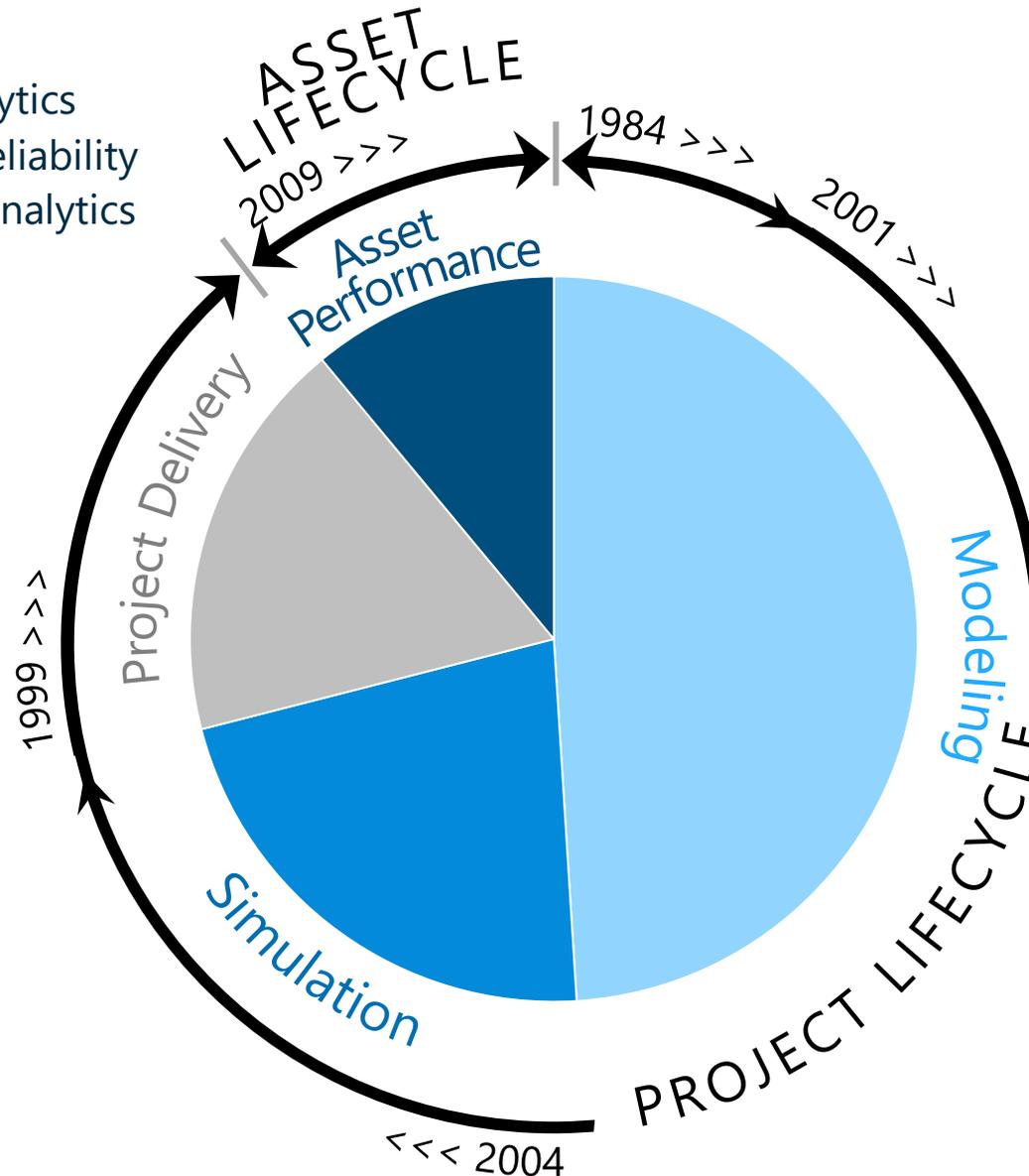
We in the Siemens Mobility electrification group are market leaders in rail electrification, and by combining our long-lasting experience with our high-end-technology, we are using our new jointly developed product OpenRail OverheadLine Designer for significant projects with excellent results.

Our team is highly satisfied with the development and outcome of the efficiency of the tool, which lets us to deliver world class electrification results and value creating Digital Twin content to our customers, to be prepared for future market requests and being always ahead of the industry.



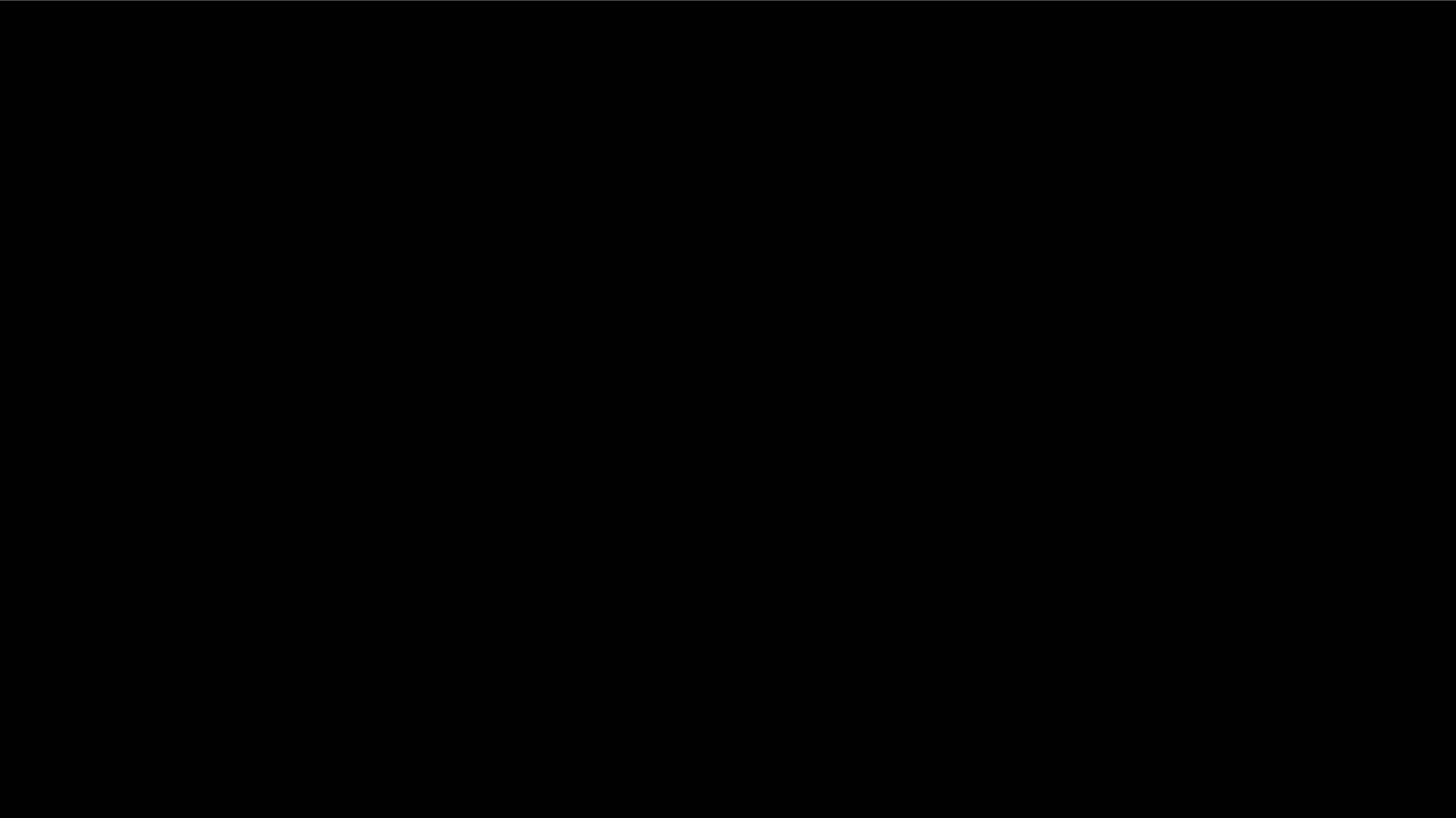
Revenues by *Infrastructure Lifecycle*: *Notable New Business Growth*

- **AssetWise ALIM**
- AssetWise 4D Analytics
- AssetWise Asset Reliability
- AssetWise Linear Analytics
- SUPERLOAD
- ProjectWise
- ProjectWise 365
- **SYNCHRO**
- STAAD
- RAM
- **PLAXIS**
- LEAP
- LEGION
- CUBE
- SITEOPS
- SACS
- MOSES
- AUTOPIPE



- MicroStation
- OpenPlant
- OpenBuildings
- OpenRoads
- OpenRail
- OpenSite
- **OpenBridge**
- **OpenFlows**
- **OpenUtilities**
- OpenCities
- OpenTower
- OpenWindPower
- **OpenComms**

OpenWindPower Floating Platform



Bentley selected as Microsoft Sustainability Partner



Bentley **Microsoft**  Microsoft Sustainable Partner Solutions
Good for your business, good for the planet

Building water sustainability from the ground up

Bentley OpenFlows software can help transform water utility companies into powerhouses of water sustainability and efficiency by surfacing and connecting actionable data about their water, wastewater, and stormwater systems.



Bentley **Microsoft**  Microsoft Sustainable Partner Solutions
Good for your business, good for the planet

Bentley OpenFlows:
radically rethinking
the water industry

Bentley OpenFlows has the power to transform water utility companies into engines of water sustainability and efficiency—by surfacing actionable data that boosts performance and resilience.

[START HERE](#)

Bentley recognized as **MSUS 2021 US Partner Award Winner** for **Azure Mixed Reality**

Featured in the launch of Microsoft Mesh at
Microsoft Ignite Conference March 2, 2021

Bentley



MSUS Partner Award Winner 2021

Bentley Systems, Incorporated

Azure

Mixed Reality



Watch on YouTube: <https://youtu.be/fobTaQx8wlQ>

Mexico City: May 4, 2021

As presented
at our 21Q1
Operating Results Call



After

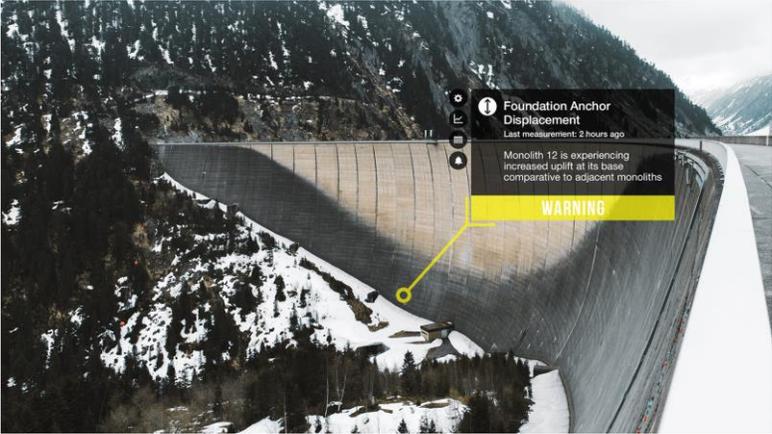


Before



Getty Images

Infrastructure IoT



(U.S.) Environmental Vulnerability



NATIONAL

More Than Half Of U.S. Buildings Are In Places Prone To Disaster, Study Finds

Buildings are concentrated in places that are likely to be hit by a disaster such as a hurricane, flood or wildfire, researchers found. That includes both urban and rural hotspots.

REBECCA HERSHER, NPR | JUNE 24, 2021, 10:37 AM

Matt McClain / AP

abcNEWS

Lake Mead hits lowest water levels in history amid severe drought in the West

Man-made lakes that supply water to millions could reach historic lows.

By Julia Jacobo
June 10, 2021, 2:15 PM • 5 min read

THE LEVELS COULD DROP SO LOW THAT THE FEDERAL GOVERNMENT COULD DECLARE A WATER SHORTAGE IN ARIZONA AND NEVADA.

SOURCE: Associated Press

Lake Mead hits lowest water levels in history
Human-made lakes that supply water to millions could reach historic lows.

Lake Mead, the reservoir formed by the Hoover Dam on the Colorado River, has hit its lowest water levels ever, according to government officials.

CPR News

Glenwood Canyon Mudslides Will Close I-70 For Days, If Not Weeks

By Nathaniel Minor | August 2, 2021

Courtesy Colorado Department of Transportation

Because Glenwood Canyon through I-70 has suffered "extreme damage" from recent mudslides, Colorado has issued a state disaster declaration and is preparing the request for a federal declaration. Gov. Polis on Aug. 2 said that the area would remain closed "from a few days to a few weeks."

FINANCIAL TIMES

Houston hit by 'catastrophic' flooding as Harvey crosses Texas

Trump plans visit as state faces up to 50 inches of rain

BREAKING NEWS

HEAT WAVE STRAINS TEXAS POWER GRID

© CBS EVENING NEWS with NORAH O'DONNELL

AccuWeather

Records smashed again: Portland infrastructure crumbles under 116-degree heat

Singapore to remain world leader in infrastructure

By [Eugenia Pismennaya](#) and [Anna Andrianova](#)
 2 min read



Singapore's skyline - the country is set to continue investing in infrastructure projects

With the government set to continue to invest in the development of the country's infrastructure, particularly its transport networks, Singapore will remain a world leader in the quality of its infrastructure, according to GlobalData.

In total, GlobalData is tracking infrastructure projects in Singapore with a total value of **US\$95.2 billion**, of which close to 80% comprises publicly funded projects. If all the projects in the current pipeline proceed as planned, spending could reach US\$9.8 billion in 2020 and US\$10.7 billion in 2021, with spending on railway projects accounting for 45% of the total.



Overview

- Message from the CEO
- 2020-21 rankings
- Analysis
- Jurisdiction rankings explained
- Video: Snapshot
- Report: Browse or download
- Contact

Message from the CEO

Infrastructure Partnerships Australia's Australian Infrastructure Budget Monitor measures infrastructure funding commitments by jurisdictions for the current Budget year and forward estimates (FY2020-21 to FY2023-24). This report collates information from the latest Budget papers from Federal, State and Territory Governments to provide insights into their infrastructure investment programs beyond the headline figures. This report does not include figures from the Australian Capital Territory as its 2020-21 Budget has been deferred to early next year.

The 2020-21 Budgets delivered by Australia's Federal, State and Territory Governments have been perhaps the most important in living memory.

Although the Budget season was delayed by six months, governments have responded decisively to the COVID-19 crisis, with **\$225 billion** allocated for general government sector infrastructure funding over the four years to FY2023-24. This is nearly a \$46 billion or 26 per cent increase over last year's Budgets.

Australian Government
 Department of Infrastructure, Transport, Regional Development and Communications

About Infrastructure investment Key projects

Home > Infrastructure investment > Infrastructure investment response to COVID-19

Infrastructure investment response to COVID-19

The Australian Government is committed to delivering our \$110 billion pipeline. This long-term commitment to build the transport infrastructure meet the challenges of a fast growing population, while improving support jobs and the economy to help stem the economic impact of

The Government has worked closely with state, territory and local government delivery of infrastructure pipelines, and to identify additional opportunities support local jobs and firms.

COUNCIL OF FOREIGN RELATIONS 100

- CFR Centennial
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- Research & Analysis

Backgrounder

China's Massive Belt and Road Initiative

China's colossal infrastructure investments may usher in a new era of trade and growth for economies in Asia and beyond. But skeptics worry that China is laying a debt trap for borrowing governments.



Economics

Russia Considers Spending Wealth Fund Billions on Infrastructure

By [Evgenia Pismennaya](#) and [Anna Andrianova](#)
 March 16, 2021, 10:40 AM EDT Updated on March 17, 2021, 7:03 AM EDT

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politics Governance News National

Federal Budget Supports Resilient Recovery, Infrastructure Spending

By [Connie Vitello](#) - April 20, 2021 544

Foreign Affairs Newsletters

China plans to be transport powerhouse, fueling GDP growth

Better roads, rail system will fuel GDP growth, close urban-rural gap

By [Xie Jun](#)
 Published: Mar 24, 2021 07:13 PM



A staff member with a mobile in-hand inspecting engine tests at CRRC Changchun Railway Vehicle Co., Ltd. in Changchun, northeast China's Jilin Province, April 29, 2020. (Photo: Xinhua)



A cyclist passes by construction cranes in Xi'an, China. Zhang Peng/LightRocket via Getty Images

The New York Times

July 29, 2021

\$1 Trillion Infrastructure Deal Scales Senate Hurdle With Bipartisan Vote



COALITION FOR
SMARTER INFRASTRUCTURE
INVESTMENTS

Infrastructure Technology Coalition Launches To Make Every Federal Dollar Invested In Infrastructure Go Further, Faster

First-of-its-kind coalition seeks to modernize nation's infrastructure with goals of increasing transparency, equity, and global competitiveness



New coalition lobbies Congress on 'smarter' infrastructure

BY KARL EVERS-HILLSTROM | 06/03/21

27 COMM



POLITICO

Meet the group that wants Congress to encourage 'smarter' infrastructure projects

By CAITLIN OPRYSKO | 06/03/21 04:18 PM EDT

New Civil Engineer

LATEST

Motts and Bentley spearhead industry coalition calling for smarter infrastructure investment

11 JUN, 2021 BY ROB HORGAN

The *Digital Twins* Imperative

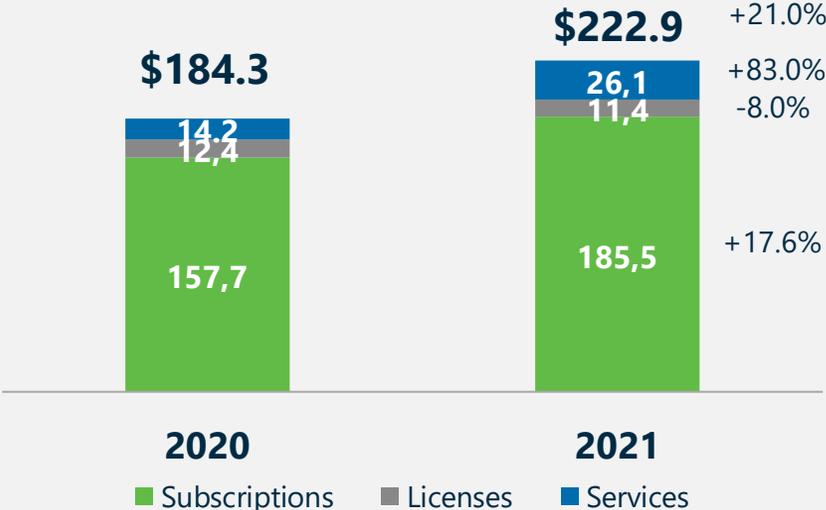
21Q2 Financial Performance...

David Hollister, CFO

Revenue Performance

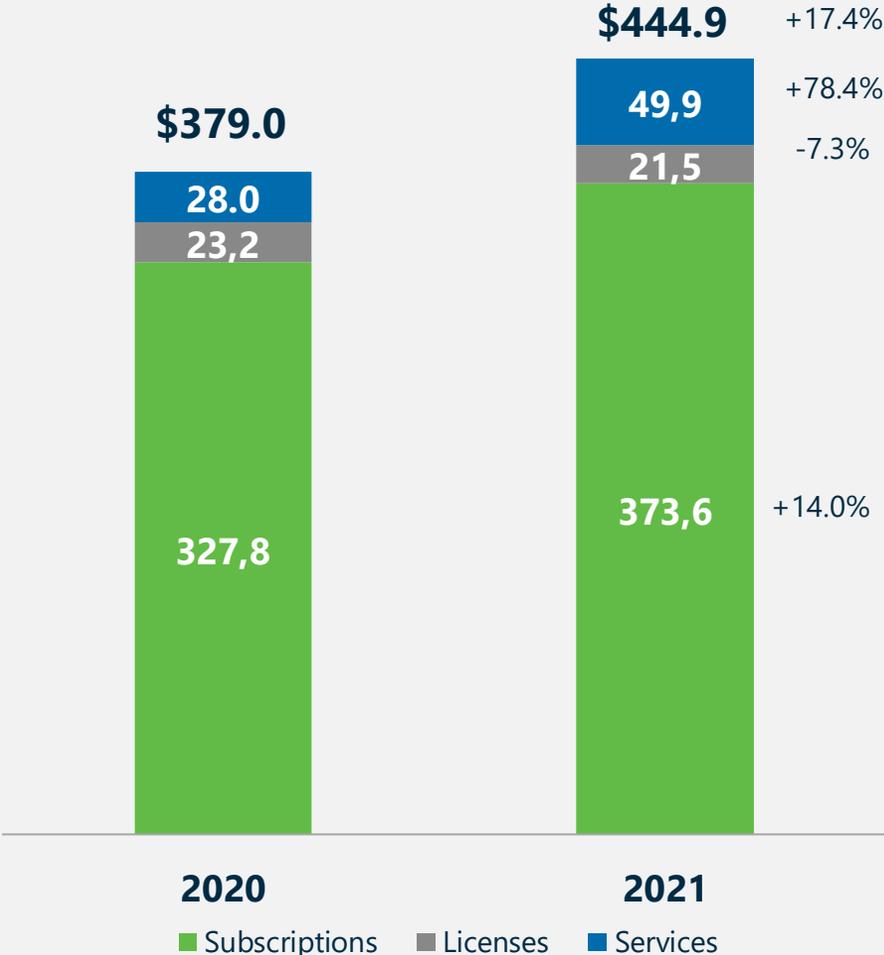
Second Quarter

\$ in millions



First Half

\$ in millions



Recurring Revenue Performance

ARR: 23% Y-o-Y constant currency growth
\$882.4 million at 6/30/2021 spot

Recurring Revenues¹

\$ in millions

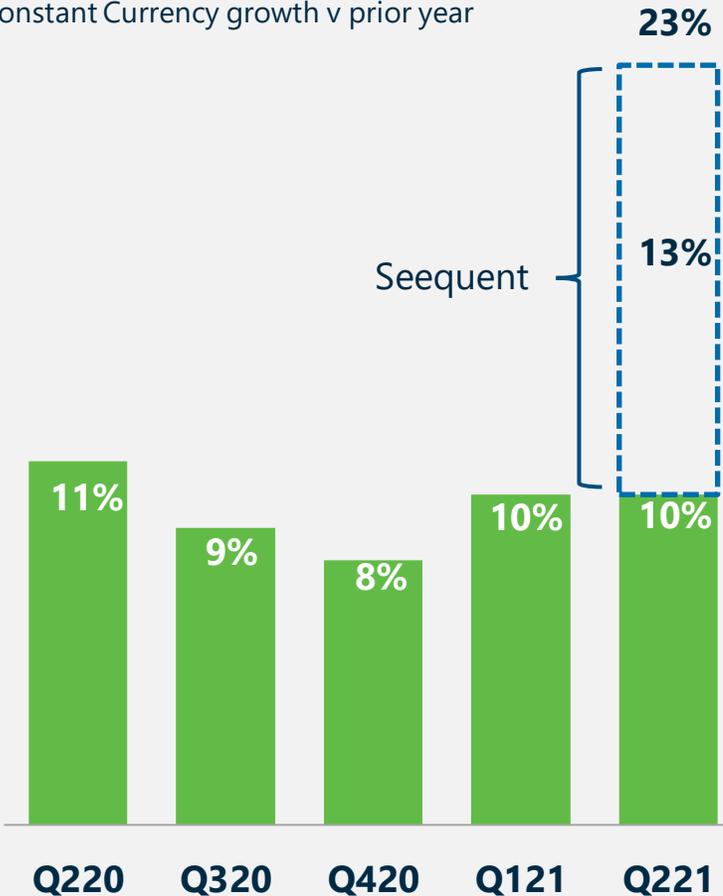


Recurring Revenue Retention



Annual Recurring Revenue (ARR)

Constant Currency growth v prior year

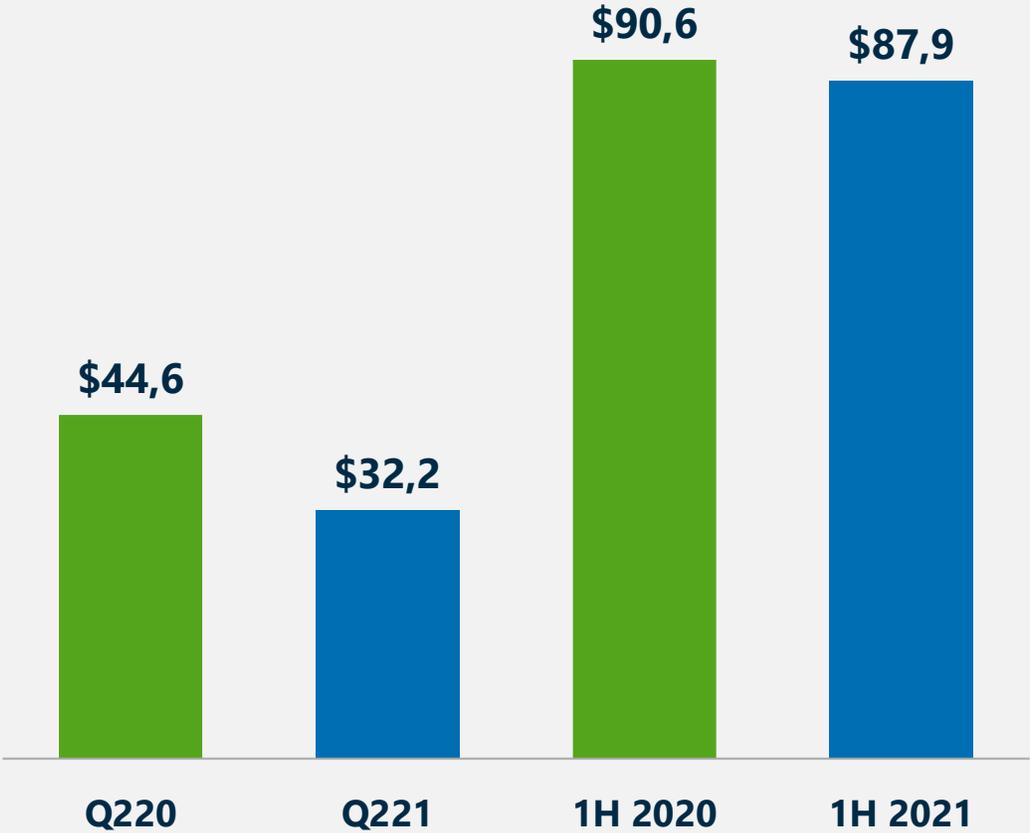


Footnotes: 1, 2, 3 – See appendix for KPI and non-GAAP definitions and reconciliations

Profitability Performance

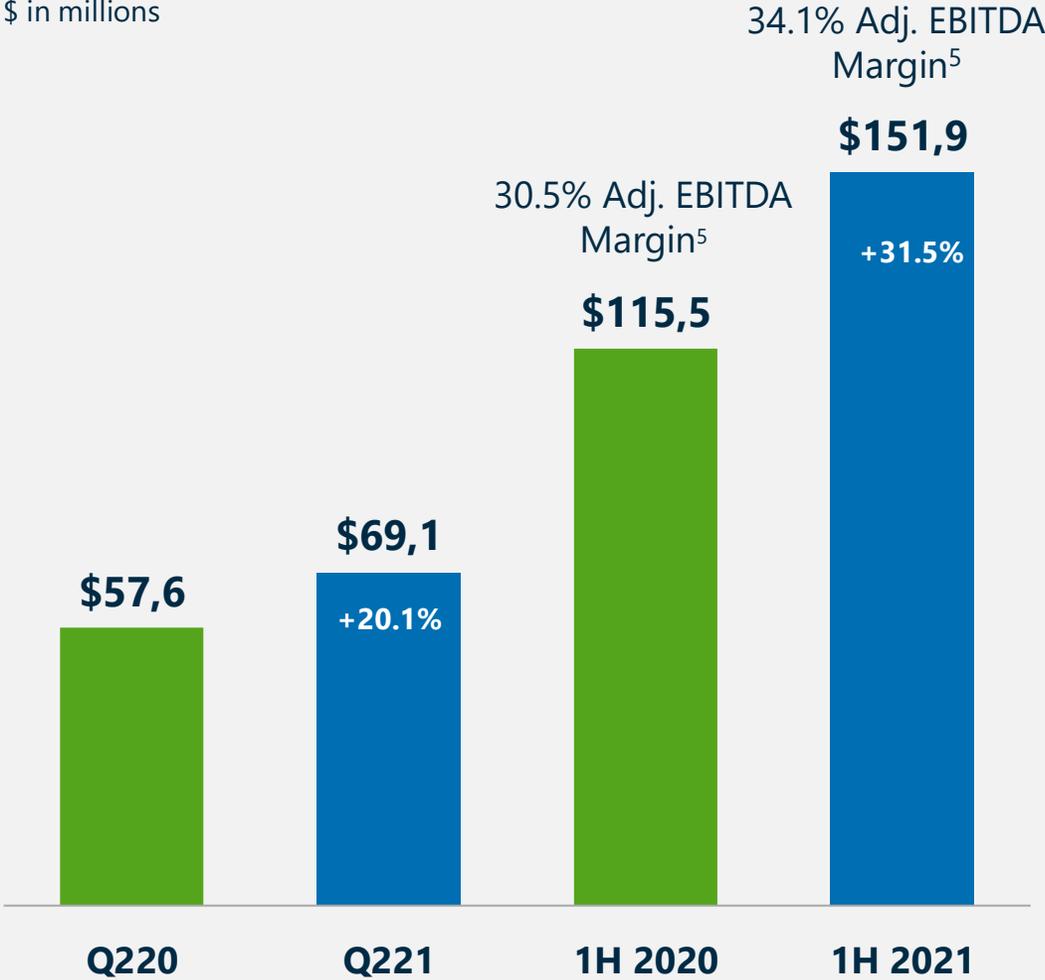
GAAP Operating Income

\$ in millions



Adjusted EBITDA⁴

\$ in millions



Footnotes: 4, 5 – See appendix for KPI and non-GAAP definitions and reconciliations

Liquidity and Capital Structure

GAAP Operating Cash Flows

\$ in millions

First Half 2021

Last Twelve Months



1H 2021 had significant cash outlays of

- \$12.7M for the acquisition of Seequent with \$12.5M occurring in Q2.
- \$12.3M of cash taxes greater than the comparable period in 2020 with Q2 2021 being \$16.7M more than Q2 2020.

Major Transactions in Q2 2021

- \$575 million Convertible Notes due 2027; 3/8% coupon
 - Proceeds net of \$15.1 million fees and expenses
 - Proceeds net of \$25.9 million capped call purchase
 - Conversion up 55% with capped call (\$95.56)
- Acquired Seequent for \$911M in cash, net of cash acquired, and 3.14M shares
- Net settlements of shares issued with the deferred compensation plan and stock options of \$69M (effectively manifests as a share buyback)

\$ in millions

Cash	\$ 131.2
Debt ¹	\$ 1,301.4
Net Debt ¹	\$ 1,170.2
Net Debt Total Leverage ^{1,2}	3.5x
Net Debt Senior Leverage ²	0.0x
Available Revolver Credit Capacity	\$ 813.6

Footnote 1: Debt gross of unamortized debt issuance costs

Footnote 2: LTM Adj. EBITDA used to calculate leverage is pro-forma for acquisitions, most notably Seequent

Revenue Outlook Bridge

\$ in millions

\$895 to \$920

\$945 to \$960

\$(10,0)

\$45,0

\$(5,0)

\$10,0

Seequent Seasonality Profile

	Q1	Q2	Q3	Q4
Revenue	31%	23%	23%	23%
Adj EBITDA	45%	22%	18%	15%

2021 Initial Outlook

Fx Impact

Seequent 2H 2021

Seequent Def Rev "Haircut"

Business Performance

2021 Updated Outlook

Full Year 2021 Updated Financial Outlook

Financial Metrics	Initial Outlook	Updated Outlook
<i>Total Revenues</i>	\$895 million to \$920 million increase of 11.7% to 14.8%	\$945 million to \$960 million ^a increase of 17.9% to 19.8%
<i>ARR Growth (constant currency)</i>	8% to 10%	22% to 24% ^b
<i>Adjusted EBITDA⁴</i>	\$285 million to \$295 million approximately 32% Margin ⁵	\$305 million to \$310 million approximately 32% Margin ⁵

Footnote a: Revenue outlook is net of a \$10 million decrease due to strengthening US dollar and approximately \$5 million of Seequent-related opening balance sheet deferred revenue "haircuts"

Footnote b: Outlook includes growth of 12% to 13% from the initial inclusion and subsequent growth of Seequent, and growth of 10% to 11% from all other businesses

Additional expectations to support financial modeling

- Full year interest expense of approximately \$11 million (approximately \$5 million of which is cash interest)
- Full year effective tax rate of <15% (down from 20% initial outlook)
- Full year capital expenditures, including investments in capitalized software <2.5% of revenues
- Fully diluted weighted average shares outstanding between 328 and 330 million inclusive of 10 million shares and 3.5 million shares applying an if-converted methodology to our January 2021 and June 2021 convertible notes offerings, respectively, and assuming our year-to-date average share price.
- Dividends of \$0.12 per share

Footnotes: 4, 5 – See appendix for KPI and non-GAAP definitions and reconciliations



Q & A



Bentley Systems' 21Q2 Operating Results

Greg Bentley, CEO
David Hollister, CFO

Bentley[®]
Advancing Infrastructure

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.
- 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. A period is defined as any trailing twelve months.
- 4. *Adjusted EBITDA.*** Our Adjusted EBITDA is defined as net income adjusted for interest expense, net, provision for income taxes, depreciation and amortization, equity-based compensation, acquisition expenses, realignment expenses, expenses associated with IPO, other non-operating income and expense (primarily foreign exchange gain (loss)), net, and (income) loss from investments accounted for using the equity method, net of tax
- 5. *Adjusted EBITDA margin.*** Our Adjusted EBITDA divided by revenue adjusted to add back acquired deferred revenue.
- 6. *Stock Based v Cash Executive Compensation.*** Effective as of the beginning of the fourth quarter of 2020, participants in our Executive Bonus Plan may elect to receive any portion, or all, of such participants non-deferred incentive bonus in the form of fully vested Class B Common Stock, instead of cash payments, and subject to a combined quarterly limit of \$7.5 million. To facilitate comparability, the analysis normalizes the historical 2019 and 2020 periods to recharacterize as stock based compensation, at a rate of \$7.5 million per quarter, that element of cash compensation that prospectively will be in the form of stock based compensation.

Non-GAAP Reconciliation: Adjusted EBITDA

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net Income	\$ 44,910	\$ 39,076	\$ 101,916	\$ 68,745
Interest expense, net	2,453	1,128	4,772	2,516
Provision for income taxes	(20,746)	4,264	(10,388)	11,440
Depreciation and amortization	10,287	8,614	19,280	16,664
Stock-based compensation	11,685	1,559	20,598	3,212
Acquisition expenses	14,944	2,734	24,200	5,009
Realignment expenses	-	77	-	69
Other (income) expense, net	3,777	(405)	(10,705)	6,985
Loss from investments accounted for using the equity method, net of tax	1,829	528	2,275	866
Adjusted EBITDA	\$ 69,139	\$ 57,575	\$ 151,948	\$ 115,506

Note: See further commentary on adjustments in MD&A section of the June 30, 2021 10-Q

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- [Corporate Developments](#)
- [BSY's Seequent Update](#)
- [The *Digital Twins* Imperative](#)
- [21Q2 Financial Performance](#)
- [Appendix](#)