



Bentley Systems Announces Fourth Quarter and Full Year 2024 Results and 2025 Financial Outlook

Increases Quarterly Dividend

EXTON, PA – February 26, 2025 – [Bentley Systems, Incorporated](#) (Nasdaq: BSY), the infrastructure engineering software company, today announced results for the quarter ended December 31, 2024 and its financial outlook for 2025.

Fourth Quarter 2024 Results

- *Total revenues* were \$349.8 million, up 12.6% or 13.2% on a constant currency basis, year-over-year;
- *Subscriptions revenues* were \$315.6 million, up 15.8% or 16.4% on a constant currency basis, year-over-year;
- *Annualized Recurring Revenues ("ARR")* were \$1,283.3 million as of December 31, 2024, compared to \$1,174.8 million as of December 31, 2023, representing a *constant currency ARR growth rate* of 12%;
- *Last twelve-month recurring revenues dollar-based net retention rate* was 110%, compared to 109% for the same period last year;
- *Operating income margin* was 17.6%, compared to 12.2% for the same period last year;
- *Adjusted operating income inclusive of stock-based compensation expense ("Adjusted OI w/SBC") margin* was 21.5%, compared to 24.0% for the same period last year;
- *Net income per diluted share* was \$0.16, compared to \$0.54 for the same period last year;
- *Adjusted net income per diluted share ("Adjusted EPS")* was \$0.21, compared to \$0.20 for the same period last year; and
- *Cash flows from operations* was \$81.6 million, compared to \$87.1 million for the same period last year.

Full Year 2024 Results

- *Total revenues* were \$1,353.1 million, up 10.1% or 10.3% on a constant currency basis over 2023;
- *Subscriptions revenues* were \$1,223.4 million, up 13.2% or 13.4% on a constant currency basis over 2023;
- *Operating income margin* was 22.3%, compared to 18.8% for 2023;
- *Adjusted OI w/SBC margin* was 27.5%, compared to 26.4% for 2023;
- *Net income per diluted share* was \$0.72, compared to \$1.00 for 2023;
- *Adjusted EPS* was \$1.07, compared to \$0.91 for 2023; and
- *Cash flows from operations* was \$435.3 million, compared to \$416.7 million for 2023.

Executive Chair Greg Bentley said, "24Q4 concluded a commendably satisfactory year in which every quarter improved operationally, even net of the persisting declines in Cohesive and China. I congratulate BSY's management on appreciably surpassing 2024's internal objectives for new business, while achieving our annual operating margin improvement target.

"Stepping back (in keeping with my new role) upon 24Q4's occasioning of our fifth yearend as a public company, it is gratifying to benchmark against stockholder priorities the compounding effects of BSY's consistently sustained growth. Since our 2020 IPO we have set the pace to double over five years— with minimal share dilution— our subscription revenues, operating margin dollars (AOI inclusive of SBC), and FREE cash flow (FCF less SBC). Most importantly, I am confident that our next-generation management team will maintain or improve upon such compounding over the succeeding five years, and beyond."

CEO Nicholas Cumins said, "Our year-over-year ARR growth on a constant-currency basis was 12% in 24Q4 (12.5% excluding China). The global demand environment remains robust across sectors and geographies, and our users continue to be optimistic about end market conditions. We entered this year well aligned with their priorities and well positioned to continue our strong performance in 2025 and beyond.

"With the recent addition of James Lee as Chief Operating Officer, who has responsibility for commercial programs and growth initiatives such as Bentley Asset Analytics, and the broader scope of Chief Technology Officer Julien Moutte now including product development, we are strongly positioned to capture the many growth opportunities that we have opened up with infrastructure AI, building on our company's heritage of technology innovation and industry leadership."

CFO Werner Andre said, "We are pleased with our finish to a solid year of financial performance, delivering resilient ARR growth, our anticipated annual margin expansion, and continued above expectations free cash flow conversion. We also continued to improve the quality of our revenues, now 91% recurring after the year's 13% growth in subscription revenues, while professional services revenues declined to 6% of total revenues mainly due to a lower volume in Cohesive's MAXIMO (non-Bentley software) related work.

"Our 2025 outlook is consistent with our 2024 results and our sustained execution and expectation of annual double-digit ARR growth, 100 basis-points expansion of adjusted operating income with SBC margin, and directly efficient free cash flow conversion. Our capital allocation will also stay the course, as we undertake to buy back shares to offset dilution from stock-based compensation and to annually raise our modest dividend."

2025 Financial Outlook

The Company is sharing the following financial outlook for the full year 2025:

- *Total revenues* in the range of \$1,461 million to \$1,490 million, or \$1,481 million to \$1,510 million in constant currency;
- *Subscriptions revenues growth rate* of 10.5% to 12.5% in constant currency;
- *Perpetual licenses revenues growth rate* approximately flat in constant currency;
- *Services revenues growth rate* approximately flat in constant currency;
- *Constant currency ARR growth rate* (business performance, including programmatic acquisitions) of 10.5% to 12.5%;
- *Adjusted OI w/SBC margin* of approximately 28.5% (representing annual improvement of 100 bps);
- *Effective tax rate* of approximately 21%;
- *Free cash flows* in the range of \$415 million to \$455 million; and
- *Capital expenditures* of approximately \$20 million.

The 2025 outlook information provided above includes non-GAAP financial measures management uses in measuring performance and liquidity. The Company is unable to reconcile these forward-looking non-GAAP measures to GAAP without unreasonable efforts because it is not possible to predict with a reasonable degree of certainty the actual impact of certain items and unanticipated events, including stock-based compensation charges, amortization of acquired intangible assets, realignment expenses, and other items, which would be included in GAAP results. The impact of such items and unanticipated events could be potentially significant.

The 2025 outlook is forward-looking, subject to significant business, economic, regulatory, and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management, and based upon assumptions with respect to future decisions, which are subject to change. Actual results may vary and those variations may be material. As such, our results may not fall within the ranges contained in this outlook. The Company uses these forward-looking measures to evaluate its ongoing operations and for internal planning and forecasting purposes.

Increased Quarterly Cash Dividend

On February 20, 2025, the Company's Board of Directors increased by one cent the Company's regular quarterly dividend effective from the first quarter of 2025 and declared a \$0.07 per share dividend for the first quarter of 2025. The cash dividend is payable on March 27, 2025 to all stockholders of record of Class A and Class B common stock as of the close of business on March 19, 2025.

Call Details

Bentley Systems will host a live Zoom video webinar on February 26, 2025 at 8:15 a.m. EST to discuss results for its fourth quarter ended December 31, 2024.

Those wishing to participate should access the live Zoom video webinar of the event through a direct registration link at

https://us06web.zoom.us/webinar/register/WN_5K_2h7LgRcqAyS8VUbUO2Q#/registration.

Alternatively, the event can be accessed from the Events & Presentations page on Bentley Systems' Investor Relations website at <https://investors.bentley.com>. In addition, a replay and transcript will be available after the conclusion of the live event on Bentley Systems' Investor Relations website for one year.

Non-GAAP Financial Measures

In this press release, we sometimes refer to financial measures that are not presented in accordance with U.S. generally accepted accounting principles ("GAAP"). Certain of these measures are considered non-GAAP financial measures under the United States Securities and Exchange Commission ("SEC") regulations. Those rules require the supplemental explanations and reconciliations that are in Bentley Systems' Form 8-K (Quarterly Earnings Release) furnished to the SEC.

Forward-Looking Statements

This press release includes forward-looking statements regarding the future results of operations and financial condition, 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 this press release, 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 this press release including: adverse changes in global economic and/or political conditions; the impact of current and future sanctions, embargoes and other similar laws at the state and/or federal level that impose restrictions on our counterparties or upon our ability to operate our business within the subject jurisdictions; political, economic, regulatory and public health and safety risks and uncertainties in the countries and regions in which we operate; failure to retain personnel necessary for the operation of our business or those that we acquire; failure to effectively manage succession; changes in the industries in which our accounts operate; the competitive environment in which we operate; the quality of our products; our ability to develop and market new products to address our accounts' rapidly changing technological needs; changes in capital markets and our ability to access financing on terms satisfactory to us or at all; the impact of changing or uncertain interest rates on us and on the industries we serve; our ability to integrate acquired businesses successfully; and our ability to identify and consummate future investments and/or acquisitions on terms satisfactory to us or at all.

Further information on potential factors that could affect the financial results of the Company are included in the Company's Form 10-K and subsequent Form 10-Qs, which are on file with the SEC. The Company disclaims any obligation to update the forward-looking statements provided to reflect events that occur or circumstances that exist after the date on which they were made.

About Bentley Systems

Around the world, infrastructure professionals rely on software from Bentley Systems to help them design, build, and operate better and more resilient infrastructure for transportation, water, energy, cities, and more. Founded in 1984 by engineers for engineers, Bentley is the partner of choice for engineering firms and owner-operators worldwide, with software that spans engineering disciplines, industry sectors, and all phases of the infrastructure lifecycle. Through our digital twin solutions, we help infrastructure professionals unlock the value of their data to transform project delivery and asset performance.

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For more information, contact:

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BENTLEY SYSTEMS, INCORPORATED
Consolidated Balance Sheets
(in thousands)
(unaudited)

| | December 31, | |
|--|---------------------|---------------------|
| | 2024 | 2023 |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 64,009 | \$ 68,412 |
| Accounts receivable | 322,862 | 302,501 |
| Allowance for doubtful accounts | (8,395) | (8,965) |
| Prepaid income taxes | 13,066 | 12,812 |
| Prepaid and other current assets | 50,531 | 44,797 |
| Total current assets | 442,073 | 419,557 |
| Property and equipment, net | 33,798 | 40,100 |
| Operating lease right-of-use assets | 32,303 | 38,476 |
| Intangible assets, net | 213,959 | 248,787 |
| Goodwill | 2,367,179 | 2,269,336 |
| Investments | 25,764 | 23,480 |
| Deferred income taxes | 198,286 | 212,831 |
| Other assets | 86,445 | 67,283 |
| Total assets | <u>\$ 3,399,807</u> | <u>\$ 3,319,850</u> |
| Liabilities and Equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 16,479 | \$ 18,094 |
| Accruals and other current liabilities | 536,417 | 457,348 |
| Deferred revenues | 245,729 | 253,785 |
| Operating lease liabilities | 11,656 | 11,645 |
| Income taxes payable | 4,053 | 9,491 |
| Current portion of long-term debt | — | 10,000 |
| Total current liabilities | 814,334 | 760,363 |
| Long-term debt | 1,388,088 | 1,518,403 |
| Deferred compensation plan liabilities | 96,684 | 88,181 |
| Long-term operating lease liabilities | 26,894 | 30,626 |
| Deferred revenues | 16,641 | 15,862 |
| Deferred income taxes | 8,612 | 9,718 |
| Income taxes payable | 3,615 | 7,337 |
| Other liabilities | 3,819 | 5,378 |
| Total liabilities | <u>2,358,687</u> | <u>2,435,868</u> |
| Equity: | | |
| Common stock | 3,020 | 2,963 |
| Additional paid-in capital | 1,217,986 | 1,127,234 |
| Accumulated other comprehensive loss | (104,078) | (84,987) |
| Accumulated deficit | (75,941) | (161,932) |
| Total Bentley Systems stockholders' equity | 1,040,987 | 883,278 |
| Noncontrolling interest | 133 | 704 |
| Total equity | <u>1,041,120</u> | <u>883,982</u> |
| Total liabilities and equity | <u>\$ 3,399,807</u> | <u>\$ 3,319,850</u> |

BENTLEY SYSTEMS, INCORPORATED
Consolidated Statements of Operations
(in thousands, except share and per share data)
(unaudited)

| | Three Months Ended December 31, | | Year Ended December 31, | |
|---|------------------------------------|--------------------|----------------------------|--------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Revenues: | | | | |
| Subscriptions | \$ 315,590 | \$ 272,468 | \$ 1,223,362 | \$ 1,080,307 |
| Perpetual licenses | 14,312 | 12,886 | 45,961 | 46,038 |
| Subscriptions and licenses | 329,902 | 285,354 | 1,269,323 | 1,126,345 |
| Services | 19,920 | 25,287 | 83,772 | 102,068 |
| Total revenues | 349,822 | 310,641 | 1,353,095 | 1,228,413 |
| Cost of revenues: | | | | |
| Cost of subscriptions and licenses | 46,470 | 45,231 | 173,340 | 169,406 |
| Cost of services | 21,442 | 22,566 | 84,427 | 96,677 |
| Total cost of revenues | 67,912 | 67,797 | 257,767 | 266,083 |
| Gross profit | 281,910 | 242,844 | 1,095,328 | 962,330 |
| Operating expense (income): | | | | |
| Research and development | 77,099 | 71,237 | 281,247 | 274,619 |
| Selling and marketing | 78,722 | 64,074 | 255,177 | 224,336 |
| General and administrative | 57,679 | 51,995 | 210,374 | 180,738 |
| Deferred compensation plan | (1,283) | 8,817 | 12,382 | 13,580 |
| Amortization of purchased intangibles | 8,281 | 8,948 | 33,998 | 38,515 |
| Total operating expenses | 220,498 | 205,071 | 793,178 | 731,788 |
| Income from operations | 61,412 | 37,773 | 302,150 | 230,542 |
| Interest expense, net | (5,755) | (9,170) | (22,044) | (39,793) |
| Other income (expense), net | 8,619 | (14,429) | 12,949 | (7,222) |
| Income before income taxes | 64,276 | 14,174 | 293,055 | 183,527 |
| (Provision) benefit for income taxes | (14,627) | 165,348 | (58,726) | 143,241 |
| Equity in net income of investees, net of tax | 90 | 63 | 104 | 19 |
| Net income | 49,739 | 179,585 | 234,433 | 326,787 |
| Less: Net income (loss) attributable to noncontrolling interest | (354) | — | (354) | — |
| Net income attributable to Bentley Systems | <u>\$ 50,093</u> | <u>\$ 179,585</u> | <u>\$ 234,787</u> | <u>\$ 326,787</u> |
| Net income per share attributable to Bentley Systems stockholders: | | | | |
| Basic | \$ 0.16 | \$ 0.57 | \$ 0.75 | \$ 1.05 |
| Diluted | <u>\$ 0.16</u> | <u>\$ 0.54</u> | <u>\$ 0.72</u> | <u>\$ 1.00</u> |
| Weighted average shares: | | | | |
| Basic | 315,035,554 | 313,526,604 | 314,886,615 | 312,358,823 |
| Diluted | <u>333,874,529</u> | <u>333,418,588</u> | <u>333,774,167</u> | <u>332,503,633</u> |

BENTLEY SYSTEMS, INCORPORATED
Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

| | Year Ended December 31, | |
|---|----------------------------|------------------|
| | 2024 | 2023 |
| Cash flows from operating activities: | | |
| Net income | \$ 234,433 | \$ 326,787 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation, amortization, and impairment | 64,608 | 71,861 |
| Deferred income taxes | 12,571 | (198,878) |
| Stock-based compensation expense | 74,417 | 72,972 |
| Deferred compensation plan | 12,382 | 13,580 |
| Amortization of deferred debt issuance costs | 7,338 | 7,291 |
| Change in fair value of derivative | (10) | 5,038 |
| Foreign currency remeasurement gain | (785) | (452) |
| Other | 7,794 | 21,047 |
| Changes in assets and liabilities, net of effect from acquisitions: | | |
| Accounts receivable | (32,064) | (5,180) |
| Prepaid and other assets | (6,006) | 4,112 |
| Accounts payable, accruals, and other liabilities | 74,953 | 68,733 |
| Deferred revenues | (1,789) | 19,933 |
| Income taxes payable, net of prepaid income taxes | (12,550) | 9,852 |
| Net cash provided by operating activities | <u>435,292</u> | <u>416,696</u> |
| Cash flows from investing activities: | | |
| Purchases of property and equipment and investment in capitalized software | (14,046) | (25,002) |
| Acquisitions, net of cash acquired | (130,407) | (26,023) |
| Purchases of investments | (1,435) | (11,602) |
| Proceeds from investments | — | 2,123 |
| Other | 2,621 | — |
| Net cash used in investing activities | <u>(143,267)</u> | <u>(60,504)</u> |
| Cash flows from financing activities: | | |
| Proceeds from credit facilities | 517,643 | 588,154 |
| Payments of credit facilities | (474,356) | (841,723) |
| Payments of debt issuance costs | (6,184) | — |
| Repayments of term loan | (190,000) | (5,000) |
| Payments of contingent and non-contingent consideration | (3,022) | (4,324) |
| Payments of dividends | (72,115) | (58,756) |
| Proceeds from stock purchases under employee stock purchase plan | 11,228 | 9,988 |
| Proceeds from exercise of stock options | 4,007 | 11,715 |
| Payments for shares acquired including shares withheld for taxes | (12,504) | (58,937) |
| Repurchases of Class B common stock under approved program | (64,359) | — |
| Other | (188) | (191) |
| Net cash used in financing activities | <u>(289,850)</u> | <u>(359,074)</u> |
| Effect of exchange rate changes on cash and cash equivalents | <u>(6,578)</u> | <u>(390)</u> |
| Decrease in cash and cash equivalents | (4,403) | (3,272) |
| Cash and cash equivalents, beginning of year | 68,412 | 71,684 |
| Cash and cash equivalents, end of year | <u>\$ 64,009</u> | <u>\$ 68,412</u> |

BENTLEY SYSTEMS, INCORPORATED
Reconciliation of GAAP to Non-GAAP Financial Measures
(in thousands, except share and per share data)
(unaudited)

Reconciliation of operating income to Adjusted OI w/SBC and to Adjusted operating income:

| | Three Months Ended | | Year Ended | |
|---------------------------------------|--------------------|------------------|-------------------|-------------------|
| | December 31, | | December 31, | |
| | 2024 | 2023 | 2024 | 2023 |
| Operating income | \$ 61,412 | \$ 37,773 | \$ 302,150 | \$ 230,542 |
| Amortization of purchased intangibles | 11,520 | 12,181 | 46,679 | 51,219 |
| Deferred compensation plan | (1,283) | 8,817 | 12,382 | 13,580 |
| Acquisition expenses | 3,440 | 2,588 | 10,222 | 17,866 |
| Realignment (income) expenses | (29) | 13,270 | 789 | 11,470 |
| Adjusted OI w/SBC | 75,060 | 74,629 | 372,222 | 324,677 |
| Stock-based compensation expense | 16,417 | 16,563 | 73,505 | 71,470 |
| Adjusted operating income | <u>\$ 91,477</u> | <u>\$ 91,192</u> | <u>\$ 445,727</u> | <u>\$ 396,147</u> |

Reconciliation of net income attributable to Bentley Systems to Adjusted net income:

| | Three Months Ended | | | | Year Ended | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | December 31, | | | | December 31, | | | |
| | 2024 | | 2023 | | 2024 | | 2023 | |
| | \$ | EPS ⁽¹⁾ | \$ | EPS ⁽¹⁾ | \$ | EPS ⁽¹⁾ | \$ | EPS ⁽¹⁾ |
| Net income attributable to Bentley Systems | \$ 50,093 | \$ 0.16 | \$ 179,585 | \$ 0.54 | \$ 234,787 | \$ 0.72 | \$ 326,787 | \$ 1.00 |
| Non-GAAP adjustments, prior to income taxes: | | | | | | | | |
| Amortization of purchased intangibles | 11,520 | 0.03 | 12,181 | 0.04 | 46,679 | 0.14 | 51,219 | 0.15 |
| Stock-based compensation expense | 16,417 | 0.05 | 16,563 | 0.05 | 73,505 | 0.22 | 71,470 | 0.21 |
| Deferred compensation plan | (1,283) | — | 8,817 | 0.03 | 12,382 | 0.04 | 13,580 | 0.04 |
| Acquisition expenses | 3,440 | 0.01 | 2,588 | 0.01 | 10,222 | 0.03 | 17,866 | 0.05 |
| Realignment (income) expenses | (29) | — | 13,270 | 0.04 | 789 | — | 11,470 | 0.03 |
| Other (income) expense, net | (8,619) | (0.03) | 14,429 | 0.04 | (12,949) | (0.04) | 7,222 | 0.02 |
| Total non-GAAP adjustments, prior to income taxes | 21,446 | 0.06 | 67,848 | 0.20 | 130,628 | 0.39 | 172,827 | 0.52 |
| Income tax effect of non-GAAP adjustments | (2,775) | (0.01) | (12,333) | (0.04) | (14,375) | (0.04) | (31,636) | (0.10) |
| Tax benefit related to internal restructuring | — | — | (170,784) | (0.51) | — | — | (170,784) | (0.51) |
| Equity in net income of investees, net of tax | (90) | — | (63) | — | (104) | — | (19) | — |
| Adjusted net income ⁽²⁾ | <u>\$ 68,674</u> | <u>\$ 0.21</u> | <u>\$ 64,253</u> | <u>\$ 0.20</u> | <u>\$ 350,936</u> | <u>\$ 1.07</u> | <u>\$ 297,175</u> | <u>\$ 0.91</u> |
| Adjusted diluted weighted average shares | <u>333,874,529</u> | | <u>333,418,588</u> | | <u>333,774,167</u> | | <u>332,503,633</u> | |

(1) Adjusted EPS was computed independently for each reconciling item presented; therefore, the sum of Adjusted EPS for each line item may not equal total Adjusted EPS due to rounding.

(2) Adjusted EPS numerator includes \$1,717 for the three months ended December 31, 2024 and 2023, and \$6,880 and \$6,874 for the years ended December 31, 2024 and 2023, respectively, related to interest expense, net of tax, attributable to the convertible senior notes using the if-converted method.

Reconciliation of cash flow from operations to Adjusted EBITDA:

| | Three Months Ended | | Year Ended | |
|---|--------------------|------------------|-------------------|-------------------|
| | December 31, | | December 31, | |
| | 2024 | 2023 | 2024 | 2023 |
| Cash flow from operations | \$ 81,632 | \$ 87,053 | \$ 435,292 | \$ 416,696 |
| Cash interest | 5,072 | 8,019 | 17,202 | 37,389 |
| Cash taxes | 24,503 | 13,728 | 57,526 | 42,431 |
| Cash deferred compensation plan distributions | — | — | 2,436 | 2,125 |
| Cash acquisition expenses | 2,951 | 1,632 | 8,522 | 21,409 |
| Cash realignment costs | 162 | 268 | 12,768 | 268 |
| Changes in operating assets and liabilities | (14,351) | (10,232) | (59,069) | (94,726) |
| Other ⁽¹⁾ | (2,089) | (2,383) | (9,309) | (8,803) |
| Adjusted EBITDA | <u>\$ 97,880</u> | <u>\$ 98,085</u> | <u>\$ 465,368</u> | <u>\$ 416,789</u> |

(1) Includes receipts related to interest rate swap.

Reconciliation of total revenues and subscriptions revenues to total revenues and subscriptions revenues in constant currency:

| | Three Months Ended December 31, 2024 | | | Three Months Ended December 31, 2023 | | |
|------------------------|--------------------------------------|--|-------------------|--------------------------------------|--|-------------------|
| | Actual | Impact of Foreign Exchange at 2023 Rates | Constant Currency | Actual | Impact of Foreign Exchange at 2023 Rates | Constant Currency |
| Total revenues | \$ 349,822 | \$ 1,737 | \$ 351,559 | \$ 310,641 | \$ (28) | \$ 310,613 |
| Subscriptions revenues | \$ 315,590 | \$ 1,598 | \$ 317,188 | \$ 272,468 | \$ 65 | \$ 272,533 |

| | Year Ended December 31, 2024 | | | Year Ended December 31, 2023 | | |
|------------------------|------------------------------|--|-------------------|------------------------------|--|-------------------|
| | Actual | Impact of Foreign Exchange at 2023 Rates | Constant Currency | Actual | Impact of Foreign Exchange at 2023 Rates | Constant Currency |
| Total revenues | \$1,353,095 | \$ 846 | \$1,353,941 | \$1,228,413 | \$ (1,042) | \$ 1,227,371 |
| Subscriptions revenues | \$1,223,362 | \$ 814 | \$1,224,176 | \$1,080,307 | \$ (977) | \$1,079,330 |

Explanation of Non-GAAP and Other Financial Measures

Constant currency

Constant currency and constant currency growth rates are non-GAAP financial measures that present our results of operations excluding the estimated effects of foreign currency exchange rate fluctuations. A significant amount of our operations is conducted in foreign currencies. As a result, the comparability of the financial results reported in U.S. dollars is affected by changes in foreign currency exchange rates. We use constant currency and constant currency growth rates to evaluate the underlying performance of the business, and we believe it is helpful for investors to present operating results on a comparable basis period over period to evaluate its underlying performance.

In reporting period-over-period results, except for ARR as discussed further below, we calculate the effects of foreign currency fluctuations and constant currency information by translating current and prior period results on a transactional basis to our reporting currency using prior period average foreign currency exchange rates in which the transactions occurred.

Recurring revenues

Recurring revenues are the basis for our other revenue-related key business metrics. We believe this measure is useful in evaluating our ability to consistently retain and grow our revenues from accounts with revenues in the prior period ("existing accounts").

Recurring revenues are 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.

Annualized recurring revenues ("ARR")

ARR is a key business metric that we believe is useful in evaluating the scale and growth of our business as well as to assist in the evaluation of underlying trends in our business. Furthermore, we believe *ARR*, considered in connection with our *last twelve-month recurring revenues dollar-based net retention rate*, is a leading indicator of revenue growth.

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 currency exchange rates. We believe that the last three months of recognized revenues, on an annualized basis, for our recurring software subscriptions with consumption measurement period durations of less than one year is a reasonable estimate of the annual revenues, given our consistently high retention rate and stability of usage under such subscriptions.

Constant currency ARR growth rate is the growth rate of *ARR* measured on a constant currency basis. In reporting period-over-period *ARR* growth rates in constant currency, we calculate constant currency growth rates by translating current and prior period *ARR* on a transactional basis to our reporting currency using current year budget exchange rates. *Constant currency ARR growth rate from business performance* excludes the *ARR* onboarding of our *platform acquisitions* and includes the impact from the *ARR* onboarding of *programmable acquisitions*, which generally are immaterial, individually and in the aggregate. We believe these *ARR* growth rates are important metrics indicating the scale and growth of our business.

Last twelve-month recurring revenues dollar-based net retention rate

Last twelve-month recurring revenues dollar-based net retention rate is a key business metric that we believe is useful in evaluating our ability to consistently retain and grow our recurring revenues.

Last twelve-month 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.

Adjusted operating income inclusive of stock-based compensation expense ("Adjusted OI w/SBC")

Adjusted OI w/SBC is a non-GAAP financial measure and is used to measure the operational strength and performance of our business, as well as to assist in the evaluation of underlying trends in our business.

Adjusted OI w/SBC is our primary performance measure, which excludes certain expenses and charges, including the non-cash amortization expense resulting from the acquisition of intangible assets, as we believe these may not be indicative of the Company's core business operating results. We intentionally include stock-based compensation expense in this measure as we believe it better captures the economic costs of our business.

Management uses this non-GAAP financial measure to understand and compare operating results across accounting periods, for internal budgeting and forecasting purposes, to evaluate financial performance, and in our comparison of our financial results to those of other companies. It is also a significant performance measure in certain of our executive incentive compensation programs.

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), for the respective periods.

Adjusted OI w/SBC margin is calculated by dividing *Adjusted OI w/SBC* by total revenues.

Adjusted operating income

Adjusted operating income is a non-GAAP financial measure that we believe is useful to investors in making comparisons to other companies, although this measure may not be directly comparable to similar measures used by other companies.

Adjusted operating income is defined as operating income adjusted for the following: amortization of purchased intangibles, expense (income) relating to deferred compensation plan liabilities, acquisition expenses, realignment expenses (income), and stock-based compensation expense, for the respective periods.

Adjusted net income and Adjusted EPS

Adjusted net income and *Adjusted EPS* are non-GAAP financial measures presenting the earnings generated by our ongoing operations that we believe is useful to investors in making meaningful comparisons to other companies, although these measures may not be directly comparable to similar measures used by other companies, and period-over-period comparisons.

Adjusted net income is defined as net income attributable to Bentley Systems adjusted for the following: amortization of purchased intangibles, stock-based compensation expense, expense (income) relating to deferred compensation plan liabilities, acquisition expenses, realignment expenses (income), other non-operating (income) expense, net, the tax effect of the above adjustments to net income, and equity in net (income) losses of investees, net of tax, for the respective periods. The income tax effect of non-GAAP adjustments was determined using the applicable rates in the taxing jurisdictions in which income or expense occurred, and represent both current and deferred income tax expense or benefit based on the nature of the non-GAAP adjustments, including the tax effects of non-cash stock-based compensation expense.

Adjusted EPS is calculated as *Adjusted net income*, less net income attributable to Bentley Systems allocated to participating securities, plus interest expense, net of tax, attributable to the convertible senior notes using the if-converted method, if applicable, (numerator) divided by *Adjusted diluted weighted average shares* (denominator). *Adjusted diluted weighted average shares* is calculated by adding incremental shares related to the dilutive effect of convertible senior notes using the if-converted method, if applicable, to diluted weighted average shares.

Adjusted EBITDA

Adjusted EBITDA is our liquidity measure in the context of conversion of *Adjusted EBITDA* to cash flow from operations (i.e., the ratio of GAAP cash flow from operations to *Adjusted EBITDA*). We believe this non-GAAP financial measure provides a meaningful measure of liquidity and a useful basis for assessing our ability to repay debt, make strategic acquisitions and investments, and return capital to investors.

Adjusted EBITDA is defined as cash flow from operations adjusted for the following: cash interest, cash taxes, cash deferred compensation plan distributions, cash acquisition expenses, cash realignment costs, changes in operating assets and liabilities, and other cash items (such as those related to our interest rate swap). From time to time, we may exclude from *Adjusted EBITDA* the impact of certain cash receipts or payments that affect period-to-period comparability.