



# Investor Presentation

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# Notice

## Forward Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Act”), and Section 21E of the Securities Exchange Act of 1934, as amended. You can generally identify forward-looking statements by our use of forward-looking terminology such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “potential,” “predict,” “seek,” “vision” or “should,” or the negative thereof or other variations thereon or comparable terminology. These forward-looking statements involve risks, uncertainties and other factors that could cause actual results to differ materially from those projected. Please refer to our filings with the Securities and Exchange Commission, particularly the “Risk Factors” included in our periodic Form 10-K and Form 10-Q reports, for factors that could cause actual results to materially differ from those we project. The forward-looking statements contained in this presentation are made as of the date hereof and LivePerson, Inc. (the “Company”) assumes no obligation to update such statements. This presentation includes adjusted EBITDA, a non-GAAP financial measure, which supplements the Company’s financial statements prepared in accordance with GAAP. This non-GAAP financial measure is not intended to supersede or replace the Company’s GAAP results. The most directly comparable GAAP financial measure and a detailed reconciliation between GAAP and non-GAAP financial measures is included in the Appendix to this presentation. The following forward-looking measures and the underlying assumptions involve significant known and unknown risks and uncertainties, and actual results may vary materially from these forward-looking measures. The Company does not present a quantitative reconciliation of the forward-looking non-GAAP financial measures adjusted EBITDA and adjusted EBITDA margin to the most directly comparable GAAP financial measures (or otherwise present such forward-looking GAAP measures) because it is impractical to forecast certain items without unreasonable efforts due to the uncertainty and inherent difficulty of predicting, within a reasonable range, the occurrence and financial impact of and the periods in which such items may be recognized. In particular, these non-GAAP financial measures exclude certain items, including amortization of purchased intangibles, stock-based compensation expense, contingent earn-out adjustments, restructuring costs, depreciation, other litigation, consulting and other employee costs, provision for (benefit from) income taxes, acquisition and divestiture costs, interest income (expense), net, and other expense (income), net, which depend on future events that the Company is unable to predict. Depending on the size of these items, they could have a significant impact on the Company’s GAAP financial results. We obtained market, industry and other data in this presentation from our own internal estimates and research, publicly available information about industry and general publications and research, surveys and studies conducted by third parties. While we believe that the publications, research, surveys and studies that we have used is reliable, we have not independently verified the information from third-party sources. While we believe our internal estimates and research are reliable and the market definitions are appropriate, neither such estimates and research nor these definitions have been verified by an independent source.

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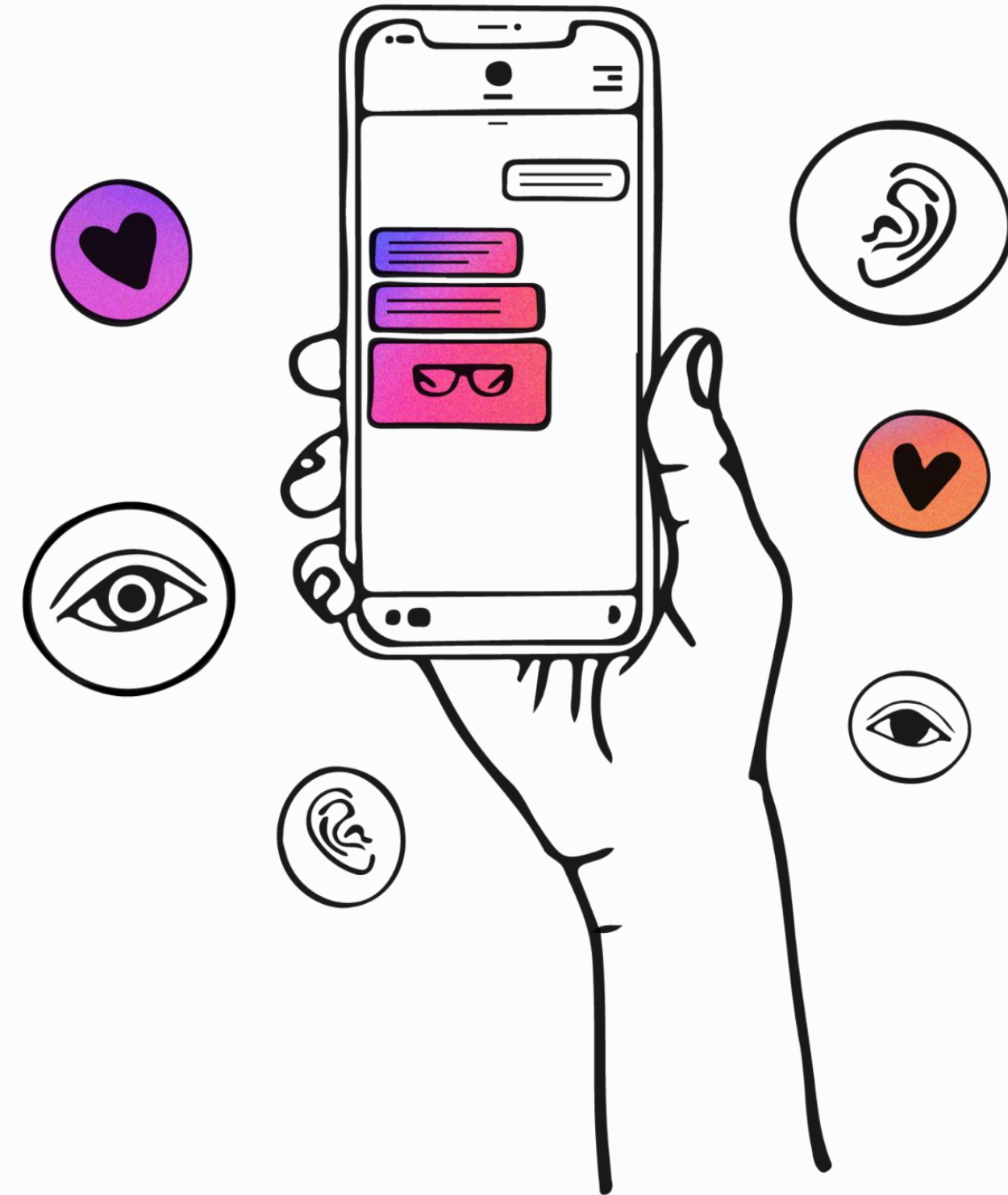


# LivePerson at a Glance



# Our Focus

At LivePerson, we are focused on what we do best: **Voice-to-Messaging Digital Transformation** for contact centers. With an estimated 70% of customer service conversations still trapped in the voice channel today, our mission is to bring these volumes to the messaging channel through our large suite of automation tools, including Generative AI, to achieve **best-in-class operational efficiencies** and **better business outcomes**.



# Our Platform is validated by significant third parties

## Third Parties Validate LivePerson's Platform

**FORRESTER®**

- Named a "Leader" in Digital-First Customer Service Solutions report
- Cited as "successfully [supporting] the interplay of chatbots and agents" and as offering "sophisticated routing, capacity queue management, and business insights to optimize operations"
- Featured in September 2023 generative AI CRM best practice report

**Gartner®**

- Recognized as a Sample Vendor in the Gartner Hype Cycle for Customer Service and Support Technologies in July 2023 for the third consecutive year
- Also recognized as a Representative Vendor in the Market Guide for Speech Analytics Platforms in March 2023

## Recent Awards



- Awarded Best Use of AI at the 2023 CX Awards
- Demonstrated expertise and innovation and excelled in developing AI-enabled CX solutions



- Won Best AI-Enabled Content Solution and Best Customer Service Solution
- Successfully helped businesses to deliver more secure AI-powered experiences



- Named Best Contact Center Solution and Technology Partner of the Year
- Demonstrated an ability to innovate, thrive and meet customer expectations



- Named #1 most innovative AI company in the world
- Successfully helped brands navigate unpredictable sales volume through the pandemic



# We Deliver better business outcomes

**01**

## Empower people

Give our Brands' teams the tools and intelligence to better serve their customers *and* their business.



Outcome:

**25% increase in agent productivity, 50% decrease in agent attrition,**

**02**

## Shift to digital

Reduce costs and meet customer needs and expectations by routing calls to messaging and other digital channels.



Outcome:

**30% reduction in operating costs**

**03**

## Embrace automation

Scale Brands' conversations and free up their humans by automating the most common — and complex — customer intents so everyone can get what they need, quicker.



Outcome:

**Up to 90% automation containment rate, 25% boost in customer satisfaction**

# Our Customers

The World's Largest Brands are Gaining Efficiency and Scale by Shifting their Legacy Voice Volume to Messaging Volume with LivePerson





# Progress on our Profitable Growth Initiative...

Q1'2022:  
Announced  
our Profitable  
Growth  
Initiative

**Rationalized cost structure**  
Approximately **\$200M** of annualized cost reductions between Q1 2022 and Q1 2023

Q2'2022:  
Focusing on  
High Value  
Revenue  
Source

**Eliminating Low Quality Revenue Sources**  
Wound down approximately **\$70mm** of low margin, non-core revenue sources (Gainshare Labor, pandemic Variable & Claire JV)

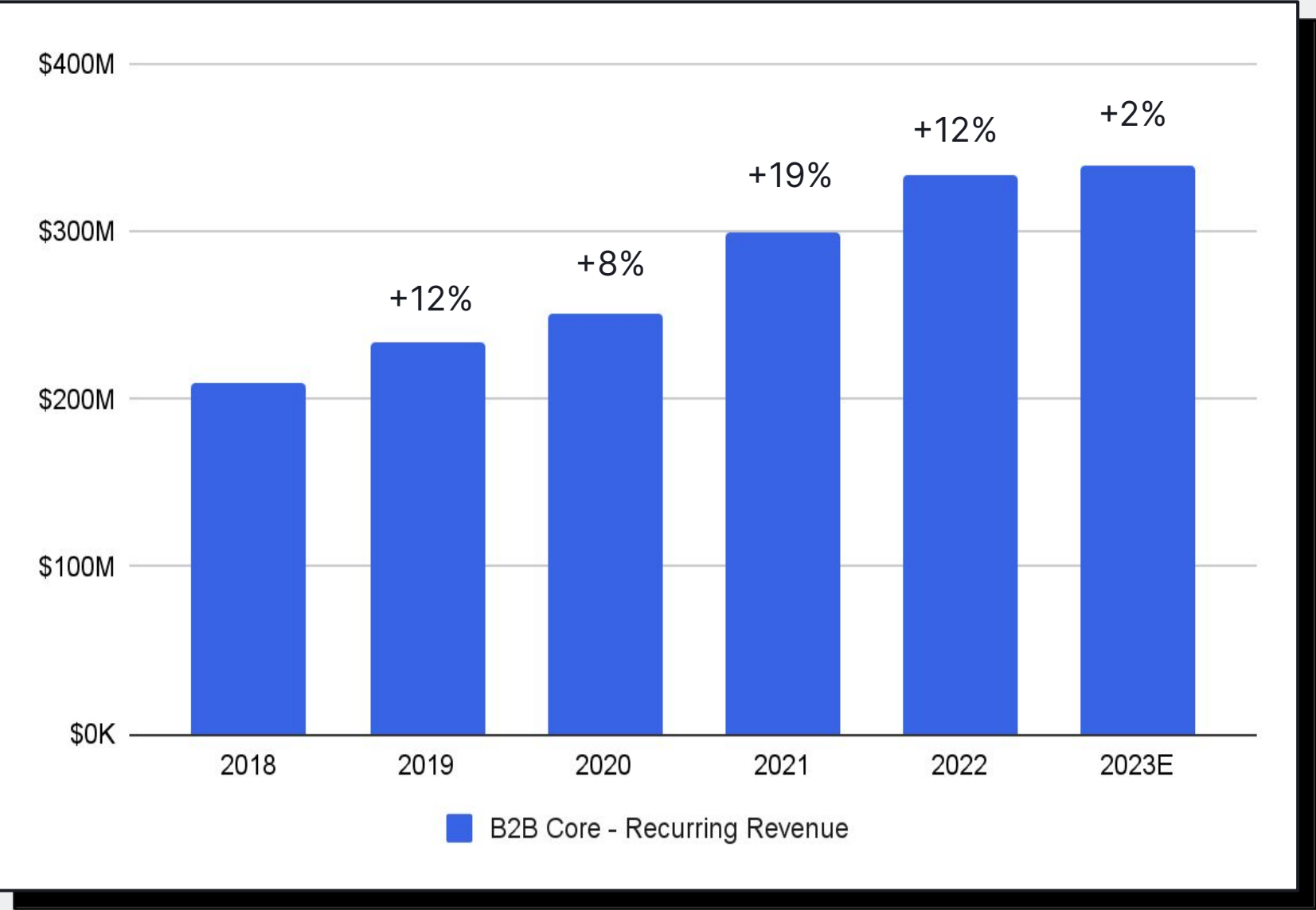
Q1'2023:  
Divested  
Kasamba &  
optimized  
our GTM

**Divested our non-core Consumer business Kasamba**  
Focusing on B2B Core business

Q2'2023 &  
Beyond: GAI

**Positioned for Growth with Generative AI**  
New LLM-powered Voice AI and messaging products; Customers can now efficiently automate up to an estimated 75% of their aggregate conversational volume, up from 25% with the conversational cloud.

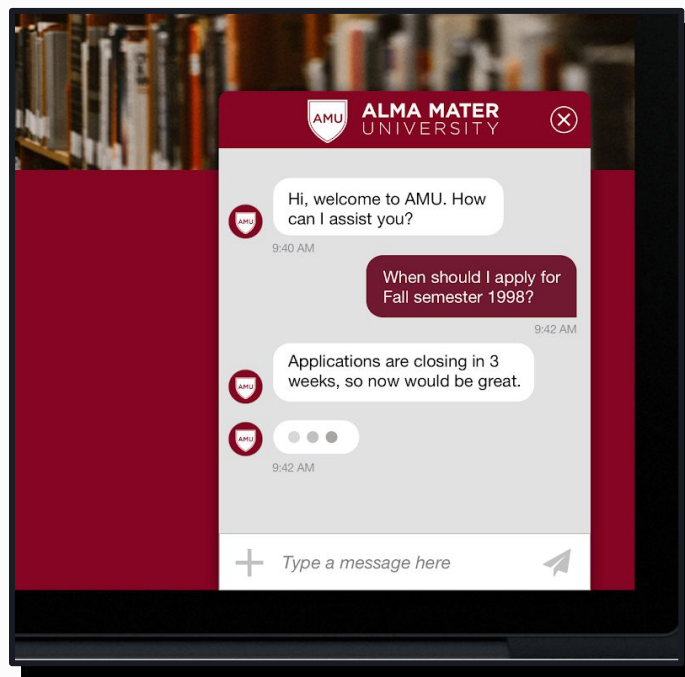
# Allows us to Focus on Growing our Core B2B Business



Total B2B Core includes Recurring Revenue, Professional Services, One-time Charges and Overages  
**Note 1:** 2023E B2B Core-Recurring Revenue represents the midpoint of the guidance given on August 8th, 2023

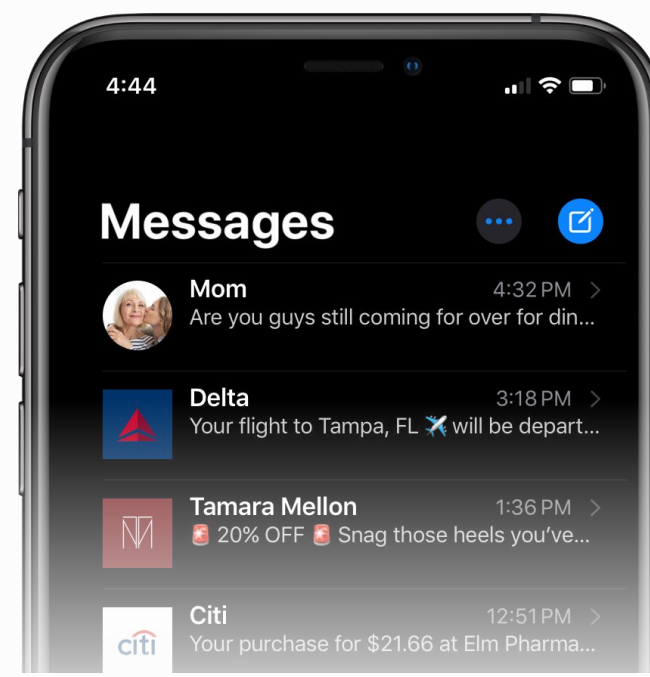


# The Next Wave of Innovation: Enterprise-grade Generative AI



**Synchronous Webchat**

**1997**



**Asynchronous Messaging**

**2016**



**AI & Automation for  
Messaging, Web, App, &  
Social**

**2019**



**Scaling Existing Solutions  
with Generative AI &  
Extending to Voice**

**2023**





# AI & Automation fueled by powerful intent data

Real-world data is the fuel for our AI engine. We power **1 billion** conversational interactions each month.

We are **focused on customer engagement at scale**  
- our AI is built off the most relevant, high-quality data from contact centers

We handle **over 34 billion API calls** each month.  
**Over 70%** of our total interactions are partially or fully fueled through AI & Automation!

Our large **user base of 100,000+** active users/month helps us improve our models across healthcare, retail, telecom, financial services,...





# Industry Overview & Competitive Landscape



# Key Challenges Facing the Customer Experience Industry Today

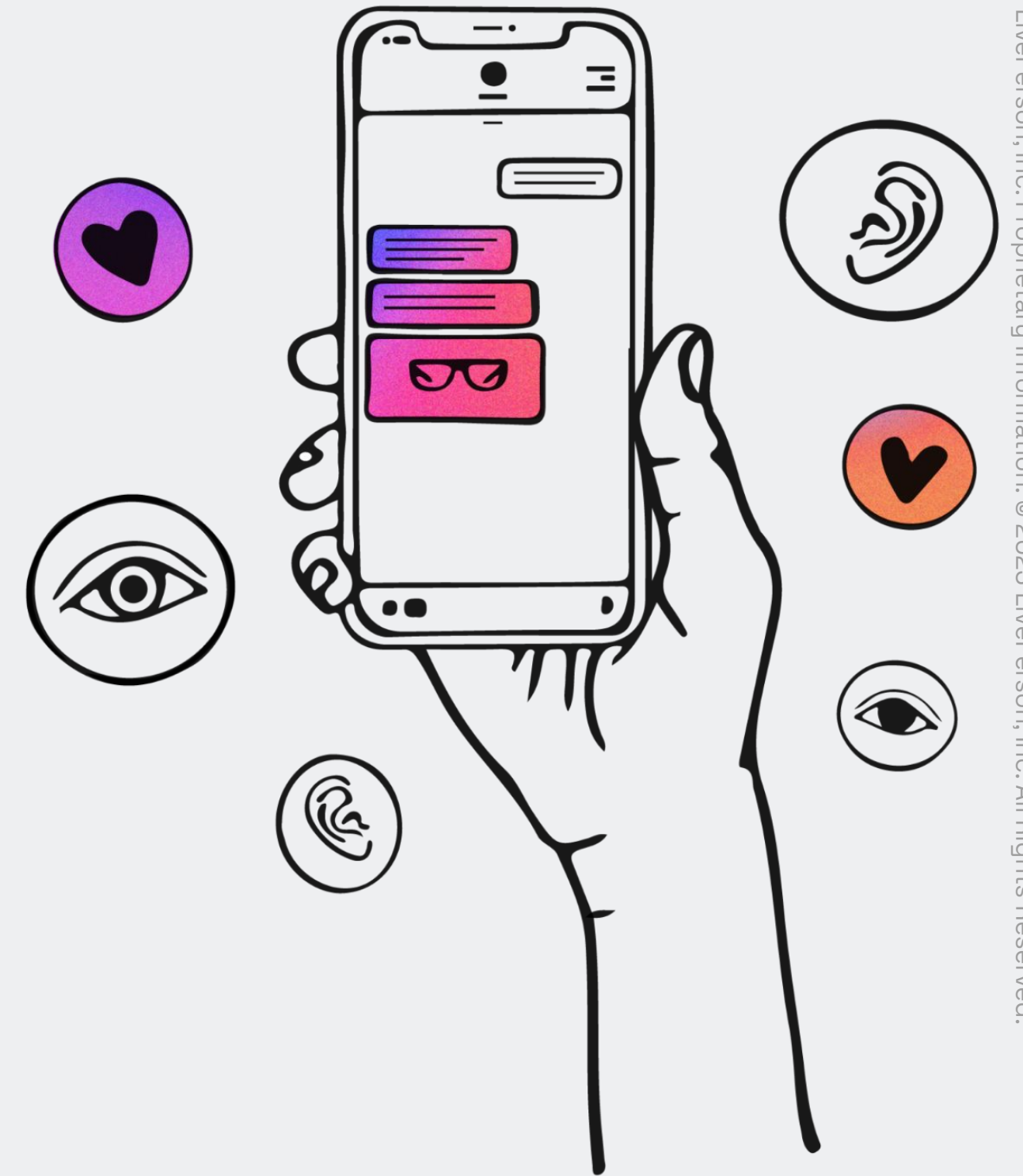
**70%** of interactions between customers and brands are **stuck in the IVR**

Brands spend **~\$1.3T on customer service calls** annually

**69%** of customers feel more confident about brands they can reach **via messaging**

Unraveling decades of **legacy voice infrastructure** and **synchronous agent operations**

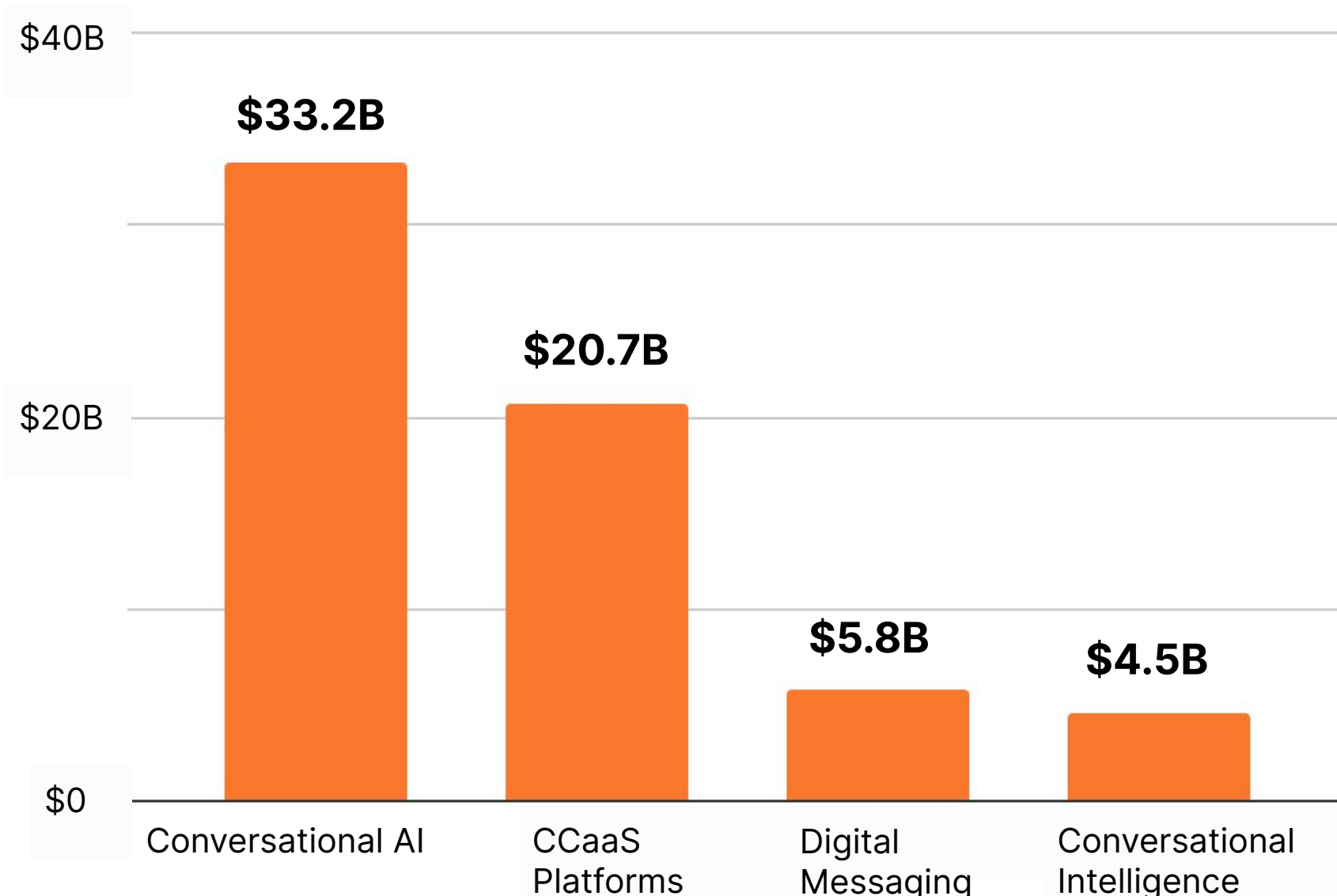
LivePerson's core value proposition is its ability to **shift volume out of legacy voice to messaging and automation**, driving superior customer experience, greater agent efficiency, and less dependency on human labor.





# Customer Service & Support TAM<sup>1</sup>

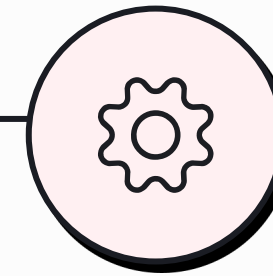
\$64B



**Note 1:** 2026 Forecasts sourced from Gartner. Conversational AI: Total Contact Center and CC Conversational AI and Virtual Assistants that includes CCI (licenses, SW and services), CCaaS (licenses, SW and services) and Conversational AI and Virtual Assistants. CCaaS Platforms: Includes Contact Center licenses and services. Digital Messaging: Includes Digital Customer Service offerings that focus on seamless conversation orchestration across digital channels. Conversational Intelligence: Includes real-time and postcontact capture and analysis of service and support experience.



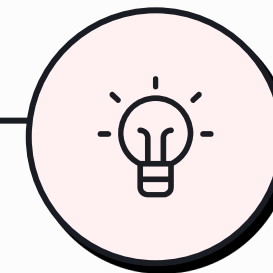
# We have a large and growing **Serviceable Addressable Market**



Today, we estimate **~25%** of total enterprise conversational volumes are serviced by our platform

**\$339M\***

**B2B core recurring revenue**



We estimate that our existing enterprise customers could shift **at least 75%** of their conversational volumes to our messaging and automation solutions, translating to a serviceable market opportunity of

**\$1B**

\*Current guidance for B2B Core Recurring Revenue is \$334M - \$344M in 2023



# General Market Trends

## Consolidation across customer care

- **Zendesk** acquired by **Hellman & Friedman & Permira** (largest Genesys shareholder)
- **Solvvy** acquired by **Zoom**
- **Conversocial** acquired by **Verint**
- **ContactEngine** acquired by **Nice CXOne**

## Importance of data & analytics

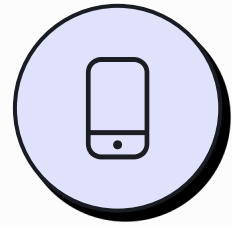
- 360 degree view across Voice & Digital
- Personalization
- Value is in the data (volume, quality, accessibility)
- Executive insight and visibility

## Emergence of Generative AI

- Commoditization of chatbots
- Public perception & sense of urgency
- Enthusiasm vs. concern, especially relative to enterprise needs
- Taking actions vs. merely having novelty conversations.
- The human-AI tango/partnership enables enterprise guardrails to ensure GenAI doesn't spew misinformation to consumers



# The markets in which we compete



## Digital Messaging

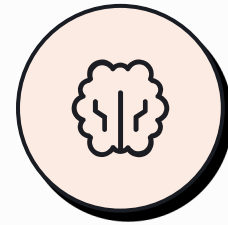
These vendors sell messaging capabilities across digital channels

### Why we win

- Breadth of channels
- Conversational AI capabilities & expertise
- Enterprise experience
- Superior messaging reporting & analytics

### Future opportunities

- Integrations/LivePerson Anywhere
  - Within Salesforce
  - CRM, CDP, & E-commerce
  - Workato
- Conversation Assist
- Agent Performance



## Conversational AI

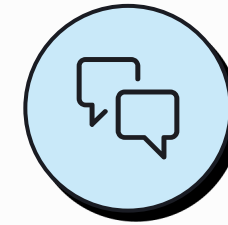
These vendors sell automated solutions for both digital and voice

### Why we win

- Breadth and depth of data set
- 300K+ humans in the loop annotating data that enhances model training
- Single platform for both automated and human-powered messaging
- Breadth of channel support
- Analytics across Voice & Digital

### Future opportunities

- Product simplification for faster time to value
- Voice Bots to automate phone and messaging interactions in one place
- Voice AI (IVR Deflection)
- Leveraging our unique dataset across verticals to accelerate bot building
- AI Search



## Conversational Intelligence

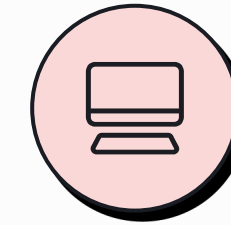
These vendors sell reporting and analytics tools to draw insights from conversational data

### Why we win

- Can buy as a product or API-based service for specific use cases
- Superior PCI redaction
- Sophistication of voice analysis

### Future opportunities

- Cross-channel analytics for a 360 view of all interactions across voice and digital
- Automated insights for the enterprise



## CCaaS Platforms

These vendors sell (primarily) cloud-based CX solutions for the contact centre

### Why we win

- Digital messaging with breadth of channel support and expertise
- Robust agent & supervisor workspace experience
- Conversational AI capabilities and expertise
- Superior voice and messaging analytics
- Open architecture for enterprise customers to seamlessly integrate third party AI solutions within our ecosystem

### Future opportunities

- Inbound voice integrations to Genesys, Amazon Connect, and Avaya
- Cross-channel analytics
- Intelligent Voice to Messaging Deflection
- Agent Productivity tools



# Among our Top 5 Competitors...

LivePerson is the only vendor with Agent and Bot-Focused Generative AI Abilities available for all customers today and only one of three that offer IVRs and/or Voice Bots

Vendor	LLM-powered Agent Productivity Tools	LLM-powered Conversational AI	IVR	Voice Bot
LivePerson	✓	✓	✗	✓
Salesforce	Early Access	✗	✗	✗
Genesys	✓	✗	✓	✓
Zendesk	Early Access	✗	✗	✗
Nuance	✗	Early Access	✗	✗
Amazon Connect	✗	✗	✓	✗



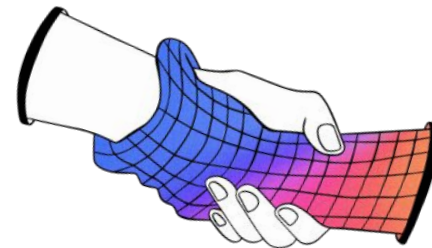
# Product Innovation: Generative AI & Voice AI



# AI built from the ground up to be trustworthy

## 1. Safe & Responsible AI from day one

Reduce risk of bias by partnering with the founders of EqualAI, spearheading standards and certification for **responsible, safe, and secure AI since 2018**.



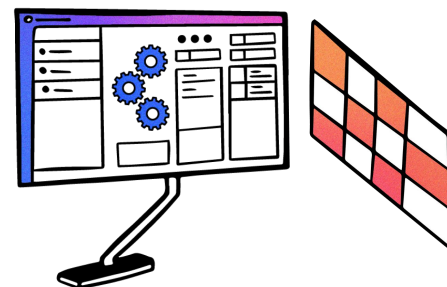
## 2. Human optimization at scale

Keep conversations grounded, factual, and relevant to your industry with data annotations from **over 300K skilled humans** in the loop on our platform.



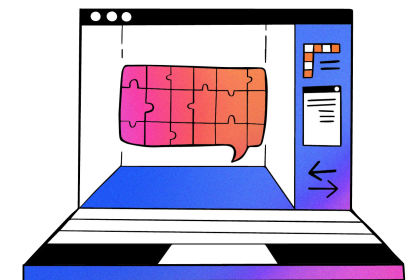
## 3. Impactful intelligence made easy

Accelerate better decision making  
With omni-channel intelligence and reporting that automatically delivers **actionable insights**.



## 4. World's largest conversational data set

Augment large language models with the world's largest conversational data set, drawn from **a billion monthly interactions**.





# Enterprise Generative AI

Powered by state-of-the-art LLMs to deliver an omnichannel customer experience — while reducing costs, improving resolution times, and boosting agent productivity.

## Conversation Copilot

Tools to empower your business to improve agent productivity and accelerate bot creation with humans-in-the-loop.

## Conversation Autopilot

Virtual assistants that leverage your existing content to instantly get up and running with ChatGPT-like conversational experiences.

## Voice AI

Extending LLM-powered and conversational automation experiences to the voice channel.

## Dynamic Actions

Listens to different AI signals and performs various actions, such as routing or executing workflows.

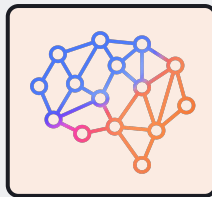
## Analytics

Analytics and insights to build, measure, and improve your customer experience with Generative AI.

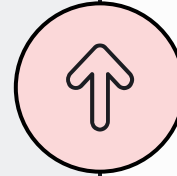
## AI Safety Guardrails

Training models on brand-specific data and the tango of humans and AI leveraging 300K humans in the loop provides guardrails and safety measures to ensure safe and secure bot and agent responses.



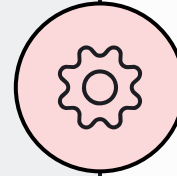


# Key benefits with LivePerson and LLMs



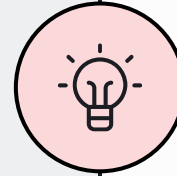
## Powerful Operations

- **Auto-Summarization** of messaging and voice conversations
- Ingestion and Optimization of content for KBs with **Knowledge AI**
- Optimized AI generated answer suggestions for agents via **Conversation Assist**



## Deeper Automation

- Training models on brand-specific data
- Tango of humans and AI leveraging **300,000+ humans** in the loop
- Faster, simpler bot creation
- Brand safe, context aware **Q&A bots**
- Seamless LLM integration with existing bots
- **Synthetic Training** data for efficient Intent model management



## Faster Business Insights

- Automated **What's Changed** Summary
- Query the analytics with **Conversational Insights**
- Generate and Edit data visualizations with **Conversational Charts**



## Richer Consumer Experiences

- Natural dialogue, faster responses, including **Voice AI**
- Consistent and accurate responses
- **Conversation Continuity** for voice transfers and returns
- **Real-Time Dynamic Actions**



# Financial Overview

## As of Q2 2023



# Second Quarter Business Highlights



## Financial Update

- 2Q23 Revenue of \$97.5M, within our guidance range of \$95M to \$99M
- Adjusted EBITDA<sup>1</sup> of \$12.8M
- B2B Core recurring revenue represented 89% of Total Revenue
- Eliminated a multi-year \$120M contingent earnout payment for Wild Health, \$40M of which was previously accrued for potential payment in 2023, in exchange for an immediate payment of \$12M and certain rights if a sale of Wild Health were to occur in the future.



## Go-to-market Update

- Total deal count of 69 in Q2 including:
  - 3 seven-figure deals
  - 36 expansion & renewal deals
  - 33 new logo wins



## Product Update

- Voice AI GA - Create seamless customer experiences across voice and messaging channels
- Generative AI GA - Bringing large language models to Conversational AI

<sup>1</sup>For a reconciliation between GAAP and non-GAAP financial measures, please see the Appendix to this presentation or our Press Release issued on August 8, 2023.



# Notable Wins in Q2 2023



**Retail Banking Vertical,  
including one of the Largest  
Banks in the World**

**Key offerings:**  
**Automation Services  
including Conversation  
Builder, Conversation Assist  
and Proactive Messaging**

**Use cases:**  
In-App customer messaging  
that complies with each  
bank's information security  
requirements and they will be  
leveraging key LivePerson  
differentiators including social,  
proactive messaging, and  
LivePerson automation.



**One of the Leading Health  
Solutions Companies**

**Key offerings:**  
**Proactive Messaging, SMS,  
Proactive Messaging API,  
Proactive Reporting API,  
LP Anywhere**

**Use cases:**  
Outbound SMS campaigns  
for appointment reminders &  
scheduling appointments.



**Hyundai Capital America, one of  
the Largest Captive  
Auto Finance Companies**

**Key Offerings:**  
**SMS, Apple Business Chat,  
Google Business Message,  
Web Messaging**

**Use Cases:**  
Auto Loan and Lease-related  
consumer functions; Payment,  
History, Payoffs, Deferred  
Payments



**The Leading Audio  
Entertainment Company  
In North America**

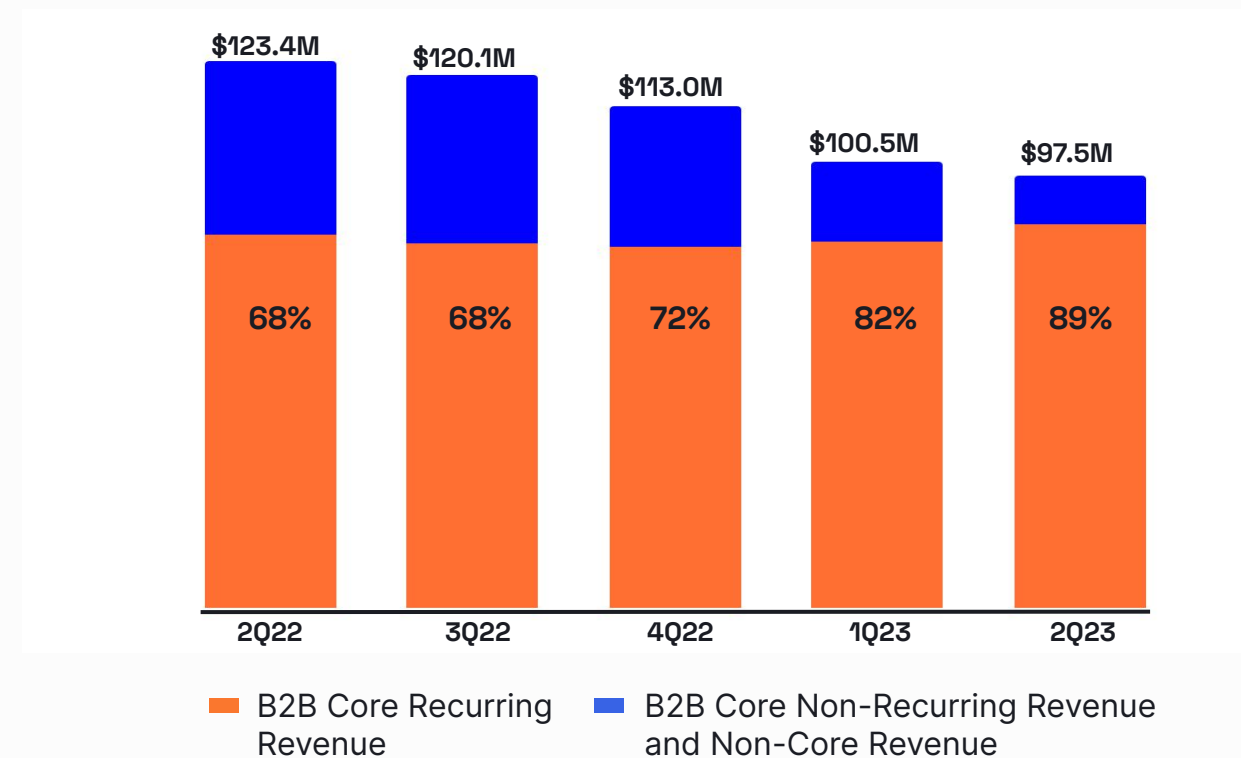
**Key Offerings:**  
**IVR Deflection & LP core,  
including Messaging,  
Automation and Gainshare**

**Use Case:**  
Sales and support uses cases  
including updated account  
info, looking at new plans and  
channel guides.

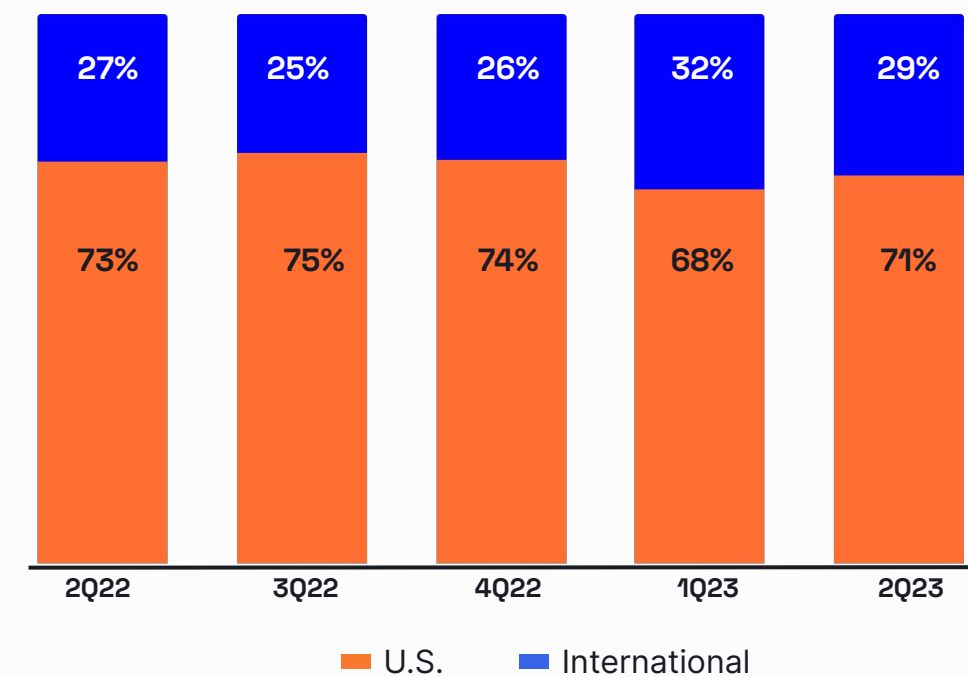


# Second Quarter Financial & Operational Highlights

**B2B Core Recurring Revenue as % of Total Revenue<sup>1,2</sup>**



**Quarterly Revenue by Geography<sup>2</sup>**



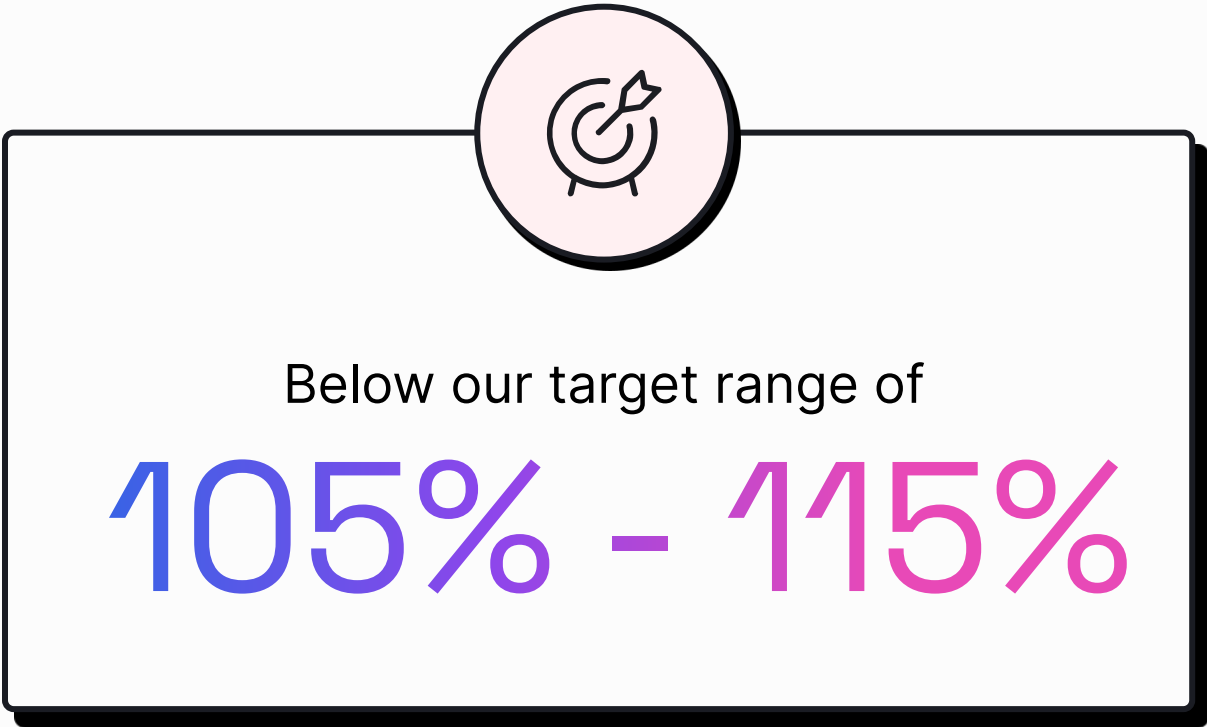
**Note 1:** Quarterly revenue declines primarily driven by wind down of non-Core business lines, including COVID-19 testing, Gainshare labor, and pandemic-driven Gainshare variable revenue

**Note 2:** Quarterly Revenue by Geography excludes Kasamba revenue

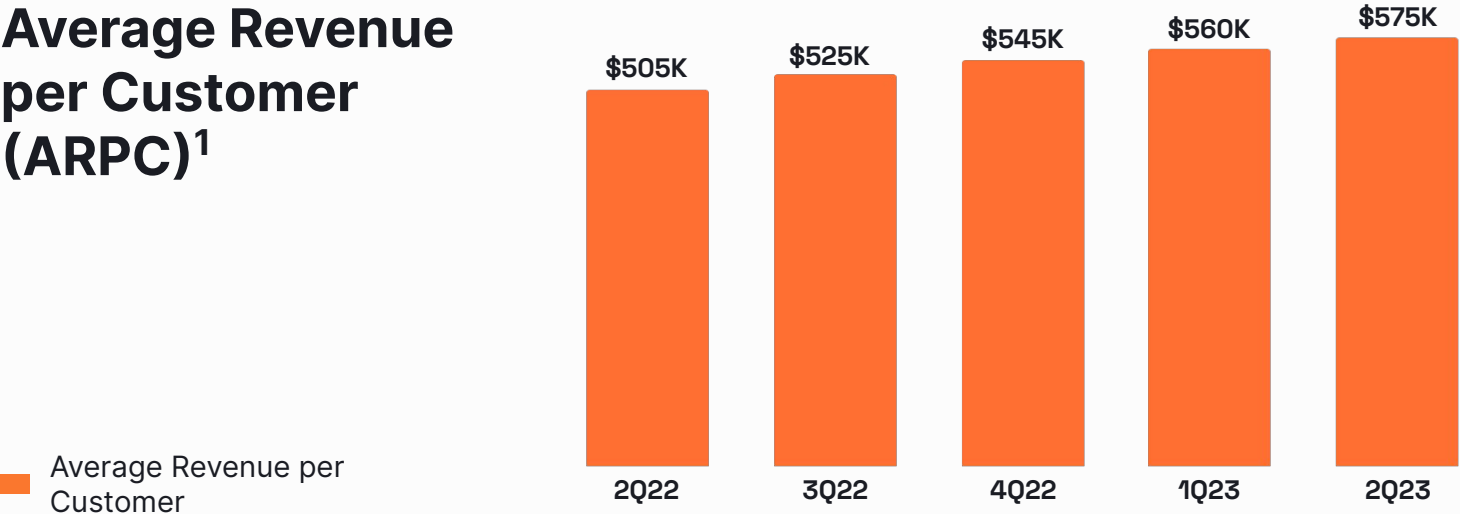


# Second Quarter Financial & Operational Highlights (cont'd)

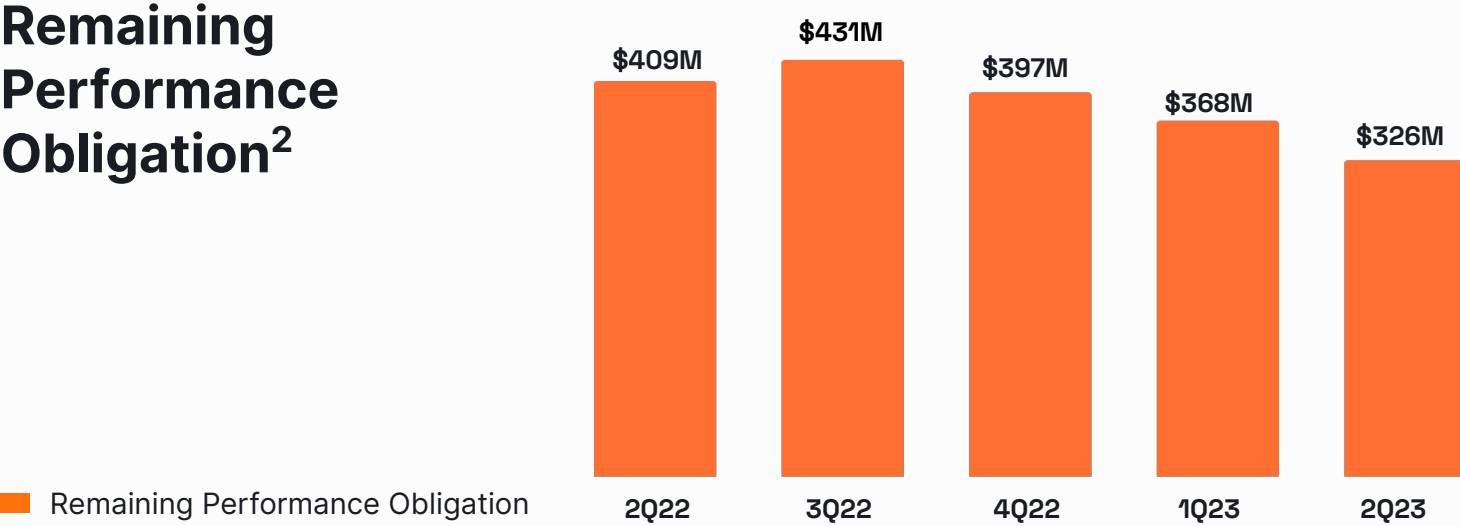
## Revenue Retention Rate for Recurring Revenue<sup>1</sup>



## Average Revenue per Customer (ARPC)<sup>1</sup>



## Remaining Performance Obligation<sup>2</sup>



**Note 1:** Revenue retention rate measures the percentage of recurring revenue retained at quarter end from customers vs. at quarter end in the year ago period. ARPC is a measure of the average recurring revenue per enterprise and midmarket customer over the trailing twelve months. Both metrics use recurring revenue vs total revenue.

**Note 2:** Declines primarily driven by wind down of non-Core business lines, including COVID-19 testing, Gainshare labor, and pandemic-driven Gainshare variable revenue



# Q3 and FY 2023 Guidance

	3Q 2023 Guidance	2023 Full Year Guidance <sup>(3)</sup>	Prior 2023 Full Year Guidance <sup>(3)(5)</sup>
<b>Revenue</b>	\$97M - \$101M	\$388M - \$400M <sup>(4)</sup>	\$387M - \$401M
<b>YoY revenue growth<sup>(1)</sup></b>	(19)% - (16)%	(19)% - (16)%	(19)% - (16)%
<b>B2B core recurring revenue % of Total</b>	85%	86%	86% - 87%
<b>Adj. EBITDA<sup>(2)</sup></b>	\$5.9M - \$12.9M	\$19M - \$32M	\$15M - \$32M
<b>Adj. EBITDA Margin</b>	6.1% - 12.8%	4.9% - 8.0%	3.9% - 8.0%
<p>(1) YoY growth comparisons exclude Kasamba contribution in Q3 2022 and Full Year 2022. YoY declines primarily driven by wind down of non-Core business lines, including COVID-19 testing, Gainshare labor, and pandemic-driven Gainshare variable revenue</p> <p>(2) Adjusted EBITDA is a Non-GAAP financial measure. For detailed current financial expectations, please see our Press Release issued on August 8, 2023.</p> <p>(3) 2023 Full Year Revenue Guidance excludes Kasamba revenue generated in Q1 2023</p> <p>(4) We deferred recognition of certain revenue attributable to Wild Health in the fourth quarter of 2022 because Medicare reimbursement for services rendered was suspended pending further review. We now expect that the review will be completed and that we will recognize the corresponding revenue in the second half of the year, likely in the third quarter.</p> <p>(5) Prior guidance given on May 9th, 2023</p>			



# Appendix



# LP Revenue Stack

**Total LivePerson revenue guidance for 2023 = \$388M - \$400M**

## B2B Core Revenue includes

- Recurring revenue (2023 guidance of **\$334M - 344M**)
- Professional Services (excluding Claire JV)
- One-time charges
- Overages

## Healthcare AI includes

- WildHealth - expect **strong growth** in the Core in 2023
- Claire JV - **\$3.8M** of Professional Services in Q1

## Non Core Revenue

from 2022 that will not recur in 2023

**\$50M**

**Covid Testing  
Claire JV**

**\$20M**

**Pandemic-driven Variable  
Gainshare Labor**



# Reconciliation of Adjusted EBITDA

2Q23

GAAP net income	\$10,822
Amortization of purchased intangibles and finance leases	\$5,454
Stock-based compensation expense	\$(18,148)
Contingent earn-out adjustments	\$(2,691)
Restructuring costs	\$2,387
Depreciation	\$9,726
Other litigation, consulting and other employee costs	\$7,079
Benefit from income taxes	\$(155)
Acquisition and divestiture costs	\$706
Interest income, net	\$(136)
Other expense, net	\$(2,202)
Adjusted EBITDA	\$12,842

**Note:** Dollar amounts in thousands. Certain items may not total due to rounding. Adjusted EBITDA is a Non-GAAP financial measure. Adjusted EBITDA excludes amortization of purchased intangibles and finance leases, stock-based compensation expense, contingent earn-out adjustments, restructuring costs, depreciation, other litigation, consulting and other employee costs, benefit from income taxes, acquisition and divestiture costs, interest expense, net, and other expense, net. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with U.S. GAAP. Please see our press release issued August 8, 2023 for more information concerning the reconciliation of non-GAAP measures to the nearest applicable GAAP measure.