



Investor Presentation

March 2021

Rob LoCascio, Chief Executive Officer
John Collins, Chief Financial Officer

Disclaimer

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 non-GAAP financial measures, which complement the Company’s financial statements prepared in accordance with GAAP. These non-GAAP financial measures are not intended to supersede or replace the Company’s GAAP results. The most directly comparable GAAP financial measures and a detailed reconciliation between GAAP and non-GAAP financial measures is included in the Appendix to this presentation.

We obtained market, industry and other data in this presentation from our own internal estimates and research, publicly available information about our competitors, industry and general publications and research, surveys and studies conducted by third parties. While we believe that the publicly available information about our competitors, 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.

LivePerson is a **global SaaS** company with a diversified customer base and a proven track record of **growth** led by **innovation**

LPSN SNAPSHOT

Founded 1995

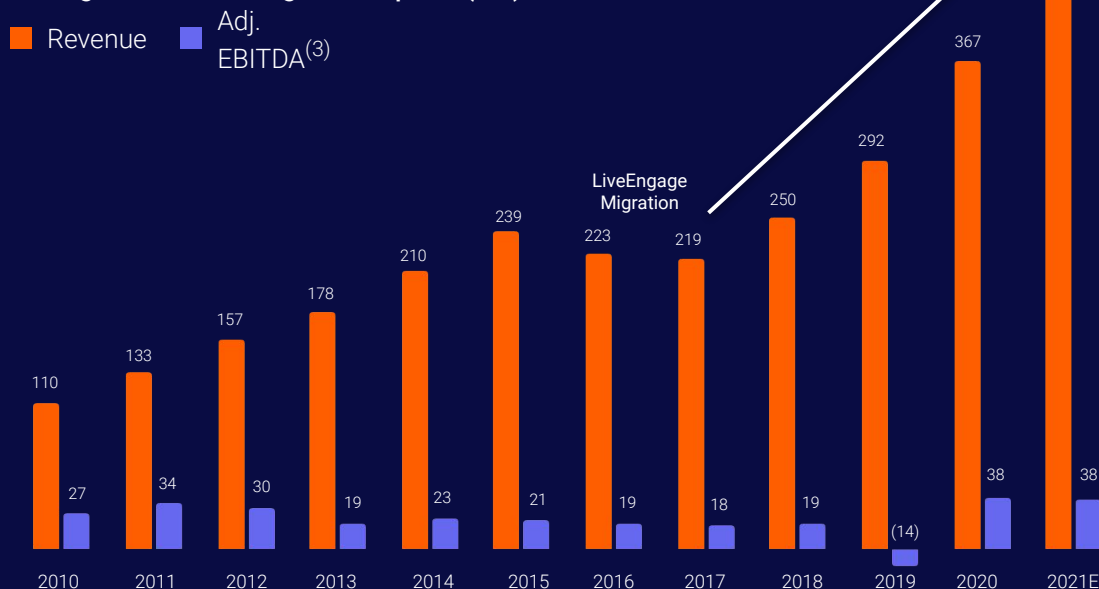
1,200 employees⁽¹⁾

18,000 customers⁽¹⁾

\$654M cash on hand⁽¹⁾

Distributed workforce model with employees located in more than 12 countries across Asia, Australia, Europe, LATAM and the U.S.

Strong track record of growth & profit (\$M)⁽²⁾



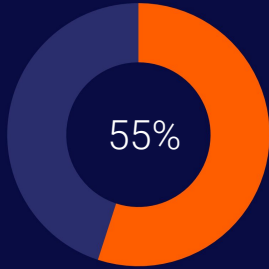
(1) As of December 31, 2020

(2) 2021E based on midpoint of guidance issued February 25, 2021

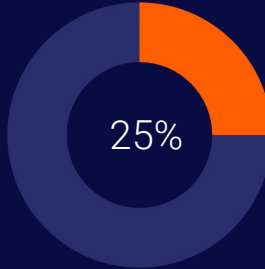
(3) Please refer to the reconciliation of Adjusted EBITDA in the appendix

LivePerson, Inc. Proprietary Information. © 2020 LivePerson, Inc. All Rights Reserved.

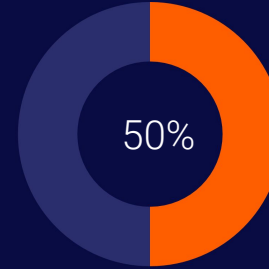
Approximately 400 of the world's **leading brands** depend on LivePerson for Messaging and **Conversational AI**



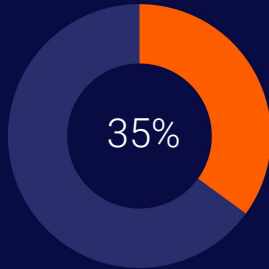
of Global
Fortune 500
telcos



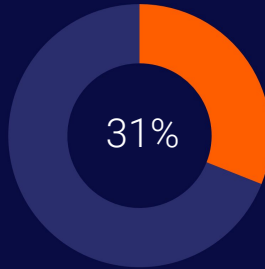
of Global
Fortune 500
retailers



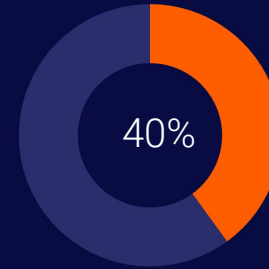
of Global
Fortune 500
airlines



of Forbes'
World's Most
Valuable
Brands are
customers
or partners



of Global
Fortune 500
banks



of Global
Fortune 500
technology
companies

*All figures exclude China, a region where LivePerson does not operate.

A digital shift always requires a fresh mindset and **strategy**



265 Billion
yearly calls to 1-800#s
(at a cost of \$1.3 trillion) (*)

Voice Call Center



Web & E-Commerce



Web/App & Social Commerce



Messaging Conversational Commerce

(*) Source: IBM, April 2018; The US Contact Center Decision-Makers' Guide 2018-2019

Consumers don't want to call. They moved on to **messaging** in their personal lives and want the same **experience** with their favorite brands.

100B

messages are sent on WhatsApp, Facebook, and Instagram every day.



470M

new messaging users estimated to be added between 2018 and 2021.

NEW

90%

of 1B WeChat users use the app for payments or purchases.



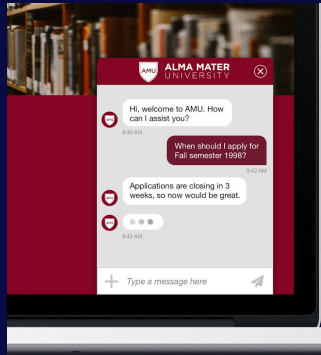
18M

texts were sent every single minute in 2019.



Source: Facebook Q3 2018 Earnings Call, Domo, eMarketer, Tencent 2018 Q3 results, Business Insider

LivePerson has been **transforming** how people **communicate** with brands since 1997. We make life easier for people and brands everywhere through **trusted Conversational AI**.



Webchat

1997



Messaging

2016



AI

2019



Conversational Commerce

2021

We estimate a \$60B opportunity in the Conversational Space. Well positioned in key verticals and expanding into new target markets.



LivePerson's **AI-powered Conversational Cloud**

Discover & Understand

Intent Manager

Intent Builder

Intent Analyzer



Design & Scale

Conversation Builder

Conversation Manager

Conversation Orchestrator



Measure & Improve

Conversation Analytics

Insights

Analytics Builder

Performance Dashboard



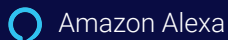
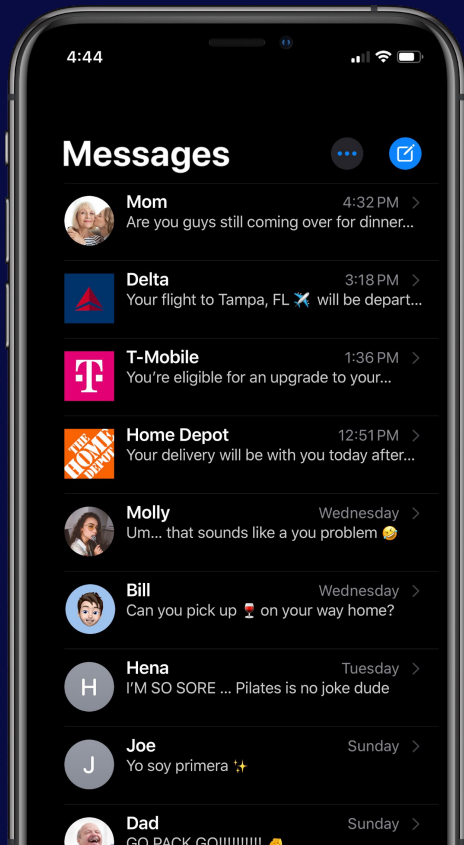
Connect to consumer endpoints

Customize with developer tools and APIs

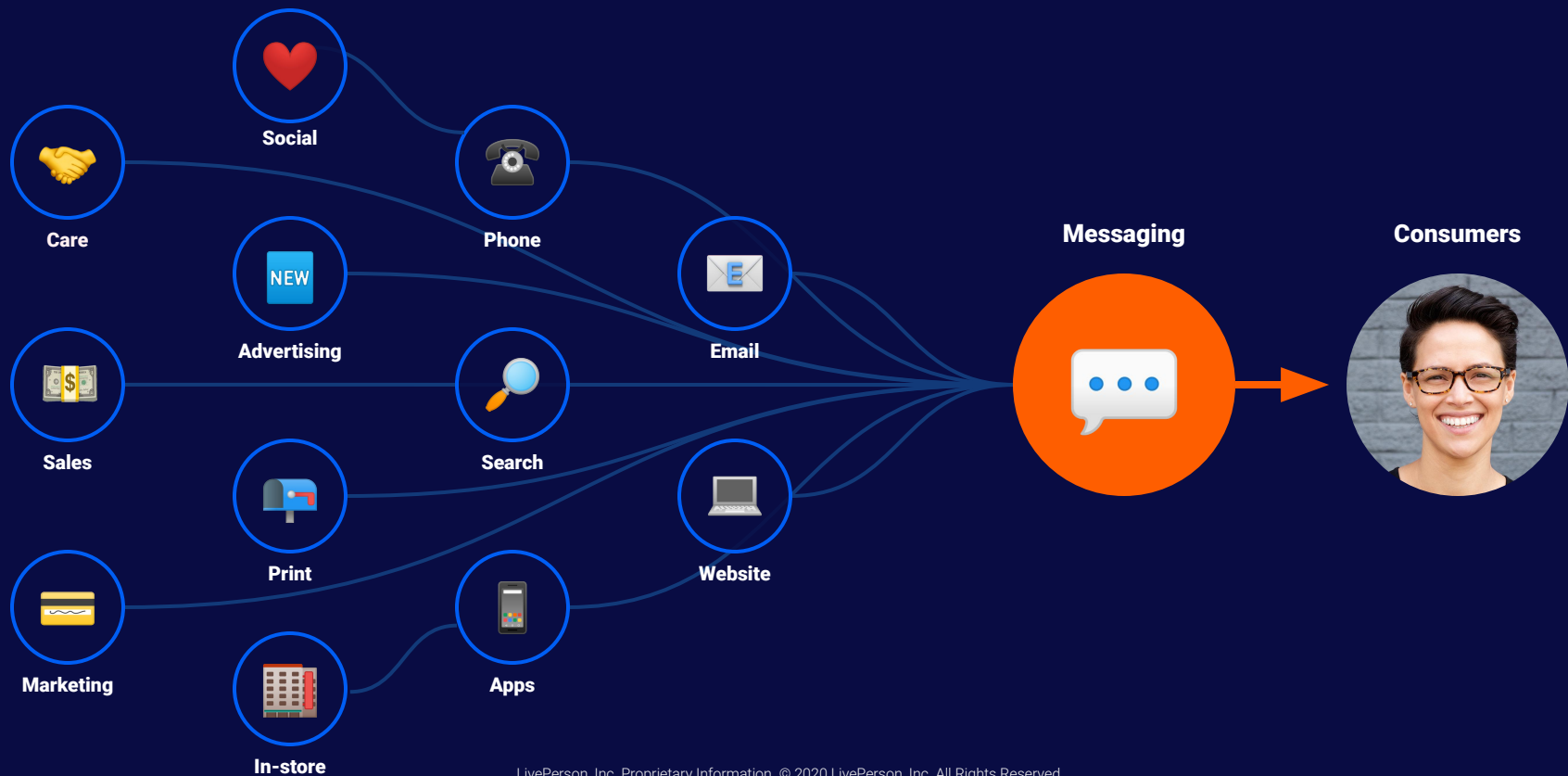
Optimize with expert services

Secure with enterprise-grade reliability, compliance and security

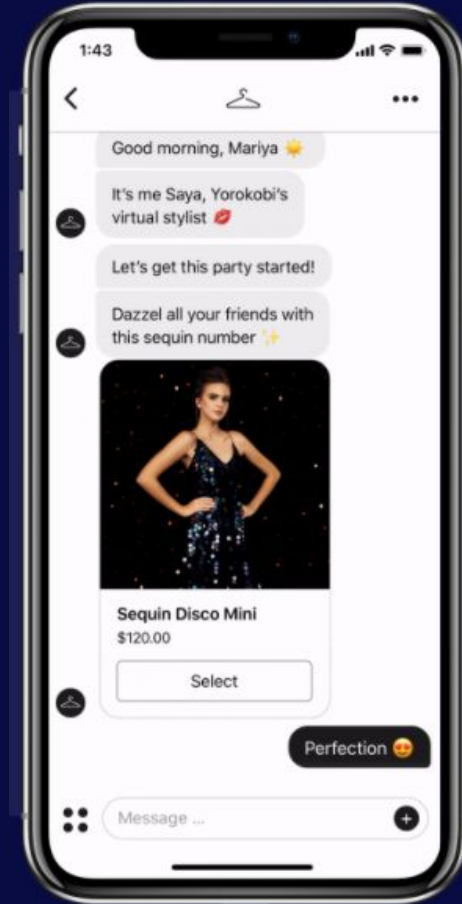
LivePerson **connects you to your favorite brands anytime and anywhere**



One platform to power every conversation across every channel



AI and automation scale the capacity for more engaging, **personalized**, and high-value conversations.



Conversational AI transforms brand's communication with consumers

DISCOVER

Receive intents and provide a unified view

UNDERSTAND

Automatically classify and route intents

DESIGN

Fulfill intents through automations

SCALE

Supervise automations with human agents

CUSTOMIZE

Connect backend systems seamlessly

Hey

Thank you for contacting Bolt Airways. I'm your automated travel assistant. How can I help you?

Conversation Builder
Greeting bot

I need to add a frequent flyer number to my upcoming flight

Intent Manager
Intent Analysis
Intent = Add frequent flyer

I can help you add a frequent flyer number to your flight.

Conversation Orchestrator
Route to Frequent Flyer bot

I see that you have a flight from JFK to SFO tomorrow at 7:00am, is that the flight you're referring to?

Conversation Builder
Frequent Flyer bot

... and delivers strong **business returns** and **powerful impacts**

20%

boost in
customer
satisfaction.



2x

uptick in
employee
efficiency.



90%

automation
containment
rates.



Up to **10x**

conversion rate
versus
traditional digital
experiences.



50%

decrease in
agent attrition
rates.



Source: LivePerson data based on specific customer examples

Our **momentum** and **Conversational AI leadership** has been recognized

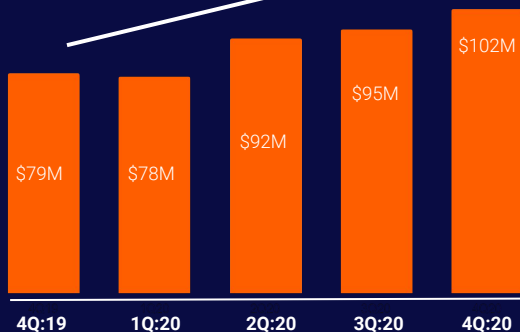


Positive Conversational AI leading indicators

Trends for key metrics point to sustained growth trajectory

Quarterly total revenue

~29% YoY growth



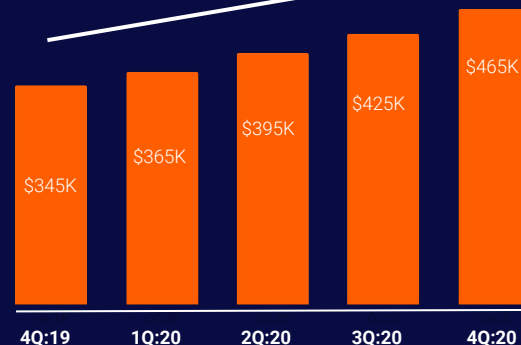
Revenue retention rate *above*
Target range of

> 105% to 115%

*Sixteenth consecutive quarter
over 100%*

Average revenue per user (ARPU)

~35% YoY Growth



*Note: Revenue retention rate measures the % of revenue retained at quarter end from full service customers that were either on Conversational Cloud or with LivePerson, respectively, at quarter end in the year ago period. ARPU is a measure of the average revenue per enterprise and midmarket customer over the trailing-twelve months.

Positive Conversational AI leading indicators

Trends for key metrics point to sustained growth trajectory



Selected Pro Forma Guidance Measures⁽¹⁾

	1Q:21 Guidance	2021 Guidance	Actual 2020
Revenue	\$103.0 - \$104.0	\$458.0 - \$466.0	\$366.6
Gross Margin	69.0%	70.0%	~71%
GAAP Net Loss	\$(38.8) - \$(36.8)	\$(139.0) - \$(130.8)	\$(107.6)
Adjusted EBITDA	\$5.0 - \$7.0	\$33.5 - \$41.5	\$37.9
Adjusted EBITDA Margin	5% - 7%	7% - 9%	~10%

- Guides for 2021 revenue acceleration to a range of 25% to 27%. Q1 revenue guidance targets a revenue growth of 32% to 33%.
- Sees demand inflection as consumers are shifting significantly to conversational commerce, and brands adopt Conversational AI and messaging to satisfy growing digital demand.
- Accelerating growth outlook reflects inflecting demand for Conversational AI, strong momentum in volume usage, accelerating automation and AI adoption, expanding and strengthening partner relationships, and a revenue run rate that is ahead of plan.
- Guides for 2021 adjusted EBITDA of \$33.5M - \$41.5M, expecting to accelerate investment in early 2021 while continuing to materialize efficiency gains from internal automation.
- Targets first quarter of adjusted EBITDA in a range of \$5M - \$7M, at 5% - 7% margin, given investments acceleration in go-to-market capacity and product development in first half of 2021.

(1) Dollar amounts in millions. Adjusted EBITDA is a Non-GAAP financial measure. For a reconciliation of net loss to Adjusted EBITDA, please see slide 22. For detailed current financial expectations, please see our Press Release issued on February 25, 2021

Key takeaways

\$60B TAM poised for transformation



Ample growth opportunities as Conversational commerce expands



Market leading AI-powered platform and blue-chip customers



Highly adaptable model powering growth acceleration and margin expansion



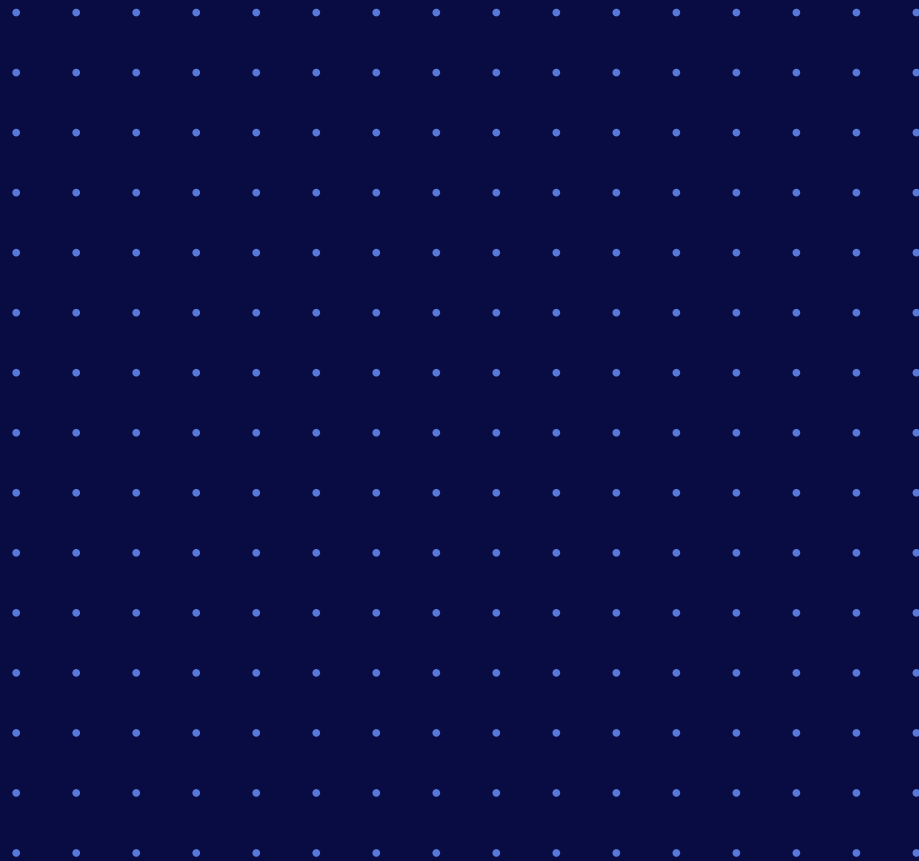
Sustainable competitive advantage



Making life better for consumers, brands and agents



Appendix



Non-GAAP adjusted EBITDA reconciliation

Reconciliation of Adjusted EBITDA (\$M)	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net income (loss)	\$ 5.8	\$ (23.8)	\$ 7.8	\$ 9.3	\$ 12.0	\$ 6.4	\$ (3.5)	\$ (7.3)	\$ (26.4)	\$ (25.9)	\$ (18.2)	\$ (25.0)	\$ (96.1)	\$ (107.6)
(+) Amortization of purchased intangibles and finance leases	\$ 1.8	\$ 2.6	\$ 2.0	\$ 1.5	\$ 1.0	\$ 0.6	\$ 2.6	\$ 5.1	\$ 8.0	\$ 6.7	\$ 4.7	\$ 2.8	\$ 2.9	\$ 3.6
(+) Stock-based compensations	\$ 3.9	\$ 4.3	\$ 4.7	\$ 5.1	\$ 6.8	\$ 10.7	\$ 12.5	\$ 12.3	\$ 11.8	\$ 9.7	\$ 8.9	\$ 14.8	\$ 44.1	\$ 65.9
(+) Contingent earn-out adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3.7)	\$ -	\$ -	\$ -	\$ -	\$ 0.3
(+) Restructuring costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3.4	\$ 2.4	\$ 2.6	\$ 4.5	\$ 2.0	\$ 29.4
(+) Depreciation and amortization	\$ 0.8	\$ 2.1	\$ 3.3	\$ 5.8	\$ 6.6	\$ 7.3	\$ 8.1	\$ 9.1	\$ 12.1	\$ 12.0	\$ 12.4	\$ 14.2	\$ 16.4	\$ 22.8
(+) Other costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7.8	\$ 7.6	\$ 5.9	\$ 8.0	\$ 5.4
(+) Provisions for (benefit from) income taxes	\$ (1.7)	\$ 1.2	\$ 5.0	\$ 5.1	\$ 7.1	\$ 4.4	\$ (0.6)	\$ 1.9	\$ 15.8	\$ 5.9	\$ 0.5	\$ 0.9	\$ 2.8	\$ 2.5
(+) Acquisition costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1.0	\$ -	\$ 1.4	\$ -	\$ -	\$ -	\$ 0.6	\$ -	\$ -
(+) Other (income) expenses, net	\$ (0.9)	\$ 0.0	\$ (0.0)	\$ 0.0	\$ 0.5	\$ (0.4)	\$ (0.3)	\$ 0.3	\$ 0.2	\$ 0.5	\$ (0.1)	\$ 0.5	\$ 6.2	\$ 15.7
(+) Goodwill impairment	\$ -	\$ 23.5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted EBITDA	\$ 9.7	\$ 9.9	\$ 22.8	\$ 26.8	\$ 34.0	\$ 30.0	\$ 18.8	\$ 22.7	\$ 21.2	\$ 19.2	\$ 18.4	\$ 19.1	\$ (13.6)	\$ 37.9

Note: Dollar amounts in millions. Certain items may not total due to rounding. Adjusted EBITDA is a Non-GAAP financial measure. Adjusted EBITDA excludes provision for (benefit from) income taxes, other (income)/expense, net, depreciation and amortization, stock-based compensation, restructuring costs, acquisition costs and other costs. 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. See select non-gaap definitions slide.

Projected Non-GAAP adjusted EBITDA reconciliation

Guidance	1Q:21E	2021E
GAAP net loss	\$(38.8) - \$(36.8)	\$(139.0) - \$(130.8)
Depreciation & amortization	\$11.0	\$44.0
Stock-based compensation	\$16.3	\$77.2
Other non-recurring costs	\$6.0	\$9.5
Provision for taxes	\$1.2	\$4.2 - \$4.0
Other (income) expense, net	\$9.2	\$37.5
Adjusted EBITDA	\$5.0 - \$7.0	\$33.5 - \$41.5

Note: Dollar amounts in millions. Certain items may not total due to rounding. Adjusted EBITDA is a Non-GAAP financial measure. Adjusted EBITDA excludes provision for (benefit from) income taxes, other (income)/expense, net, depreciation and amortization, stock-based compensation, restructuring costs, acquisition costs and other costs. 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 February 25, 2021 for more information concerning the reconciliation of non-GAAP measures to the nearest applicable GAAP measure.

Select definitions

Stock-based compensation

Represents costs related to stock-based compensation associated with certain employees' participation in the 2009 Stock Incentive Plan and the 2018 Inducement Plan.

Other non-recurring costs

Primarily represents IP litigation, consulting costs, restructuring costs, and acquisition costs.

Restructuring costs

Represents severance and associated costs related to resource reallocation for the Company's platform transformation as well as wind-down costs to focus on areas of high-growth potential.

Other costs

Primarily represents IP litigation, consulting costs, and write-off related to technology licenses.

Acquisition costs

Represents costs incurred for certain acquisitions including: Conversable, Inc. (2018); and AdvantageTec, Inc. (2018).

Goodwill impairment

Represents an impairment charge in connection with the acquisition of Kasamba Inc.

Other (income) expense, net

Primarily consists of interest income on cash and cash equivalents, investment income and financial (expense) income which is a result of currency rate