



Second Quarter 2022

Earnings Call Supplemental Slides

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August 8, 2022

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 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, adjusted EBITDA margin, and non-GAAP gross 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, depreciation, other litigation and consulting costs, restructuring costs, contingent earn-out adjustments, provision for (benefit from) income taxes, interest income (expense), and other expense (income), 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.

Second Quarter Business Highlights



Financial Update

- Second quarter results demonstrate continued progress on profitable growth strategy
- 2Q22 Revenue of \$132.6M, growing at ~11% YoY
- Adjusted EBITDA¹ of \$(5.5)M, at the high end of guidance and up more than \$12 million sequentially
- Operating expenses of \$138.1M, above the implied guidance range



Go-to-market Update

- Signed 45 new logo wins in Q2, 73% increase sequentially and 55% YoY
- Continued success in land-and-expand strategy with customer base, signing five 7-figure ACV deals
- Returned to in-person marketing events with Executive Community events in NYC and London
- Wild Health performing above expectations; signed deals with Spartan Race and USA Boxing



Product Update

- Strong platform usage with Conversational Cloud messaging volume growth of 32% and AI-based messaging volume up 20% YoY
- Integration of VoiceBase, Tenfold and Wild Health into the LivePerson platform
- Partnership Channel: Opening up the platform so the Conversational Cloud can be used in different environments

¹For a reconciliation between GAAP and non-GAAP financial measures, please see the Appendix to this presentation or our Press Release issued on August 8, 2022.

Notable Wins of the Quarter



Capitec Bank Holdings

Key offerings: Automating Capitec's customer experience over Whatsapp while also using the power of VoiceBase for real time insights into their customers' and the bank's operations

Use cases: PCI Compliance, increase CSAT, increase ASAT & NPS



Canada's largest bank and a top 10 bank globally by Market Capitalization

Key offerings: Replace "click to call" with "click to chat" in app, NLU & Full suite of automation services

Use cases: Automate customer support, reduce costs of servicing and account growth opportunities



Major U.S. Airline

Key offerings: Conversation Assist, KnowledgeAI Enhancement, Performance Optimizer

Use cases: Personalize Engagements, Prioritize Conversations, Self-Heal Conversations, Perform External Workflows



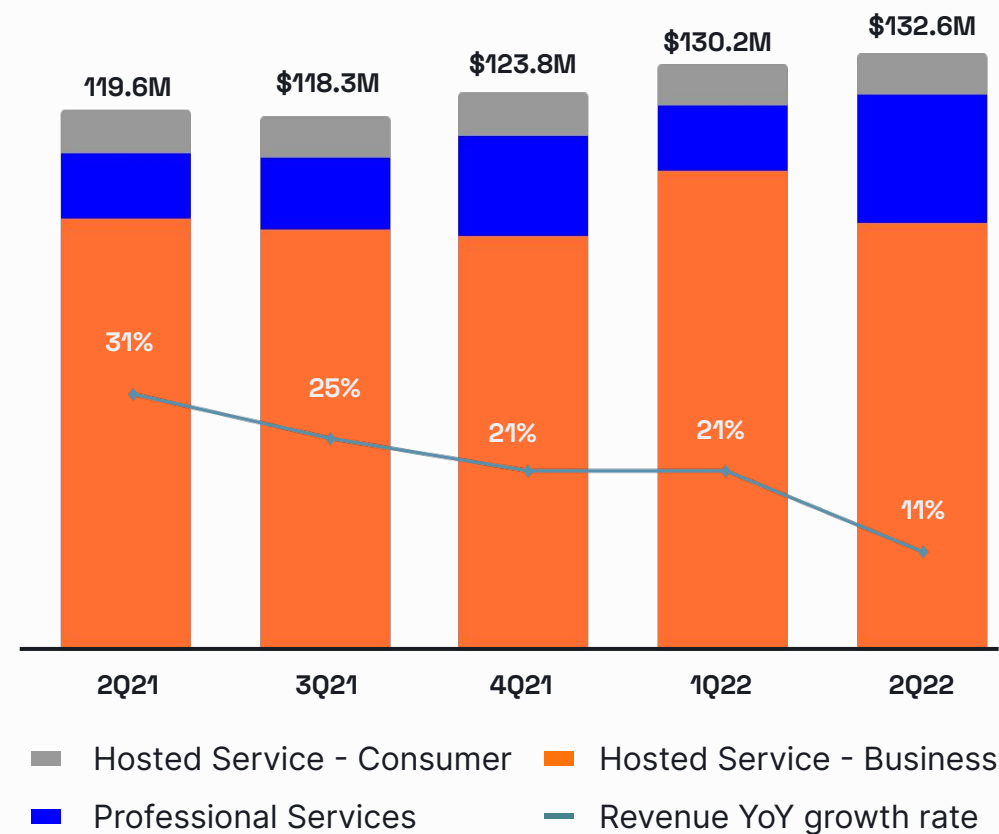
Large U.S. Automotive OEM Finance Company

Key offerings: Automation as a Service (Gainshare), transition from a 100% voice agent environment to an intent driven, digital first contact center

Use cases: OPEX reduction, increase CSAT

Second Quarter Financial & Operational Highlights

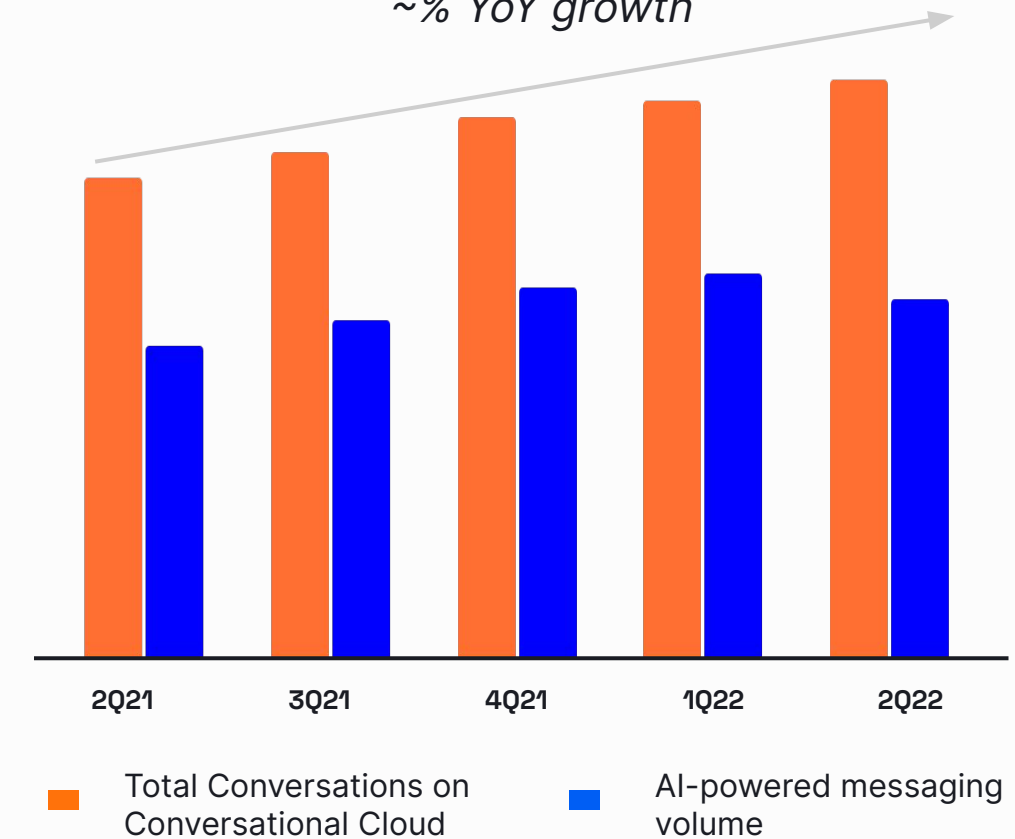
Quarterly Revenue



- 45 New Logo Wins up 55% Year over Year and 73% sequentially
- 5 seven-figure deals
- Signed one of the largest new logo deals in our history with Capitec Bank Holdings, one of the largest retail banks in South Africa

Conversational Cloud Conversations

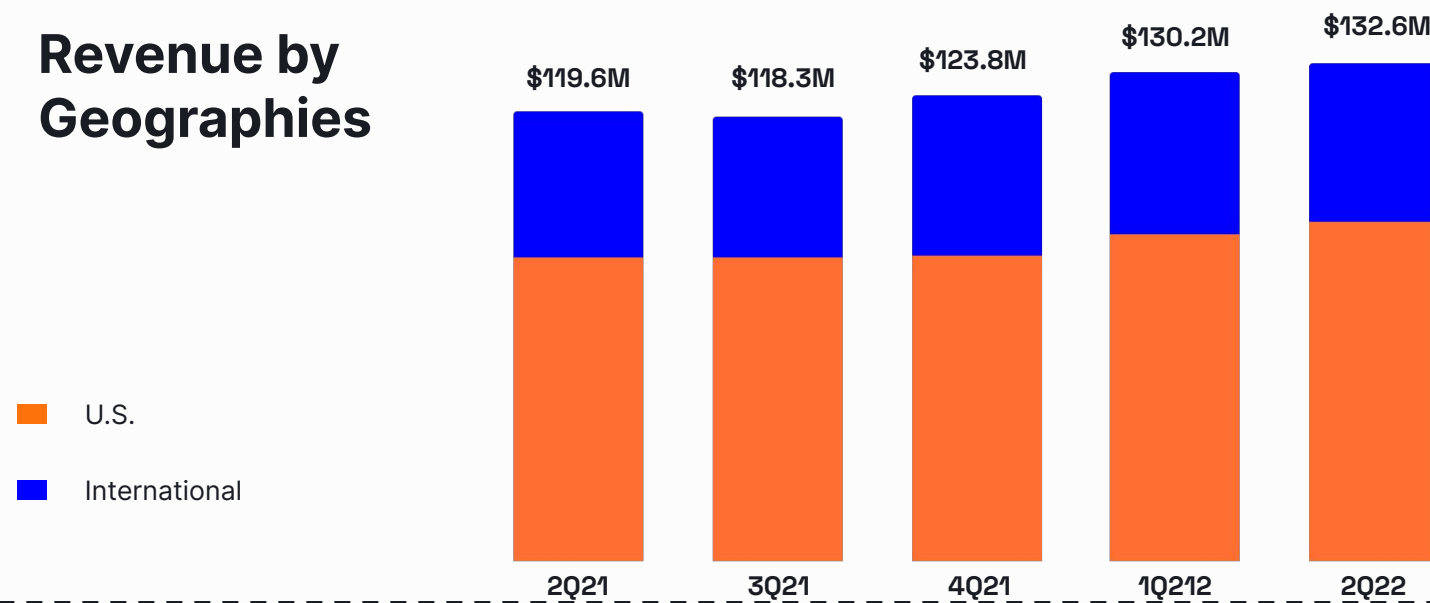
~% YoY growth



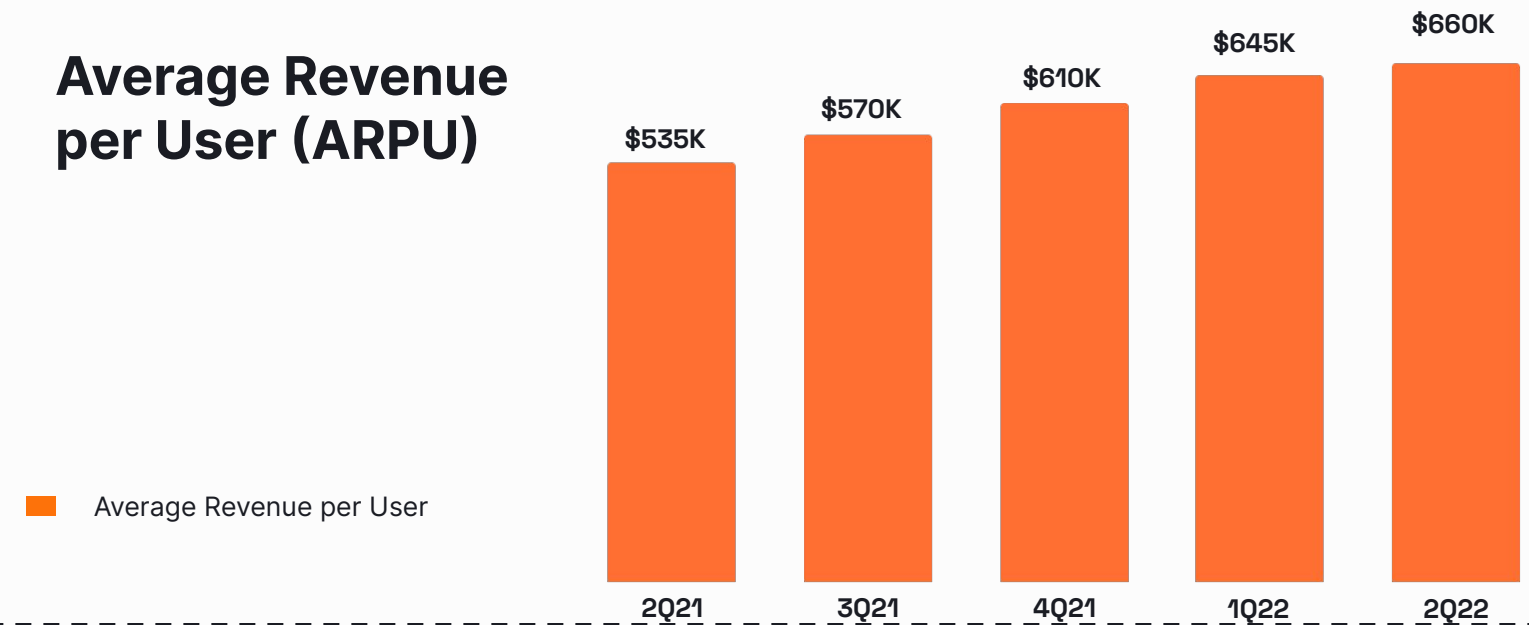
- Conversational Cloud volume increased 32 % YoY
- Continued increase in automation with AI-powered messaging volume on the Conversational Cloud increasing 20% YoY

Second Quarter Financial & Operational Highlights (cont'd)

Revenue by Geographies



Average Revenue per User (ARPU)

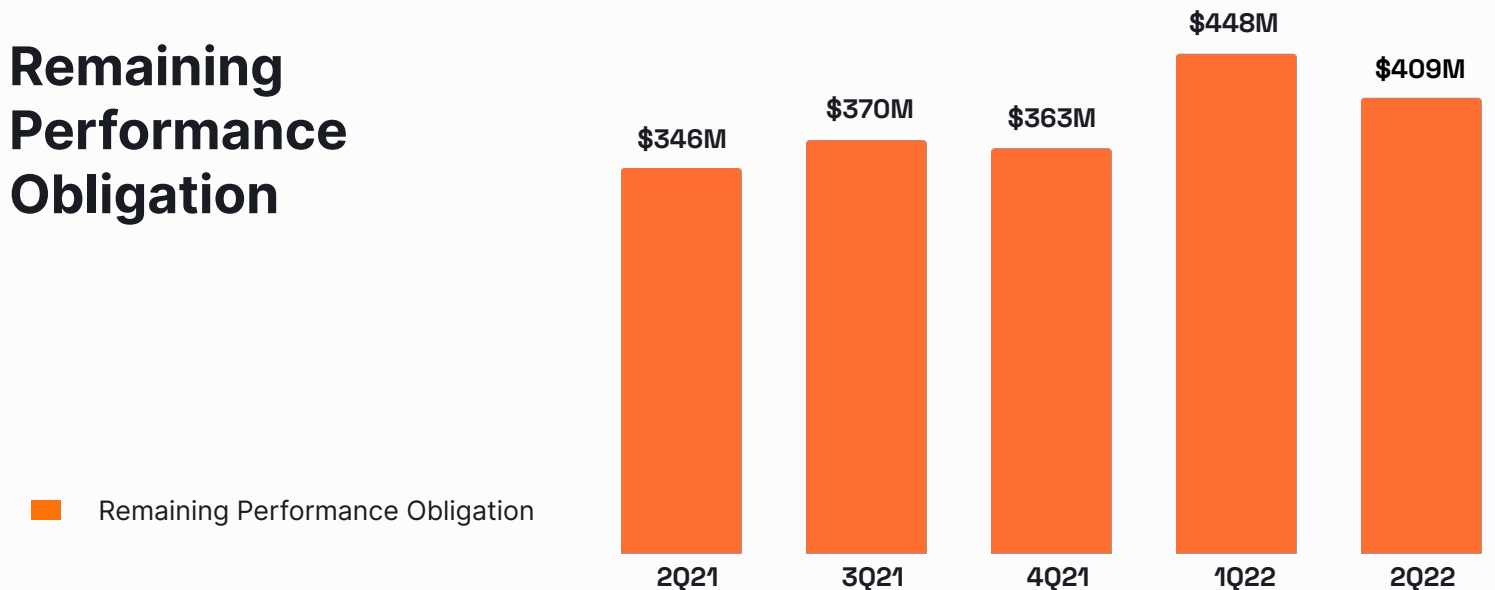


Revenue Retention Rate

Just below target range[†] of
105% - 115%

[†]Still above 100%

Remaining Performance Obligation



Note: Revenue retention rate measures the percentage 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.

Selected Pro Forma Guidance Measures⁽¹⁾

- FY22 and 3Q22 Revenue guidance range primarily reflects the elimination of low-quality sources of revenue in order to further optimize the overall health of the P&L
- FY22 & 3Q22 Non-GAAP Gross Margin range of 72% to 74% from 70% - 72%
- Maintaining FY22 adjusted EBITDA guidance of \$1.0 - \$10.0 reflecting operational cost efficiencies and execution on profitable growth strategy.

	3Q22 Guidance	2022 Guidance	2022 Prior Guidance
Revenue	\$120.5 - \$123.6	\$507.1 - \$518.3	\$544.8 - \$563.3
YoY revenue growth	1.8% - 4.5%	8.0% - 10.4%	16.0% - 20.0%
Non-GAAP Gross Margin	72.0% - 74.0%	72.0% - 74.0%	70.0% - 72.0%
Adjusted EBITDA	\$0 - \$4.3	\$1.0 - \$10.0	\$1.0 - \$10.0
Adjusted EBITDA Margin	0% - 3.5%	0.0% - 2.0%	0.0% - 2.0%

(1) Dollar amounts in millions. Adjusted EBITDA and Non-GAAP Gross Margin are Non-GAAP financial measures. For detailed current financial expectations, please see our Press Release issued on August 8, 2022.

Appendix

Reconciliation of Adjusted EBITDA

2Q22

GAAP net loss	\$(75,411)
Amortization of purchased intangibles and finance leases	\$5,483
Stock-based compensation	\$36,517
Restructuring Costs	\$10,861
Depreciation	\$7,127
Other litigation and consulting costs	\$3,053
Provision for income taxes	\$1,214
Acquisition Costs	\$1,703
Interest expense, net	\$682
Other expense, net	\$3,266
Adjusted EBITDA (loss)	\$(5,505)

Note: Dollar amounts in millions. Certain items may not total due to rounding. Adjusted EBITDA is a Non-GAAP financial measure. Adjusted EBITDA excludes amortization of purchased intangibles, stock-based compensation, contingent earn-out adjustments, restructuring costs, depreciation, other litigation and consulting costs, benefit from income taxes, acquisition costs, interest expense, net, and other income, 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, 2022 for more information concerning the reconciliation of non-GAAP measures to the nearest applicable GAAP measure.