



Investor Presentation

August 2020

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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 Annual Report on Form 10-K for the fiscal year ended December 31, 2019 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

1,300 employees¹

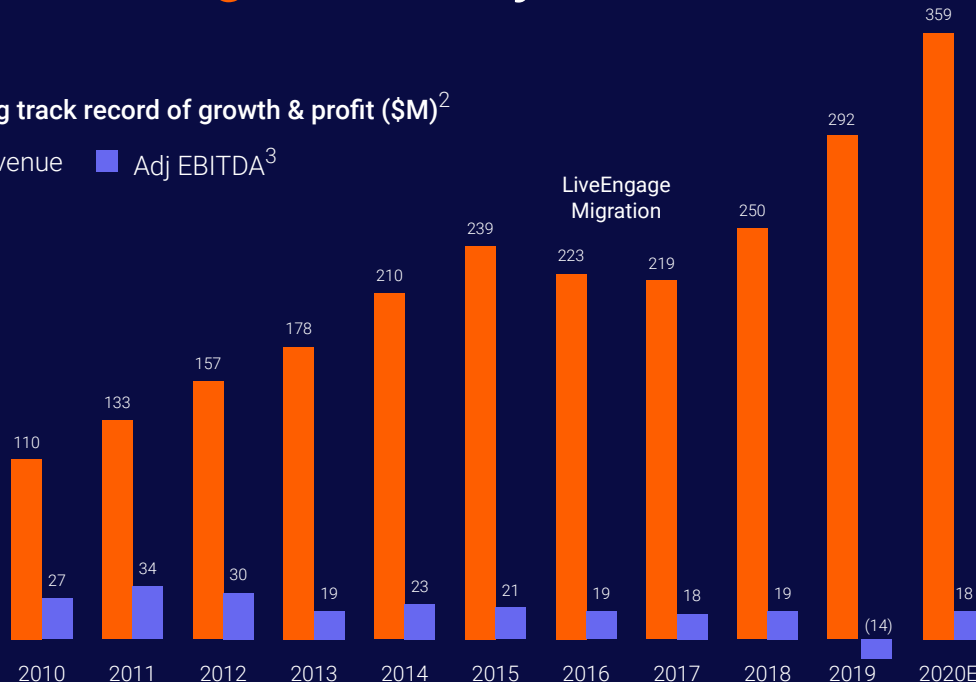
18,000 customers¹

\$176M cash on hand¹

Headquartered in New York City
with offices across Asia, Australia,
Europe, LATAM and the U.S.

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

■ Revenue ■ Adj EBITDA³



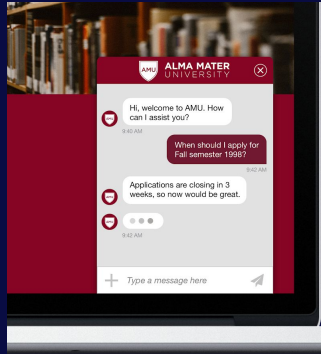
(1) As of December 31, 2019

(2) 2020E based on midpoint of guidance issued August 4, 2020

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

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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



Intent Driven

2020

Business.
Life.
Our world.
They're all built
on conversations.





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

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

**Voice calls are long,
painful and inefficient**

39%

of people would rather clean a
toilet than make a phone call to
customer service.

Source: Forbes, Would You Rather Clean A Toilet Or Contact Customer Service?, Jan. 2018

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.



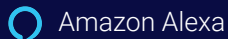
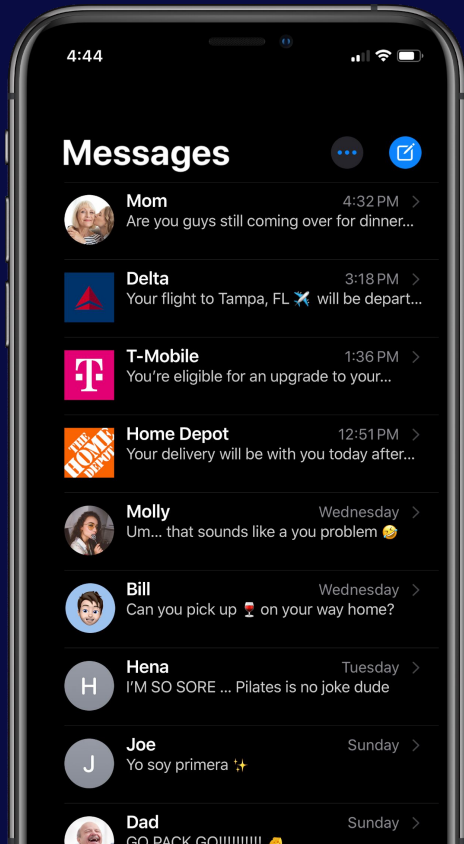
13M

texts were sent every single minute in 2018.

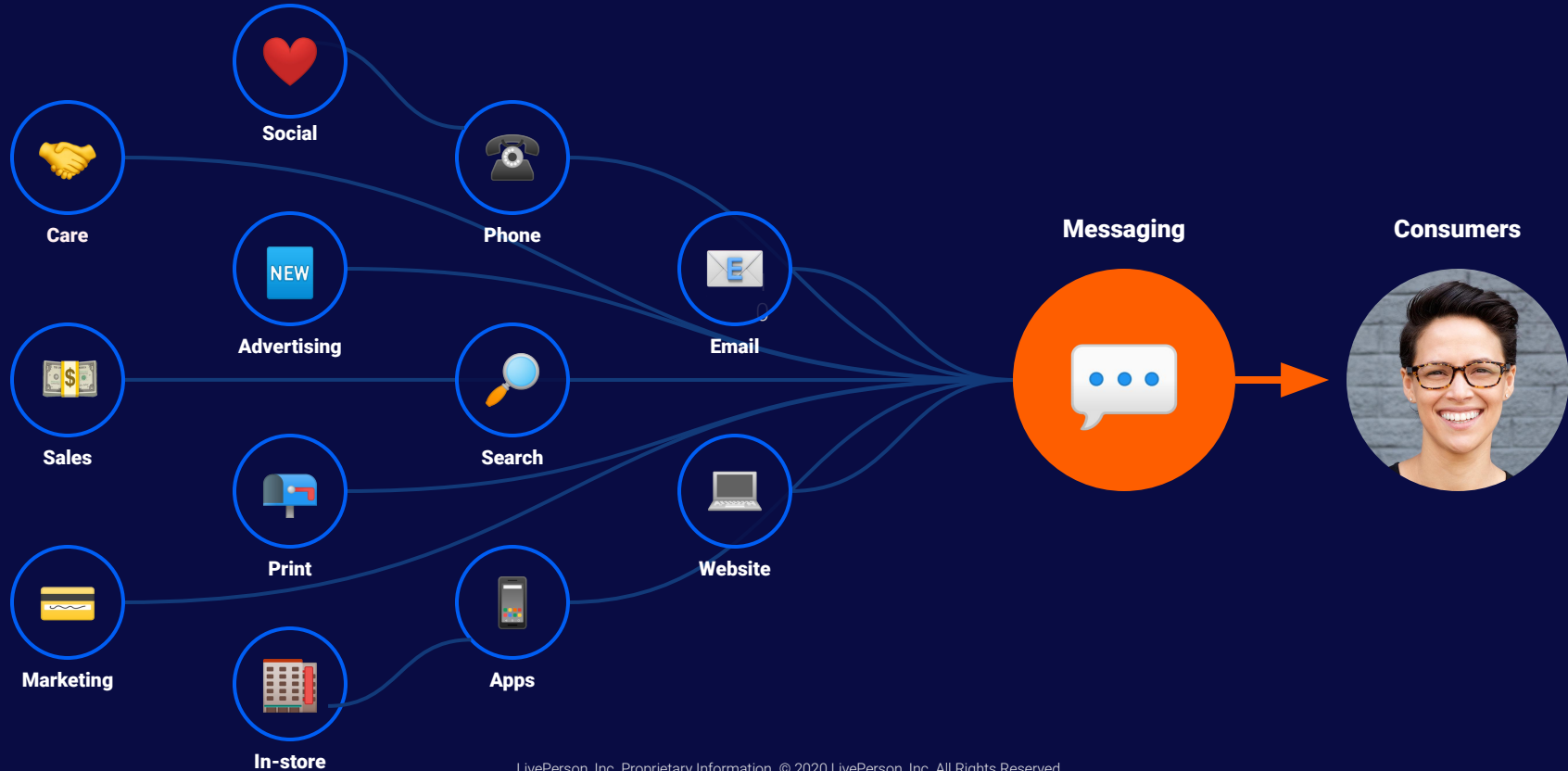


Source: Facebook Q3 2018 Earnings Call, Domo, eMarketer, Tencent 2018 Q3 results, Business Insider

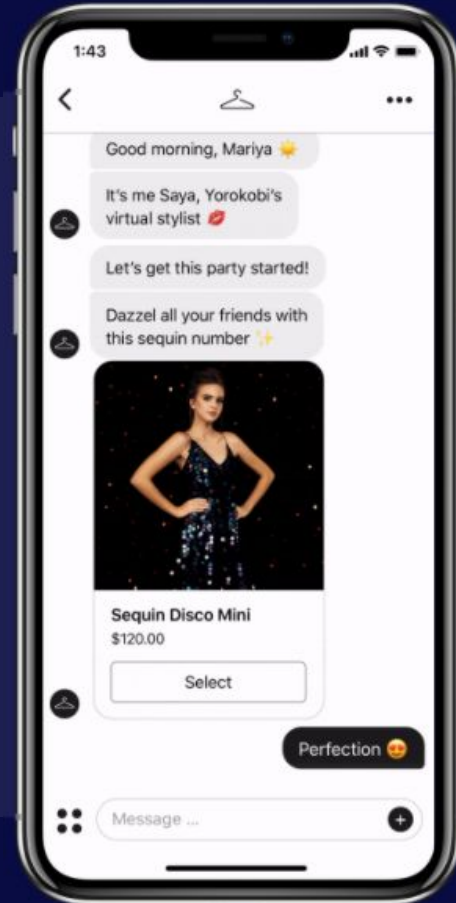
LivePerson **connects you** to your favorite brands **anytime** and **anywhere**



One platform to power every conversation across every channel



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



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

Discover & Understand

Intent Manager:

Intent Builder

Intent Analyzer



Design & Scale

Conversation Builder

Conversation Manager



Measure & Improve

Conversation Analytics



Connect to consumer endpoints

Customize with developer tools and APIs

Optimize with expert services

Secure with enterprise-grade reliability, compliance and security

Conversational Cloud transforms 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.

Maven AI
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 deliver strong **business returns** and **powerful impacts**

20%

boost in
customer
satisfaction.



2x

uptick in
employee
efficiency.



90%

automation
containment
rates.



20%

increase in
online sales
conversions.

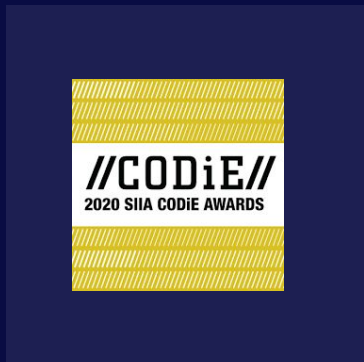


50%

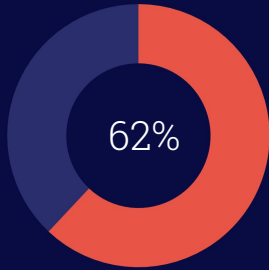
decrease in
agent attrition
rates.



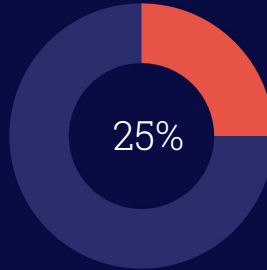
Our **momentum** and **Conversational AI leadership** has been recognized



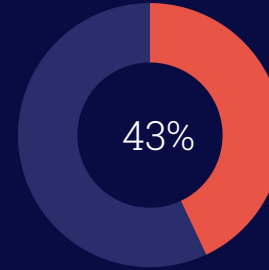
More than 300 of the world's **leading brands** depend on LivePerson for Messaging and AI



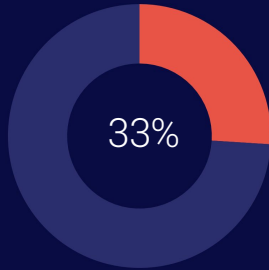
of Global
Fortune 500
telcos



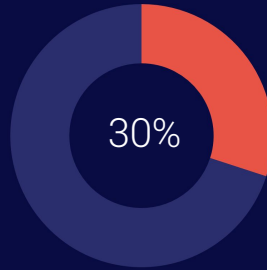
of Global
Fortune 500
retailers



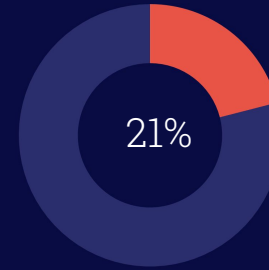
of Global
Fortune 500
airlines



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



of Global
Fortune 500
banks



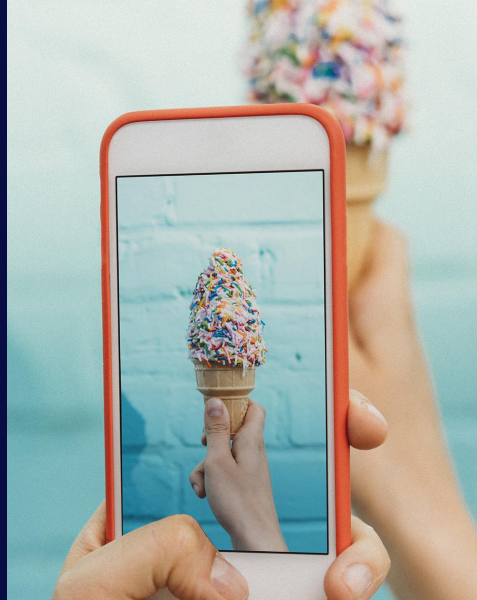
of Global
Fortune 500
technology
companies

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

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



Web Strategy

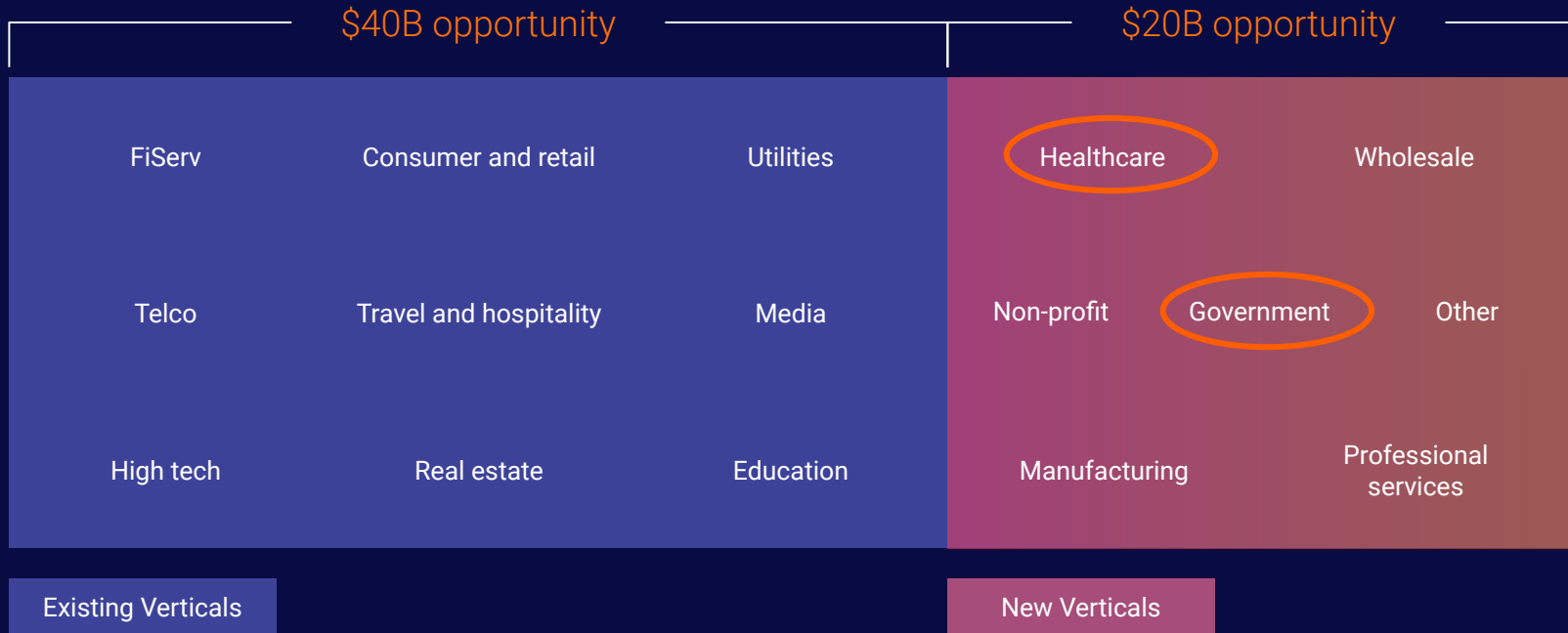


Social Strategy



Conversational Strategy

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

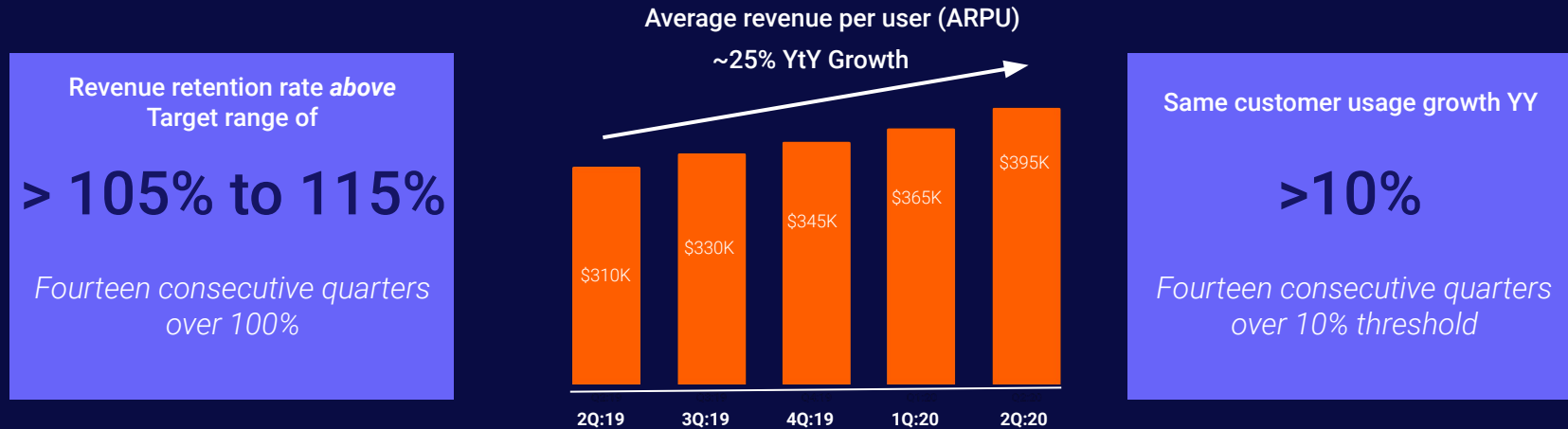


LivePerson is now **filling the void** left by COVID-19, which shut down contact centers and **crippled 1-800#** capacity

- *"Coronavirus notice: We are experiencing high call volumes. For faster service, please use online banking, Live Chat or contact your Relationship Manager."*
- *"As our call centers work to get everyone the help they need, you can also change or cancel your flight online. If you experience an error from high call volume, please try again later."*
- *"Long call wait times: Our Customer Care teams overseas have been impacted by COVID-19, affecting our ability to take customer calls. Messaging is available in-app 24/7. Please bear with us."*
- *"You may experience long hold times if you call. Use our automated response system instead or Message Us in the Mobile App - it's a faster way to manage your account."*

Positive Conversational AI leading indicators

Trends for key metrics point to sustained growth trajectory



*Note: Revenue retention rate measures the % of revenue retained at quarter end from full service customers that were either on LiveEngage 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⁾

	3Q:20 Guidance	2020 Guidance	Previous 2020 Guidance
Revenue	\$92.0 - \$93.0	\$357.0 - \$361.0	\$340.0 - \$355.0
Gross Margin	70%	~71%	~73.0%
GAAP Net Loss	\$(23.4) - \$(22.3)	\$(102.4) - \$(99.3)	\$(106.1) - \$(98.9)
Adjusted EBITDA	\$5.0 - \$6.0	\$16.0 - \$19.0	\$3.5 - \$10.5
Adjusted EBITDA Margin	5% - 6%	4% - 5%	1% - 3%

- Raises guidance for 2020 revenue growth to a range of 22% to 24% from 17% to 22% previously.
- Sees demand inflection as brands rush to adopt Conversational AI and messaging in wake of voice call contact center disruption and consumer shift to digital commerce and care.
- Accelerating growth outlook reflects strong year-to-date contract signings, rapid expansion in platform conversation volumes and robust 2H20 pipeline, while balancing potential risks that may arise from a poor macroeconomic environment.
- Raises guidance for 2020 adjusted EBITDA to a range of \$16.0M to \$19.0M from \$3.5M to \$10.5M previously.
- Improving profitability and margins reflect powerful operating leverage tied to internal automation initiatives and healthy expense rigor, even as invests in growth drivers.
- Continues to target cutting cash burn in half in 2020 and ending the year with at least \$135.0M in cash on hand.

(1) Dollar amounts in millions. Adjusted EBITDA is a Non-GAAP financial measure. For a reconciliation of net loss to Adjusted EBITDA (loss), please see slide 17. For detailed current financial expectations, please see our Press Release issued on August 4, 2020.

Key takeaways

\$60B TAM poised for transformation



Ample growth opportunities as voice call centers transform



Market leading platform and blue-chip customers



Leverageable model on path to sustained cash generation



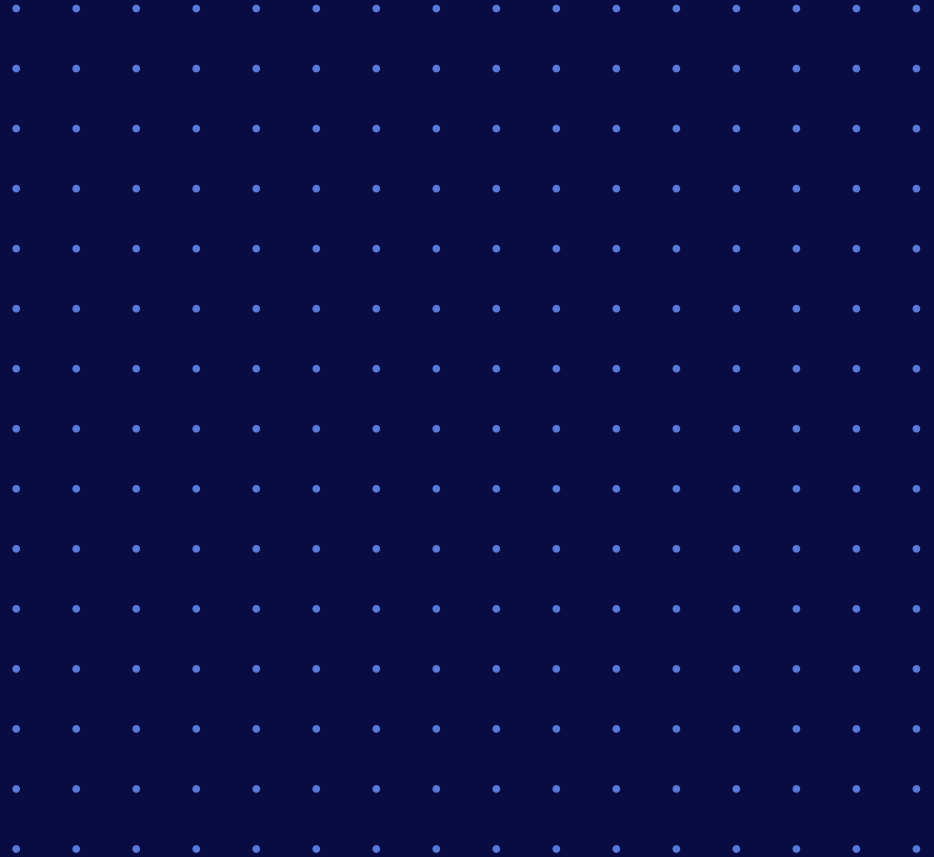
Sustainable competitive advantage



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
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)
(+) Amortization of purchased intangibles	\$ 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
(+) 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
(+) Contingent earn-out adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3.7)	\$ -	\$ -	\$ -	\$ -
(+) Restructuring costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3.4	\$ 2.4	\$ 2.6	\$ 4.5	\$ 2.0
(+) Depreciation	\$ 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
(+) Other costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7.8	\$ 7.6	\$ 5.9	\$ 8.0
(+) 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
(+) 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
(+) 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)

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	3Q:20E	2020E	Previous 2020 Guidance
GAAP net loss	\$ (23.4) - \$ (22.3)	\$ (102.4) - \$ (99.3)	\$ (106.1) - \$ (98.9)
Depreciation & amortization	\$6.9	\$26.9	\$24.8
Stock-based compensation	\$15.5	\$62.4	\$58.3
Other non-recurring costs	\$1.3	\$11.6	\$11.0
Provision for taxes	\$1.4 - \$1.3	\$2.7 - \$2.6	\$3.1 - \$2.9
Other (income) expense, net	\$3.3	\$14.8	\$12.6
Adjusted EBITDA (loss)	\$5.0 - \$6.0	\$16.0 - \$19.0	\$3.5 - \$10.5

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 August 4, 2020 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