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 employees**
- **18,000 customers**
- **$176M cash on hand**

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

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**Strong track record of growth & profit ($M)**

- **Revenue**
- **Adj EBITDA**

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>Adj EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>110</td>
<td>27</td>
</tr>
<tr>
<td>2011</td>
<td>133</td>
<td>34</td>
</tr>
<tr>
<td>2012</td>
<td>157</td>
<td>30</td>
</tr>
<tr>
<td>2013</td>
<td>178</td>
<td>19</td>
</tr>
<tr>
<td>2014</td>
<td>210</td>
<td>23</td>
</tr>
<tr>
<td>2015</td>
<td>239</td>
<td>21</td>
</tr>
<tr>
<td>2016</td>
<td>223</td>
<td>19</td>
</tr>
<tr>
<td>2017</td>
<td>219</td>
<td>18</td>
</tr>
<tr>
<td>2018</td>
<td>250</td>
<td>19</td>
</tr>
<tr>
<td>2019</td>
<td>292</td>
<td>(14)</td>
</tr>
<tr>
<td>2020E</td>
<td>359</td>
<td>18</td>
</tr>
</tbody>
</table>

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

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.
- **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
Hey

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

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

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

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

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

**Intent Manager**
Intent Analysis
Intent = Add frequent flyer

**Maven AI**
Route to Frequent Flyer bot

**Conversation Builder**
Greeting bot

**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.

Source: LivePerson Data
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

- 62% of Global Fortune 500 telcos
- 25% of Global Fortune 500 retailers
- 43% of Global Fortune 500 airlines
- 33% of Forbes’ World’s Most Valuable Brands are customers or partners
- 30% of Global Fortune 500 banks
- 21% 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. We are well positioned in key verticals and expanding into new target markets.

<table>
<thead>
<tr>
<th>Existing Verticals</th>
<th>$40B opportunity</th>
<th>$20B opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>FiServ</td>
<td>Consumer and retail</td>
<td>Utilities</td>
</tr>
<tr>
<td>Telco</td>
<td>Travel and hospitality</td>
<td>Media</td>
</tr>
<tr>
<td>High tech</td>
<td>Real estate</td>
<td>Education</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>New Verticals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
</tr>
<tr>
<td>Wholesale</td>
</tr>
<tr>
<td>Non-profit</td>
</tr>
<tr>
<td>Government</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>Manufacturing</td>
</tr>
<tr>
<td>Professional services</td>
</tr>
</tbody>
</table>
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

- **Average revenue per user (ARPU)**
  - ~25% YtY Growth

- **Revenue retention rate**
  - Above target range of >105% to 115%
  - Fourteen consecutive quarters over 100%

- **Same customer usage growth YY**
  - >10%
  - Fourteen consecutive quarters over 10% threshold

*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

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

- 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.

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(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

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income (loss)</td>
<td>$ 5.8</td>
<td>($23.8)</td>
<td>$ 7.8</td>
<td>$ 9.3</td>
<td>$12.0</td>
<td>$6.4</td>
<td>($3.5)</td>
<td>($7.3)</td>
<td>($26.4)</td>
<td>($25.9)</td>
<td>($18.2)</td>
<td>($25.0)</td>
<td>($96.1)</td>
</tr>
<tr>
<td>(+) Amortization of purchased intangibles</td>
<td>$ 1.8</td>
<td>$ 2.6</td>
<td>$ 2.0</td>
<td>$ 1.5</td>
<td>$ 1.0</td>
<td>$ 0.6</td>
<td>$ 2.6</td>
<td>$ 5.1</td>
<td>$ 8.0</td>
<td>$ 6.7</td>
<td>$ 4.7</td>
<td>$ 2.8</td>
<td>$ 2.9</td>
</tr>
<tr>
<td>(+) Stock-based compensations</td>
<td>$ 3.9</td>
<td>$ 4.3</td>
<td>$ 4.7</td>
<td>$ 5.1</td>
<td>$ 6.8</td>
<td>$10.7</td>
<td>$12.5</td>
<td>$12.3</td>
<td>$11.8</td>
<td>$ 9.7</td>
<td>$ 8.9</td>
<td>$14.8</td>
<td>$ 44.1</td>
</tr>
<tr>
<td>(+) Contingent earn-out adjustments</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ (3.7)</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>(+) Restructuring costs</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 3.4</td>
<td>$ 2.4</td>
<td>$ 2.6</td>
<td>$ 4.5</td>
<td>$ 2.0</td>
<td>$ -</td>
</tr>
<tr>
<td>(+) Depreciation</td>
<td>$ 0.8</td>
<td>$ 2.1</td>
<td>$ 3.3</td>
<td>$ 5.8</td>
<td>$ 6.6</td>
<td>$ 7.3</td>
<td>$ 8.1</td>
<td>$ 9.1</td>
<td>$12.1</td>
<td>$12.0</td>
<td>$12.4</td>
<td>$14.2</td>
<td>$16.4</td>
</tr>
<tr>
<td>(+) Other costs</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 7.8</td>
<td>$ 7.6</td>
<td>$ 5.9</td>
<td>$ 8.0</td>
<td>$ -</td>
</tr>
<tr>
<td>(+) Provisions for (benefit from) income taxes</td>
<td>$ (1.7)</td>
<td>$ 1.2</td>
<td>$ 5.0</td>
<td>$ 5.1</td>
<td>$ 7.1</td>
<td>$ 4.4</td>
<td>$(0.6)</td>
<td>$ 1.9</td>
<td>$15.8</td>
<td>$ 5.9</td>
<td>$ 0.5</td>
<td>$ 0.9</td>
<td>$ 2.8</td>
</tr>
<tr>
<td>(+) Acquisition costs</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1.0</td>
<td>$ -</td>
<td>$ 1.4</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 0.6</td>
<td>$ -</td>
</tr>
<tr>
<td>(+) Other (income) expenses, net</td>
<td>$ (0.9)</td>
<td>$ 0.0</td>
<td>$(0.0)</td>
<td>$ 0.0</td>
<td>$ 0.5</td>
<td>$(0.4)</td>
<td>$(0.3)</td>
<td>$ 0.3</td>
<td>$ 0.2</td>
<td>$ 0.5</td>
<td>$(0.1)</td>
<td>$ 0.5</td>
<td>$ 6.2</td>
</tr>
<tr>
<td>(+) Goodwill impairment</td>
<td>$ -</td>
<td>$ 23.5</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$ 9.7</td>
<td>$ 9.9</td>
<td>$22.8</td>
<td>$26.8</td>
<td>$34.0</td>
<td>$30.0</td>
<td>$18.8</td>
<td>$22.7</td>
<td>$21.2</td>
<td>$19.2</td>
<td>$18.4</td>
<td>$19.1</td>
<td>$(13.6)</td>
</tr>
</tbody>
</table>

**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**

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

**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**

**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.