

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 1, 2018

LivePerson, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or other jurisdiction
of incorporation)

0-30141

(Commission File Number)

13-3861628

(I.R.S. Employer
Identification No.)

**475 Tenth Avenue, 5th Floor
New York, New York 10018**

(Address of principal executive offices, with zip
code)

(212) 609-4200

Registrant's telephone number, including area code

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Item 2.02. Results of Operations and Financial Condition.

A copy of the press release issued by LivePerson, Inc. (the “Registrant”) on August 1, 2018, announcing its results of operations and financial condition for the quarter ended June 30, 2018, is included herewith as Exhibit 99.1 and is incorporated herein by reference. The information included in this Current Report on Form 8-K (including Exhibit 99.1 hereto) that is furnished pursuant to this Item 2.02 shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section or Sections 11 and 12(a) (2) of the Securities Act of 1933, as amended. The information contained herein and in the accompanying exhibit shall not be incorporated by reference into any filing of the Registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference into such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits. The following documents are included as exhibits to this report:

99.1 Press release issued August 1, 2018 relating to results of operations and financial condition for the quarter ended June 30, 2018.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LIVEPERSON, INC.
(Registrant)

Date: August 1, 2018

By: /s/ CHRISTOPHER GREINER

Christopher Greiner

Chief Financial Officer

EXHIBIT INDEX

99.1 [Press release issued August 1, 2018 relating to results of operations and financial condition for the quarter ended June 30, 2018.](#)

LivePerson Announces Second Quarter 2018 Financial Results

-- Generates Second Consecutive Quarter of Mid-Teens Year-over-Year Revenue Growth --

-- Raises Revenue Guidance for 2018 as Growth Accelerates --

-- Signs Largest Deal in Company History; \$30M-plus over Three Years with Existing Customer --

-- Integrates with WhatsApp to Bring Conversational Commerce to Large Brands --

NEW YORK, August 1, 2018 /PRNewswire/ -- LivePerson, Inc. (NASDAQ: LPSN), a leading provider of conversational commerce solutions, today announced financial results for the second quarter ended June 30, 2018.

Second Quarter Highlights

Total revenue was \$61.7 million for the second quarter of 2018, an increase of 14% as compared to the same period last year. Within total revenue, business operations revenue for the second quarter of 2018 increased 14% year over year to \$56.7 million, and revenue from consumer operations increased 11% year over year to \$5.0 million

Total deals signed in the quarter once again increased, driven by the number of new customers added year over year. Trailing-twelve-months average revenue per enterprise and mid-market customer increased more than 20% in the second quarter to greater than \$255,000, up from greater than \$205,000 in the equivalent prior year period.

"We just signed the largest contract in our history and growth is accelerating as messaging unlocks new ways for brands to communicate with consumers and rapidly expands our total addressable market," said LivePerson CEO and founder, Rob LoCascio. "Our customers are breaking new ground with LiveEngage by directly connecting to consumers through messaging rather than voice, automating conversations through bots and AI, and leveraging our API stack to build additional value-added processes onto the platform."

"We believe LivePerson offers the industry's most sophisticated platform for powering conversational commerce," added CFO Chris Greiner. "Our unique position is attracting a rich roster of AI, machine learning and engineering talent, and helping us build a robust ecosystem of technology and distribution partners. Today's announced integration with WhatsApp, the world's most popular messaging app, provides yet another proof point in how we are leading the market forward."

Customer Expansion

During the second quarter, the Company signed contracts with the following new customers:

- One the 25 largest banks in the world
- One of the largest e-commerce companies in Japan
- A top 10 bank in Australia
- One of the leading online travel agencies
- A multi-billion dollar, multi-national retailer of home goods and electronics

The Company also expanded business with:

- One of the largest cable companies in North America
- A multi-national telecommunications firm
- One of the premier subscription music providers
- A leading customer engagement BPO provider
- A global communications and IT services company

Net Loss and Adjusted Net Income

Net loss for the second quarter of 2018 was \$8.3 million or \$0.14 per share, as compared to a net loss of \$7.5 million or \$0.13 per share in the second quarter of 2017. Adjusted net income for the second quarter of 2018 was \$0.3 million or \$0.01 per share, as compared to adjusted net income of \$0.3 million or \$0.01 per share in the second quarter of 2017. Adjusted net income excludes amortization, stock-based compensation, restructuring costs, acquisition costs, deferred tax asset valuation allowance, other non-recurring charges and the related income tax effect of these adjustments.

Net loss in the second quarter of 2018 included non-recurring expenses of \$3.7 million (\$0.06 per share), primarily associated with severance, IP litigation and consulting services. The second quarter of 2017 net loss included non-recurring expenses of \$3.6 million (\$0.06 per share), primarily associated with restructuring, severance and IP litigation.

Adjusted EBITDA

Adjusted EBITDA for the second quarter of 2018 was \$3.8 million or \$0.06 per share, as compared to \$3.7 million or \$0.07 per share in the second quarter of 2017. 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 non-recurring charges.

A reconciliation of the non-GAAP financial measures to GAAP measures has been provided in the financial tables included in this press release. An explanation of the non-GAAP financial measures and how they are calculated is included below under the heading "Non-GAAP Financial Measures."

Cash and Cash Equivalents

The Company's cash balance was \$70.0 million at June 30, 2018. During the second quarter of 2018, the Company utilized approximately \$1.3 million of cash from operations, and incurred capital expenditures of approximately \$5.1 million.

Financial Expectations

With a strong first half of 2018 results and a robust pipeline of opportunities in place, the Company is raising revenue guidance range for the year to a range of \$245.5 million to \$247.5 million from \$239.0 million to \$243.0 million.

The Company's detailed financial expectations are as follows:

Third Quarter 2018

	Guidance
Revenue (in millions)	\$62.0 - \$63.0
GAAP net loss per share	\$(0.12) - \$(0.10)
Adjusted net income per share	\$0.02 - \$0.03
Diluted adjusted EBITDA per share	\$0.08 - \$0.10
Adjusted EBITDA (in millions)	\$5.1 - \$6.1
Fully diluted share count	62.0 million

Full Year 2018

	Updated Guidance	Previous Guidance
Revenue (in millions)	\$245.5 - \$247.5	\$239.0 - \$243.0
GAAP net loss per share	\$(0.38) - \$(0.32)	\$(0.29) - \$(0.23)
Diluted adjusted net income per share	\$0.10 - \$0.14	\$0.11 - \$0.15
Diluted adjusted EBITDA per share	\$0.36 - \$0.41	\$0.37 - \$0.42
Adjusted EBITDA (in millions)	\$22.0 - \$25.0	\$22.0 - \$25.0
Fully diluted share count	61.0 million	59.0 million

Other Full Year 2018 Assumptions

- Estimated non-recurring expenses of \$11.2 million (\$0.19 per share) primarily tied to IP litigation, severance and restructuring
- Amortization of purchased intangibles of approximately \$3.0 million
- Stock-based compensation expense of approximately \$15.0 million
- Depreciation of approximately \$14.0 million
- Cash taxes paid of \$2.0 million to \$4.0 million. Adjusted tax rate of approximately 25%. A GAAP tax liability of approximately \$1.3 million to \$1.9 million.
- Capital expenditures of approximately \$16.0 million

Furthermore, as a percent of revenue for the year, excluding non-recurring expenses discussed above, we anticipate gross profit to be approximately 75.5%, sales and marketing 41.0%, R&D 23.0% and G&A at 14.5%.

Stock-Based Compensation

Included in the accompanying financial results are expenses related to stock-based compensation, as follows (in thousands):

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2018	2017	2018	2017
Cost of revenue	\$ 230	\$ 117	\$ 384	\$ 193
Sales and marketing	1,373	754	2,259	1,408
General and administrative	1,182	774	2,022	1,436
Product development	1,041	702	1,599	1,223
Total	\$ 3,826	\$ 2,347	\$ 6,264	\$ 4,260

Amortization of Purchased Intangibles

Included in the accompanying financial results are expenses related to the amortization of purchased intangibles, as follows (in thousands):

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2018	2017	2018	2017
Cost of revenue	\$ 287	\$ 959	\$ 574	\$ 1,918
Amortization of purchased intangibles	424	470	848	942
Total	\$ 711	\$ 1,429	\$ 1,422	\$ 2,860

Supplemental Second Quarter 2018 Presentation

LivePerson will post a presentation providing supplemental information for the second quarter 2018 on the investor relations section of the Company's web site at <http://www.liveperson.com/ir>.

Earnings Teleconference and Video Discussion Information

The Company will discuss its second quarter 2018 financial results during a teleconference today, August 1, 2018. To participate via telephone, callers should dial in five to ten minutes prior to the 5:00 p.m. Eastern start time; domestic callers (U.S. and Canada) should dial 877-507-3684, while international callers should dial 928-328-1244, and both should reference the conference ID "3894839."

The conference call will also be simulcast live on the Internet and can be accessed by logging onto the investor relations section of the Company's web site at <http://www.liveperson.com/company/ir>.

If you are unable to participate in the live call, the teleconference will be available for replay approximately two hours after the call. To access the replay, please call 855-859-2056 (U.S. and Canada) or 404-537-3406 (international). Please reference the conference ID "3894839." A replay will also be available on the investor relations section of the Company's web site at <http://www.liveperson.com/company/ir>.

About LivePerson

LivePerson makes life easier by transforming how people communicate with brands. Our 18,000 customers, including leading brands like Citibank, HSBC, Orange, and The Home Depot, use our conversational commerce solutions to orchestrate humans and AI, at scale, and create a convenient, deeply personal relationship — a conversational

relationship — with their millions of consumers. For more information about LivePerson (NASDAQ: LPSN), please visit www.liveperson.com.

Non-GAAP Financial Measures

Investors are cautioned that the following financial measures used in this press release are defined as “non-GAAP financial measures” by the Securities and Exchange Commission: adjusted EBITDA, or earnings/(loss) before provision for (benefit from) income taxes, other (income)/expense, depreciation and amortization, stock-based compensation, restructuring costs, acquisition costs and other non-recurring charges; and adjusted net income, or net income excluding amortization, stock-based compensation, restructuring costs, acquisition costs, deferred tax asset valuation allowance, other non-recurring charges and the related income tax effect of these adjustments. These measures may be different from non-GAAP financial measures used by other companies. The presentation of this financial information, which is not prepared under any comprehensive set of accounting rules or principles, is not intended to be considered in isolation. In addition, although we have provided a reconciliation of these measures to the nearest comparable GAAP measures, they should not be construed as alternatives to any other measures of performance determined in accordance with generally accepted accounting principles, or as indicators of our operating performance, liquidity or cash flows generated by operating, investing and financing activities, as there may be significant factors or trends that they fail to address. We present this financial information because we believe that it is helpful to some investors as a measure of our performance. We caution investors that non-GAAP financial information, by its nature, departs from traditional accounting conventions; accordingly, its use can make it difficult to compare our current results with our results from other reporting periods and with the results of other companies.

A reconciliation of non-GAAP financial information to GAAP financial information is not a financial measure under generally accepted accounting principles (GAAP). In addition, non-GAAP financial information should not be construed as an alternative to any other measures of performance determined in accordance with GAAP, or as an indicator of our operating performance, liquidity or cash flows generated by operating, investing and financing activities as there may be significant factors or trends that it fails to address. We present non-GAAP financial information because we believe that it is helpful to some investors as one measure of our operations.

Safe Harbor Provision

Statements in this press release regarding LivePerson that are not historical facts are forward-looking statements and are subject to risks and uncertainties that could cause actual future events or results to differ materially from such statements. Any such forward-looking statements, including but not limited to financial guidance, are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. It is routine for our internal projections and expectations to change as the quarter and year progress, and therefore it should be clearly understood that the internal projections and beliefs upon which we base our expectations may change. Although these expectations may change, we are under no obligation to inform you if they do. Actual events or results may differ materially from those contained in the projections or forward-looking statements. Some of the factors that could cause actual results to differ materially from the forward-looking statements contained herein include, without limitation: potential fluctuations in our quarterly revenue and operating results; competition in the market for digital engagement technology; our ability to retain existing clients and attract new clients; potential adverse impact due to foreign currency exchange rate fluctuations; privacy concerns relating to the Internet that could result in new legislation or negative public perception; risks related to new regulatory or other legal requirements that could materially impact our business; our ability to effectively operate on mobile devices; failures or security breaches in our services, those of our third party providers, or in the websites of our customers; risks related to industry-specific regulation and unfavorable industry-specific laws, regulations or interpretive positions; the adverse effect that the global economic downturn may have on our business and results of operations; economic conditions and regulatory changes caused by the United Kingdom’s likely exit from the European Union; our ability to retain key personnel, attract new personnel and to manage staff attrition; risks related to the ability to successfully integrate past or potential future acquisitions; additional regulatory requirements, tax liabilities, currency exchange rate fluctuations and other risks as we expand internationally and/or as we expand into direct-to-consumer services; risks related to the regulation or possible misappropriation of personal information belonging to our customers’ Internet users; potential failure to meeting service level commitments to certain customers; risks related to protecting our intellectual property rights or potential infringement of the intellectual property

rights of third parties; legal liability and/or negative publicity for the services provided to consumers via our technology platforms; technology systems beyond our control and technology-related defects that could disrupt the LivePerson services; errors, failures or “bugs” in our products may be difficult to correct; increased allowances for doubtful accounts as a result of an increasing amount of receivables due from customers with greater credit risk; payment-related risks; delays in our implementation cycles; impairments to goodwill that result in significant charges to earnings; risks associated with the recent volatility in the capital markets; our ability to secure additional financing to execute our business strategy; our ability to license necessary third party software for use in our products and services, and our ability to successfully integrate third party software; our ability to maintain our reputation; risks related to our recognition of revenue from subscriptions; our lengthy sales cycles; risks related to our operations in Israel, and the civil and political unrest in that region; changes in accounting principles generally accepted in the United States; risks associated with our current or any future stock repurchase programs, including whether such programs will enhance long-term stockholder value, and whether such stock repurchases could increase the volatility of the price of our common stock and diminish our cash reserves; natural catastrophic events and interruption to our business by man-made problems; the high volatility of our stock price; and risks related to our common stock being traded on more than one securities exchange. This list is intended to identify only certain of the principal factors that could cause actual results to differ from those discussed in the forward-looking statements. Readers are referred to the reports and documents filed from time to time by us with the Securities and Exchange Commission for a discussion of these and other important factors that could cause actual results to differ from those discussed in forward-looking statements.

LivePerson, Inc.
Condensed Consolidated Statements of Operations
(In Thousands, Except Share and Per Share Data)
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2018	2017	2018	2017
Revenue	\$ 61,660	\$ 54,074	\$ 119,901	\$ 104,993
Costs and expenses:				
Cost of revenue	16,036	15,134	29,990	28,915
Sales and marketing	25,392	23,392	49,523	45,092
General and administrative	11,499	10,437	21,622	20,130
Product development	14,219	9,326	27,471	19,285
Restructuring costs	1,906	2,076	2,084	2,315
Amortization of purchased intangibles	424	470	848	942
Total costs and expenses	69,476	60,835	131,538	116,679
Loss from operations	(7,816)	(6,761)	(11,637)	(11,686)
Other income (expense), net	31	(99)	160	221
Loss before provision for income taxes	(7,785)	(6,860)	(11,477)	(11,465)
Provision for income taxes	536	673	47	1,744
Net loss	\$ (8,321)	\$ (7,533)	\$ (11,524)	\$ (13,209)
Net loss per share of common stock:				
Basic	\$ (0.14)	\$ (0.13)	\$ (0.20)	\$ (0.24)
Diluted	\$ (0.14)	\$ (0.13)	\$ (0.20)	\$ (0.24)
Weighted-average shares used to compute net loss per share:				
Basic	58,648,195	55,954,158	57,982,648	55,964,568
Diluted	58,648,195	55,954,158	57,982,648	55,964,568

LivePerson, Inc.
Reconciliation of Non-GAAP Financial Information to GAAP
(In Thousands, Except Share and Per Share Data)
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2018	2017	2018	2017
Reconciliation of Adjusted EBITDA ⁽¹⁾:				
GAAP net loss	\$ (8,321)	\$ (7,533)	\$ (11,524)	\$ (13,209)
Add/(less):				
Amortization of purchased intangibles	711	1,429	1,422	2,860
Stock-based compensation	3,826	2,347	6,264	4,260
Depreciation	3,428	3,045	6,786	5,838
Other non-recurring costs	1,768 ⁽²⁾	1,534 ⁽³⁾	3,038 ⁽⁴⁾	3,358 ⁽³⁾
Restructuring costs	1,906 ⁽⁵⁾	2,075 ⁽⁶⁾	2,084 ⁽⁵⁾	2,315 ⁽⁷⁾
Provision for income taxes	536	673	47	1,744
Other income, net	(31)	99	(160)	(221)
Adjusted EBITDA ⁽¹⁾	<u>\$ 3,823</u>	<u>\$ 3,669</u>	<u>\$ 7,957</u>	<u>\$ 6,945</u>
Diluted adjusted EBITDA per common share	<u>\$ 0.06</u>	<u>\$ 0.07</u>	<u>\$ 0.13</u>	<u>\$ 0.12</u>
Weighted average shares used in diluted adjusted EBITDA per common share	<u>60,885,719</u>	<u>56,343,734</u>	<u>59,855,017</u>	<u>56,300,170</u>
Reconciliation of Adjusted Net Income:				
Pre-tax GAAP loss	\$ (7,785)	\$ (6,860)	\$ (11,477)	\$ (11,465)
Add/(less):				
Amortization of purchased intangibles	711	1,429	1,422	2,860
Stock-based compensation	3,826	2,347	6,264	4,260
Other non-recurring costs	1,768 ⁽²⁾	1,534 ⁽³⁾	3,038 ⁽⁴⁾	3,358 ⁽³⁾
Restructuring costs	1,906 ⁽⁵⁾	2,075 ⁽⁶⁾	2,084 ⁽⁵⁾	2,315 ⁽⁷⁾
Pre-tax adjusted net income	<u>426</u>	<u>525</u>	<u>1,331</u>	<u>1,328</u>
Income tax effect of non-GAAP items ⁽⁸⁾	(107)	(184)	(333)	(465)
Adjusted net income	<u>\$ 319</u>	<u>\$ 341</u>	<u>\$ 998</u>	<u>\$ 863</u>
Diluted adjusted net income per common share	<u>\$ 0.01</u>	<u>\$ 0.01</u>	<u>\$ 0.02</u>	<u>\$ 0.02</u>
Weighted average shares used in diluted adjusted net income per common share	<u>60,885,719</u>	<u>56,343,734</u>	<u>59,855,017</u>	<u>56,300,170</u>

⁽¹⁾ Earnings/(loss) before provision for (benefit from) income taxes, other (income)/expense, net, depreciation and amortization, stock-based compensation, restructuring costs, acquisition costs and other non-recurring charges.

⁽²⁾ Includes litigation costs of \$1.2 million, consulting costs of \$0.4 million, and executive relocation costs of \$0.2 million for the three months ended June 30, 2018.

⁽³⁾ Includes litigation costs of \$1.5 million and \$3.4 million for the three and six months ended June 30, 2017.

⁽⁴⁾ Includes litigation costs of \$2.1 million, consulting costs of \$0.4 million, executive recruitment costs of \$0.3 million, and executive relocation costs of \$0.2 million for the six months ended June 30, 2018.

⁽⁵⁾ Includes severance costs of \$1.9 million and \$2.1 million for the three and six months ended June 30, 2018.

⁽⁶⁾ Includes wind down costs of legacy platform of \$1.8 million and severance costs of \$0.3 million for the three months ended June 30, 2017.

⁽⁷⁾ Includes wind down costs of legacy platform of \$1.9 million and severance costs of \$0.4 million for the six months ended June 30, 2017.

⁽⁸⁾ The Company applies a standardized tax rate of 25% for the three and six months ended June 30, 2018. The Company applied a standardized tax rate of 35% for the three and six months ended June 30, 2017.

LivePerson, Inc.
Reconciliation of Non-GAAP Financial Information to GAAP - (continued)
(In Thousands)
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2018	2017	2018	2017
Reconciliation of Net Cash (Used In) Provided By Operating Activities:				
Adjusted EBITDA ⁽¹⁾	\$ 3,823	\$ 3,669	\$ 7,957	\$ 6,945
Add/(less):				
Changes in operating assets and liabilities	(4,998)	5,137	(10,897)	(920)
Provision for doubtful accounts	366	507	862	958
Provision for income taxes	(536)	(673)	(47)	(1,744)
Deferred income taxes	25	8	41	(13)
Amortization of tenant allowance	(41)	(83)	(83)	(83)
Other income (expense), net	31	(99)	160	221
Net cash (used in) provided by operating activities	<u>\$ (1,330)</u>	<u>\$ 8,466</u>	<u>\$ (2,007)</u>	<u>\$ 5,364</u>

⁽¹⁾ Earnings/(loss) before provision for (benefit from) income taxes, other (income)/expense, net, depreciation and amortization, stock-based compensation, restructuring costs, acquisition costs and other non-recurring charges.

LivePerson, Inc.
Reconciliation of Projected Non-GAAP Financial Information to GAAP
(In Thousands)
(Unaudited)

	Three Months Ended	Twelve Months Ended
	September 30, 2018	December 31, 2018
Reconciliation of Projected Adjusted EBITDA: ⁽¹⁾		
GAAP net loss	\$(7,100) - \$(5,900)	\$(22,800) - \$(19,200)
Add/(less):		
Amortization of purchased intangibles	800	3,000
Stock-based compensation	4,000	15,200
Depreciation	3,400	13,700
Other non-recurring costs	2,900	11,200
Other income	—	(150)
Provision for income taxes	1,200 - 1,000	1,900 - 1,300
Adjusted EBITDA	<u>\$5,100 - \$6,100</u>	<u>\$22,000 - \$25,000</u>
Reconciliation of Projected Adjusted Net Income: ⁽¹⁾		
Pre-tax GAAP loss	\$(5,900) - \$(4,900)	\$(20,900) - \$(17,800)
Add/(less):		
Amortization of purchased intangibles	800	3,000
Stock-based compensation	4,000	15,200
Other non-recurring costs	2,900	11,200
Pre-tax adjusted income	<u>1,700 - 2,700</u>	<u>8,500 - 11,500</u>
Non-GAAP income tax effect	(400) - (700)	(2,100) - (2,900)
Adjusted net income	<u>\$1,300 - \$2,100</u>	<u>\$6,400 - \$8,700</u>

⁽¹⁾ Certain items may not total due to rounding.

LivePerson, Inc.
Condensed Consolidated Balance Sheets
(In Thousands)

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
	(Unaudited)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 69,747	\$ 56,115
Cash held as collateral	216	1,451
Accounts receivable, net	38,109	37,926
Prepaid expenses and other current assets	16,885	7,352
Total current assets	<u>124,957</u>	<u>102,844</u>
Property and equipment, net	38,066	34,705
Intangibles, net	12,321	12,366
Goodwill	80,473	80,531
Deferred tax assets	817	753
Other assets	1,787	1,600
Total assets	<u>\$ 258,421</u>	<u>\$ 232,799</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 6,207	\$ 5,481
Accrued expenses and other current liabilities	39,252	48,011
Deferred revenue	47,375	35,563
Total current liabilities	<u>92,834</u>	<u>89,055</u>
Deferred revenue	2,131	—
Other liabilities	2,584	2,766
Deferred tax liability	1,020	915
Total liabilities	<u>98,569</u>	<u>92,736</u>
Commitments and contingencies		
Total stockholders' equity	<u>159,852</u>	<u>140,063</u>
Total liabilities and stockholders' equity	<u>\$ 258,421</u>	<u>\$ 232,799</u>

Investor contact:
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212-609-4214
mkempler@liveperson.com