



# First Quarter 2023

Earnings Call Supplemental Slides

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May 9, 2023



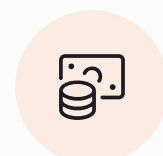
# Disclaimer

This presentation as well as the associated earnings release and earnings call contain and will contain 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,” “should,” “vision” 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 factors that could cause actual results to materially differ from those we project. The forward-looking statements contained in this presentation, our earnings release and our earnings call are made as of the date hereof or thereof, 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 measures prepared in accordance with GAAP. This non-GAAP financial measure is not intended to supersede or replace the Company’s GAAP results. Net Loss, the most directly comparable GAAP financial measure and a detailed reconciliation between Net Loss and Adjusted EBITDA for the first quarter of 2023 is included in the Appendix to this presentation.

This presentation also contains the forward-looking non-GAAP financial measures adjusted EBITDA and adjusted EBITDA margin for the second quarter and full year 2023. The Company does not present a quantitative reconciliation of the forward-looking non-GAAP financial measures adjusted EBITDA and adjusted EBITDA 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, consulting and other employee 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.

# First Quarter Business Highlights



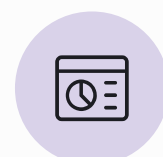
## Financial Update

- 1Q23 Revenue of \$107.7M, within our guidance range of \$106M to \$109M
- Adjusted EBITDA<sup>1</sup> loss of (\$1.3M) vs Q1 2022 Adjusted EBITDA of a loss of (\$17.6M)
- B2B Core Recurring Revenue of \$82.6M, consistent with the high end of our guidance range of \$80M to \$83M
- Strengthened the balance sheet by retiring, at a discount, \$157.5M of the \$230M in convertible notes maturing in the first quarter of 2024



## Go-to-market Update

- Total deal count of 70 in Q1 including:
  - 4 seven-figure deals
  - 50 expansion & renewal deals
  - 20 new logo wins



## Product Update

- Conversational Cloud messaging volume growth of 9% YoY
- AI-based messaging volume down 1% YoY
- Launch of Generative AI product and Voice AI product

<sup>1</sup>For a reconciliation between GAAP and non-GAAP financial measures, please see the Appendix to this presentation or our Press Release issued on May 9, 2023.

# Notable Wins of the Quarter



**Multinational Financial Services Company and Largest Canadian Bank**

**Key offerings:**  
Automation Services including Conversation Builder, Conversation Assist and Proactive Messaging

**Use cases:**  
LP's automation currently powers 35% of conversations in multiple languages (approximately 250M conversations/month)



**One of the world's largest telecom provider**

**Key offerings:**  
Messaging with conversational AI suite, including Conversation Builder, Conversation Assist and Proactive Messaging

**Use cases:**  
Customer Care, Retention, and Complaint Management



**Largest Bank and Financial Services Company in Europe**

**Current Use Case:**  
Generative AI strategy putting LP at the core of all customer engagement

**Future Use Case:**  
Opportunity to double the already substantial volumes as we enable accelerated channel shift from voice to AI led messaging



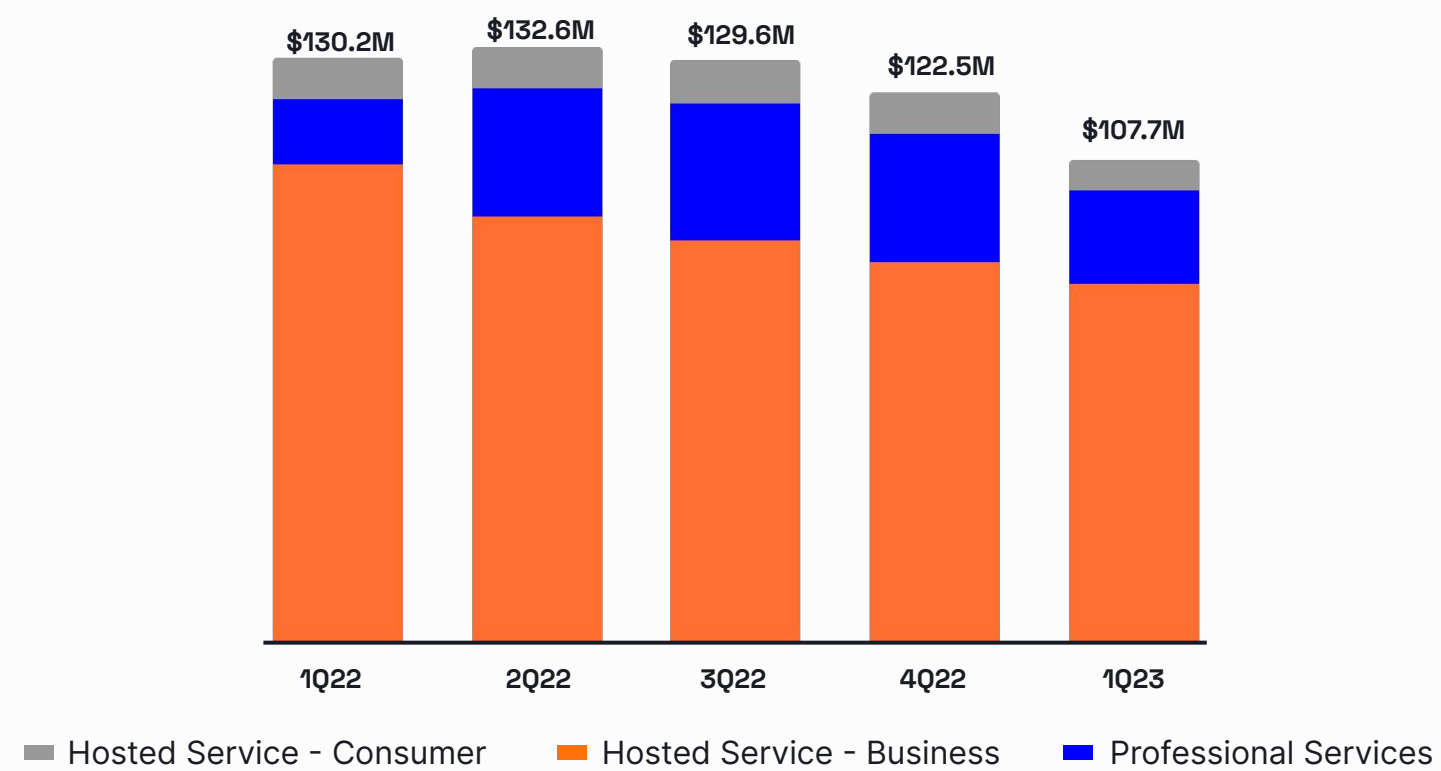
**Large Omni Channel Retailer in the U.K.**

**Use cases:**  
Customer care side with a focus on reduction in outsourced contact center costs, deploying web messaging and IVR deflection into multiple channels.

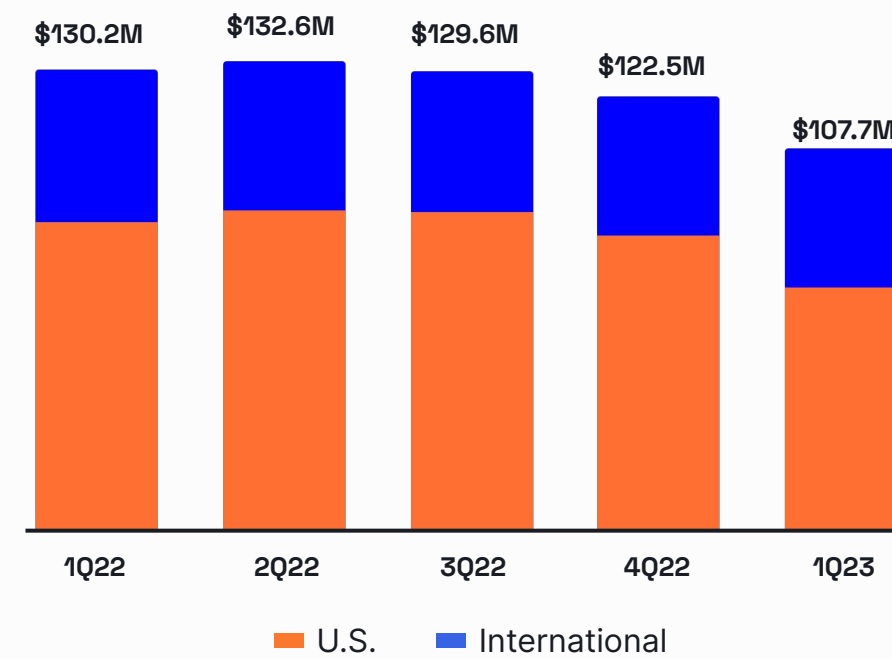
**Future Use Case:**  
Using automation for the commerce side to drive revenue through e-commerce plays, allowing customers to purchase in their preferred channel.

# First Quarter Financial & Operational Highlights

## Quarterly Revenue by Segment

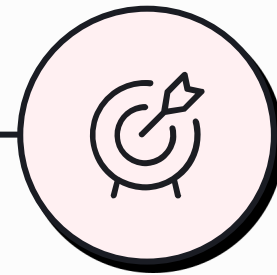


## Quarterly Revenue by Geography



# First Quarter Financial & Operational Highlights (cont'd)

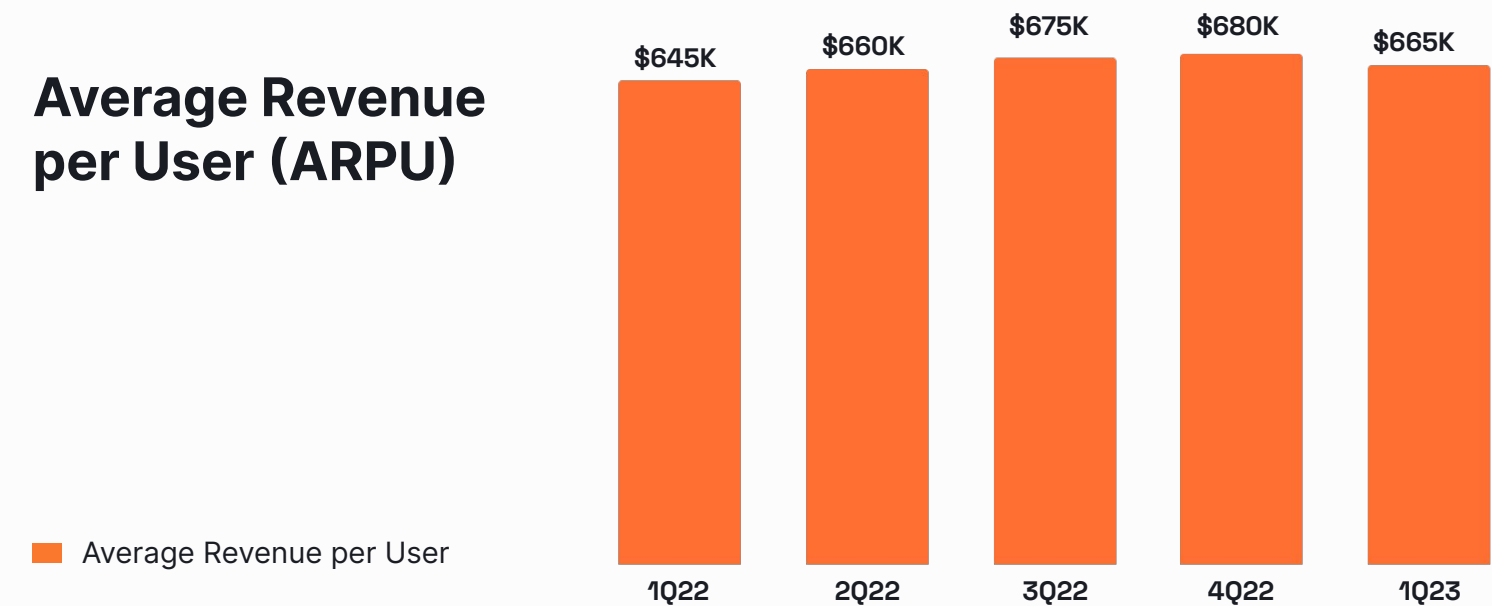
## Revenue Retention Rate for Recurring Revenue<sup>1</sup>



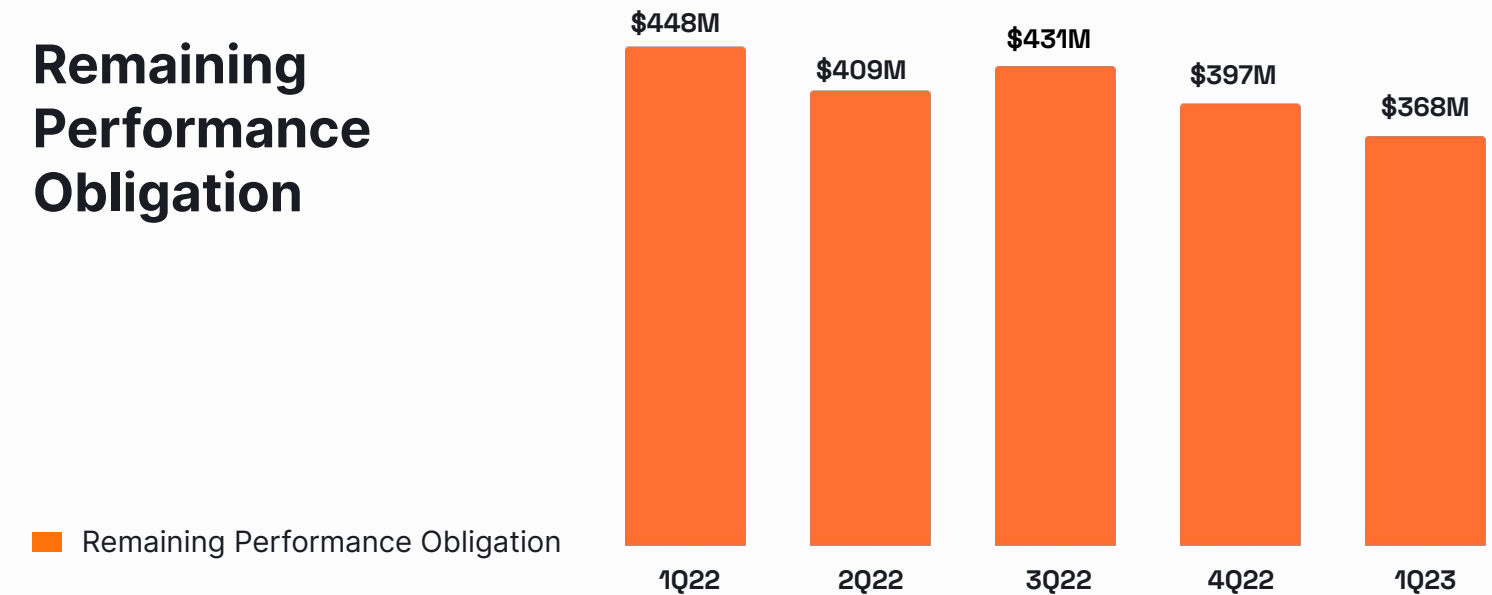
Below our target range of

**105% - 115%**

## Average Revenue per User (ARPU)



## Remaining Performance Obligation



**Note 1:** Revenue retention rate measures the percentage of recurring revenue retained at quarter end from customers vs. 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.



# Q2 and Full Year 2023 B2B Core Recurring Guidance Metrics Reaffirmed

- We expect 2Q23 B2B core recurring revenue approximately 87% of Total Revenue
- We expect 2023 B2B core recurring revenue approximately 86%- 87% of Total Revenue

	2Q 2023 Guidance	2023 Full Year Guidance <sup>(2)</sup>	2023 Full Year Guidance <sup>(3)</sup>
<b>Revenue</b>	\$95M - \$99M	\$387M - \$401M	\$394M - \$408M
<b>YoY revenue growth</b>	(23)% - (20)%	(19)% - (16)%	(23)% - (21)%
<b>Adj. EBITDA <sup>(1)</sup></b>	\$3M - \$7M	\$15M - \$32M	\$15M - \$32M
<b>Adj. EBITDA Margin</b>	3% to 7%	3.9% - 8.0%	3.8% - 7.8%
<p>(1) Adjusted EBITDA is a Non-GAAP financial measure. For detailed current financial expectations, please see our Press Release issued on May 9, 2023.</p> <p>(2) 2023 Full Year Revenue Guidance excludes Kasamba revenue generated in Q1 2023</p> <p>(3) 2023 Full Year Revenue Guidance includes Kasamba revenue generated in Q1 2023</p>			



# Appendix



# Reconciliation of Adjusted EBITDA

	1Q23
GAAP net loss	\$(17,420)
Amortization of purchased intangibles and finance leases	\$5,435
Stock-based compensation expense	\$11,332
Contingent earn-out adjustments	\$1,709
Restructuring costs	\$11,515
Depreciation	\$7,362
Other litigation and consulting costs	\$11,122
Provision for income taxes	\$1,214
Acquisition costs	\$2,203
Interest income, net	\$(1,801)
Other income, net	\$(33,962)
Adjusted EBITDA	\$(1,291)

**Note:** Dollar amounts in thousands. 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 May 9, 2023 for more information concerning the reconciliation of non-GAAP measures to the nearest applicable GAAP measure.