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 markets for mobile and online business messaging and digital engagement technology ; our ability to retain existing clients and attract new clients; 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; failures or security breaches in our services, those of our third party providers, or in the websites of our customers; potential adverse impact due to foreign currency exchange rate fluctuations; economic conditions and regulatory changes caused by the United Kingdom's exit from the European Union; our ability to retain key personnel, attract new personnel and to manage staff attrition; supporting our existing and growing customer base could strain our personnel resources and infrastructure; risks relating to governmental export controls and economic sanctions; our ability to effectively operate on mobile devices; 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; 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; technology systems beyond our control and technology-related defects that could disrupt the LivePerson services; 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; technological or other defects could disrupt or negatively impact our 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; risk associated with the limitations on the effectiveness of our controls; our history of losses; 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 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; potential limitations on our ability to use net operating losses to offset future taxable income; risks relating to recently-enacted changes to the U.S. tax laws; 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.
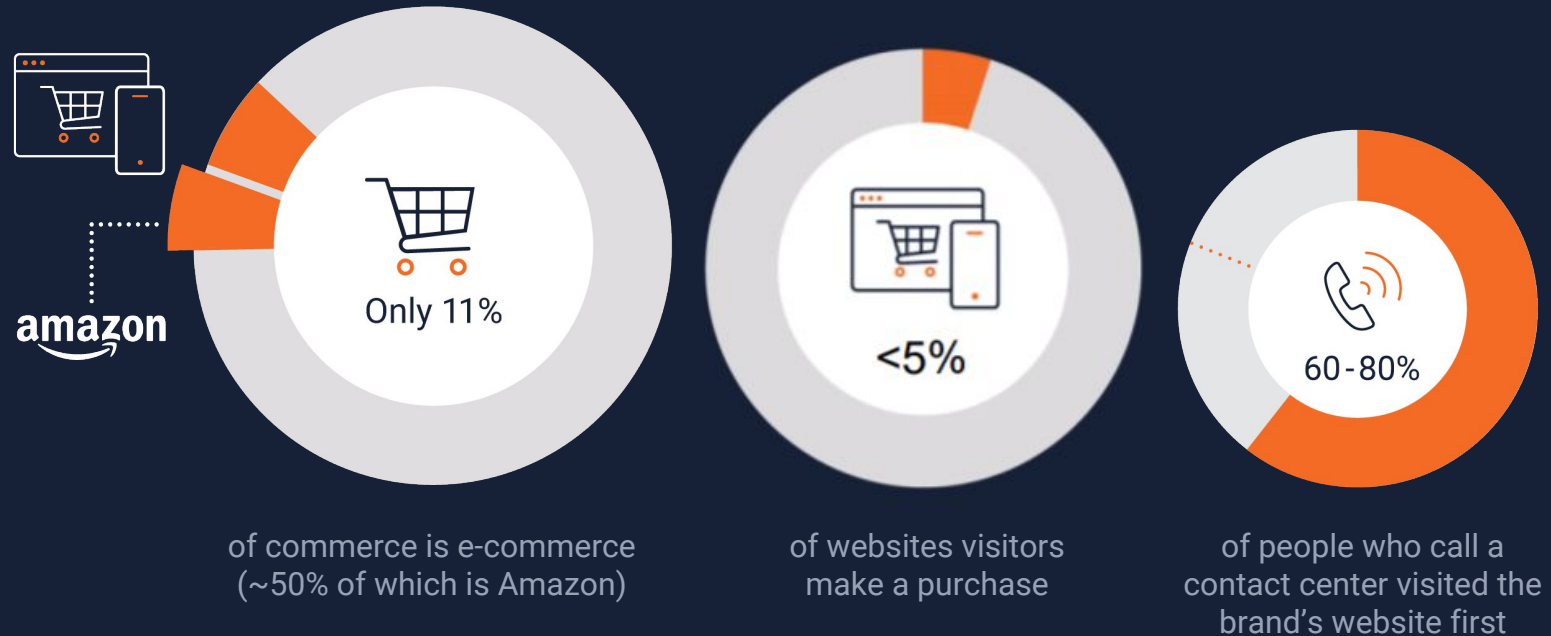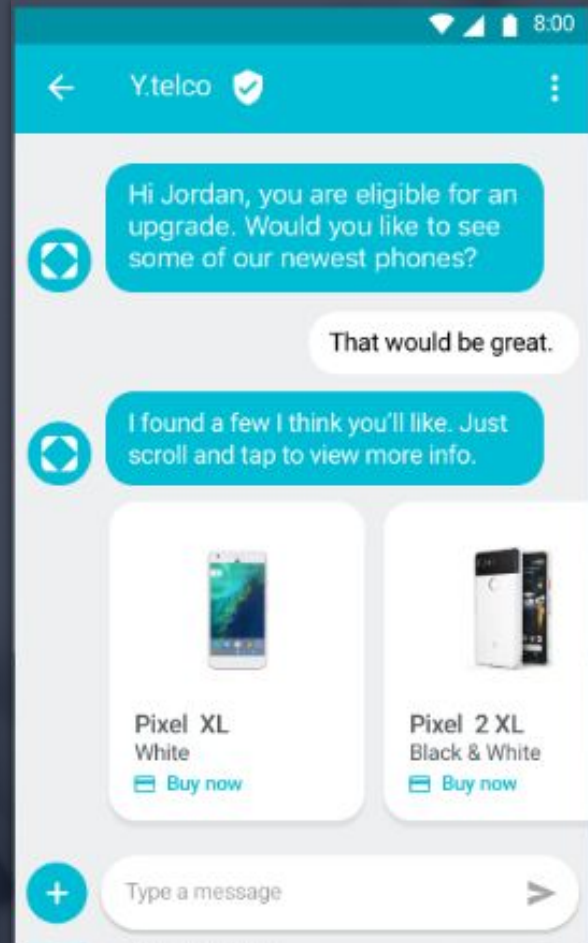
270
billion calls
(at a cost of $1.5 trillion)

E-commerce has failed us

After 20 years, brands are still not seeing the expected benefits of the web

amazon

Only 11%

of commerce is e-commerce
(~50% of which is Amazon)

<5%

of websites visitors
make a purchase

60-80%

of people who call a
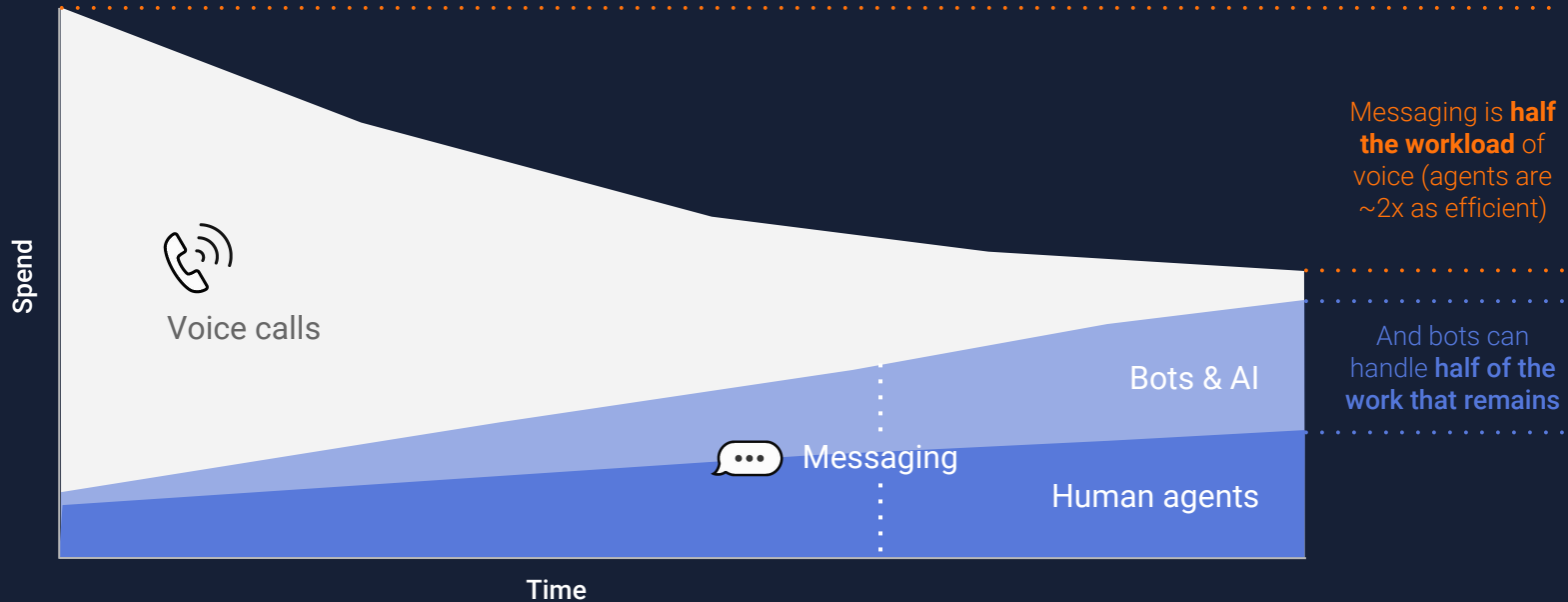contact center visited the
brand's website first

Conversational Commerce

AI-powered Conversational Commerce is the future

Preferred by consumers and up to 4 times as efficient as legacy voice

Spend

Voice calls

Messaging is **half the workload** of voice (agents are ~2x as efficient)

Bots & AI

Messaging

And bots can handle **half of the work that remains**
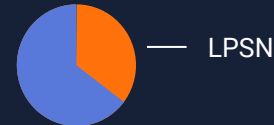
Human agents

Time

The industry is ripe for transformation

LiveEngage puts LivePerson in the pole position to target an addressable market estimated at nearly $200B

LiveEngage addressable market includes 270B conversations in the contact center alone

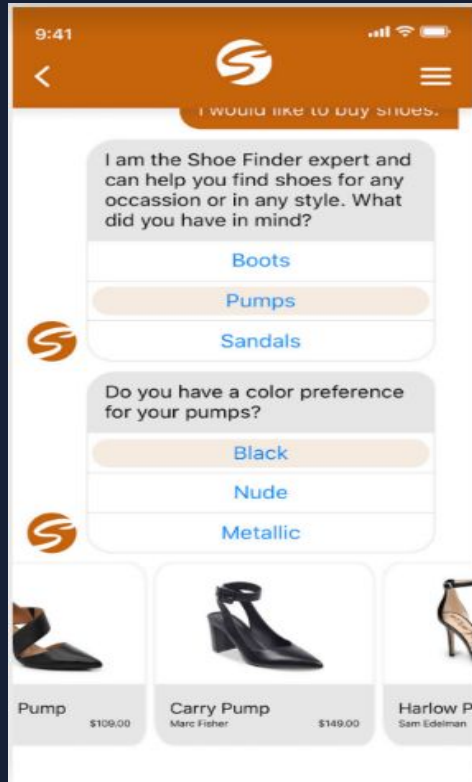**Legacy webchat represents a small fraction of our current TAM.** LivePerson's estimated 35% share in legacy webchat fueled ~300M interactions a year

B2C

Marketing

Brick & Mortar

— LPSN

Maven, the first AI engine built for Conversational Commerce

Leverages data from millions of sales and service conversations to power bots and assist human agents

Patent pending mesh between humans and AI

- Bot building software that is based on dialogue instead of workflow or code, so non-technical employees like contact center agents can design automations

- Leveraging existing transcripts to bootstrap conversations, speeding time to market

- Human agents continuously train and monitor AI, safeguarding the consumer relationship

- Powerful Assist technology multiplies the efficiency of agents by analyzing intents in real-time to provide next best actions and hand offs to bots

- Pre-built templates for key verticals that provide top intents and back-end integrations out of the box

- Third-party AI NLU integration, AI analytics and reporting tailored to conversational commerce

Recent highlights

- **Strong 4Q and fiscal 2018 results:**
  - 4Q revenue up 15% year over year to record $65.7M; 2018 revenue growth of 14% exceeded initial 10% guidance
  - Strong demand generation in 4Q with record signings in both enterprise and midmarket/SMB
  - Enterprise/midmarket ARPU increased more than 25% year-over-year to greater than $285,000 in 2018
  - Revenue retention rate for enterprise/midmarket exceeds 110% in 2018; attrition at multi-year low
  - Total revenue renewal rate, which excludes upsells, at approximately 90% in 2018; in mid-90%s for enterprise

- **Indicators of industry leadership and market inflection:**
  - Adoption accelerating: percentage of enterprise customers on messaging nearly doubled YtY in 2018 to approximately 40%, while messages with automation attached also nearly doubled to more than 50%
  - More than $150M of Conversational Commerce total contract value signed in 2017 and 2018
  - Market moving into mainstream:
    - 4Q wins with Delta Air Lines, a top five global apparel retailer, and one of the three largest banks in Japan
    - New customer deal counts increased 50% year-over-year in 2018
    - Anticipate virtually every enterprise to make conversational commerce purchase decisions in next two years
  - Introduced Maven in December 2018, patent-pending AI engine purpose built for Conversational Commerce
  - Tripled the number of messaging endpoints integrated to LiveEngage in 2018, adding Apple Business Chat, WhatsApp, Google RBM, Google Ad Lingo and Alexa
  - Captured approximately one-third of all publicly named Apple Business Chat launches
  - Deployed largest WhatsApp business implementation by volume
  - Major consumer technology companies such as Google, Apple, Facebook and WhatsApp have all leaned into conversational commerce, echoing view that consumers should message brands

Recent highlights

- **Conviction in market opportunity fuels investment to accelerate revenue growth:**
  - Guides for revenue growth to accelerate toward high teens to 20% by 4Q:19, and at least 20% growth in 2020
    - 2018 enterprise growth exceeded 20%, already above 2020 target
    - Year-end 2018 enterprise pipeline was ~25% higher than end of June 2018, with deal count up ~80%
    - Partner channel gaining traction with more than 30% year-over-year growth in partner influenced wins in 2018
    - Enterprise/midmarket customers adopting messaging show ARPU greater than $0.5 million, nearly double the average; customers with multiple messaging endpoints generate low-seven figure ARPU
    - Expect to achieve goal of reaching nearly 100% messaging adoption among our enterprise customers by 2020
    - Deals per enterprise rep are up about 65% since June 30, leading to capacity constraints
      - Plan to reduce capacity constraints and seize market opportunity by nearly doubling field sales teams

  - Guides for 2019 adjusted EBITDA of $10M to $15M, reflecting solid core operating leverage, along with purposeful reinvestment in product development and go-to-market
    - Product investments designed to reach scale to deliver on Conversational Commerce roadmap
      - Adding experts in data science, machine learning, bot automation and business enablement
    - Go-to-market investments aim to increase sales capacity and capture demand
      - Adding account execs, client partners, lead development reps and partner managers
      - Approximately 80% of spend to enterprise and 20% to midmarket/SMB
      - Approximately one-third of spend to North America and two-thirds to EMEA and APAC
    - Expect renewed margin expansion in 2020

Positive LiveEngage leading indicators

Trends for key metrics point to sustained growth trajectory

Revenue retention rate

> 110%

Eight consecutive quarters over 100% threshold

Average revenue per user (ARPU)

> 25% YtY Growth

$220K	$240K	$255K	$270K	$285K
4Q:17	1Q:18	2Q:18	3Q:18	4Q:18

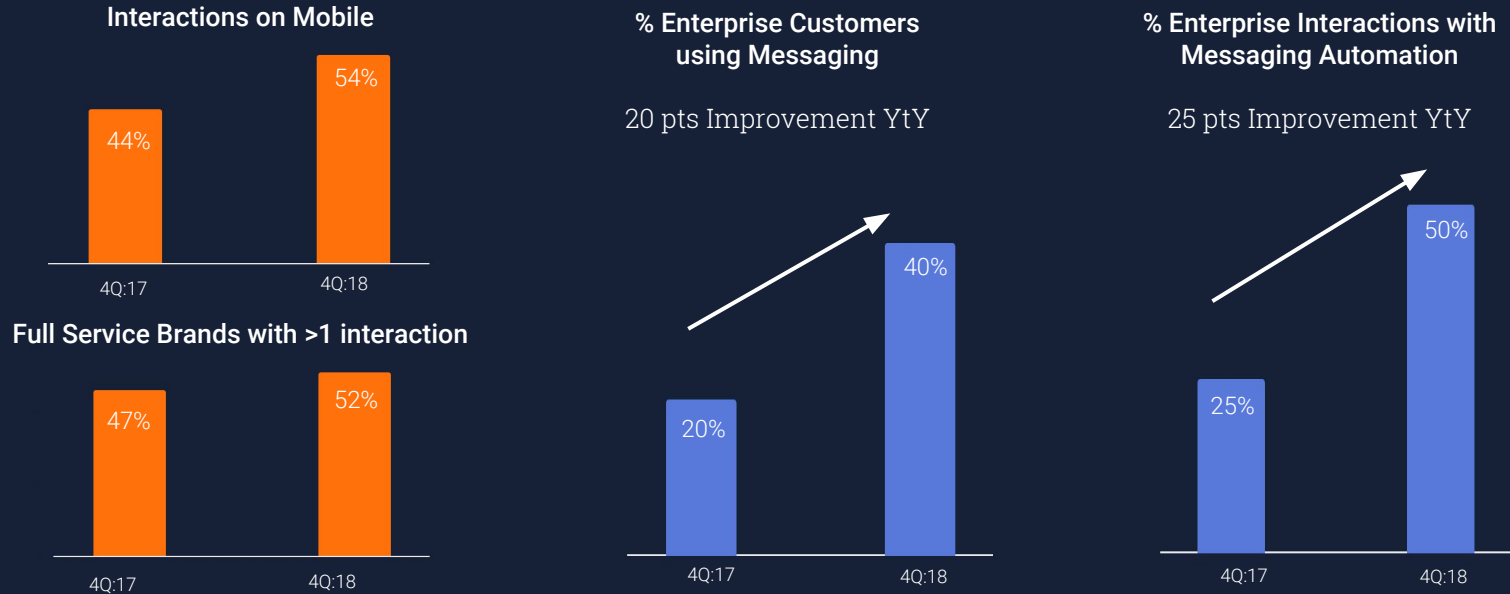**Same customer usage growth YtY**

> 10%

Eight consecutive quarters of growth

*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.

Positive LiveEngage leading indicators

Trends for key metrics point to sustained growth trajectory

Interactions on Mobile

- 4Q:17 — 44%
- 4Q:18 — 54%

Full Service Brands with >1 interaction

- 4Q:17 — 47%
- 4Q:18 — 52%

% Enterprise Customers using Messaging

20 pts Improvement YtY

- 4Q:17 — 20%
- 4Q:18 — 40%

% Enterprise Interactions with Messaging Automation

25 pts Improvement YtY

- 4Q:17 — 25%
- 4Q:18 — 50%

*Note:. Full service brands with > 1 interaction type formula updated to include each messaging channel as an interaction type. Messaging customers assume at least 200 messaging interactions per month.

Positive LiveEngage leading indicators

Investing in sales capacity to ease constraints as rising demand and interest in Accelerator Pilots, leads to significant increase in pipeline value, opportunities, and deals per rep

Enterprise Aggregate Pipeline Value

~ 25% increase

2018 Pipeline June 30, 2018

2019 Pipeline Jan 1, 2019

Enterprise Number of Pipeline Opportunities

~ 80% increase

2018 # of Opps June 30, 2018

2019 # of Opps Jan 1, 2019

Enterprise Avg Deals per Sales Rep

~ 65% increase

Industry Benchmark

2018 Avg Deals/Rep June 30, 2018

2019 Avg Deals/Rep Jan 1, 2019 (No Investment)
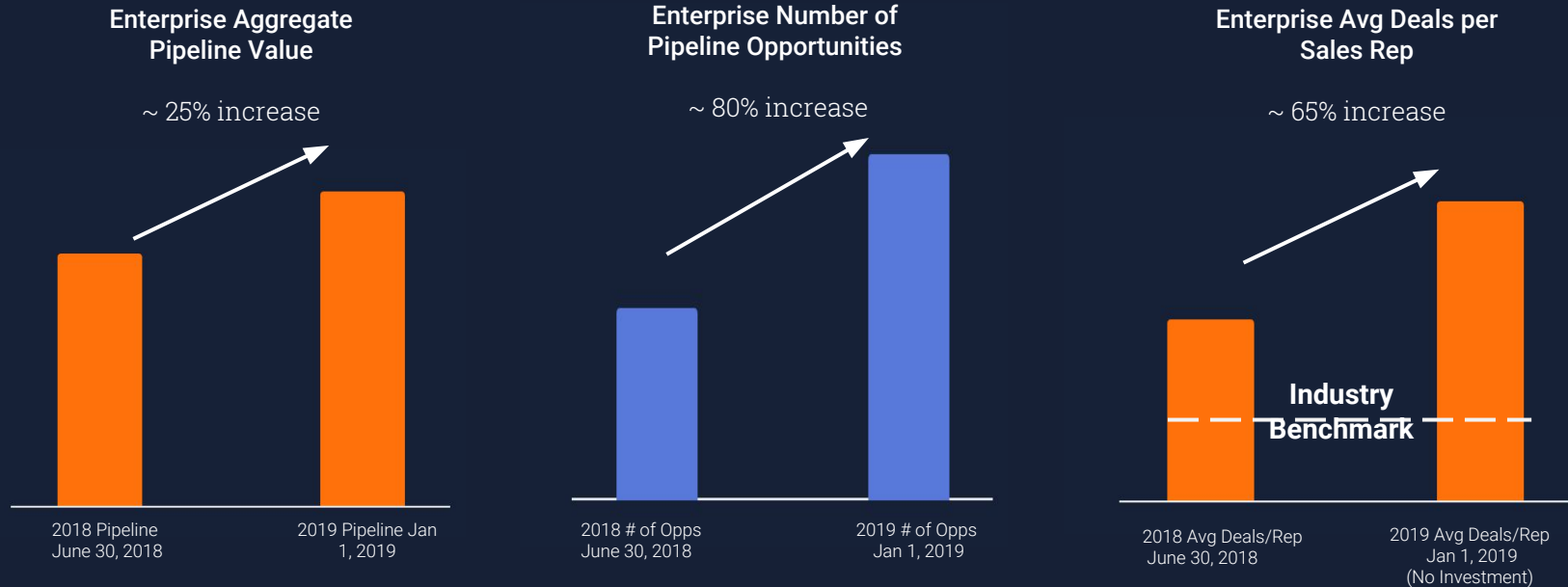
Select pro-forma guidance measures[1]

	1Q:19 Guidance	2019 Guidance
Revenue	$65.75 - $66.75	$284.5 - $291.5
Gross Margin	~72.0%	~ 74.0%
GAAP Net Loss	$(21.3) - $(19.0)	$(57.6) - $(52.0)
Adjusted EBITDA	$(4.3) - $(2.3)	$10.0 - $15.0
Adjusted EBITDA Margin	NM	3.5% - 5.2%

- Anticipate acceleration of revenue growth throughout 2019, as go-to-market investments start generating returns
- Targeting high-teens to 20% growth in 4Q:19 and at least 20% growth in 2020
- Adjusted EBITDA guidance range of $10.0M to $15.0M reflects:
  - Go-to-market and product development hiring heavily weighted to 1Q and 2Q
  - Modest adjusted EBITDA losses in 1H, and rebound to approximately 10% margin in 2H

- Target renewed margin leverage in 2020 and beyond
- 2019 GAAP net loss includes approximately $6.0 million ($0.10 per share) of IP litigation and $0.8 million ($0.01 per share) of severance and restructuring

Notes[1]: Dollar amounts in millions. Adjusted EBITDA is a Non-GAAP financial measure. For a reconciliation of net income (loss) to adjusted EBITDA please see slide 15. For detailed current financial expectations, please see our Press Release issued on February 21, 2019.

Non-GAAP adjusted EBITDA reconciliation[1]

Guidance	1Q:19E	2019E
GAAP net loss	$(21.3) - $(19.0)	$(57.6) - $(52.0)
Depreciation & amortization	$4.8	$20.5
Stock-based compensation	$7.6	$34.0
Other non-recurring costs	~$2.3	~$6.8
Provision for taxes	$2.3 - $2.0	$6.2 - $5.6
Other Income	$0.0	$0.0
Adjusted EBITDA	$(4.3) - $(2.3)	$10.0 − $15.0

Notes[1]: 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. For detailed current financial expectations, please see our Press Release issued on February 21, 2019.