



Second Quarter 2023

Earnings Call Supplemental Slides

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August 8, 2023

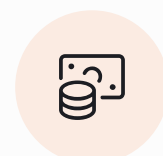
Disclaimer

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 Income, the most directly comparable GAAP financial measure and a detailed reconciliation between Net Loss and Adjusted EBITDA for the second 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 third 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 expense, contingent earn-out adjustments, restructuring costs, depreciation, other litigation, consulting and other employee costs, provision for (benefit from) income taxes, acquisition and divestiture costs, interest income (expense), net, and other expense (income), net, 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.

Second Quarter Business Highlights



Financial Update

- 2Q23 Revenue of \$97.5M, within our guidance range of \$95M to \$99M
- Adjusted EBITDA¹ of \$12.8M
- B2B Core recurring revenue represented 89% of Total Revenue
- Improved our financial position by eliminating a multi-year \$120M contingent earnout payment for Wild Health, \$40M of which was previously accrued for potential payment in 2023, in exchange for an immediate payment of \$12M and certain rights if a sale of Wild Health were to occur in the future.



Go-to-market Update

- Total deal count of 69 in Q2 including:
 - 3 seven-figure deals
 - 36 expansion & renewal deals
 - 33 new logo wins



Product Update

- Voice AI GA - Create seamless customer experiences across voice and messaging channels
- Generative AI GA - Bringing large language models to Conversational AI

¹For a reconciliation between GAAP and non-GAAP financial measures, please see the Appendix to this presentation or our Press Release issued on August 8, 2023.

Notable Wins of the Quarter



Retail Banking Vertical, including one of the Largest Banks in the World

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

Use cases:
In-App customer messaging that complies with each bank's information security requirements and they will be leveraging key LivePerson differentiators including social, proactive messaging, and LivePerson automation.



One of the Leading Health Solutions Companies

Key offerings:
Proactive Messaging, SMS, Proactive Messaging API, Proactive Reporting API, LP Anywhere

Use cases:
Outbound SMS campaigns for appointment reminders & scheduling appointments.



Hyundai Capital America, one of the Largest Captive Auto Finance Companies

Key Offerings:
SMS, Apple Business Chat, Google Business Message, Web Messaging

Use Cases:
Auto Loan and Lease-related consumer functions; Payment, History, Payoffs, Deferred Payments



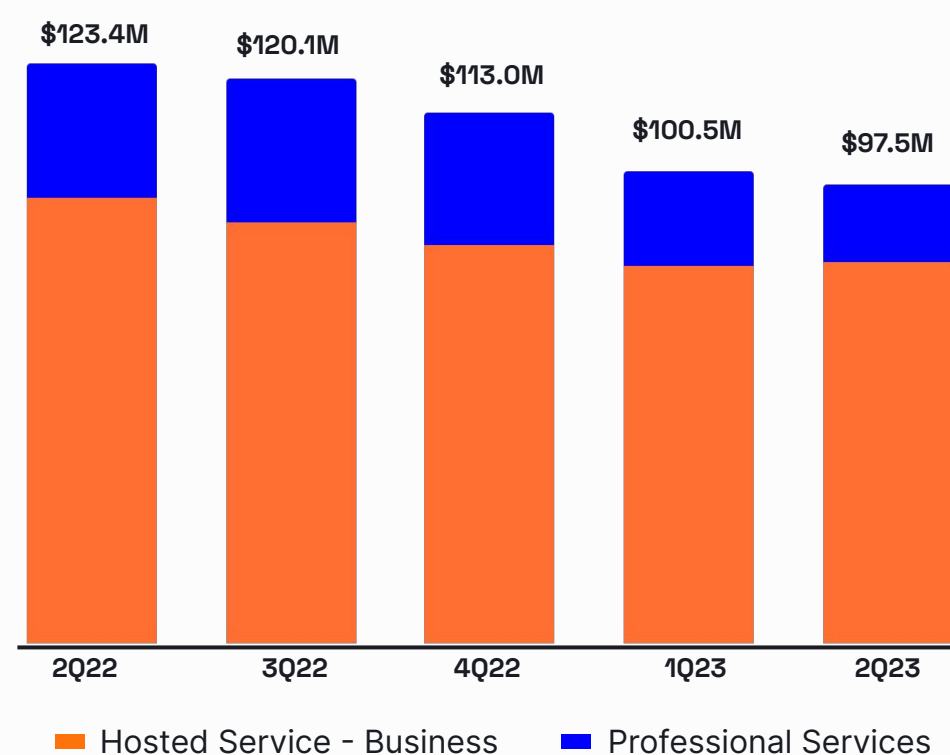
The Leading Audio Entertainment Company In North America

Key Offerings:
IVR Deflection & LP core, including Messaging, Automation and Gainshare

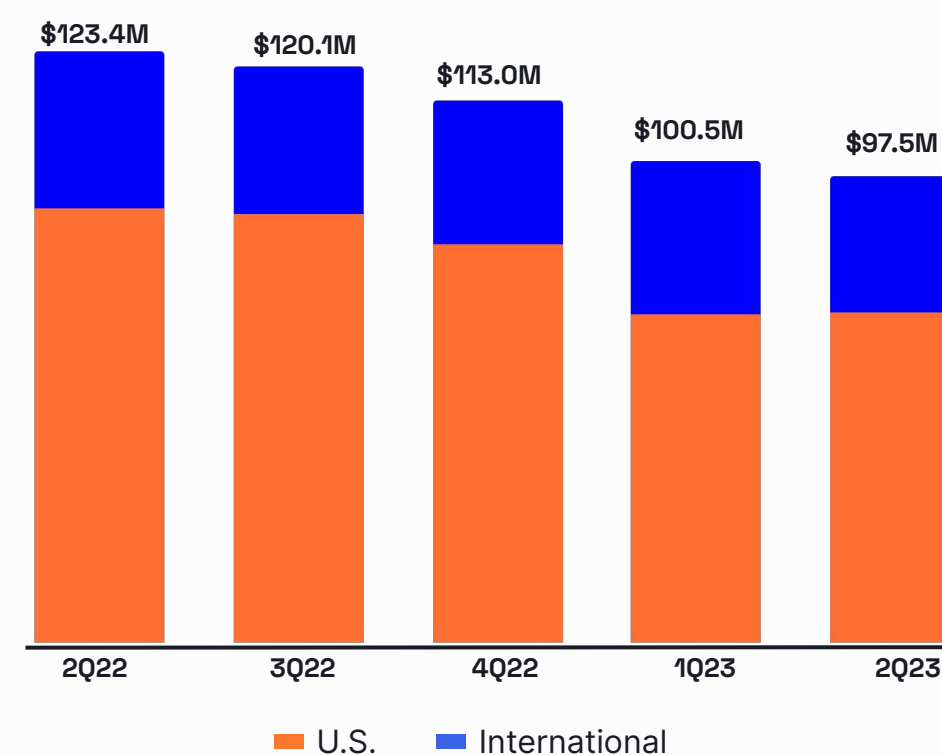
Use Case:
Sales and support uses cases including updated account info, looking at new plans and channel guides.

Second Quarter Financial & Operational Highlights¹

Quarterly Revenue by Segment²



Quarterly Revenue by Geography²

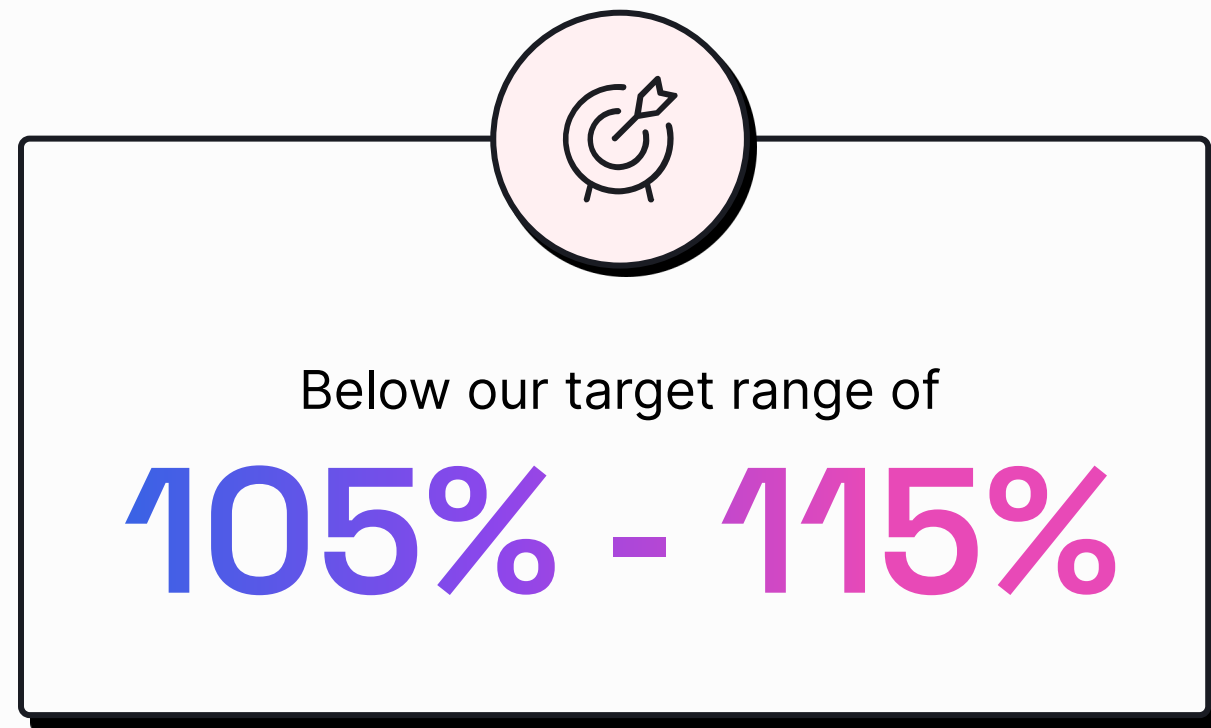


Note 1: Quarterly revenue declines primarily driven by wind down of non-Core business lines, including COVID-19 testing, Gainshare labor, and pandemic-driven Gainshare variable revenue

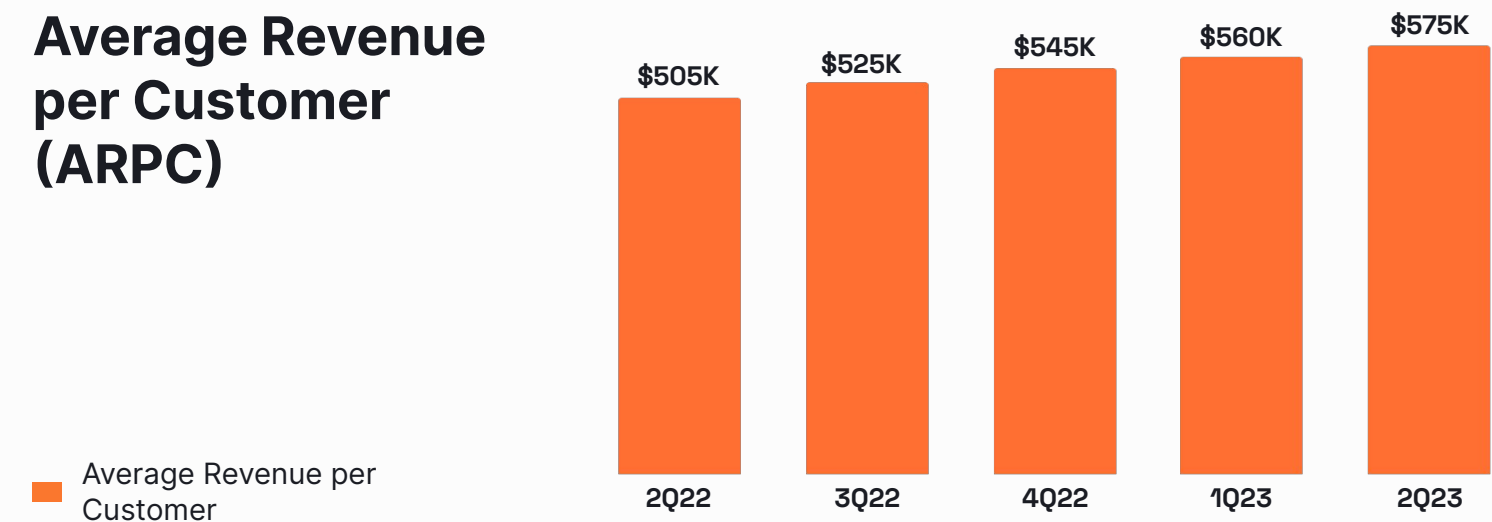
Note 2: Quarterly Revenue by Geography excludes Kasamba revenue

Second Quarter Financial & Operational Highlights (cont'd)

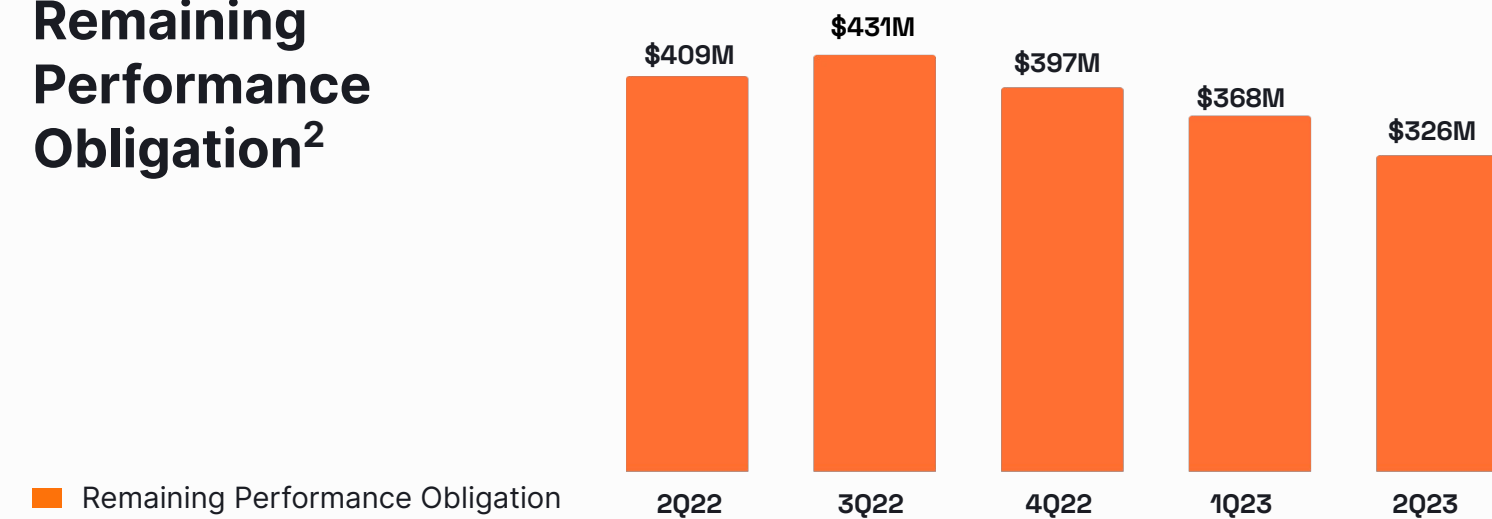
Revenue Retention Rate for Recurring Revenue¹



Average Revenue per Customer (ARPC)



Remaining Performance Obligation²



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. ARPC is a measure of the average recurring revenue per enterprise and midmarket customer over the trailing twelve months. Both metrics use recurring revenue vs total revenue.

Note 2: Declines primarily driven by wind down of non-Core business lines, including COVID-19 testing, Gainshare labor, and pandemic-driven Gainshare variable revenue

Q3 and FY 2023 Guidance

	3Q 2023 Guidance	2023 Full Year Guidance ⁽³⁾	Prior 2023 Full Year Guidance ⁽³⁾⁽⁵⁾
Revenue	\$97M - \$101M	\$388M - \$400M ⁽⁴⁾	\$387M - \$401M
YoY revenue growth⁽¹⁾	(19)% - (16)%	(19)% - (16)%	(19)% - (16)%
B2B core recurring revenue % of Total	85%	86%	86% - 87%
Adj. EBITDA⁽²⁾	\$5.9M - \$12.9M	\$19M - \$32M	\$15M - \$32M
Adj. EBITDA Margin	6.1% - 12.8%	4.9% - 8.0%	3.9% - 8.0%
<p>(1) YoY growth comparisons exclude Kasamba contribution in Q3 2022 and Full Year 2022. YoY declines primarily driven by wind down of non-Core business lines, including COVID-19 testing, Gainshare labor, and pandemic-driven Gainshare variable revenue</p> <p>(2) Adjusted EBITDA is a Non-GAAP financial measure. For detailed current financial expectations, please see our Press Release issued on August 8, 2023.</p> <p>(3) 2023 Full Year Revenue Guidance excludes Kasamba revenue generated in Q1 2023</p> <p>(4) We deferred recognition of certain revenue attributable to Wild Health in the fourth quarter of 2022 because Medicare reimbursement for services rendered was suspended pending further review. We now expect that the review will be completed and that we will recognize the corresponding revenue in the second half of the year, likely in the third quarter.</p> <p>(5) Prior guidance given on May 9th, 2023</p>			

Appendix

Reconciliation of Adjusted EBITDA

	2Q23
GAAP net income	\$10,822
Amortization of purchased intangibles and finance leases	\$5,454
Stock-based compensation expense	\$(18,148)
Contingent earn-out adjustments	\$(2,691)
Restructuring costs	\$2,387
Depreciation	\$9,726
Other litigation, consulting and other employee costs	\$7,079
Benefit from income taxes	\$(155)
Acquisition and divestiture costs	\$706
Interest income, net	\$(136)
Other expense, net	\$(2,202)
Adjusted EBITDA	\$12,842

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 and finance leases, stock-based compensation expense, contingent earn-out adjustments, restructuring costs, depreciation, other litigation, consulting and other employee costs, benefit from income taxes, acquisition and divestiture costs, interest expense, net, and other expense, 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 August 8, 2023 for more information concerning the reconciliation of non-GAAP measures to the nearest applicable GAAP measure.