



Second Quarter 2021

Earnings Call Supplemental Slides

Rob LoCascio, Chief Executive Officer

John Collins, Chief Financial Officer

Alan Katz, VP Investor Relations

August 3, 2021

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 periodic Form 10-K and Form 10-Q reports, 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 adjusted EBITDA, non-GAAP financial measure, which supplements the Company's financial statements prepared in accordance with GAAP. This non-GAAP financial measure is not intended to supersede or replace the Company's GAAP results. The most directly comparable GAAP financial measure 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 industry and general publications and research, surveys and studies conducted by third parties. While we believe that the 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.



We make life easier
for people and brands
everywhere through
trusted **Conversational AI**

Consumers don't want to call. They moved on to **messaging** in their personal lives and want the same **experience** with their favorite brands.

More than **100B**

messages are sent on WhatsApp, Facebook, and Instagram every day.



2.77B

mobile messaging app users per month estimated in 2020 globally.

NEW

93%

of WeChat users use the app for payments or purchases in 2020.



18M

texts were sent every single minute in 2019.



Sources: Facebook Q3 2020 Earnings Call, Daxue Consulting, Business Insider, Domo, eMarketer

Messaging impact and results have been **incredible**, but what can enhance the **customer experience** even further?

20%

Boost in customer satisfaction after making the switch to messaging.



2x

Uptick in employee efficiency. Moving to messaging also increases agent happiness.



Up to **10x**

Conversion rate versus traditional digital experiences.



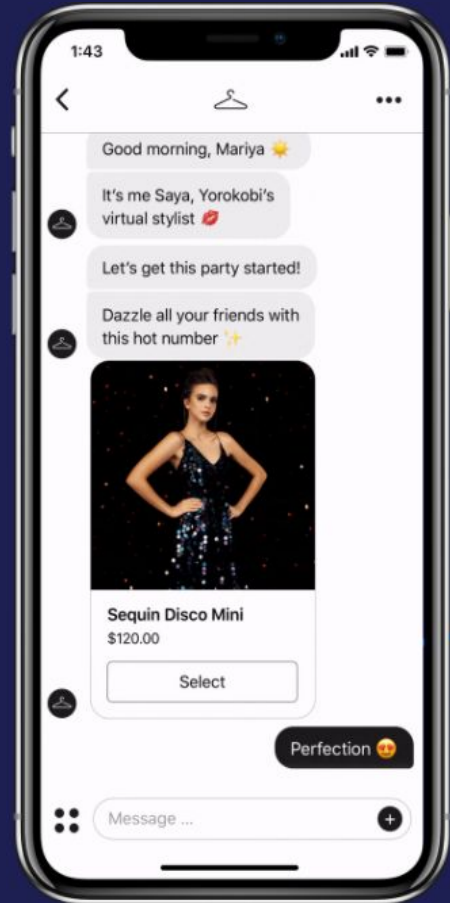
50%

Decrease in agent attrition rates after making the switch to messaging.



Source: LivePerson data based on specific customer examples

A successful **intents-driven Conversational strategy** puts you in a direct dialogue with your customers—**forever**—and you own all of it.



LivePerson's Conversational AI transforms brands' 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

Hey

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

Conversation Builder
Greeting bot

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

Intent Manager
Intent Analysis
Intent = Add frequent flyer

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

Conversation Orchestrator
Route to Frequent Flyer bot

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

Conversation Builder
Frequent Flyer bot

LivePerson's **AI-powered Conversational Cloud**

Discover & Understand

Intent Manager:

Intent Builder

Intent Analyzer



Design & Scale

Conversation Builder

Conversation Manager

Conversation Orchestrator



Measure & Improve

Conversation Analytics:

Insights

Analytics Builder

Performance Dashboard



Connect to consumer endpoints

Customize with developer tools and APIs

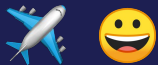
Optimize with expert services

Secure with enterprise-grade reliability, compliance and security

Automation and bots help businesses succeed with a brand's currently existing resources

90%

A major U.S. Airline saw bot containment rate of **90%** and a 11% reduction in inbound agent interactions.



+35%

An Europe Telco experienced a **+35%** increase in agent efficiency.

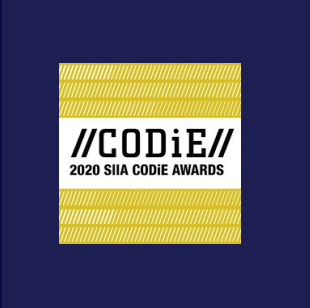


+30%

A Hospitality brand saw a **+30%** increase in average spend with a branded concierge bot.



Our **momentum** and **Conversational AI leadership** has been recognized



Second Quarter Business Highlights

Financial Update

- 2Q21 Revenue of \$119.6M, exceeding guidance midpoint by \$6.6M, growing 30.6% YoY
 - Adjusted EBITDA of \$13.4M at a margin of 11.2%, exceeding guidance midpoint by \$7.2M
 - Fifth consecutive quarter growing over 25% YoY; Fourth consecutive quarter operating at Rule of 40
-

Go-to-market Update

- Investment in experienced SaaS leadership with new President of Worldwide Field Operations and go-to-market efforts to capitalize on demand environment
 - Targeting hiring 200 quota carriers within six months to drive growth
 - Estimate growth of at least 27% YoY in FY 2022 and an exit run rate of 30% in 4Q 2022
 - Developed and launched healthcare diagnostics and testing support platform (BELLA Health)
 - Strong initial performance and attractive market opportunity
-

Product Update

- Messaging volume expanding as global economy re-opening; brands seeing sales volume ramping up
 - Crypto and Healthcare verticals and Social Media use case present significant growth opportunities
 - Expanding LivePerson's solution ecosystem into adjacent channels:
 - Extending social media management capabilities with several of the world's largest brands
 - Consolidating communications solutions (messaging, social, voice, etc.) driving efficiency and automation for brands
-

Notable Quarterly Wins



- **A leading retail marketplace**
- Key offerings: Gainshare, AI-powered messaging capabilities, managing IVR/voice
- Use cases: customer care and commerce, driving automation and self-service



- **A global streaming music brand**
- Key offerings: social media capabilities
- Use cases: consolidate tech stack and manage volumes across all channels; customer care via social media management



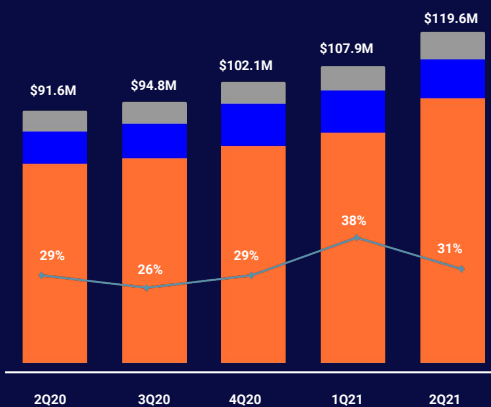
- **Crypto/Blockchain brands**
- Key offerings: AI-powered messaging
- Use cases: leading with care, addressing high-growth brands with limited customer engagement infrastructure and 24/7 end markets. Potential future expansion into commerce use cases



- **A global paint and coating manufacturing retailer**
- Key offerings: automation with Intent Manager and Conversation Builder, proactive messaging
- Use cases: care and commerce, addressing legacy high cart abandonment on website, improving speed of service and driving incremental sales to local stores

Second Quarter Financial & Operational Highlights

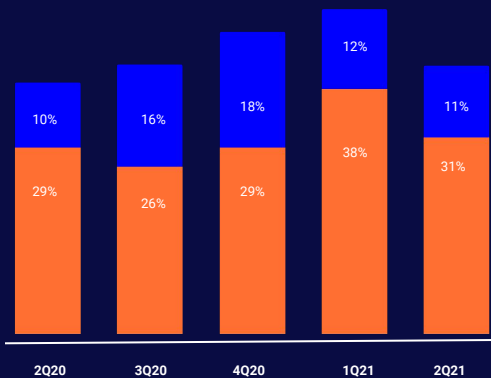
Quarterly Revenue



■ Hosted Service - Consumer ■ Hosted Service - Business
■ Professional Services — Revenue YoY growth rate

- Fifth consecutive quarter growing over 25%
- Continued strong interest and growth in both Commerce and Care use cases
- Gainshare showing strong growth
- Guidance over-achievement driven primarily by ramp of healthcare testing business as well as Gainshare and Consumer

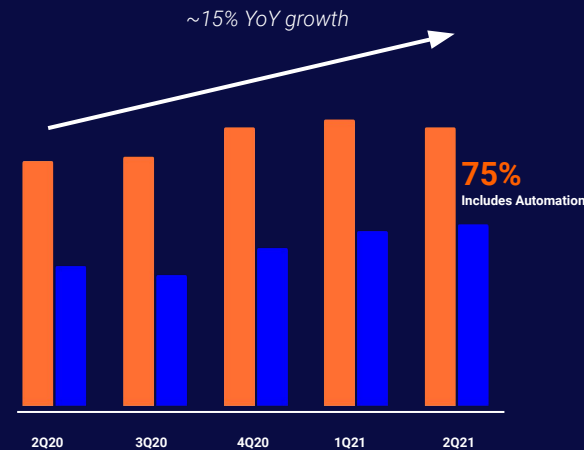
Operating Leverage



■ Revenue YoY growth rate ■ EBITDA margin

- Fourth consecutive quarter achieving Rule of 40
- 2Q21 EBITDA outperformance driven by top line over-achievement
- Investment in 2H21 to drive growth and capture market demand

Conversational Cloud Conversations

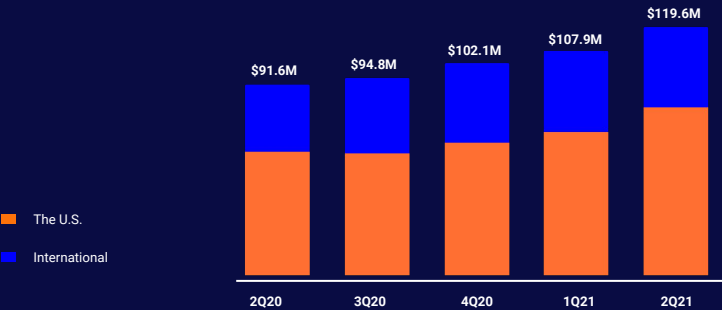


■ Total Conversations on Conversational Cloud ■ AI-powered messaging volume

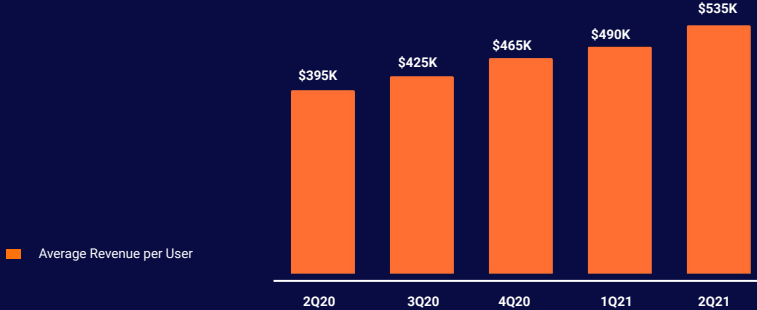
- Continued increase in automation with AI-powered messaging volume on the Conversational Cloud increasing 40% YoY
- Retail & Consumer led platform volume growth with additional growth in Financial Services, Travel & Hospitality

Second Quarter Financial & Operational Highlights (cont'd)

Revenue by Geographies



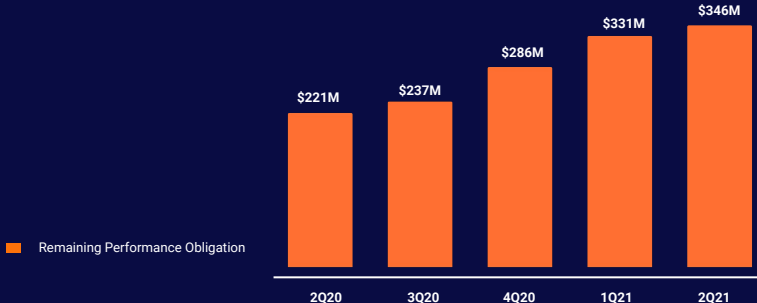
Average Revenue per User (ARPU)



Revenue Retention Rate

Above target range of
105% to 115%
 Sixteenth consecutive quarter within or above target range

Remaining Performance Obligation



*Note: Revenue retention rate measures the percentage of revenue retained at quarter end from full service customers that were either on Conversational Cloud 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⁽¹⁾

	3Q21 Guidance	2021 Guidance	2021 Previous Guidance
Revenue	\$117.0 - \$119.0	\$464.0 - \$471.0	\$460.0 - \$468.0
YoY revenue growth	23.5% - 25.5%	26.5% - 28.5%	25.5% - 27.5%
Gross Margin	~67.0%	67.0% - 68.0%	69.0% - 70.0%
GAAP Net Loss	\$(38.3) - \$(34.2)	\$(139.7) - \$(131.6)	\$(130.5) - \$(122.3)
Adjusted EBITDA	\$4.0 - \$8.0	\$14.8 - \$22.8	\$33.5 - \$41.5
Adjusted EBITDA Margin	3.5% - 6.8%	3.2% - 4.8%	7.3% - 8.9%

- Consumers continuing to shift to Conversational Commerce, and brands adopting Conversational AI and messaging to satisfy growing digital demand and manage increasing volumes.
- Expanding Total Addressable Market (TAM) from new use cases and verticals.
- Significant investment planned in 2H21 (up to \$24 million) in go-to-market capacity and product development. Targeting 200 quota carriers within the next six months.
- Targeting growth of at least 27% YoY in FY 2022 and an exit run rate of 30% in 4Q22.

(1) Dollar amounts in millions. Adjusted EBITDA is a Non-GAAP financial measure. For a reconciliation of net loss to Adjusted EBITDA, please see slide 17. For detailed current financial expectations, please see our Press Release issued on August 3, 2021.

APPENDIX

Projected Non-GAAP adjusted EBITDA reconciliation

Guidance	3Q21E	2021E	Previous 2021 Guidance
GAAP net loss	\$(38.3) - \$(34.2)	\$(139.7) - \$(131.6)	\$(130.5) - \$(122.3)
Depreciation & amortization	\$11.1	\$38.5	\$41.1
Stock-based compensation	\$20.3	\$70.7	\$75.1
Other non-recurring costs	\$0.8	\$9.1	\$7.8
Provision for taxes	\$0.8 - \$0.7	\$1.7 - \$1.6	\$3.2 - \$3.0
Other (income) expense, net	\$9.5	\$34.4	\$36.8
Adjusted EBITDA	\$4.0 - \$8.0	\$14.8 - \$22.8	\$33.5 - \$41.5

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 (including interest 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 3, 2021 for more information concerning the reconciliation of non-GAAP measures to the nearest applicable GAAP measure.