



Fourth Quarter 2022

Earnings Call Supplemental Slides

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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,” “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 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, a 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. The following forward-looking measures and the underlying assumptions involve significant known and unknown risks and uncertainties, and actual results may vary materially from these forward-looking measures. The Company does not present a quantitative reconciliation of the forward-looking non-GAAP financial measures adjusted EBITDA, adjusted EBITDA margin, and non-GAAP gross 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 and consulting 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.

Fourth Quarter Business Highlights



Financial Update

- 4Q22 Revenue of \$122.5M, representing 1% YoY decline
- Adjusted EBITDA¹ loss of (\$5.2M) vs Q4 2021 Adjusted EBITDA of a loss of (\$4.4M)
- Cost reductions throughout 2022 yielded over \$20M of in-year reductions and over \$80M in annualized reductions



Go-to-market Update

- Signed 44 new logo wins in Q4, up 63% YoY
- Total deal count of 90 in Q4, down 16% YoY
- Total number of enterprise deals increased 21.7%



Product Update

- Conversational Cloud messaging volume growth of 9% YoY
- AI-based messaging volume flat YoY
- Anticipating Q2 launch of GA integration with Salesforce

¹For a reconciliation between GAAP and non-GAAP financial measures, please see the Appendix to this presentation or our Press Release issued on March 15, 2023.

Notable Wins of the Quarter



**Top 3
Global Airline
- 2 year extension**

Key offerings: Web Messaging, Apple Business Chat, SMS, In-App, and IVR Deflection

Use cases: This Brand leverages our bot for refunds, baggage, reservations and travel credits



**Top Online
Travel Company
- 2 year extension**

Key offerings: Live on web, SMS, Apple Business Chat, Whats App, and Social (Twitter & Facebook)

Use cases: LivePerson provides our conversational cloud for Customer Care and Sales



**Top 25
U.S. Financial
Holding Company**

Current Use Case: FAQ's via messaging including both web and in-app across several Lines of Businesses

Future Use Case: Using Conversation Builder for additional automated use cases



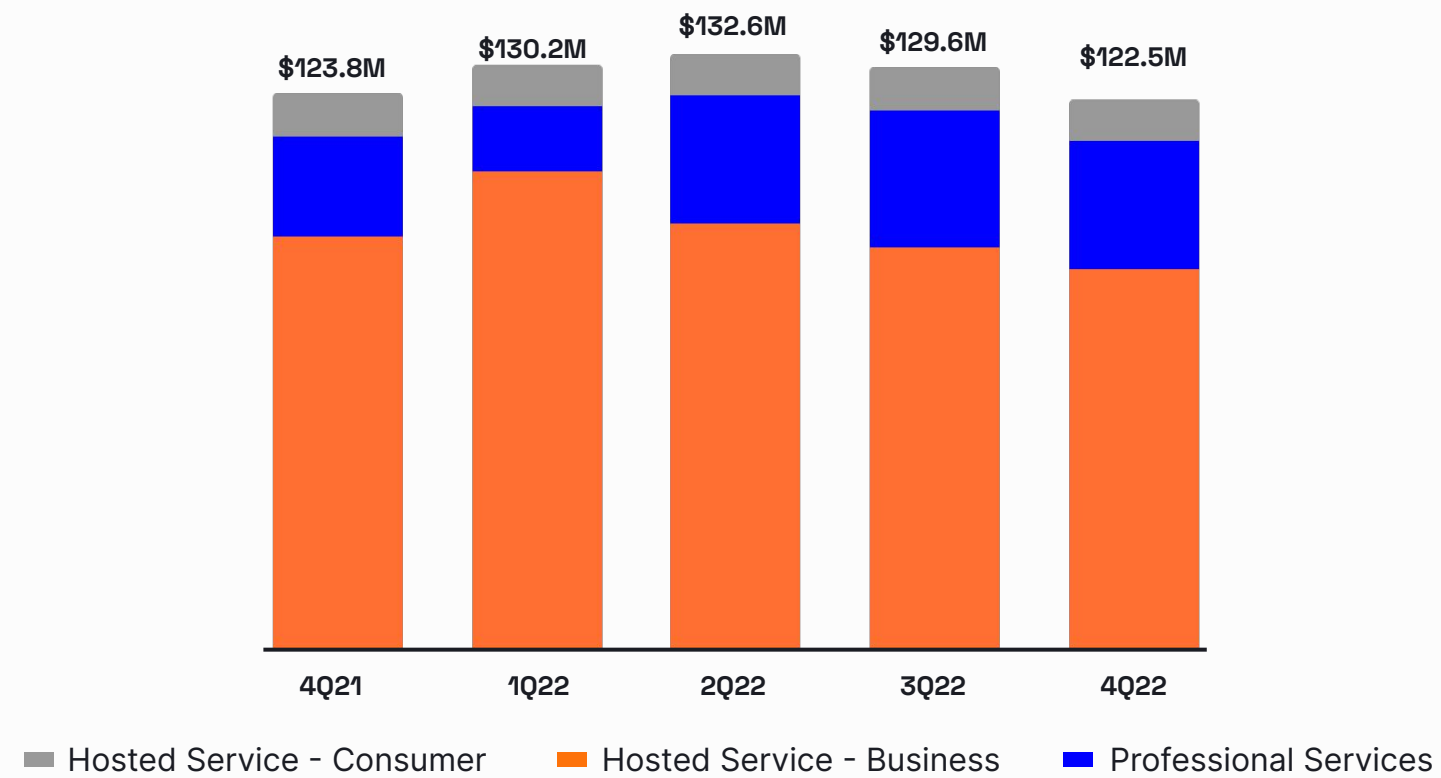
**William Hill/888:
One of the World's
Largest Online
Gambling Operators**

Use cases: Customer Care primarily targeting reducing email and voice headcount through automation. Also using bot and messaging to drive further revenue growth

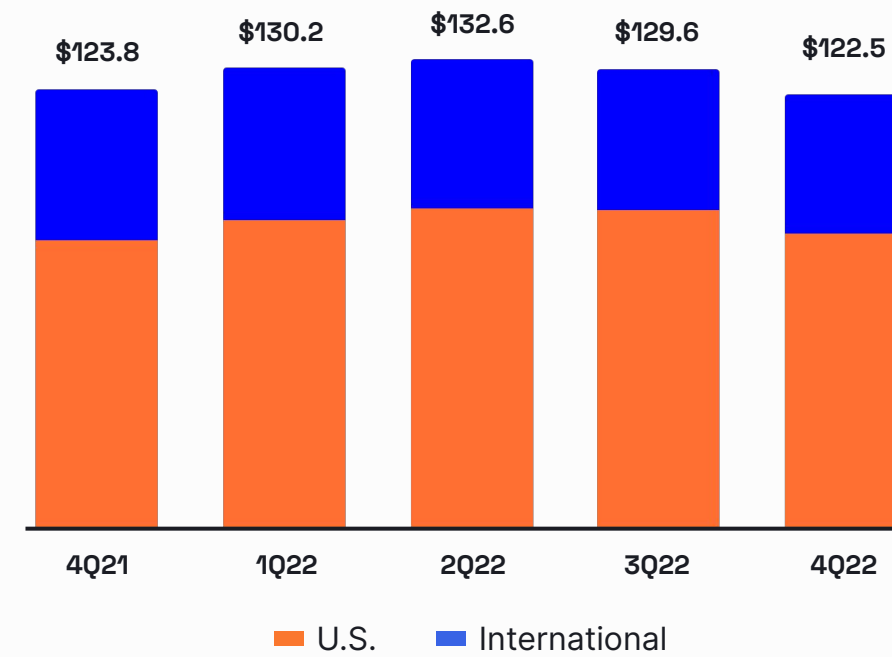
Competition: The Company was using Oracle Digital Assistant for live chat. LP had superior capabilities and proven ROI

Fourth Quarter Financial & Operational Highlights

Quarterly Revenue by Segment

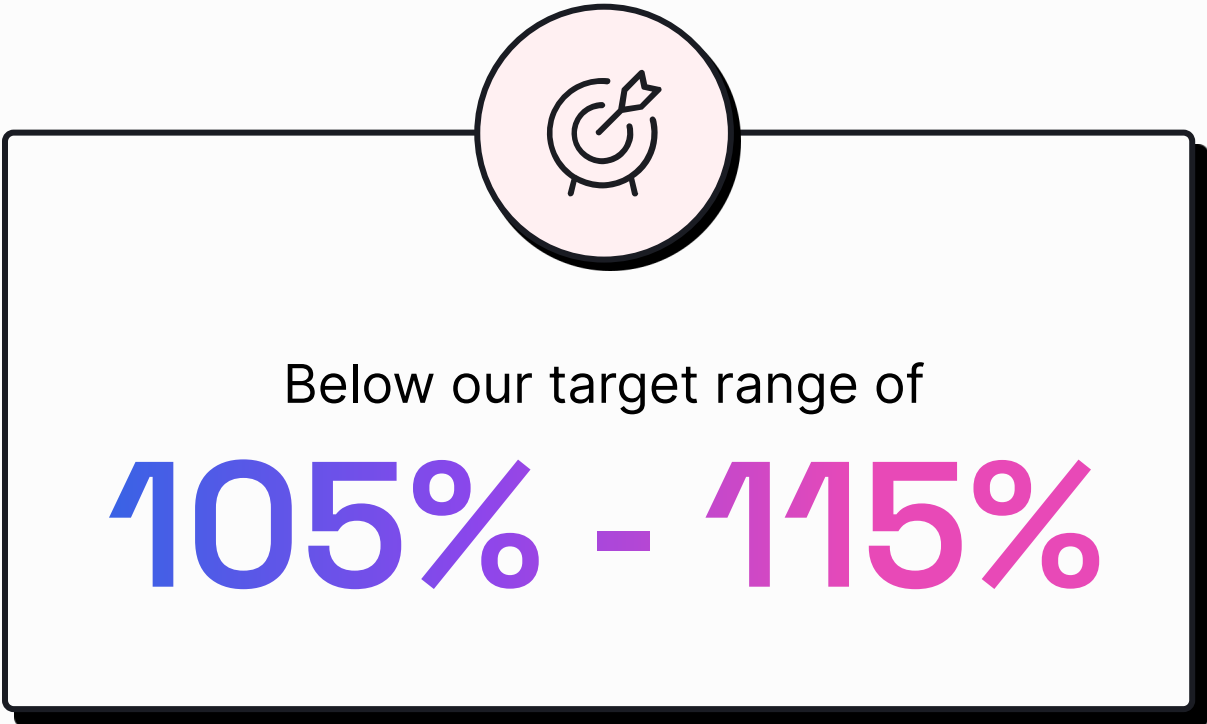


Quarterly Revenue by Geography



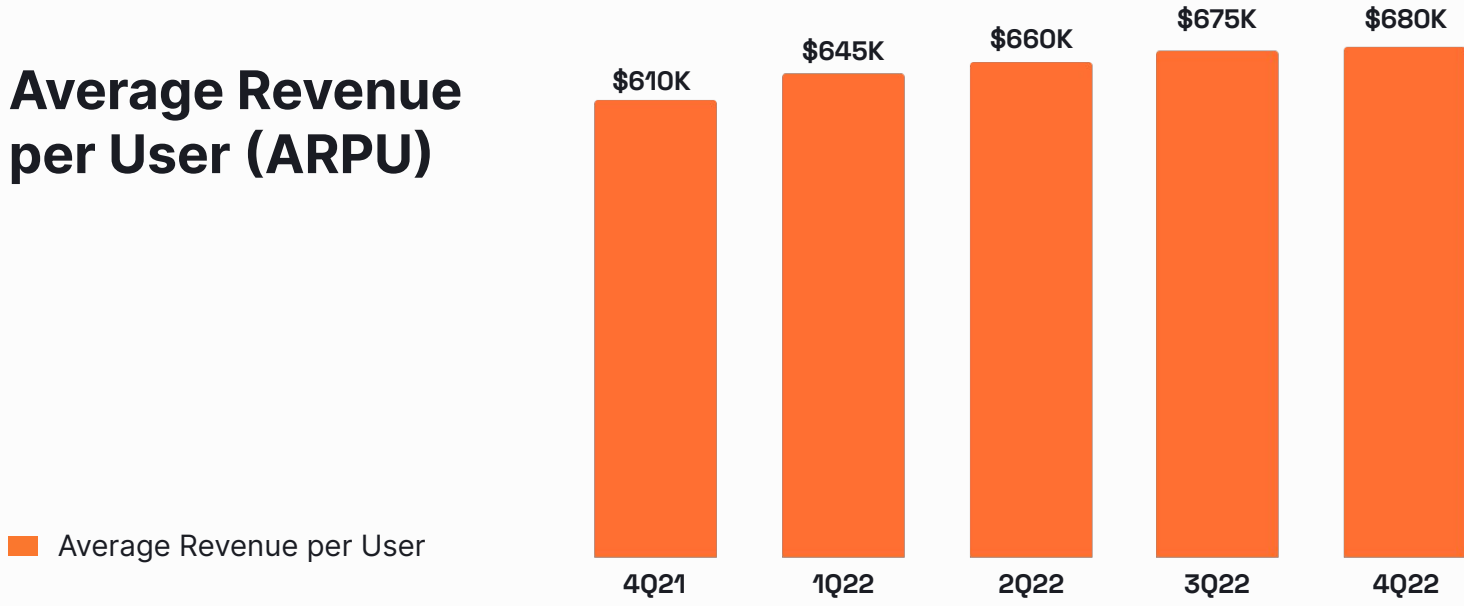
Fourth Quarter Financial & Operational Highlights (cont'd)

Revenue Retention Rate for Recurring Revenue¹

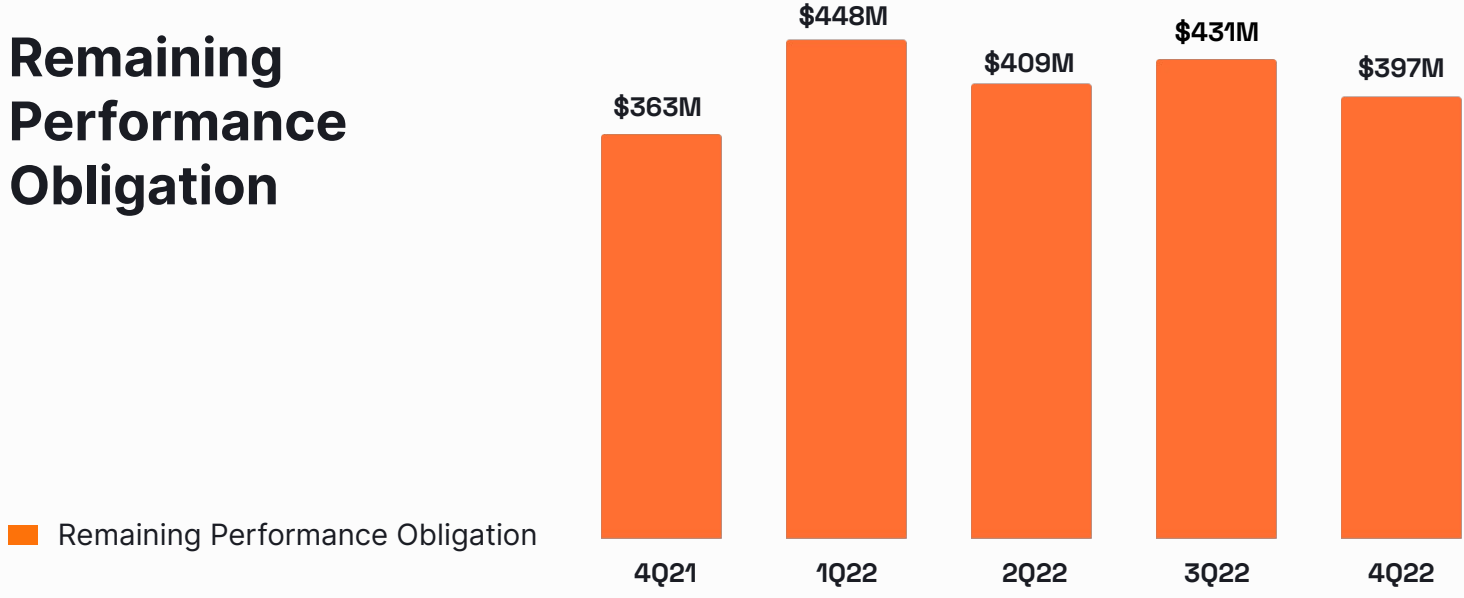


¹ Starting in Q4 2022, we are using recurring revenue to calculate Net Revenue Retention

Average Revenue per User (ARPU)



Remaining Performance Obligation



Note: 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.

Full Year 2023 Selected B2B Core Guidance Metrics⁽¹⁾

- 2023 B2B Core recurring revenue expected to range from \$334 - \$347 million, or 0% to 4% year over year growth
- 2023 B2B Core Adjusted EBITDA expected to range from \$27 million to \$40 million
- On an annualized basis, we expect the B2B Core to exit the year with 16% to 19% adjusted EBITDA margins and 7% to 10% free cash flow margins.

	1Q 2023 Guidance	2023 Full Year Guidance
Revenue	\$106M - \$109M	\$422M - \$436M
YoY revenue growth	(19%) - (16%)	(18)% - (15)%
Adjusted EBITDA	\$(8) - \$(5)	\$15 - \$32
Adjusted EBITDA Margin	(7.4%) - (4.7%)	4% - 7%
<p>(1) Dollar amounts in millions. Adjusted EBITDA and Non-GAAP Gross Margin are Non-GAAP financial measures. B2B Core revenue excludes the following sources: Gainshare Labor, Gainshare Variable, Healthcare and the Consumer segment. For detailed current financial expectations, please see our Press Release issued on March 15, 2023.</p>		

Appendix

Reconciliation of Adjusted EBITDA

	4Q22
GAAP net loss	\$(41,724)
Amortization of purchased intangibles and finance leases	\$5,582
Stock-based compensation expense	\$9,315
Contingent earn-out adjustments	\$52
Restructuring costs	\$2,018
Depreciation	\$10,870
Other litigation and consulting costs	\$4,569
Provision for income taxes	\$457
Acquisition costs	\$1,368
Interest income, net	\$(1,361)
Other expense, net	\$3,640
Adjusted EBITDA	\$(5,214)

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 March 15, 2023 for more information concerning the reconciliation of non-GAAP measures to the nearest applicable GAAP measure.