



Third Quarter 2018

Supplemental Earnings Call Slides

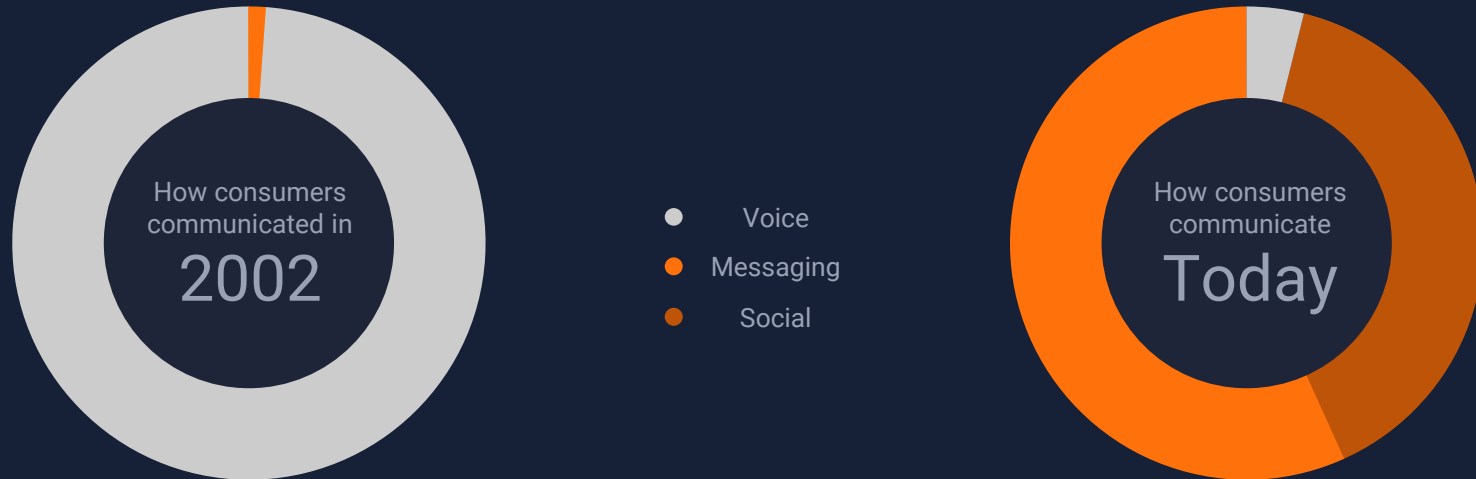
Rob LoCascio, CEO
Chris Greiner, CFO

Safe harbor provision

Statements in this presentation 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 market for digital engagement technology; our ability to retain existing clients and attract new clients; potential adverse impact due to foreign currency exchange rate fluctuations; 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; our ability to effectively operate on mobile devices; failures or security breaches in our services, those of our third party providers, or in the websites of our customers; 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; economic conditions and regulatory changes caused by the United Kingdom's likely exit from the European Union; our ability to retain key personnel, attract new personnel and to manage staff attrition; 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; 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; 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 our current or 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; the high volatility of our stock price; 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.

Messaging is replacing voice calls

Consumers already message all day, every day, in their personal lives



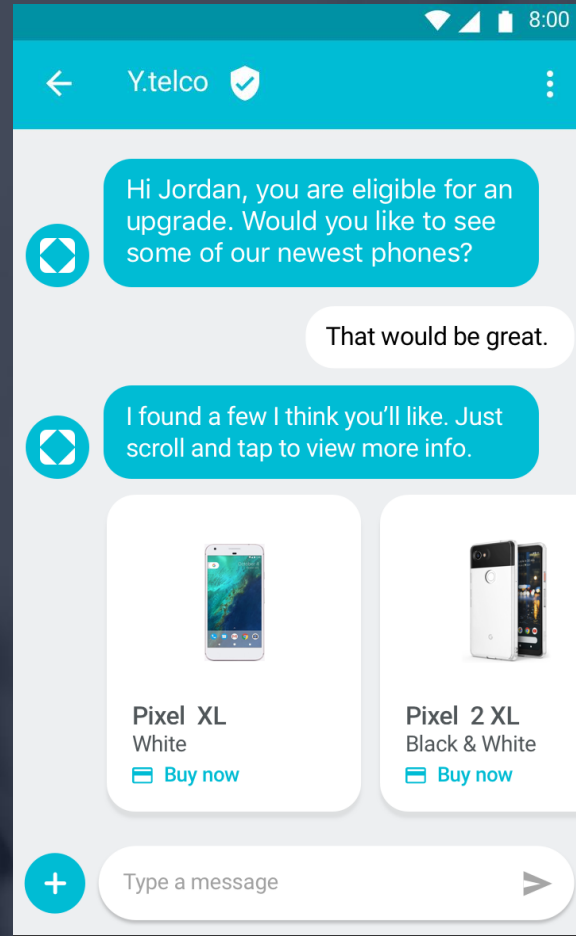
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E-commerce has failed us

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

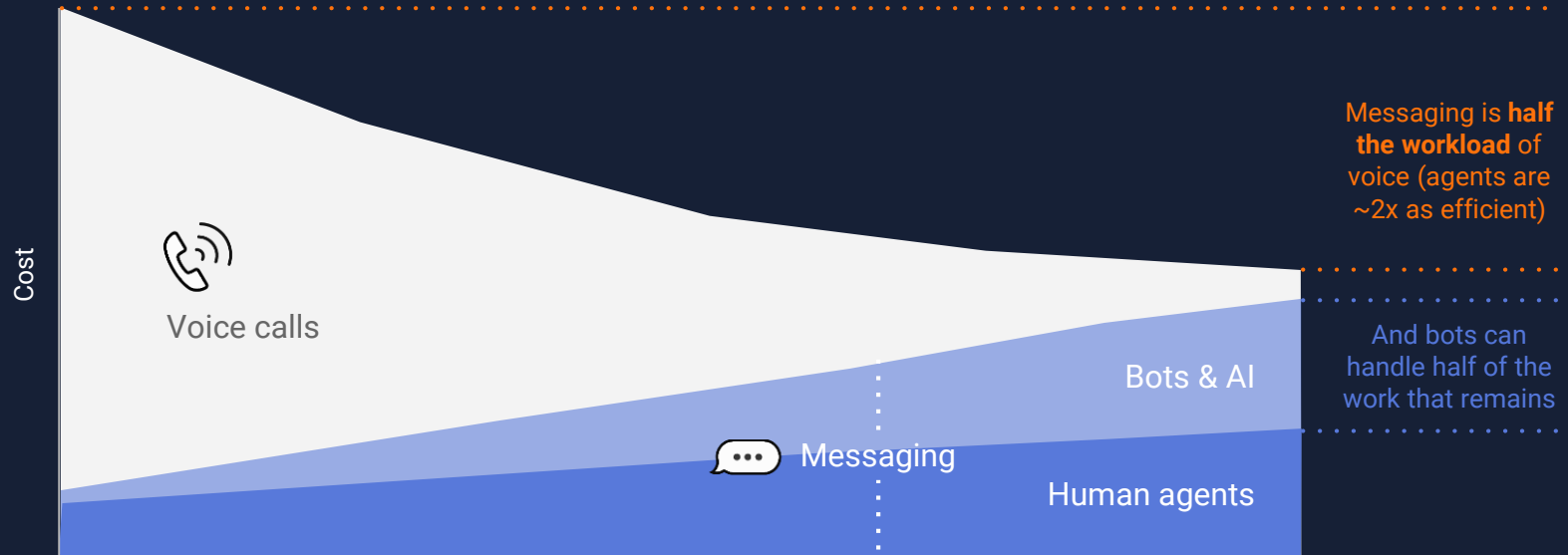


Conversational Commerce



AI-powered Conversational Commerce is the future

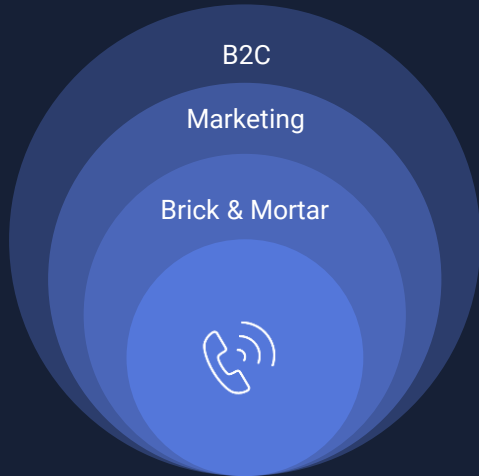
Preferred by consumers and up to 4 times as efficient as legacy voice



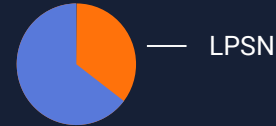
The industry is ripe for transformation

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

LiveEngage addressable market includes 268B conversations in the contact center alone



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



T-Mobile's un-carrier move plays up messaging

T-Mobile is the first company to leverage LiveEngage to transform the contact center

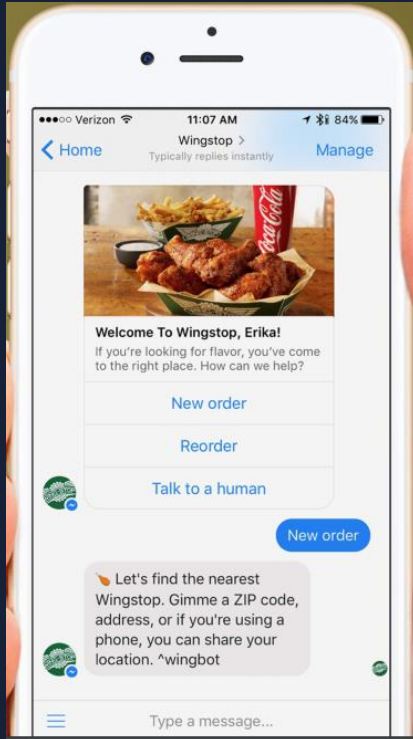


Industry Inflection Point

- August 15, 2018
- Ends the call center “runaround” by no longer forcing customers to call the IVR and 1-800 number
- Shifts to directly contacting Team of Experts through messaging or voice
- Introduced only two years after launching messaging in LiveEngage
- Publicly recognized LivePerson for its visionary role in powering the transformation

Conversable acquisition

Strong AI development team with expertise in bot building and social. Deep Quick Service Restaurants (QSR) vertical presence



Strong Strategic Fit

- Acquired September 27
- Strong AI and Bot team in Austin
- QSR and hospitality vertical expertise
- Expands TAM by addressing high volume daily interactions
- No apps to download - direct messaging to brands
- Social marketing skills - adds Twitter and OnStar connections
- Immaterial financial impact

AdvantageTec acquisition

High-growth SaaS leader powering messaging communications between consumers and automotive dealer service departments



Strong Strategic Fit

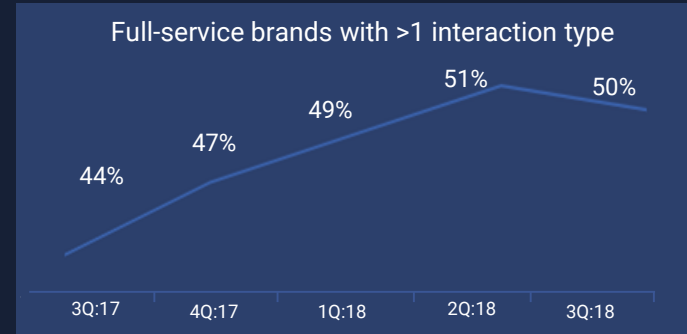
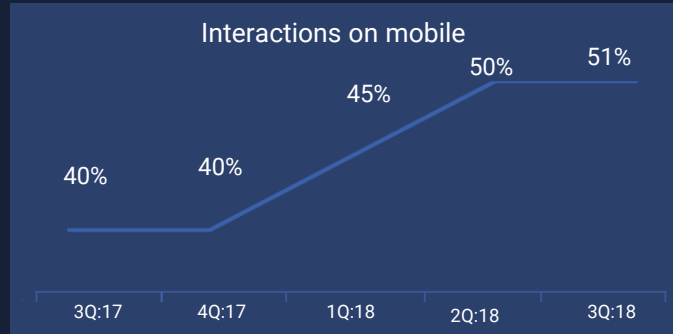
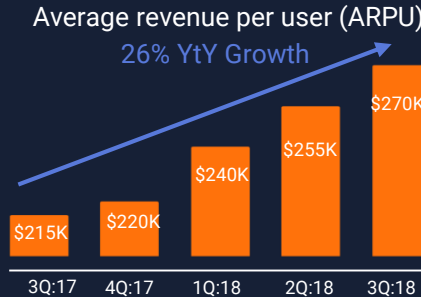
- Acquired October 11
- Doubles automotive vertical TAM, adding service departments to existing sales offering
- Substantial cross-sell opportunity into LivePerson installed base of more than 14,000 automotive dealers
- Strengthens competitive position; only solution spanning auto lifecycle, from sales to service and parts
- Immaterial financial impact

Recent highlights

- **Strong results and outlook:**
 - Record 3Q revenue exceeded guidance; raises 2018 revenue guidance, targeting 14% YtY growth
 - Strong demand generation, with three seven-figure deals signed, one of which is largest in Company's history
 - YTD enterprise growth of greater than 20%
 - Revises EBITDA guidance to reflect acquisitions of two early stage growth companies and opportunity to significantly upsize customer event by partnering with T-Mobile around Team of Experts "un-carrier" move
- **Investments in go-to-market are yielding strong returns:**
 - Pipeline creation has doubled in last few months:
 - Greater than \$30 million of partner influenced pipeline created in 2018
 - Generating approximately 40% conversion rates on hosted customer summits
 - Accelerator pilot program showing promise - wins in the U.S. include one of the leading telcos, a top 10 bank, and a Fortune 500 insurance company
 - AdvantageTec and Conversable acquisitions deepen conversational AI expertise and market penetration in automotive and foodservice
- **Strong indicators of accelerating growth and market leadership:**
 - More than 30% of enterprise customers are messaging and nearly 50% of those are touched by automation
 - Introducing new vertical AI solutions, bot building suite and agent efficiency tools
 - Enterprise/midmarket ARPU increased more than 25% year over year to greater than \$270,000
 - ARPU for enterprise/midmarket *messaging* customers is more than half a million dollars
 - Revenue retention for enterprise/midmarket is once again above 100% target

Positive LiveEngage leading indicators

Trends for key metrics point to sustained growth trajectory



*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. *Note: ARPU is a measure of the average revenue per enterprise and midmarket customer over the trailing-twelve months. Full service brands with > 1 interaction type formula updated to include each messaging channel as an interaction type.

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Select pro-forma guidance measures¹

	4Q:18 Guidance	Updated 2018 Guidance	Previous 2018 Guidance
Revenue	\$63.9 - \$65.9	\$248.0 - \$250.0	\$245.5 - \$247.5
Gross Margin	~74.0%	~ 75.0%	~ 75.5%
GAAP Net Loss	\$(10.7) - \$(8.5)	\$(29.3) - \$(27.1)	\$(22.8) - \$(19.2)
Adjusted EBITDA	\$4.2 - \$6.2	\$18.0 - \$20.0	\$22.0 - \$25.0
Adjusted EBITDA Margin	6.5% - 9.4%	7.2% - 8.0%	9.0% - 10.1%

- Raised midpoint of 2018 revenue guidance by \$2.5M, targeting 14% YtY growth
- Revise adjusted EBITDA guidance range to \$18.0M to \$20.0M from \$22.0 to \$25.0M:
 - Acquisitions of Conversable and AdvantageTec, which are in investment mode
 - Significant upsizing of customer event after T-Mobile offered to collaborate
- 2018 GAAP net loss includes approximately \$11.9 million of projected non-recurring expenses primarily tied to IP litigation (\$4.5M-\$5.0M), severance and restructuring (\$5.0M-\$5.5M), consulting and other (\$1.8M).

Notes¹: 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 14. For detailed current financial expectations, please see our Press Release issued on November 8, 2018.

Non-GAAP adjusted EBITDA reconciliation¹

Guidance	4Q:18E	2018E
GAAP net loss	\$(10.7) – \$(8.5)	\$(29.3) – \$(27.1)
Depreciation & amortization	\$3.6	\$16.7
Stock-based compensation	\$4.4	\$15.2
Non-recurring charges	~\$4.4	~\$11.9
Provision for taxes	\$1.6 - \$1.4	\$3.4 - \$3.2
Other Income	\$0.0	\$0.1
Adjusted EBITDA	\$4.2 - \$6.2	\$18.0 – \$20.0

Notes¹: 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 non-recurring charges. 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 November 8, 2018.