LIVEPERSON

First Quarter 2020

Earnings Call Supplemental Slides

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This presentation includes non-GAAP financial measures, which complement the Company's financial statements prepared in accordance with GAAP. These non-GAAP financial measures are not intended to supersede or replace the Company's GAAP results. The most directly comparable GAAP financial measures 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 our competitors, industry and general publications and research, surveys and studies conducted by third parties. While we believe that the publicly available information about our competitors, 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.

265 Billion

yearly calls to 1-800 #s

(at a cost of $1.3 trillion)

Source: IBM, April 2018; The US Contact Center Decision-Makers' Guide 2018-2019

Consumers have moved on to messaging in their personal lives and are seeking the same experience with their favorite brands.

100B

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

470M

new messaging users estimated to be added between 2018 and 2021.

90%

of 1B WeChat users use the app for payments or purchases.

13M

texts were sent every single minute in 2018.

Sources: Facebook Q3 2018 Earnings Call, Domo, eMarketer, Tencent 2018 Q3 results, Business Insider

Automation is the key to massive scale and personalization

80%

Customers expect personalized information based on their journey

83%

Companies think that automating routine interactions would allow staff to focus on complex problems

⅓

Companies feel confident they can respond to customers in real time

Source: Forrester Research

Conversation **Bot Builder** and **LiveIntent**

Hey

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

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

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

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
Greeting bot

LiveIntent
Intent Analysis
Intent = Add frequent flyer

Maven AI
Route to Frequent Flyer bot

Conversation Builder
Frequent Flyer bot

Automation delivers a powerful payback for businesses

+33%
Customer Satisfaction

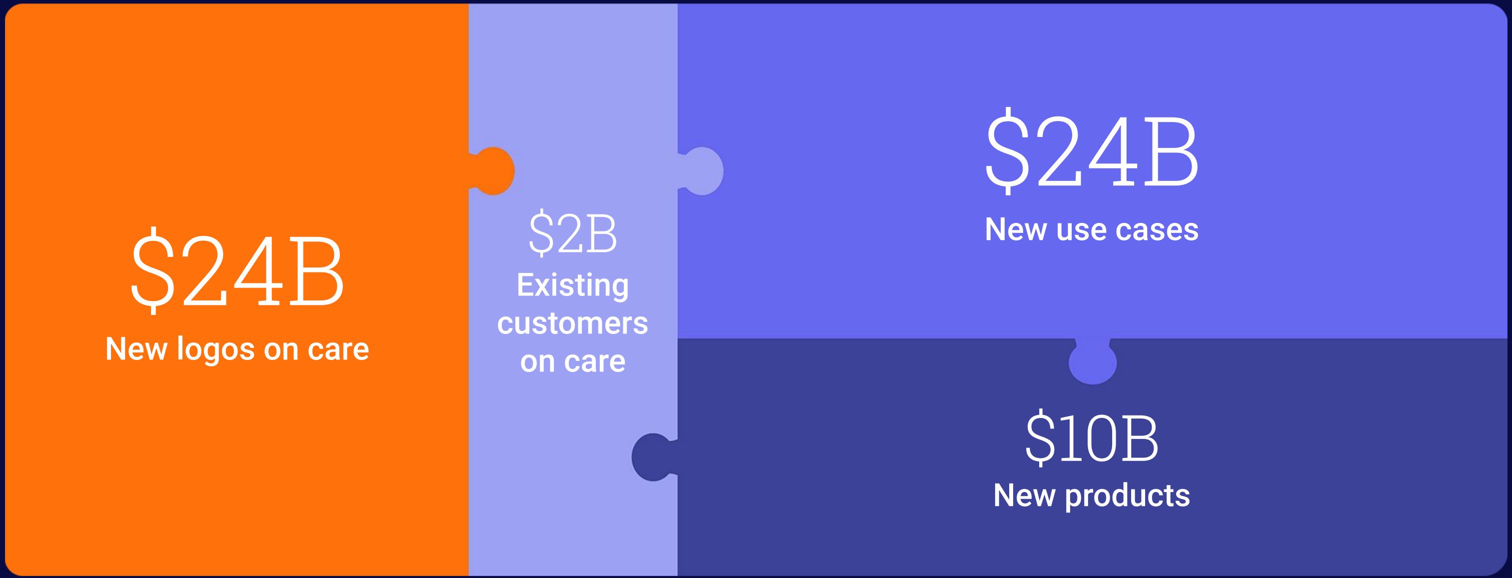
UP TO 90%
Conversations Contained

+30%
Average Order Value

Note: Payback data is based on specific customer examples

We are focused on four strategies to capture a $60B go-to-market opportunity

$60B opportunity breakdown by strategy



Source: LivePerson proprietary go-to-market analysis

Strong validation of LivePerson's Conversational AI leadership

FAST COMPANY

MOST INNOVATIVE COMPANIES

The 10 most innovative artificial intelligence companies of 2020

GOLD
2020 STEVIE® WINNER
FOR SALES & CUSTOMER SERVICE

//CODiE//
2020 SIIA CODiE AWARDS

What we're hearing from brands as they respond to COVID-19

Increase in overall inquiries related to orders, operations, store and branch closures, service and product availability, and more.

Executing on plans to rapidly transition contact center operations — in a secure and compliant way — to be entirely remote.

Focused on general health, wellbeing, and livelihood of employees, families, and communities.

Across all industries, inquiries around billing and payments are spiking.

Rapidly developing plans to address current business disruptions as well as future ones.

LivePerson Solutions for the **Resilient Contact Center**

01 Transition to an at-home workforce to continue operations

Use **Mobile Agent App** and **Agent Workspace** to securely enable messaging agents working from home and **Manager Workspace** to remotely manage all messaging interactions.

02 Shift call volume to messaging to increase agent capacity

Promote **Web Messaging** and quickly deflect inbound calls to messaging with **IVR Deflection to SMS** **or** **WhatsApp,** and **Apple Business Chat Suggest**.

03 Automate interactions to extend contact center capacity

Use **Intent Manager** to understand intents and identify which ones to automate and **Conversation Builder** to quickly build new conversational bots.

04 Keep customers informed to prevent churn and reduce inbound interaction volume

Proactive Messaging can send outbound messages to update consumers on operations status or account-specific notifications.

Adoption cycles are compressing as customers respond to COVID

Specific customer examples across industries

Travel

- **900%** year-over-year spike in messaging in March
- Bot addressing **40%** of flight change & cancellation intents related to Coronavirus
- Messaging agents **3.7x** more efficient than voice agents, **95%** customer satisfaction rate

Telco

- Making work from home measures a **permanent** feature of call center operations
- Achieved **50%** messaging share of conversations and targeting gains to **80%** with a large portion to be **fully automated**

Finance

- **Tripling** the number of messaging agents, removed Call button from Android and iOS apps
- Deployed LiveIntent to monitor incoming intents and Conversation Builder to rapidly build **automations** that address evolving conversations

Retail

- **Doubling** labor hours on messaging in **1 week**
- Onboarding new agents in **less than 48** hours, **95%** working from home
- Automation built to address **top 10** Coronavirus related intents, **50%** containment rate

Strong first quarter results and outlook

- Strong first quarter results and outlook:
  - 1Q Revenue increased 18% year over year to $78.1M, above midpoint of guidance
  - Enterprise/mid-market ARPU increased greater than 20% year-over-year to record $365,000
  - Enterprise/mid-market revenue retention rate within target range of 105% to 115%
  - Closes first deals with two new partners; a multi-billion dollar BPO and a top-10 global digital services provider
  - Guides to maintain, if not accelerate revenue growth in 2020, despite macroeconomic headwinds
  - Adjusted EBITDA loss in 1Q of $(4.6)M, better than guidance of $(6.7)M to $(8.2)M
  - Raises profit guidance as internal automation and efficiency efforts are targeted to reduce 2020 expenses by $7.5M to $16.5M
  - DSO down from 100 days reported in 4Q to 72 at the end of 1Q, and back in line with historic average
  - Ends 1Q with cash balance of $171M, a reduction of only $5M quarter over quarter following strong collections and cost savings
  - Targets ending 2020 with at least $130M of cash on hand as reduces cash burn to less than $50M.

- Indications of a new normal for the contact center industry:
  - Estimate contact center voice capacity only back to 50% of pre-COVID levels due to challenges for voice in work from home environment
  - Seeing adoption cycle compress to months from years for many LiveEngage customers
  - Conversation volumes surged 20% month over month in March, and compounded at a double-digit pace in April
  - Virtually 100% of Enterprise messaging customers are now using automation
  - Approximately 80% of messaging conversations in March relied on automation, up from 57% in January
  - Proactive outbound messaging volumes increased more than 60% month over month in March
  - More than 50 brands either live or trialing LiveIntent, an AI operations platform that provides real time insights into consumer engagements

Positive LiveEngage leading indicators

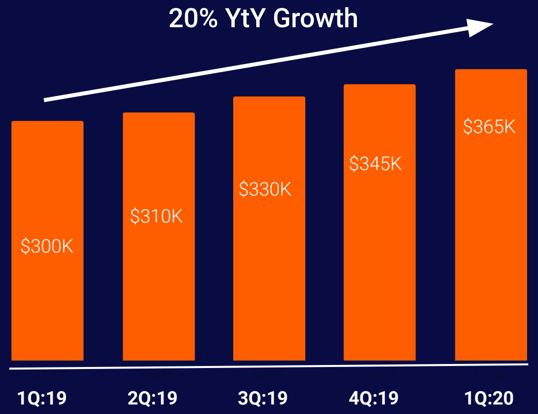
Trends for key metrics point to sustained growth trajectory

Revenue retention rate

105% to 115%

Thirteen consecutive quarters over 100%

Average revenue per user (ARPU)



Same customer usage growth YY

>10%

Thirteen consecutive quarters over 10% threshold

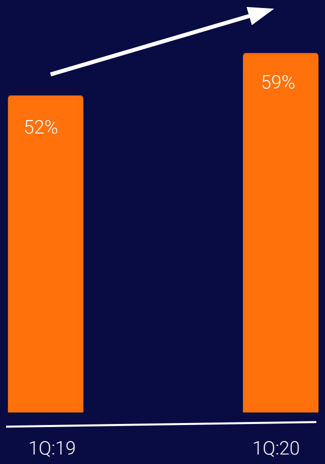
*Note: Revenue retention rate measures the % of revenue retained at quarter end from full service customers that were either on LiveEngage or with LivePerson, respectively, at quarter end in the year ago period. ARPU is a measure of the average revenue per enterprise and midmarket customer over the trailing-twelve months.

Positive LiveEngage leading indicators

Trends for key metrics point to sustained growth trajectory

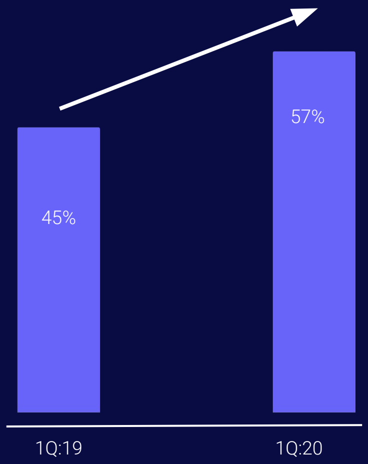
Full Service Brands with >1 interaction type

7 pts Improvement YtY



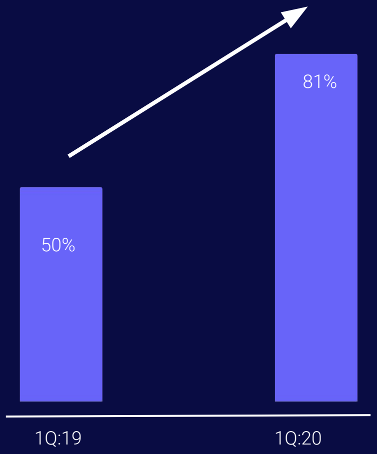
% Enterprise Customers using Messaging

12 pts Improvement YtY



% Enterprise Interactions with Messaging Automation

31 pts Improvement YtY



Selected Pro Forma Guidance Measures[1]

	2Q:20 Guidance	2020 Guidance	Previous 2020 Guidance
Revenue	$83.0 - $85.0	$340.0 - $355.0	$350.0 - $355.0
Gross Margin	~73.0%	~73.0%	~73.0%
GAAP Net Loss	$(25.1) - $(24.1)	$(106.1) - $(98.9)	$(105.6) - $(99.4)
Adjusted EBITDA	$1.0 - $2.0	$3.5 - $10.5	$(3.0) - $3.0
Adjusted EBITDA Margin	1% - 2%	1% - 3%	(1)% -1%

- Guides for maintaining, if not accelerating YtY growth from 17% to 22% in 2020, despite macroeconomic risks.
- Encouraged by strong volume trends in usage-based business models, ramping partner opportunities and wide reaching customer discussions on transformation.
- Counterbalancing enthusiasm with uncertainties tied to impact of macro environment on sales cycles and customer attrition, particularly new logos and small business.
- Guides for 2020 adjusted EBITDA of $3.5M to $10.5M, up from $(3.0)M to $3.0M, as automation drives efficiencies and captures cost savings.
- One third of savings tied to remote versus onsite go-to-market efforts. Two-thirds tied to slower hiring and headcount efficiencies, even as invests in growth drivers of AI, sales capacity and product innovation.
- Anticipates 2Q adjusted EBITDA of $1.0M to $2.0M, returning to profitability one quarter faster than previously expected.

(1) Dollar amounts in millions. Adjusted EBITDA is a Non-GAAP financial measure. For a reconciliation of net loss to Adjusted EBITDA (loss), please see slide 17. For detailed current financial expectations, please see our Press Release issued on May 5, 2020.

Projected Non-GAAP adjusted EBITDA reconciliation

Guidance	2Q:20E	2020E	Previous 2020 Guidance
GAAP net loss	$(25.1) - $(24.1)	$(106.1) - $(98.9)	$(105.6) - $(99.4)
Depreciation & amortization	$6.1	$24.8	$23.5
Stock-based compensation	$14.5	$58.3	$57.6
Other non-recurring costs	$0.8	$11.0	$6.7
Provision for taxes	$1.0 - $0.9	$3.1- $2.9	$4.0 - $3.8
Other (income) expense, net	$3.7	$12.6	$10.7
Adjusted EBITDA (loss)	$1.0 – $2.0	$3.5 – $10.5	$(3.0) – $3.0

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, 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.