



# Third Quarter 2024

Earnings Call Supplemental Slides

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November 7, 2024

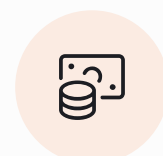
# Disclaimer

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 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 and our Quarterly Reports on Form 10-Q, 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 Loss, the most directly comparable GAAP financial measure and a detailed reconciliation between Net Loss and Adjusted EBITDA for the third quarter of 2024 is included in the Appendix to this presentation.

This presentation also contains the forward-looking non-GAAP financial guidance measures adjusted EBITDA and adjusted EBITDA margin for the fourth quarter and full year 2024. 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 other litigation, consulting and other employee costs, depreciation, amortization of purchased intangibles and finance leases, restructuring costs, impairment of goodwill, impairment of intangibles and other assets, change in fair value of warrants, leadership transition costs, contingent earn-out adjustments, acquisition and divestiture costs, stock-based compensation expense, provision for income taxes, IT transformation costs, interest expense, net, loss (gain) on divestiture, gain on debt extinguishment, and other 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.

# Third Quarter Business Highlights



## Financial Update

- 3Q24 Revenue of \$74.2M, above the high-end of our guidance range of \$69M to \$73M
- Adjusted EBITDA<sup>1</sup> of \$7.3M, above the high-end of our guidance range of \$0M to \$5M
- B2B Core Recurring Revenue<sup>2</sup> was \$68.8M, or 93% of Total Revenue



## Go-to-market Update

- Total deal count of 44 in 3Q24 including:
  - 35 expansion & renewal deals
  - 9 new logo wins
  - 2 seven-figure deals
- Strong traction with new pricing & packaging in Q3 and majority of new logo pipeline has now transitioned to it



## Partnerships Update

- Launched our unified omnichannel solution that seamlessly integrates digital and voice interactions
- Closed first new logo deal within expanded Avaya partnership and have plans to integrate with more on-premise and cloud voice platforms

**Note 1:** For a reconciliation between GAAP and non-GAAP financial measures, please see the Appendix to this presentation or our Press Release issued on November 7, 2024.

**Note 2:** B2B Core Recurring Revenue = Recurring Software Revenue and Recurring Professional Services Revenue.

# Notable Wins of the Quarter



## One of the World's Largest Health Insurance Providers

### Products Used:

Webchat, In-app, bots, cobrowse, conversation assist, analytics studio

### Use cases:

Utilize LivePerson's solution to connect to their members and move them into a better digital experience. With a variety of AI Agents assisting consumers and agents at various stages of the customer lifecycle, LivePerson solutions have helped them achieve 222% year-over-year growth in digital sales with an 86% customer satisfaction rate.



## Leading Fast Casual Restaurant Company

### Products Used:

Conversational AI bots

### Use cases:

Utilize LivePerson's conversational AI bots for rewards & points, receipt surveys, online catering, password resets and gift cards. Their live agents will also be using LivePerson's workspace to inbound escalated conversations.



## Large Australian Financial Services Company

### Products Used:

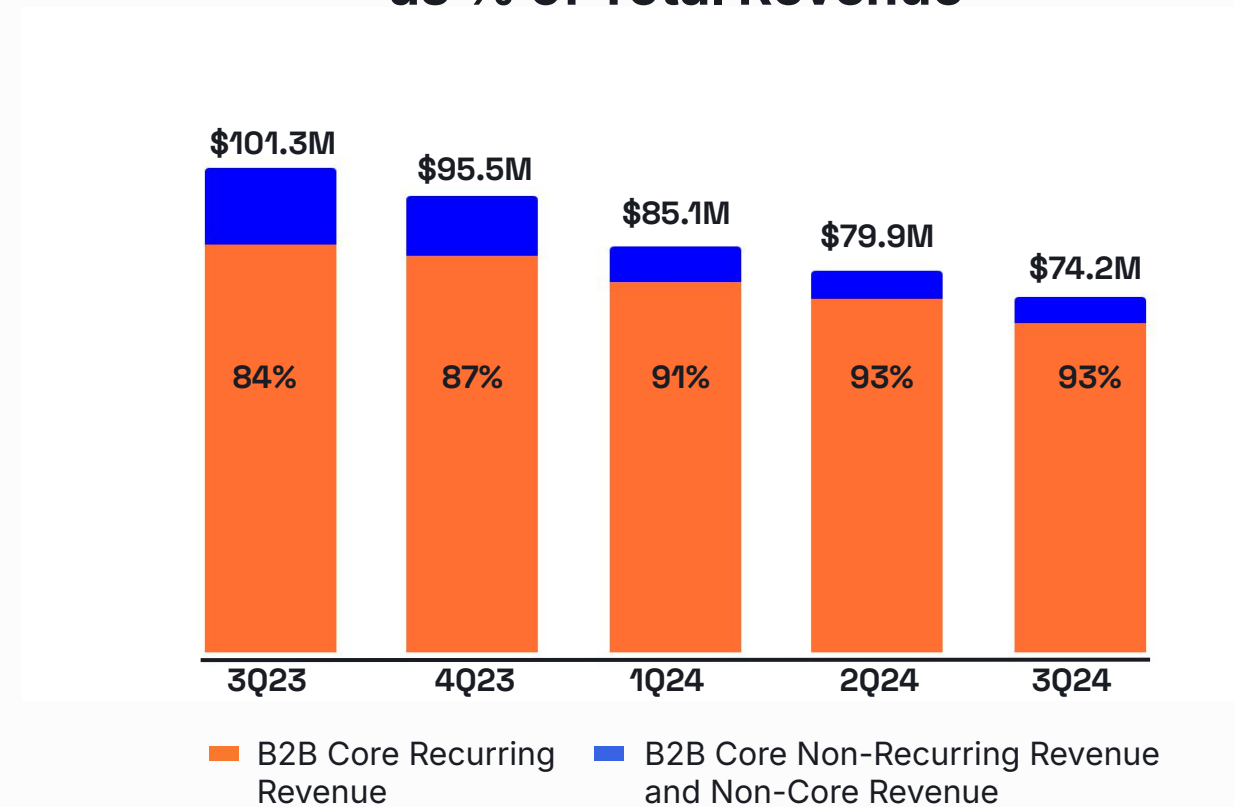
Webchat, In-app, Apple Business Chat, WhatsApp, analytics studio

### Use cases:

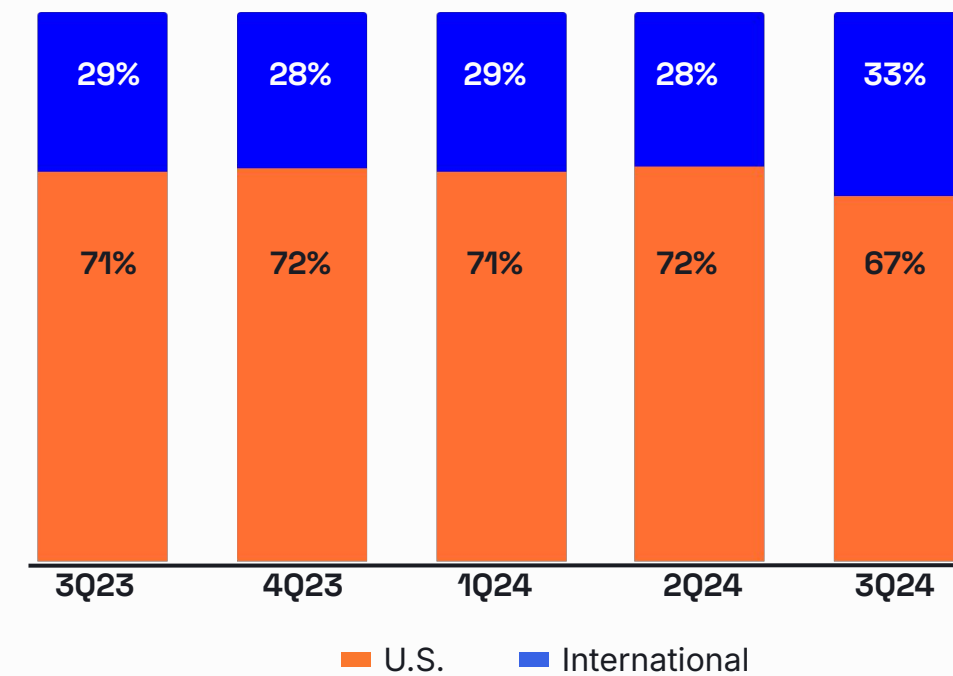
Expanded their current use of LivePerson to replace a legacy messaging platform and handle all of Web & In-app messaging across the entire group. This includes service for general banking, credit cards, fraud, hardship, and business customers.

# Third Quarter Financial & Operational Highlights

**B2B Core Recurring Revenue as % of Total Revenue**



**Revenue by Geography**



**Definitions:**

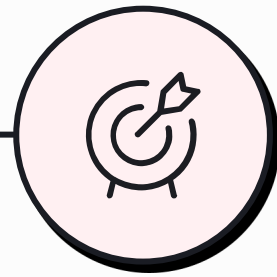
**B2B Core Recurring Revenue** = Recurring Software Revenue and Recurring Professional Services Revenue

**B2B Core Non-Recurring Revenue** = Non-Recurring Professional Services Revenue, One-time Charges Revenue, Variable Revenue and Overages Revenue

**Non-Core Revenue** = WildHealth Revenue and Engage Revenue

# Third Quarter Financial & Operational Highlights (cont'd)

## Revenue Retention Rate for Recurring Revenue<sup>1</sup>

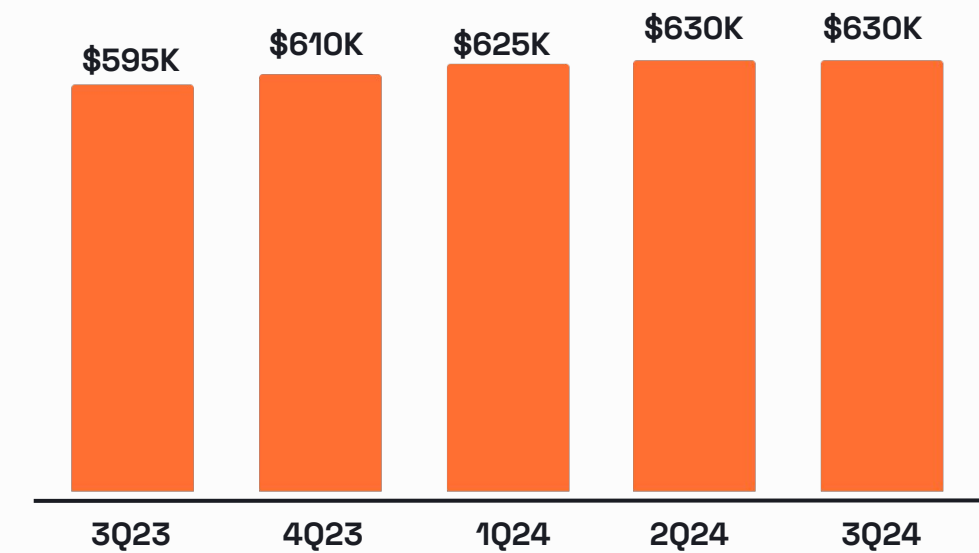


Below our target range of

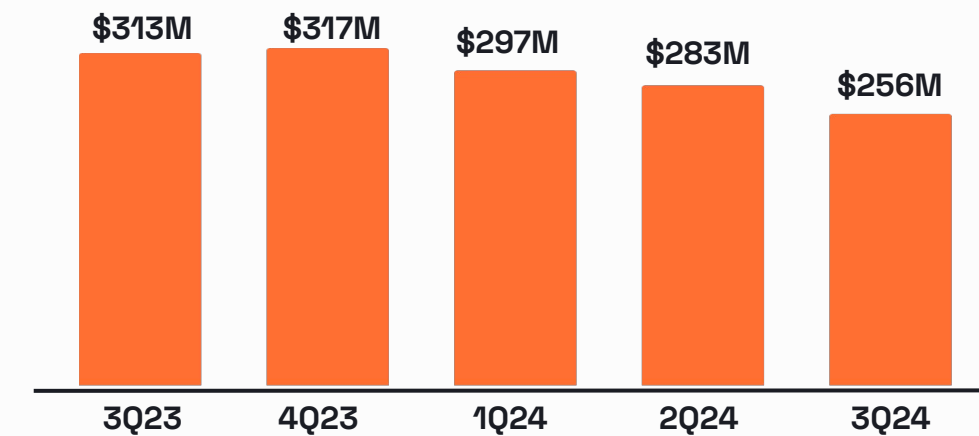
**105% - 115%**

	3Q23	4Q23	1Q24	2Q24	3Q24
<b>NRR</b>	<b>98%</b>	<b>95%</b>	<b>89%</b>	<b>83%</b>	<b>79%</b>

## Average Revenue per Customer (ARPC)<sup>2</sup>



## Remaining Performance Obligation<sup>3</sup>



**Note 1:** Revenue retention measures the percentage change in recurring revenue YOY by comparing the sum of revenue from the prior year quarter compared to the current year quarter for the same cohort of customers.

**Note 2:** ARPC is a measure of the average recurring revenue per enterprise and midmarket customer over the trailing twelve months. Both metrics use recurring revenue.

**Note 3:** YoY decline driven by customer cancellations and downsell.

# 4Q24 and FY24 Guidance

	4Q24 Guidance	FY24 Guidance
<b>Revenue</b>	\$65.7M - \$70.7M	\$305M - \$310M
<b>YoY Revenue Growth <sup>(1)</sup></b>	(31)% - (26)%	(23)% - (21)%
<b>B2B Core Recurring Revenue % of Total Revenue</b>	93%	92%
<b>Adjusted EBITDA <sup>(2)</sup></b>	\$2.1M - \$7.1M	\$18M - \$23M
<b>Adjusted EBITDA Margin</b>	3.2% - 10.0%	5.9% - 7.4%
<p><b>Note 1:</b> YoY growth comparisons exclude the \$7.2M Kasamba contribution in Q1 2023  <b>Note 2:</b> Adjusted EBITDA is a Non-GAAP financial measure. For detailed current financial expectations, please see our Press Release issued on November 7, 2024</p>		

# Appendix



# Reconciliation of Adjusted EBITDA

	3Q24
GAAP net loss	\$(28,309)
Other litigation, consulting and other employee costs	5,253
Depreciation	7,226
Amortization of purchased intangibles and finance leases	3,686
Restructuring costs	1,448
Change in fair value of warrants	7,790
Leadership transition costs	122
Stock-based compensation expense	5,375
Provision for income taxes	509
IT transformation costs	185
Interest expense, net	4,147
Other income, net	(175)
Adjusted EBITDA	\$7,257

**Note:** Dollar amounts in thousands. Certain items may not total due to rounding. Adjusted EBITDA is a Non-GAAP financial measure. Adjusted EBITDA excludes other litigation, consulting and other employee costs, depreciation, amortization of purchased intangibles and finance leases, restructuring costs, impairment of goodwill, impairment of intangibles and other assets, change in fair value of warrants, leadership transition costs, contingent earn-out adjustments, acquisition and divestiture costs, stock-based compensation expense, provision for income taxes, IT transformation costs, interest expense, net, loss (gain) on divestiture, gain on debt extinguishment, and other income, net.