



Fourth Quarter 2024

Earnings Call Supplemental Slides

John Sabino, Chief Executive Officer

John Collins, Chief Financial Officer and Chief Operating Officer

Jon Perachio, Vice President, Investor Relations

March 5, 2025

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," "goal," "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 fourth 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 first quarter and full year 2025. 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 depreciation, other litigation, consulting and other employee costs, restructuring costs, amortization of purchased intangibles and finance leases, impairment of goodwill, impairment of intangibles and other assets, stock-based compensation expense, leadership transition costs, provision for income taxes, IT transformation costs, change in fair value of warrants, interest expense, interest income, and other expense, 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.

Fourth Quarter Business Highlights



Financial Update

- 4Q24 Revenue of \$73.2M, above the high-end of our guidance range of \$65.7M to \$70.7M
- Adjusted EBITDA¹ of \$8.1M, above the high-end of our guidance range of \$2.1M to \$7.1M
- Recurring Revenue² was \$68.6M, or 94% of Total Revenue



Go-to-market Update

- Total deal count of 39 in 4Q24 including:
 - 30 expansion & renewal deals
 - 9 new logo wins
- Strong traction within highly regulated industries, including healthcare, financial services, and telecommunications, representing 80% of deal values in the fourth quarter



Product Update

- 17% sequential increase in customers, and 37% sequential increase in conversations leveraging LivePerson GenAI capabilities
- Integrations with Cisco and Amazon Connect expected in 1H25

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 March 5, 2025.

Note 2: Recurring Revenue = recurring software revenue and recurring professional services revenue.

Notable Wins of the Quarter



Leading Luxury Fashion Brand

Products Used:
Analytics Studio

Use cases:
Leveraging analytics studio to marry conversational insights with CRM Data and marketing programs, to deliver agent coaching and sales optimization



Leading British Broadcast and Telecommunications Company

Products Used:
Conversational Cloud and Smart Rewrite

Use cases:
Used in customer service for handling common queries with customers, such as billing, and by their sales organization to negotiate contracts with new and existing customers.



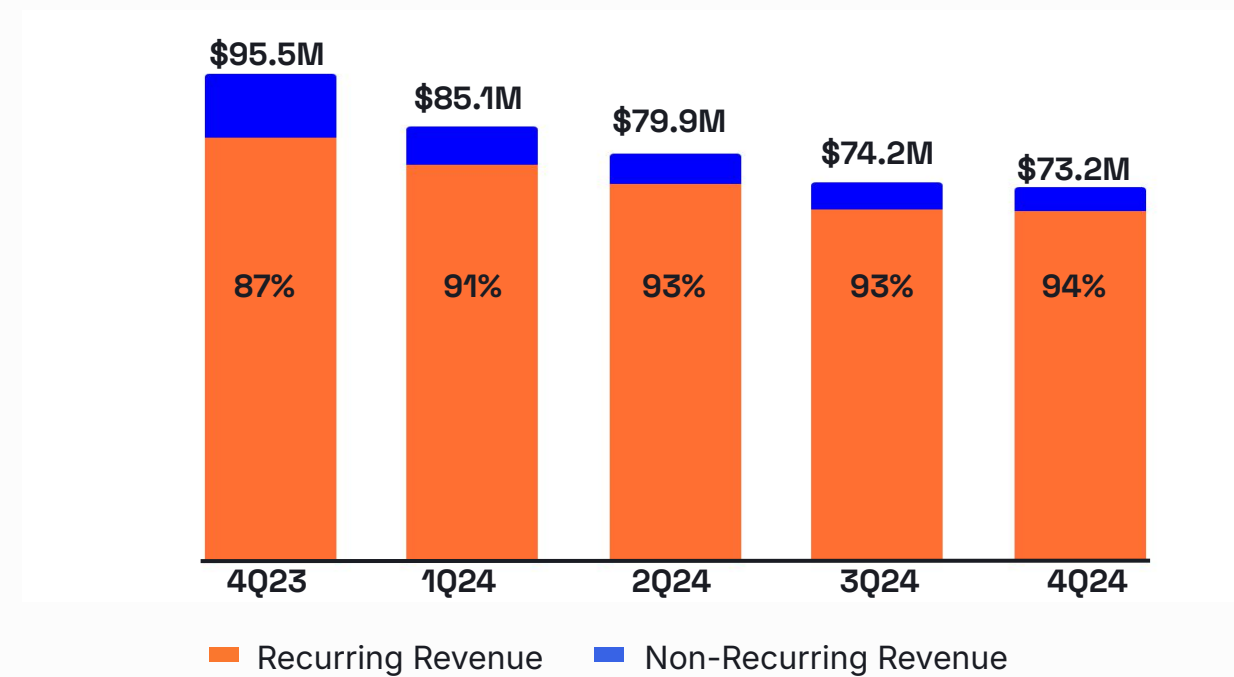
U.S. - based Financial Services Company

Products Used:
Conversational Cloud and Conversation Builder

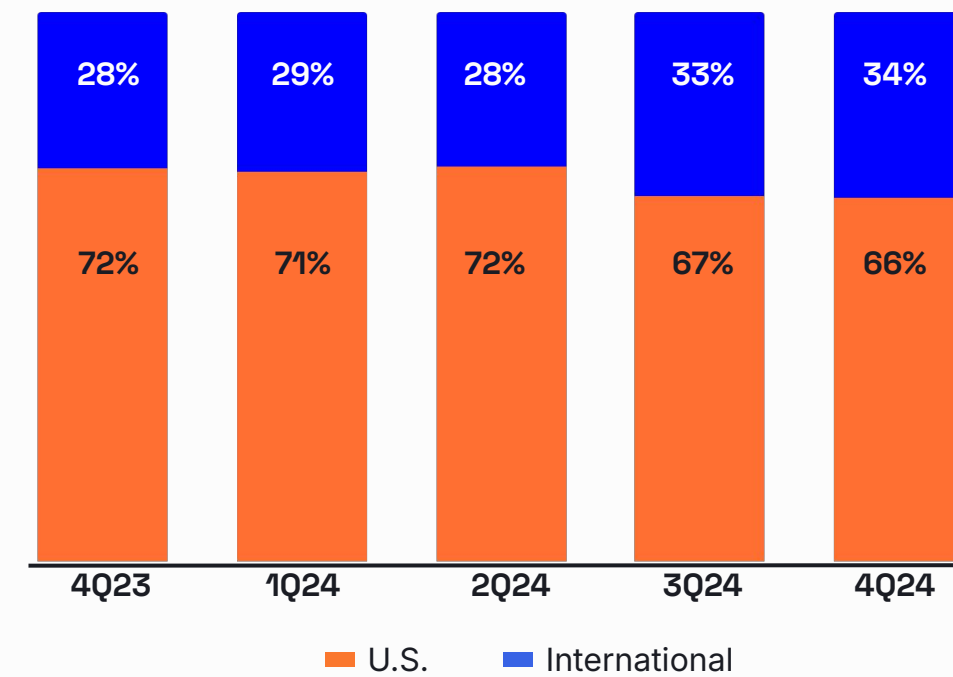
Use cases:
Used for conversation assist, authenticated/unauthenticated web messaging and InApp Messaging.

Fourth Quarter Financial & Operational Highlights

Recurring Revenue as % of Total Revenue



Revenue by Geography

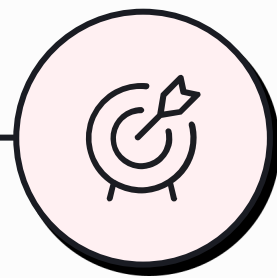


Definitions:

Recurring Revenue = Recurring Software Revenue and Recurring Professional Services Revenue

Fourth Quarter Financial & Operational Highlights (cont'd)

Revenue Retention Rate for Recurring Revenue¹

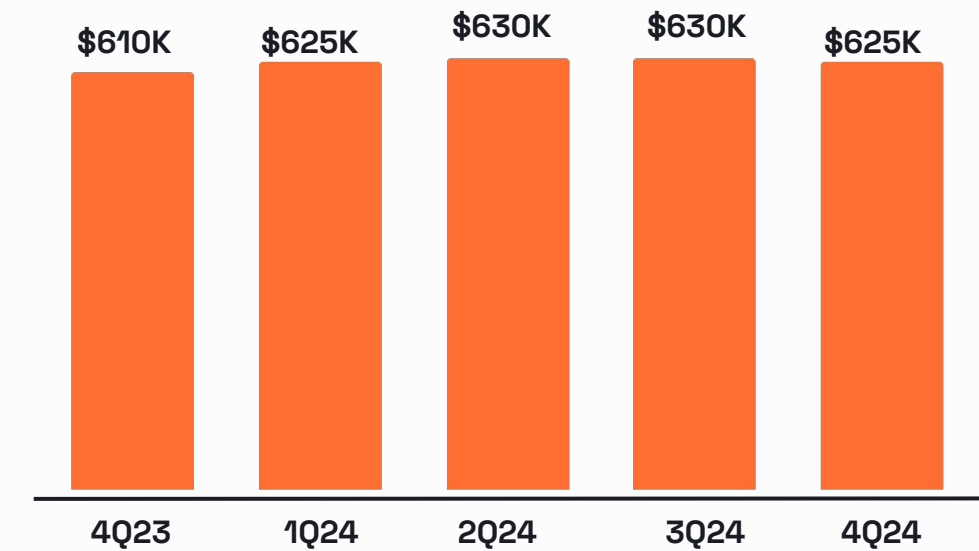


Below our target range of

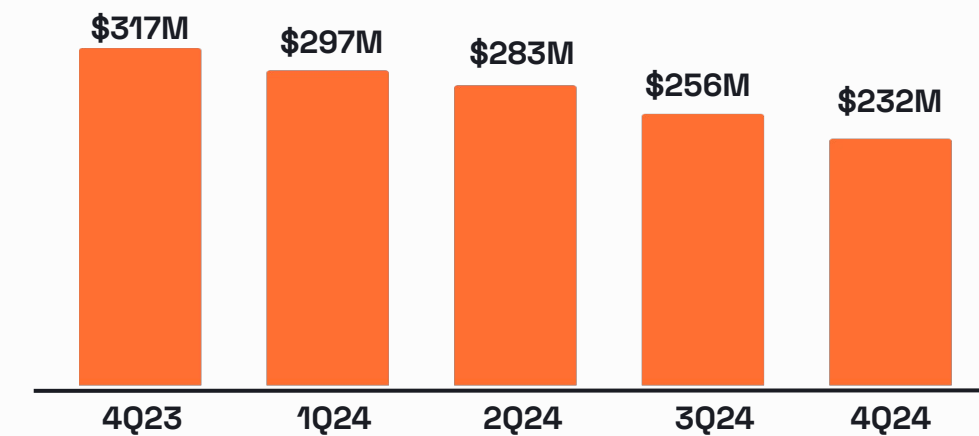
105% - 115%

	4Q23	1Q24	2Q24	3Q24	4Q24
NRR	95%	89%	83%	79%	82%

Average Revenue per Customer (ARPC)²



Remaining Performance Obligation³



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.

1Q25 and FY25 Guidance

	1Q25 Guidance	FY25 Guidance
Revenue	\$63M - \$65M	\$240M - \$255M
YoY Revenue Growth	(26)% - (24)%	(23)% - (18)%
Recurring Revenue % of Total Revenue	94%	93%
Adjusted EBITDA⁽¹⁾	\$(3)M - \$(1)M	\$(14)M - \$0M
Adjusted EBITDA Margin	(4.8)% - (1.5)%	(5.8)% - 0.0%
<p>Note 1: Adjusted EBITDA is a Non-GAAP financial measure. For detailed current financial expectations, please see our Press Release issued on March 5, 2025</p>		

Appendix

Reconciliation of Adjusted EBITDA

4Q24

GAAP net loss	\$(112,128)
Depreciation	7,145
Other litigation, consulting and other employee costs	2,029
Restructuring costs	3,263
Amortization of purchased intangibles and finance leases	377
Impairment of goodwill	56,924
Impairment of intangibles and other assets	36,304
Stock-based compensation expense	3,156
Leadership transition costs	(195)
Provision for income taxes	606
IT transformation costs	110
Change in fair value of warrants	4,442
Interest expense	6,286
Interest income	(1,312)
Other expense, net	1,110
Adjusted EBITDA	\$8,117

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