



# Third Quarter 2022

## Earnings Call Supplemental Slides

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November 7, 2022

# 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.

# Third Quarter Business Highlights



## Financial Update

- Third quarter results demonstrate continued progress on profitable growth strategy
- 3Q22 Revenue of \$129.6M, representing 9.5% YoY growth
- Adjusted EBITDA<sup>1</sup> of \$9.1M, above the high end of guidance by \$4.8M
- Operating expenses of \$120.5M, a \$17.6M improvement sequentially



## Go-to-market Update

- Signed 29 new logo wins in Q3, down 22% YoY
- Dollar bookings on new logos in Q3, up 20% YoY
- Continued success in land-and-expand strategy with customer base, signing seven 7-figure deals
- WildHealth has continued to perform above expectations

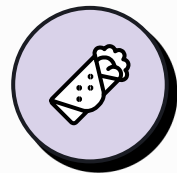


## Product Update

- Conversational Cloud messaging volume growth of 25% YoY
- AI-based messaging volume up 11% YoY
- Anticipating Q1 launch of v.1 of the LivePerson App Marketplace

<sup>1</sup>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, 2022.

# Notable Wins of the Quarter



## Fortune 500 Fast-Casual Restaurant Chain

**This deal highlights the power of LivePerson's combination of a best-in-class AI cloud platform with expertise and professional services.**

This Brand leverages a customer facing concierge bot to support its 3,000+ U.S. restaurant locations, helping them deliver Curiously Human-feeling and personalized experiences on a national scale.



## Large Online Marketplace for Resale Luxury Goods

**Key offerings:** LivePerson provides our conversational cloud for their customer service and consignor relations LOB's

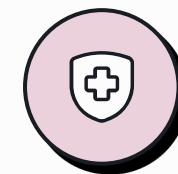
**Use cases:** Web Messaging, IVR Deflection, ABC, SMS, Google Business Message



## A Fortune 100 Insurance Company

**Key offerings:** Increased usage by also adding new lines of business as Claims division drives more automation

**Use cases:** Proactive messaging for Roadside assistance, where the policyholders can contact for help, view status, interact with a bot, or escalate to a human. Web messaging for Agency holders.



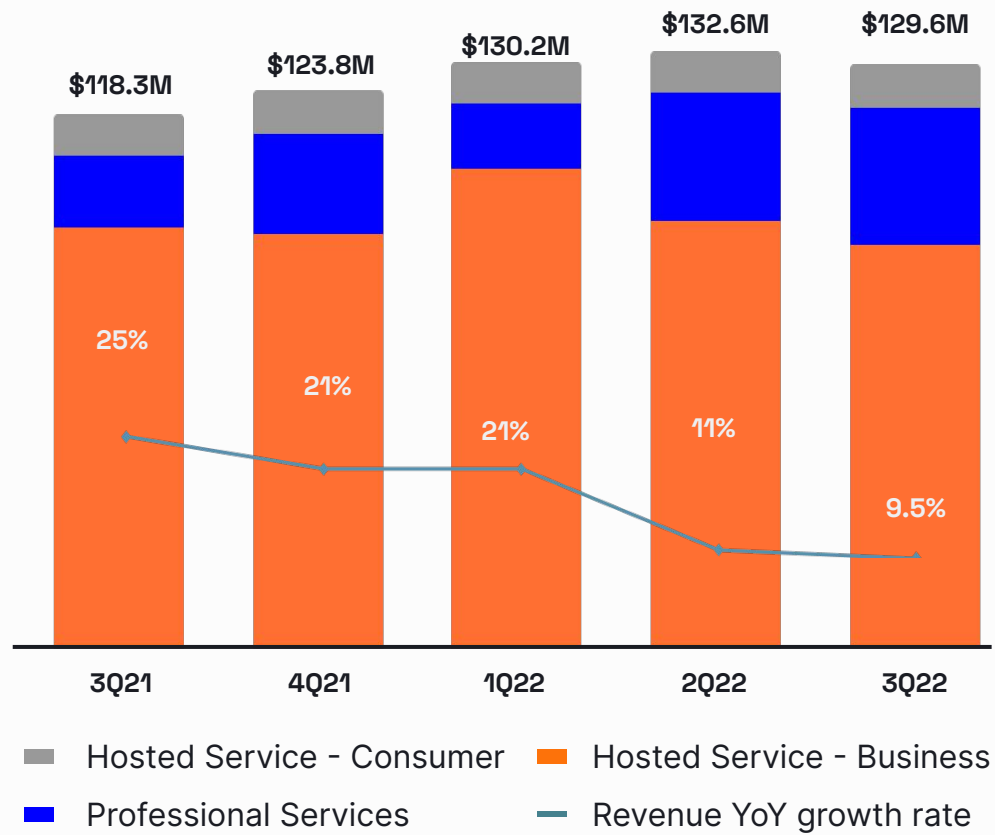
## A Fortune 20 Healthcare Payor

**Key offerings:** Deploying LP in an additional six lines of business, introducing additional messaging options (InApp, Apple Business Chat, Google Business Message) outside of just web messaging in all lines of business.

**Use cases:** Web Messaging, InApp, ABC and Google Business Message

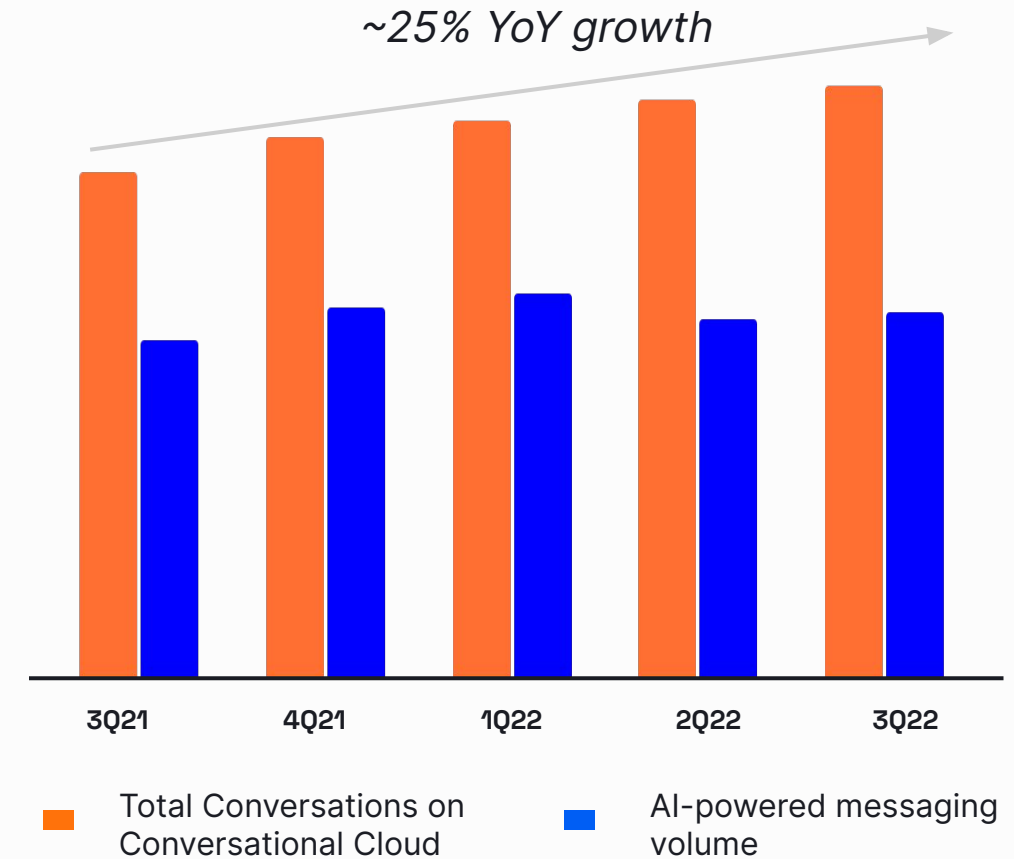
# Third Quarter Financial & Operational Highlights

## Quarterly Revenue



- 29 New Logo Wins, down 22% YoY
- Dollar Bookings on New Logo Wins, up 20% YoY
- Seven 7-figure deals
- Signed several accelerated renewals/upsells

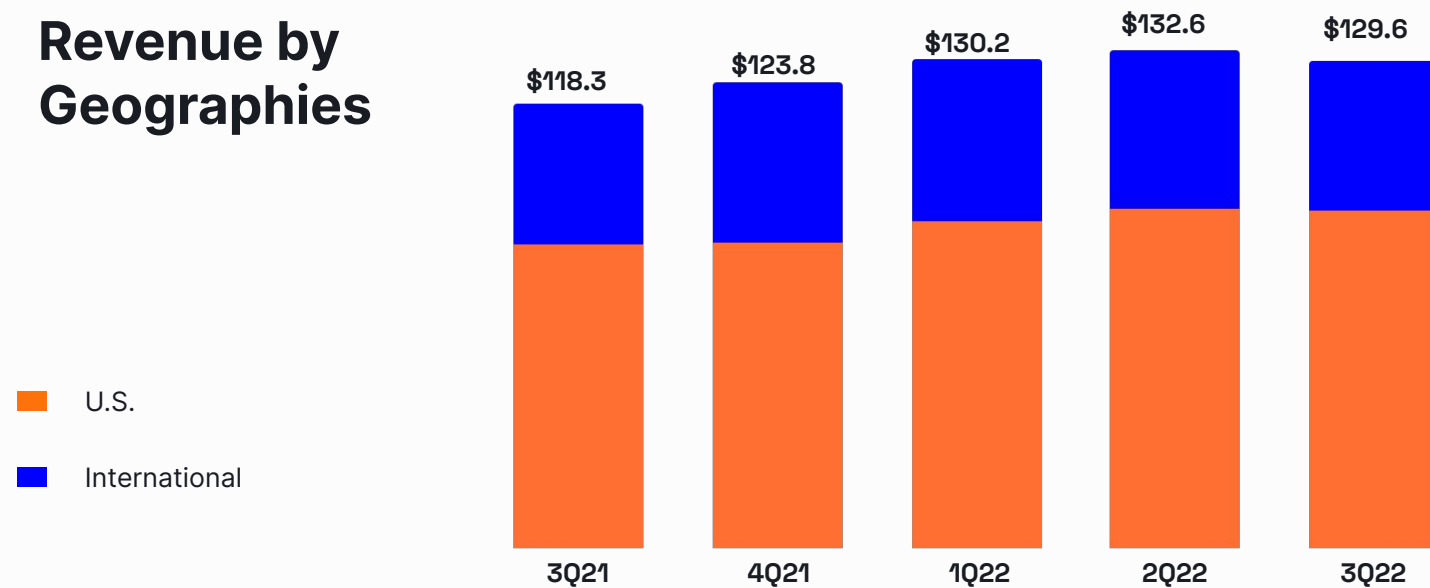
## Conversational Cloud Conversations



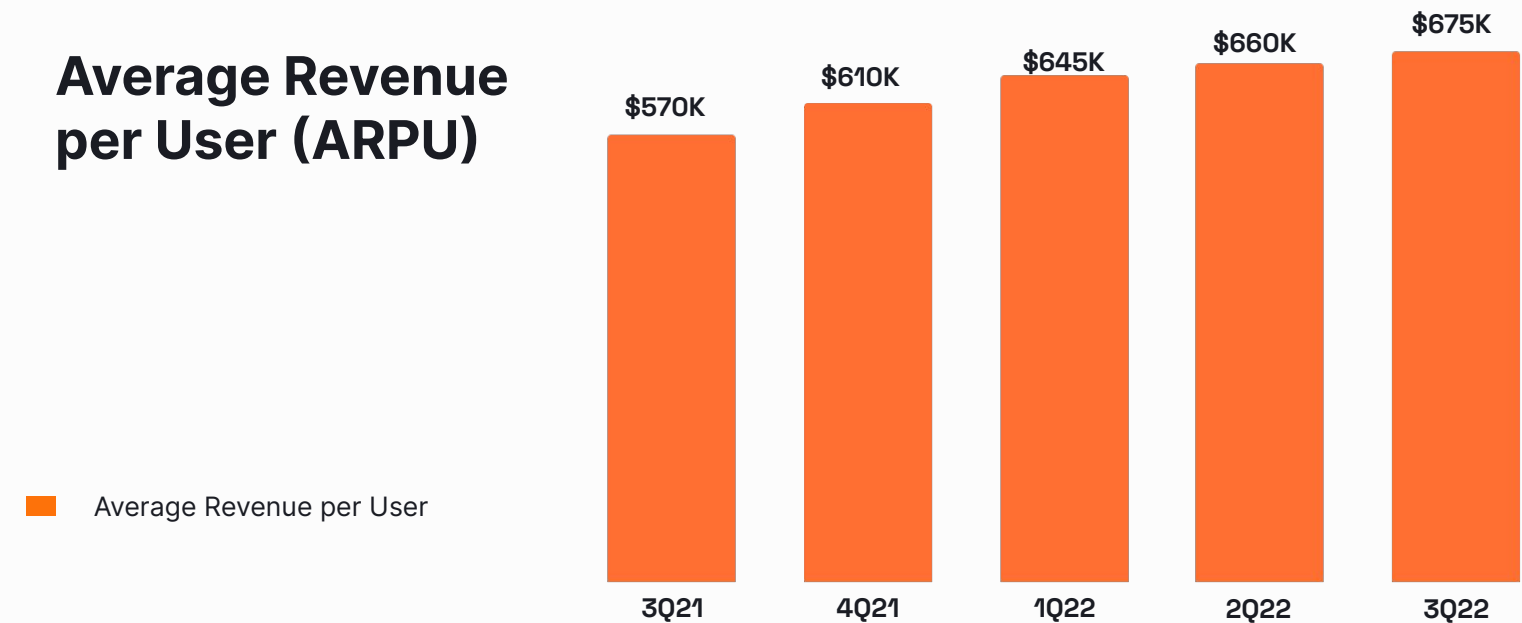
- Conversational Cloud volume increased 25% YoY
- Continued increase in automation with AI-powered messaging volume on the Conversational Cloud increasing 11% YoY

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

## Revenue by Geographies



## Average Revenue per User (ARPU)

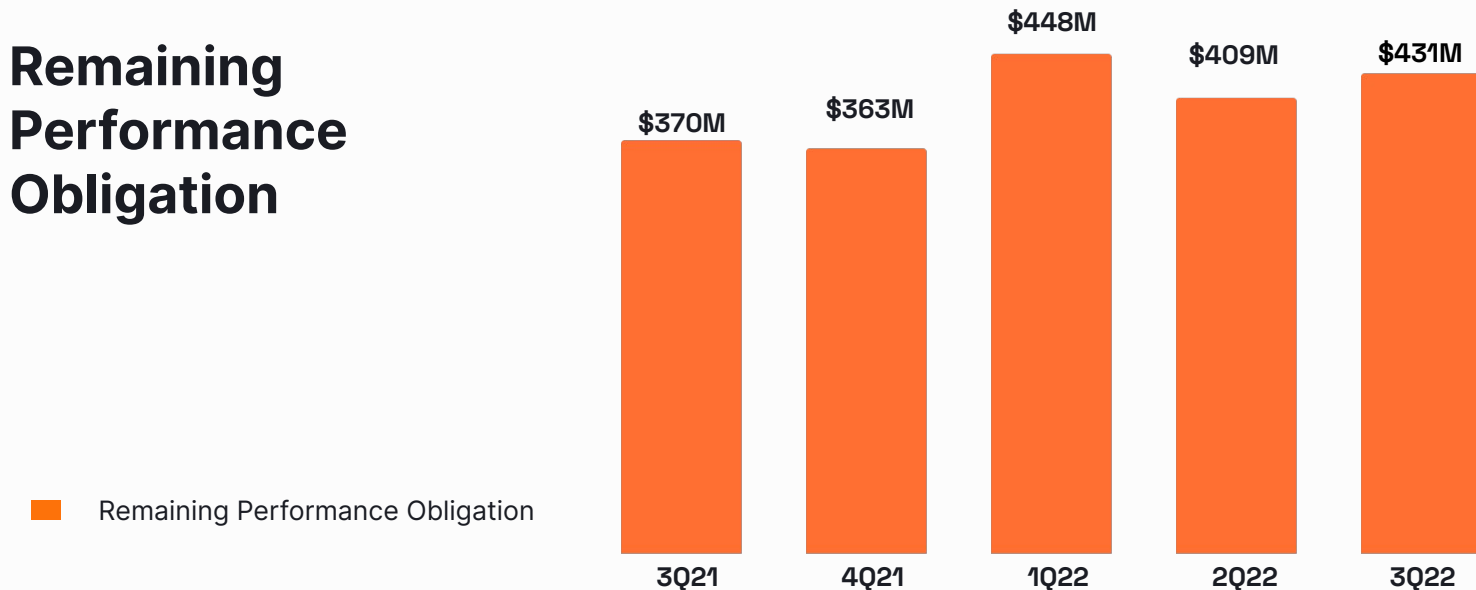


## Revenue Retention Rate

Just below target range<sup>†</sup> of  
**105% - 115%**

<sup>†</sup>Still above 100%

## Remaining Performance Obligation



**Note:** Revenue retention rate measures the percentage of 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.

# Selected Pro Forma Guidance Measures<sup>(1)</sup>

- FY22 and 4Q22 Revenue guidance range primarily driven by accelerated renewals and upsells in Q3 and strong performance by WildHealth
- FY22 and 4Q22 Non-GAAP Gross Margin range of 72% to 74%
- Maintaining FY22 adjusted EBITDA guidance of \$1.0 - \$10.0 million

	4Q22 Guidance	2022 Guidance	2022 Prior Guidance
<b>Revenue</b>	\$124.5 - \$128.7	\$517 - \$521	\$507.1 - \$518.3
<b>YoY revenue growth</b>	1% - 4%	10% - 11%	8% - 10.4%
<b>Non-GAAP Gross Margin</b>	72% - 74%	72% - 74%	72% - 74%
<b>Adjusted EBITDA</b>	\$14.9 - \$24.0	\$1.0 - \$10.0	\$1.0 - \$10.0
<b>Adjusted EBITDA Margin</b>	12% - 19%	0% - 2%	0% - 2%

(1) Dollar amounts in millions. Adjusted EBITDA and Non-GAAP Gross Margin are Non-GAAP financial measures. For detailed current financial expectations, please see our Press Release issued on November 7, 2022.

# Appendix



# Reconciliation of Adjusted EBITDA

	3Q22
GAAP net loss	\$(43,248)
Amortization of purchased intangibles and finance leases	\$5,731
Stock-based compensation	\$31,940
Contingent earn-out adjustments	\$(8,568)
Restructuring costs	\$7,111
Depreciation	\$7,063
Other litigation and consulting costs	\$4,772
Provision for income taxes	\$249
Acquisition costs	\$1,002
Interest income, net	\$(401)
Other expense, net	\$3,454
Adjusted EBITDA	\$9,105

**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 November 7, 2022 for more information concerning the reconciliation of non-GAAP measures to the nearest applicable GAAP measure.