



# Second Quarter 2024

Earnings Call Supplemental Slides

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July 31, 2024

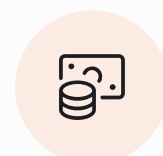
# Disclaimer

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, 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 Income, the most directly comparable GAAP financial measure and a detailed reconciliation between Net Income and Adjusted EBITDA for the second 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 third 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, leadership transition costs, working capital adjustment related to the Kasamba divestiture, acquisition and divestiture costs, stock-based compensation expense, provision for income taxes, IT transformation costs, interest (income) expense, net, and loss (gain) on divestiture, contingent earn-out adjustments, gain on debt extinguishment, other expense (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.

# Second Quarter Business Highlights



## Financial Update

- 2Q24 Revenue of \$79.9M, at the high-end of our guidance range of \$76M to \$80M
- Adjusted EBITDA<sup>1</sup> of \$8.2M, above the high-end of our guidance range of \$0M to \$5M
- B2B Core Recurring Revenue<sup>2</sup> was \$74.0M, or 93% of Total Revenue
- Announced [transaction](#) with Lynrock Lake Master Fund in May and closed in June



## Go-to-market Update

- Total deal count of 37 in 2Q24 including:
  - 28 expansion & renewal deals
  - 9 new logo wins
- Sandy Hogan [joined as Chief Revenue Officer](#) completing commercial leadership team
- New simplified pricing and packaging launched GA in June



## Partnerships Update

- Announced [partnership](#) with Avaya in May designed to unify voice, digital, and AI capabilities into a single omnichannel solution
- Anticipate a GA release of these capabilities by the end of Q3 and a rapid expansion of functionality and partnerships with more integrated CCaaS vendors to come over the following few quarters

**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 July 31, 2024.

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

# Notable Wins of the Quarter



## New Zealand - based Telecommunications Company

**Products Used:**  
Conversational Cloud and Analytics Studio

**Use cases:**  
New sales, plan changes, payments support, and service issues.



## Global Audio Streaming Company

**Products Used:**  
Analytics studio and Generative insights

**Use cases:**  
Focused on customer care and testing GenAI within their Bot & Automation team with particular interest in intent management and routing.



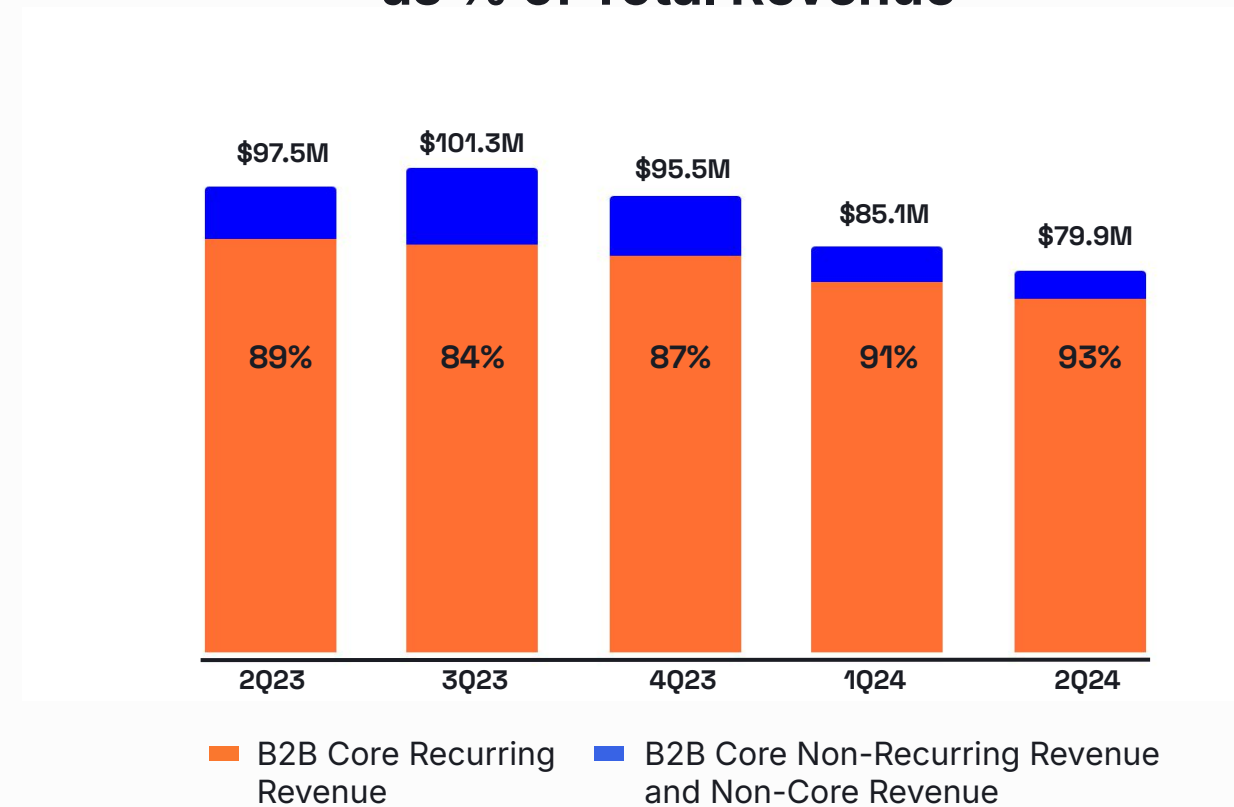
## Large U.S. Mortgage Company

**Products Used:**  
Conversational Cloud, Analytics Studio, Conversation Builder, Web Messaging

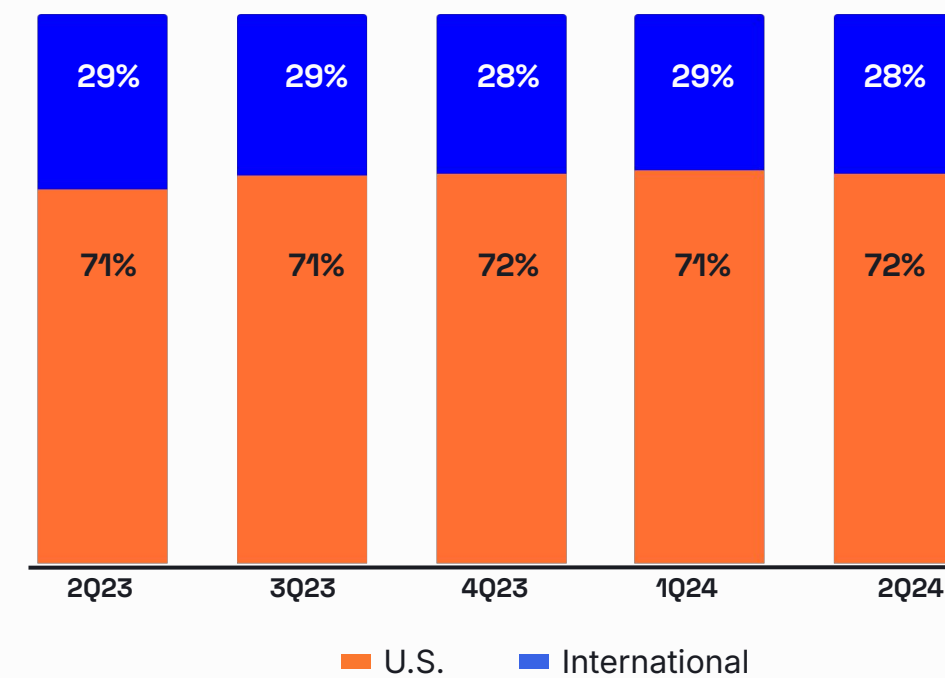
**Use cases:**  
Leveraging messaging and automation to accelerate the lead collection to originate loans. Also testing LivePerson AI to help accelerate lead conversion rates.

# Second Quarter Financial & Operational Highlights

**B2B Core Recurring Revenue as % of Total Revenue<sup>1</sup>**



**Revenue by Geography<sup>1</sup>**



**Definitions:**

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

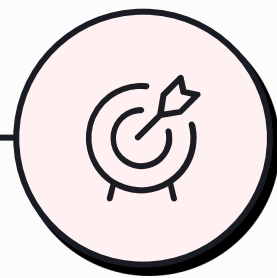
**B2B Core Non-Recurring Revenue** = Non-Recurring Professional Services Revenue, One-time Charges Revenue, Variable Revenue and Overages Revenue

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



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

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

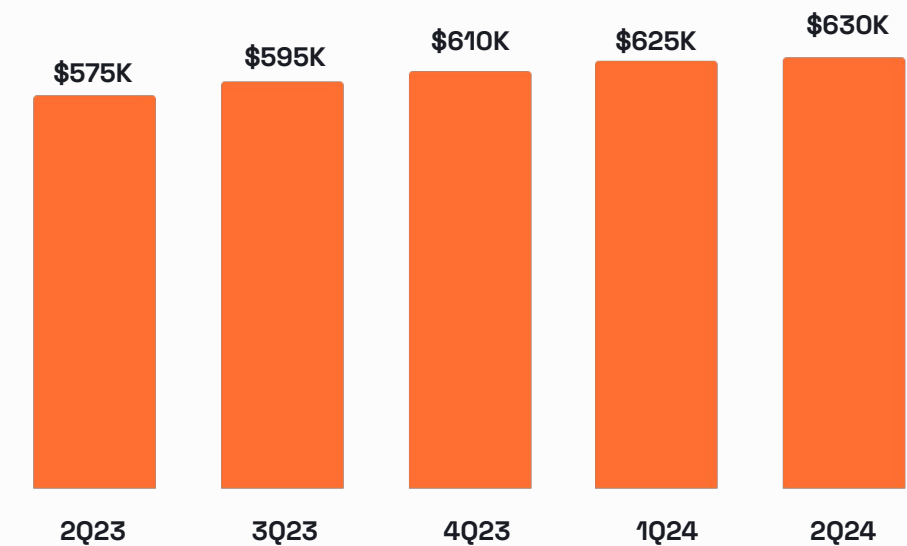


Below our target range of

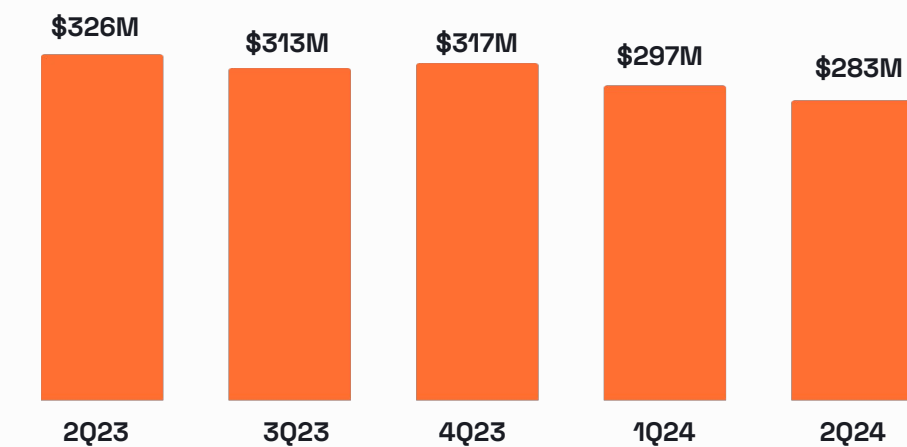
**105% - 115%**

	2Q23	3Q23	4Q23	1Q24	2Q24
<b>NRR</b>	<b>97%</b>	<b>98%</b>	<b>95%</b>	<b>89%</b>	<b>83%</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.

# 3Q24 and FY24 Guidance

	3Q24 Guidance	FY24 Guidance
<b>Revenue</b>	\$69M - \$73M	\$300M - \$315M
<b>YoY Revenue Growth</b>	(32)% - (28)%	(24)% - (20)%
<b>B2B Core Recurring Revenue % of Total Revenue</b>	92%	92%
<b>Adjusted EBITDA<sup>(1)</sup></b>	\$0M - \$5M	\$15M - \$26M
<b>Adjusted EBITDA Margin</b>	0.0% - 6.8%	5.0% - 8.3%
<p><b>Note 1:</b> Adjusted EBITDA is a Non-GAAP financial measure. For detailed current financial expectations, please see our Press Release issued on July 31, 2024</p>		

# Appendix



# Reconciliation of Adjusted EBITDA

	2Q24
GAAP net income	\$41,795
Other litigation, consulting and other employee costs	5,925
Depreciation	7,714
Amortization of purchased intangibles and finance leases	3,682
Restructuring costs	3,119
Impairment of intangibles and other assets	8,347
Leadership transition costs	1,682
Acquisition and divestiture costs	878
Stock-based compensation expense	5,900
Provision for income taxes	1,258
IT transformation costs	202
Interest expense, net	837
Loss on divestiture	558
Gain on debt extinguishment	(73,083)
Other income, net	(606)
Adjusted EBITDA	\$8,208

**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, leadership transition costs, working capital adjustment related to the Kasamba divestiture, acquisition and divestiture costs, stock-based compensation expense, provision for income taxes, IT transformation costs, interest income, net, loss on divestiture, gain on debt extinguishment, and other expense (income), net.