



Fourth Quarter 2023

Earnings Call Supplemental Slides

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February 28, 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 Loss, the most directly comparable GAAP financial measure and a detailed reconciliation between Net Loss and Adjusted EBITDA for the fourth quarter of 2023 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 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 amortization of purchased intangibles and finance leases, stock-based compensation expense, contingent earn-out adjustments, restructuring costs, impairment of goodwill, impairment of intangibles and other assets, gain on divestiture, leadership transition costs, depreciation, other litigation, consulting and other employee costs, provision for income taxes, IT transformation costs, acquisition and divestiture costs, interest (income) expense, net, and 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.

Fourth Quarter Business Highlights



Financial Update

- 4Q23 Revenue of \$95.5M, above the midpoint of our guidance range of \$89.7M to \$99.7M
- Adjusted EBITDA¹ of \$3.7M, above our guidance midpoint of \$3.5M
- B2B Core Recurring Revenue² was \$83.0M, or 87% of Total Revenue



Go-to-market Update

- Total deal count of 62 in Q4 including:
 - 3 seven-figure deals
 - 46 expansion & renewal deals
 - 16 new logo wins



Partnerships Update

- Three of our top 5 new logo deals in Q4 were driven by partners
- Three partners moved from on-demand usage to committed deals with our VoiceBase API products driving nearly \$500K in annualized bookings

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 February 28, 2024.

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

Notable Wins of the Quarter



One of World's Largest Banks

Key offerings:

In-app and web messaging, Chat Summary, Generative Insights and Analytics Studio

Use cases:

Customer support for their app and online (web) banking and achieving outstanding containment and satisfaction rates using all LP automation



Globally Recognized Designer

Key offerings:

In-app and web messaging, IVR Deflection, Proactive Messaging Conversational AI Bots, Conversational Assist, CRM integration, LP Institute Training, Analytics Studio

Use cases:

FAQ's (7 languages), Order tracking/status, product search/information, store locator & discounts



Large UK Financial Services Provider

Key Offerings:

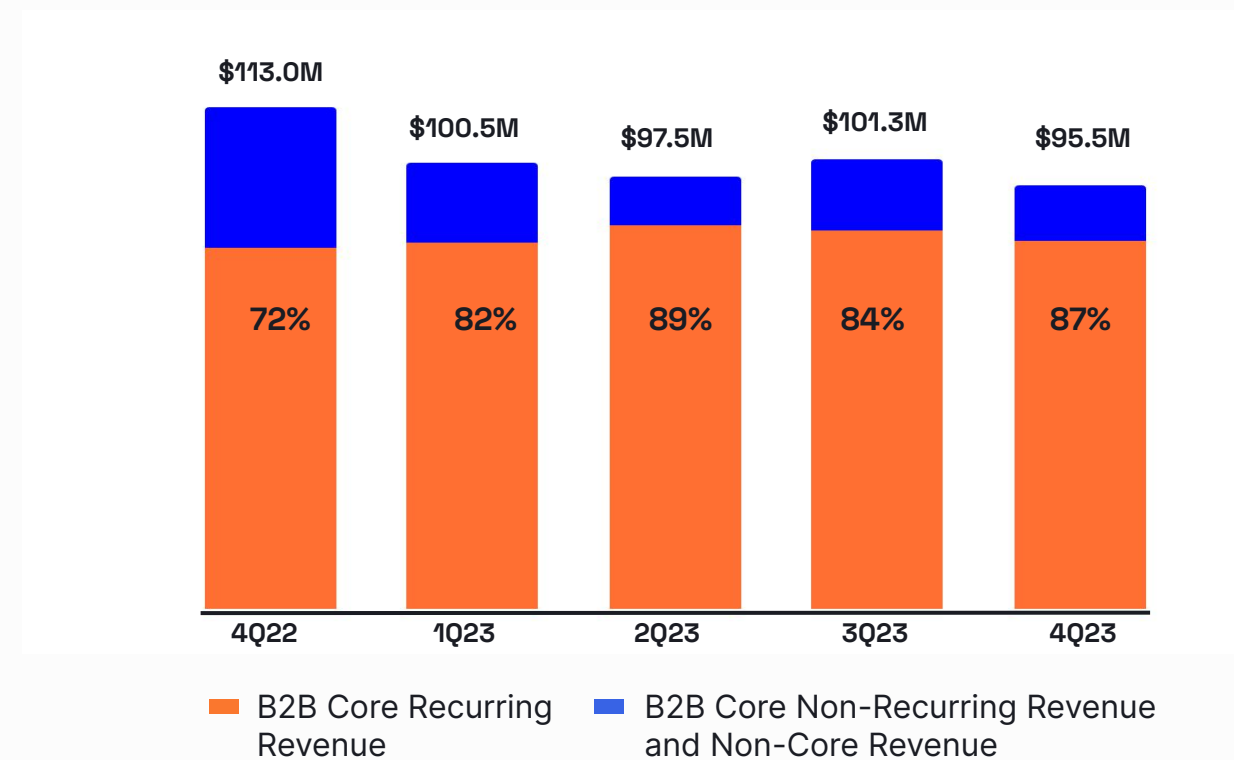
In-app and web messaging across Retail, Commercial, Cards and Insurance

Use cases:

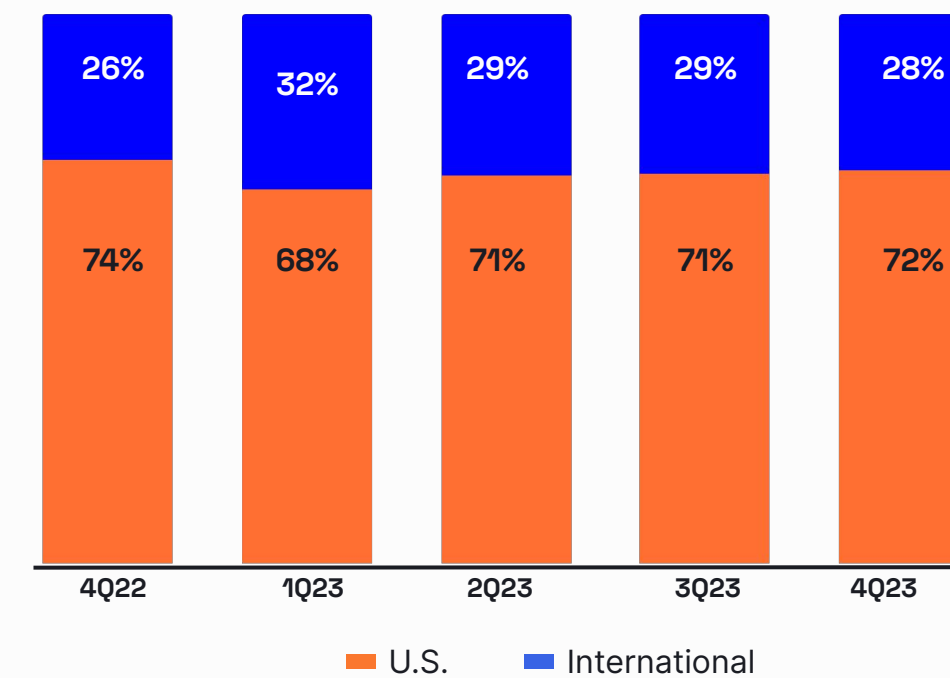
Accelerating expansion across Care, Complaints, Sales and Marketing in support of a 3-year digital transformation strategy.

Fourth Quarter Financial & Operational Highlights

B2B Core Recurring Revenue as % of Total Revenue^{1,2}



Quarterly Revenue by Geography²



Note 1: Quarterly revenue decline primarily driven by a lower WildHealth Medicare reimbursement in the fourth quarter.

Note 2: Quarterly Revenue by Geography excludes Kasamba revenue

Definitions:

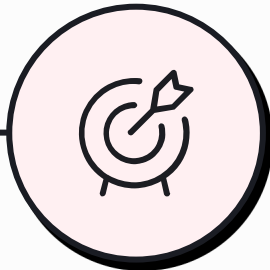
B2B Core Recurring Revenue = Recurring Software Revenue and Recurring Professional Services Revenue

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

Fourth Quarter Financial & Operational Highlights (cont'd)

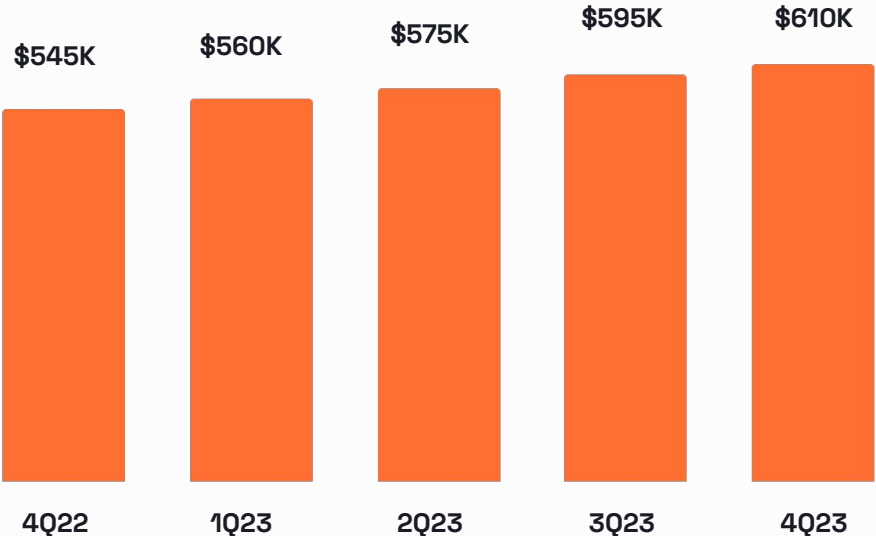
Revenue Retention Rate for Recurring Revenue¹



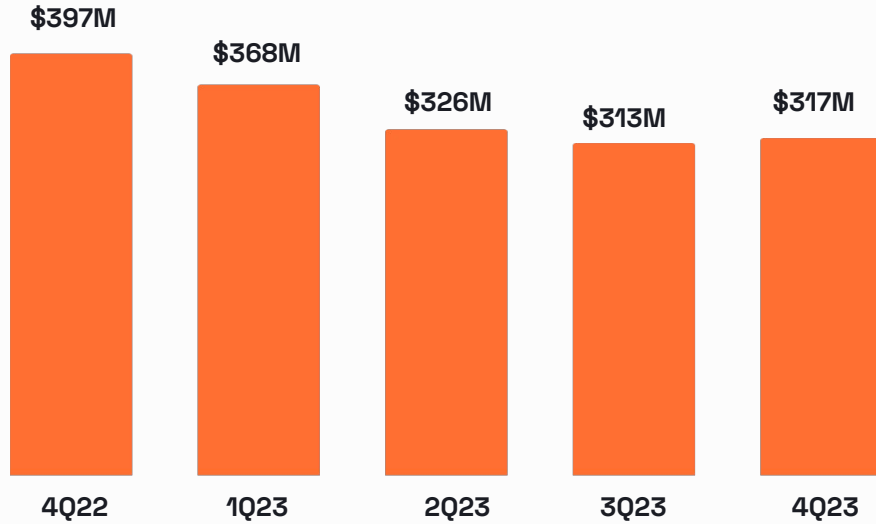
Below our target range of
105% - 115%

	4Q22	1Q23	2Q23	3Q23	4Q23
NRR	103%	92%	97%	98%	95%

Average Revenue per Customer (ARPC)¹



Remaining Performance Obligation²



Note 1: Revenue retention rate measures the percentage of recurring revenue retained at quarter end from customers vs. at quarter end in the year ago period. 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 2: YoY declines primarily driven by wind down of non-Core business lines, including the Claire JV, downsells and customer attrition.

Q1 2024 and FY 2024 Guidance

	Q1 2024 Guidance	FY 2024 Guidance
Revenue	\$79M - \$83M	\$300M - \$315M
YoY Revenue Growth⁽¹⁾	(21)% - (17)%	(24)% - (20)%
B2B Core Recurring Revenue % of Total Revenue	92%	92%
Adjusted EBITDA⁽²⁾	\$(2)M - \$2M	\$15M - \$26M
Adjusted EBITDA Margin	(2.5)% - 2.4%	5.0% - 8.3%
<p>Note 1: YoY growth comparisons exclude the \$7.2M Kasamba contribution in Q1 2023 Note 2: Adjusted EBITDA is a Non-GAAP financial measure. For detailed current financial expectations, please see our Press Release issued on February 28, 2023</p>		

Appendix

Reconciliation of Adjusted EBITDA

	4Q23
GAAP net loss	\$(40,525)
Depreciation	\$7,705
Other litigation, consulting and other employee costs	\$5,553
Restructuring costs	\$6,665
Amortization of purchased intangibles and finance leases	\$5,827
Stock-based compensation expense	\$8,525
Leadership transition costs	\$1,418
Impairment of intangibles and other assets	\$5,015
Contingent earn-out adjustments	\$(812)
Provision for income taxes	\$2,563
IT transformation costs	\$3,576
Acquisition and divestiture costs	\$96
Interest (income) expense, net	\$(1,664)
Other expense (income), net	\$(231)
Adjusted EBITDA	\$3,711

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, stock-based compensation expense, leadership transition costs, impairment of intangibles and other assets, contingent earn-out adjustments, provision for income taxes, IT transformation costs, acquisition and divestiture costs, interest (income) expense, net, and other expense (income), net.