



# First Quarter 2022

## Earnings Call Supplemental Slides

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# 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,” “vision” or “should,” 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.



# First Quarter Business Highlights

## Financial Update

- First quarter results demonstrate progress on strategy to accelerate profitable growth
- 1Q22 Revenue of \$130.2M, exceeding high end of revenue guidance range, growing at ~21% YoY
- Adjusted EBITDA<sup>1</sup> of \$(17.6)M, exceeding high end of guidance by \$4.2M
- Operating expenses \$0.8M better than high end of guidance, driven by operational cost efficiencies

## Go-to-market Update

- Returned to in-person marketing events, a proven catalyst for dealflow, with Executive Community events in NYC on May 4, 2022 and scheduled for London on June 16, 2022
- Continued success in land-and-expand strategy with customer base, signing five 7-figure ACV deals, four of which were multi-million dollar expansions with existing customers
- Generated meaningful synergies with customer bases with VoiceBase and Tenfold integrations
- Continued building and expanding on Healthcare vertical foundation
- Executed on plan to gain leverage in go-to-market motion through distribution and technology partnerships

## Product Update

- Continued to see robust platform usage driven by greater customer adoption of AI, with automated messaging volume up 34% YoY
- Implemented VoiceBase's capability to process messaging and voice data in a unified cross-channel environment for large brands
- Prepared to utilize Tenfold to deliver the LivePerson agent experience into external CRM and Ticketing solutions beginning in 2Q22
- Drove significant upgrades to Conversation Assist, helping brands better understand customer intents, connect across channels, and deliver meaningful outcomes

<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 May 9, 2022.

# Notable Wins of the Quarter



## A top 3 health insurance provider in the U.K.

- Key offerings: automation with Conversation Builder and Intent Manager, Proactive Messaging, Social Connect, Performance Optimizer
- Use cases: improving ease of customer care for referrals and medical guidance, reducing operating costs by driving more traffic to messaging channels



## A major blockchain software technology company

- Key offerings: AI-powered messaging using Conversation Builder and Intent Manager, Professional Services to build bots in-house
- Use cases: automating customer support to help users quickly access content to resolve their issues



## A government agency in Argentina

- Key offerings: Proactive Messaging, AI-powered messaging using Conversation Builder
- Use cases: educational course registration via WhatsApp to increase traffic on an online government portal

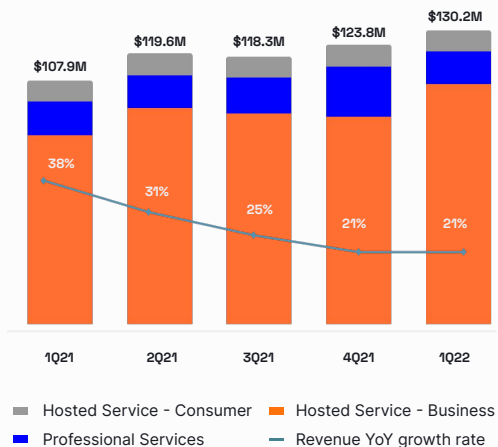


## A top 5 online travel aggregator in the world

- Key offerings: AI-powered messaging using Conversation Builder
- Use cases: accelerating automation and digital customer care, improving efficiency in digital channels

# First Quarter Financial & Operational Highlights

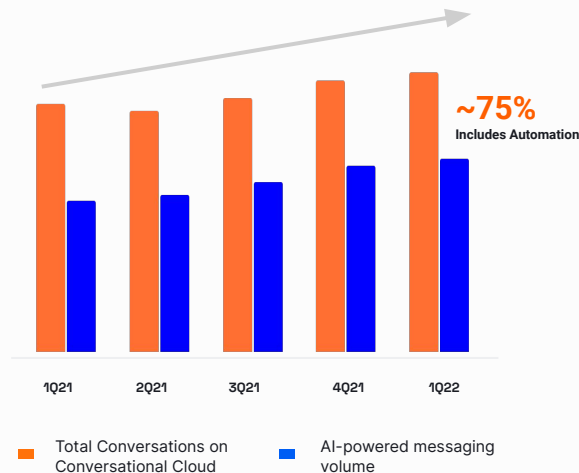
## Quarterly Revenue



- Continued success in land-and-expand strategy with customer base, with meaningful synergies from VoiceBase and Tenfold integration
- Expanding long-term commitment with existing customers, expanding into key verticals (Healthcare, Financial Services)

## Conversational Cloud Conversations

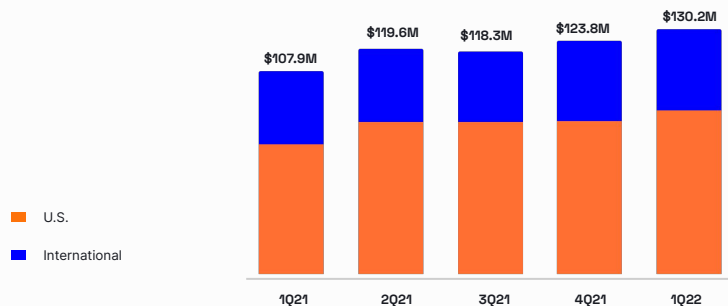
~13% YoY growth



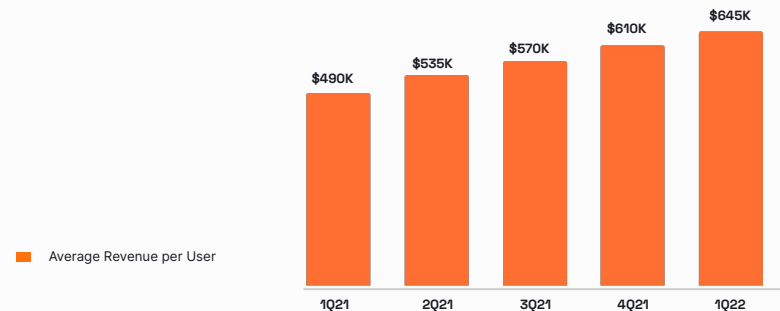
- Conversational Cloud volume increased 13% YoY
- Continued increase in automation with AI-powered messaging volume on the Conversational Cloud increasing 34% YoY

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

## Revenue by Geographies



## Average Revenue per User (ARPU)



## Revenue Retention Rate

Within target range of  
**105% to 115%**  
 Nineteenth consecutive quarter  
 within or above target range

## Remaining Performance Obligation



\*Note: Revenue retention rate measures the percentage of revenue retained at quarter end from full service customers that were either on Conversational Cloud or with LivePerson, respectively, 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>

	2Q22 Guidance	2022 Guidance	2022 Prior Guidance
Revenue	\$132.5 - \$135.5	\$544.8 - \$563.3	\$544.8 - \$563.3
YoY revenue growth	11.0% - 13.0%	16.0% - 20.0%	16.0% - 20.0%
Non-GAAP Gross Margin	70.0% - 72.0%	70.0% - 72.0%	67.0% - 70.0%
Adjusted EBITDA	\$(9.5) - \$(5.5)	\$1.0 - \$10.0	\$(20.0) - \$0.0
Adjusted EBITDA Margin	(7.2)% - (4.1)%	0.0% - 2.0%	(3.7)% - 0.0%

- Revenue guidance reflects the step down of Covid-19 testing revenue in 2Q22 and the expectation for Gainshare business revenue at 10%-12% of total revenue in light of the consumer behavior change and macroeconomic conditions.
- Reaffirms FY22 revenue guidance in a range of \$544.8M to \$563.3M and targets 2Q22 revenue in a range of \$132.5M to \$135.5M.
- Raises FY22 adjusted EBITDA guidance to a range of \$1.0M to \$10.0M and targets 2Q22 adjusted EBITDA in a range of \$(9.5)M to \$(5.5)M, reflecting operational cost efficiencies and execution on profitable growth strategy.
- Expects to generate positive cash flow in the fourth quarter of 2022.

(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 May 9, 2022.

# APPENDIX



# Reconciliation of Adjusted EBITDA

1Q22

GAAP net loss	\$(65.4)
Amortization of purchased intangibles	\$6.3
Stock-based compensation	\$31.9
Depreciation	\$7.2
Other non-recurring costs	\$2.2
Benefit from income taxes	\$(0.2)
Interest expense, net	\$0.5
Other income, net	\$(0.1)
Adjusted EBITDA (loss)	\$(17.6)

Note: Dollar amounts in millions. 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 May 9, 2022 for more information concerning the reconciliation of non-GAAP measures to the nearest applicable GAAP measure.