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 Annual Report on Form 10-K for the fiscal year ended December 31, 2018 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.

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This presentation includes non-GAAP financial measures, which complement the Company’s financial statements prepared in accordance with GAAP. These non-GAAP financial measures are not intended to supersede or replace the Company’s GAAP results. The most directly comparable GAAP financial measures and a detailed reconciliation between GAAP and non-GAAP financial measures is included in the Appendix to this presentation.

We obtained market, industry and other data in this presentation from our own internal estimates and research, publicly available information about our competitors, industry and general publications and research, surveys and studies conducted by third parties. While we believe that the publicly available information about our competitors, publications, research, surveys and studies that we have used is reliable, we have not independently verified the information from third-party sources. While we believe our internal estimates and research are reliable and the market definitions are appropriate, neither such estimates and research nor these definitions have been verified by an independent source.
Transforming how people communicate with brands
A leading AI-powered enterprise platform for Conversational Commerce

**LPSN SNAPSHOT**

**Founded 1995**

**Public since 2000**
(NASDAQ: LPSN)

**1,100 employees**

**18,000 customers**

**Headquartered in New York City**
with offices across Asia, Australia, Europe and the U.S.

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**Strong track record of growth & profit ($mm)**

- **Revenue**
- **Adj EBITDA**

\[
\begin{array}{cccccccccc}
52 & 75 & 87 & 110 & 133 & 157 & 178 & 210 & 239 & 223 & 219 & 250 \\
10 & 10 & 23 & 27 & 34 & 30 & 19 & 23 & 21 & 19 & 18 & 19 \\
\end{array}
\]

**22% Revenue CAGR ('07–'15)**

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(1) As of December 31, 2018

(2) Please refer to the reconciliation of Adjusted EBITDA in the appendix
Messaging is replacing voice calls
Consumers already message all day, every day, in their personal lives

2002
Consumers primarily 
Communicated through voice calls, 
with some messaging

2019
Consumer primarily communicate 
through messaging and social media, 
with some voice
Consumers live their lives on messaging

7.8 trillion SMS messages sent a year

WhatsApp: 1.5 billion monthly users

Facebook Messenger: 1.3 billion monthly users

WeChat: 1 billion monthly users

Instagram: 1 billion monthly users

Line: 803 million monthly users

Skype: 300 million monthly users

Snapchat: 291 million monthly users

Powering conversational commerce in telecommunications
Powering conversational commerce in airlines
Powering conversational commerce in automotive
Powering conversational commerce in stadiums
LiveEngage powers a compelling value proposition

Significant positive impact to operations compared to voice among early adopters

- CSAT increases by 20%
- Messaging agents are 2X more efficient
- Reduce labor cost per interaction by 50%
- 50% decrease in agent attrition rates
- ~20% increase in online sales conversions
- Increased CSAT reduces customer churn
AI-powered conversational commerce is the future
Preferred by consumers and up to 4 times as efficient as legacy voice

Messaging is half the workload of voice (agents are ~2x as efficient)

And bots can handle half of the work that remains
A $60 billion go-to-market opportunity

Enterprise $37B
Mid-market $18B
Small business $5B

Source: LivePerson proprietary go-to-market analysis
The Conversational Commerce platform

Consumers
SMS
Web and apps
Apple
Google
Facebook
WhatsApp
Alexa

Integrations
CRM
E-Commerce WFM
BI
Google
IBM Watson
Microsoft

Conversations
Conversation Builder
Conversation Manager (*LiveEngage*)
Conversation Intelligence

Maven: LivePerson’s AI engine

An open platform: 40+ APIs and SDKs

World class private cloud and managed services
The accelerating adoption of Conversational Commerce

2016

- Messaging live: 2%
- In-app: 0%
- ARPU: $205K

2017

- IVR deflection: 20%
- Facebook Messenger: 25%
- ARPU: $220K

2018

- Apple Business Chat: 40%
- Alexa OS: 50%
- ARPU: $285K

Capabilities added:
- Facebook Messenger
- IBM
- SMS

New partners:
- AdLingo
- Alexa OS
- AdvantageTec
- Bot Central
- Conversable
- Google Home
- Maven
- Seattle technology center
- Uncarrier event
- AdvantageTec
- Accenture

Milestones:
- Milestones
- Capabilities added
- Acquisitions
- New partner
- Enterprise messaging adoption
- Automation integration
- ARPU
More endpoints equals more conversations and higher ARPU

ARPU expands as customers add platform endpoints

Customers with 0 conversational endpoints
- $0.3M

Customers with 1 endpoint
- $0.9M (1.8x)

Customers with 2 endpoints
- $1.6M (1.1x)

Customers with 3 endpoints
- $1.7M (1.9x)

Customers with 4 endpoints
- $3.3M (1.7x)

Customers with 5+ endpoints
- $5.5M

Total of $5.5M across all endpoint levels

Average Revenue Per User (ARPU) ~$1B

A massive revenue opportunity solely from bringing each enterprise customer to 5 endpoints

Note: Based on FY 2018 data.
Driving exponential growth of messaging conversations on our platform

2 million conversations in first 12 months

20 million conversations in next 12 months (a 10x increase over prior period)
Conversational commerce competitive positioning

- HIGHER CONVERSIONS
- OMNICHANNEL
- INTELLIGENCE & EFFICIENCY
- SECURITY
- SCALABILITY & STABILITY
- ARTIFICIAL INTELLIGENCE

Enterprise grade

Transformation

Voice incumbents

Suite providers

Bot startups
More than 200 leading brands on messaging

- 64% of Global Fortune 500 telcos
- 23% of Global Fortune 500 retailers
- 43% of Global Fortune 500 airlines
- 22% of Forbes’ World’s Most Valuable Brands are customers or partners
- 32% of Global Fortune 500 banks
- 25% of Global Fortune 500 auto brands

*All figures exclude China, a region where LivePerson does not operate.*
We are increasing sales capacity to rapidly address the accelerating opportunity

<table>
<thead>
<tr>
<th>Investment allocation</th>
<th>Quota carriers &amp; pipeline generators</th>
<th>Investment allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>APAC</td>
<td>101</td>
<td>ENT</td>
</tr>
<tr>
<td>EMEA</td>
<td>2018</td>
<td>MM</td>
</tr>
<tr>
<td>NA</td>
<td>192</td>
<td>SMB</td>
</tr>
<tr>
<td></td>
<td>2019E</td>
<td></td>
</tr>
</tbody>
</table>
Over the long-term, we expect the business to achieve the Rule of 40

2019E
REVENUE GROWTH
14% - 17%
ADJ. EBITDA
4% - 5%

2020E
REVENUE GROWTH
At least 20%
ADJ. EBITDA
7% - 10%

3 to 5 Years
REVENUE GROWTH
At least 25%
ADJ. EBITDA
Greater than 15%

(1) Please refer to the reconciliation of Adjusted EBITDA in the Appendix.
(2) See the Disclaimer included in this presentation for a discussion of our long-term financial model and the targets and projections contained in this slide.
### Long-term model targets greater than 25% revenue growth

<table>
<thead>
<tr>
<th></th>
<th>2017⁽¹⁾</th>
<th>2018⁽¹⁾</th>
<th>2019E⁽¹⁾</th>
<th>2020E⁽²⁾⁽³⁾</th>
<th>3 to 5 years⁽³⁾</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue growth/(decline)</td>
<td>(2%)</td>
<td>14%</td>
<td>14% - 17%</td>
<td>At least 20%</td>
<td>25%+</td>
</tr>
<tr>
<td><strong>Measurements</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross margin</td>
<td>73%</td>
<td>75%</td>
<td>74%</td>
<td>74% - 76%</td>
<td>≥ 75%</td>
</tr>
<tr>
<td>S&amp;M % of revenue</td>
<td>42%</td>
<td>41%</td>
<td>43%</td>
<td>40% - 42%</td>
<td>&lt; 38%</td>
</tr>
<tr>
<td>R&amp;D % of revenue</td>
<td>18%</td>
<td>22%</td>
<td>30%</td>
<td>29% - 31%</td>
<td>&lt; 27%</td>
</tr>
<tr>
<td>G&amp;A % of revenue⁽⁴⁾</td>
<td>16%</td>
<td>16%</td>
<td>16%</td>
<td>14% -16%</td>
<td>&lt; 14%</td>
</tr>
<tr>
<td>Adj. EBITDA margin</td>
<td>8%</td>
<td>8%</td>
<td>4% - 5%</td>
<td>7% - 10%</td>
<td>≥ 15%</td>
</tr>
</tbody>
</table>

1) Please refer to the reconciliation of adjusted EBITDA in the appendix.
2) See the Disclaimer included in this presentation for a discussion of our long-term financial model and the targets and projections contained in this slide.
3) We have not presented a quantitative reconciliation of our long-term model for the forward-looking non-GAAP measures Adjusted EBITDA and Contribution Margin to their most directly comparable GAAP financial measures because it is impractical to forecast certain items without unreasonable efforts due to the uncertainty and inherent difficulty of predicting the occurrence and financial impact of such items as well as the periods in which such items may be recognized.
4) G&A excludes one-time items.
Key takeaways

- $60B TAM poised for transformation
- Market leading platform and blue-chip customers
- Sustainable competitive advantage
- Multiple paths to 20%+ revenue growth target
- Leverageable usage-driven model
- Experienced management with focus on execution
Appendix
## Non-GAAP adjusted EBITDA reconciliation

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income (loss)</td>
<td>5.8</td>
<td>(23.8)</td>
<td>7.8</td>
<td>9.3</td>
<td>12.0</td>
<td>6.4</td>
<td>(3.5)</td>
<td>(7.9)</td>
<td>(26.4)</td>
<td>(25.9)</td>
<td>(18.2)</td>
<td>(25.0)</td>
</tr>
<tr>
<td>(+) Amortization of purchased intangibles</td>
<td>1.8</td>
<td>2.6</td>
<td>2.0</td>
<td>1.5</td>
<td>1.0</td>
<td>0.6</td>
<td>2.6</td>
<td>5.1</td>
<td>8.0</td>
<td>6.7</td>
<td>4.7</td>
<td>2.8</td>
</tr>
<tr>
<td>(+) Stock-based compensation</td>
<td>3.9</td>
<td>4.3</td>
<td>4.7</td>
<td>5.1</td>
<td>6.8</td>
<td>10.7</td>
<td>12.5</td>
<td>12.3</td>
<td>11.8</td>
<td>9.7</td>
<td>8.9</td>
<td>14.8</td>
</tr>
<tr>
<td>(+) Contingent earn-out adjustments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(3.7)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(+) Restructuring costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3.4</td>
<td>2.4</td>
<td>2.6</td>
<td>4.5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(+) Depreciation</td>
<td>0.8</td>
<td>2.1</td>
<td>3.3</td>
<td>5.8</td>
<td>6.6</td>
<td>7.3</td>
<td>8.1</td>
<td>9.1</td>
<td>12.1</td>
<td>12.0</td>
<td>12.4</td>
<td>14.2</td>
</tr>
<tr>
<td>(+) Other costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7.8</td>
<td>7.6</td>
<td>5.9</td>
<td>-</td>
</tr>
<tr>
<td>(+) Provision for (benefit from) income taxes</td>
<td>(1.7)</td>
<td>1.2</td>
<td>5.0</td>
<td>5.1</td>
<td>7.1</td>
<td>4.4</td>
<td>(0.6)</td>
<td>1.9</td>
<td>15.8</td>
<td>5.9</td>
<td>0.5</td>
<td>0.9</td>
</tr>
<tr>
<td>(+) Acquisition costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.0</td>
<td>-</td>
<td>1.4</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.6</td>
</tr>
<tr>
<td>(+) Other (income) expense, net</td>
<td>(0.9)</td>
<td>0.0</td>
<td>(0.0)</td>
<td>0.0</td>
<td>0.5</td>
<td>(0.4)</td>
<td>(0.3)</td>
<td>0.3</td>
<td>0.2</td>
<td>0.5</td>
<td>(0.1)</td>
<td>0.5</td>
</tr>
<tr>
<td>(+) Goodwill impairment</td>
<td>-</td>
<td>23.5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>9.7</td>
<td>9.9</td>
<td>22.8</td>
<td>26.8</td>
<td>34.0</td>
<td>30.0</td>
<td>18.8</td>
<td>22.7</td>
<td>21.2</td>
<td>19.2</td>
<td>18.4</td>
<td>19.1</td>
</tr>
</tbody>
</table>

**Note:** Dollar amounts in millions. Certain items may not total due to rounding. Adjusted EBITDA is a Non-GAAP financial measure. Adjusted EBITDA excludes provision for (benefit from) income taxes, other (income)/expense, net, depreciation and amortization, stock-based compensation, restructuring costs, acquisition costs and other costs. 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. See select non-gaap definitions slide.
## Non-GAAP adjusted EBITDA reconciliation

<table>
<thead>
<tr>
<th>Guidance</th>
<th>2017</th>
<th>2018</th>
<th>2019E</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP net loss</td>
<td>$(18.2)</td>
<td>$(25.0)</td>
<td>$(57.6) - $(52.0)</td>
</tr>
<tr>
<td>Depreciation &amp; amortization</td>
<td>$17.1</td>
<td>$17.0</td>
<td>$19.5</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>$8.9</td>
<td>$14.8</td>
<td>$34.0</td>
</tr>
<tr>
<td>Other non-recurring costs</td>
<td>~$10.2</td>
<td>~$11.0</td>
<td>~$7.8</td>
</tr>
<tr>
<td>Provision for taxes</td>
<td>$0.5</td>
<td>$0.9</td>
<td>$6.2 - $5.6</td>
</tr>
<tr>
<td>Other (income) expense, net</td>
<td>$(0.1)</td>
<td>$0.5</td>
<td>$0.0</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$18.4</td>
<td>$19.1</td>
<td>$10.0 - $15.0</td>
</tr>
</tbody>
</table>

**Note:** Dollar amounts in millions. Certain items may not total due to rounding. Adjusted EBITDA is a Non-GAAP financial measure. Adjusted EBITDA excludes provision for (benefit from) income taxes, other (income)/expense, net, depreciation and amortization, stock-based compensation, restructuring costs, acquisition costs and other costs. 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. See select non-gaap definitions slide.
Select definitions

Stock-based compensation
Represents costs related to stock-based compensation associated with certain employees’ participation in the 2009 Stock Incentive Plan and the 2018 Inducement Plan.

Other non-recurring costs
Primarily represents IP litigation, consulting costs, restructuring costs, and acquisition costs.

Restructuring costs
Represents severance and associated costs related to resource reallocation for the Company’s platform transformation as well as wind-down costs to focus on areas of high-growth potential.

Other costs
Primarily represents IP litigation, consulting costs, and write-off related to technology licenses.

Acquisition costs

Goodwill impairment
Represents an impairment charge in connection with the acquisition of Kasamba Inc.

Other (income) expense, net
Primarily consists of interest income on cash and cash equivalents, investment income and financial (expense) income which is a result of currency rate...