

LIVEPERSON INC  
Form 10-Q  
November 09, 2018

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

✓ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2018

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 000-30141

LIVEPERSON, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware 13-3861628

(State or Other Jurisdiction of  
Incorporation or Organization) (IRS Employer Identification No.)

475 Tenth Avenue, 5th Floor  
New York, New York 10018

(Address of Principal Executive Offices) (Zip Code)

(212) 609-4200

(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ✓ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ✓ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ✓

Non-accelerated filer ☐ Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ✓

On November 5, 2018, 63,415,683 shares of the registrant's common stock were outstanding.

LIVEPERSON, INC.  
 September 30, 2018  
 FORM 10-Q  
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## FORWARD-LOOKING STATEMENTS

STATEMENTS IN THIS QUARTERLY REPORT ON FORM 10-Q ABOUT LIVEPERSON, INC. (“LIVEPERSON”) THAT ARE NOT HISTORICAL FACTS ARE FORWARD-LOOKING STATEMENTS BASED ON OUR CURRENT EXPECTATIONS, ASSUMPTIONS, ESTIMATES AND PROJECTIONS ABOUT LIVEPERSON AND OUR INDUSTRY. THESE FORWARD-LOOKING STATEMENTS ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL FUTURE EVENTS OR RESULTS TO DIFFER MATERIALLY FROM SUCH STATEMENTS. ANY SUCH FORWARD-LOOKING STATEMENTS ARE MADE PURSUANT TO THE SAFE HARBOR PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. IT IS ROUTINE FOR OUR INTERNAL PROJECTIONS AND EXPECTATIONS TO CHANGE AS THE YEAR OR EACH QUARTER IN THE YEAR PROGRESSES, AND THEREFORE IT SHOULD BE CLEARLY UNDERSTOOD THAT THE INTERNAL PROJECTIONS AND BELIEFS UPON WHICH WE BASE OUR EXPECTATIONS MAY CHANGE PRIOR TO THE END OF EACH QUARTER OR THE YEAR. ALTHOUGH THESE EXPECTATIONS MAY CHANGE, WE ARE UNDER NO OBLIGATION TO INFORM YOU IF THEY DO. OUR POLICY IS GENERALLY TO PROVIDE OUR EXPECTATIONS ONLY ONCE PER QUARTER, AND NOT TO UPDATE THAT INFORMATION UNTIL THE NEXT QUARTER. ACTUAL EVENTS OR RESULTS MAY DIFFER MATERIALLY FROM THOSE CONTAINED IN THE PROJECTIONS OR FORWARD-LOOKING STATEMENTS. FACTORS THAT COULD CAUSE OR CONTRIBUTE TO SUCH DIFFERENCES INCLUDE THOSE DISCUSSED IN PART II, ITEM 1A, “RISK FACTORS.”

## Part I. Financial Information

## Item 1. Financial Statements

## LIVEPERSON, INC.

## CONDENSED CONSOLIDATED BALANCE SHEETS

(IN THOUSANDS)

(UNAUDITED)

	September 30, 2018	December 31, 2017 (Note 1)
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 66,351	\$ 56,115
Cash held as collateral	—	1,451
Accounts receivable, net of allowance for doubtful accounts of \$1,951 and \$1,318 as of September 30, 2018 and December 31, 2017, respectively	51,727	37,926
Prepaid expenses and other current assets	18,722	7,352
Total current assets	136,800	102,844
Property and equipment, net	39,788	34,705
Intangibles, net	13,249	12,366
Goodwill	85,467	80,531
Deferred tax assets	732	753
Other assets	1,818	1,600
Total assets	\$ 277,854	\$ 232,799
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 6,603	\$ 5,481
Accrued expenses and other current liabilities	41,124	48,011
Deferred revenue	56,117	35,563
Total current liabilities	103,844	89,055
Deferred revenue	2,067	—
Other liabilities	3,972	2,766
Deferred tax liability	1,073	915
Total liabilities	110,956	92,736
Commitments and contingencies		
<b>STOCKHOLDERS' EQUITY:</b>		
Common stock	63	60
Additional paid-in capital	351,702	305,676
Treasury stock	(3	) (3
Accumulated deficit	(181,026	) (163,135
Accumulated other comprehensive loss	(3,838	) (2,535
Total stockholders' equity	166,898	140,063
Total liabilities and stockholders' equity	\$ 277,854	\$ 232,799

See Notes to Condensed Consolidated Financial Statements (unaudited).

LIVEPERSON, INC.  
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
 (IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)  
 (UNAUDITED)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
Revenue	\$ 64,213	\$ 56,493	\$ 184,114	\$ 161,486
Costs and expenses <sup>(1) (2)</sup>				
Cost of revenue <sup>(3)</sup>	15,689	14,541	45,679	43,456
Sales and marketing	26,748	21,603	76,271	66,695
General and administrative	11,972	10,398	33,594	30,528
Product development	13,484	9,726	40,955	29,011
Restructuring costs	722	—	2,806	2,315
Amortization of purchased intangibles	424	470	1,272	