

# Company Overview

Third Quarter | November 2023



# Safe Harbor

## Forward Looking Statements

This document contains forward-looking statements, within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. Such forward-looking statements may include projections regarding our future performance, including, but not limited to revenue, bookings and free cash flow, and may be identified by words like “anticipate,” “assume,” “believe,” “aim,” “forecast,” “indication,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “outlook,” “future,” “will,” “seek” and similar terms or phrases. The forward-looking statements contained in this document, including the quarterly and annual guidance, are based on management’s current expectations, which are subject to uncertainty, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Important factors that could cause our actual results to differ materially from those indicated in the forward-looking statements include, among others, our expectation that we will be able to attract and retain registered users and generate new premium subscriptions, in particular as we continuously adjust our marketing strategy and as the macro-economic environment continues to be turbulent; our expectation that we will be able to increase the average revenue we derive per premium subscription, including through our partners; our expectations related to our ability to develop relevant and required products using Artificial Intelligence (“AI”), the regulatory environment impacting AI-related activities including privacy and intellectual property aspects, and potential competition from third-party AI tools which may impact our business; our expectation that new products and developments, as well as third-party products we will offer in the future within our platform, will receive customer acceptance and satisfaction, including the growth in market adoption of our online commerce solutions; our assumption that historical user behavior can be extrapolated to predict future user behavior, in particular during the current turbulent macro-economic environment; our expectation regarding the successful impact of our previously announced Cost-Efficiency Plan and other cost saving measures we may take in the future; our prediction of the future revenues and/or bookings generated by our user cohorts and our ability to maintain and increase such revenue growth, as well as our ability to generate and maintain elevated levels of free cash flow and profitability; our expectation to maintain and enhance our brand and reputation; our expectation that we will effectively execute our initiatives to improve our user support function through our Customer Care team, and that our recent downsizing of our Customer Care team will not affect our ability to continue attracting registered users and increase user retention, user engagement and sales; our plans to successfully localize our products, including by making our product, support and communication channels available in additional languages and to expand our payment infrastructure to transact in additional local currencies and accept additional payment methods; our expectation regarding the impact of fluctuations in foreign currency exchange rates, interest rates, potential illiquidity of banking systems, and other recessionary trends on our business; our expectations relating to the repurchase of our ordinary shares and/or Convertible Notes pursuant to our repurchase program;

our expectation that we will effectively manage our infrastructure; our expectations regarding the outcome of any regulatory investigation or litigation, including class actions; our expectations regarding future changes in our cost of revenues and our operating expenses on an absolute basis and as a percentage of our revenues, as well as our ability to achieve and maintain profitability; our expectations regarding changes in the global, national, regional or local economic, business, competitive, market, and regulatory landscape, including as a result of COVID-19 and as a result of the military invasion of Ukraine by Russia, or other local Israeli military campaigns; our planned level of capital expenditures and our belief that our existing cash and cash from operations will be sufficient to fund our operations for at least the next 12 months and for the foreseeable future; our expectations with respect to the integration and performance of acquisitions; our ability to attract and retain qualified employees and key personnel; and our expectations about entering into new markets and attracting new customer demographics, including our ability to successfully attract new partners large enterprise-level users and to grow our activities with these customer types as anticipated and other factors discussed under the heading “Risk Factors” in the Company’s annual report on Form 20-F for the year ended December 31, 2022 filed with the Securities and Exchange Commission on March 30, 2023. The preceding list is not intended to be an exhaustive list of all of our forward-looking statements. Any forward-looking statement made by us in this press release speaks only as of the date hereof. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future developments or otherwise.

# Safe Harbor

## Non-GAAP Financial Measures and Key Operating Metrics

To supplement its consolidated financial statements, which are prepared and presented in accordance with U.S. GAAP, Wix uses the following non-GAAP financial measures: bookings, cumulative cohort bookings, bookings on a constant currency basis, revenue on a constant currency basis, non-GAAP gross margin, non-GAAP operating income (loss), non-GAAP operating margin, non-GAAP net income (loss), non-GAAP net income (loss) per share, free cash flow, free cash flow, as adjusted, free cash flow margins, free cash flow per share, non-GAAP R&D expenses, non-GAAP S&M expenses, non-GAAP G&A expenses, non-GAAP operating expenses, non-GAAP cost of revenue expense, non-GAAP financial expense, non-GAAP tax expense (collectively the "Non-GAAP financial measures"). Measures presented on a constant currency or foreign exchange neutral basis have been adjusted to exclude the effect of y/y changes in foreign currency exchange rate fluctuations. Bookings is a non-GAAP financial measure calculated by adding the change in deferred revenues and the change in unbilled contractual obligations for a particular period to revenues for the same period. Bookings include cash receipts for premium subscriptions purchased by users as well as cash we collect from business solutions, as well as payments due to us under the terms of contractual agreements for which we may have not yet received payment. Cash receipts for premium subscriptions are deferred and recognized as revenues over the terms of the subscriptions. Cash receipts for payments and the majority of the additional products and services (other than Google Workspace) are recognized as revenues upon receipt. Committed payments are recognized as revenue as we fulfill our obligation under the terms of the contractual agreement. Non-GAAP gross margin represents gross profit calculated in accordance with GAAP as adjusted for the impact of share-based compensation expense, acquisition-related expenses and amortization, divided by revenue. Non-GAAP operating income (loss) represents operating income (loss) calculated in accordance with GAAP as adjusted for the impact of share-based compensation expense, amortization, acquisition-related expenses and sales tax expense accrual and other G&A expenses (income). Non-GAAP net income (loss) represents net loss calculated in accordance with GAAP as adjusted for the impact of share-based compensation expense, amortization, sales tax expense accrual and other G&A expenses (income), amortization of debt discount and debt issuance costs and acquisition-related expenses and non-operating foreign exchange expenses (income). Non-GAAP net income (loss) per share represents non-GAAP net income (loss) divided by the weighted average number of shares used in computing GAAP loss per share. Free cash flow represents net cash provided by (used in) operating activities less capital expenditures. Free cash flow, as adjusted, represents free cash flow further adjusted to exclude one-time cash restructuring charges and the capital expenditures and other expenses associated with the buildout of our new corporate headquarters. Free cash flow margins represent free cash flow divided by revenue. Free cash flow per share represents free cash flow, as adjusted, divided by total outstanding shares on a fully diluted basis. Non-GAAP cost of revenue represents cost of revenue calculated in accordance with GAAP as adjusted for the impact of share-based compensation expense, acquisition-related expenses and amortization. Non-GAAP R&D expenses represent R&D expenses calculated in accordance with GAAP as adjusted for the impact of share-based compensation expense, acquisition-related expenses and amortization.

Non-GAAP S&M expenses represent S&M expenses calculated in accordance with GAAP as adjusted for the impact of share-based compensation expense, acquisition-related expenses and amortization. Non-GAAP G&A expenses represent G&A expenses calculated in accordance with GAAP as adjusted for the impact of share-based compensation expense, acquisition-related expenses and amortization. Non-GAAP operating expenses represent operating expenses calculated in accordance with GAAP as adjusted for the impact of share-based compensation expense, acquisition-related expenses and amortization. Non-GAAP financial expense represents financial expense calculated in accordance with GAAP as adjusted for unrealized gains of equity investments, amortization of debt discount and debt issuance costs and non-operating foreign exchange expenses. Non-GAAP tax expense represents tax expense calculated in accordance with GAAP as adjusted for provisions for income tax effects related to non-GAAP adjustments.

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 GAAP. The Company uses these non-GAAP financial measures for financial and operational decision making and as a means to evaluate period-to-period comparisons. The Company believes that these measures provide useful information about operating results, enhance the overall understanding of past financial performance and future prospects, and allow for greater transparency with respect to key metrics used by management in its financial and operational decision making. For more information on the non-GAAP financial measures, please see the reconciliation tables provided below. The accompanying tables have more details on the GAAP financial measures that are most directly comparable to non-GAAP financial measures and the related reconciliations between these financial measures. The Company is unable to provide reconciliations of free cash flow, free cash flow, as adjusted, cumulative cohort bookings, non-GAAP gross margin, and non-GAAP tax expense to their most directly comparable GAAP financial measures on a forward-looking basis without unreasonable effort because items that impact those GAAP financial measures are out of the Company's control and/or cannot be reasonably predicted. Such information may have a significant, and potentially unpredictable, impact on our future financial results.

Wix also uses Creative Subscriptions Annualized Recurring Revenue (ARR) as a key operating metric. Creative Subscriptions ARR is calculated as Creative Subscriptions Monthly Recurring Revenue (MRR) multiplied by 12. Creative Subscriptions MRR is calculated as the total of (i) all Creative Subscriptions in effect on the last day of the period, multiplied by the monthly revenue of such Creative Subscriptions, other than domain registrations; (ii) the average revenue per month from domain registrations in effect on the last day of the period; and (iii) monthly revenue from other partnership agreements and enterprise partners.

# Company Overview

Total registered users<sup>1</sup>

>258M

Creative Subscriptions  
Annualized Recurring Revenue<sup>1</sup>

~\$1.2B

Employees<sup>1</sup>

~5,200

% of revenue from outside North  
America<sup>2</sup>

~40%

Q3'23 GPV

\$2.9B  
(+14% y/y)

Q3'23 Transaction Revenue

\$44M  
(+22% y/y)

Q3'23 Partners Revenue

\$119M  
(+38% y/y)

Q3'23 FCF Margin<sup>3</sup>

16%

<sup>1</sup> As of September 30, 2023

<sup>2</sup> Q3'23 Revenue by Geography based on constant FX rates from Q3'22

<sup>3</sup> Free cash flow excluding expenses associated with the buildout of our new corporate headquarters

Note: Creative Subscriptions Annualized Recurring Revenue (ARR) is calculated as Creative Subscriptions Monthly Recurring Revenue (MRR) multiplied by 12. Creative Subscriptions MRR is calculated as the total of (i) all active Creative Subscriptions in effect on the last day of the period, multiplied by the monthly revenue of such Creative Subscriptions, other than domain registrations; (ii) the average revenue per month from domain registrations in effect on the last day of the period; and (iii) monthly revenue from other partnership agreements and enterprise partners. We believe that ARR is a leading indicator of our anticipated Creative Subscription revenues as it captures both the growth we generate from the number of premium subscriptions as well as the amount of revenue we generate per premium subscription.

Where any business,  
community or person can  
create their dreams online.

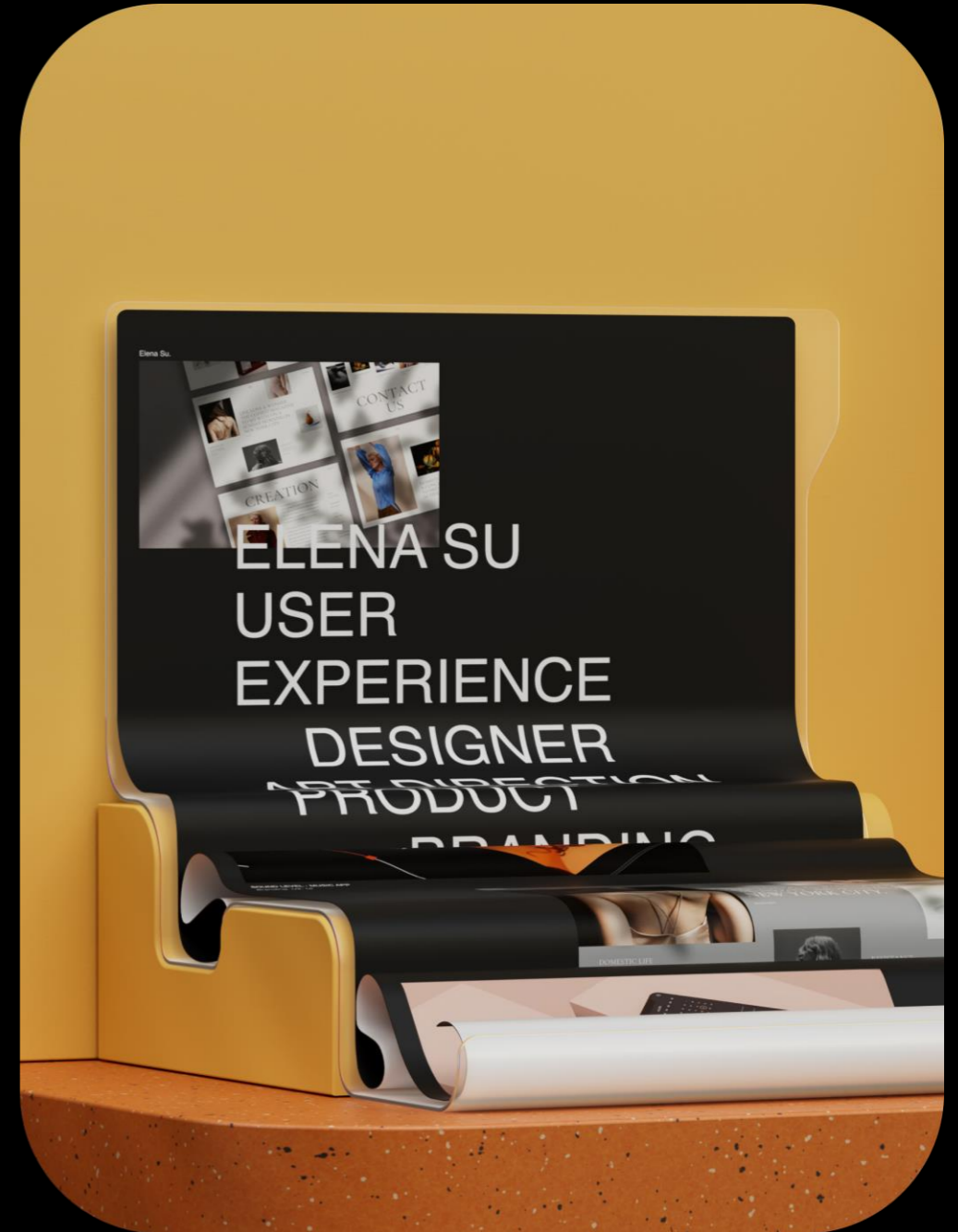


We believe that Wix is becoming the primary platform for every type of online presence around the world.

Our goal is to offer products and services that are simply the best option for any type of user and for any type of business.



# Financial Overview and Update



# Total Revenue

(\$ Millions)

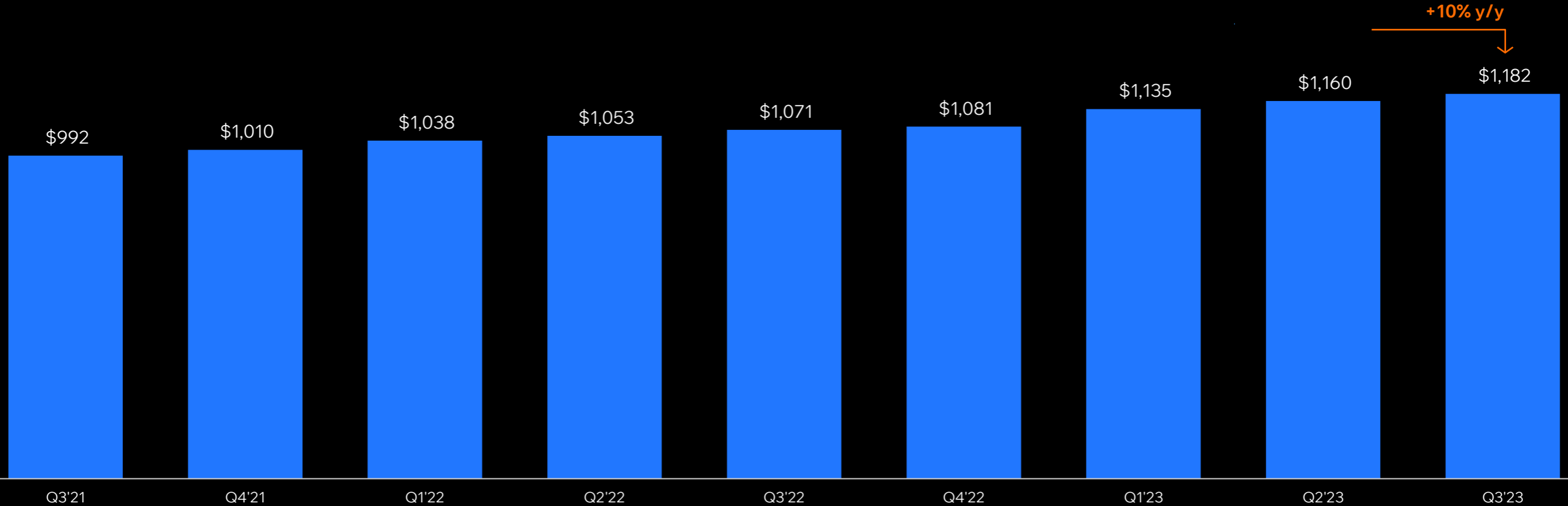
● Business Solutions ● Creative Subscriptions





# Consistent Creative Subscriptions ARR Expansion

(\$ Millions)

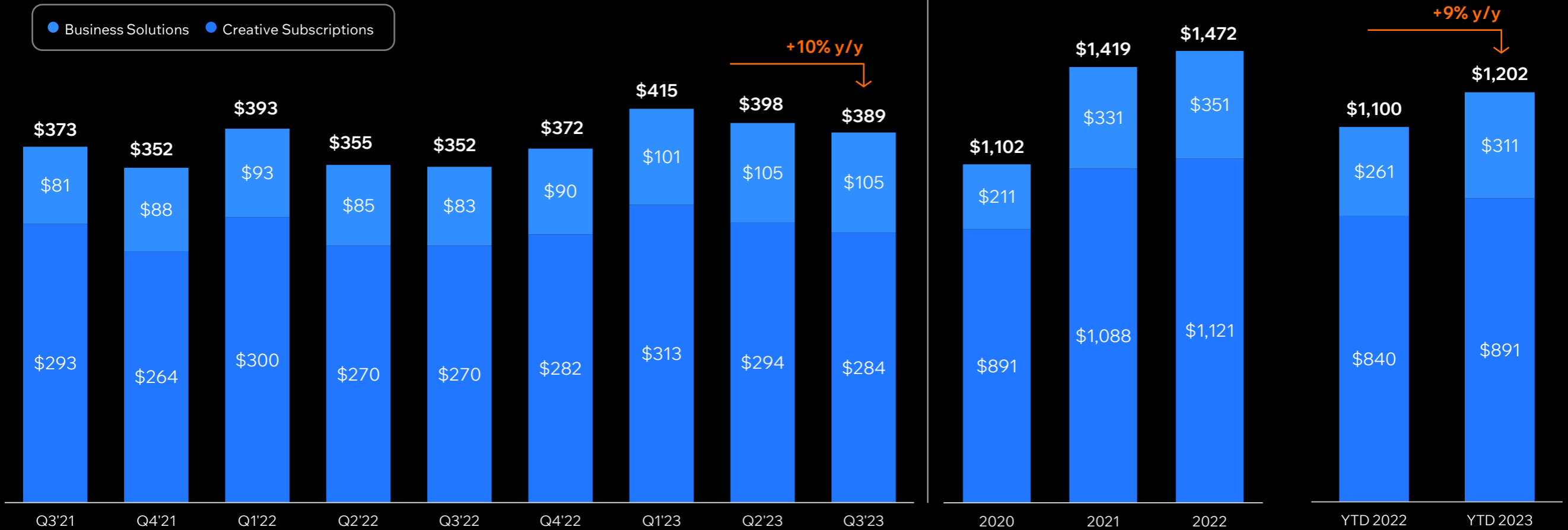


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# Total Bookings

(\$ Millions)

● Business Solutions ● Creative Subscriptions



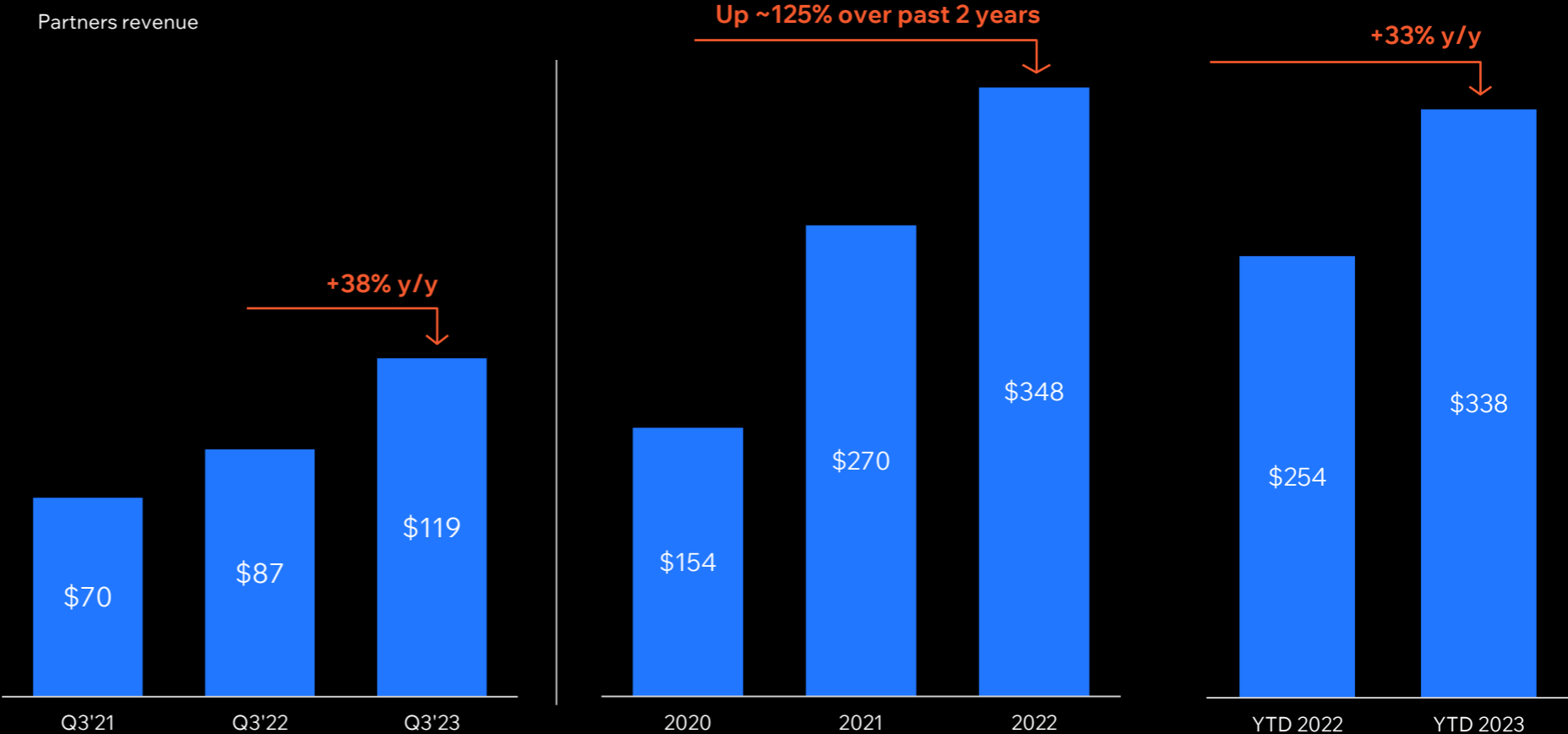
Note: Numbers may not add due to rounding.

# Tremendous Partners Momentum

(\$ Millions)

We continue to see tremendous momentum and growth in Partners. This growth is a result of years of successful development of our platform for professionals and a testament to the success of multiple years of investment we have undertaken to attract these users to Wix.

Partners revenue

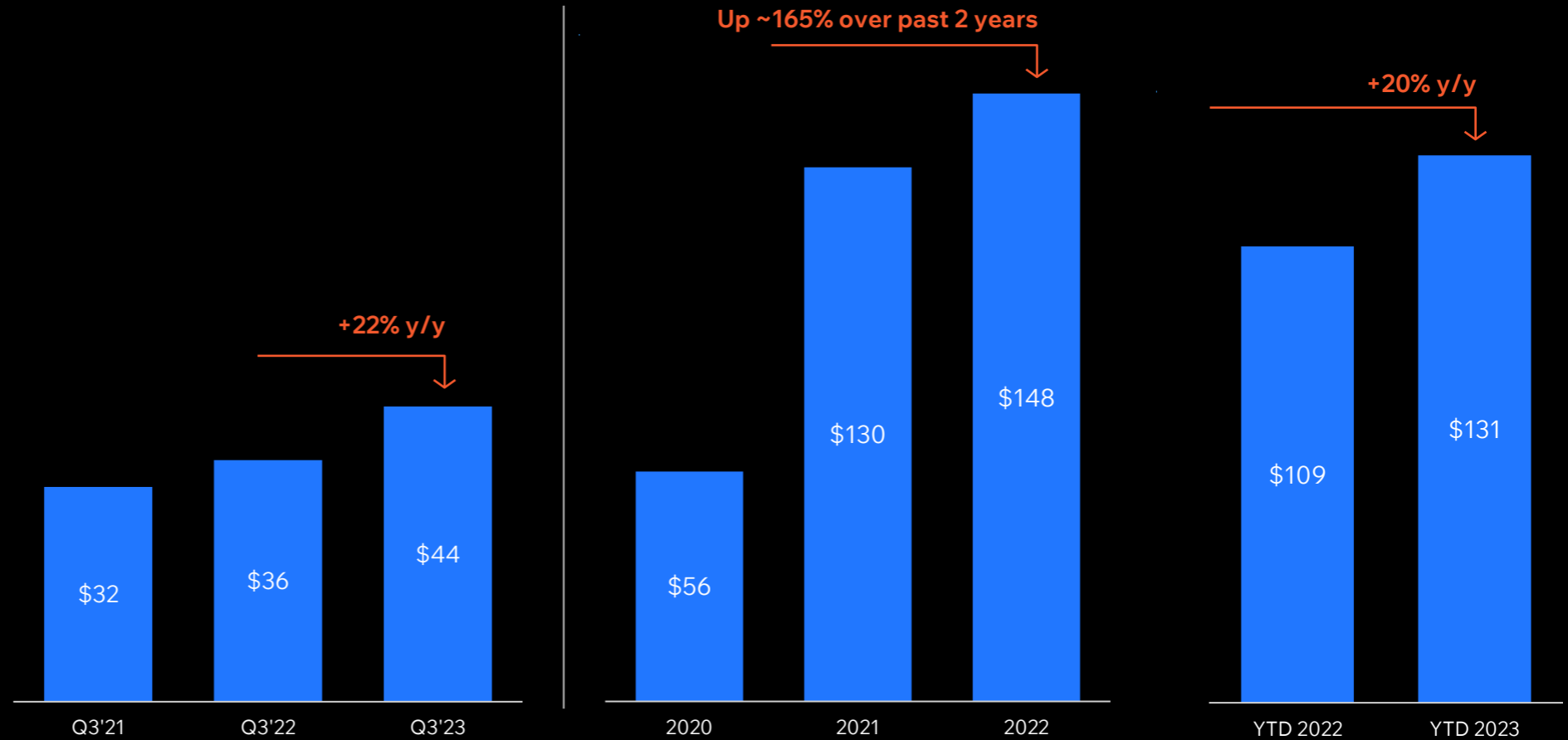


Note: We define partners revenue as revenue generated through agencies and freelancers that build sites or applications for other users as well as revenue generated through B2B partnerships, such as LegalZoom or Vistaprint, and enterprise partners. We identify agencies and freelancers building sites or applications for others using multiple criteria, including but not limited to, the number of sites built, participation in the Wix Partner Program and/or the Wix Marketplace or Wix products used (incl Wix Studio). Partners revenue includes revenue from both the Creative Subscriptions and Business Solutions segments.

# Transaction Revenue Growth

(\$ Millions)

Continued transaction revenue growth driven by strong GPV growth, particularly from Partners, and higher take rate as merchants increasingly adopt Wix Payments

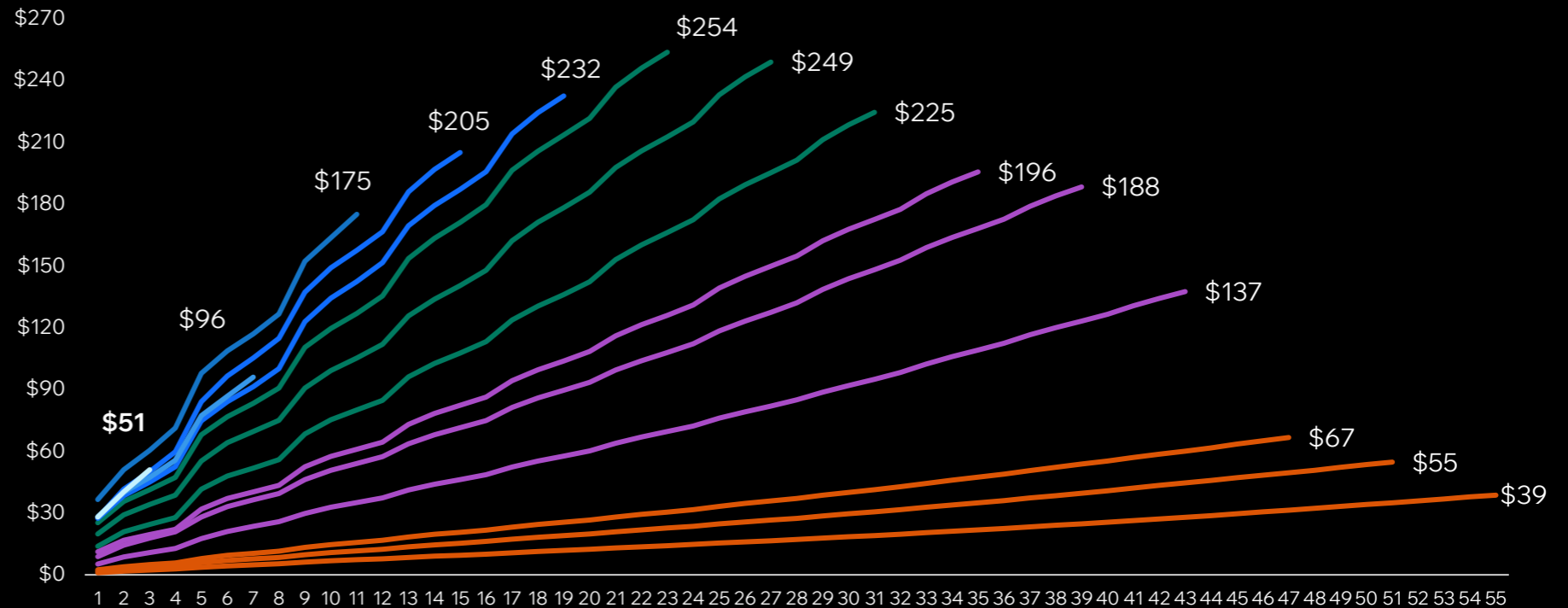


Note: Transaction revenue is a portion of Business Solutions, and we define transaction revenue as all revenue generated through transaction facilitation, which are primarily from Wix Payments as well as Wix POS, shipping solutions and multi-channel commerce and gift card solutions.

# Increasing Monetization of User Cohorts

Cumulative Bookings from Q1 User Cohorts (\$ Millions)

**Innovation and product offering enhancements driving higher monetization and sustained user cohort bookings growth**

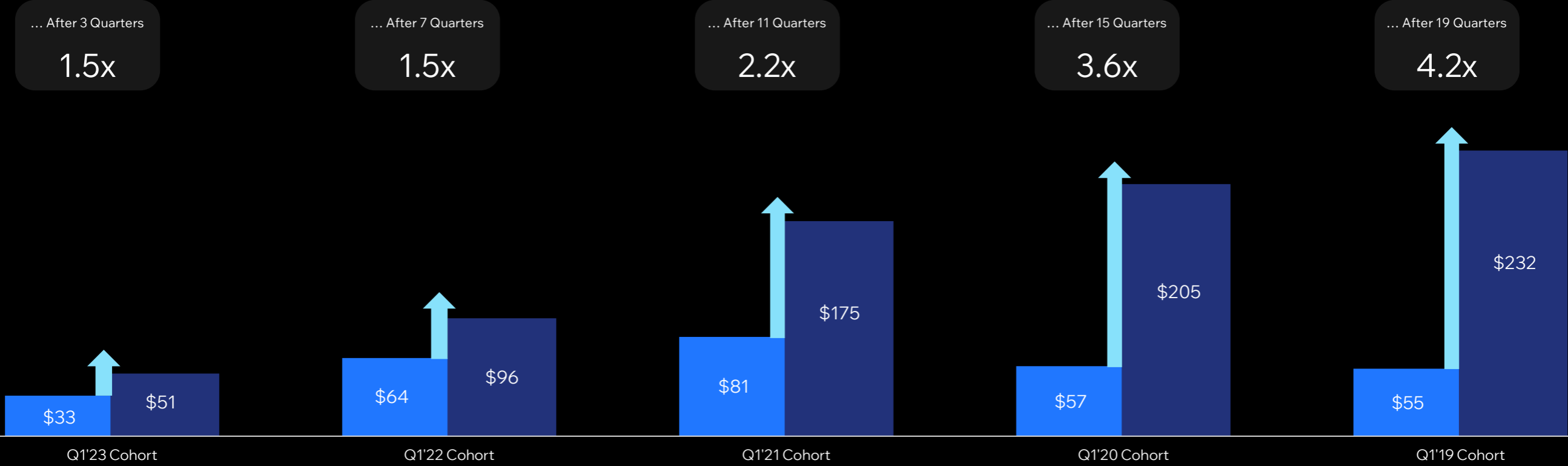


The new Q1'23 user cohort generated more bookings on a smaller base in its first quarter compared to the Q1'22 cohort, driven by these new users reflecting higher intent to build and succeed on Wix.

Note: Data as of September 30, 2023. Excludes bookings from users coming from the Wix Logo Maker funnel and bookings from DeviantArt, Wix Answers, or recent acquisitions.

# Efficient Marketing Based on TROI

One Time Marketing, Ongoing Bookings



Note: Data as of September 30, 2023; TROI is Time to Return On (Marketing) Investment. We define this metric as the time it takes to collect dollars from new premium subscriptions acquired in a cohort to equal dollars spent on costs classified as acquisition marketing costs in the same cohort. Numbers are rounded to the nearest million. Cohort Bookings do not include bookings from users coming from the Wix Logo Maker funnel or bookings from DeviantArt, Wix Answers, or recent acquisitions.

● Marketing Cost (\$ millions) ● Cohort Bookings (\$ millions)

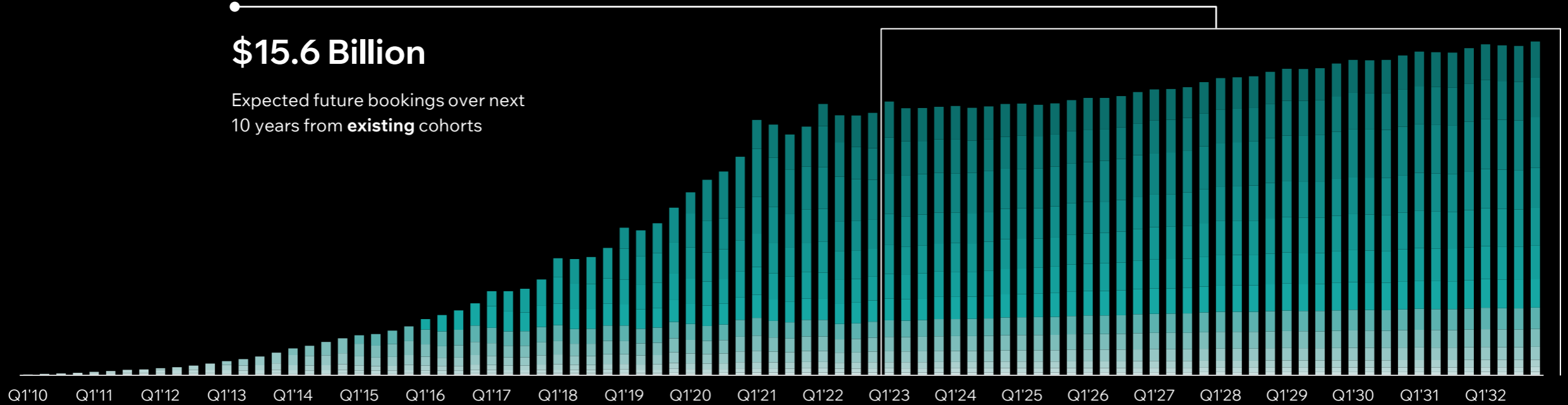
# Existing Cohorts are a Growing Source of Future Bookings

Actual and Potential Future Bookings From Q1'10 – Q4'22 Cohorts

● 2010 ● 2011 ● 2012 ● 2013 ● 2014 ● 2015 ● 2016 ● 2017 ● 2018 ● 2019 ● 2020 ● 2021 ● 2022

**\$15.6 Billion**

Expected future bookings over next 10 years from **existing** cohorts



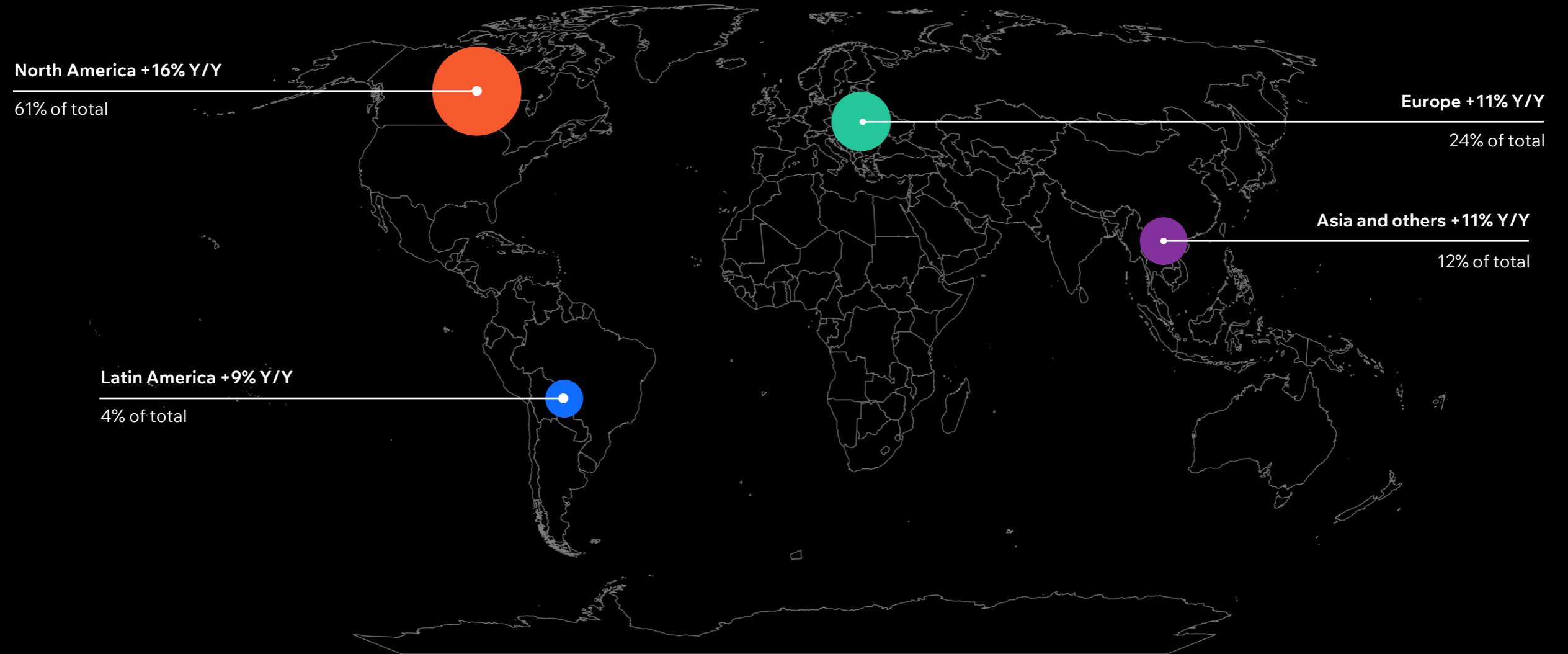
Note: Data represents actual bookings from Q1'10 – Q4'22 cohorts since creation and forecasted future cumulative bookings through Q4'32. Underlying our forecast of expected future bookings are certain assumptions and projections, such as assumptions regarding future cohort behavior based on historical data, the timing of improvement in certain macroeconomic conditions, the impact of certain macroeconomic conditions on our business, and the non-recurrence of foreign currency exchange rate changes that negatively impacted bookings in 2022. Actual

results may differ materially from our expectations.

Beginning in Q3 2020, we included expected future bookings from Wix Payments. Cohort Bookings do not include bookings from users coming from the Wix Logo Maker funnel, or bookings from B2B partnerships, DeviantArt, Wix Answers, or past acquisitions.

# Broad Geographic Reach

FX-Neutral Revenue by Geography (% of total) and Q3'23 Y/Y Growth



Note: Q3'23 Revenue by Geography and Y/Y change based on constant FX rates from Q3'22. Numbers may not add due to rounding.

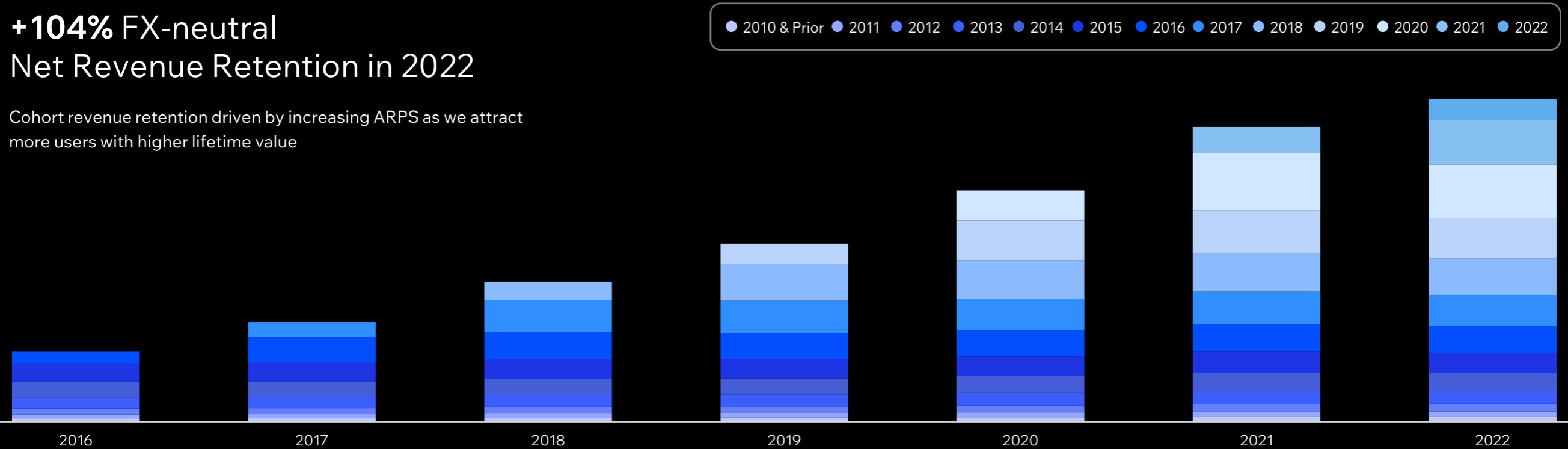


# Increasing Revenue Retention

Annual Net Revenue Retention Rate

## +104% FX-neutral Net Revenue Retention in 2022

Cohort revenue retention driven by increasing ARPS as we attract more users with higher lifetime value

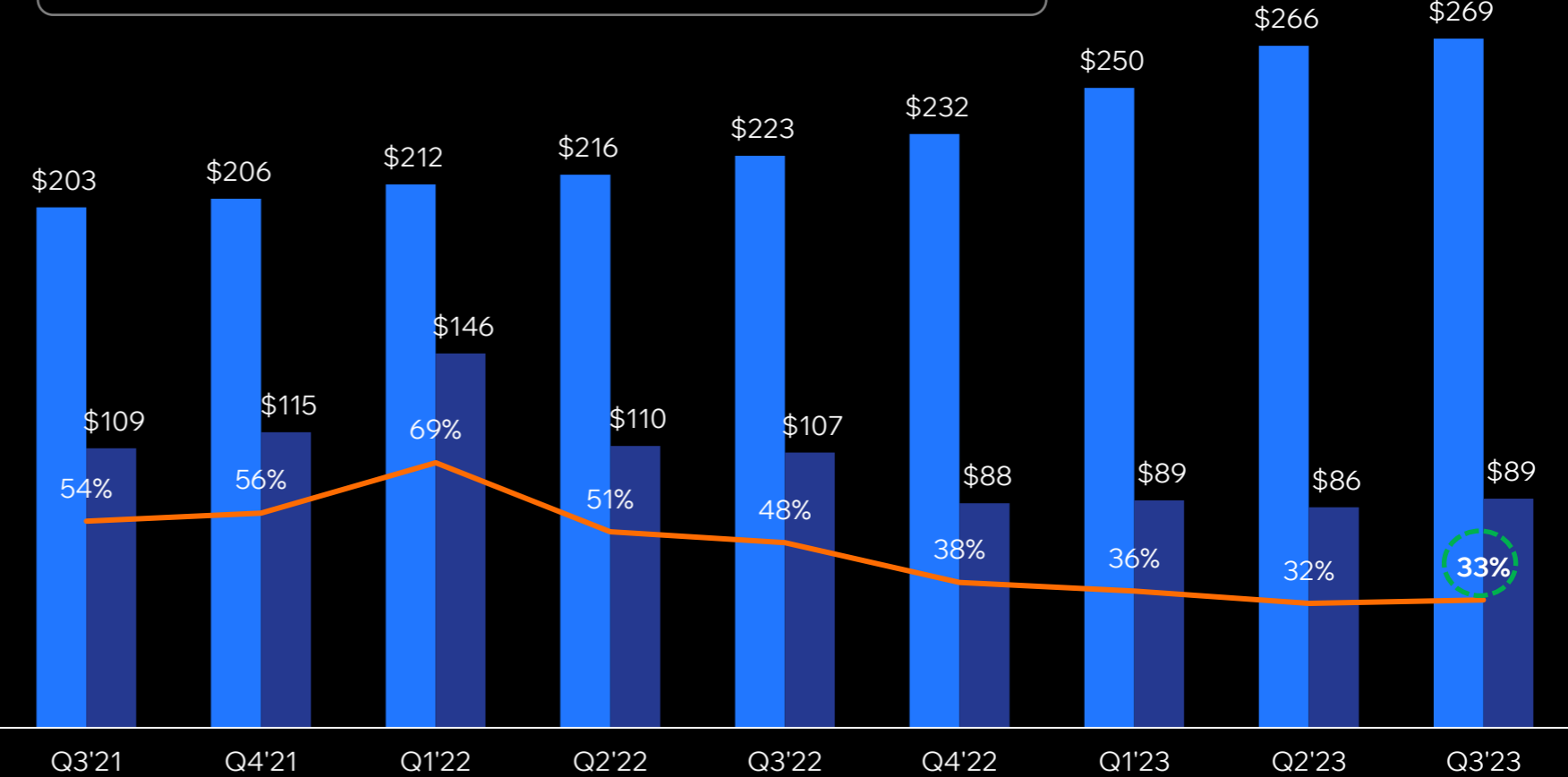
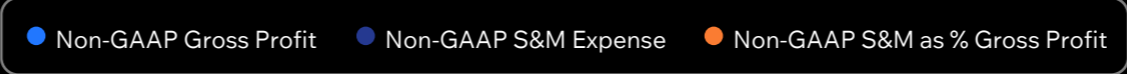


Note: We calculate our Annual Net Revenue Retention Rate at the end of a base year (e.g., Dec 31, 2022), by identifying all of the registered users on our platform as of the end of the prior year (e.g., Dec 31, 2021) and then dividing the total revenue generated by that cohort of registered users at the end of the base year by the total revenue generated by same cohorts of registered users at the end of the prior year. The quotient obtained from this calculation is the Annual Net Revenue Retention Rate. The Annual Net Revenue Retention Rate excludes revenue from B2B partnerships, DeviantArt, Wix Answers, or recent acquisitions.

Net revenue retention is based on constant FX rates from 2021. Including FX impact of 2022, net revenue retention was 102%.

# Global strength of Wix brand and focus on operational efficiency driving increasing gross profit while sales and marketing spend has declined over time

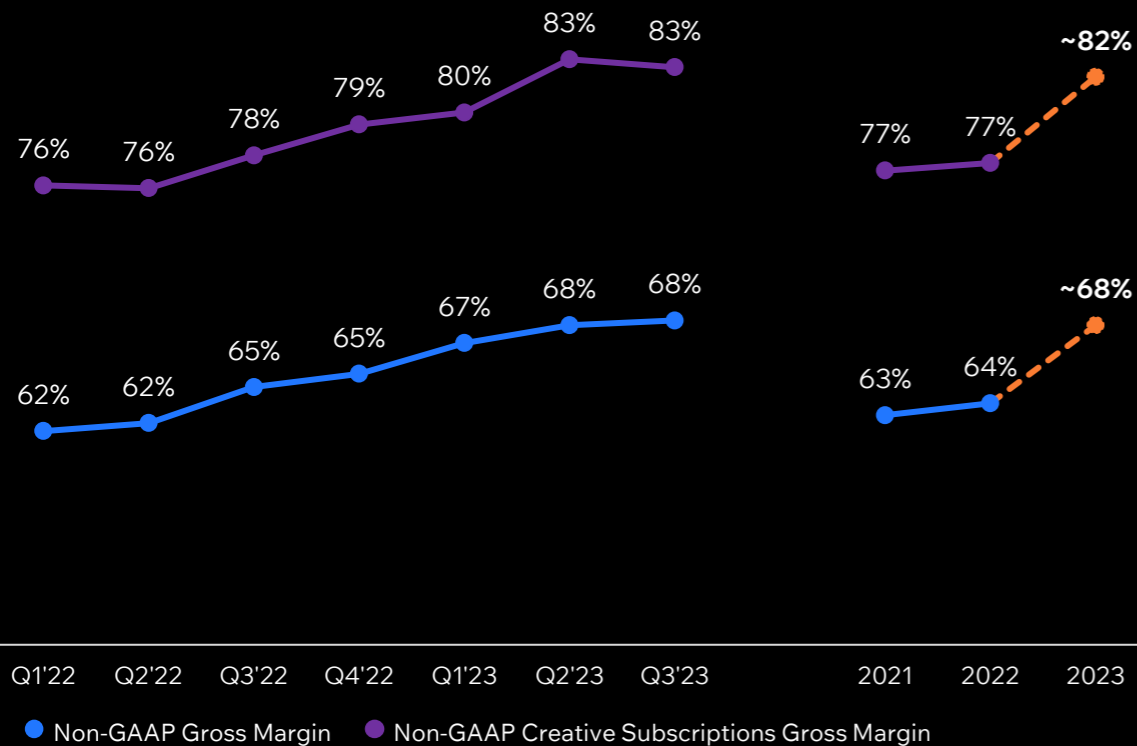
(\$ Millions)



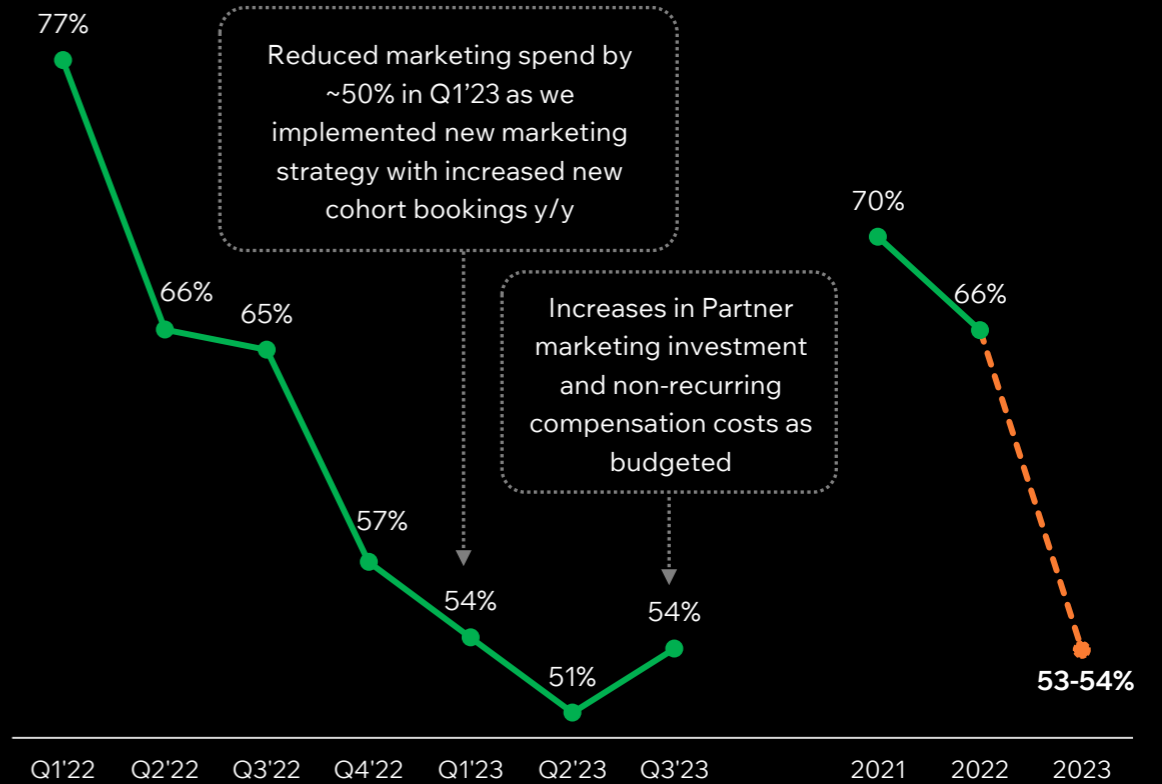
Strong execution on strategy, focus on operational efficiency and new marketing strategy have grown gross profit while meaningfully lowering sales and marketing investments

# Accelerated profitability improvements progressing through 2023 driven by continued efficiencies across operating cost structure from completed cost reduction efforts

Non-GAAP Gross Margin



Non-GAAP Opex % of revenue



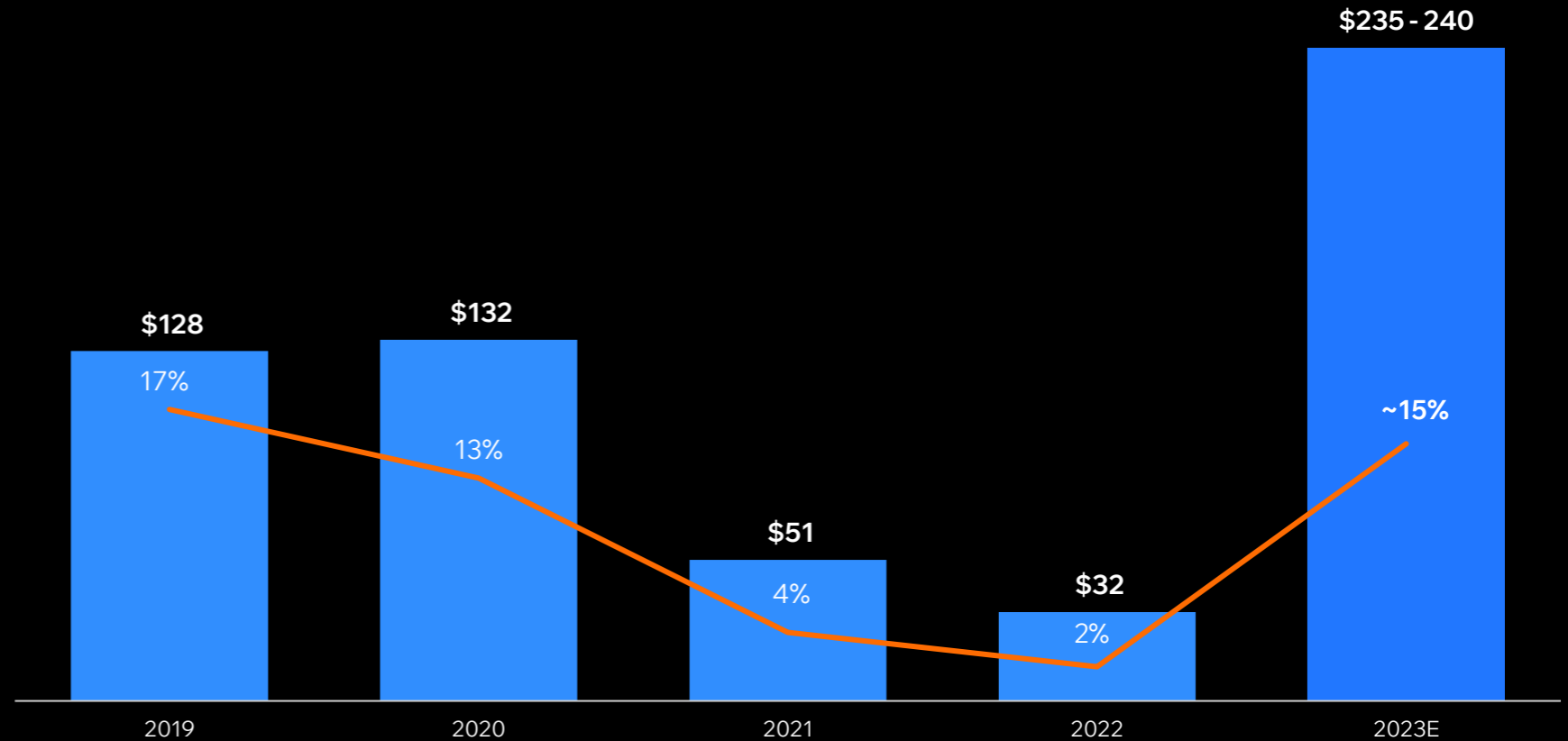
# Free cash flow

(\$ Millions)

**Free cash flow expected to accelerate above three-year plan provided at August 2023 Analyst Day**

● FCF as % of revenue

We expect to generate FCF margin excluding HQ investments of approximately 20-21% exiting 2023 as a result of better-than-expected top line growth coupled with our focus on efficiency

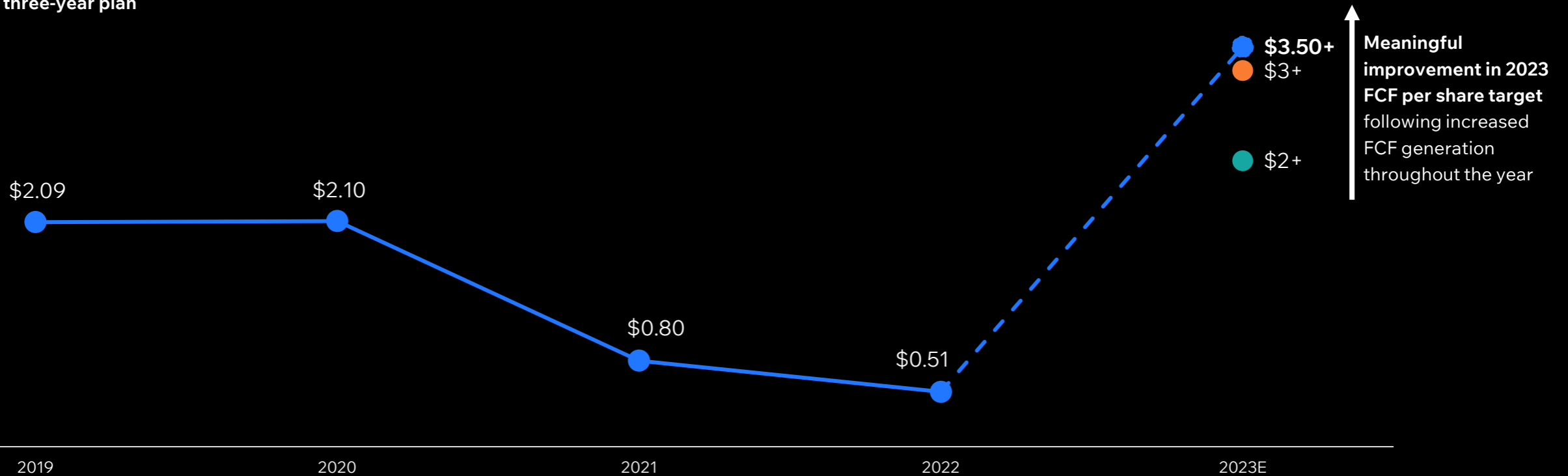


\*Free cash flow excludes HQ spend and associated costs in 2020-2023 and excludes ~\$4.5 million of cash restructuring costs in 2023.

# Free cash flow per share (diluted)

Robust FCF generation in conjunction with continued prudence regarding headcount growth and focused dilution management **positions us well to exceed 2023 FCF per share target in our three-year plan**

- FCF per share target per current guidance
- FCF per share target per August Analyst Day plan
- FCF per share target per February guidance



\*Free cash flow excludes HQ spend and associated costs in 2020-2023 and excludes ~\$4.5 million of cash restructuring costs in 2023.

# Appendix



# Reconciliation of GAAP to Non-GAAP Financial Measures

in 000s	2021 Q1	Q2	Q3	Q4	2022 Q1	Q2	Q3	Q4	2023 Q1	Q2	Q3	FY 2020	FY 2021	FY 2022
Revenues	\$300,779	\$315,575	\$319,890	\$333,413	\$341,597	\$345,224	\$345,805	\$355,040	\$374,076	\$389,977	\$393,841	\$984,367	\$1,269,657	\$1,387,666
Change in deferred revenues	\$50,330	\$19,266	\$6,243	\$6,522	\$37,552	\$7,731	\$6,023	\$4,081	\$60,975	\$12,043	\$387	\$117,664	\$82,361	\$55,387
Change in unbilled contractual obligations	-	\$8,020	\$47,164	\$11,621	\$14,099	\$1,639	\$636	\$12,692	(\$20,146)	(\$3,521)	(\$5,133)	-	\$66,805	\$29,066
<b>Bookings</b>	<b>\$351,109</b>	<b>\$342,861</b>	<b>\$373,297</b>	<b>\$351,556</b>	<b>\$393,248</b>	<b>\$354,594</b>	<b>\$352,464</b>	<b>\$371,813</b>	<b>\$414,905</b>	<b>\$398,499</b>	<b>\$389,095</b>	<b>\$1,102,031</b>	<b>\$1,418,823</b>	<b>\$1,472,119</b>
Creative Subscriptions Revenues	\$226,436	\$235,891	\$241,303	\$246,669	\$254,968	\$258,177	\$261,066	\$265,268	\$278,130	\$287,089	\$290,634	\$783,456	\$950,299	\$1,039,479
Change in deferred revenues	\$41,623	\$19,134	\$4,270	\$5,748	\$30,720	\$10,105	\$8,235	\$3,806	\$55,445	\$10,361	(\$1,584)	\$107,784	\$70,775	\$52,866
Change in unbilled contractual obligations	-	\$8,020	\$47,164	\$11,621	\$14,099	\$1,639	\$636	\$12,692	(\$20,146)	(\$3,521)	(\$5,133)	-	\$66,805	\$29,066
<b>Creative Subscriptions Bookings</b>	<b>\$268,059</b>	<b>\$263,045</b>	<b>\$292,737</b>	<b>\$264,038</b>	<b>\$299,787</b>	<b>\$269,921</b>	<b>\$269,937</b>	<b>\$281,766</b>	<b>\$313,429</b>	<b>\$293,929</b>	<b>\$283,917</b>	<b>\$891,240</b>	<b>\$1,087,879</b>	<b>\$1,121,411</b>
Business Solutions Revenues	\$74,343	\$79,684	\$78,587	\$86,744	\$86,629	\$87,047	\$84,739	\$89,772	\$95,946	\$102,888	\$103,207	\$200,911	\$319,358	\$348,187
Change in deferred revenues	\$8,707	\$132	\$1,973	\$774	\$6,832	(\$2,374)	(\$2,212)	\$275	\$5,530	\$1,682	\$1,971	\$9,880	\$11,586	\$2,521
<b>Business Solutions Bookings</b>	<b>\$83,050</b>	<b>\$79,816</b>	<b>\$80,560</b>	<b>\$87,518</b>	<b>\$93,461</b>	<b>\$84,673</b>	<b>\$82,527</b>	<b>\$90,047</b>	<b>\$101,476</b>	<b>\$104,570</b>	<b>\$105,178</b>	<b>\$210,791</b>	<b>\$330,944</b>	<b>\$350,708</b>

Note: Numbers may not add due to rounding.

In Q4 2021, we corrected our historical financial statements in the year 2020 and the first three quarters of 2021 to reflect revenue recognition timing differences related to the sale of Google Workspace solutions.

# Reconciliation of GAAP to Non-GAAP Financial Measures

in 000s	2021 Q1	Q2	Q3	Q4	2022 Q1	Q2	Q3	Q4	2023 Q1	Q2	Q3	FY 2020	FY 2021	FY 2022
Gross Profit	\$186,980	\$194,663	\$197,914	\$201,521	\$206,848	\$210,367	\$217,948	\$226,276	\$244,598	\$262,083	\$264,798	\$671,348	\$781,078	\$861,439
Share based compensation expenses	\$3,501	\$3,809	\$4,057	\$4,095	\$4,231	\$4,555	\$4,418	\$4,607	\$4,238	\$3,479	\$3,621	\$9,127	\$15,462	\$17,811
Acquisition related expenses	\$167	\$112	\$108	\$97	\$81	\$59	-	-	\$24	\$183	\$17	\$765	\$484	\$140
Amortization	\$97	\$358	\$930	\$645	\$761	\$759	\$759	\$689	\$667	\$667	\$668	\$316	\$2,030	\$2,968
<b>Non GAAP Gross Profit</b>	<b>\$190,745</b>	<b>\$198,942</b>	<b>\$203,009</b>	<b>\$206,358</b>	<b>\$211,921</b>	<b>\$215,740</b>	<b>\$223,125</b>	<b>\$231,572</b>	<b>\$249,527</b>	<b>\$266,412</b>	<b>\$269,104</b>	<b>\$681,556</b>	<b>\$799,054</b>	<b>\$882,358</b>
<i>Non GAAP Gross margin</i>	<i>63%</i>	<i>63%</i>	<i>63%</i>	<i>62%</i>	<i>62%</i>	<i>62%</i>	<i>65%</i>	<i>65%</i>	<i>67%</i>	<i>68%</i>	<i>68%</i>	<i>69%</i>	<i>63%</i>	<i>64%</i>
Gross Profit - Creative Subscriptions	\$170,690	\$177,620	\$183,490	\$185,880	\$190,095	\$191,925	\$199,031	\$206,841	\$220,646	\$235,039	\$237,447	\$615,917	\$717,680	\$787,892
Share based compensation expenses	\$2,586	\$2,887	\$2,947	\$3,026	\$3,385	\$3,608	\$3,503	\$3,437	\$3,151	\$2,562	\$2,673	\$7,140	\$11,446	\$13,933
<b>Non GAAP Gross Profit - Creative Subscriptions</b>	<b>\$173,276</b>	<b>\$180,507</b>	<b>\$186,437</b>	<b>\$188,906</b>	<b>\$193,480</b>	<b>\$195,533</b>	<b>\$202,534</b>	<b>\$210,278</b>	<b>\$223,797</b>	<b>\$237,601</b>	<b>\$240,120</b>	<b>\$623,057</b>	<b>\$729,126</b>	<b>\$801,825</b>
<i>Non GAAP Gross margin - Creative Subscriptions</i>	<i>77%</i>	<i>77%</i>	<i>77%</i>	<i>77%</i>	<i>76%</i>	<i>76%</i>	<i>78%</i>	<i>79%</i>	<i>80%</i>	<i>83%</i>	<i>83%</i>	<i>80%</i>	<i>77%</i>	<i>77%</i>
Gross Profit - Business Solutions	\$16,290	\$17,043	\$14,424	\$15,641	\$16,753	\$18,442	\$18,917	\$19,435	\$23,952	\$27,044	\$27,351	\$55,431	\$63,398	\$73,547
Share based compensation expenses	\$915	\$922	\$1,110	\$1,069	\$846	\$947	\$915	\$1,170	\$1,087	\$917	\$948	\$1,987	\$4,016	\$3,878
Acquisition related expenses	\$167	\$112	\$108	\$97	\$81	\$59	-	-	\$24	\$183	\$17	\$765	\$484	\$140
Amortization	\$97	\$358	\$930	\$645	\$761	\$759	\$759	\$689	\$667	\$667	\$668	\$316	\$2,030	\$2,968
<b>Non GAAP Gross Profit - Business Solutions</b>	<b>\$17,469</b>	<b>\$18,435</b>	<b>\$16,572</b>	<b>\$17,452</b>	<b>\$18,441</b>	<b>\$20,207</b>	<b>\$20,591</b>	<b>\$21,294</b>	<b>\$25,730</b>	<b>\$28,811</b>	<b>\$28,984</b>	<b>\$58,499</b>	<b>\$69,928</b>	<b>\$80,533</b>
<i>Non GAAP Gross margin - Business Solutions</i>	<i>23%</i>	<i>23%</i>	<i>21%</i>	<i>20%</i>	<i>21%</i>	<i>23%</i>	<i>24%</i>	<i>24%</i>	<i>27%</i>	<i>28%</i>	<i>28%</i>	<i>29%</i>	<i>22%</i>	<i>23%</i>

Note: Numbers may not add due to rounding.



# Reconciliation of GAAP to Non-GAAP Financial Measures

in 000s	2021 Q1	Q2	Q3	Q4	2022 Q1	Q2	Q3	Q4	2023 Q1	Q2	Q3	FY 2020	FY 2021	FY 2022
Research and development (GAAP)	\$95,086	\$104,199	\$109,323	\$116,329	\$119,865	\$121,618	\$120,384	\$120,994	\$114,943	\$115,490	\$125,117	\$320,278	\$424,937	\$482,861
Share Based Compensation	\$23,288	\$24,490	\$26,250	\$28,028	\$28,720	\$29,919	\$29,606	\$32,335	\$28,294	\$28,778	\$30,428	\$76,883	\$102,056	\$120,580
Amortization	\$92	\$16	(\$108)	-	-	-	-	-	-	-	-	\$477	-	-
Acquisition related expenses	\$1,329	\$1,823	\$2,223	\$1,937	\$1,615	\$1,092	\$585	\$1,656	\$172	\$56	\$5	\$3,759	\$7,312	\$4,948
<b>Non-GAAP Research and Development</b>	<b>\$70,377</b>	<b>\$77,870</b>	<b>\$80,958</b>	<b>\$86,364</b>	<b>\$89,530</b>	<b>\$90,607</b>	<b>\$90,193</b>	<b>\$87,003</b>	<b>\$86,477</b>	<b>\$86,656</b>	<b>\$94,684</b>	<b>\$239,159</b>	<b>\$315,569</b>	<b>\$357,333</b>
<i>% of revenue</i>	<i>23%</i>	<i>25%</i>	<i>25%</i>	<i>26%</i>	<i>26%</i>	<i>26%</i>	<i>26%</i>	<i>25%</i>	<i>23%</i>	<i>22%</i>	<i>24%</i>	<i>24%</i>	<i>25%</i>	<i>26%</i>
Selling and marketing (GAAP)	\$144,455	\$123,021	\$119,991	\$124,560	\$156,714	\$120,780	\$117,448	\$97,944	\$99,133	\$96,037	\$100,765	\$438,210	\$512,027	\$492,886
Share Based Compensation	\$7,442	\$8,213	\$8,715	\$9,483	\$9,875	\$10,019	\$9,261	\$9,559	\$9,558	\$9,652	\$10,835	\$22,845	\$33,853	\$38,714
Amortization	\$409	\$471	\$2,222	(\$184)	\$812	\$821	\$820	\$821	\$820	\$821	\$820	\$1,780	\$2,918	\$3,274
Acquisition related expenses	\$28	-	-	-	-	-	-	-	-	-	-	\$956	\$28	-
<b>Non-GAAP Selling and Marketing</b>	<b>\$136,576</b>	<b>\$114,337</b>	<b>\$109,054</b>	<b>\$115,261</b>	<b>\$146,027</b>	<b>\$109,940</b>	<b>\$107,367</b>	<b>\$87,564</b>	<b>\$88,755</b>	<b>\$85,564</b>	<b>\$89,110</b>	<b>\$412,629</b>	<b>\$475,228</b>	<b>\$450,898</b>
<i>% of revenue</i>	<i>45%</i>	<i>36%</i>	<i>34%</i>	<i>35%</i>	<i>43%</i>	<i>32%</i>	<i>31%</i>	<i>25%</i>	<i>24%</i>	<i>22%</i>	<i>23%</i>	<i>42%</i>	<i>37%</i>	<i>32%</i>
General and administrative (GAAP)	\$34,394	\$39,411	\$38,917	\$56,926	\$45,686	\$42,991	\$42,427	\$39,941	\$38,517	\$37,250	\$40,865	\$111,915	\$169,648	\$171,045
Share Based Compensation	\$12,400	\$13,884	\$14,048	\$29,688	\$18,158	\$14,646	\$13,511	\$13,416	\$12,431	\$11,751	\$13,365	\$38,458	\$70,020	\$59,731
Amortization	\$1	\$1	\$1	\$1	\$1	-	\$2	\$1	\$1	\$1	\$1	\$4	\$4	\$4
Acquisition related expenses	\$181	\$416	\$248	\$11	\$3	\$36	-	-	-	\$5	\$1	\$331	\$856	\$39
Sales tax accrual and other G&A expenses (income)	\$452	\$579	\$341	\$320	\$172	\$189	\$183	\$219	\$308	\$157	\$146	\$4,299	\$1,692	\$763
<b>Non-GAAP General and Administrative</b>	<b>\$21,360</b>	<b>\$24,531</b>	<b>\$24,279</b>	<b>\$26,906</b>	<b>\$27,352</b>	<b>\$28,120</b>	<b>\$28,731</b>	<b>\$26,305</b>	<b>\$25,777</b>	<b>\$25,336</b>	<b>\$27,352</b>	<b>\$68,823</b>	<b>\$97,076</b>	<b>\$110,508</b>
<i>% of revenue</i>	<i>7%</i>	<i>8%</i>	<i>8%</i>	<i>8%</i>	<i>8%</i>	<i>8%</i>	<i>8%</i>	<i>7%</i>	<i>7%</i>	<i>6%</i>	<i>7%</i>	<i>7%</i>	<i>8%</i>	<i>8%</i>

Note: Numbers may not add due to rounding.

# Reconciliation of GAAP to Non-GAAP Financial Measures

in 000s	FY 2019	FY 2020	FY 2021	FY 2022
Net cash provided (used) by operating activities	\$149,564	\$148,049	\$65,685	\$37,152
Capital expenditures, net	(\$22,066)	(\$18,853)	(\$37,700)	(\$70,664)
Free Cash Flow	\$127,498	\$129,196	\$27,985	(\$33,512)
Capital expenditures and other cash costs related to Wix HQ office build out	-	\$2,462	\$23,449	\$65,920
Restructuring	-	-	-	-
Free Cash Flow (excluding capex and other cash costs)	\$127,498	\$131,658	\$51,434	\$32,408
Outstanding ordinary shares as of year-end	51,525,919	56,027,758	57,254,189	56,305,462
Outstanding Stock options as of year-end	7,447,519	4,621,780	4,720,600	4,332,022
Outstanding Restricted share units as of year-end	2,125,440	2,078,427	2,225,516	3,123,019
Total Diluted Shares as of year-end	61,098,878	62,727,965	64,200,305	63,760,503
Free Cash Flow per Share	\$2.09	\$2.10	\$0.80	\$0.51

Note: Numbers may not add due to rounding.

# Reconciliation of GAAP to Non-GAAP Financial Measures

in millions	Q1'10	Q1'11	Q1'12	Q1'13	Q1'14	Q1'15	Q1'16	Q1'17	Q1'18	Q1'19	Q1'20	Q1'21	Q1'22	Q1'23
Cumulative Cohort Revenue	\$38	\$53	\$64	\$131	\$180	\$187	\$213	\$235	\$238	\$214	\$186	\$151	\$77	\$32
Cumulative Cohort change in deferred revenues	\$1	\$2	\$3	\$6	\$8	\$9	\$12	\$14	\$16	\$18	\$19	\$24	\$19	\$19
Cumulative Cohort Bookings	\$39	\$55	\$67	\$137	\$188	\$196	\$225	\$249	\$254	\$232	\$205	\$175	\$96	\$51

Note: Numbers may not add due to rounding.

\*We have corrected an earlier version of this slide.

# Partners and Transaction Revenue

in 000s	2021 Q3	Q4	2022 Q1	Q2	Q3	Q4	2023 Q1	Q2	Q3	FY 2020	FY 2021	FY 2022
Partners Revenue	\$70,061	\$77,007	\$81,996	\$84,893	\$86,696	\$94,584	\$103,862	\$115,163	\$119,382	\$154,292	\$269,955	\$348,169
y/y growth	74%	53%	41%	31%	24%	23%	27%	36%	38%	65%	75%	29%
2-year CAGR	67%	68%	68%	56%	47%	37%	34%	33%	31%	-	70%	50%

in 000s	2021 Q3	Q4	2022 Q1	Q2	Q3	Q4	2023 Q1	Q2	Q3	FY 2020	FY 2021	FY 2022
Transaction Revenue	\$32,290	\$36,132	\$36,557	\$36,758	\$36,040	\$38,870	\$42,298	\$44,527	\$44,077	\$55,783	\$130,314	\$148,226
y/y growth	160%	35%	24%	13%	12%	8%	16%	21%	22%	401%	134%	14%
2-year CAGR	160%	149%	149%	86%	70%	21%	20%	17%	17%	-	242%	63%

Note: In Q1 2022, we revised comparative historical numbers for Partners in order to more accurately reflect users we have identified as Partners