WiX

Shareholder Update

Second Quarter | August 10, 2022

To our Shareholders, our Users & the Wix Team

We are pleased with our strong business fundamentals this quarter as Wix continues to be the go-to platform for any type of user and any type of business globally. The strong results of our growth initiatives continue. Total cohort bookings continue to increase, driven by growth in average revenue per subscription and stable conversion and retention. Adoption of business solutions and continued growth in our Partners business remain significant drivers of these fundamentals going forward, with Partners revenue growing 31% y/y on top of 87% y/y in the year-ago quarter and transaction revenue continuing to grow double digits. These underlying strengths of our business allowed us to deliver Q2 revenue near the top end of our guidance range.

These improvements are against a dynamic macroeconomic backdrop as demand for online services and online commerce activity continue to reset back to the pre-COVID trendline we left off in 2019. We also are operating against FX headwinds, driven by the strengthening of the U.S. dollar relative to the Euro and British pound. The combination of these factors negatively impacted revenue and bookings growth as well as free cash flow in Q2. Encouragingly, we began to see early signs of improvement in top of funnel trends and higher return on marketing dollars in July into August.

We remain committed to the three year plan outlined in May and confident in our ability to achieve the targets we presented at our Analyst and Investor Day. We are focused on prioritizing what is under our control: profitability and executing on key initiatives. We are confident that our stable and improving fundamentals demonstrate the strength and durability of our business.

Last quarter, we stated our focus on prudent cost management and driving operational efficiencies. **In keeping with our commitment to our plan, we are implementing a cost reduction plan as we recalibrate to the market normalization and plan for the possibility of further market headwinds to revenue growth.** We have identified savings that are expected to reduce costs by approximately $150 million on an annualized basis. This savings plan is the culmination of a careful assessment of our cost structure and thoughtful discussions with an eye towards 2023 and beyond. We expect that these savings will allow us to achieve the free cash flow goals we’ve set out and accelerate gross margin and operating margin improvements even if market conditions continue to be challenged in 2023, while also enabling us to emerge with a stronger foothold once the ongoing volatility subsides and we enter a more normalized market environment.

We also continue to execute and make progress on our key growth initiatives, driven by product innovation and development, like the recent launch of our new Wix Editor. This significant upgrade to our cornerstone product gives a personalized and professional creation experience for all types of users on Wix -- both Self Creators and Partners. It will also add efficiency to our product development execution. The launch follows over a year of product development and creativity, and I could not be prouder of our team.

We've been through a lot together this year, particularly our team members from Ukraine who are always in our thoughts as they face things most of us hopefully never will. I know that Wix's future is bright as we prepare for the next phase of growth of the internet. This comes down to our people and their dedication to our users every day. The amount of hard work and passion that goes into our products, how we invest for the future, how we go to market, and everything else we do is what gives me continued confidence in our ability to achieve our long-term goals. Thank you for supporting us as we work towards them.

Avishai Abrahami
Co-founder and CEO

The Evolution of the Wix Editor

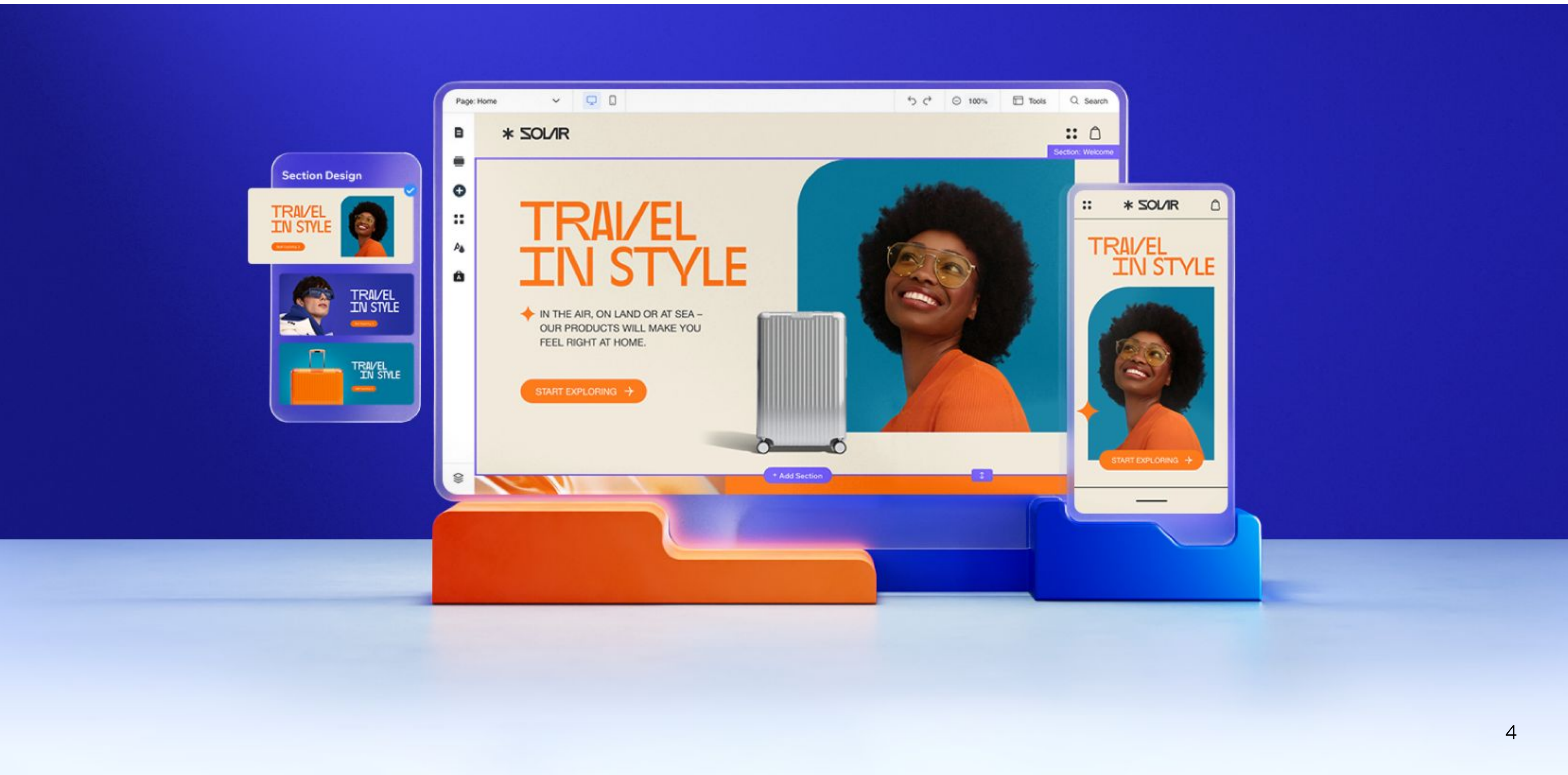
Our product development and continuous innovation has always been aligned with our goal to become the leading platform for any type of user of any skill level and any type of business, giving everyone the ability to build, create, manage and grow their online presence. To achieve that goal, we continue to innovate to provide best-in-class products and services for our users, both Self Creators and Partners. This quarter, we launched the new Wix Editor.

The new **Wix Editor** is a milestone in our product evolution that sets the stage for the future of creation. The new Editor brings together Wix ADI and the classic Wix Editor into one powerful solution for web design. It is currently available to all new Wix users, and will gradually be available to all users.

The new offering provides a unique creation experience paired with advanced AI features that personalizes the web creation process for each users' intent, from self-creators to professional web developers, designers, and agencies.

It is enhanced with new intuitive design presets and advanced capabilities to better create personalized websites faster. Wix ADI users can now customize the classic Editor offerings, and the existing Wix Editor users now have AI technology to help guide creation and design elements, along with more flexibility and freedom of customization.

Importantly, the new Wix Editor allows us to achieve higher development velocity while simultaneously being more efficient in our efforts and future product improvement investments.



Financial Review

User Cohort Performance

Our cohort performance demonstrates that the fundamental aspects of our business remain strong. Our Q1'22 user cohort generated $40.0 million in cumulative bookings in its first two quarters ending Q2'22. **Q1'22 cumulative bookings remained above pre-COVID cohort levels, approximately 4% higher than that of the Q1'19 cohort in its first two quarters**. This cumulative bookings growth is despite FX headwinds and a smaller number of users in the Q1 '22 cohort (6.1 million) versus the Q1'19 cohort (6.6 million), indicating improved cohort monetization.

The growth in cohort bookings was driven by users continuing to purchase higher priced packages, the adoption of Business Solutions products and the price increase implemented during the quarter. We ended Q2'22 with nearly 234 million registered users.

Following the end of the quarter, we have seen early signs of improvement in top of funnel activity and higher return on marketing dollars in July into early August.

Total Revenue and Bookings

Total revenue grew to $345.2 million in Q2'22, up 9% y/y on top of 34% y/y growth in Q2'21 and represented a two-year CAGR of 21%. This result was towards the top-end of our guidance range. Total revenue on a y/y constant currency basis was $349.0 million or 11% y/y growth.

Partners revenue in Q2'22 totaled $84.9 million or 25% of total revenue, up 31% y/y and represented a two-year CAGR of 56%. This continued growth is the product of our improvements in performance, infrastructure and support as well as dedication to market-first innovation. Agencies, designers and other professionals are increasingly choosing Wix for their projects, and we expect this momentum to continue.

Total bookings grew to $354.6 million in Q2'22, up 3% y/y on top of 29% y/y growth in Q2'21 and represented a two-year CAGR of 15%. This result was in-line with our expectations when taking into account changes in FX and the discontinuation of commercial activities in Russia. Growth was driven by increased Creative Subscriptions and Business Solutions bookings.

Total bookings on a y/y constant currency basis was $365.2 million, or 7% y/y growth. We continued to face adverse impact from changes in FX rates in the second quarter, primarily the US dollar to Euro and British pound exchange rates, which impacted bookings more than revenue. Non US dollar bookings represent approximately 30% of total bookings.

Creative Subscriptions Revenue and Bookings

Creative Subscriptions revenue grew to $258.2 million, up 9% y/y. Creative Subscriptions ARR increased to $1.05 billion, up 9% y/y. Creative Subscriptions bookings grew to $269.9 million, up 3% y/y.

Both revenue and bookings growth were driven by the strong fundamentals mentioned above, including solid conversion of users to new paid subscriptions and better cohort monetization. Q2 bookings were down sequentially as we did not benefit from the closing of large B2B partnerships in the quarter like we experienced in Q1 with the closing of our partnership with LegalZoom.

Business Solutions Revenue and Bookings

Business Solutions revenue grew to $87.0 million in Q2'22, up 9% y/y. Business Solutions bookings grew to $84.7 million, up 6% y/y. Growth was driven by higher transaction revenue, primarily from Wix Payments, as well as business applications such as Google Workspace, Ascend and Paid Ad campaigns.

Transaction revenue in Q2'22 was $36.8 million, or 42% of Business Solutions revenue, up 13% y/y. This growth was primarily driven by higher adoption of Wix Payments, which increases overall take rate, while Gross Payments Volume (GPV) grew 6% y/y.

Gross Margin

Total non-GAAP gross margin was 62% in Q2'22, in-line q/q and slightly down y/y.

Creative Subscriptions non-GAAP gross margin was 76% in Q2'22, in-line q/q and slightly down y/y. This decline was driven by slower Creative Subscriptions revenue growth as macroeconomic headwinds did not dissipate as well as the full burden of headcount additions to Customer Care in 2021.

Business Solutions non-GAAP gross margin was 23% in Q2'22, up q/q and in-line y/y as a result of improved gross margins in our payments business, driven by increased adoption of Wix Payments and a higher take rate as a result of this mix.

Operating Expenses

Non-GAAP R&D expenses were $90.6 million in Q2’22, up 1% q/q and 16% y/y. As a percent of revenue, non-GAAP R&D expenses were 26% in Q2’22, in-line with Q1’22 and up slightly from 25% in Q2’21. Non-GAAP R&D expenses as a percent of revenue continues to remain stable as investments in headcount made last year begin to show returns.

Non-GAAP S&M expenses were $109.9 million in Q2’22, a decrease of 25% q/q and 4% y/y. As a percent of revenue, non-GAAP S&M expenses were 32% in Q2’22, down from 43% in Q1’22 and 36% in Q2’21. The sequential decrease in non-GAAP S&M was more than past years as demand returns to pre-Covid levels of 2019. Non-GAAP S&M as a percent of revenue declined y/y as we adjust our marketing investments to align with current demand and remain within our TROI targets. As demand at the top of the funnel slows, we reduce investment in marketing activities to stay within our TROI goals, which have not changed.

Non-GAAP G&A expenses were $28.1 million in Q2’22, an increase of 3% q/q and 15% y/y. The y/y increase in G&A expenses was primarily driven by an increase in headcount and related charges. As a percent of revenue, non-GAAP G&A expenses were 8% in Q2’22, flat q/q and y/y.

Earnings

Non-GAAP net loss was $7.8 million in Q2'22, or $0.14 per share. On a GAAP basis, net loss was $111.2 million, or $1.92 per share. The notable adjustments to GAAP net income in Q2'22 include unrealized losses, net of taxes, of approximately $42.3 million from our equity investments, primarily attributed to the decrease in the share price of monday.com. These adjustments were excluded from non-GAAP results.

Cash Flow and Balance Sheet

Free cash flow, excluding capital expenditures associated with the build out of our new corporate headquarters, was $(6.0) million in Q2'22. FCF was lower than expected due to the macroeconomic headwinds mentioned earlier in this document which impacted bookings. Including approximately $9.9 million in new HQ capex, free cash flow was $(15.9) million in Q2’22.

We ended Q2'22 with approximately $1.5 billion in cash and cash equivalents and $926 million in short- and long-term debt. This provides us ample liquidity to sustain any challenging operating environment. Our total employee headcount at the end of Q2'22 was 5,863, down sequentially as we slowed hiring efforts late in the quarter and more strategically backfilled attrition.

Cost Reduction Plan

As part of our commitment to execute on the three year plan and achieve the free cash flow targets introduced at our Analyst Day in May, **today we are announcing a set of comprehensive cost reduction measures that will result in approximately $150 million of annualized cost savings**. These savings are not one-time in nature and will continue to be realized on a run-rate basis. Approximately 20% of the annualized savings are expected to be realized already in 2022. Further, these cost savings do not include any reduction to our user acquisition marketing investments that we adjust to match our TROI thresholds, which we have not changed.

We expect that these reductions in our cost structure will result in free cash flow as a percentage of revenue (excluding headquarters capital expenditures) to be in line with our three-year plan and accelerate margin expansion in 2023 and beyond ahead of the three year plan.

Key aspects of the plan include right-sizing our workforce and future hiring targets across multiple functions to realign with the operating environment today and optimizing additional operating costs that are not revenue generating.

We continue to take a deeper look to identify additional areas of productivity improvements across our care, sales and marketing, and engineering functions as well as opportunities to rationalize our real estate footprint, among other potential levers.

These measures will allow us to increase our focus on and investment in our highest conviction growth opportunities.

Many of these actions are already underway. Of these $150 million of annualized savings, roughly 25% will come from cost of revenue, mainly our care organization, which will lead to approximately 200 basis points of gross margin improvement in 2023 compared to our three year plan presented in May. The other 75% of savings will come primarily from operating expenses with a small amount being capital expenditures.

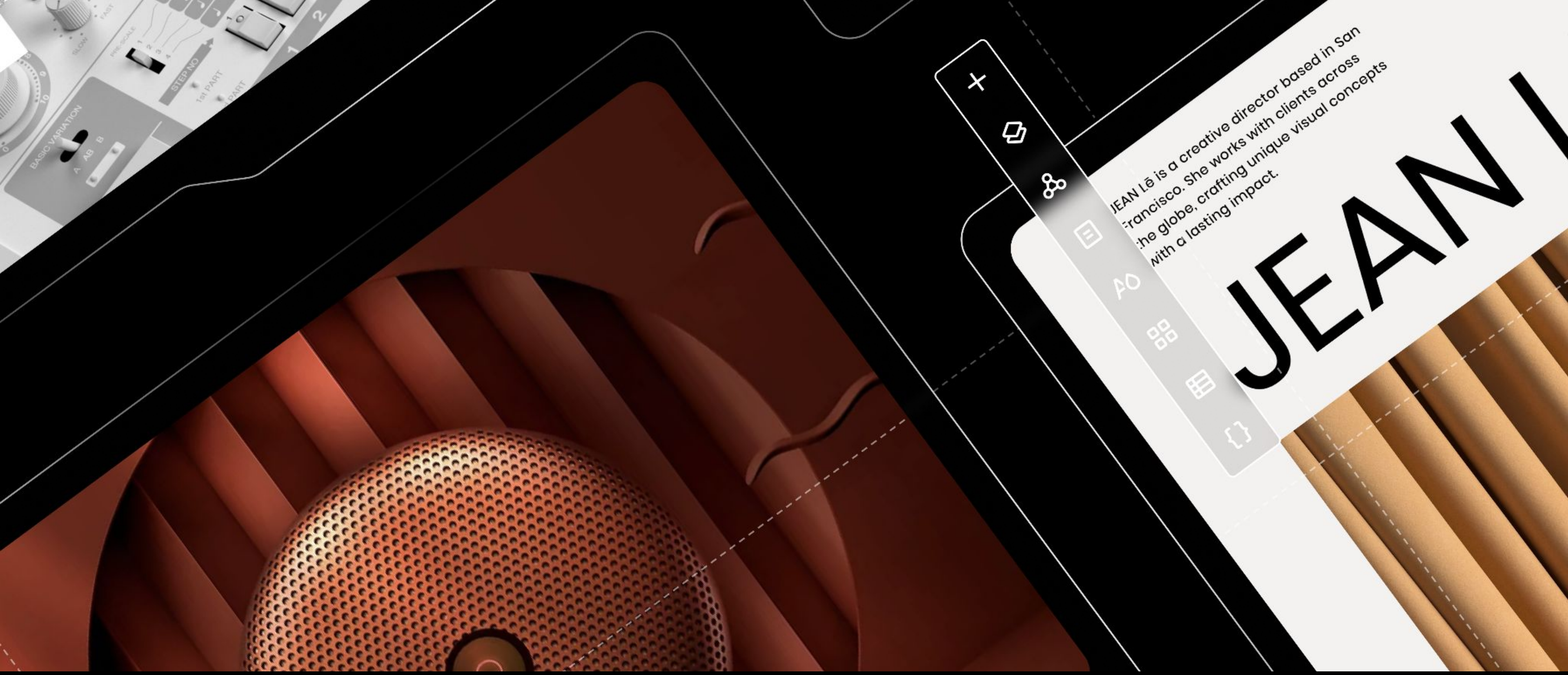
Outlook Update

Our guidance for the second half reflects demand that has reset to pre-COVID-19 levels and FX rate headwinds experienced since May.

For Q3, we expect total revenue to be $341 to $345 million, representing 7 - 8% y/y growth. For the full year, we now expect revenue to grow 8 - 10% y/y. These ranges include the impact of y/y FX rates through July, discontinued commercial activities in Russia and the assumption that market conditions remain challenged for the remainder of the year.

We expect free cash flow to be roughly 2 - 3% of revenue in 2022, inclusive of the cost reduction plan and y/y FX rate headwinds through July. On a y/y constant currency basis, this would translate into free cash flow margin of 4 - 5% of revenue for full year 2022.

Despite these lower revenue growth expectations, we expect that the cost reduction plan we have implemented will allow free cash flow as a percentage of revenue (excluding headquarters capital expenditures) in 2023 to be in line with the three year plan outlined in May and drive accelerated gross and operating margins compared to the plan even if market conditions continue to be challenged in 2023. We are committed to this plan and are taking the necessary actions to achieve it.



Appendix

Notes and Modeling Clarifications

Creative Subscription Revenue and Creative Subscription Bookings refer to revenue or bookings, as applicable, generated from premium subscriptions, including premium subscriptions bundled with vertical solutions and domain name subscriptions and exclude any revenue or bookings, as applicable, included under Business Solutions Revenue or Bookings, respectively. Our total revenue is comprised of Business Solutions Revenue and Creative Subscriptions Revenue. Our total bookings is comprised of Business Solutions Bookings and Creative Subscriptions Bookings.

Business Solutions Revenue and Business Solutions Bookings refer to all revenue or bookings, as applicable, generated from business solutions and exclude any revenue or bookings, as applicable, included under Creative Subscriptions Revenue or Bookings, respectively.

Unbilled contractual obligations: we present firm multi-year commitments for the full contract term of B2B partnerships in bookings in the quarter in which the agreement is executed. The first year commitment amount is recognized as short-term accounts receivable and deferred revenue, and the remaining commitment amount will be recorded in our bookings as unbilled contractual obligations.

GPV or Gross Payments Volume includes the total value, in US dollars, of transactions facilitated by our platform.

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

Partners revenue is defined 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. 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, among other criteria. Partners revenue includes revenue from both the Creative Subscriptions and Business Solutions segments.

Conference Call and Webcast Information

Wix will host a conference call to discuss the results at 8:30 a.m. ET on Wednesday, August 10, 2022. To participate on the live call, analysts and investors should register and join at https://register.vevent.com/register/I75e57676e62f46a4bdce023f055300a6. A replay of the call will be available through August 9, 2023 via the registration link.

Wix will also offer a live and archived webcast of the conference call, accessible from the "Investor Relations" section of the Company's website at https://investors.wix.com/.

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 net income (loss), non-GAAP net income (loss) per share, free cash flow, free cash flow, as adjusted, free cash flow margins, 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 FX 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 capital expenditures associated with our new headquarters. Free cash flow margins represent free cash flow divided by revenue. 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 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 in effect on the last day of the period; (ii) the average revenue per month from domain registrations; (iii) monthly revenue from other partnership agreements.

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; our expectation that we will be able to increase the revenue we derive from the sale of premium subscriptions and business solutions, through our partners; 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; our expectations regarding execution of our multi-year strategic plan and cost reduction plan; our prediction of the future revenues generated by our user cohorts and our ability to maintain and increase such revenue growth; our expectation to maintain and enhance our brand and reputation; our expectation that we will effectively execute our initiatives to scale and improve our user support function through our Customer Care team, and thereby increase user retention, user engagement and sales; our expectation that our products created for markets outside of North America will continue to generate growth in those markets; 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 expectations regarding the extent of the impact on our business and operations of the COVID-19 pandemic, including uncertainty relating to expected consumer dynamics after the COVID-19 pandemic subsides, the effectiveness of government policies, vaccine administration rates and other factors; our expectation regarding the impact of fluctuations in foreign currency exchange rates 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 the growth of our infrastructure; changes we expect may occur to technologies used in our solutions; 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 profitability; our expectations regarding changes in the global, national, regional or local economic, business, competitive, market, and regulatory landscape, including as a result of increasing interest rates and inflationary pressures, lasting effects of COVID-19, and as a result of the military invasion of Ukraine by Russia; 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; our expectations about entering into new markets and attracting new customer demographics, including our ability to successfully attract new partners and grow our partner activities 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, 2021 filed with the Securities and Exchange Commission on April 1, 2022. 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.

Reconciliation of GAAP to Non-GAAP financial measures

in 000s	2020	2021	2022	
	Q2	Q2	Q1	Q2
Revenues	$235,337	$315,575	$341,597	$345,224
Change in deferred revenues	$30,514	$19,266	$37,552	$7,731
Change in unbilled contractual obligations	NM	$8,020	$14,099	$1,639
Bookings	$265,851	$342,861	$393,248	$354,594
Creative Subscriptions Revenues	$190,169	$235,891	$254,968	$258,177
Change in deferred revenues	$27,527	$19,134	$30,720	$10,105
Change in unbilled contractual obligations	NM	$8,020	$14,099	$1,639
Creative Subscriptions Bookings	$217,696	$263,045	$299,787	$269,921
Business Solutions Revenues	$45,168	$79,684	$86,629	$87,047
Change in deferred revenues	$2,987	$132	$6,832	$(2,374)
Business Solutions Bookings	$48,155	$79,816	$93,461	$84,673
Gross Profit	$165,296	$194,663	$206,848	$210,367
Share based compensation expenses	$1,869	$3,809	$4,231	$4,555
Acquisition related expenses	$305	$112	$81	$59
Amortization	$0	$358	$761	$759
Non GAAP Gross Profit	$167,470	$198,942	$211,921	$215,740
Non GAAP Gross margin	*71%*	*63%*	*62%*	*62%*

in 000s	2020	2021	2022	
	Q2	Q2	Q1	Q2
Gross Profit - Creative Subscriptions	$151,659	$177,620	$190,095	$191,925
Share based compensation expenses	$1,485	$2,887	$3,385	$3,608
Non GAAP Gross Profit - Creative Subscriptions	$153,144	$180,507	$193,480	$195,533
Non GAAP Gross margin - Creative Subscriptions	*81%*	*77%*	*76%*	*76%*
Gross Profit - Business Solutions	$13,636	$17,043	$16,753	$18,442
Share based compensation expenses	$384	$922	$846	$947
Acquisition related expenses	$305	$112	$81	$59
Amortization	$0	$358	$761	$759
Non GAAP Gross Profit - Business Solutions	$14,325	$18,435	$18,441	$20,207
Non GAAP Gross margin - Business Solutions	*32%*	*23%*	*21%*	*23%*
Research and development (GAAP)	$75,464	$104,199	$119,865	$121,618
Share Based Compensation	$18,216	$24,490	$28,720	$29,919
Amortization	$123	$16	$0	$0
Acquisition related expenses	$1,091	$1,823	$1,615	$1,092
Non-GAAP research and development	$56,034	$77,870	$89,530	$90,607
% of revenue	*24%*	*25%*	*26%*	*26%*
Selling and marketing (GAAP)	$119,333	$123,021	$156,714	$120,780
Share Based Compensation	$5,395	$8,213	$9,875	$10,019
Amortization	$442	$471	$812	$821
Acquisition related expenses	$269	$0	$0	$0
Non-GAAP selling and marketing	$113,227	114,337	$146,027	$109,940
% of revenue	*48%*	*36%*	*43%*	*32%*

in 000s	2020	2021	2022	
	Q2	Q2	Q1	Q2
General and administrative (GAAP)	$24,531	$39,411	$45,686	$42,991
Share Based Compensation	$9,487	$13,884	$18,158	$14,646
Amortization	$1	$1	$1	$0
Acquisition related expenses	$32	$416	$3	$36
Sales tax accrual and other G&A expenses (income)	$(485)	$579	$172	$189
Non-GAAP general and administrative	$15,496	$24,531	$27,352	$28,120
% of revenue	*7%*	*8%*	*8%*	*8%*
GAAP Operating Loss	$(54,033)	$ (71,968)	$(115,417)	$(75,022)
Share Based Compensation	34,967	$50,396	$60,984	$59,139
Amortization	566	$846	$1,574	$1,580
Acquisition related expenses	1,697	$2,351	$1,699	$1,187
Sales tax accrual and other G&A expenses (income)	(485)	$579	$172	$189
Non-GAAP Operating Income (Loss)	$(17,288)	$(17,796)	$(50,988)	$(12,927)
Net cash provided (used) by operating activities	$49,958	$21,833	$(13,662)	$(2,687)
Capital expenditures, net	$(3,264)	$(7,119)	$(19,924)	$(13,217)
Free Cash Flow	$46,694	$14,714	$(33,586)	$(15,904)
Capital expenditures related to future Wix HQ office build out	$408	$2,197	$15,438	$9,911
Free Cash Flow (excluding future Wix HQ office build out)	$47,102	$16,911	$18,148	$(5,993)

in 000s	2022	
	Q1	Q2
Bookings	$393,248	$354,594
Adjustment for FX changes	$6,177	$10,568
Y/Y Constant Currency Bookings	$399,425	$365,162
Revenues	$341,597	$345,224
Adjustment for FX changes	$1,638	$3,744
Y/Y Constant Currency Revenues	$343,235	$348,968

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
Cumulative Cohort Revenue	$33	$46	$56	$114	$156	$158	$176	$191	$187	$158	$125	$84	$19
Cumulative Cohort change in deferred revenues	$1	$2	$3	$6	$8	$10	$13	$15	$19	$21	$24	$25	$21
Cumulative Cohort Bookings	$34	$48	$59	$120	$164	$168	$189	$206	$206	$179	$149	$109	$40