



Second Quarter 2017

WIX.com

Earnings Results

Safe Harbor

Non-GAAP Financial Measures

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: collections, non-GAAP gross margin, non-GAAP operating loss, free cash flow, non-GAAP net loss, non-GAAP net loss per share, non-GAAP R&D expense, non-GAAP S&M expense, non-GAAP G&A expense (collectively the "Non-GAAP financial measures"). Collections represents the total cash collected by us from our customers in a given period and is calculated by adding the change in deferred revenues for a particular period to revenues for the same period. Non-GAAP gross margin represents gross profit calculated in accordance with GAAP as adjusted for the impact of share-based compensation expense, acquisition-related costs and amortization, divided by revenue. Non-GAAP operating loss represents operating loss calculated in accordance with GAAP as adjusted for the impact of share-based compensation expense, amortization, and acquisition-related costs. Non-GAAP R&D expense represents R&D expense calculated in accordance with GAAP as adjusted for the impact of share-based compensation expense, acquisition-related costs and amortization. Non-GAAP S&M expense represents S&M expense calculated in accordance with GAAP as adjusted for the impact of share-based compensation expense, acquisition-related costs and amortization. Non-GAAP G&A expense represents G&A expense calculated in accordance with GAAP as adjusted for the impact of share-based compensation expense, withdrawn secondary offering expenses and acquisition-related costs. Non-GAAP net loss represents net loss calculated in accordance with GAAP as adjusted for the impact of share-based compensation expense, amortization, and acquisition-related costs. Non-GAAP net loss per share represents non-GAAP net 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.

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.

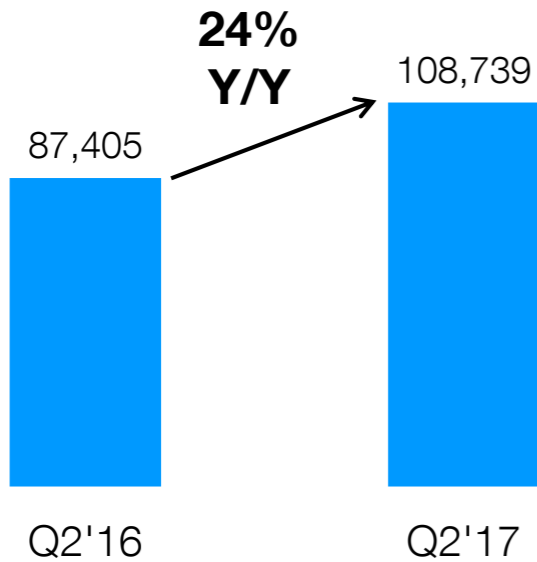
For more information on the non-GAAP financial measures, please see the "Reconciliation of GAAP to Non-GAAP Financial Measures" table in this press release. This accompanying table has more details on the GAAP financial measures that are most directly comparable to non-GAAP financial measures and the related reconciliations between these financial measures. The Company has not reconciled its guidance as to free cash flow to cash flow from operations because it does not provide guidance for cash flow from operations. As items that impact cash flow from operations are out of the Company's control and/or cannot be reasonably predicted, the Company is unable to provide such guidance. Accordingly, a reconciliation to cash flow from operations is not available without unreasonable effort.

Forward-Looking Statements

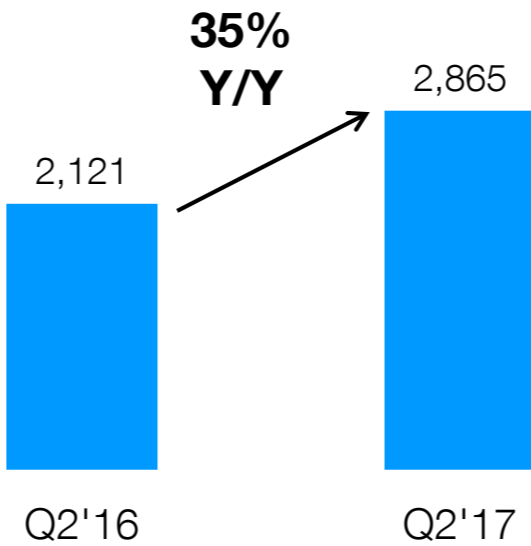
This press release contains forward-looking statements, within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. Such forward-looking statements may include projections regarding our future performance, including the availability, merchantability or functionality of certain new products or features and their anticipated product demand and customer satisfaction, and may be identified by words like "anticipate," "assume," "believe," "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 press release are based on management's current expectations, which are subject to uncertainty, risks and changes in circumstances that are difficult to predict, including the timing of product releases, 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 ability to grow our user base and premium subscriptions; our ability to maintain and enhance our brand and reputation; our ability to manage the growth of our infrastructure effectively; our ability to effectively execute our initiatives to scale and improve our user support function; customer acceptance of new products and other challenges inherent in new product development, changes to technologies used in our solutions or in global, national, regional or local economic, business, competitive, market, regulatory and other factors discussed under the heading "Risk Factors" in the Company's 2016 annual report on Form 20-F filed with the Securities and Exchange Commission on March 28, 2017. 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.

Key Metrics: Q2'17

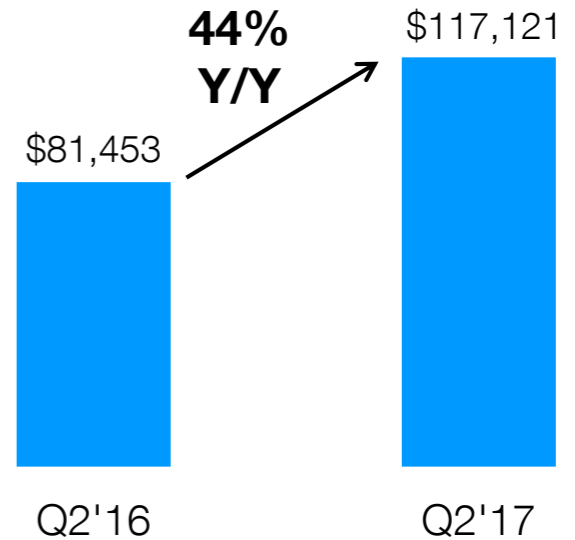
Registered Users
(000s)



Premium Subscriptions
(000s)



Collections
(\$000s)



→
**Improvement
in Conversion**

→
**Improvement
in ACPS**

Q2'17 Financial Highlights

- Revenue of \$103.5 million, **exceeding prior guidance** of \$101-102 million; revenue growth accelerates to 51% Y/Y
- Record collections of \$117.1 million **exceeded prior guidance** of \$116-117 million; 44% Y/Y growth
- Gross margin on a GAAP basis was 83%, compared to 84% in the second quarter of last year
 - Non-GAAP gross margin of 84%, compared to 85% in Q2'16¹
- Free cash flow was \$17.4 million compared to \$10.2 million in Q2'16²
- **Net premium subscription additions were 192,000 – second highest quarter ever;** total subscriptions are up 35% Y/Y to 2.9 million
- **Added 5.5 million new registered users, the second highest quarterly users additions in our history;** total registered users were 109 million, representing 24% Y/Y growth

¹Non-GAAP gross margin represents GAAP gross profit adjusted for the impact of share-based compensation expense, acquisition-related costs and amortization divided by revenue

²Net cash provided by operating activities for the second quarter of 2017 was \$19.7 million, while capital expenditures totaled \$2.2 million, leading to free cash flow of \$17.4 million

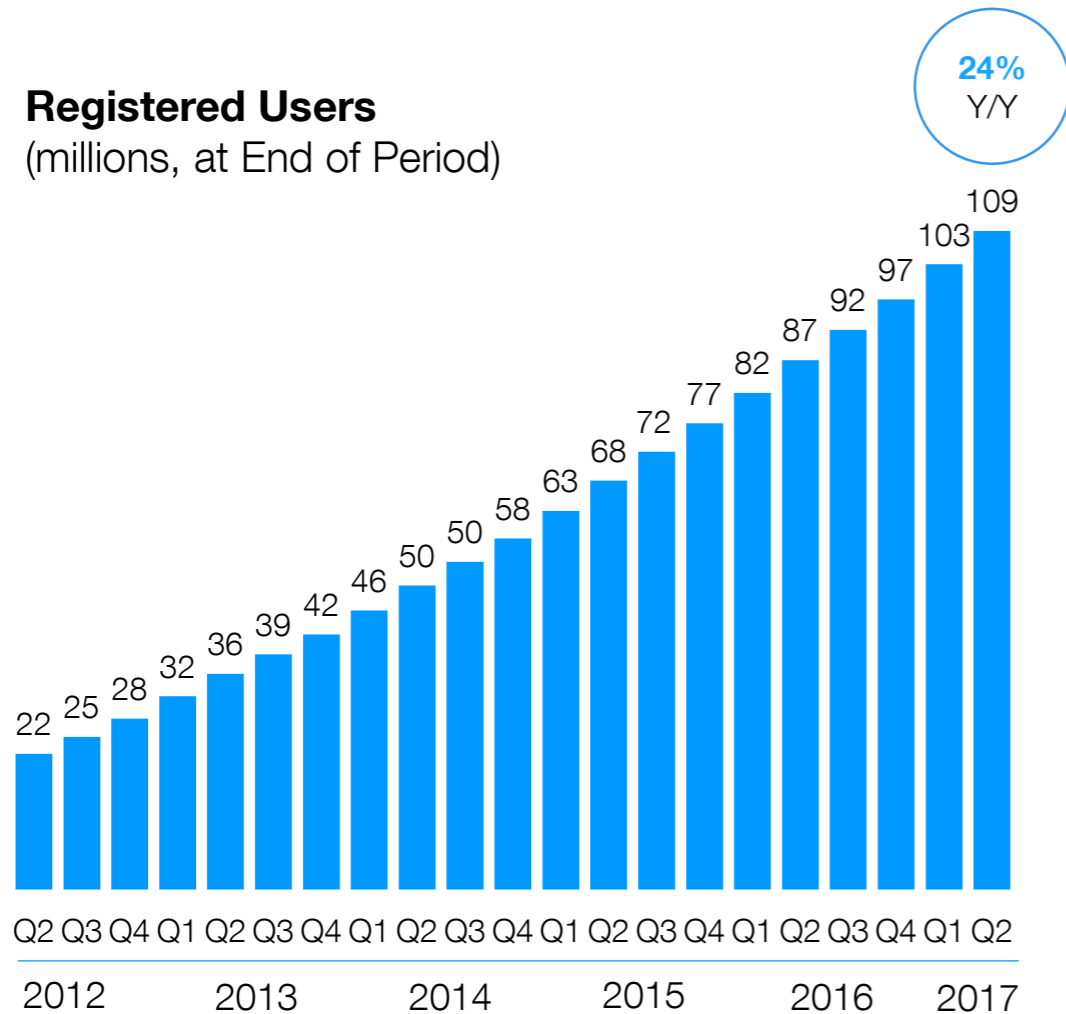
Q2'17 Business Highlights

- **Introduced WixCode, a market-expanding platform enabling users to create powerful web applications:** Wix Code provides an integrated development environment for the easy creation of web applications with custom business logic and a stunning user interface. This product opens new possibilities for creators, developers and designers looking for the easiest way to build web applications of all kinds tailored to their business needs
- **Launched SEO Wiz to power search optimization on Wix sites:** Wix launched SEO Wiz, enabling users to create a personalized plan and ensure their Wix sites can be found online. To date, over 1 million users have begun building their plan in SEO Wiz, and it was the most installed app from the Wix App Market in the first half of 2017. Of users who have submitted a complete SEO Wiz plan, over 65% saw their site appear on the first Google search results page for their top keywords
- **Launched Worldwide Ambassador Program:** Wix Ambassadors around the globe partner with local technology, co-working and small business organizations in their local markets to empower millions of Wix users through workshops, events and professional tutorials and support. Already, 90 Ambassadors from 22 countries and in 10 languages have met thousands of Wix users and hosted over 100 events
- **Desktop and Mobile Business Management and Growth Solutions:** Over 600 million user contacts saved onto the Wix platform by our users

Users and Subscriptions

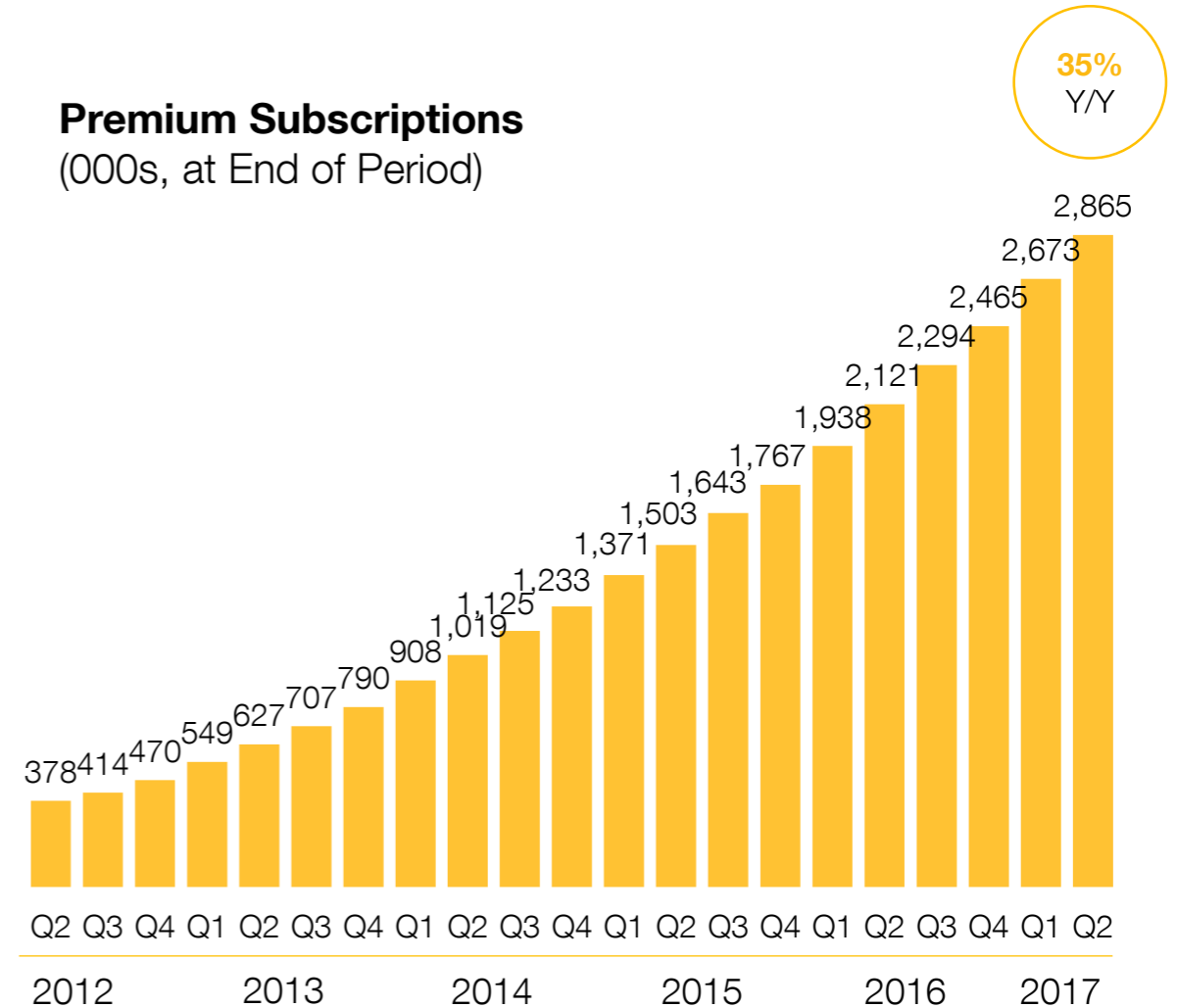
Registered Users

(millions, at End of Period)



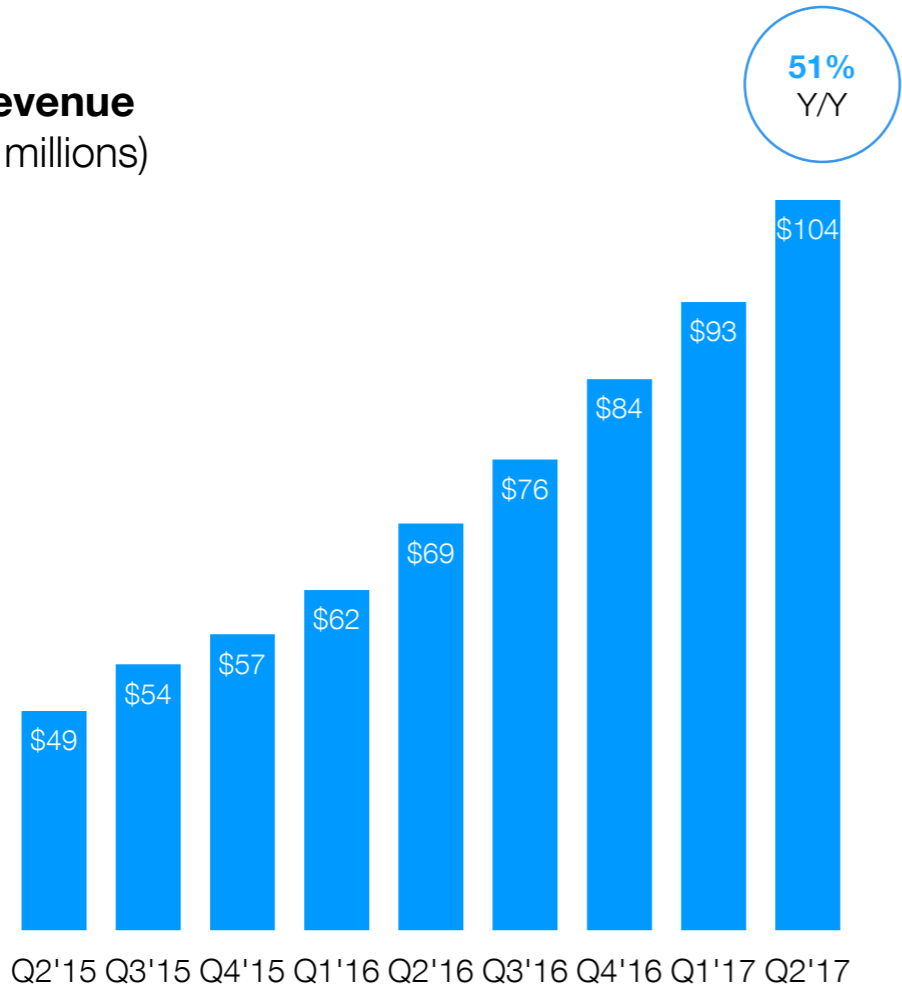
Premium Subscriptions

(000s, at End of Period)

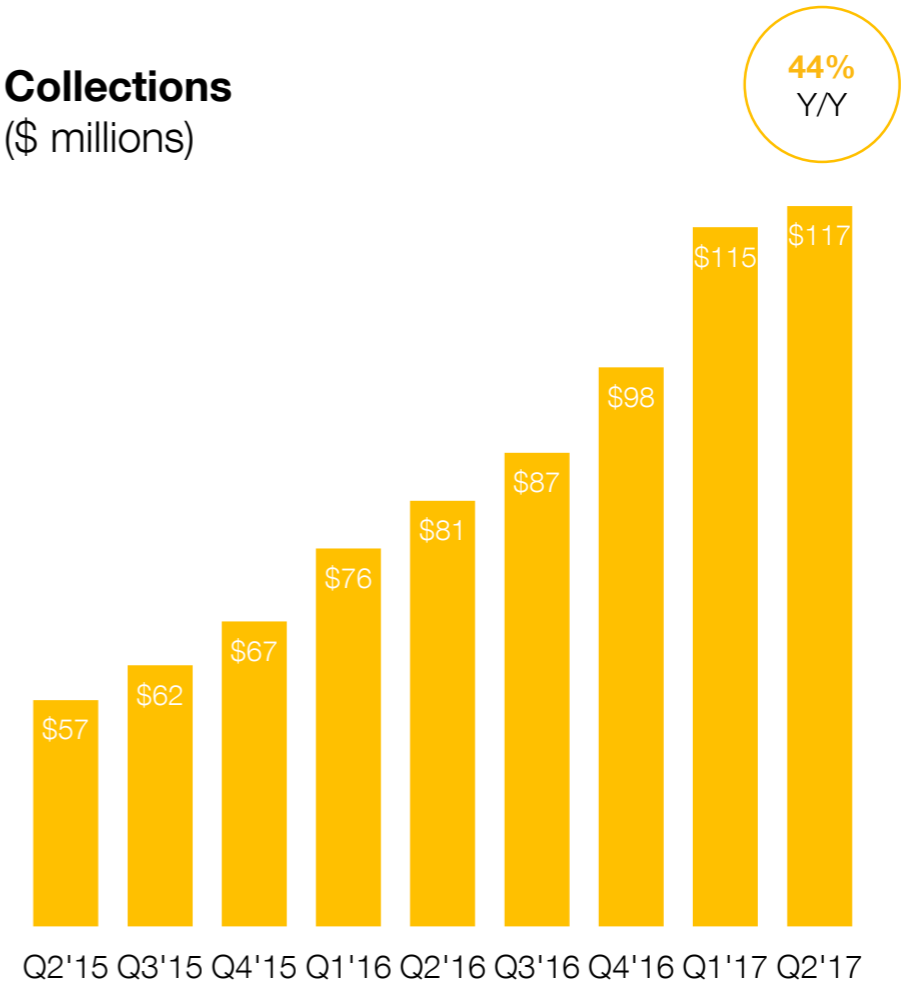


Revenue and Collections

Revenue
(\$ millions)

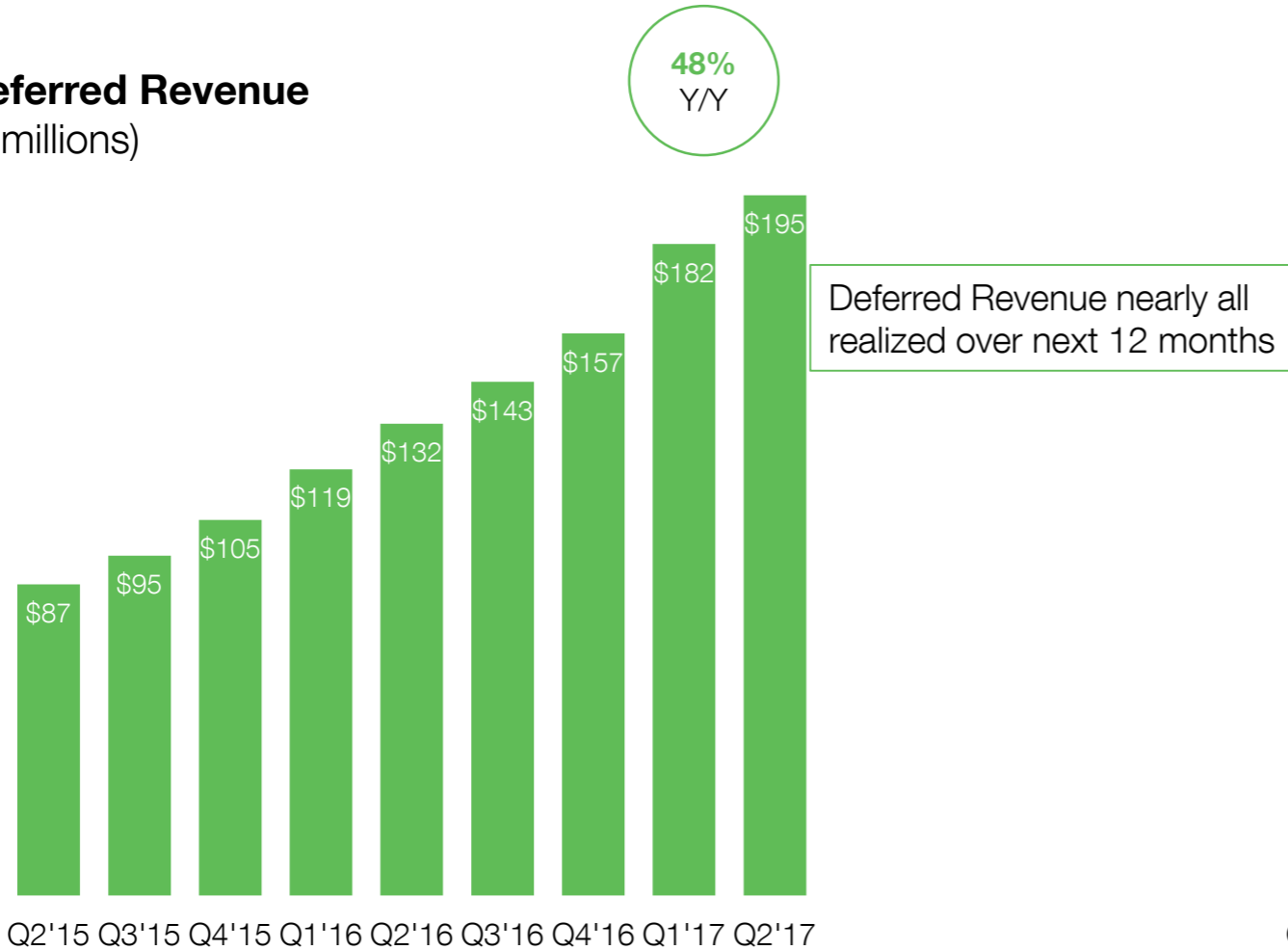


Collections
(\$ millions)



Deferred Revenue Growth

Deferred Revenue
(\$ millions)

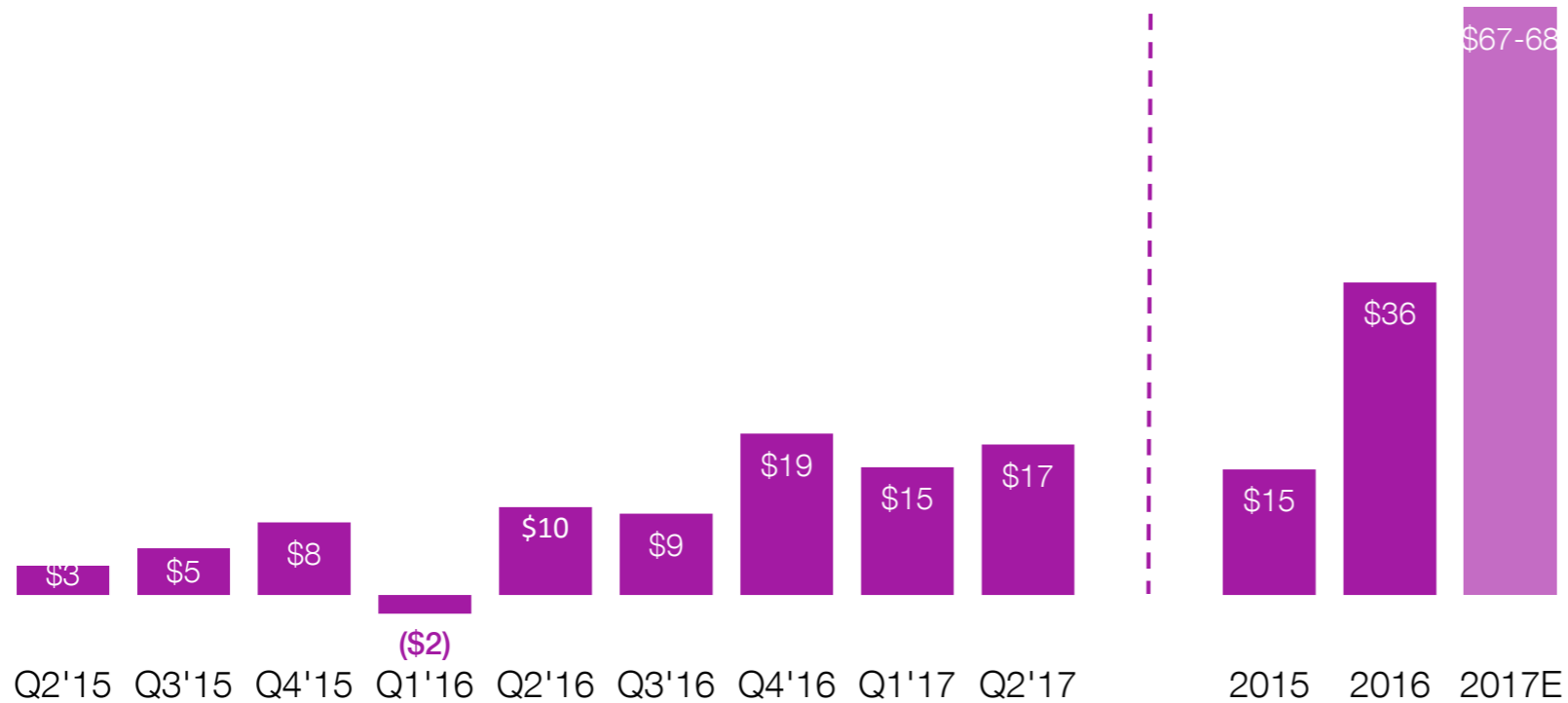


Revenue
(\$ millions)



Accelerating Free Cash Flow Generation

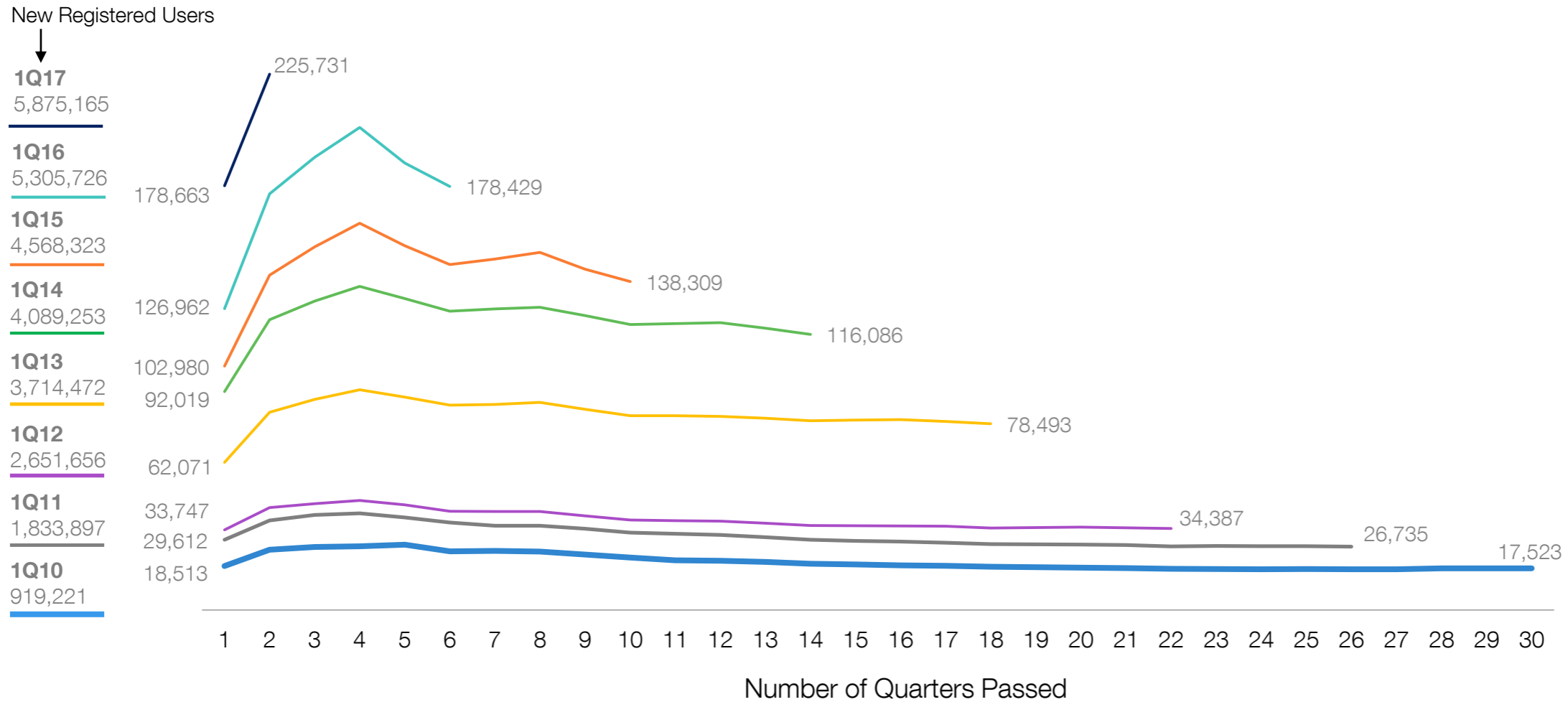
Free Cash Flow¹ (\$ millions)



¹Net cash provided by operating activities for the second quarter of 2017 was \$19.7 million, while capital expenditures totaled \$2.2 million, leading to free cash flow of \$17.4 million

Consistent Behavior

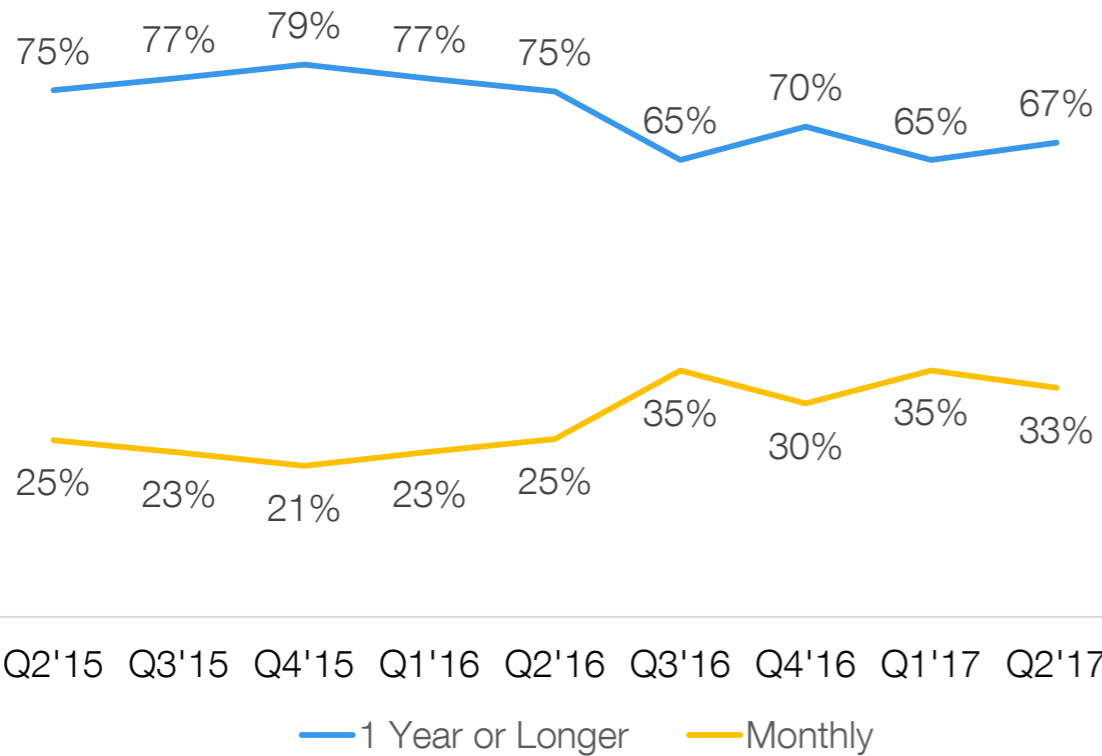
Active Premium Subscriptions from Q1 User Cohorts



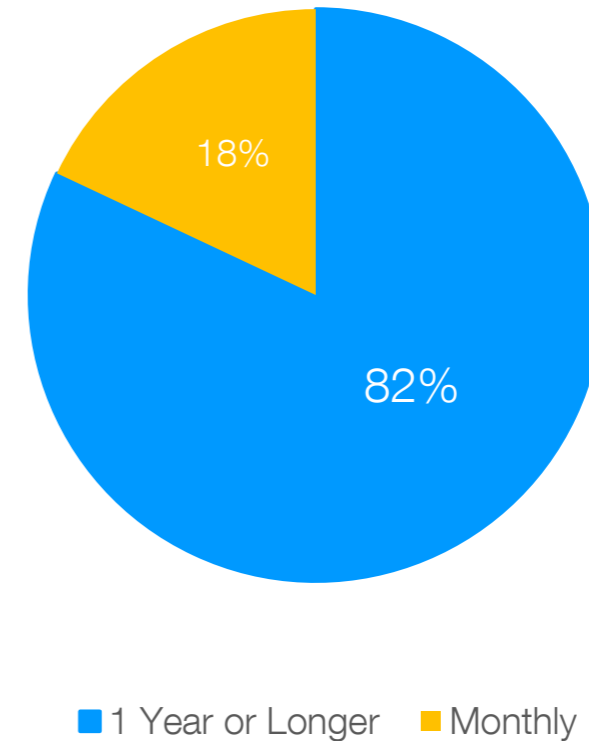
Note: Data as of June 30, 2017

Long Term Subscriptions

% of Gross New Subscriptions



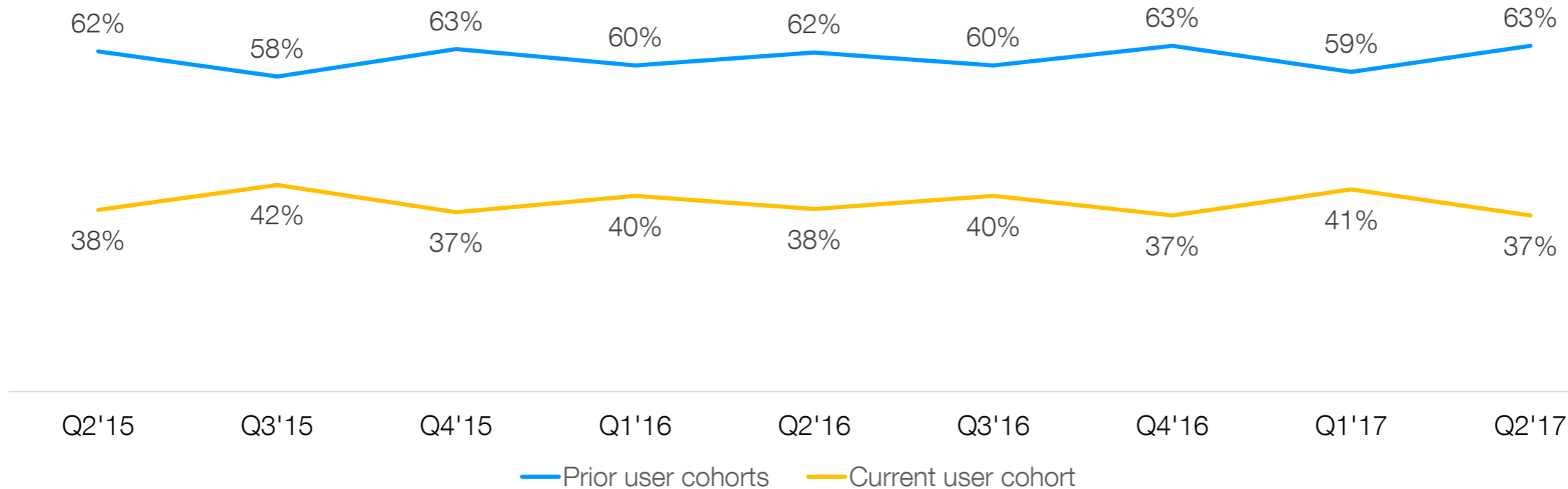
% of Total Subscriptions



Note: Data as of June 30, 2017

Ongoing Cohort Conversions

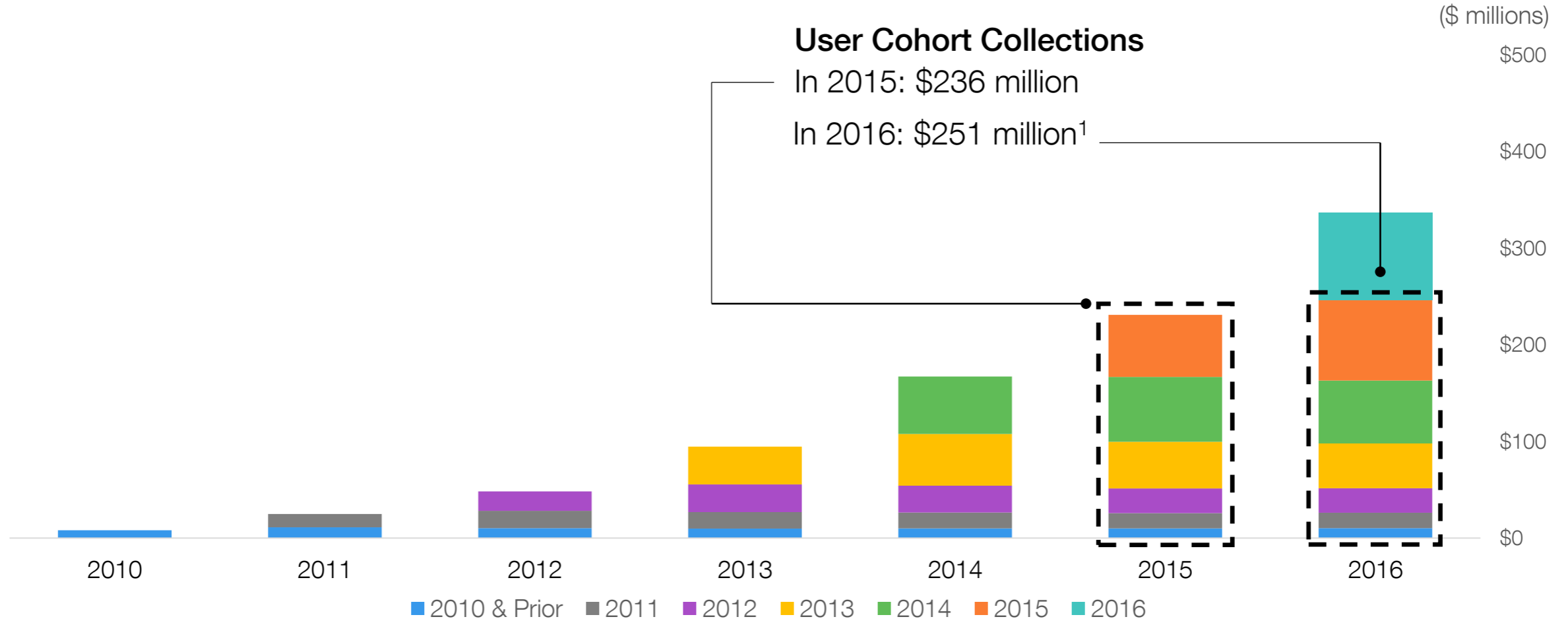
% of Gross New Subscriptions by Prior and Current User Cohorts



Note: Data as of June 30, 2017

Growing Base of Cohort Collections

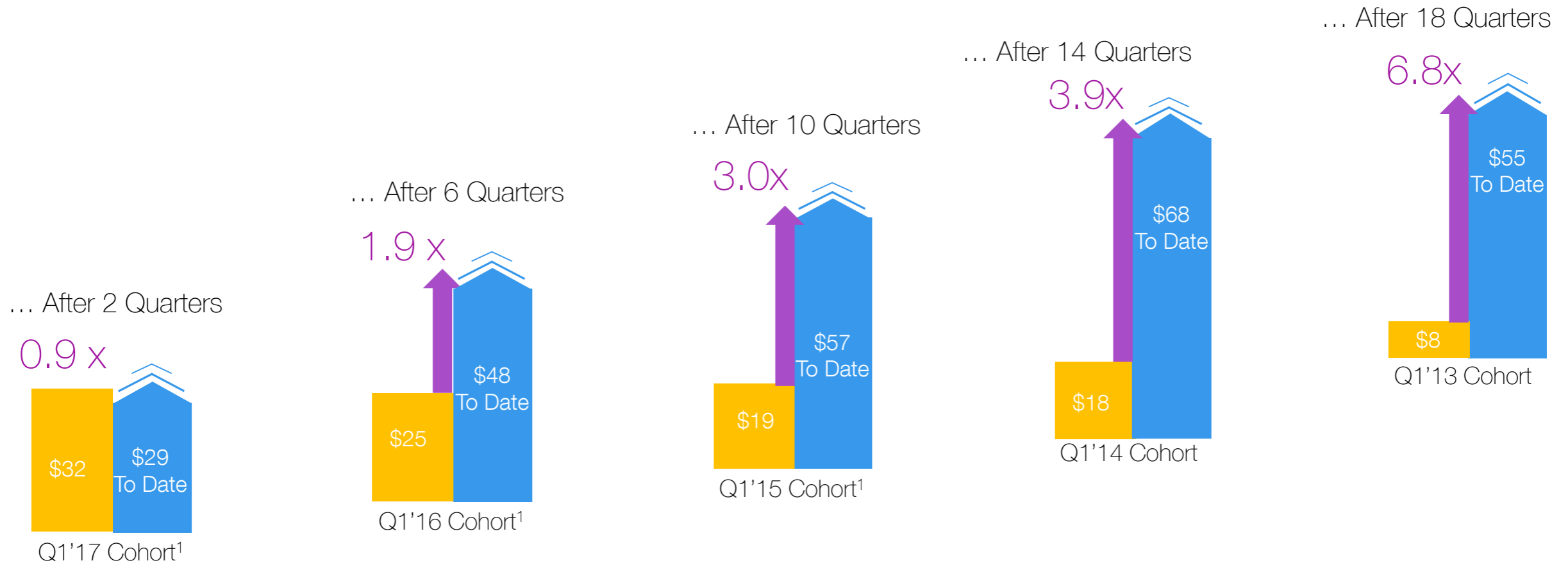
Annual collections by user cohort



¹2016 collections are constant currency assuming FX rates remained the same as in 2015

Marketing Efficiency

One Time Marketing, Ongoing Monthly Collections

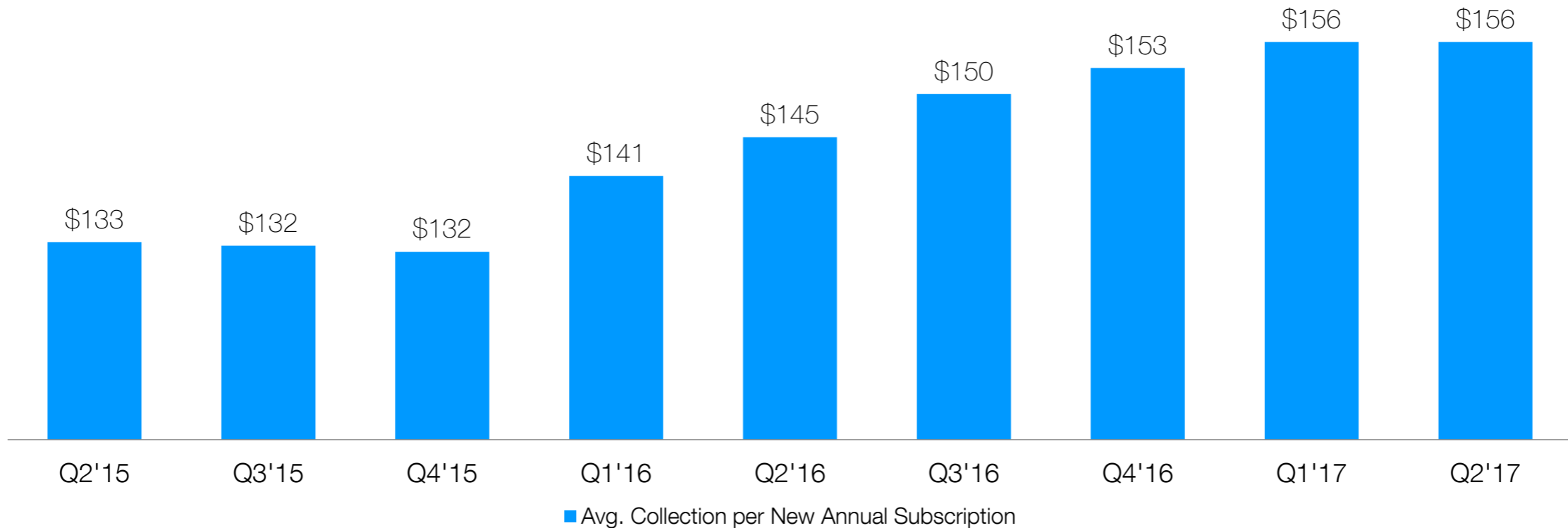


Marketing Cost (\$ million) Cohort Net Collections (\$ million)

Note: Data as of June 30, 2017

¹Excludes ~\$6 million in Q1'15, ~\$7 million in Q1'16, and ~\$9 million in Q1'17 of brand marketing expenses

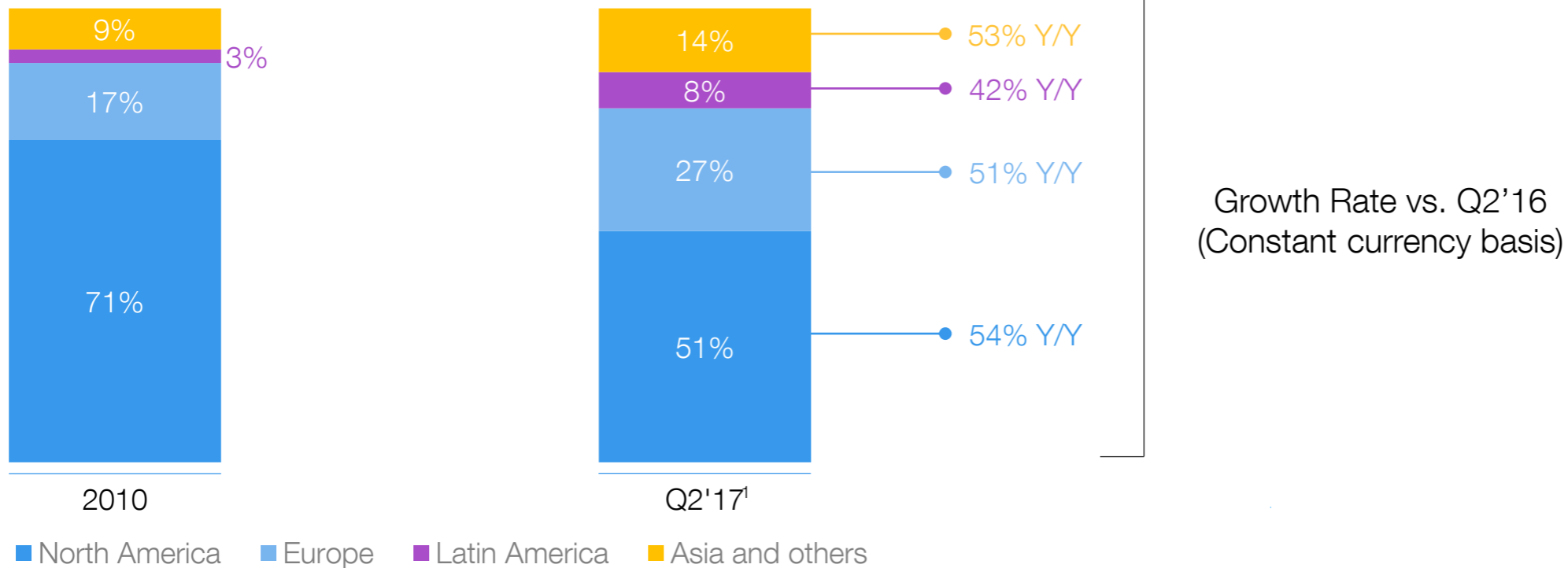
Increasing Collections per New Subscription



Note: Based on New Annual Subscriptions in the US

Increasing Geographic Penetration

FX-Neutral Revenue by Geography (% of Total)



¹Revenue by Geography and Y/Y change based on constant FX rates from Q2'16

Non-GAAP Financial Results

in 000s	2016 Q2	2017 Q2	2014	Full Year 2015	2016
Collections	\$ 81,453	\$ 117,121	\$ 171,255	\$ 241,687	\$ 342,069
Revenues	68,730	103,522	141,841	203,518	290,103
Non-GAAP Gross Profit	58,187	87,232	116,738	169,901	246,614
<i>Gross Margin %</i>	<i>85%</i>	<i>84%</i>	<i>82%</i>	<i>83%</i>	<i>85%</i>
Non-GAAP R&D expenses	21,392	29,165	51,121	67,977	87,570
<i>% of revenues</i>	<i>31%</i>	<i>28%</i>	<i>36%</i>	<i>33%</i>	<i>30%</i>
Non-GAAP S&M expenses	34,854	46,176	95,173	116,732	151,759
<i>% of revenues</i>	<i>51%</i>	<i>45%</i>	<i>67%</i>	<i>57%</i>	<i>52%</i>
<i>% of collections</i>	<i>43%</i>	<i>39%</i>	<i>56%</i>	<i>48%</i>	<i>44%</i>
Non-GAAP G&A Expenses	4,921	8,375	11,567	14,458	19,814
<i>% of revenues</i>	<i>7%</i>	<i>8%</i>	<i>8%</i>	<i>7%</i>	<i>7%</i>
Non-GAAP Operating Loss	(2,980)	3,516	(41,123)	(29,266)	(12,530)
<i>% of revenues</i>	<i>(4%)</i>	<i>3%</i>	<i>(29%)</i>	<i>(14%)</i>	<i>(4%)</i>
Non-GAAP Net Loss	(3,713)	(185)	(40,246)	(31,354)	(14,817)

Non-GAAP items exclude the impact of stock based compensation expense, amortization of intangibles, withdrawn secondary expenses and acquisition-related expenses

APPENDIX

Reconciliation of GAAP to Non-GAAP Measures

in 000s	2015				2016				2017	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Revenue	\$44,524	\$48,581	\$53,582	\$56,831	\$61,586	\$68,730	\$75,611	\$84,176	\$92,538	\$103,522
Change in deferred revenue	\$11,345	\$8,787	\$7,998	\$10,039	\$14,108	\$12,723	\$11,659	\$13,476	\$22,008	\$13,599
Collections	\$55,869	\$57,368	\$61,580	\$66,870	\$75,694	\$81,453	\$87,270	\$97,652	\$114,546	\$117,121

in 000s	2015				2016				2017	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
GAAP Gross Profit	\$36,713	\$40,191	\$44,420	\$47,224	\$51,079	\$57,712	\$64,587	\$71,438	\$77,675	\$85,497
Share Based Compensation	\$295	\$250	\$428	\$380	\$428	\$475	\$466	\$429	\$506	\$695
Acquisition related expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,040
Amortization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$28	\$0
Non-GAAP Gross Profit	\$37,008	\$40,441	\$44,848	\$47,605	\$51,507	\$58,187	\$65,053	\$71,867	\$78,209	\$87,232

in 000s	2015				2016				2017	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
GAAP Operating Loss	(\$17,328)	(\$10,774)	(\$10,370)	(\$10,163)	(\$19,768)	(\$10,490)	(\$9,032)	(\$4,742)	(\$20,471)	(\$10,563)
Share Based Compensation	\$4,048	\$3,787	\$5,322	\$5,577	\$6,137	\$6,927	\$7,163	\$7,821	\$8,982	\$11,979
Amortization	\$155	\$156	\$155	\$170	\$187	\$186	\$188	\$187	\$186	\$1,240
Acquisition Related Expenses & Withdrawn Secondary Expense	\$0	\$0	\$0	\$0	\$1,183	\$397	\$514	\$614	\$3,765	\$860
Non-GAAP Operating Loss	(\$13,125)	(\$6,832)	(\$4,893)	(\$4,416)	(\$12,261)	(\$2,980)	(\$1,167)	\$3,879	(\$7,538)	\$3,516

Reconciliation of GAAP to Non-GAAP Measures

in 000s	2015				2016				2017	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Research and development (GAAP)	\$17,448	\$18,233	\$20,065	\$21,901	\$24,472	\$25,483	\$26,536	\$28,877	\$32,669	\$36,749
Options compensation	\$1,959	\$1,831	\$2,592	\$2,852	\$3,111	\$3,558	\$3,718	\$4,156	\$4,726	\$6,586
Acquisition related expenses	\$0	\$0	\$0	\$0	\$1,183	\$397	\$514	\$614	\$1,713	\$860
Amortization	\$105	\$106	\$105	\$120	\$137	\$136	\$138	\$137	\$136	\$138
Non-GAAP research and development	\$15,383	\$16,297	\$17,368	\$18,929	\$20,041	\$21,392	\$22,167	\$23,970	\$26,094	\$29,165
Selling and marketing (GAAP)	\$32,006	\$28,237	\$29,437	\$30,330	\$40,454	\$36,026	\$40,010	\$40,022	\$54,329	\$48,016
Options compensation	\$599	\$697	\$861	\$920	\$981	\$1,122	\$1,237	\$1,213	\$1,419	\$1,778
Acquisition related expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$611	\$0
Amortization	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$62
Non-GAAP selling and marketing	\$31,357	\$27,490	\$28,526	\$29,359	\$39,423	\$34,854	\$38,723	\$38,759	\$52,249	\$46,176
General and administrative (GAAP)	\$4,587	\$4,495	\$5,288	\$5,156	\$5,921	\$6,693	\$7,073	\$7,281	\$11,148	\$11,295
Options compensation	\$1,195	\$1,009	\$1,441	\$1,424	\$1,617	\$1,772	\$1,743	\$2,022	\$2,331	\$2,920
Withdrawn secondary offering expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acquisition related expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,413	\$0
Non-GAAP general and administrative	\$3,392	\$3,486	\$3,847	\$3,733	\$4,304	\$4,921	\$5,330	\$5,259	\$7,404	\$8,375

Reconciliation of GAAP to Non-GAAP Measures

in 000s	2015				2016				2017	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
GAAP Net Loss	(\$16,026)	(\$12,279)	(\$11,724)	(\$11,305)	(\$19,912)	(\$11,420)	(\$9,643)	(\$6,182)	(\$20,885)	(\$14,264)
Share Based Compensation	\$4,048	\$3,787	\$5,322	\$5,577	\$6,137	\$6,927	\$7,163	\$7,821	\$8,982	\$11,979
Amortization	\$155	\$156	\$155	\$170	\$187	\$186	\$188	\$187	\$186	\$1,240
Acquisition Related Expenses & Withdrawn Secondary Expense	\$0	\$0	\$0	\$0	\$1,183	\$397	\$514	\$614	\$3,765	\$860
Compensation expenses related to warrants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tax benefit related to exercise of options	\$112	\$178	\$159	\$162	\$175	\$197	\$208	\$258	\$0	\$0
Non-GAAP Net Loss	(\$11,711)	(\$8,159)	(\$6,088)	(\$5,396)	(\$12,230)	(\$3,713)	(\$1,571)	\$2,697	(\$7,952)	(\$185)

in 000s	2015				2016				2017	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Net cash provided by operating activities	(\$581)	\$5,248	\$6,687	\$9,522	(\$925)	\$11,314	\$10,470	\$19,714	\$16,397	\$19,651
Capital expenditures, net	(\$2,081)	(\$1,851)	(\$1,285)	(\$1,125)	(\$1,209)	(\$1,129)	(\$1,046)	(\$1,031)	(\$1,616)	(\$2,239)
Free Cash Flow	(\$2,662)	\$3,397	\$5,402	\$8,397	(\$2,134)	\$10,185	\$9,424	\$18,683	\$14,781	\$17,412