

EARNINGS SLIDES

Fourth Quarter
and Full Year 2019

February 20th
2020



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, cumulative cohort collections, collections on a constant currency basis, revenue on a constant currency basis, non-GAAP gross margin, non-GAAP operating income, non-GAAP net income, non-GAAP net income per share and free cash flow (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 expenses and amortization, divided by revenue. Non-GAAP operating income 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. Non-GAAP net income represents net loss calculated in accordance with GAAP as adjusted for the impact of share-based compensation expense, amortization, sales tax expense accrual, amortization of debt discount and debt issuance costs and acquisition-related expenses and non-operating foreign exchange expenses (income). Non-GAAP net income per share represents non-GAAP net income 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 "Appendix" 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 has not reconciled its free cash flow guidance to net cash provided by operating activities because net cash provided by operating activities is not accessible on a forward-looking basis. Items that impact net cash provided by operating activities are out of the Company's control and/or cannot be reasonably predicted. Accordingly, a reconciliation to net cash provided by operating activities is not available without unreasonable effort. The Company has also not reconciled future collections over the next eight years from existing user cohorts. Items that impact future revenue and deferred revenue over an eight year period cannot be reasonably predicted. Accordingly, a reconciliation to revenue is not available without unreasonable effort.

Forward-Looking Statements

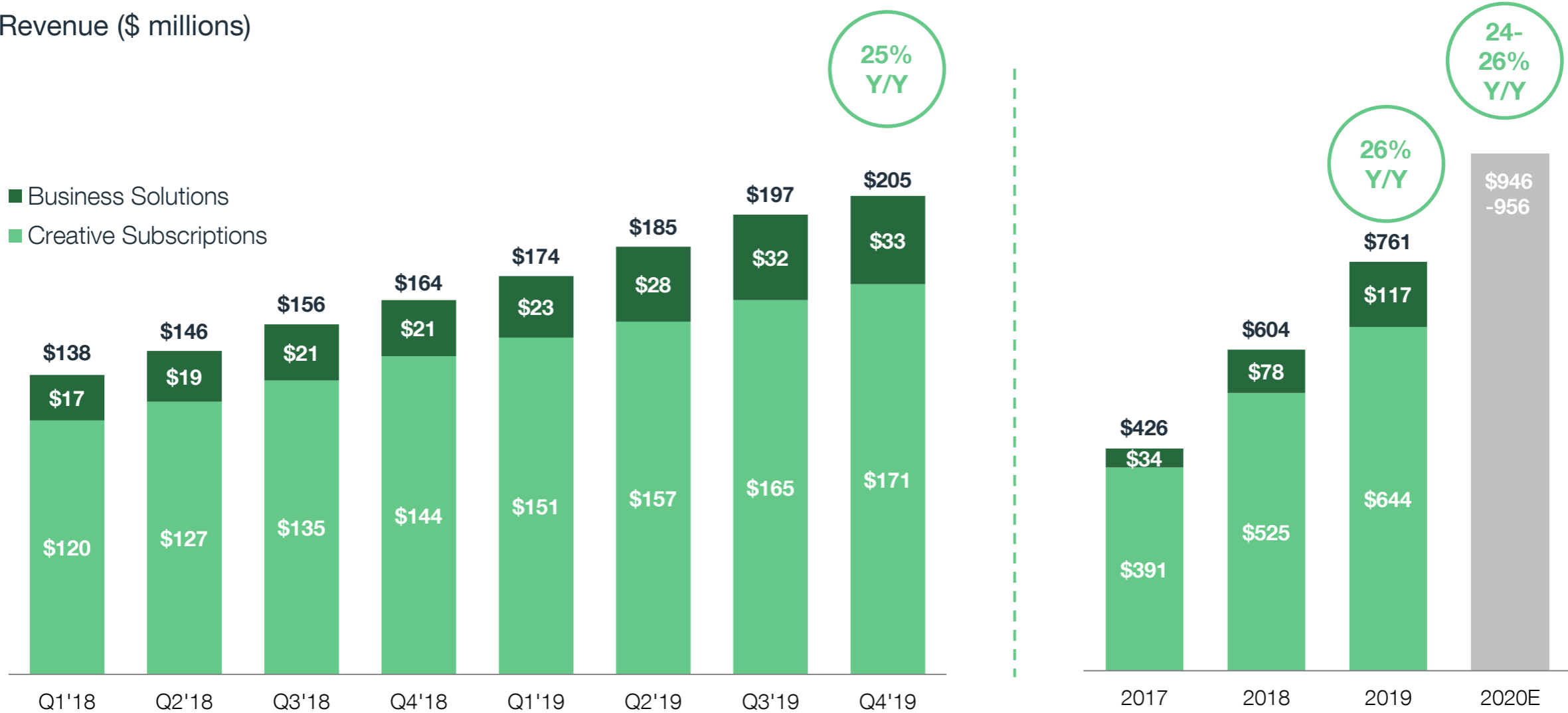
This document contains forward-looking statements, within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. Such forward-looking statements may include projections regarding our future performance, including, but not limited to revenue, collections 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 full year 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 ability to grow our user base and premium subscriptions including through the launch of our Wix Partner Program; our ability to create new and higher monetization opportunities from our premium subscriptions; our ability to enter into new markets, and attract new customer segments, for example through our recent strategic partnership with NTT Town Page and our partnership with a Japanese payment provider, intended to expand our reach to customers in Japan; our ability to maintain and enhance our brand and reputation; our prediction of the future collections generated by our user cohorts; our share repurchases made pursuant to our share repurchase plan; 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, including through the recent expansion of our Customer Solutions organization by engaging additional agents around the world to provide 24/7 support in nine different languages; the success of our sales efforts; customer acceptance and satisfaction of new products and other challenges inherent in new product development; changes to technologies used in our solutions; or changes in global, national, regional or local economic, business, competitive, market, regulatory and other factors discussed under the heading "Risk Factors" in the Company's 2018 annual report on Form 20-F filed with the Securities and Exchange Commission on April 9, 2019. 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.

Q4 and FY 2019 Results

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Strong revenue growth

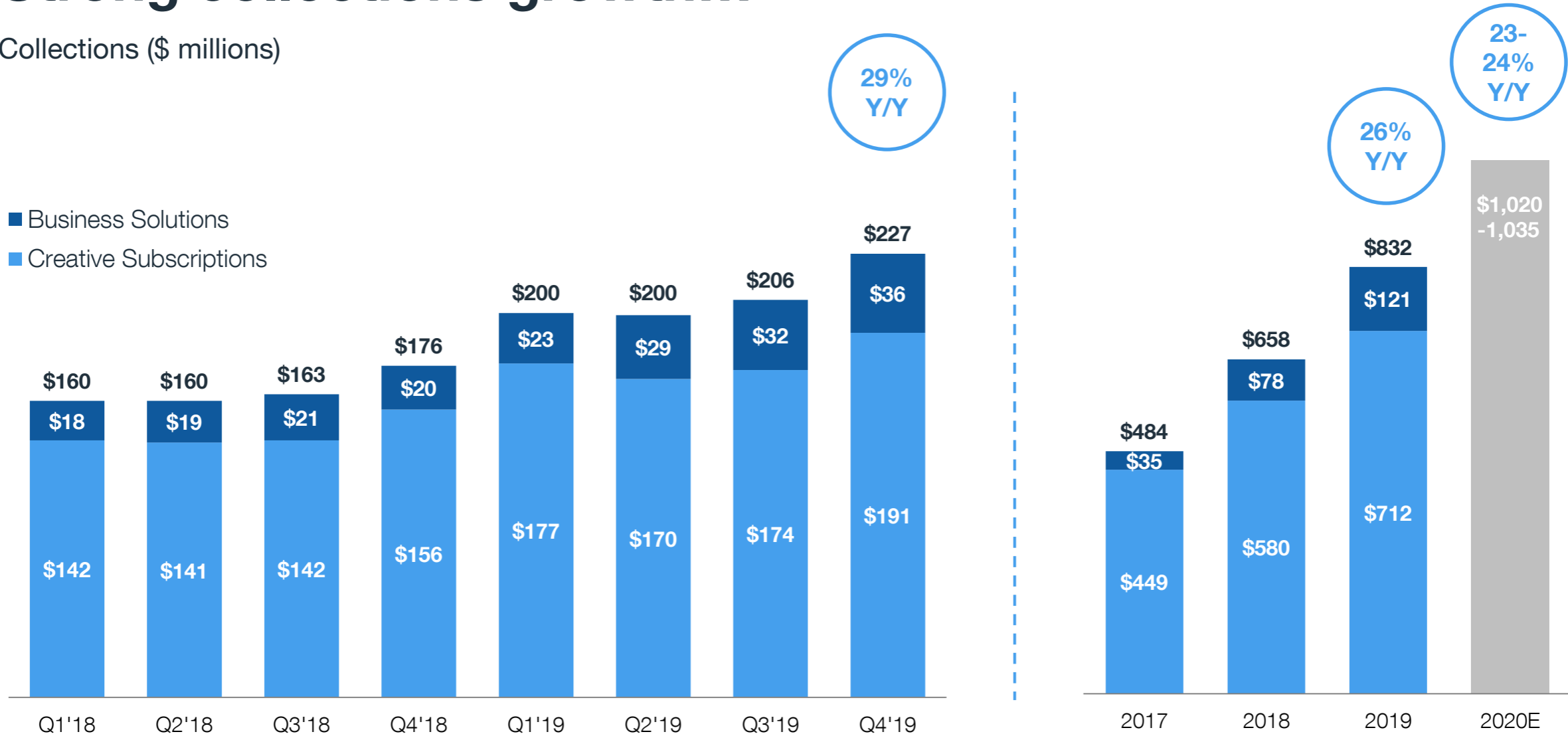
Revenue (\$ millions)



Note: 2020 guidance as provided on February 20, 2020

Strong collections growth...

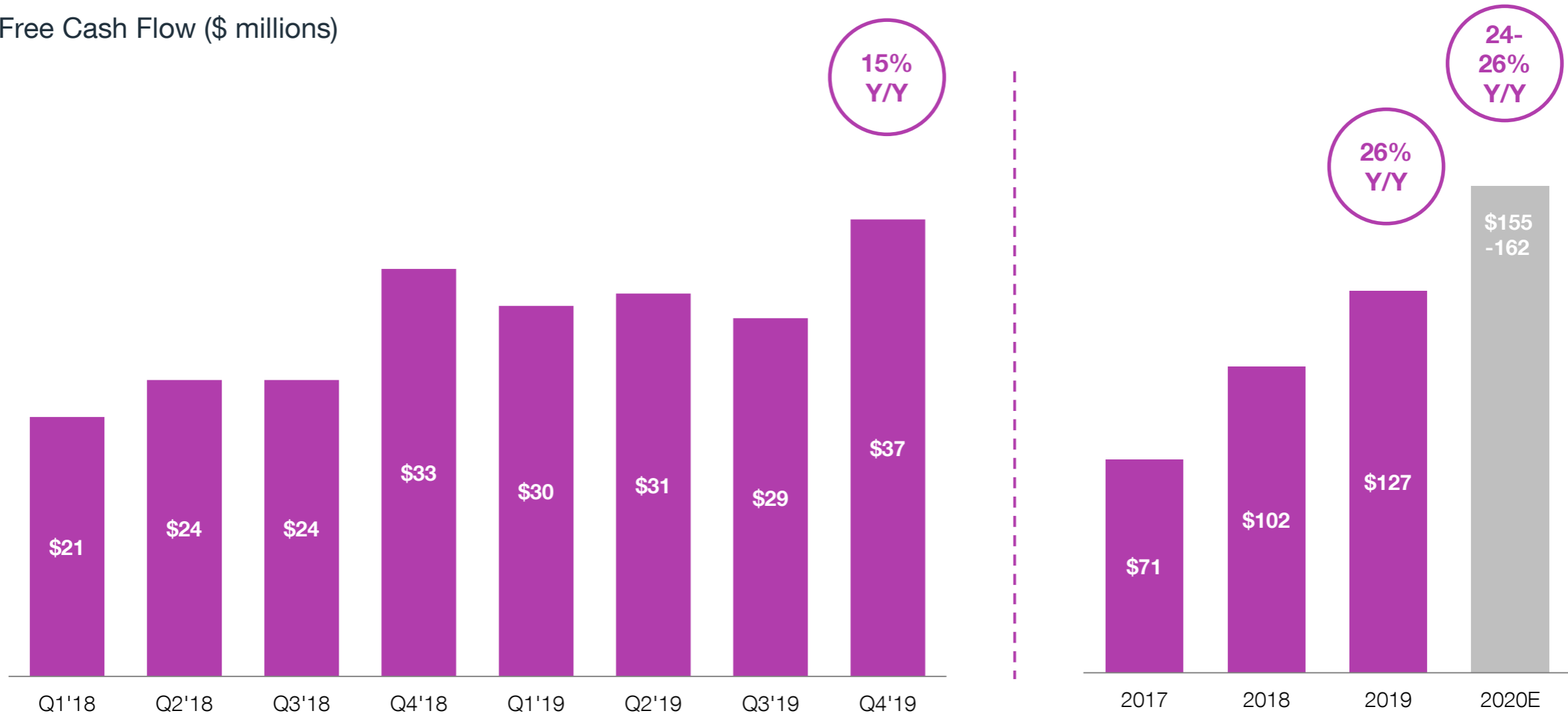
Collections (\$ millions)



Note: 2020 guidance as provided on February 20, 2020

...combined with robust free cash flow generation

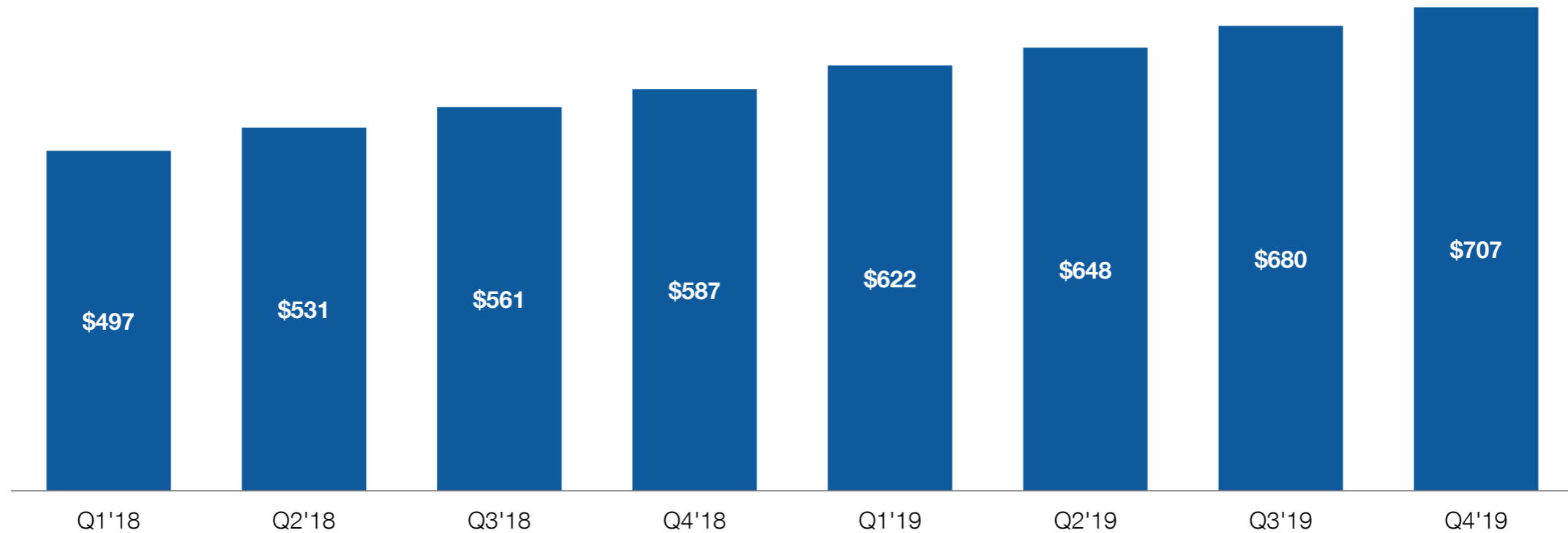
Free Cash Flow (\$ millions)



Note: 2020 guidance as provided on February 20, 2020

Introducing ARR to demonstrate growth

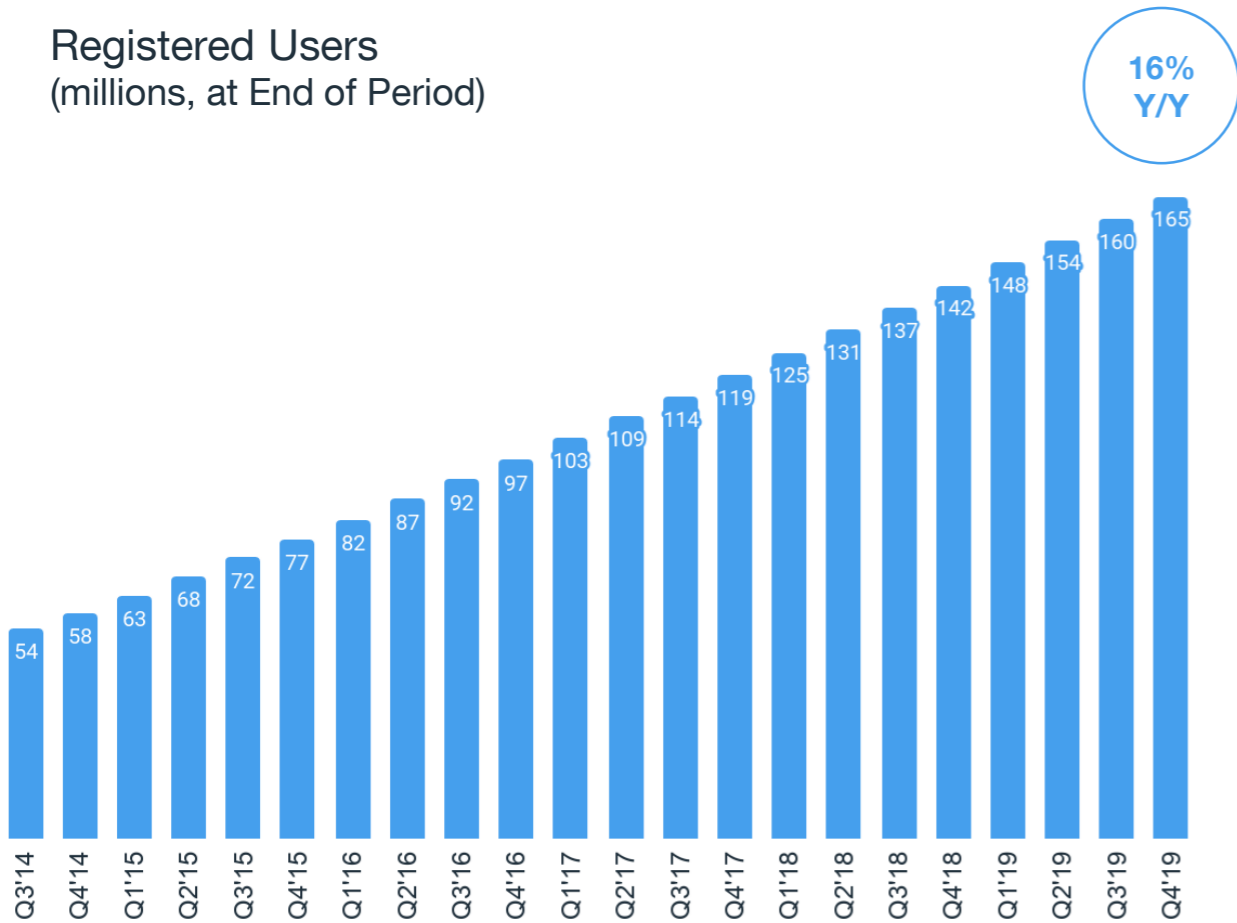
(\$ millions)



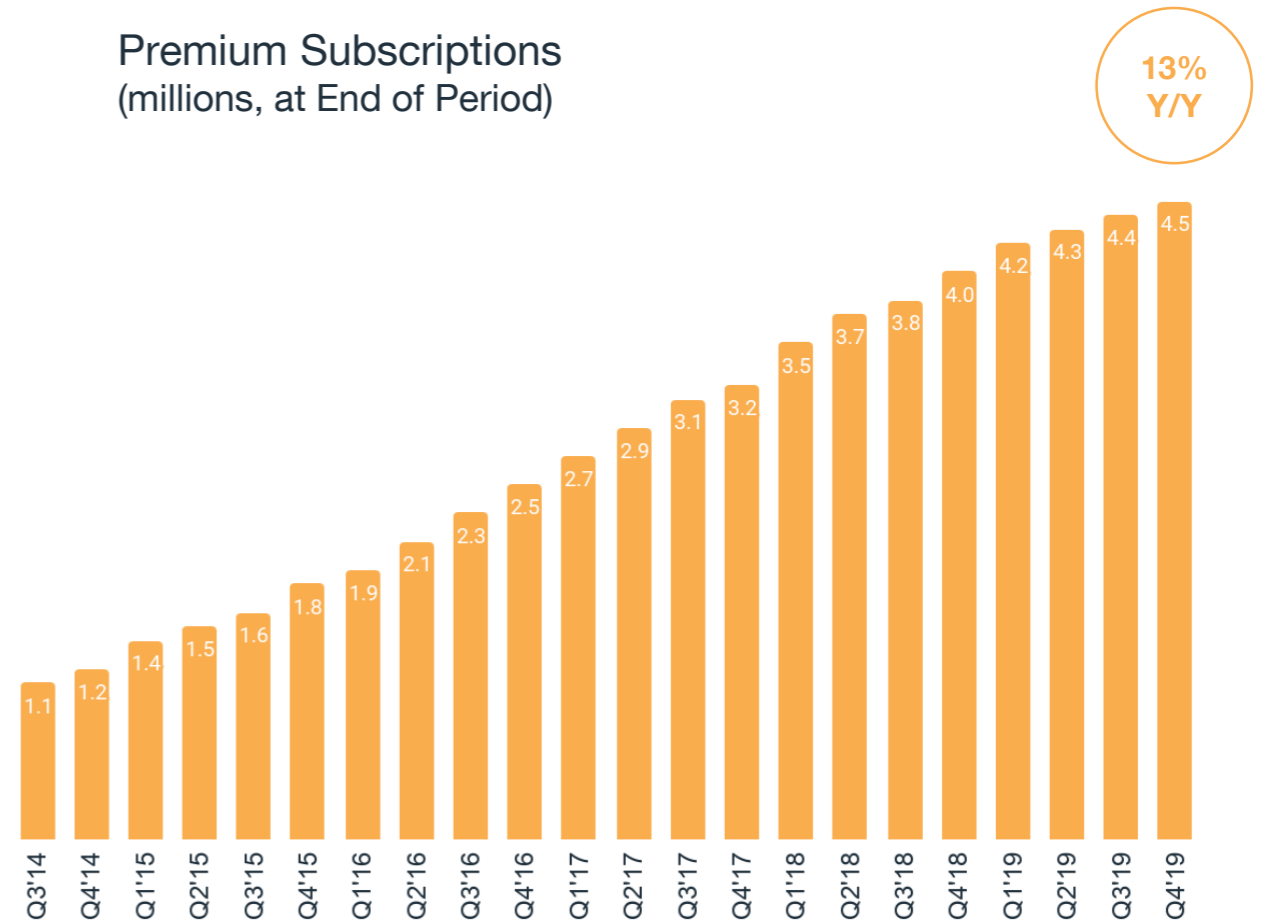
Note: Annualized Recurring Revenue (ARR) is calculated as Monthly Recurring Revenue (MRR) multiplied by 12. MRR is calculated as all active Creative Subscriptions in effect on the last day of the period, multiplied by the monthly revenue of such Creative Subscriptions, as well as monthly revenue from agreements with partners

User and subscription bases continue to grow

Registered Users
(millions, at End of Period)



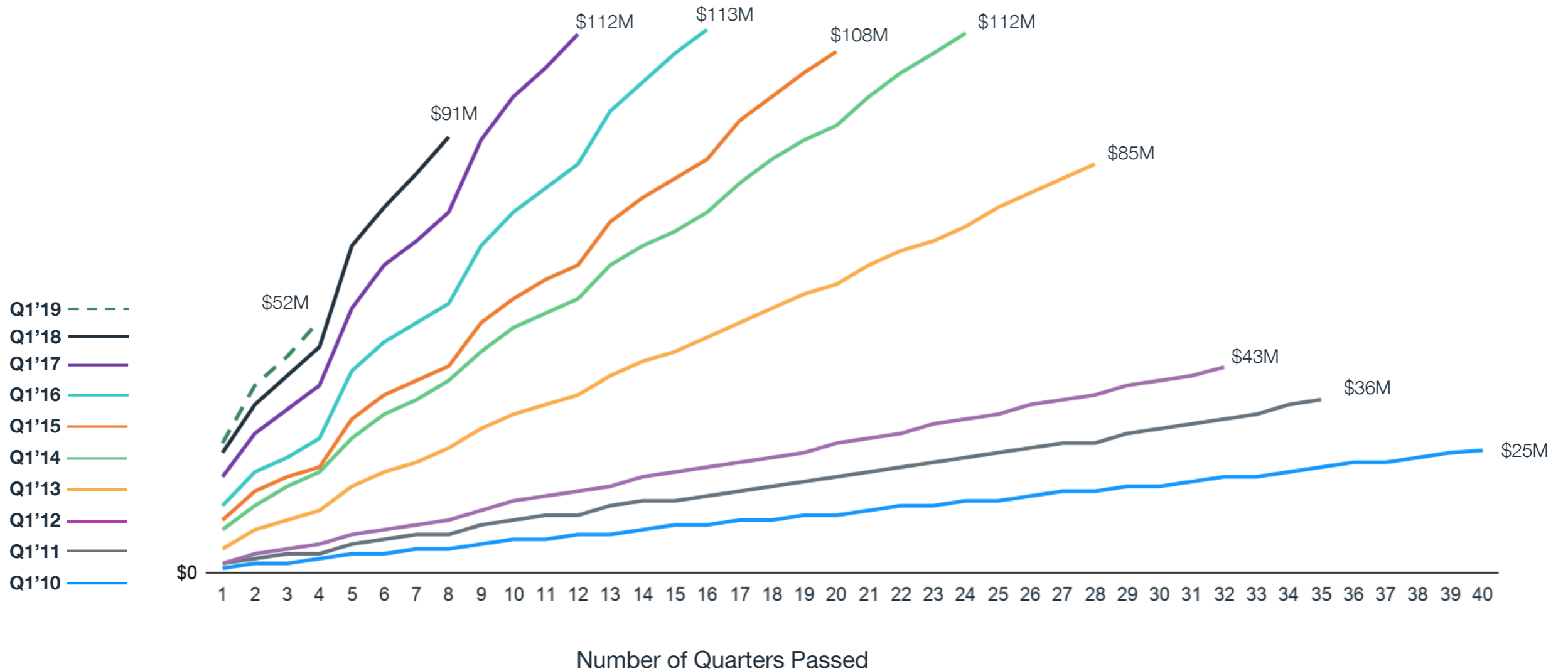
Premium Subscriptions
(millions, at End of Period)



Note: Users and Subscriptions do not include Flok, DeviantArt, Wix Answers or users coming from the Wix Logo Maker funnel. Beginning in Q1 2019, in reporting Registered Users, we began to exclude users that initially registered to Wix through non-website products and had not yet begun the process of building a website. Once a user that initially registered through a non-website begins the process of building a website on Wix, that user will be counted as a Registered User as of that period. In Q2-Q4 2018, we included these users in our Registered Users calculation, as the number was immaterial in each of those quarters

Increasing monetization of user cohorts

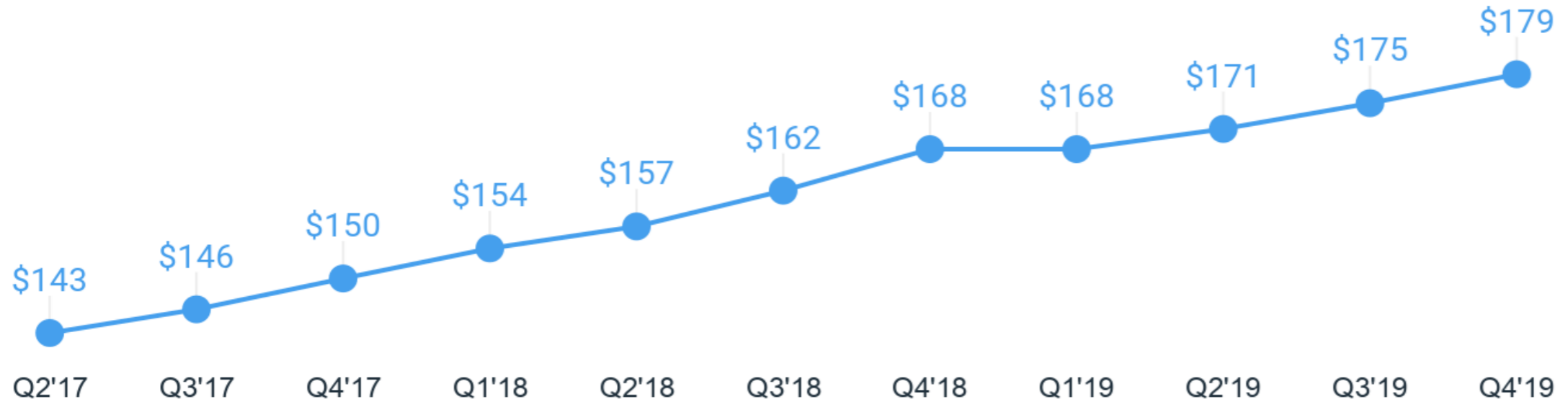
Cumulative Collections from Q1 User Cohorts (\$ millions)



Note: Data as of December 31, 2019. Excludes collections from users coming from the Wix Logo Maker funnel. It also excludes collections from Flok, DeviantArt, and Wix Answers.

Continued growth of ARPS

Average Annual Revenue per Subscription



Note: ARPS is defined as total revenue over last four quarters / average number of premium subscriptions over last four quarters. Subscriptions only include Creative Subscriptions

Consistent cohort behavior over the long term

Active Premium Subscriptions from Q1 User Cohorts

New Registered Users

Q1'19 – 6.6M

Q1'18 – 5.9M

Q1'17 – 5.9M

Q1'16 – 5.3M

Q1'15 – 4.6M

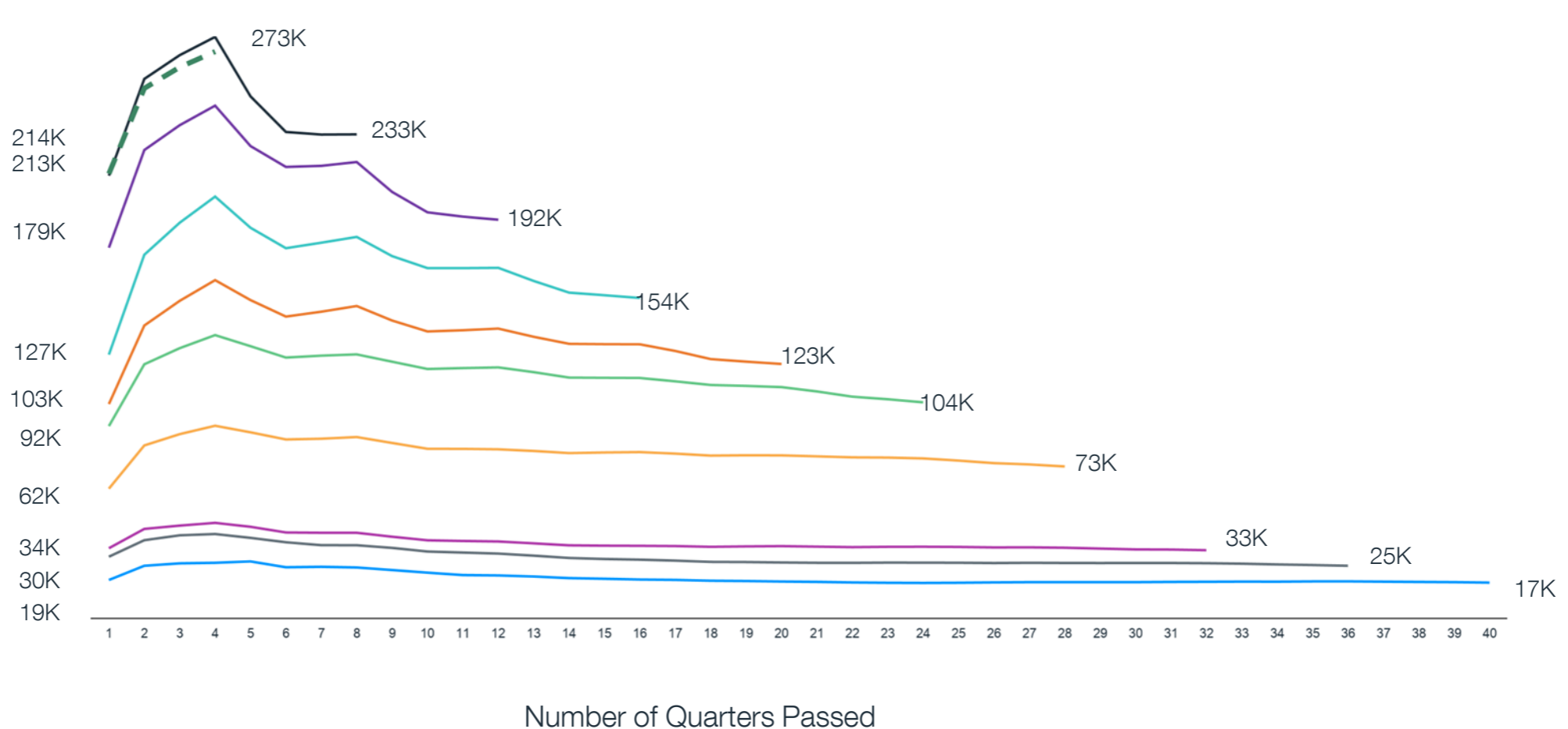
Q1'14 – 4.1M

Q1'13 – 3.7M

Q1'12 – 2.7M

Q1'11 – 1.8M

Q1'10 – 0.9M



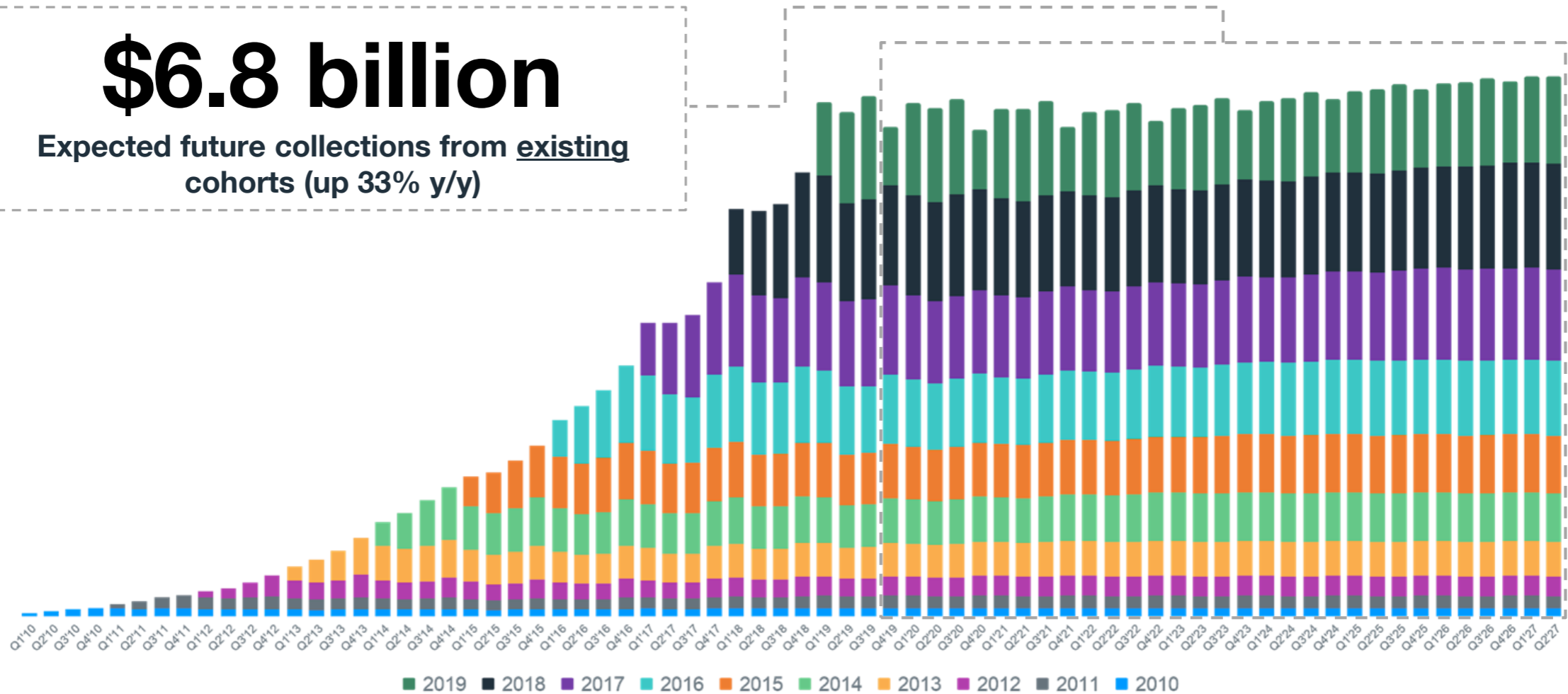
Note: Data as of December 31, 2019. Subscriptions only include Creative Subscriptions. Users do not include Flok, DeviantArt, Wix Answers or Wix Logo Maker.

Existing cohorts are a growing source of future collections

Actual and Potential Future Collections From Q1'10 – Q4'19 Cohorts

\$6.8 billion

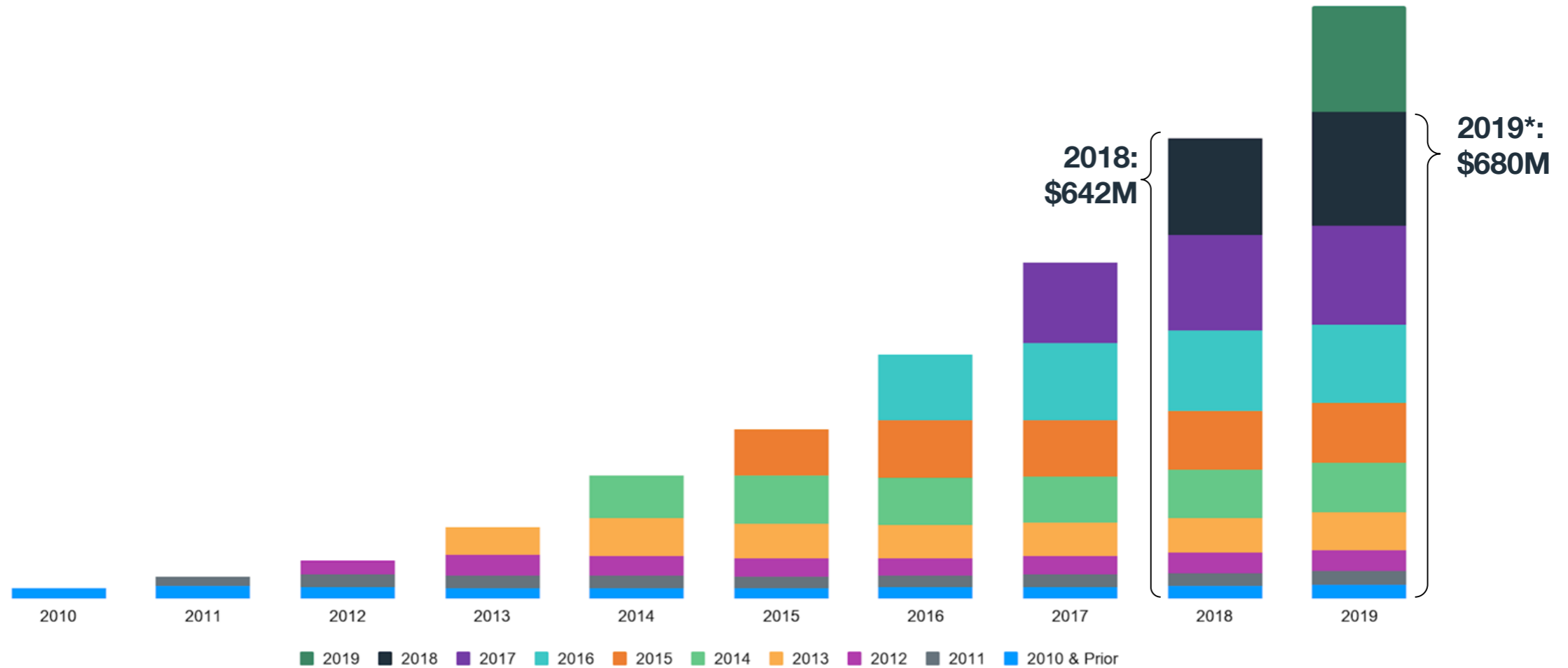
Expected future collections from existing cohorts (up 33% y/y)



Note: Data represents actual Collections from Q1'10 – Q4'19; cohorts since creation and forecasted future cumulative collections through Q3'27, based on current cohort behavior

Growing base of cohort collections

Annual collections by user cohort (\$ millions)

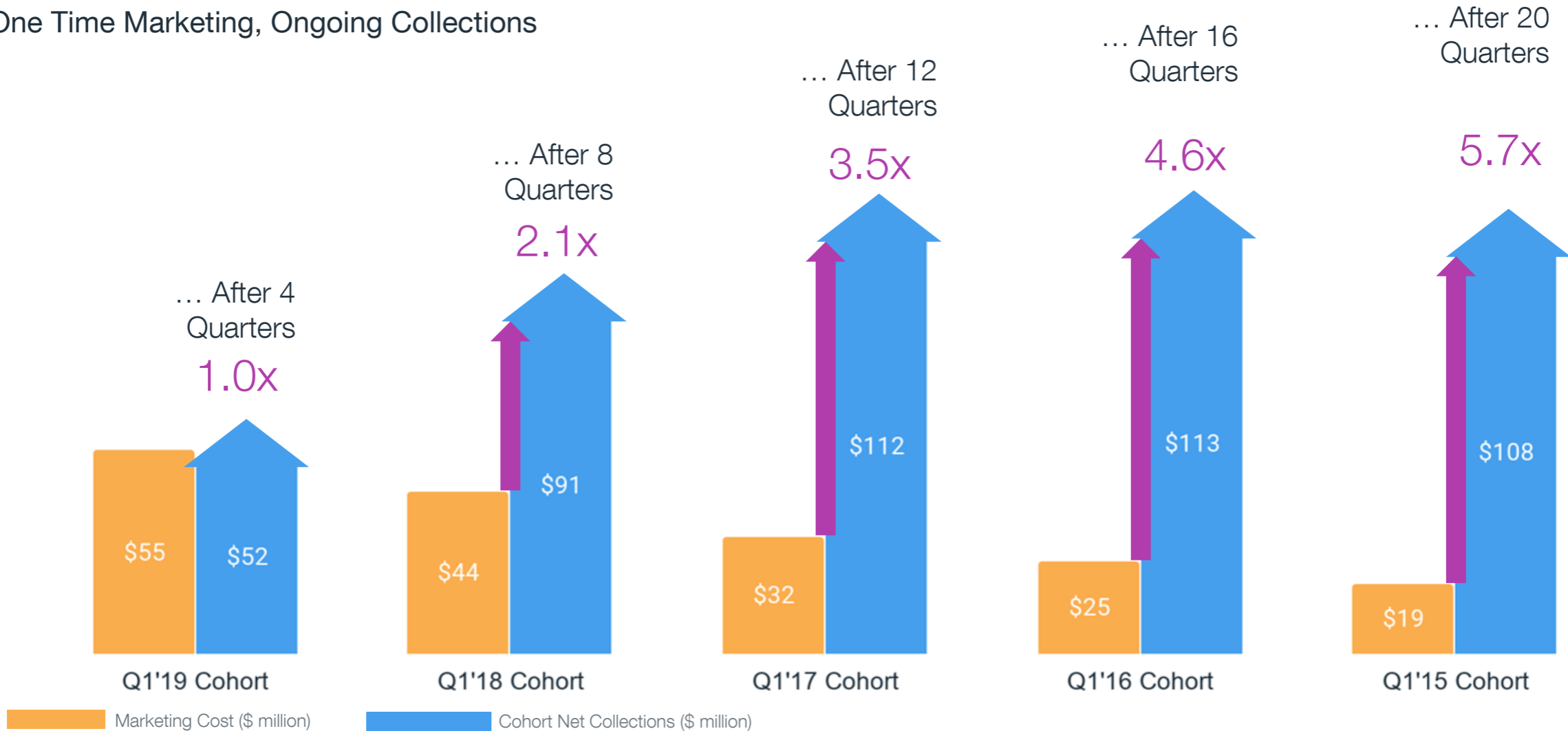


Note: Excludes collections from users coming from the Wix Logo Maker funnel. It also excludes collections from Flok, DeviantArt, and Wix Answers.

* 2019 collections are constant currency assuming FX rates remained the same as in 2018

Efficient marketing based on 7-9 month TROI

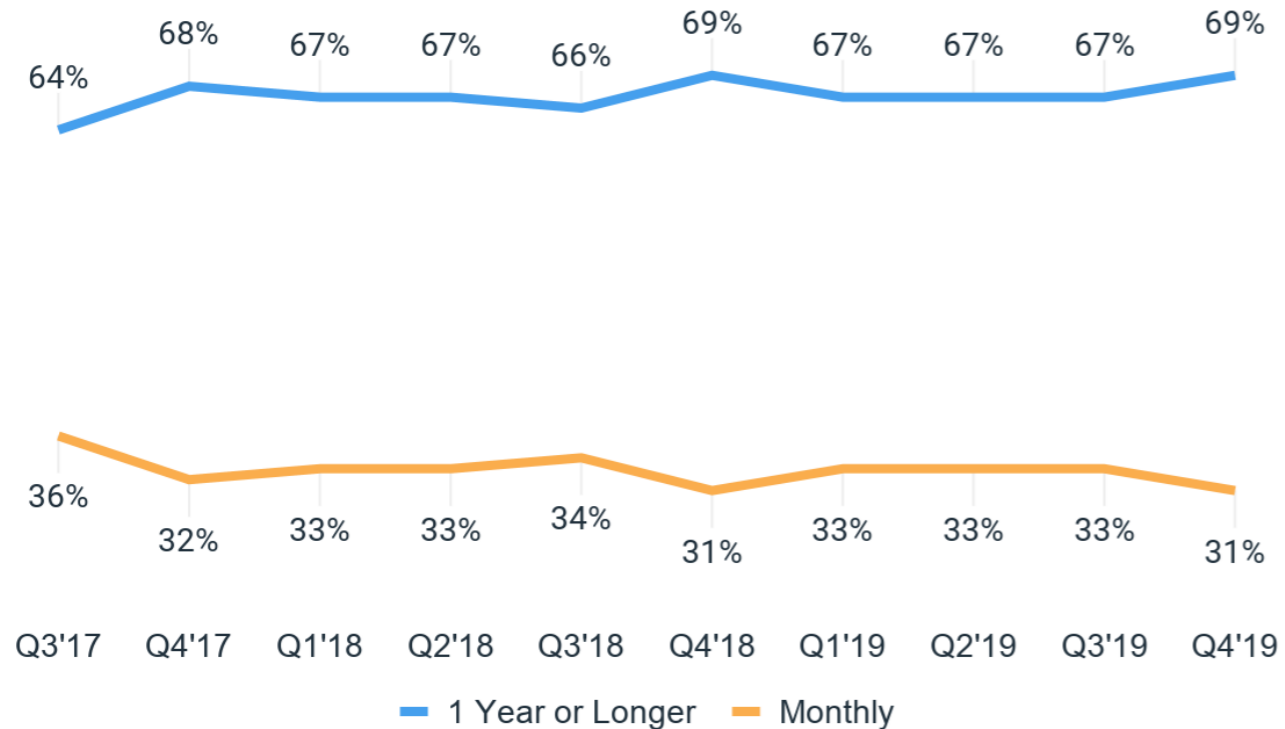
One Time Marketing, Ongoing Collections



Note: Data as of December 31, 2019; 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 marketing costs in the same cohort. We aim for 100% TROI in 7-9 months. Numbers are rounded to the nearest million. Marketing cost includes marketing costs associated with the acquisition of users. Cohort Net Collections do not include collections from users coming from the Wix Logo Maker funnel or collections from Flok, DeviantArt, and Wix Answers.

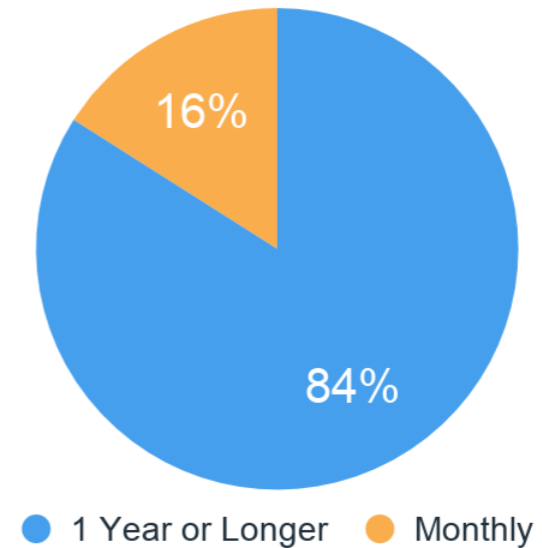
Healthy mix of annual and monthly subscriptions

% of Gross New Subscriptions



Note: Subscriptions only include Creative Subscriptions

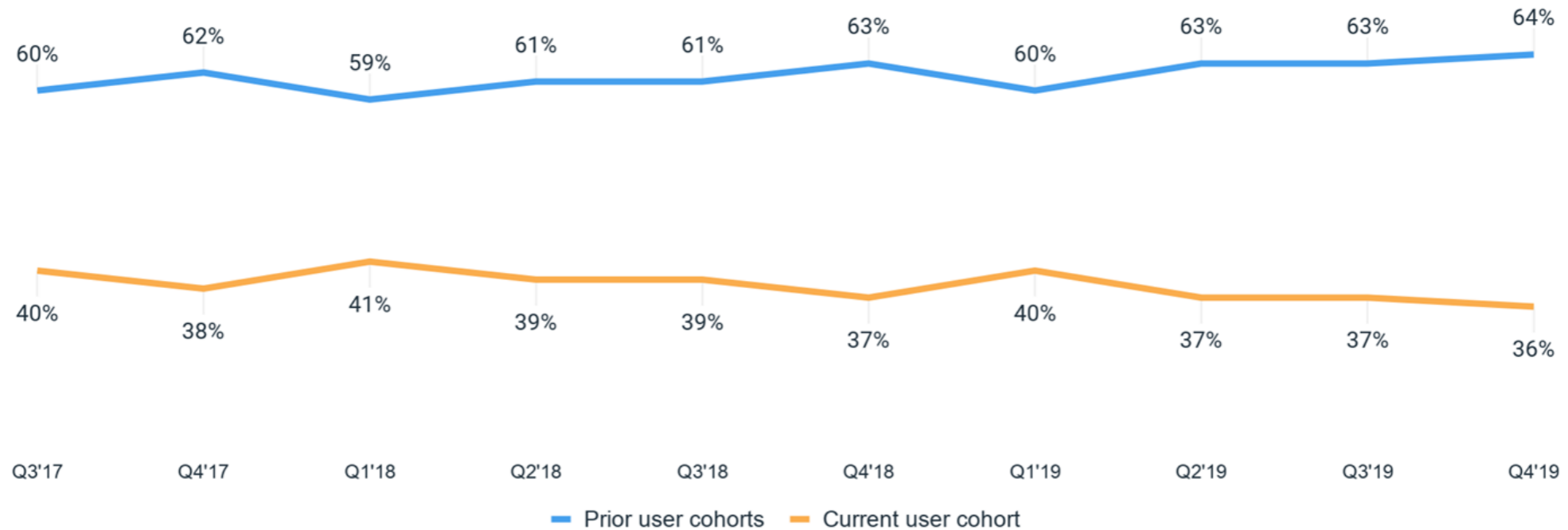
% of Total Subscriptions



Note: Data as of December 31, 2019

Prior cohorts continue to convert

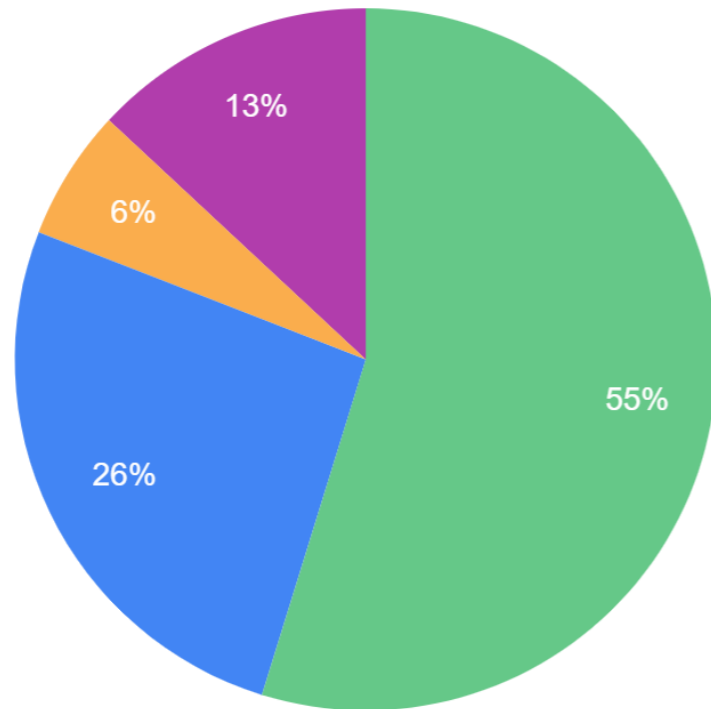
% of Gross New Subscriptions by Prior and Current User Cohorts



Note: Subscriptions only include Creative Subscriptions

Increasing geographic penetration

FX-Neutral Revenue by Geography (% of total) and Q4'19 Y/Y Growth



● North America ● Europe ● Latin America ● Asia and others

North America +31% Y/Y

Europe +21% Y/Y

Latin America +11% Y/Y

Asia and others +18% Y/Y

Note: Q4'19 Revenue by Geography and Y/Y change based on constant FX rates from Q4'18

APPENDIX

Reconciliation of GAAP to Non-GAAP Financial Measures

in 000s	2018				2019				2017	2018	2019
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	FY	FY	FY
Revenue	\$137,775	\$146,132	\$155,600	\$164,197	\$174,290	\$185,419	\$196,791	\$204,588	\$425,636	\$603,704	\$761,088
Change in deferred revenue	\$21,880	\$13,763	\$7,177	\$11,861	\$26,089	\$14,144	\$9,069	\$22,095	\$58,353	\$54,681	\$71,397
Collections	\$159,655	\$159,895	\$162,777	\$176,058	\$200,379	\$199,563	\$205,860	\$226,683	\$483,989	\$658,385	\$832,485

in 000s	2018				2019				2017	2018	2019
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	FY	FY	FY
Net cash provided by operating activities	\$24,779	\$27,268	\$27,607	\$36,055	\$35,074	\$37,180	\$36,073	\$41,237	\$83,052	\$115,709	\$149,564
Capital expenditures, net	\$ (3,358)	\$ (3,411)	\$ (3,916)	\$ (3,391)	\$ (5,028)	\$ (6,426)	\$ (6,846)	\$ (3,766)	\$ (12,369)	\$ (14,076)	\$ (22,066)
Free Cash Flow	\$21,421	\$23,857	\$23,691	\$32,664	\$30,046	\$30,754	\$29,227	\$37,471	\$70,683	\$101,633	\$127,498

in millions	Q1'10	Q1'11	Q1'12	Q1'13	Q1'14	Q1'15	Q1'16	Q1'17	Q1'18	Q1'19
	Cumulative Cohort Revenue	\$24	\$34	\$41	\$79	\$104	\$98	\$101	\$95	\$70
Cumulative Cohort change in deferred revenue	\$1	\$2	\$2	\$6	\$8	\$10	\$12	\$16	\$19	\$22
Cumulative Cohort Collections	\$25	\$36	\$43	\$85	\$112	\$108	\$113	\$112	\$91	\$52

Note: non-GAAP items exclude the impact of share-based compensation expense, amortization, amortization of debt discount and debt issuance costs and acquisition-related expense. Numbers may not add due to rounding.

Reconciliation of GAAP to Non-GAAP Financial Measures

in 000s	2020	2020
	Low	High
Projected revenues	\$946,000	\$956,000
Projected change in deferred revenues	\$74,000	\$79,000
Projected Collections	\$1,020,000	\$1,035,000

in 000s	2018 Q4	2019 Q4	2018 FY	2019 FY
Creative Subscriptions Revenue	\$143,621	\$171,355	\$525,350	\$644,491
Change in deferred revenues	\$12,047	\$19,450	\$54,769	\$67,272
Creative Subscriptions Collections	\$155,668	\$190,805	\$580,119	\$711,763

in 000s	2018 Q4	2019 Q4	2018 FY	2019 FY
Business Solutions Revenue	\$20,576	\$33,233	\$78,354	\$116,597
Change in deferred revenues	(\$186)	\$2,645	(\$88)	\$4,125
Business Solutions Collections	\$20,390	\$35,878	\$78,266	\$120,722

in 000s	2018 Q4	2019 Q4	2018 FY	2019 FY
Gross Profit - Creative Subscriptions	\$120,319	\$137,935	\$440,598	\$523,586
Share based compensation expenses	\$1,018	\$1,334	\$3,904	\$4,994
Amortization	\$0	\$0	\$0	\$0
Non GAAP Gross Profit - Creative Subscriptions	\$121,337	\$139,269	\$444,502	\$528,580
<i>Non GAAP Gross margin - Creative Subscriptions</i>	<i>84%</i>	<i>81%</i>	<i>85%</i>	<i>82%</i>

in 000s	2018 Q4	2019 Q4	2018 FY	2019 FY
Gross Profit - Business Solutions	\$9,389	\$9,418	\$36,159	\$40,595
Share based compensation expenses	\$132	\$248	\$514	\$860
Amortization	\$142	\$1,526	\$568	\$1,951
Non GAAP Gross Profit - Business Solutions	\$9,663	\$11,192	\$37,241	\$43,406
<i>Non GAAP Gross margin - Creative Subscriptions</i>	<i>47%</i>	<i>34%</i>	<i>48%</i>	<i>37%</i>