

## **Wix.com Third Quarter Results Conference Call November 13, 2018**

### *Introduction*

Maggie O'Donnell, Director of Investor Relations

Good afternoon. Welcome to Wix's third quarter 2018 earnings call. Joining me today to discuss our results are Avishai Abrahami, CEO and Co-founder, Nir Zohar, President & COO, and Lior Shemesh, CFO.

During this call, we may make forward looking statements, and these statements are based on current expectations and assumptions. Please consider the risk factors included in our press release and most recent Form 20-F that could cause our actual results to differ materially from these forward looking statements. We do not undertake any obligation to update these forward looking statements.

In addition, we will comment on non-GAAP financial results. You can find all reconciliations between our GAAP and non-GAAP results in our press release, presentation slides, shareholder update, and our Interactive Analyst Center on the Investor Relations section of our website, [investors.wix.com](http://investors.wix.com), which we recently rebuilt using Wix Code.

On the website, we have also added a help section using Wix Answers called the Investor Learning Center, that we encourage you to check out.

Now, I will hand it over to our Avishai Abrahami, who is going to say a couple of quick words about the quarter.

Avishai?

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### *Key Highlights*

Avishai Abraham, Co-Founder & Chief Executive Officer

Thank you Maggie and good afternoon everyone. Thank you for joining us today. We had another fantastic quarter at Wix.

Both collections and revenue beat our expectations. And, our profitability is increasing, reflecting a strong combination of growth and profitability.

Revenue increased 40% and collections increased 36% year over year.

Non-GAAP operating income grew to \$16M, an all-time high. And operating cash flow reached a record high of nearly \$28M, driving free cash flow to nearly \$24m.

We are also increasing the monetisation of our subscriptions as ARPS was up 11% year over year. This increase reflects our ability to develop and deliver valuable products to our users.

Wix is in the middle of a strong major product release cycle, and I am very excited about our momentum.

We recently introduced Wix Payments, a complete payments platform that enables small businesses to manage their entire financial flow through Wix. Wix Payments will work for not only e-commerce businesses, but any type of business that takes payments online. This is a very exciting step in letting users manage and grow their businesses on Wix.

Wix Code continues to gain momentum in the professional designer and developer communities. Users of Wix Code are purchasing multiple subscriptions at a rate of more than four times non-Wix Code users. This shows us that our strategy is working as usage by professionals is increasing. We are also seeing more complex and robust websites than we have ever seen on Wix.

We also introduced the Wix Video Maker this quarter. Creating engaging video content for advertisements is a challenge that small businesses often face. We believe that the Wix Video Maker makes it easier for small businesses to create video content and compete with larger businesses online.

The new, more modern DeviantArt platform is currently being tested with our most active community members. We are on track to launch it to all users in the coming months, which is in line with our initial schedule.

Finally, on December 11, we plan to announce a new product that will further help small businesses manage and grow online.

I am very extremely happy with our progress to date, and look forward to continuing this momentum into 2019.

With that, I am going to hand it back to Maggie.

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*Questions & Answers*

Maggie O'Donnell, Director of Investor Relations

As a reminder, please limit yourself to one question. Please also note that you can ask questions through the webcast, which can be found on [investors.wix.com](http://investors.wix.com). Can we have the first question please?

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Telephone Operator

Yes, so the first question comes from the line of Deepak Mathivanan, from Barclays. Please go ahead.

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Aki Aggarwal, Barclays

This is Aki on for Deepak, that's for taking my question. So a question on your registered users and premium users, in 3Q of last year you had about 188 net new premium users from 5.2 incremental users and this time, you know, your net premium users was down to 177 on a higher incremental registered user base. So I'm just trying to understand, you know, how do we parcel that, is that churn, is that lower conversion? If you could just give us what the drivers of that are, thanks?

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Nir Zohar, President & Chief Operating Officer

Hi, so if you remember earlier this year we spoke to you guys about how we are focusing more on more high value markets such as the US and the UK. And I have to say that this tactic we think is good, it served us very well throughout the second half of the year. We can see that in terms of our ability to bring higher ARPU customers and I think that's also emphasised by that 11% increase in the ARPS year over year.

It's important to mention that we still maintain the same TROI which is our target. So we actually see this as a good trend and we also expect that to continue going forward.

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Maggie O'Donnell, Director of Investor Relations

Great thanks. Can we have the next question please?

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Telephone Operator

The next question comes from the line of Nat Schindler, from Bank of America. Please go ahead.

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Nat Schindler, Bank of America

Hi guys, just - can you help us with a little bit more detail on Wix Payments? You mentioned that it's 25% better than competitive offerings at process approval; can you help us out on what the competitor was - I believe that was a best in Brazil? And where you see this fitting in the landscape of different payment processing options that exist out there?

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Avishai Abraham, Co-Founder & Chief Executive Officer

Nat, so this is Avishai, I just wanted to say, yes we tested in comparison to the local solutions that were in the market that we tested it in and we saw dramatically better results, 25% is really high. I don't believe that the difference will be this high in other - in the US or in most of Europe. However, I do think that it's a really good solution. So it's probably still going to create some improvement even on the approval rate.

I think that's pretty much it, you know beyond that it's the payment - the standard commission, we're going to take standard commission.

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Nir Zohar, President & Chief Operating Officer

Nat, it's Nir, I'll just say that I think that's interesting from our perspective for the Payment solution is that the way we think about it is our users, you know they go through the whole flow of building a website, developing a business online and in many cases, and by the way not only in the cases of selling or e-commerce, also if they are a restaurant and they want to do takeaway, they are musicians and want to sell their music, if they are running events and they want to sell tickets, if they have bookings because they do yoga, or are a spa, all of these

people they need the ability to have some flow of payments into their business. And our idea is that we are trying to just streamline that process and make it super, super easy for them.

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Nat Schindler, Bank of America

Just a quick follow up, the users of this product - what are the e-commerce users of your platform, your e-commerce customers using currently?

And do you envision this actually going more downstream to guys again like garage bands who are selling, you know CDs, who probably couldn't do CDs and run anything because they had no payment capability prior, now they can. So are you just opening up the large group that are non-e-commerce users of your site currently?

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Avishai Abraham, Co-Founder & Chief Executive Officer

Sure, I think first of all to answer the first part of your question - this solution will also be able of course to our e-commerce users, but today they have a variety, they can use anything from PayPal, Square and tonnes of other payment providers.

Beyond that, yes, we do believe that there is a big need for something that is easier to provision; provide really strong high quality results. And we see that sometimes actually also with the top of the market, but mostly in the lower part of it.

However, we intend for this payment solution to be the default for all Wix users going forward. We're not going to force users that have an established relationship with another provider to change, but we do believe that this is probably going to be the recommended payment solution.

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Nat Schindler, Bank of America

Just finally and I believe this should be clear, but isn't it this will have a negative effect on your gross profit margin going forward, but is it adds incremental revenue at a low take rate is that how we should think of modelling it?

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Lior Shemesh, Chief Financial Officer

Hi Nat, this is Lior, you are probably right, I don't know exactly what will be the overall impact, obviously it will start next year, but I don't think that it will be significant yet. Long term you are probably right.

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Maggie O'Donnell, Director of Investor Relations

Great, thanks Nat. Can we have the next question please?

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Telephone Operator

The next question comes from the line of Ron Josey, from JMP Securities. Please go ahead.

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Ron Josey, JMP Securities

Great, thanks for taking the question. I wanted to revisit maybe Avishai and Nir, the comment earlier to the question around subscription net additions and the trade off with ARPU and the focus on the US and UK. So specifically could you all provide maybe a little bit more detail on the 5.5 million net registered users, I'm assuming therefore they are more overseas as the US maybe - growth slows?

And then on the other side of that from and ARPU increase, can you talk about maybe the drivers there either in product adoption or perhaps like the new bundling that occurred in the quarter, if that led to the 11% increase? Thank you.

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Avishai Abraham, Co-Founder & Chief Executive Officer

We don't see a decrease in the US growth, so pretty much it's very similar, and we actually see that it's going up, so a lot of it is actually coming from more English speaking countries. That's regarding the first part of your question.

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Lior Shemesh, Chief Financial Officer

Hi, this is Lior. I think that you know with regards to the net subscription, obviously as you can see we managed a bit on collection. So obviously there was no certain collection, actually most of the bit on collection was because of higher ARPU, higher ARPU has resulted from those changes that Nir spoke about before and some of it has got to do with the changes that we've made for example with the pricing page. So the focus was on last time value of our cohort and those changes actually drove it up.

With regard to your second question about the ARPU which was 11% up on a year over year basis, so obviously we also provided in the document the adoption of the vertical. As you can see it has been tripled in the last two and a half years, which is kind of amazing, to approximately 44% of new users adopting vertical solutions. So obviously that has a positive impact on the ARPU because those people are paying a premium to the regular packages.

In addition to that we have a new pricing layout, as I mentioned before, and that was launched a few months ago which drove up want. The third one is higher ARPU as a result from changing some of the renewal prices and matching it to the level of services that we are providing to our users. And obviously the last one was the removal of the lowest pricing tier, which has a positive impact on ARPU, but a bit of a negative impact on net premiums and that also answers your first question.

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Ron Josey, JMP Securities

Great, thank you guys.

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Maggie O'Donnell, Director of Investor Relations

Great thanks. Can we have the next question please?

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Telephone Operator

The next because comes from the line of Brent Thill, from Jefferies. Please go ahead.

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Brent Thill, Jefferies

Thanks, my question is around Code, I think back in February you mentioned over 100,000 users, now you're seeing over 550,000 users, which is up obviously very nicely. I'm curious if you could just talk a little more about the economics and what you're seeing there and how you're thinking about the layering then on the pricing? And also I just want to clarify you're still in beta and when is your expectation for GA - have you hit GA yet?

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Avishai Abraham, Co-Founder & Chief Executive Officer

So of course, so everybody 500,000 users that have been using Code to some level and about 100,000 that really went deep into Code; I think those two groups are very different in who they are. The second group is mostly professional developers, so that would be professional developers of websites; they are designers in some cases, and just really developers, like software developers.

So we see that we are very happy with the numbers. I think for me the half a million is really surprising, we didn't expect most of the users to go so deep into the product but we can see that it has happened.

And towards the second group I can say, well you know our strategy with Code was to enable Wix to become a place where we expand our time into people that needed a lot more, right, that needed to develop things that before that you couldn't do on Wix, in many ways moving to the more professional market. And I think we are seeing clear signs of that now.

As we rolled - and I said on the call before the fact that we have four times - the subscriptions on average from this group, they are four times more likely to have an additional premium; we see that the traffic to the website is five times higher. So we see all the signs there.

I believe that in regards to when we're going to see massive returns from Wix Code is going to be in 2019, which was from the beginning what we assumed. The product is really good, but I think it's going to be incredible early in 2019 and I think that's going to make another massive shift.

And of course we are allocating a marketing budget towards Wix Code going forward. So if I look at it right, and this is something very unique, when a company just goes - in every company's life, right when it approaches a new market and it's starting to grow into that, we are at that place. And I think the results now are super promising.

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Brent Thill, Jefferies

Great thank you.  
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Maggie O'Donnell, Director of Investor Relations  
Great, thanks Brent. Can we have the next question please?

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Telephone Operator

Yes of course, and as another reminder for everyone on the phone, if you would like to ask a question please press \*1 on your telephone keypad.

And the next question comes from the line of Naved Khan, from SunTrust Robinson Humphrey. Please go ahead.

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Naved Khan, SunTrust Robinson Humphrey

Hi, thanks a lot. I just wanted to get a little bit of strategy around, you know, this four X kind of subscription level for the highly engaged users of code. If you're counting the premium subscribers are you counting the code uses once, or is that somebody who will get counted twice or sorry four times just because they're buying roughly four times more subscriptions? And then I had a follow up.

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Avishai Abraham, Co-Founder & Chief Executive Officer

We're looking at people that have more than one premium, right. So if you have one premium you will count as regular user, most of our users will only have one premium, because they are building the website for themselves. And in this case we see people that have two or more premiums right - accounts, subscriptions activated under one account, which tells us that they're most likely building it for somebody else, or they're building a bigger project.

And so it's very easy for us to statistically to differentiate between more professional users, the people that actually make money out of the projects, to people that are building websites for themselves.

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Naved Khan, SunTrust Robinson Humphrey

So a Code user who is buying maybe four times the number of subscriptions is he getting counted four times or is it just one subscriber one premium ...?

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Avishai Abraham, Co-Founder & Chief Executive Officer

No four times more likely to buy more than one premium.

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Nir Zohar, President & Chief Operating Officer

But we haven't made any change in the methodology of how we count users themselves, if that's what you're asking. So currently there is no change in how you should think about it.

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Naved Khan, SunTrust Robinson Humphrey

Okay that's helpful. Then quickly maybe FX related, currencies have been pretty volatile, has there been any impact from that on your outlook?

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Lior Shemesh, Chief Financial Officer

Yes, so with regards to Q3 the impact to us it was not so significant since July time where we provided the guidance, it was approximately \$0.5m. Most of the impact is on our guidance for the fourth quarter and the impact is approximately \$2m. It means that if having stayed with the constant dollar of the July guidance we should have increased the guidance for the full year by \$2m. So that was the result.

On the other end, on the operating expenses, as you know most of the salaries are in ..... and there we had a benefit. So this is why there was no negative impact on the overall cash flow.

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Naved Khan, SunTrust Robinson Humphrey

Perfect. And just to clarify the \$2m is in collection or revenue?

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Lior Shemesh, Chief Financial Officer

Collection, collections for the fourth quarter, correct.

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Maggie O'Donnell, Director of Investor Relations

Great, thanks Naved. Can we have the next question please?

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Telephone Operator

Of course, so the next question comes from Jason Helfstein, from Oppenheimer. Please go ahead.

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Jason Helfstein, Oppenheimer & Co.

Thanks, just first on the Payments was that - I guess you consider the big product that I guess we'd been asking about that you hadn't been willing to talk about, so that is kind of the big product you're been working on?

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Avishai Abraham, Co-Founder & Chief Executive Officer

We look at it as a very important product and a super exciting product. But the one we discussed earlier on this year is the one we're going to reveal next month.

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Lior Shemesh, Chief Financial Officer  
December 11th.

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Jason Helfstein, Oppenheimer & Co.  
Got it, okay.

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Avishai Abraham, Co-Founder & Chief Executive Officer  
And that is a different product - that is a different product.

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Jason Helfstein, Oppenheimer & Co.  
And then to the extent that premium subs albeit healthy continues to slow, while I wouldn't expect you to give guidance for next year, how are you thinking about premium subs relative to, you know, growing total collections. And obviously you're successfully moving, you know, ARPU due to a number of factors that you've outlined, how are you thinking about what we should be thinking about over the next 12 to 18 with respect to premium subs and overall growing collections?

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Lior Shemesh, Chief Financial Officer  
So obviously I cannot provide the guidance right now for the number of premiums, but I can tell you that on the regular premiums, meaning the same businesses we have right now, obviously there will be an impact on the number of net premiums, mainly due to the fact that we removed the lower package, the Connect Domain package, because of many reasons. The first one, obviously you know, it's for our branding purposes, the second one we understood that by doing that we increased the lifetime value of our Code. So it is going to have an impact on net premiums.

On the other end we are talking about many new products that we are going to launch and already launched like the Wix Code and what Avishai spoke about, about people creating more websites for others. And that is going to have a positive impact on the overall number of net premiums.

At the end of the day we do measure everything based on the TROI as you know, and this is what leads us in taking the decision. So there are basically two impacts, one is we take it a bit down and the other one we take it up. At this stage it is hard for me to tell you exactly what to put on the model and what it's going to beat.

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Maggie O'Donnell, Director of Investor Relations  
Great, thank you Jason. Can we have the next question please?

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Telephone Operator

Of course, so the next question comes from Ygal Arounian, from Wedbush Securities. Please go ahead.

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Ygal Arounian, Wedbush Securities

Hey guys, thanks for taking my questions - a couple. So first on payments, maybe you can help us try to understand the total opportunity for you guys, I don't know how much you can share, but, you know, first of all what's the adoption been like so far in Brazil, maybe that will help us understand a little bit?

And then we've seen Payments be a big opportunity for a lot of companies that have launched it, any way to help us frame the level of GMV that comes across your platforms. I understand you're not going to force people to use it, but you know in terms of how we think about pricing and you know if you will price it in a way that is super competitive that would kind of force people to be on it, otherwise they're paying a lot more if they're not? And then I have a follow up question.

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Avishai Abraham, Co-Founder & Chief Executive Officer

Sure, so to answer the first part in Brazil we saw massive adoption, the company was the dominant payment gateway that we have. And so we're feeling really good about it. In the other countries it's going to be very competitive in terms of price, so I believe we're going to have a lot of people actually using it.

We're not going to force anybody to move to it, so basically you should look at it that the day we open it the GMV on it will be zero, right. And then very quickly in the rest of the world while the GMV will be very low and very quickly it will start to ramp up and so probably you know in the second half of '19 it will really be significant.

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Ygal Arounian, Wedbush Securities

Okay thanks. And then maybe one on Code, so I know that you're seeing some meaningful uptake especially with professionals, can you help us understand - you did a little bit, but can you just help us understand a little bit more the kind of pros that are using it, what kind of sites are they building? Is it mostly internal developers, digital agencies, e-commerce agencies and are you seeing maybe Code plus Stores as well, some of the verticals driving Wix Code to be maybe a replacement or competitive relative to some of the higher end e-commerce platforms?

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Avishai Abraham, Co-Founder & Chief Executive Officer

So actually I'll be happy to do that and we actually provided some examples in the written materials, so you can take a look at them, which I think illustrate things you can only do with Wix end Code. So I don't think you can do it in any other place unless you rebuild the site almost zero.

So if you go for the first one, there is a surfboard selling company, it's called Eye Symmetry. And you can see there that what it did is basically customise the surfboards, but you have the ability design the look the way you want. And to do that they needed a way that they can programme the visual editing on the web. But beyond that they have databases; they're using

Wix Store to combine everything together. So this is a great example of one of the classic scenarios that you see.

I want to take you to another example which will be the next one, which is the Broadway Tribute, right. So this is less of e-commerce, they do offer a lot of information and they needed to create a way to present that information in unique ways. Drag filtering, again, a lot of dynamic pages and databases.

So those are just samples, however, from 100,000 users that are typically using Wix Code I can tell you that we can see pretty much everything that we were thinking about. We do see internal applications inside organisations happening, which think is amazing because this is really crossing a line which is not just who makes the website, or who makes - like is it somebody making the website for himself, or a professional making websites, this is something completely different, it's a developer making something internally for the organisation. In many ways it's not a website it's an application. So we are seeing all of that and it's super exciting.

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Maggie O'Donnell, Director of Investor Relations  
Great, thanks. Can we have the next question please?

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Telephone Operator  
Of course, and the next question comes from the line of Lloyd Walmsley, from Deutsche Bank. Please go ahead.

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Seth Gilbert, Deutsche Bank  
Thanks for the question; this is Seth on for Lloyd. Just a question about the older vintage renewals, in the shareholder letter you talked about raising the prices and I was just curious when in the quarter did you do that and you know what kind of impact should we expect to ARPU in 4Q and beyond from that price hike?

And then when you look at the broader base of subs, is there is a larger opportunity for price hikes than what we've put into effect and could that move higher over the next, maybe year or so? Thank you.

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Lior Shemesh, Chief Financial Officer  
So the impact has already happened in the third quarter and I think that it will continue to increase the ARPU also in the coming few quarters and obviously next year. I think that you know the way that I'm looking at it is more than a price increase; it's actually matching the price with the level of services that those guys are getting from all the product that we've launched and so on.

And the result of that was that there was literally no increase to cancellations. So I think that just proves the fact that you know those guys are really happy with the product and so on. And we felt that it's the right time to do that.

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Maggie O'Donnell, Director of Investor Relations  
Great, thanks Seth. Can we have the next question please?

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Telephone Operator  
Of course the next question comes from the line of Sterling Auty, from JP Morgan. Please go ahead.

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Ugam Kamat, JP Morgan  
Hi guys, this is actually Ugam Kamat on for Sterling. So if I look at the number of - or I would say customer cohort which is paying you for annual versus monthly we are seeing that kind of flatten around at 82%, any particular thoughts that you have that you might use in the future to convert customers towards more annual versus monthly?

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Avishai Abraham, Co-Founder & Chief Executive Officer  
So I think we know we definitely always see people who are over time just mature and move from monthly subscriptions to annual. But that being said I think that the rate we are at now is a reasonable one and I don't think it's going to change dramatically.

And the reason for that is that there are a lot of businesses and a lot of - of use cases that actually require the monthly subscription. You know there are a lot of designers who will just build and then start with monthly and only then move to the annual, people who run events and want a shorter term subscription, weddings that usually require a shorter term subscription.

So I think again it's might still fluctuate with a few - like 1 or 2% upwards over time, but I think in our mind the rate we are at now is a very reasonable one.

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Ugam Kamat, JP Morgan  
Got you. Thank you.

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Maggie O'Donnell, Director of Investor Relations  
Okay, thanks. Can we have the next question please?

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Telephone Operator  
The next question comes from the line of Jonathan Kees, from Summit Insights Group. Please go ahead.

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Jonathan Kees, Summit Insights Group  
Hi, thanks for taking my question. I actually have a question and a request for clarification.

My question is I'm trying to understand commentary and efforts that you've done to take ADI for example and Wix Editor and do that in language, and expand geographically into new country markets, and yet geographical revenues - sequential rates for the non-English speaking regions decreased and declined, even though that's been a focus area?

And my clarification would be the commentary earlier about more websites increase on Code; does that mean that the users of those websites will become new additional Premium subscribers? So in that case that number should go back up or show growth in 2019? Thanks.

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Avishai Abraham, Co-Founder & Chief Executive Officer

I'll take the first part of the question. In terms of the geographic penetration you have to remember that what we can show here is the full cake of the 100%. And as you've seen higher uptake in English speaking countries and better version then obviously they are taking a larger part of the cake.

It doesn't mean that we are growing slower in other parts of the world and actually we are seeing a rate drop in other countries. We have expanded ADI this year to all of our major geographies, major languages with really great results. So I think that in fact we are actually seeing an ongoing growth all across the board in almost every country on the globe.

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Lior Shemesh, Chief Financial Officer

Just something to add, obviously what you see other than the pie is about revenue, when we expand the ADI to other places outside of the US, so most of the impact you can see on newcomers, which has an impact on collection rather than revenue. So I think that it will take some more time until you will see the impact, the positive impact on revenue. But we definitely see an improvement in conversion in those places where we launched the ADI.

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Avishai Abraham, Co-Founder & Chief Executive Officer

Can you repeat the second part of the question? I think we kind of missed it.

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Jonathan Kees, Summit Insights Group

Oh sure, it's just a clarification. I think it was Lior had earlier commentary about with that Code it would create more websites and I guess these would be customers of Wix and thus it should trend for higher premium subs going forward, at least - starting around 2019, it should support that?

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Avishai Abraham, Co-Founder & Chief Executive Officer

This is Avishai; I do believe that they're going to start in '19. We're going to also introduce some more expensive subscription bases, especially for Code and for the more advanced functionality that we have. So if everything will continue as good as it did until now you will see

more upwards increase and in some cases again sacrificing a bit of conversion of lower paying customers - so yeah.

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Jonathan Kees, Summit Insights Group  
Great, thanks a lot. Good luck guys.

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Maggie O'Donnell, Director of Investor Relations  
We actually have a question from the portal that I'm going to read. The question is can you provide a general update on DeviantArt?

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Avishai Abraham, Co-Founder & Chief Executive Officer  
Yeah absolutely. So as we said we are rebuilding the site from pretty much zero, so when we expected it to last until pretty much now and we just opened it for new users. So we're testing it now on users and we're now opening to the call to community, that will be happening in the next month.

So we are really on schedule with where we wanted to be. And if you really want to see the difference guys go to DeviantArt. If you are lucky enough to fall on the AB test you will be amazed. It looks completely different, it behaves completely different and I think it really opens it to many news ways for us to monetise.

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Nir Zohar, President & Chief Operating Officer  
I'll just add that I think it's great for us because making such a change for a website that has been around for so many years is something that raised a lot of concerns. And in fact the feedback from the community so far that has been exposed to the new version is extremely positive. Obviously also fixing some things but very, very positive.

And we're going to complete the rollout by the end of the year and obviously go into more innovation in 2019. We also believe that in 2019 will be the time when we can start going back to you guys and talk more about the financial impact of DeviantArt.

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Maggie O'Donnell, Director of Investor Relations  
Great thanks. Operator I think we have time for one more question.

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Telephone Operator  
Of course, so the next question comes from the line of Mark Zgutowicz, from Rosenblatt Securities. Please go ahead.

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Mark Zgutowicz, Rosenblatt Securities

Hi, thank you. I have actually a more simplistic question on Wix Code. In terms of the uptake I'm curious what percentage is coming from your existing subscriber base versus new subscribers?

And then separately if I'm tracking this right it looks like your premium conversion ticked down a bit quarter over quarter and year over year. It's been otherwise pretty steady over the last few quarters, so I'm just curious what might have precipitated there? Thank you.

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Avishai Abraham, Co-Founder & Chief Executive Officer  
So this is Avishai. And in regards to your question at this time we say that about half of the Wix Code core users, so the group of the 100,000, is coming from existing Wix users. And that again most of the professional users on Wix building sites for other people, and half are new users that came to Wix because of Wix Code.

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Nir Zohar, President & Chief Operating Officer  
For the second part of the question about the conversion, I'm not 100% sure why you came to that conclusion. Actually if you look at the slide deck, it's slide number nine which is the code graph that we always supply and update. You can see that in fact that conversion is increasing and it's at an all-time high. And I think said obviously the result of the ongoing improvements, that's due to all of our products and product suites, and our aim is to keep on driving that trend upwards as the time progresses.

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Mark Zgutowicz, Rosenblatt Securities  
I guess we could take that offline then, thank you.

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Lior Shemesh, Chief Financial Officer  
Thank you.

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Maggie O'Donnell, Director of Investor Relations  
Great, thank you everyone for joining us today. We appreciate your time and we look forward to speaking with you again soon.

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