

Management Update 2020

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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 (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 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. Collections represent 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 (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. 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, 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.

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 collections, 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.

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 our Wix Partner Program; uncertainty surrounding the duration and severity of COVID-19 and its effects on our business, including changes in consumer dynamics shifting to online and increased GMV on our platform; 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, and our ability to successfully enter into partnership agreements; 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 2019 annual report on Form 20-F filed with the Securities and Exchange Commission on April 2, 2020. 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.

Welcome

Nir Zohar

President and COO

Agenda

Welcome Nir Zohar, President and COO

Spotlight Discussions hosted by Nir Zohar

Expanding our Platform Avishai Abrahami, Co-founder and CEO

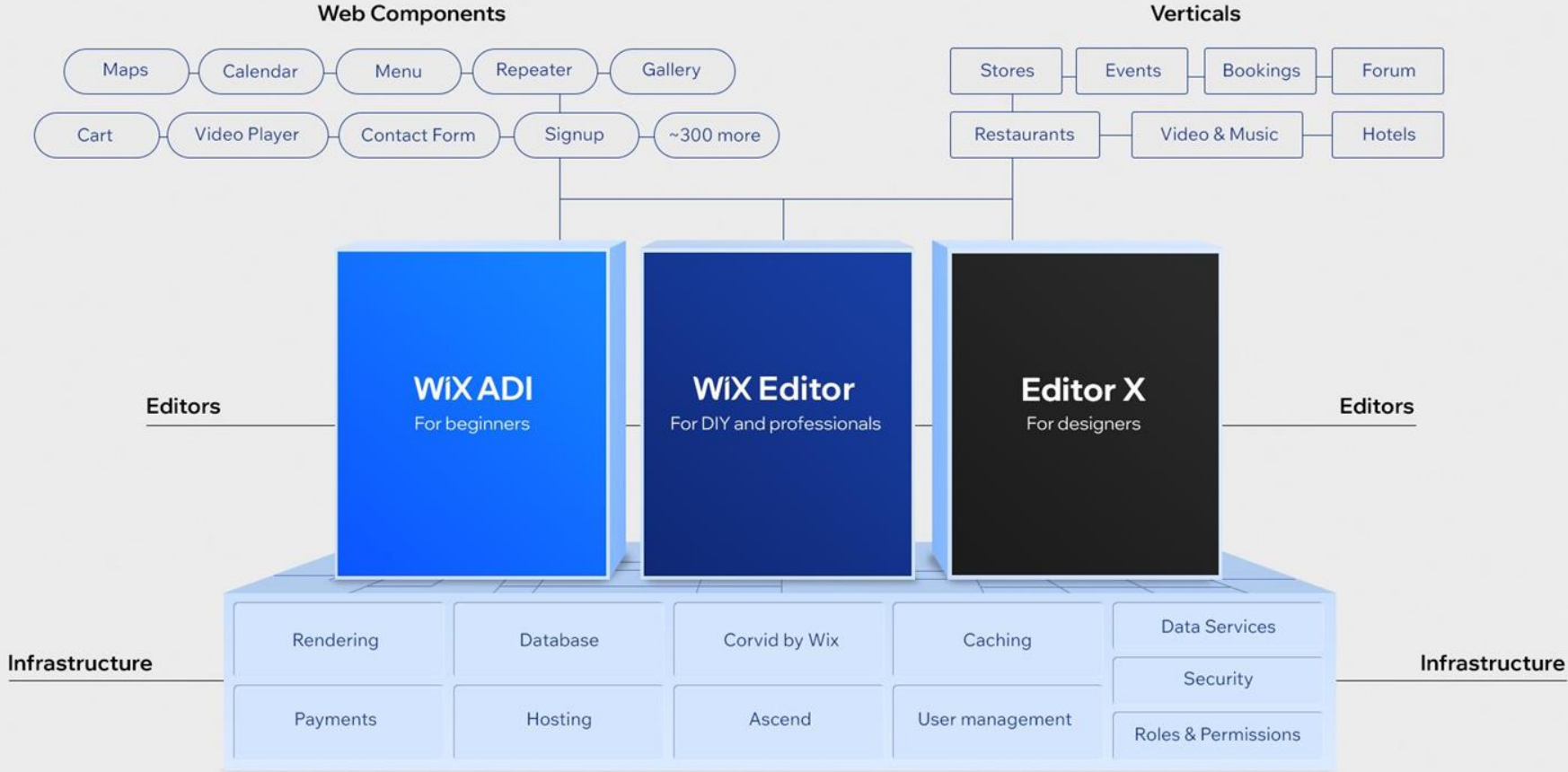
E-commerce Platform David Schwartz, VP Product

Finance update Lior Shemesh, CFO

Q&A

Avishai Abrahami

Co-founder and CEO



Why Editor X?

Huge Untapped Opportunity

WIX

30M

Creative Professionals Globally

~270K

Users Building for Others on
Wix Today

Driving our Share:

Invest in professional level products

- Creation products
- Business applications
- Infrastructure

Partner Program

Wix Marketplace

Brand and marketing investment

Source: Bureau of Labor Statistics 2019, County Business Patterns and
Nonemployer Statistics 2018, Wix data

Users Building for Others are Rapidly Increasing on Wix

WIX

~270K

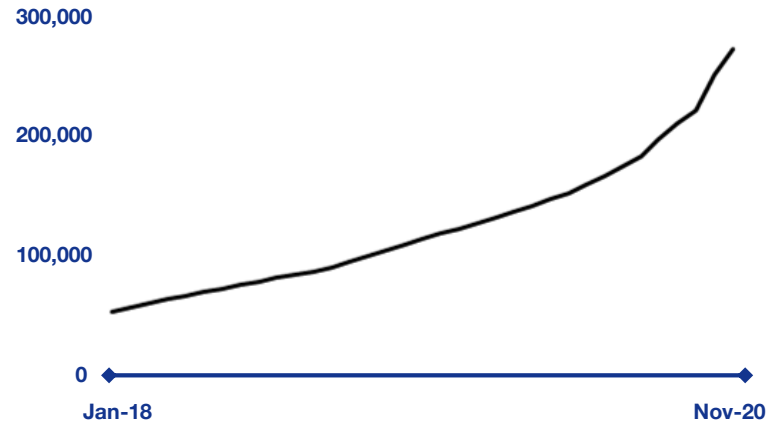
Users Building for Others on Wix Today

Multiplier to our growth:





- Purchase multiple subscription packages
- Higher vertical attach rate
- Build sites with higher transaction volume
- Higher retention

**Meaningful opportunity already on Wix -
and growing fast**

Users Building for Others on Wix



Professional Design Products - Competitive Landscape

	Editor X	Wix	 WORDPRESS.ORG	 SQUARESPACE	 Adobe XD	 Figma
Designers Design Tools (Layers, Breakpoints, etc)	✓				✓	✓
Responsive Design	✓			✓	✓	✓
Website Publishing Efforts	Click	Click	Developer - easy	Click	Developer - hard	Developer - hard
Business Applications (Ecomm, Bookings, Restaurants, Events, etc)	✓	✓	Plugins	Very limited		
Infrastructure (CDN, maintenance, etc)	✓	✓	Depends on hosting company	✓	Not relevant	Not relevant
Security Infrastructure	✓	✓	User responsibility	✓	Not relevant	Not relevant
Develop Your Application	✓	✓	✓			

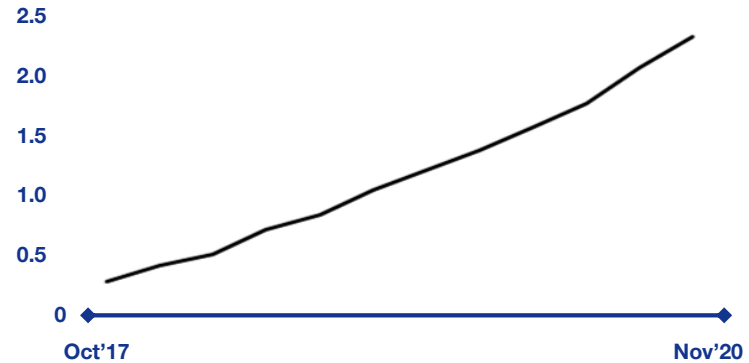
Corvid

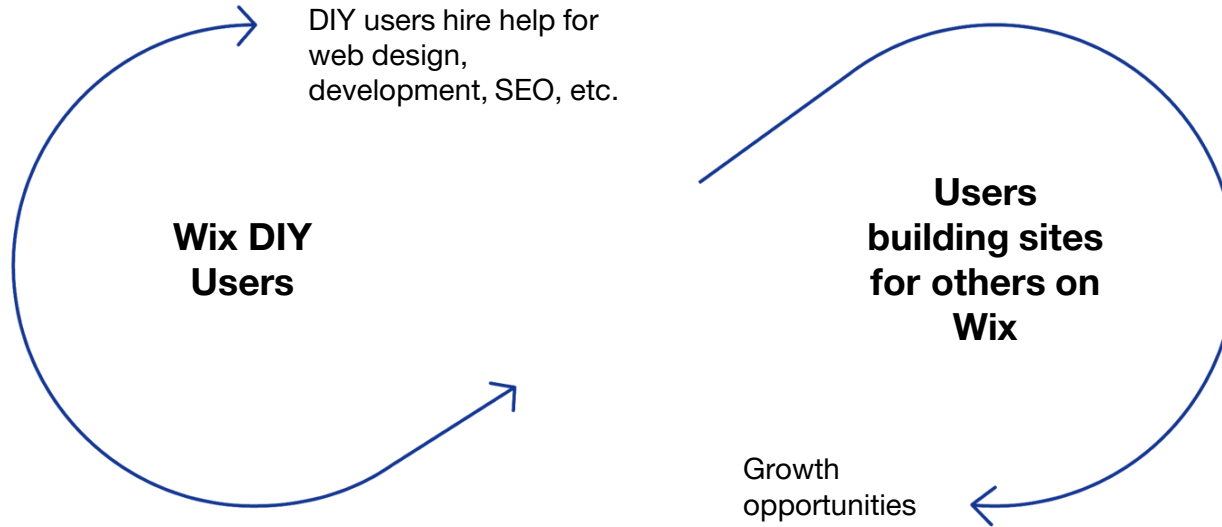
Corvid Usage Continues to Grow

2.3M

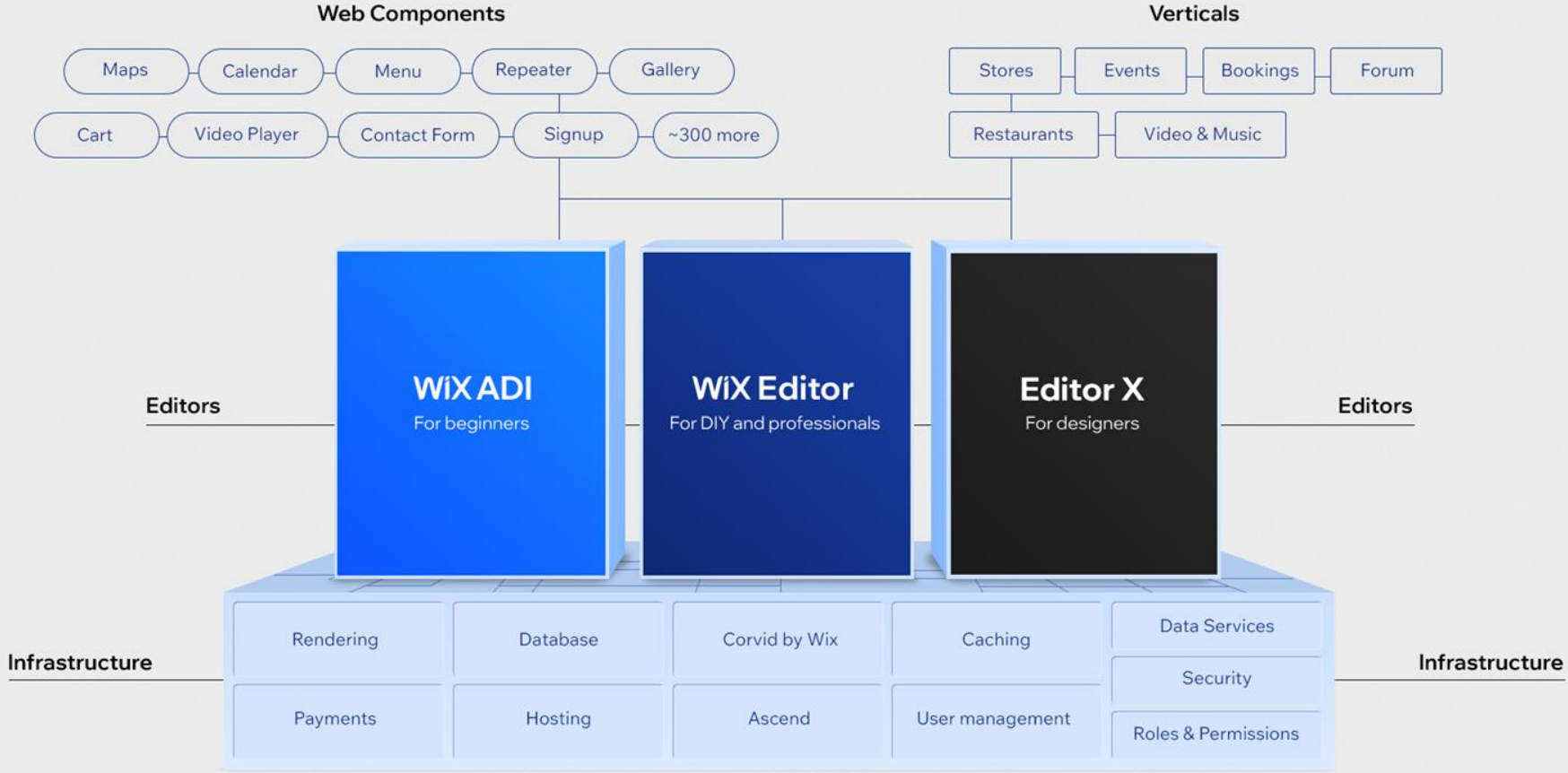
Users of Corvid Today

Users of Corvid
(in millions)





Our Freemium Model bolsters our Marketplace and creates a unique advantage

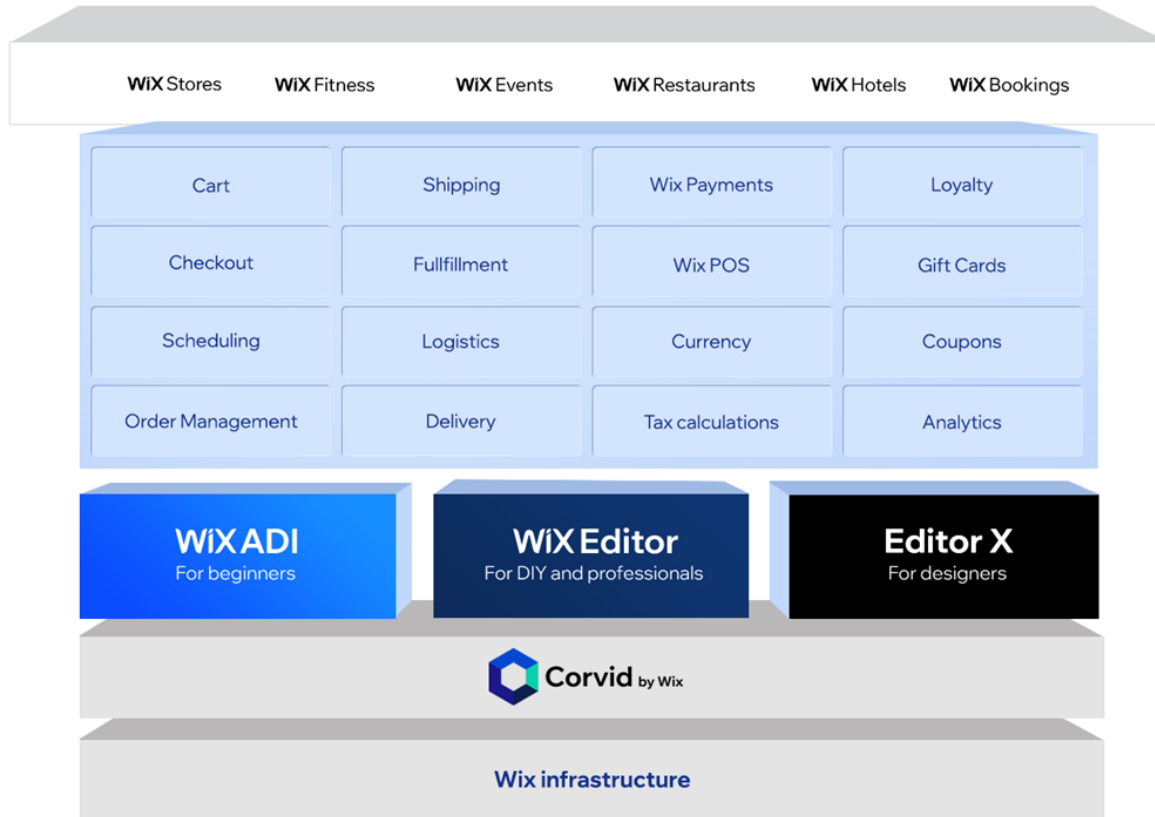


eCommerce as a Platform

David Schwartz

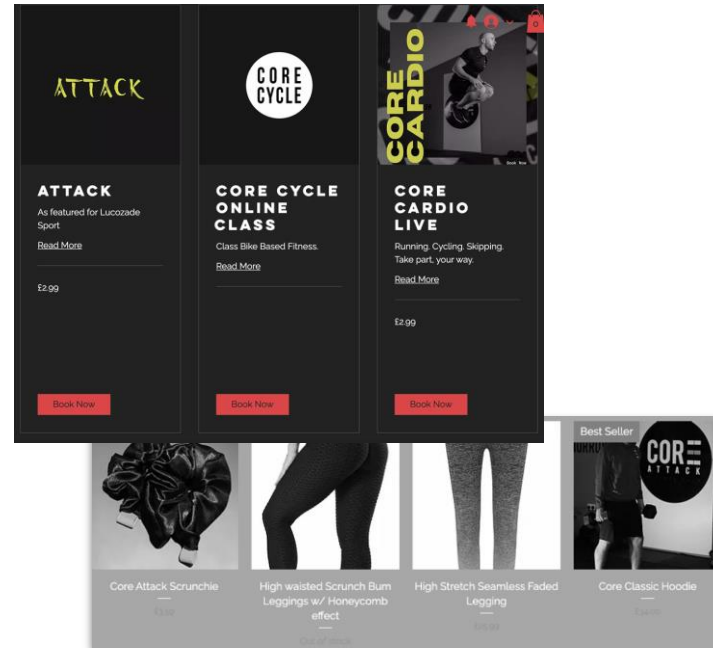
VP Product

Wix eCommerce as a Platform



Core Attack Fitness Fitness Club

- Fitness club in the UK
- Shifted to virtual sessions with Zoom
- Keeps a hybrid training model - online & physical
- Sells branded merchandise, fitness clothing & equipment



Introducing Wix POS

- One platform
- One payment system
- True omni-channel solution
- Mobile POS



Finance Update

Lior Shemesh

CFO

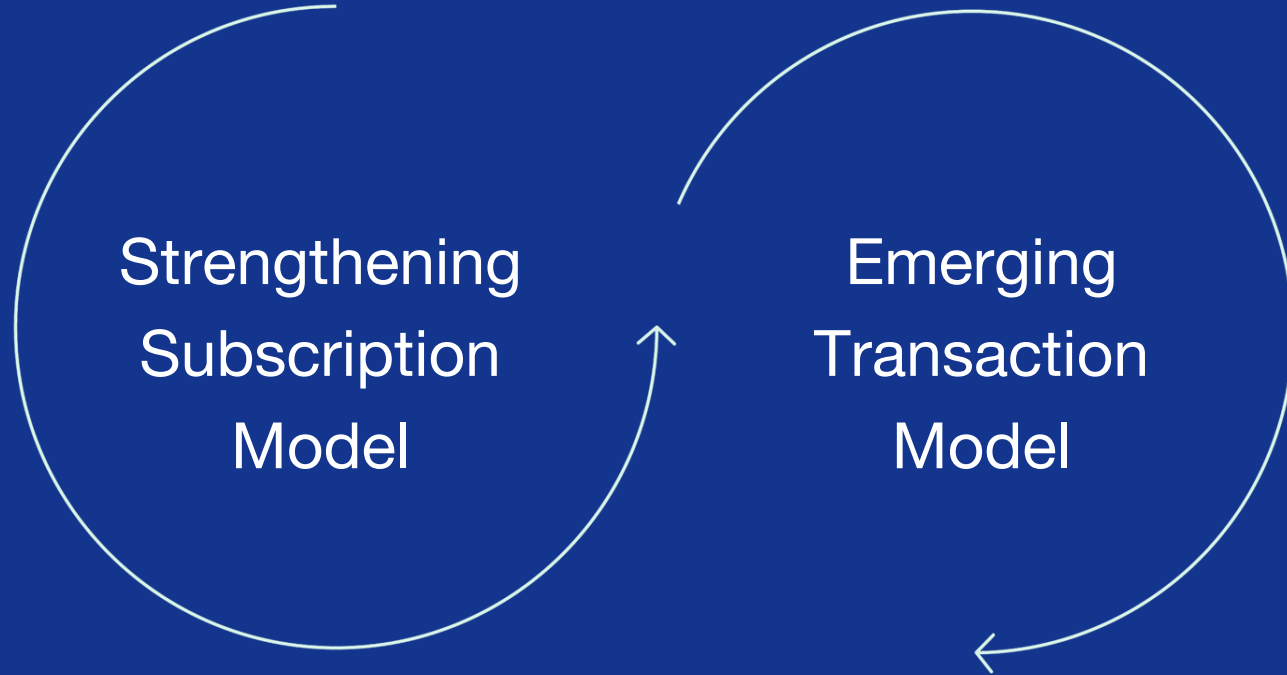
- **Solid Growth in 2020 Driven by our Strengthening Subscription Model and an Emerging Transaction Model**

- **Recent Investments in Marketing, Product and Support Demonstrate Strong Returns**

- **We are Prioritizing Top Line Growth, and We Plan to Continue Organic Investment to Increase Growth**

Complementary Financial Models Driving Durable Growth

WIX

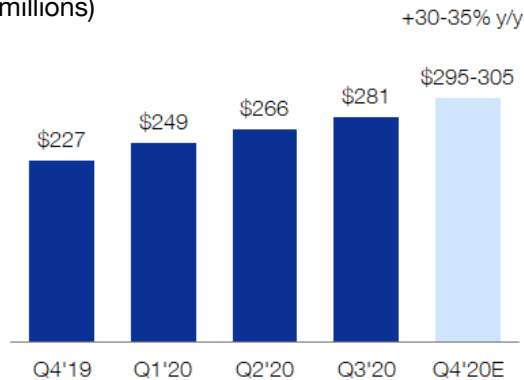


Strong Overall Top Line Growth in 2020

Collections

- 3 consecutive quarters 30%+ y/y collections growth
- Strong incremental collections growth

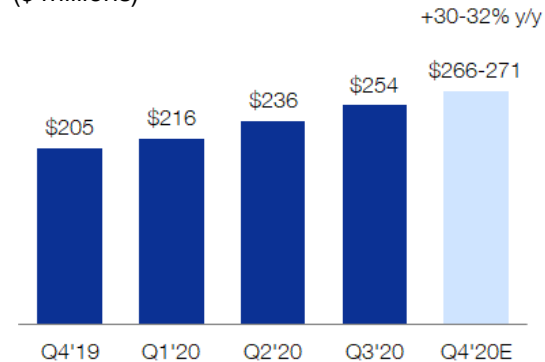
Collections
(\$ millions)



Revenue

- Accelerating revenue growth y/y in 2020
- Exiting Q4 at >30%+ y/y growth

Revenue
(\$ millions)

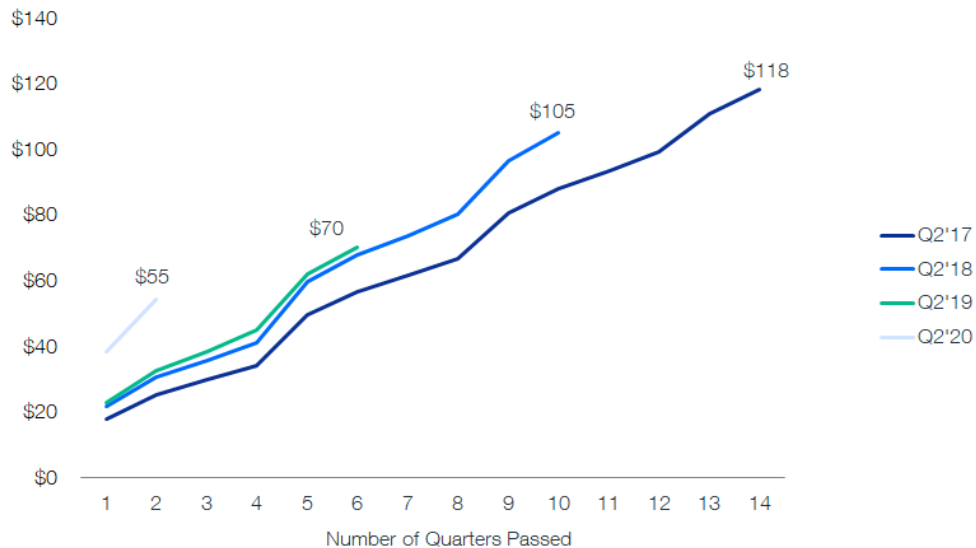


Note: Q4'20 guidance as provided on Nov 12, 2020

Digging Deeper: recent cohorts demonstrate the returns of our investments

Newest User Cohorts Larger and Growing Faster

Cumulative Collections from Q2 User Cohorts
(\$ millions)

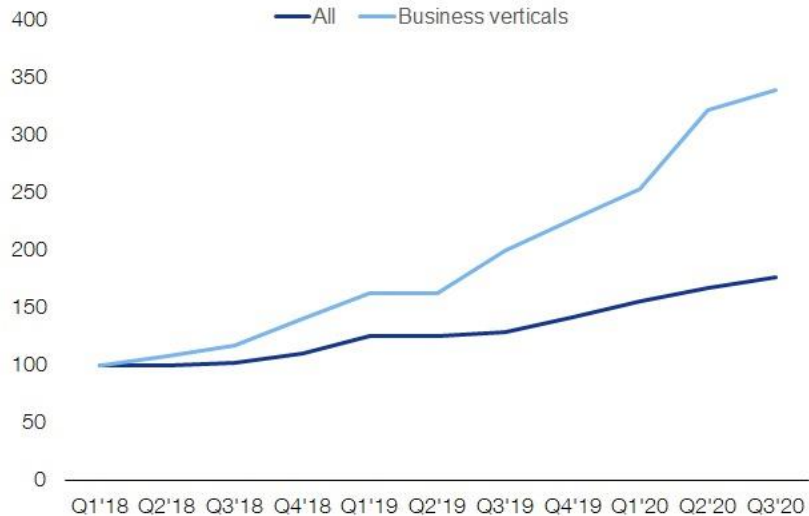


Note: Data as of September 30, 2020. Excludes collections from users coming from the Wix Logo Maker funnel. It also excludes collections from Flok, DeviantArt and Wix Answers.

The opportunity of Business Verticals

Quarterly collections from business verticals growing 2x fas compared to overall growth

Quarterly Collections since Q1'18
(indexed to 100)



Growth driven by:

- Higher priced subscription packages
- Higher adoption of business solutions
- Monetization via transaction volume

The opportunity of Users Building for Others

30M

Creative Professionals Globally

~270K

Users Building for Others on
Wix Today

Driving our Share:

Invest in professional level products

- Creation products
- Business applications
- Infrastructure

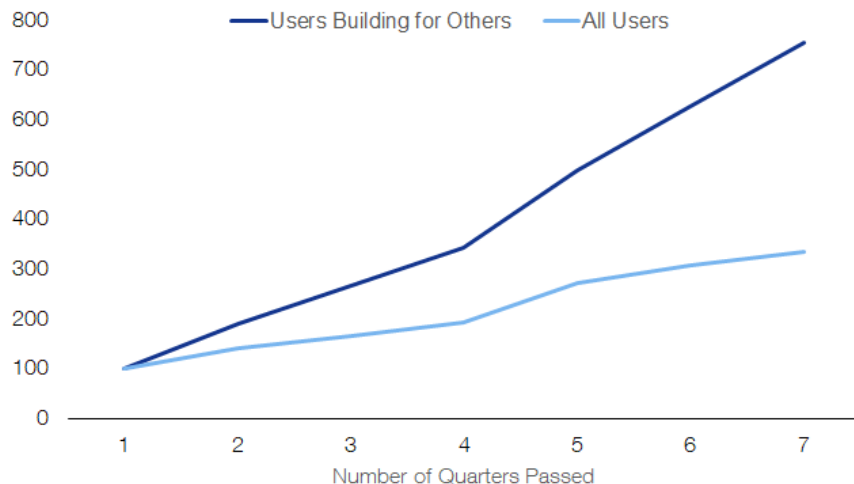
Partner Program

Wix Marketplace

Brand and marketing investment

Collections from users building for others generating compounding returns

Cumulative Collections from Q1'19 User Cohort
(indexed to 100)



Growth driven by:

- Purchasing multiple subscription packages
- Higher vertical attach rate
- Building sites with higher transaction volume
- Higher retention

Growth of number of users building sites for others is accelerating: ~3x in Q3 2020 on a y/y basis

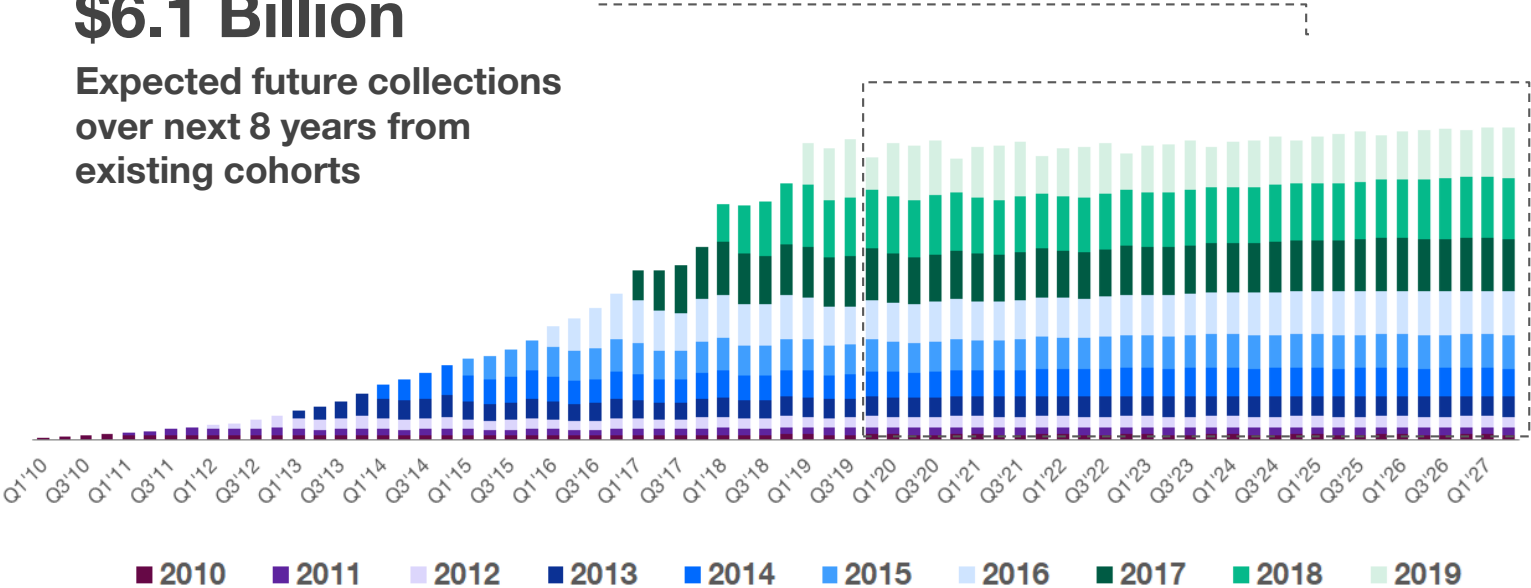
Collections growing faster than overall collections: ~2.5x since Q1 2019

The Opportunity of Existing Cohorts

Q3'19:

\$6.1 Billion

Expected future collections over next 8 years from existing cohorts

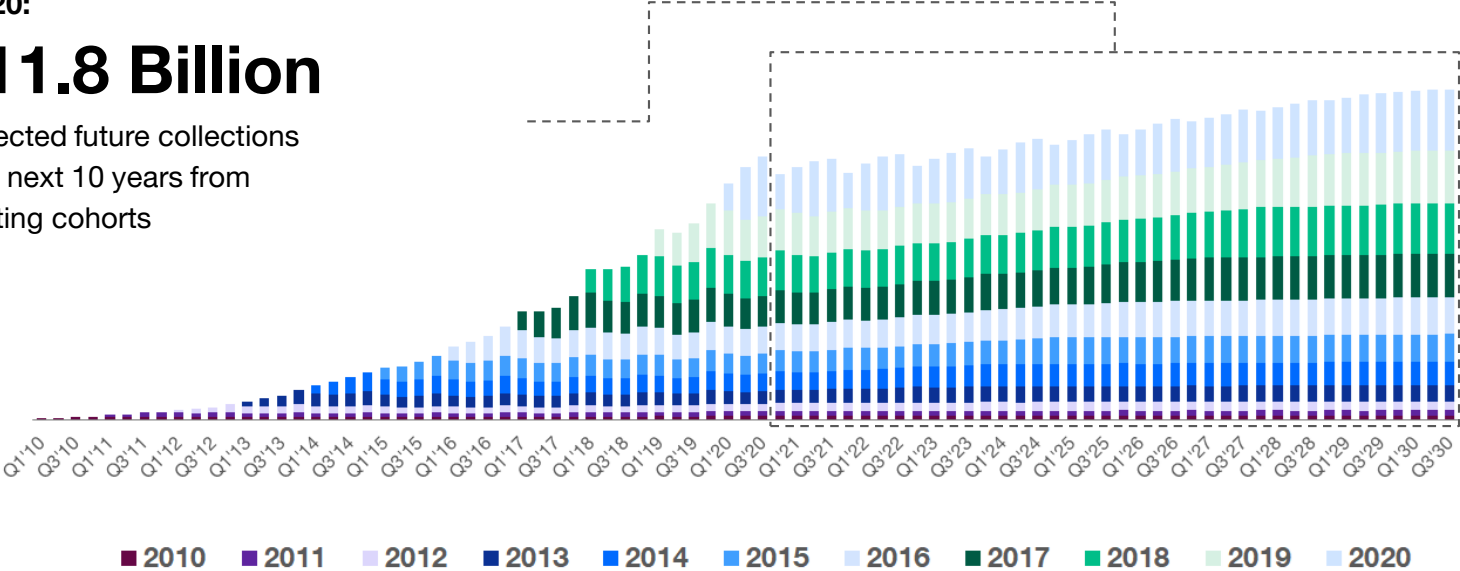


Successful Investments are Driving Increased Expected Cohort Collections

Actual and Potential Future Collections From Q1'10 – Q3'20 Cohorts

Q3'20:
\$11.8 Billion

Expected future collections
over next 10 years from
existing cohorts



Note: Data represents actual Collections from Q1'10 – Q3'20 cohorts since creation and forecasted future cumulative collections through Q3'30, based on current cohort behavior. Beginning in Q3 2020, we included expected future collections from Wix Payments

Investing Into Growth

Investing into Growth

Customer Care

Accelerating investment in 2021 as we continue to hire Experts

Invest to meet future demand

More Languages

Product Training

R&D

Accelerating y/y growth of investment in 2021 as we continue to hire talent

New product development

Existing product enhancements

Product localization

Infrastructure

Investment to continue through 2021 as we address increased demand

Invest to meet future demand

Top-rate performance

Robust security

Marketing

Investment continues but returning to normalized / pre-COVID y/y growth

Brand building

User acquisition

TAM expansion to users building for others

Healthy Gross Margin Model

Continued Investment in Care and Infrastructure: past investments have already proven to generate growth

Mix Evolution: as our Collections and Revenue mix evolve toward Business Solutions

	Current (exiting 2020)	Near term (2021)	Long term
Creative Subscriptions - GM%	79-80%	76-79%	80%+
Business Solutions - GM%	29-30%	~20-25%	~35-40%

- Full year impact of significant Care hiring in 2H 2020 impacting GM% near term
- Upfront investments to return growth over time

- Expecting mix of Business Solutions toward Wix Payments
- Margins to normalize with scale of Wix Payments and growth of other products

**We expect our Collections
growth for 2021 to be 28-30%**

Appendix

Reconciliations

in millions	Q4'20 Outlook	FY'20 Outlook
Revenues	\$266-271 million	\$972 - 977 million
Deferred Revenue	\$29-34 million	\$118-123 million
Collections	\$295 - 305 million	\$1,090 - 1,100 million

in millions	Q2'17	Q2'18	Q2'19	Q2'20
Cumulative Cohort Revenues	\$105	\$89	\$53	\$26
Cumulative Cohort change in deferred revenues	\$13	\$16	\$17	\$29
Cumulative Cohort Collections	\$118	\$105	\$70	\$55

in 000s	Q4'19	Q1'20	Q2'20	Q3'20
Revenues	\$204,588	\$215,987	\$236,059	\$254,180
Change in deferred revenues	\$22,095	\$32,871	\$29,792	\$26,761
Collections	\$226,683	\$248,858	\$265,851	\$280,941