



**Third Quarter 2016**

**WIX.com**

**Earnings Results**



# Safe Harbor

## Forward-Looking Statements

This presentation 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 and may be identified by words like “anticipate,” “assume,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “future,” “will,” “seek” and similar terms or phrases. The forward-looking statements contained in this presentation 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; our ability to maintain and enhance our brand and reputation; our ability to manage the growth of our infrastructure effectively; 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 our annual report on Form 20-F for the year ended December 31, 2015 filed with the Securities and Exchange Commission on April 13, 2016. Any forward-looking statement made by us in this presentation speaks only as of the date hereof. Factors or events that could cause our actual results to differ materially from such forward-looking statements 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.

## 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, collections and revenue on a constant currency basis, adjusted EBITDA, non-GAAP operating loss, free cash flow, non-GAAP net loss and non-GAAP net loss per share (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. We adjust collections and revenue to measure them on a constant currency basis by assuming the same exchange rates as the prior period applied to the reported figures in the current period. 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 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. Adjusted EBITDA is defined as cash flow from operations before changes in working capital, prepaid domain registration costs, interest, bank charges and other financial expenses (income), net unrealized losses (gains) on hedging transactions, other income (expenses), taxes on income, and other unusual or non-recurring expenses. Free cash flow is defined as 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 it provides 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.

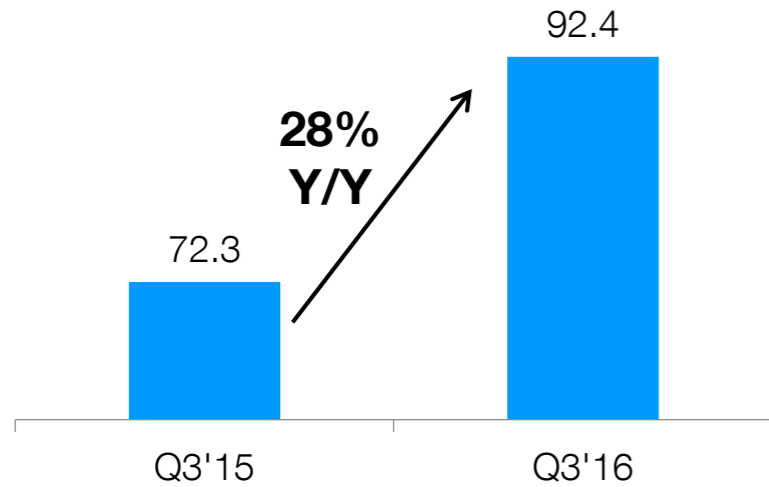
For more information on the non-GAAP financial measures, please see the “Reconciliation of GAAP to Non-GAAP Financial Measures” table in this press release. This accompanying table has more details on the GAAP financial measures that are most directly comparable to non-GAAP financial measures and the related reconciliations between these financial measures. The Company has not reconciled its guidance as to adjusted EBITDA 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.

Certain data in this presentation was obtained from various external sources, and the company has not verified such data with independent sources. Accordingly, the company makes no representation as to the accuracy or completeness of that data or to update such data after the date hereof. Such data involves risks and uncertainties and is subject to change based on various factors.

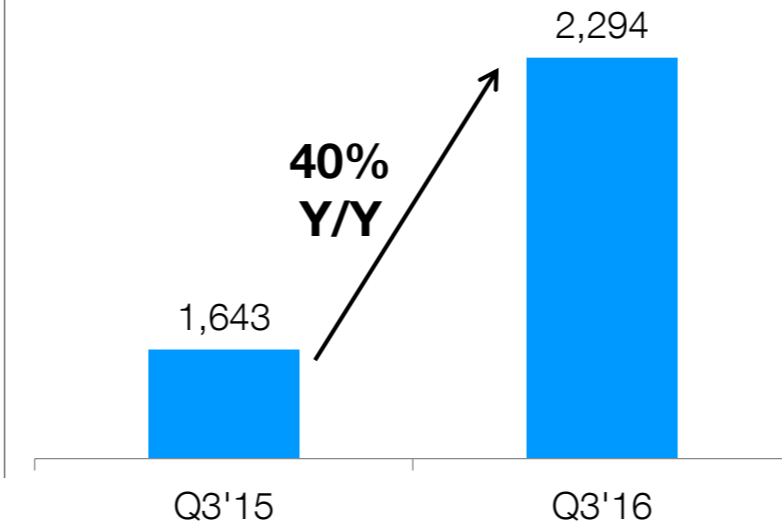
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# Key Metrics: Q3'16

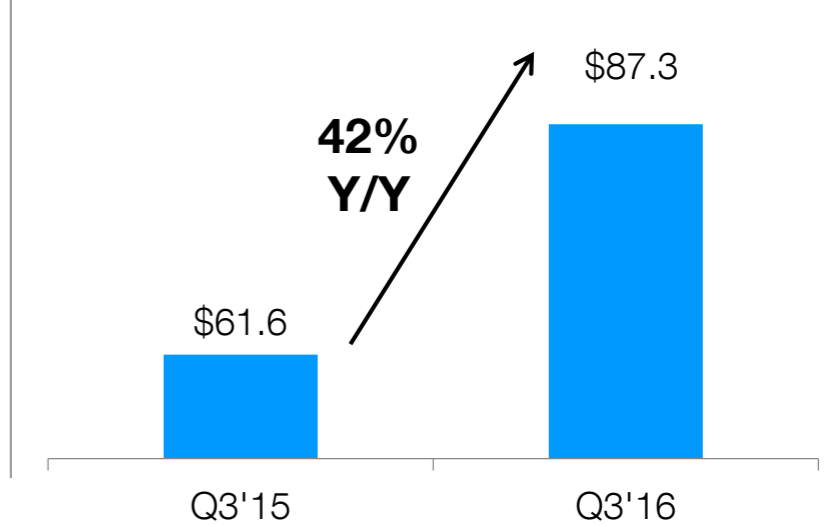
**Registered Users**  
(mn)



**Premium Subscriptions**  
(000s)



**Collections**  
(\$mn)



→  
**Improvement  
in Conversion**

→  
**Improvement  
in ACPS**

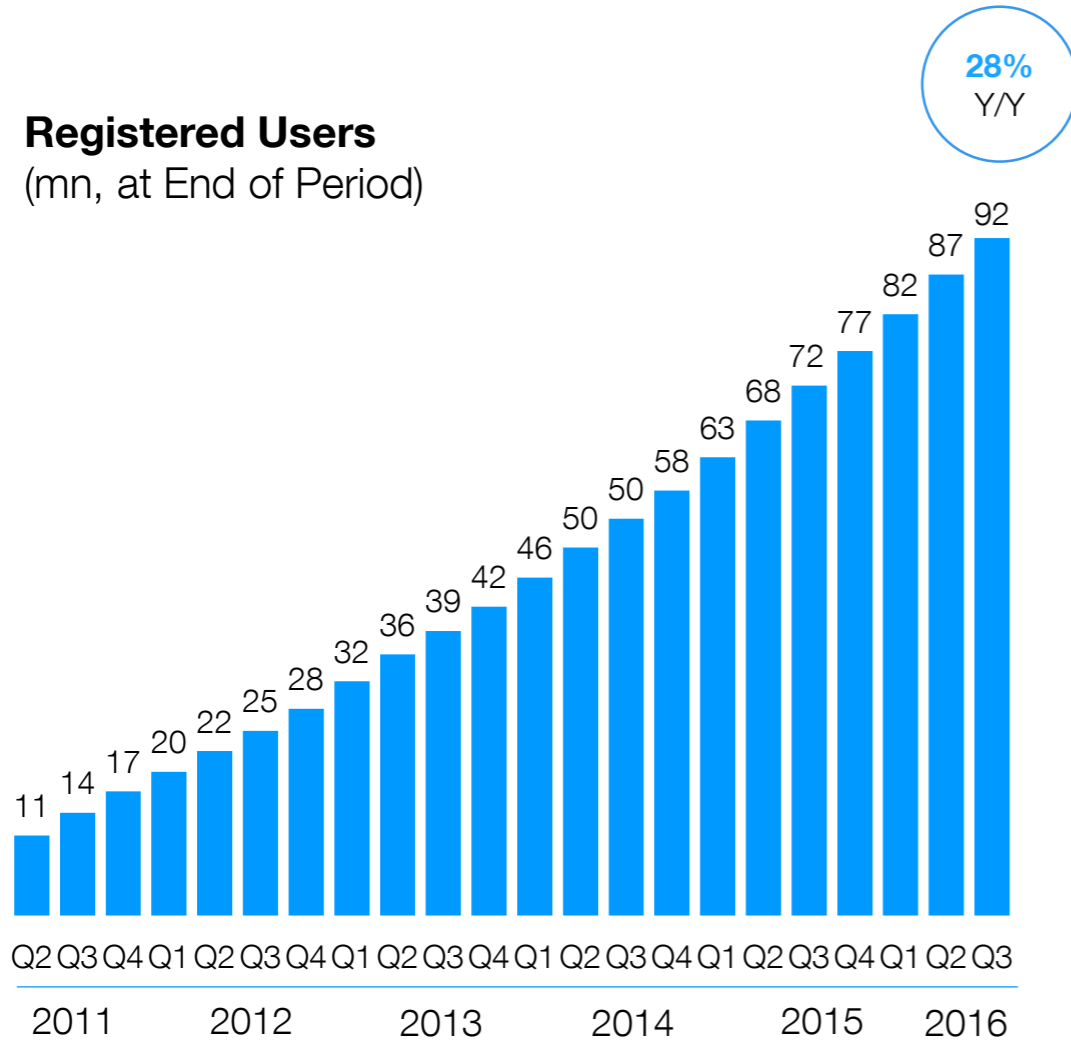
# Q3 2016 Highlights

- GAAP revenue of \$75.6mn, 41% Y/Y growth, **exceeding prior guidance** of \$72-73mn
- Collections of \$87.3mn **exceeded prior guidance** of \$83-84mm; 42% Y/Y growth was unchanged from last quarter
- **Net premium subscription were 174,000**; Total subscriptions are up 40% Y/Y to 2.3mn
- Adjusted EBITDA of \$11.4mm, **exceeding prior guidance** of \$9-10mn
- Non-GAAP gross margin up Y/Y to 88% compared to 85% in Q3 2015
- **Released Wix ADI:** Wix made Wix ADI available in English to all users globally in late August. Since the launch, the time to build a site on Wix has shortened, overall conversion has continued to improve, and adoption of vertical applications has increased
- **Launched Wix Pro Gallery:** The Wix Pro Gallery, enabling photographers and designers to create stunning online portfolios of their images, video, and text. To mark the launch, Wix and Conde Nast teamed up to give three Wix users the opportunity to shoot the cover of the magazines *BRIDES* or *Condé Nast Traveler*, or assist on a *Vanity Fair* cover shoot.
- **Launched the Wix App:** The Wix App is the mobile interface for the WixOS. The app streamlines many day-to-day activities and keeps business owners up-to-date through real-time notifications on a mobile device.
- **Global E-commerce platform:** E-commerce subscriptions surpassed 300,000 during the quarter
- **Continued mobile growth:** Over 20mn mobile sites created on the Wix platform to date
- **Increasing App engagement:** App purchases were up 63% Y/Y in Q3'16; To date, users have installed over **63mn** apps

# Users and Subscriptions

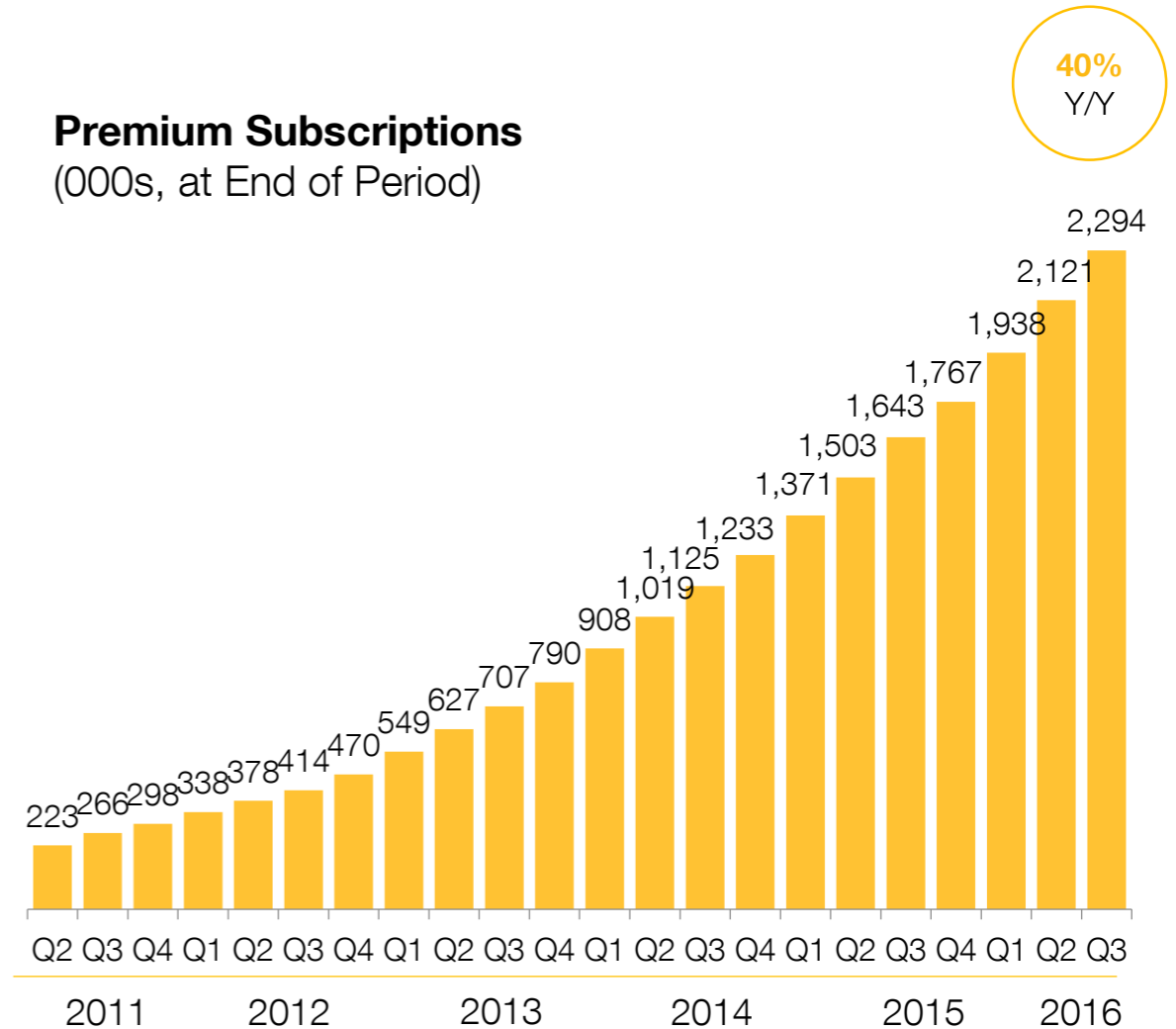
## Registered Users

(mn, at End of Period)



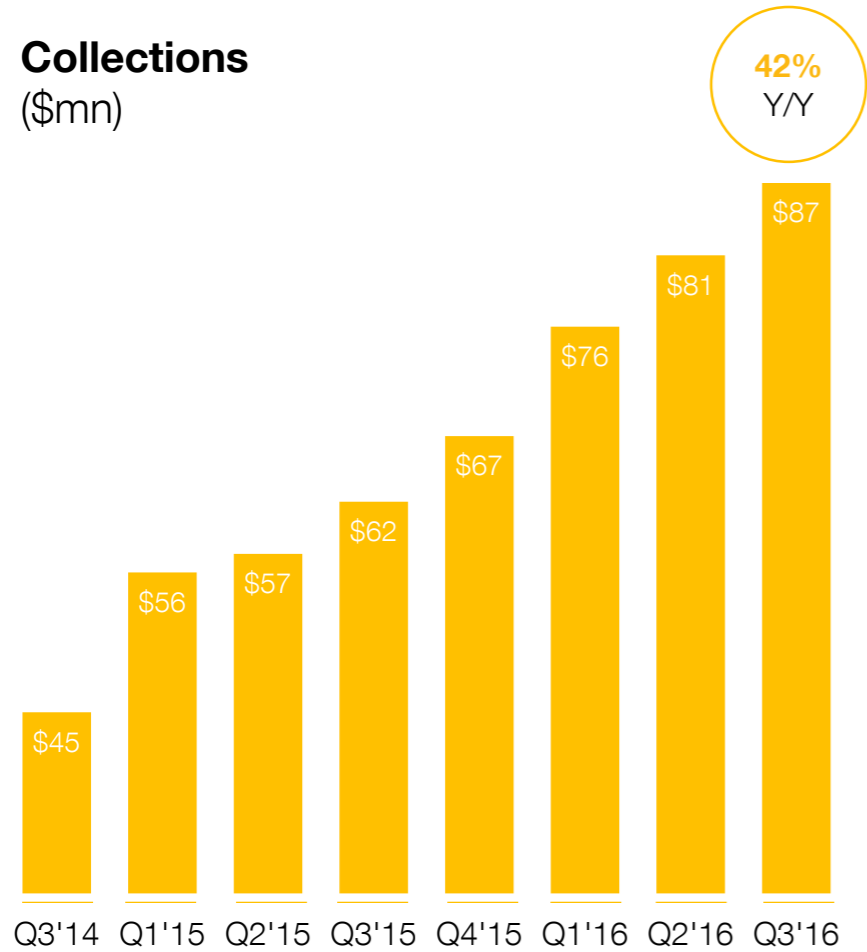
## Premium Subscriptions

(000s, at End of Period)

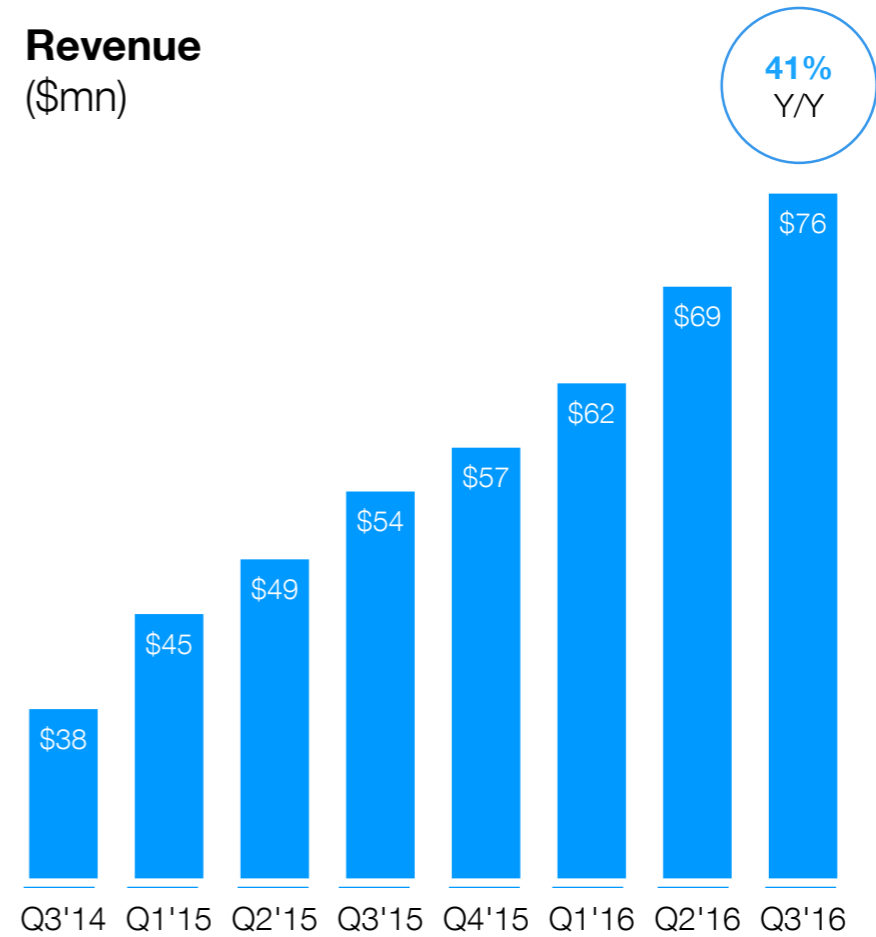


# Collections and Revenue

**Collections**  
(\$mn)

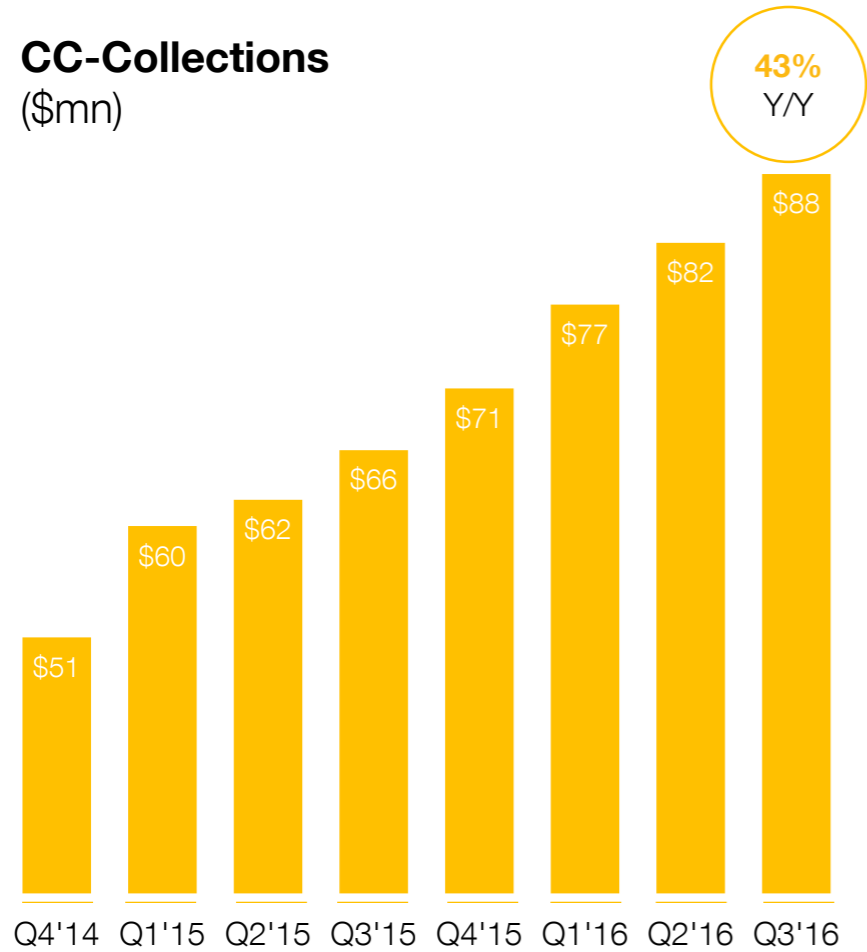


**Revenue**  
(\$mn)



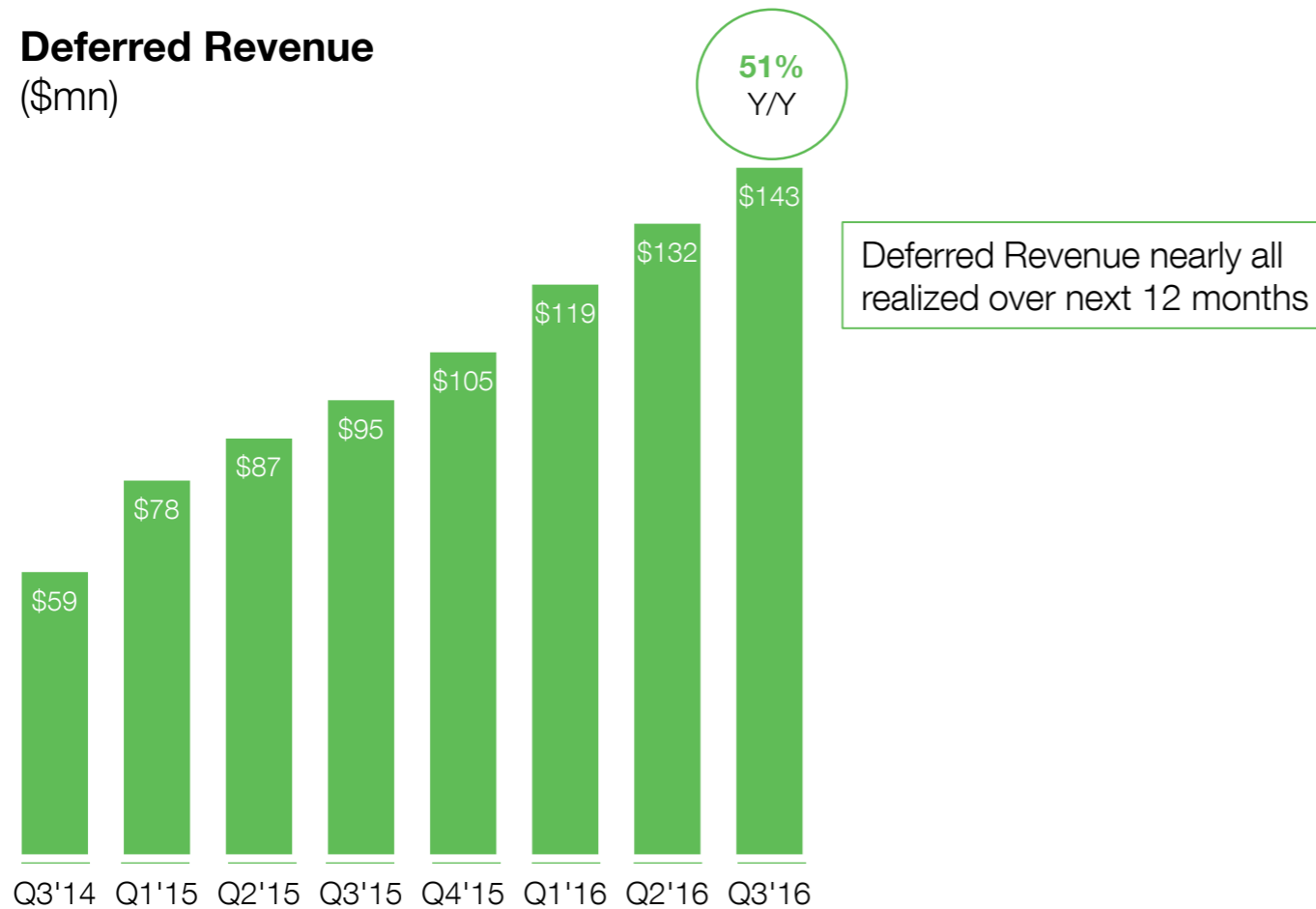
# Constant Currency Collections

**CC-Collections**  
(\$mn)

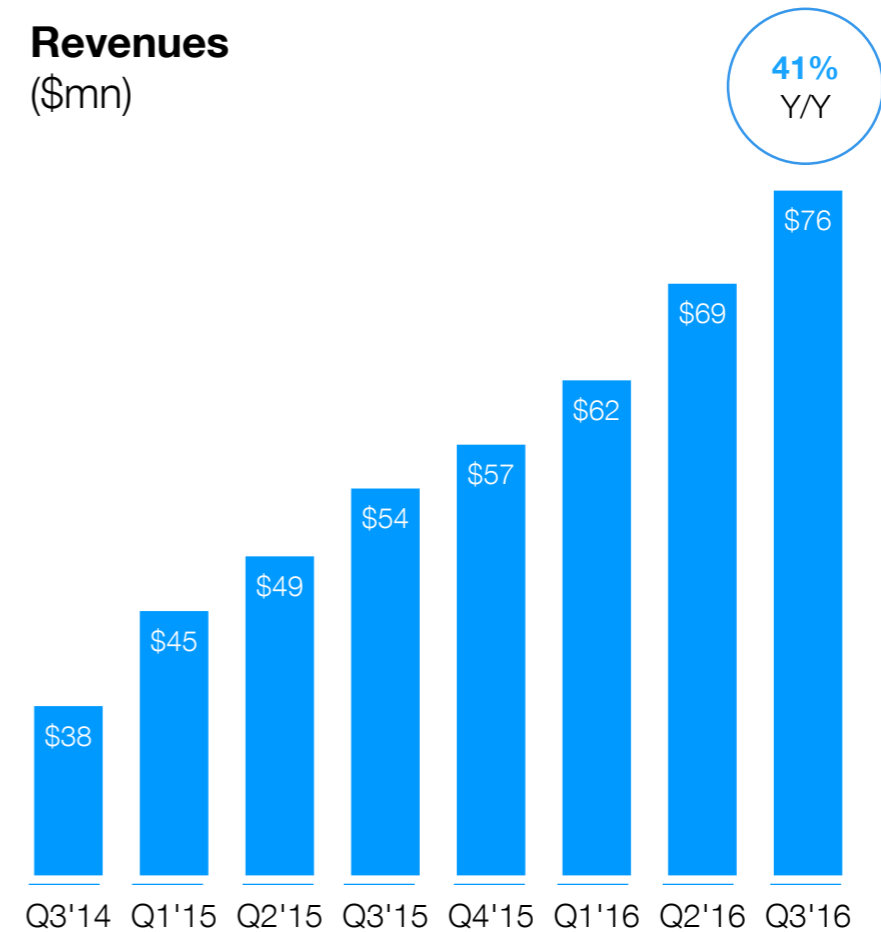


# Deferred Revenue Growth

**Deferred Revenue**  
(\$mn)



**Revenues**  
(\$mn)





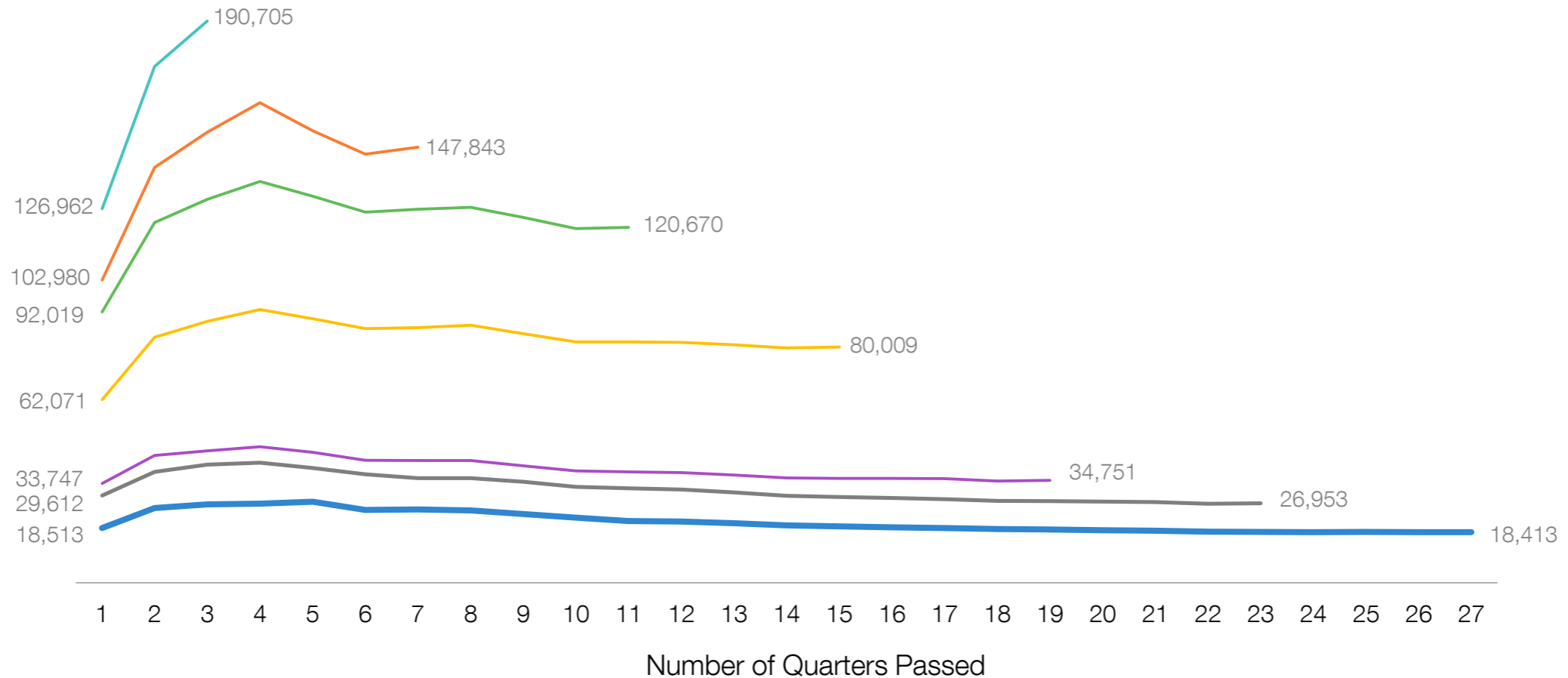
# Consistent Behavior

Active Premium Subscriptions from Q1 User Cohorts

New Registered Users

↓

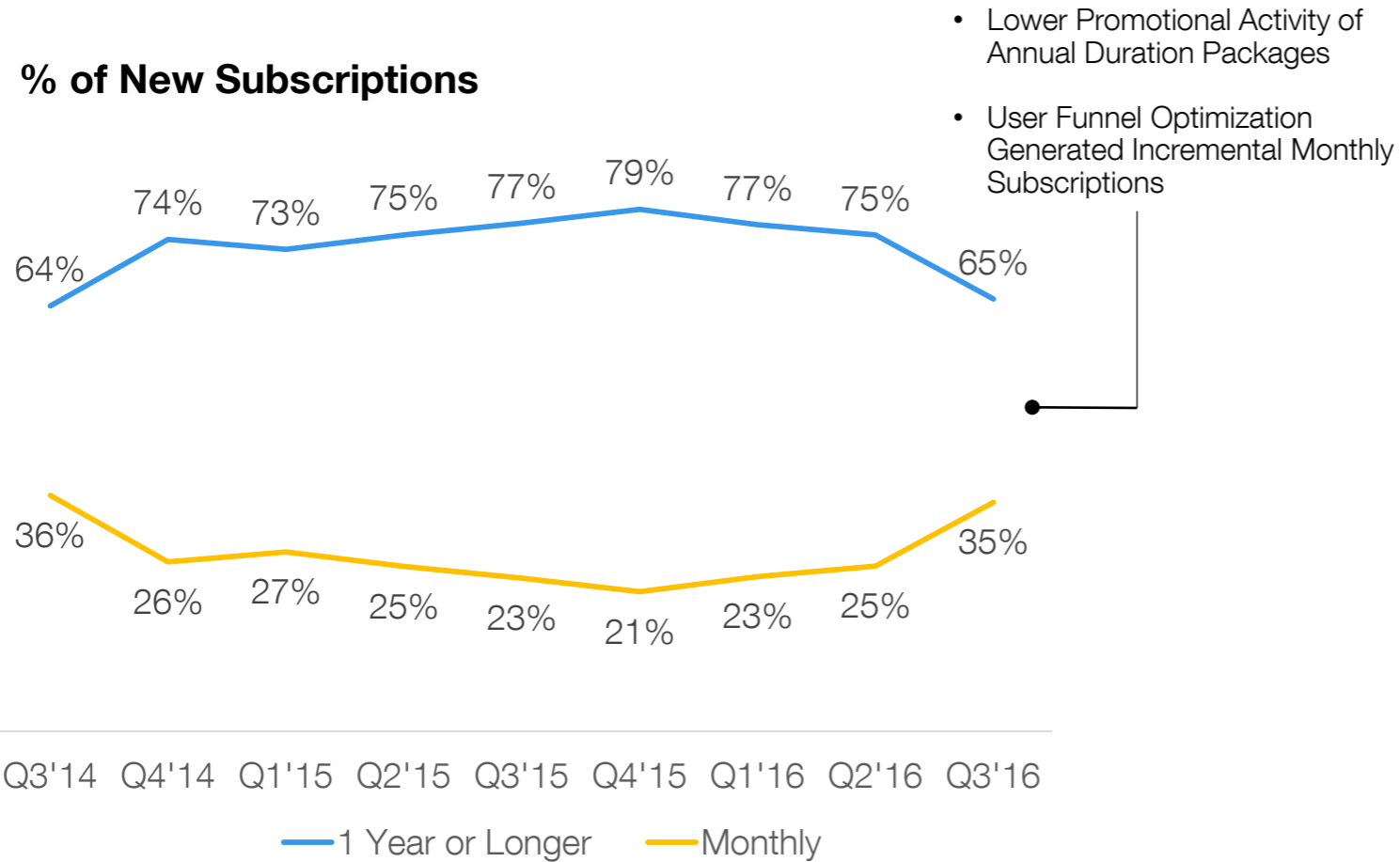
<b>1Q16</b>
5,305,726
<b>1Q15</b>
4,568,323
<b>1Q14</b>
4,089,253
<b>1Q13</b>
3,714,472
<b>1Q12</b>
2,651,656
<b>1Q11</b>
1,833,897
<b>1Q10</b>
919,221



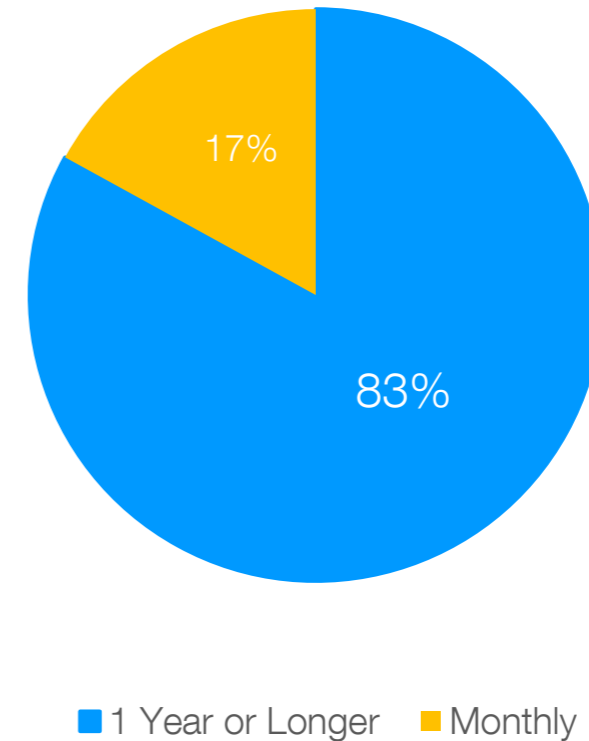
Note: Data as of September 30, 2016

# Shift to Long Term Subscriptions

### % of New Subscriptions



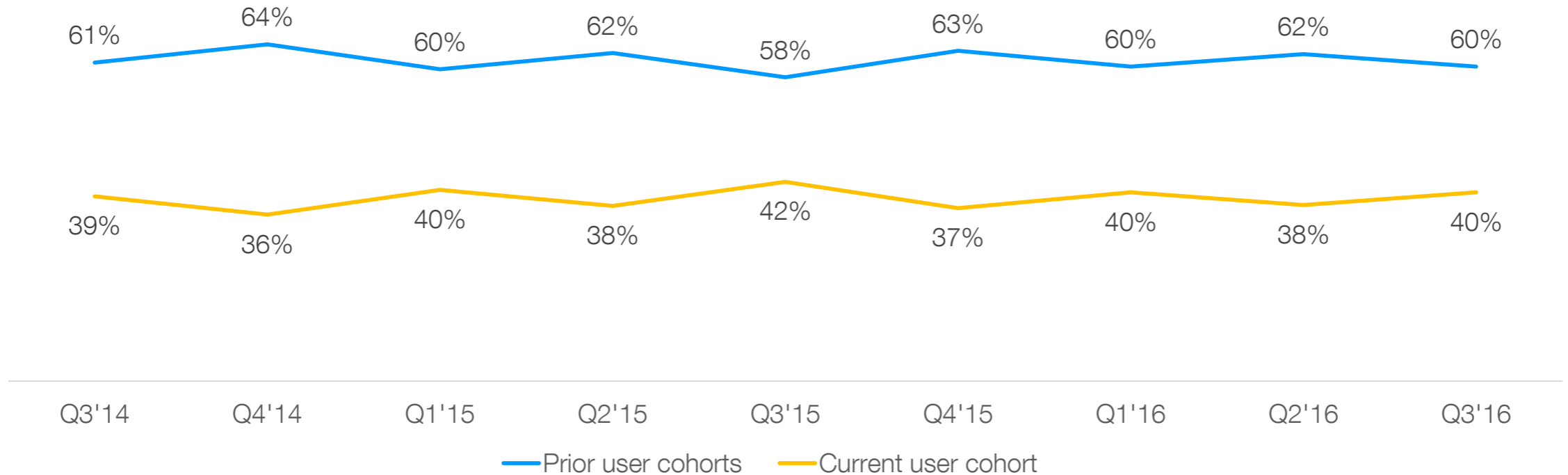
### % of Total Subscriptions



Note: Data as of September 30, 2016

# Ongoing Cohort Conversions

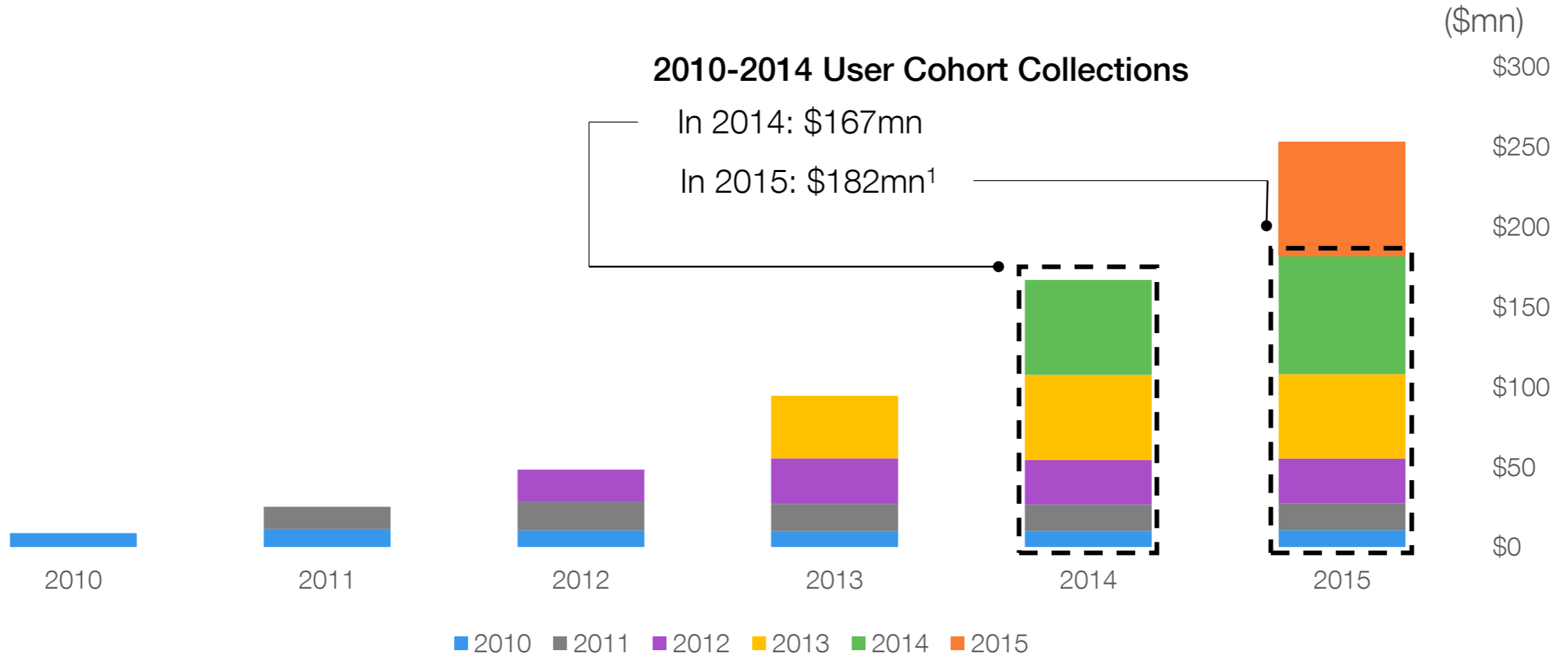
**% of New Subscriptions by Prior and Current User Cohorts**



Note: Data as of September 30, 2016

# Growing Base of Cohort Collections

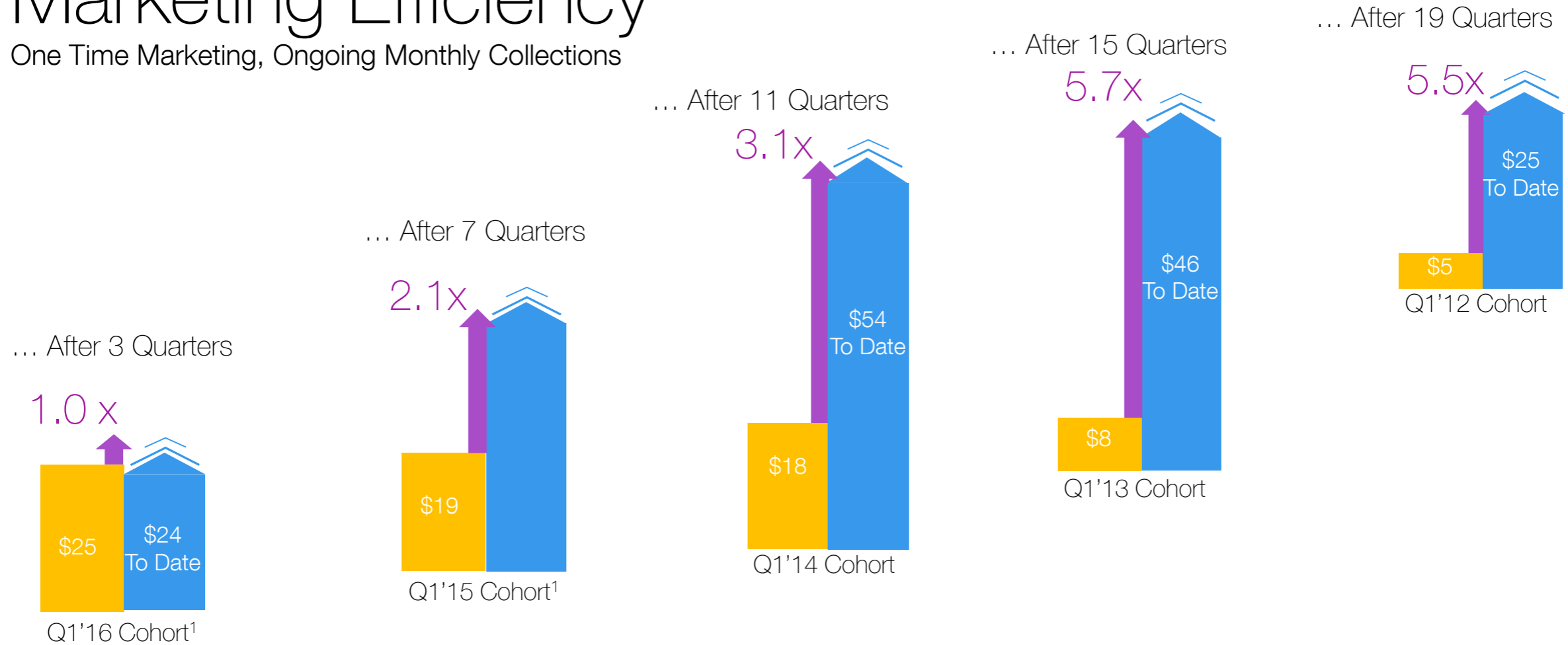
Annual collections by user cohort



<sup>1</sup>2015 collections are constant currency assuming FX rates remained the same as in 2014

# Marketing Efficiency

One Time Marketing, Ongoing Monthly Collections



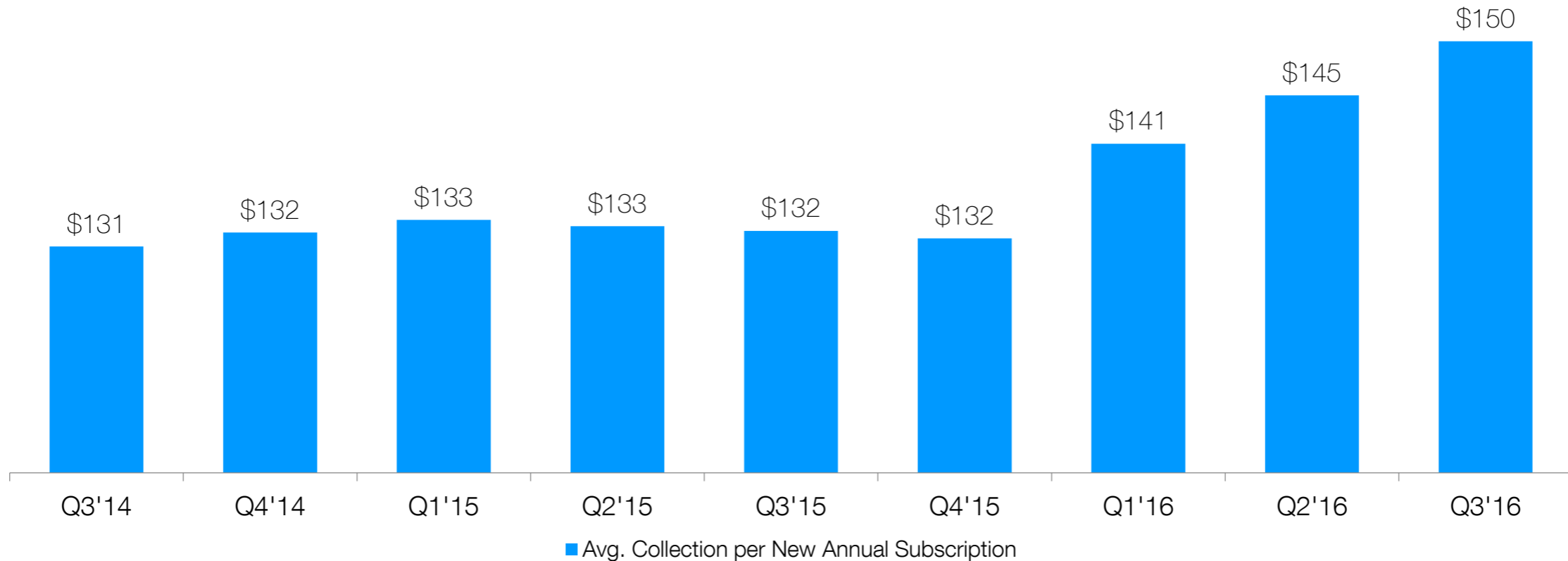
Marketing Cost (\$mn) Cohort Net Collections (\$mn)

Note: Data as of September 30, 2016

<sup>1</sup>Excludes ~\$6mn in Q1'15 and ~\$7mn in Q1'16 for brand marketing expenses



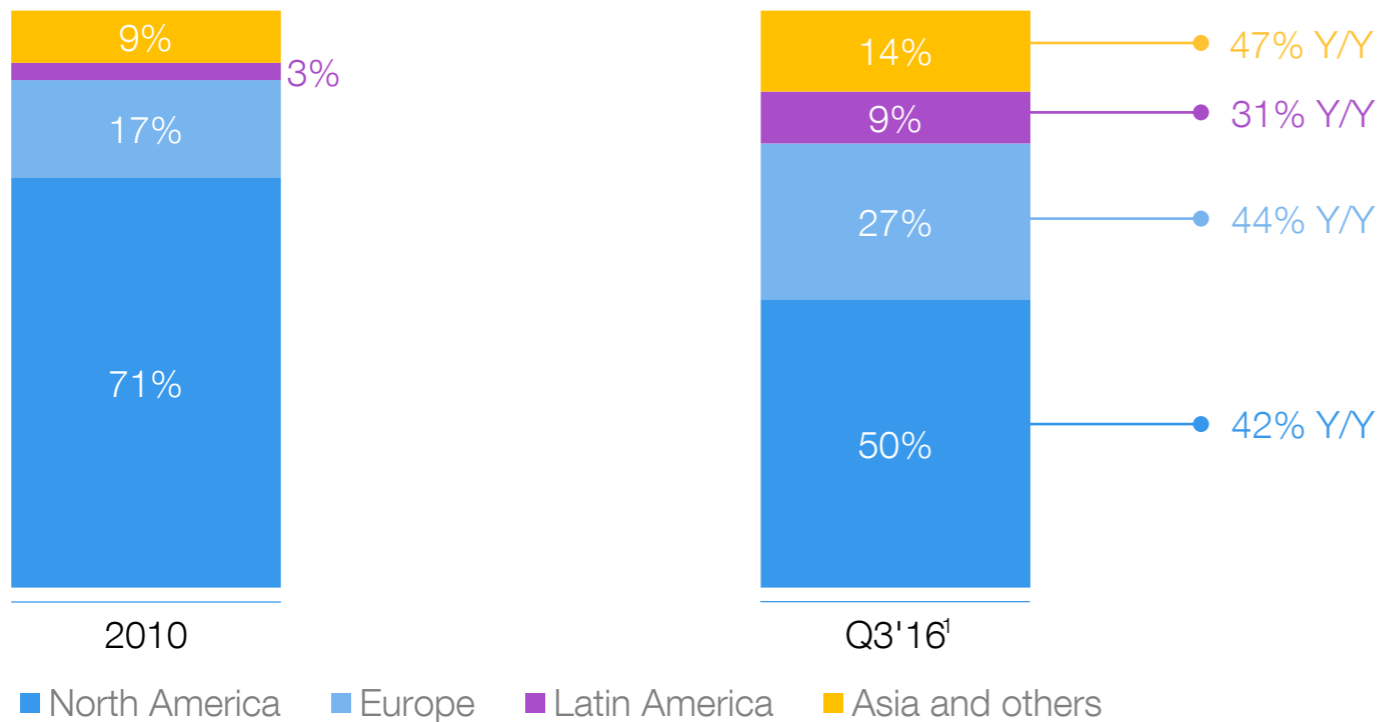
# Increasing Collections per Subscription



Note: Based on New Annual Subscriptions in the US

# Increasing Geographic Penetration

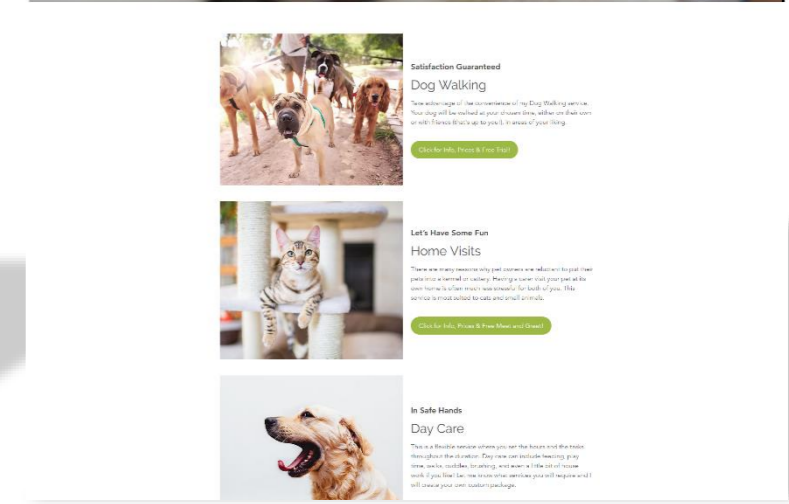
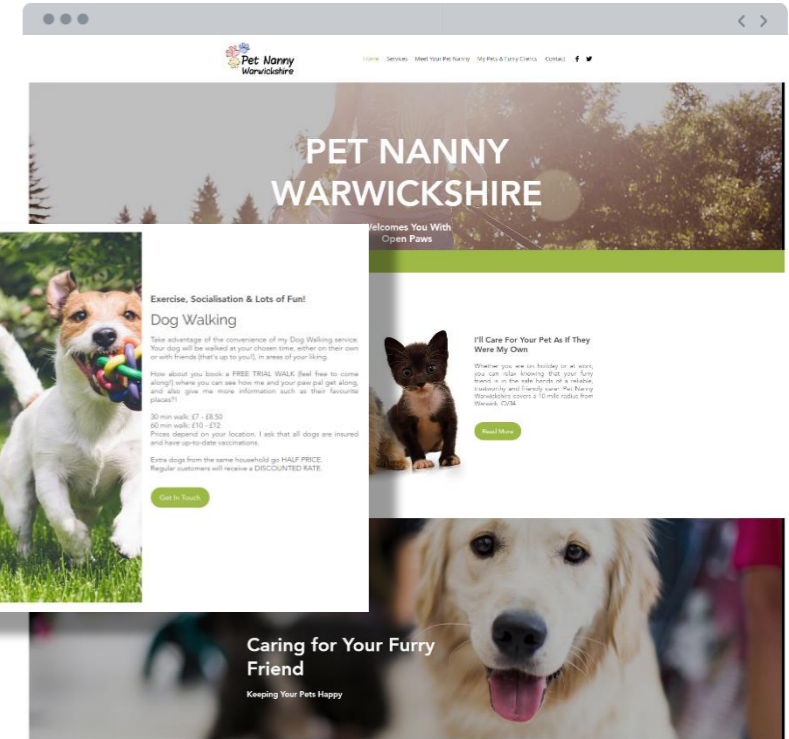
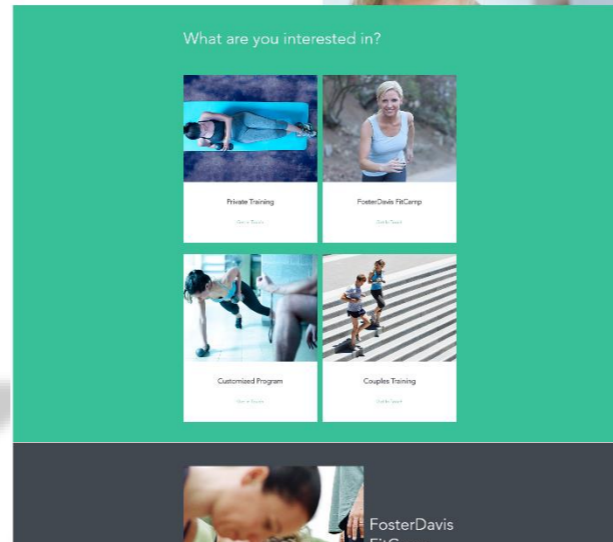
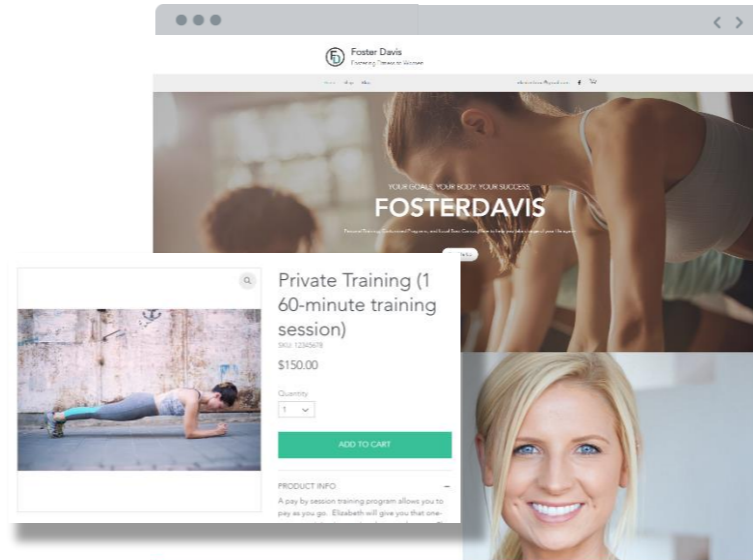
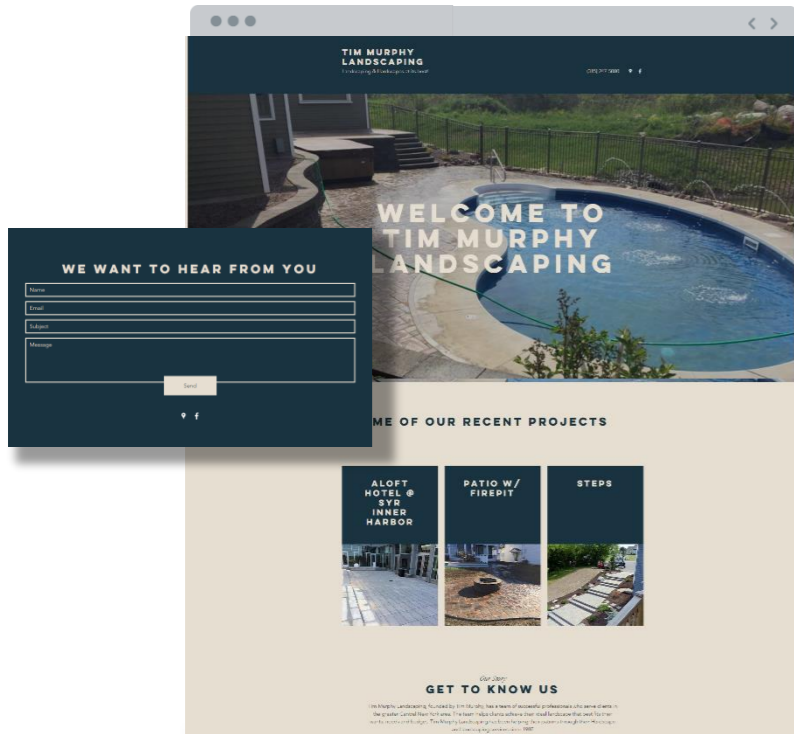
**Revenue by Geography**  
(% of Total)



Growth Rate vs. Q3'15  
(Constant currency basis)

<sup>1</sup>Revenue by Geography and Y/Y change based on constant FX rates from Q3'15

# Amazing Sites Built with Wix ADI



# Non GAAP Financial Results

(in 000s)	2011	2012	2013	2014	2015	Q3'15	Q3'16	Y/Y%
Collections	\$29,648	\$52,479	\$98,673	\$171,255	\$241,687	\$61,580	\$87,270	42%
Revenues	\$24,600	\$43,676	\$80,473	\$141,841	\$203,518	\$53,582	\$75,611	41%
<i>Gross Margin %</i>	<i>79%</i>	<i>79%</i>	<i>82%</i>	<i>82%</i>	<i>83%</i>	<i>84%</i>	<i>86%</i>	
R&D expenses	\$12,807	\$16,229	\$26,511	\$51,120	\$67,977	\$17,368	\$22,167	36%
<i>% of revenues</i>	<i>52%</i>	<i>37%</i>	<i>33%</i>	<i>36%</i>	<i>33%</i>	<i>32%</i>	<i>29%</i>	
S&M expenses	\$21,364	\$28,956	\$52,591	\$95,173	\$116,733	\$28,526	\$38,723	28%
<i>% of revenues</i>	<i>87%</i>	<i>66%</i>	<i>65%</i>	<i>67%</i>	<i>57%</i>	<i>53%</i>	<i>51%</i>	
<i>% of collections</i>	<i>73%</i>	<i>55%</i>	<i>53%</i>	<i>56%</i>	<i>48%</i>	<i>46%</i>	<i>44%</i>	
G&A expenses	\$2,806	\$3,304	\$6,077	\$11,569	\$14,458	\$3,486	\$5,330	39%
<i>% of revenues</i>	<i>11%</i>	<i>8%</i>	<i>8%</i>	<i>8%</i>	<i>7%</i>	<i>7%</i>	<i>7%</i>	
Adjusted EBITDA	(\$12,457)	(\$5,354)	(\$1,897)	(\$11,260)	\$14,721	\$4,690	\$11,365	142%
<i>% of revenues</i>	<i>(50%)</i>	<i>(12%)</i>	<i>(2%)</i>	<i>(8%)</i>	<i>7%</i>	<i>7%</i>	<i>15%</i>	
Net Loss	(\$17,923)	(\$13,718)	(\$20,953)	(\$40,247)	(\$31,354)	(\$6,088)	(\$1,571)	N/M

APPENDIX



# Reconciliation of GAAP to Non-GAAP

(in 000s)	2011	2012	2013	2014	2015	Q3'15	Q3'16
Revenues	\$24,600	\$43,676	\$80,473	\$141,841	\$203,518	\$61,580	\$75,611
Change in Deferred Revenues	5,048	\$8,803	\$18,200	\$29,414	\$38,169	\$7,998	\$11,659
Collections	29,648	\$52,479	\$98,673	\$171,255	\$241,687	\$53,582	\$87,270

# Reconciliation of GAAP to Non-GAAP

(in 000s)	2011	2012	2013	2014	2015	Q3'15	Q3'16
GAAP Operating Loss	(\$22,360)	(\$14,961)	(\$26,523)	(\$55,643)	(\$48,635)	(\$10,370)	(\$9,032)
<u>Adjustments:</u>							
Realized losses (gains) on hedging transactions	-	-	(\$156)	\$281	\$3,492	\$818	\$64
Depreciation	\$592	\$871	\$1,229	\$2,662	\$4,999	\$1,472	\$1,198
Amortization	-	-	-	\$153	\$636	\$155	\$188
Withdrawn secondary offering expenses	-	-	-	\$365	-	-	-
Acquisition related expenses	-	-	-	\$65	-	-	\$514
Stock-based compensation	\$4,733	\$1,020	\$7,054	\$13,937	\$18,733	\$5,322	\$7,164
Change in deferred revenue	\$5,048	\$8,803	\$18,200	\$29,414	\$38,169	\$7,998	\$11,659
Change in prepaid domain registration costs	(\$470)	(\$1,087)	(\$1,701)	(\$2,494)	(\$2,673)	(\$706)	(\$390)
Adjusted EBITDA	(\$12,457)	(\$5,354)	(\$1,897)	(\$11,260)	\$14,721	\$4,689	\$11,365

# Reconciliation of GAAP to Non-GAAP

(in 000s)	2011	2012	2013	2014	2015	Q3'15	Q3'16
GAAP Gross Profit	\$19,310	\$34,443	\$65,216	\$115,733	\$168,548	\$44,420	\$64,587
Stock-based Compensation	\$40	\$105	\$490	\$1,005	\$1,353	\$428	\$466
Non-GAAP Gross Profit	\$19,350	\$34,548	\$65,706	\$116,738	\$169,901	\$44,848	\$65,053
GAAP Net Loss	(\$22,740)	(\$14,972)	(\$28,720)	(\$56,566)	(\$51,334)	(\$11,724)	(\$9,643)
Stock-based Compensation and other Non GAAP Adjustments	\$4,817	\$1,254	\$7,767	\$16,319	\$19,980	\$5,636	\$8,074
Non-GAAP Net Loss	(\$17,923)	(\$13,718)	(\$20,953)	(\$40,247)	(\$31,354)	(\$6,088)	(\$1,569)