

Company Overview

Fourth Quarter & Full Year 2022



Safe Harbor

Non-GAAP Financial Measures and Key Operating Metrics

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: bookings, cumulative cohort bookings, bookings on a constant currency basis, revenue on a constant currency basis, non-GAAP gross margin, non-GAAP operating income (loss), non-GAAP operating margin, 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 financial expense, non-GAAP tax expense (collectively the "Non-GAAP financial measures"). Measures presented on a constant currency or foreign exchange neutral basis have been adjusted to exclude the effect of y/y changes in foreign currency exchange rate fluctuations. Bookings is a non-GAAP financial measure calculated by adding the change in deferred revenues and the change in unbilled contractual obligations for a particular period to revenues for the same period. Bookings include cash receipts for premium subscriptions purchased by users as well as cash we collect from business solutions, as well as payments due to us under the terms of contractual agreements for which we may have not yet received payment. Cash receipts for premium subscriptions are deferred and recognized as revenues over the terms of the subscriptions. Cash receipts for payments and the majority of the additional products and services (other than Google Workspace) are recognized as revenues upon receipt. Committed payments are recognized as revenue as we fulfill our obligation under the terms of the contractual agreement. 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 and other G&A expenses (income). 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 and other G&A expenses (income), 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. Non-GAAP financial expense represents financial expense calculated in accordance with GAAP as adjusted for unrealized gains of equity investments, amortization of debt discount and debt issuance costs and non-operating foreign exchange expenses. Non-GAAP tax expense represents tax expense calculated in accordance with GAAP as adjusted for provisions for income tax effects related to non-GAAP adjustments.

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 bookings, 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.

Wix also uses Creative Subscriptions Annualized Recurring Revenue (ARR) as a key operating metric. Creative Subscriptions ARR is calculated as Creative Subscriptions Monthly Recurring Revenue (MRR) multiplied by 12. Creative Subscriptions MRR is calculated as the total of (i) all active Creative Subscriptions in effect on the last day of the period, multiplied by the monthly revenue of such Creative Subscriptions, other than domain registrations in effect on the last day of the period; (ii) the average revenue per month from domain registrations; (iii) monthly revenue from other partnership agreements.

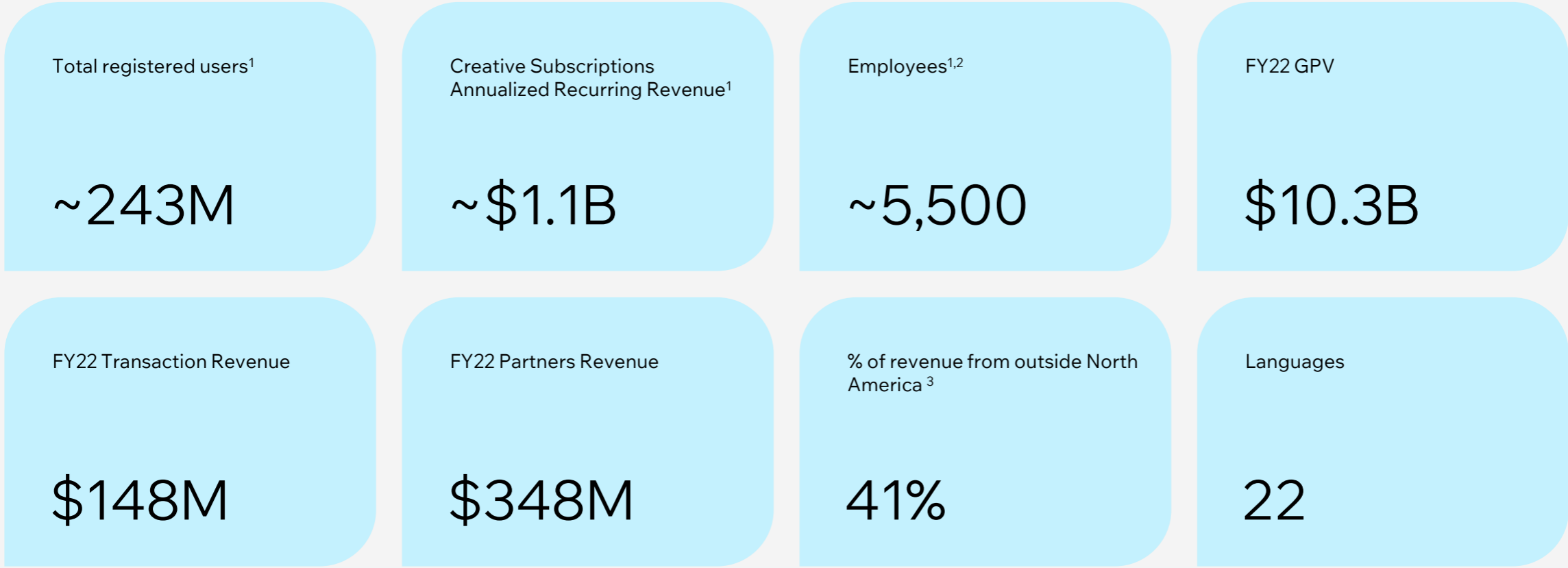
Safe Harbor

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, bookings 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 quarterly and annual 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 expectation that we will be able to attract and retain registered users and generate new premium subscriptions; our expectation that we will be able to increase the revenue we derive from the sale of premium subscriptions and business solutions, through our partners; our expectation that new products and developments, as well as third-party products we will offer in the future within our platform, will receive customer acceptance and satisfaction, including the growth in market adoption of our online commerce solutions; our assumption that historical user behavior can be extrapolated to predict future user behavior; our expectations regarding execution of our multi-year strategic plan and cost reduction plan; our prediction of the future revenues generated by our user cohorts and our ability to maintain and increase such revenue growth; our expectation to maintain and enhance our brand and reputation; and thereby increase user retention, user engagement and sales; our expectation that our products created for markets outside of North America will continue to generate growth in those markets; our plans to successfully localize our products, including by making our product, support and communication channels available in additional languages and to expand our payment infrastructure to transact in additional local currencies and accept additional payment methods; our expectations regarding the extent of the impact on our business and operations of the COVID-19 pandemic, including uncertainty relating to expected consumer dynamics after the COVID-19 pandemic subsides, the effectiveness of government policies, vaccine administration rates and other factors;

our expectation regarding the impact of fluctuations in foreign currency exchange rates on our business; our expectations relating to the repurchase of our ordinary shares and/or Convertible Notes pursuant to our repurchase program; our expectation that we will effectively manage the growth of our infrastructure; changes we expect may occur to technologies used in our solutions; our expectations regarding the outcome of any regulatory investigation or litigation, including class actions; our expectations regarding future changes in our cost of revenues and our operating expenses on an absolute basis and as a percentage of our revenues, as well as our ability to achieve profitability; our expectations regarding changes in the global, national, regional or local economic, business, competitive, market, and regulatory landscape, including as a result of increasing interest rates and inflationary pressures, lasting effects of COVID-19, and as a result of the military invasion of Ukraine by Russia; our planned level of capital expenditures and our belief that our existing cash and cash from operations will be sufficient to fund our operations for at least the next 12 months and for the foreseeable future; our expectations with respect to the integration and performance of acquisitions; our ability to attract and retain qualified employees and key personnel; our expectations about entering into new markets and attracting new customer demographics, including our ability to successfully attract new partners and grow our partner activities as anticipated and other factors discussed under the heading “Risk Factors” in the Company’s annual report on Form 20-F for the year ended December 31, 2021 filed with the Securities and Exchange Commission on April 1, 2022. 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.

Company Overview

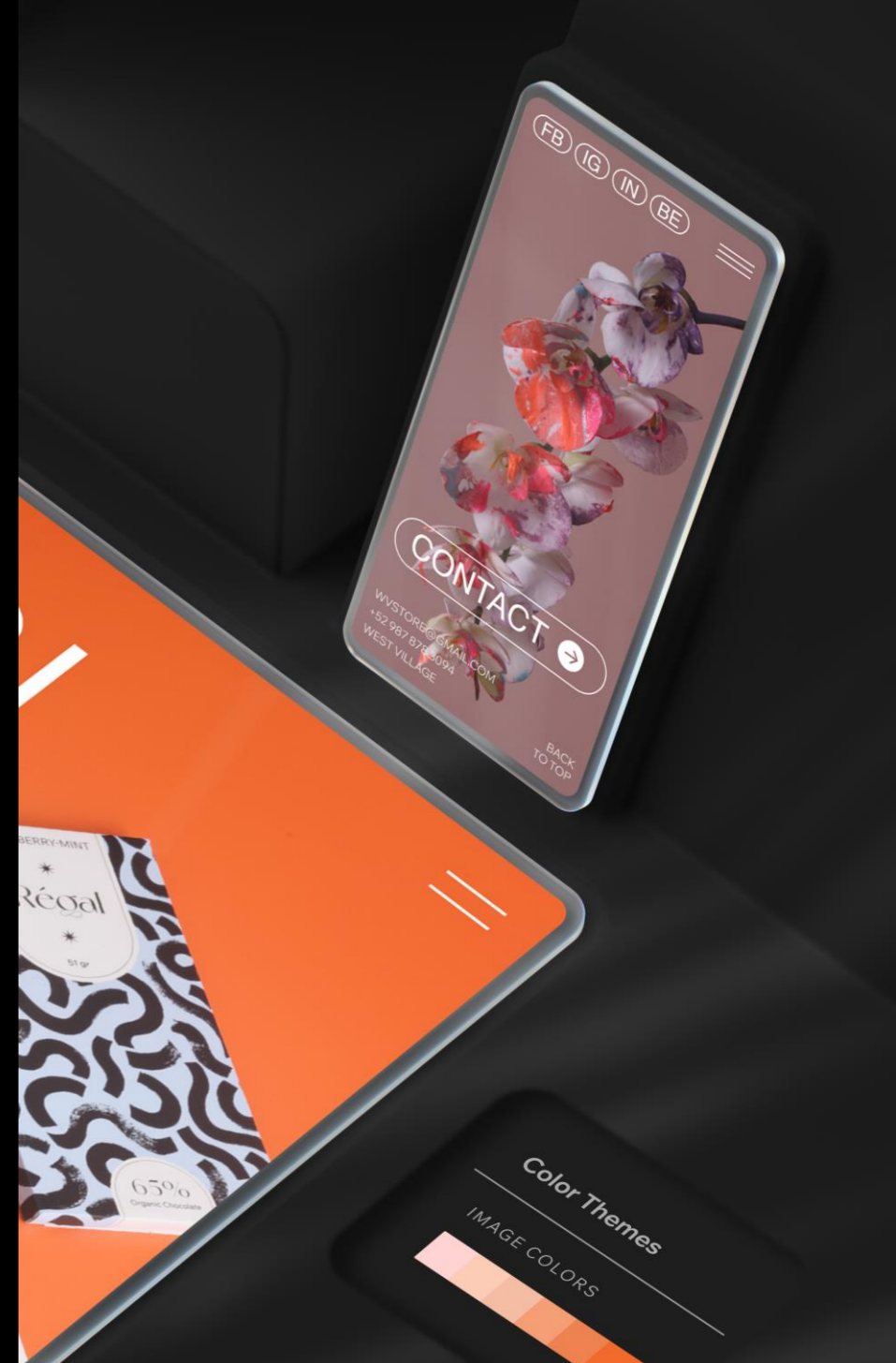


1 As of December 31, 2022
2 Employee headcount includes 152 part time employees
3 Q4'22 Revenue by Geography based on constant FX rates from Q4'21

Note: Creative Subscriptions Annualized Recurring Revenue (ARR) is calculated as Creative Subscriptions Monthly Recurring Revenue (MRR) multiplied by 12. Creative Subscriptions MRR is calculated as the total of (i) all active Creative Subscriptions in effect on the last day of the period, multiplied by the monthly revenue of such Creative Subscriptions, other than domain registrations (ii) the average revenue per month from domain registrations; and (iii) monthly revenue from other partnership agreements. We believe that ARR is a leading indicator of our anticipated Creative Subscription revenues as it captures both the growth we generate from the number of premium subscriptions as well as the amount of revenue we generate per premium subscription.

Our Vision

Where any business, community or person can create their dreams online.



We believe that Wix is becoming the primary platform for every type of online presence around the world.

Our goal is to offer products and services that are simply the best option for **any type of user** and for **any type of business.**

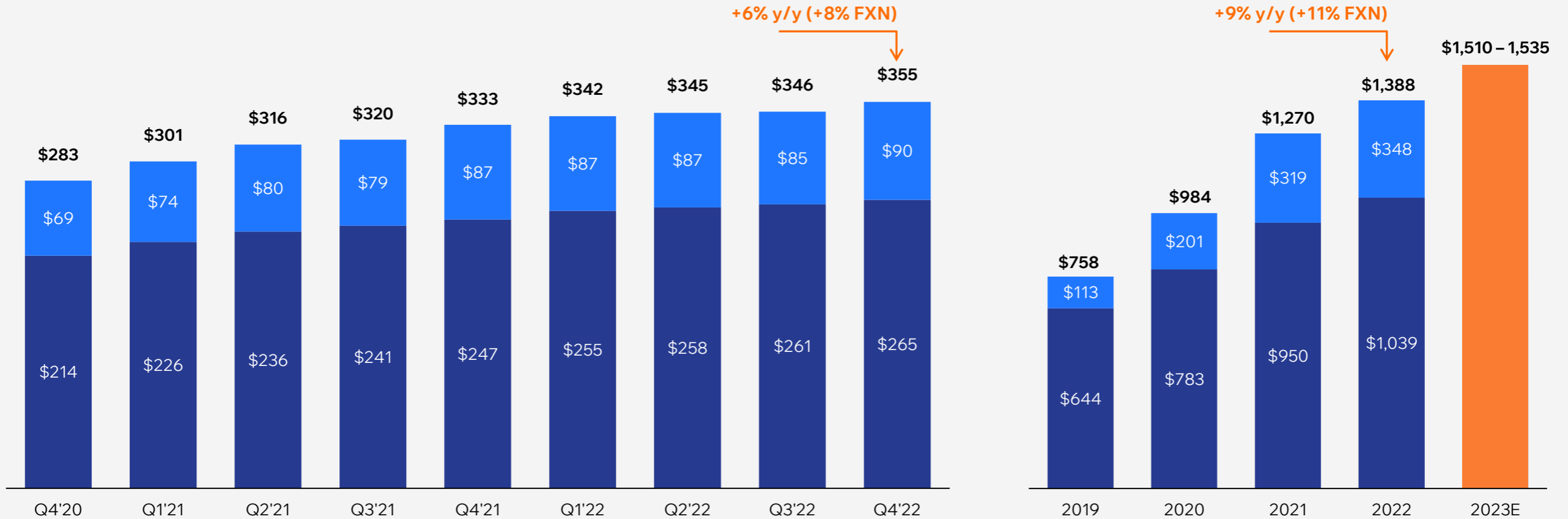


Financial Overview and Update



Total Revenue

(\$ Millions)

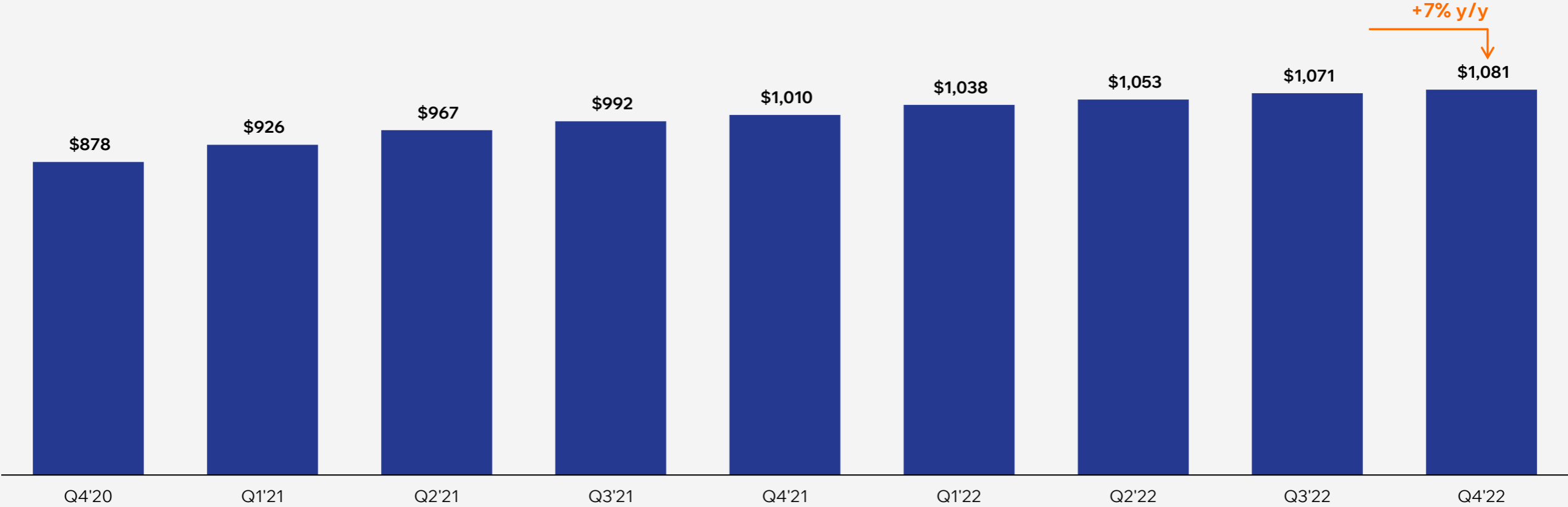


- Business Solutions
- Creative Subscriptions

Note: Numbers may not add due to rounding.

Consistent Creative Subscriptions ARR Expansion

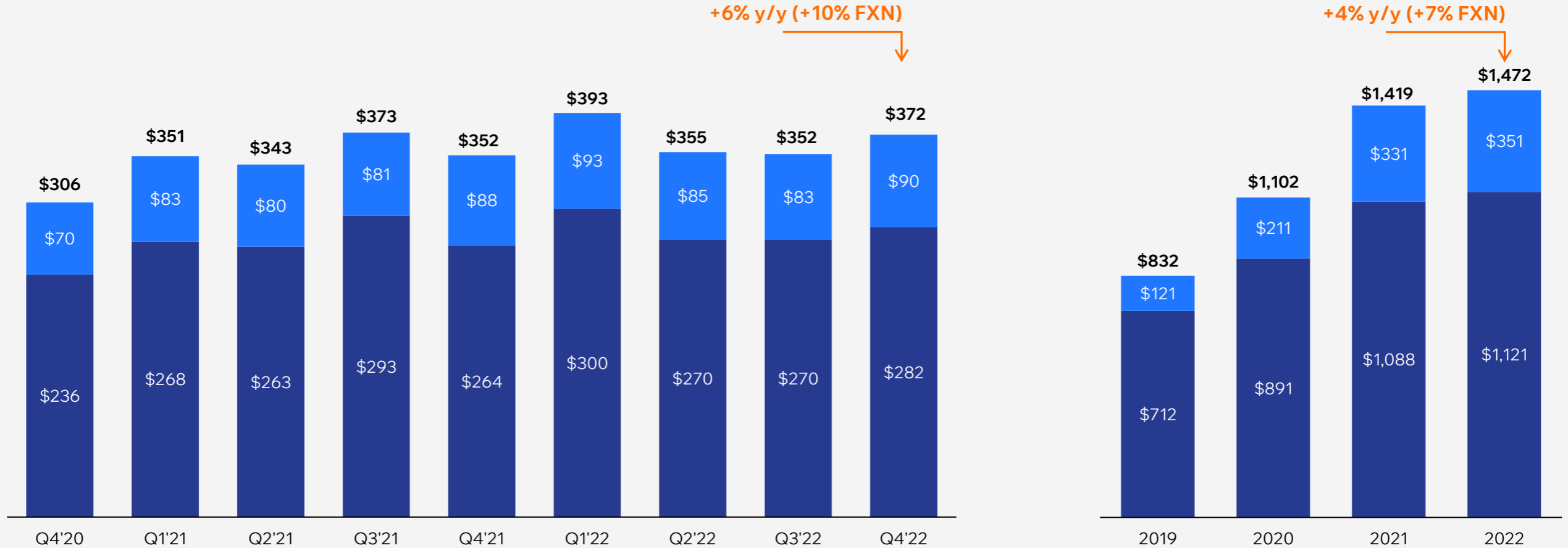
(\$ Millions)



Note: Creative Subscriptions Annualized Recurring Revenue (ARR) is calculated as Creative Subscriptions Monthly Recurring Revenue (MRR) multiplied by 12. Creative Subscriptions MRR is calculated as the total of (i) all active Creative Subscriptions in effect on the last day of the period, multiplied by the monthly revenue of such Creative Subscriptions, other than domain registrations (ii) the average revenue per month from domain registrations; and (iii) monthly revenue from other partnership agreements. We believe that ARR is a leading indicator of our anticipated Creative Subscription revenues as it captures both the growth we generate from the number of premium subscriptions as well as the amount of revenue we generate per premium subscription.

Total Bookings

(\$ Millions)



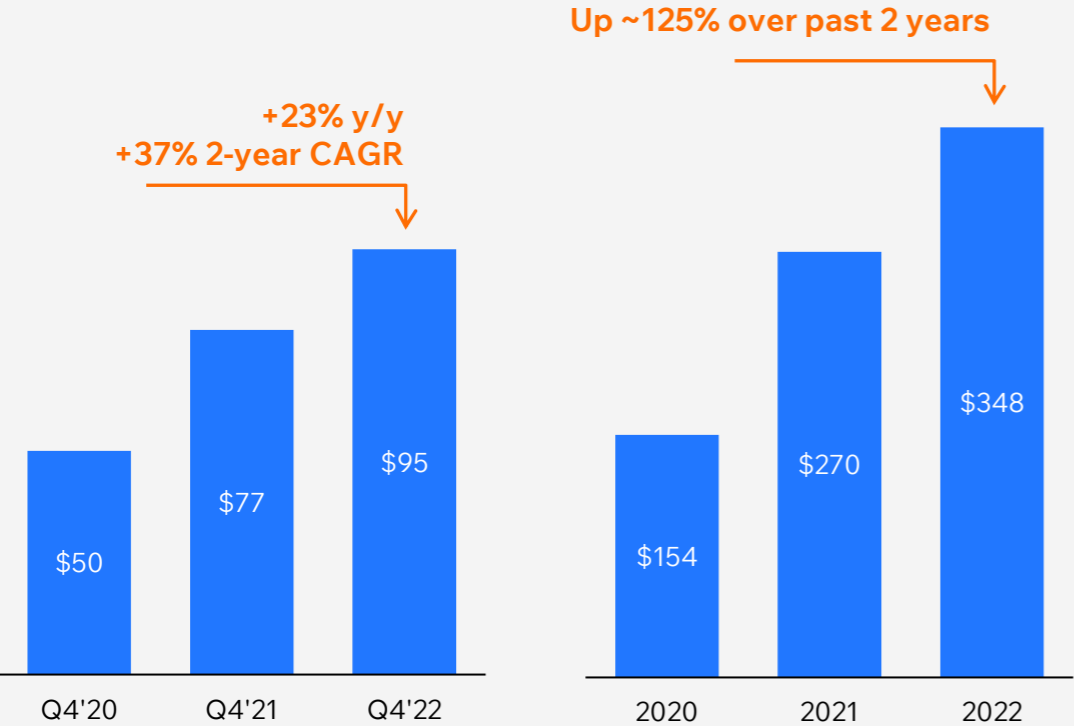
- Business Solutions
- Creative Subscriptions

Note: Numbers may not add due to rounding.

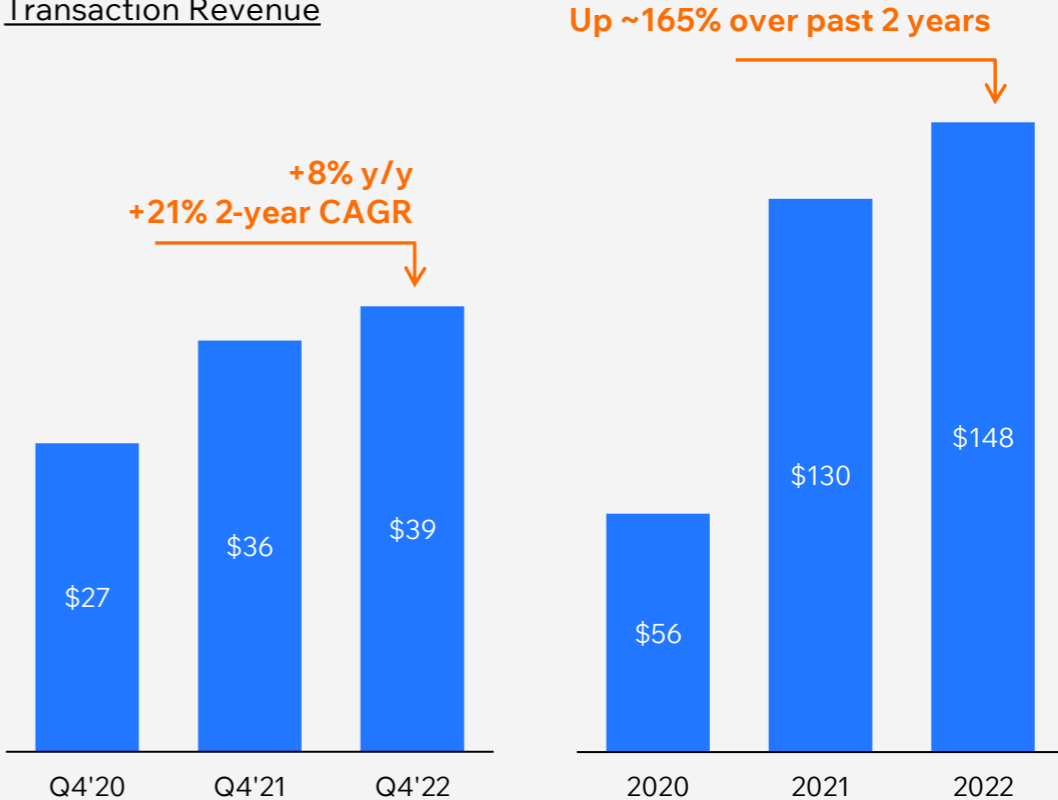
Growth Across Partners and Transaction Revenue

(\$ Millions)

Partners Revenue



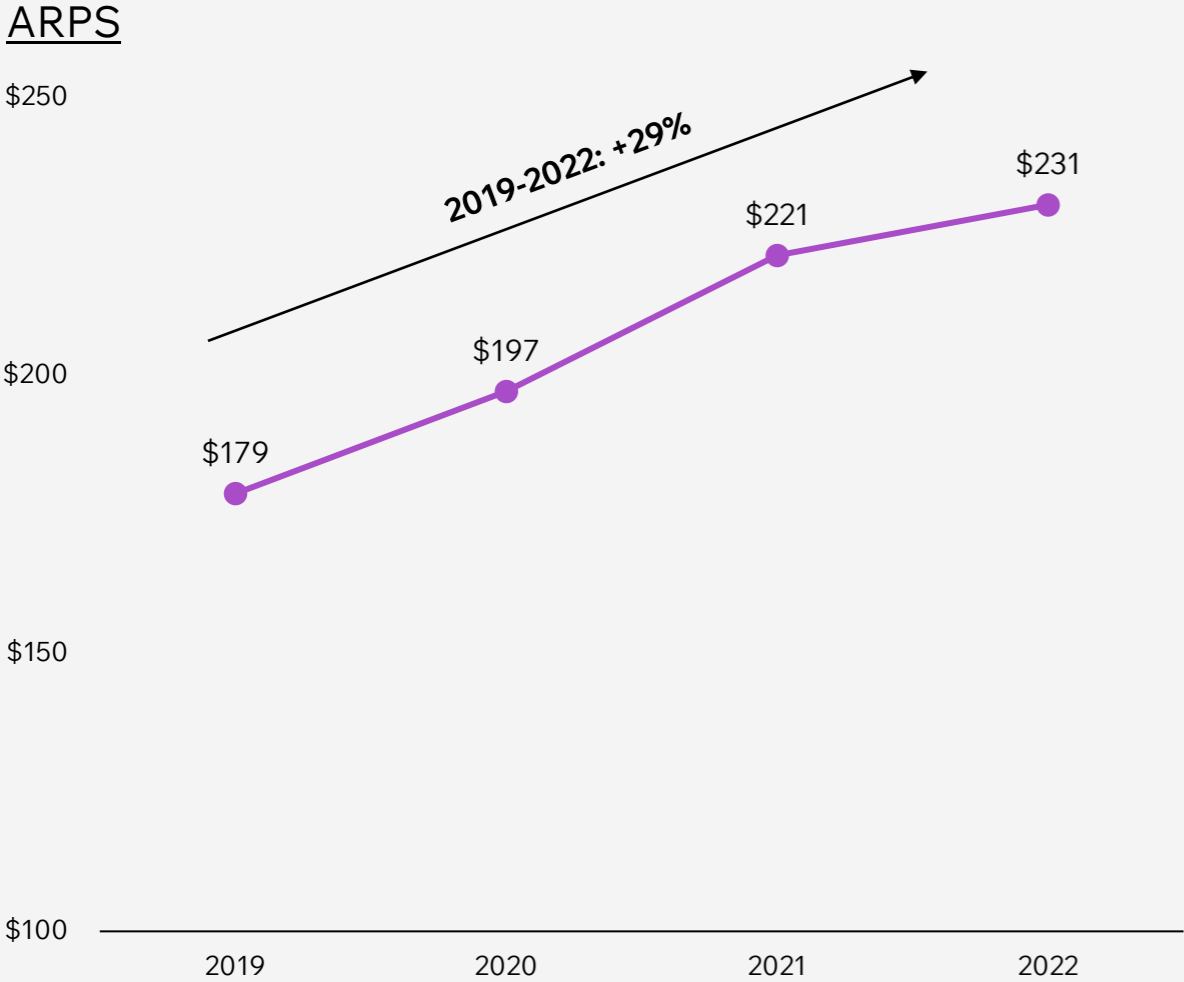
Transaction Revenue



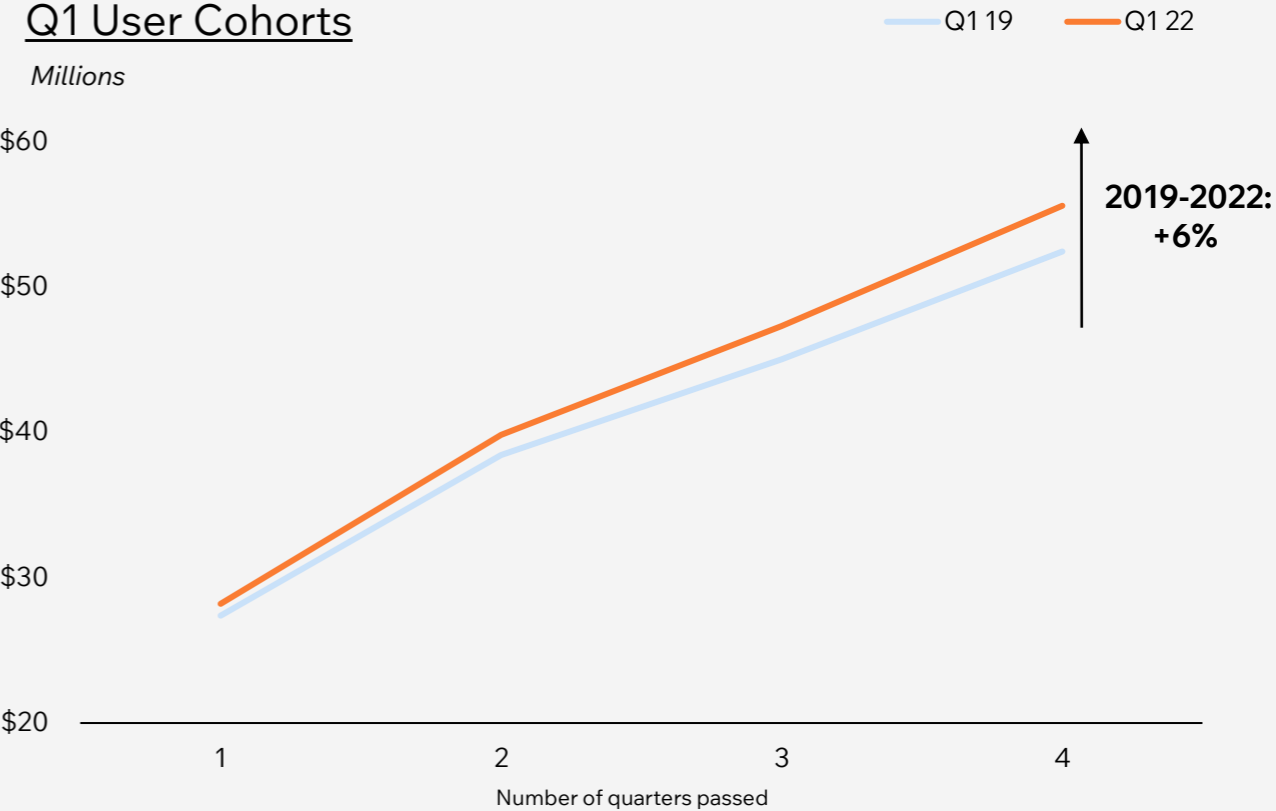
Note: We define partners revenue as revenue generated through agencies and freelancers that build sites or applications for other users as well as revenue generated through B2B partnerships, such as LegalZoom or Vistaprint. We identify agencies and freelancers building sites or applications for others using multiple criteria, including but not limited to, the number of sites built, participation in the Wix Partner Program and/or the Wix Marketplace or Wix products used. Partners revenue includes revenue from both the Creative Subscriptions and Business Solutions segments.

Transaction revenue is a portion of Business Solutions, and we define transaction revenue as all revenue generated through transaction facilitation, which are primarily from Wix Payments as well as Wix POS, shipping solutions and multi-channel commerce and gift card solutions.

ARPS growth has driven significant increases in cohort value, despite headwinds to user and subscription growth



Note: Data as of December 31, 2022.

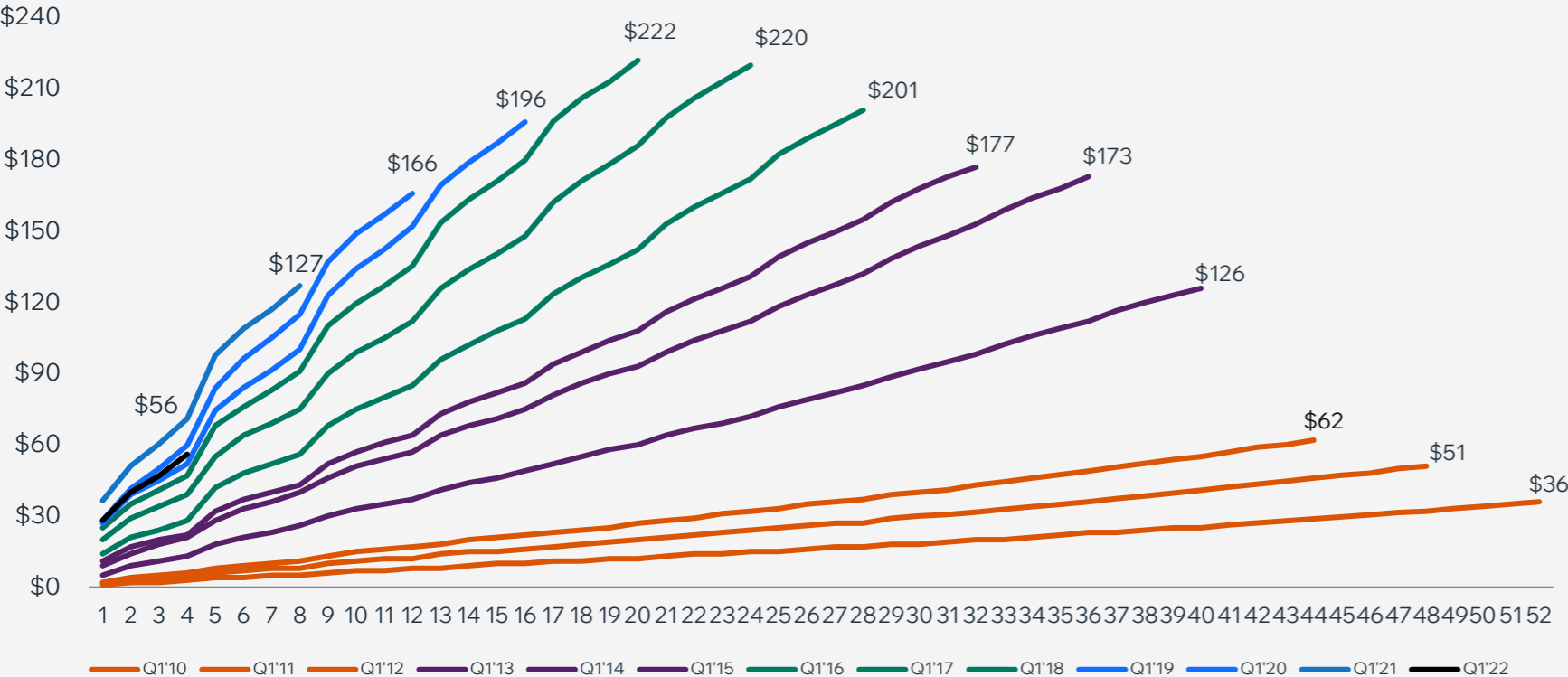


User Cohort	Q1'19	Q1'22
Users	6.6M	6.1M
Bookings - 4 quarters	\$52.5M	\$55.6M

Increasing Monetization of User Cohorts

Cumulative Bookings from Q1 User Cohorts (\$ Millions)

Innovation and product offering enhancements driving higher monetization and sustained user cohort bookings growth

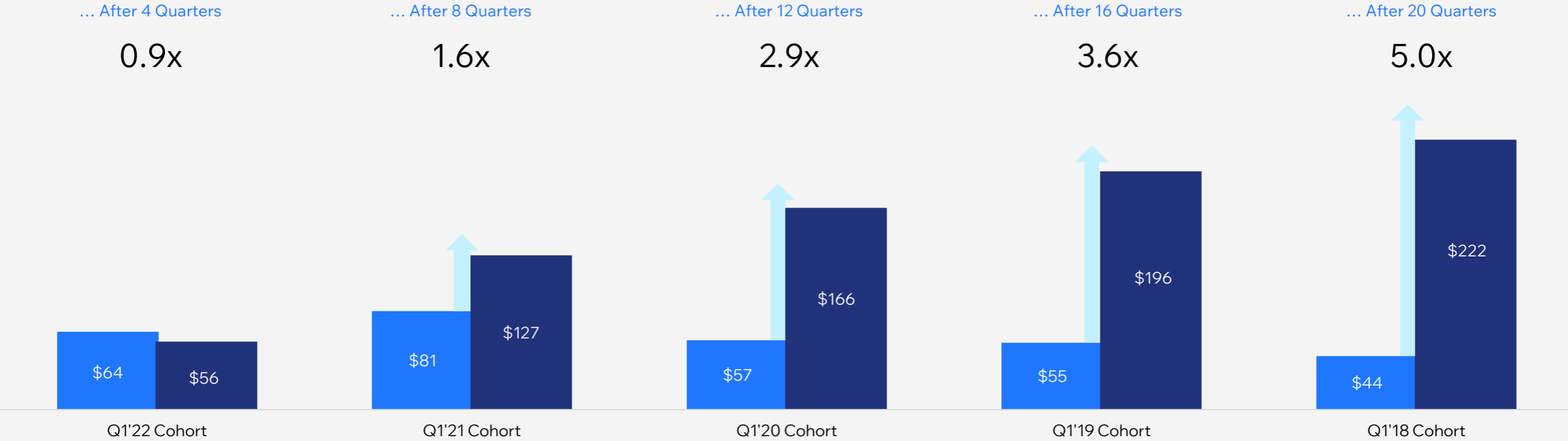


Q1'22 user cohort cumulative bookings in the first four quarters was ~6% higher than that of the Q1'19 cohort (last quarter before COVID impact) in its first four quarters despite a smaller number of users in the Q1'22 cohort as a result of muted demand as well as FX headwinds

Note: Data as of December 31, 2022. Excludes bookings from users coming from the Wix Logo Maker funnel, or bookings from B2B partnerships, DeviantArt, Wix Answers, or recent acquisitions.

Efficient Marketing Based on TROI

One Time Marketing, Ongoing Bookings

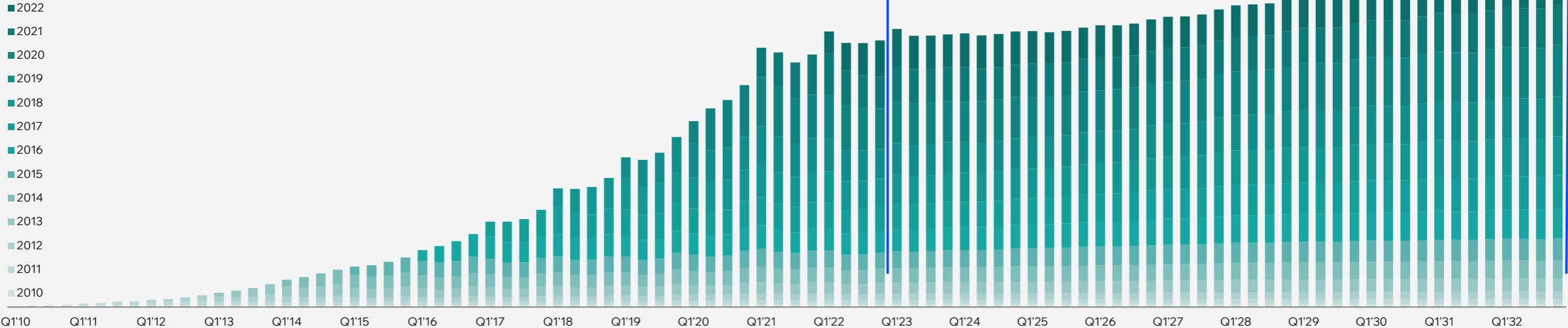


Note: Data as of December 31, 2022; TROI is Time to Return On (Marketing) Investment. We define this metric as the time it takes to collect dollars from new premium subscriptions acquired in a cohort to equal dollars spent on direct acquisition marketing costs in the same cohort. Numbers are rounded to the nearest million. Marketing cost includes marketing costs associated with the acquisition of users. Cohort Bookings do not include bookings from users coming from the Wix Logo Maker funnel, or bookings from B2B partnerships, DeviantArt, Wix Answers, or recent acquisitions.

\$15.6B in expected future bookings over next 10 years from existing cohorts

Actual and Potential Future Bookings From Q1'10 – Q4'22 Cohorts

Softer demand environment for new subscriptions and lower payments revenue growth are primary drivers of lower expected future bookings vs. year-ago

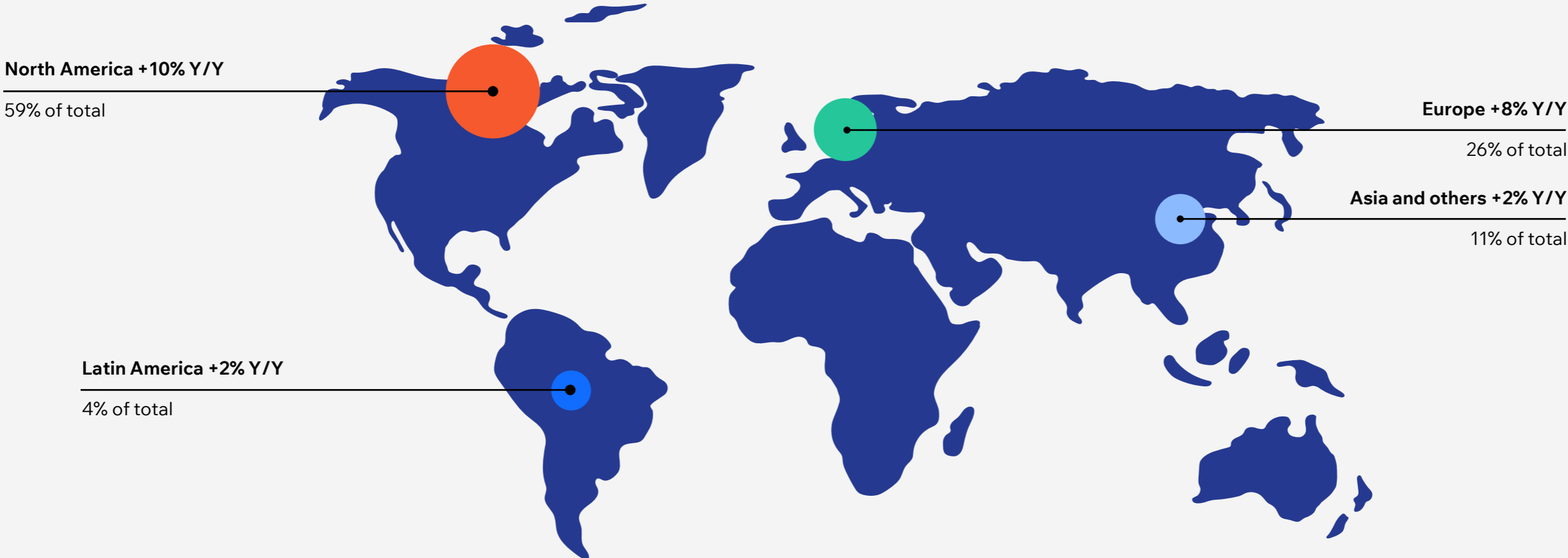


Note: Data represents actual bookings from Q1'10 – Q4'22 cohorts since creation and forecasted future cumulative bookings through Q4'32. Underlying our forecast of expected future bookings are certain assumptions and projections, such as assumptions regarding future cohort behavior based on historical data, the timing of improvement in certain macroeconomic conditions, the impact of certain macroeconomic conditions on our business, and the non-recurrence of foreign currency exchange rate changes that negatively impacted bookings in 2022. Actual results may differ materially from our expectations.

Beginning in Q3 2020, we included expected future bookings from Wix Payments. Cohort Bookings do not include bookings from users coming from the Wix Logo Maker funnel, or bookings from B2B partnerships, DeviantArt, Wix Answers, or past acquisitions.

Broad Geographic Reach

FX-Neutral Revenue by Geography (% of total) and Q4'22 Y/Y Growth



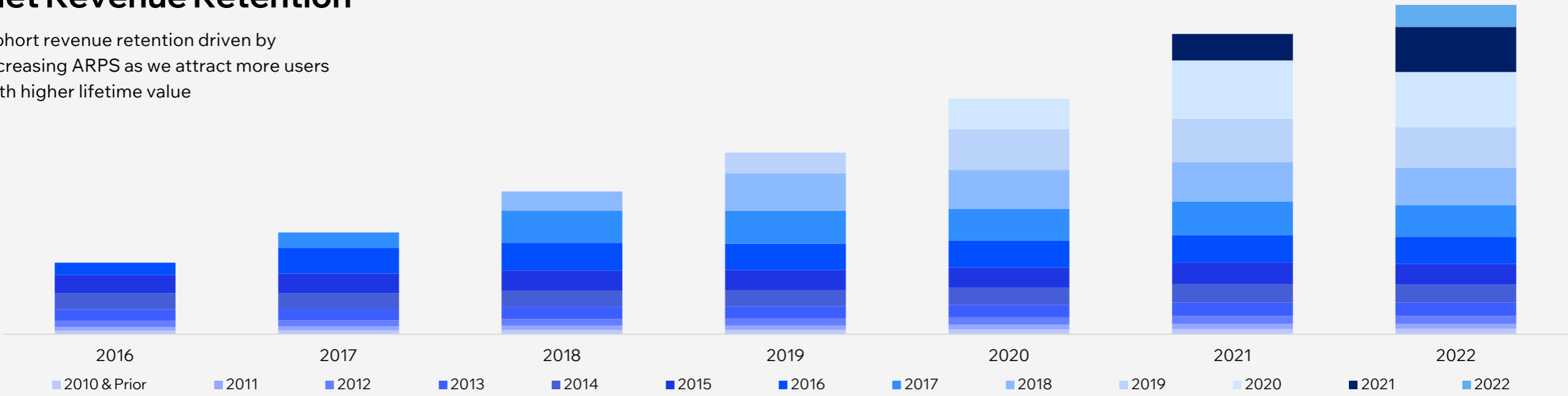
Note: Q4'22 Revenue by Geography and Y/Y change based on constant FX rates from Q4'21. Numbers may not add due to rounding.

Increasing Revenue Retention

Annual Net Revenue Retention Rate

+104% FX-neutral Net Revenue Retention

Cohort revenue retention driven by increasing ARPS as we attract more users with higher lifetime value

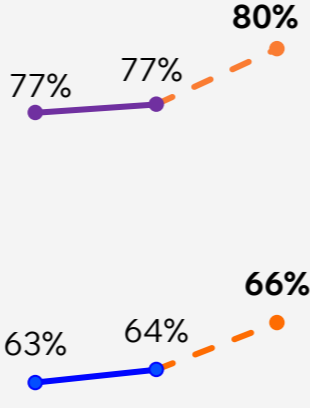
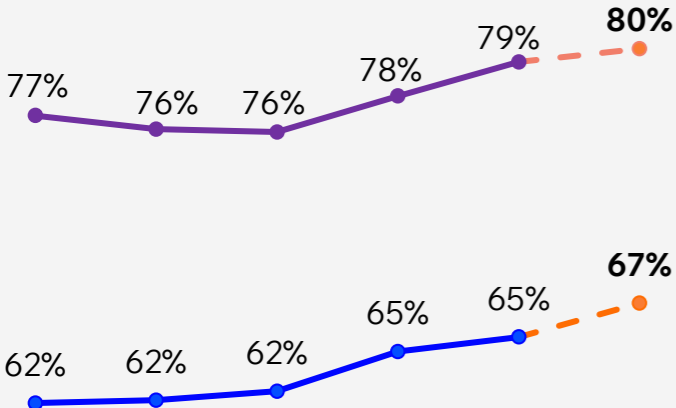


Note: We calculate our Annual Net Revenue Retention Rate at the end of a base year (e.g., Dec 31, 2022), by identifying all of the registered users on our platform as of the end of the prior year (e.g., Dec 31, 2021) and then dividing the total revenue generated by that cohort of registered users at the end of the base year by the total revenue generated by same cohorts of registered users at the end of the prior year. The quotient obtained from this calculation is the Annual Net Revenue Retention Rate. The Annual Net Revenue Retention Rate excludes revenue from B2B partnerships, DeviantArt, Wix Answers, or recent acquisitions.

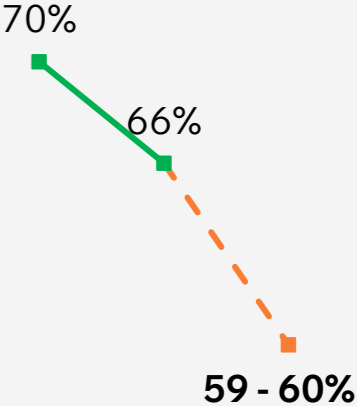
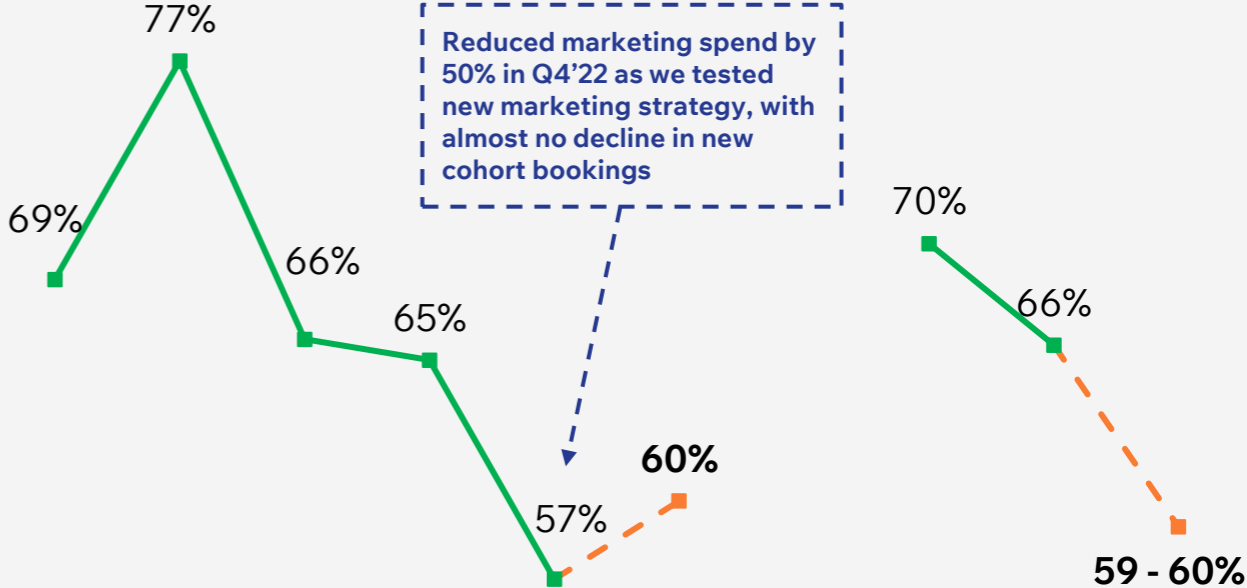
Net revenue retention based on constant FX rates from 2021. Including FX impact of 2022, net revenue retention was 102%.

Profitability improvements in 2022 driven by operational efficiencies and cost reduction efforts expected to continue in 2023

Non-GAAP Gross Margin



Non-GAAP Opex % of revenue



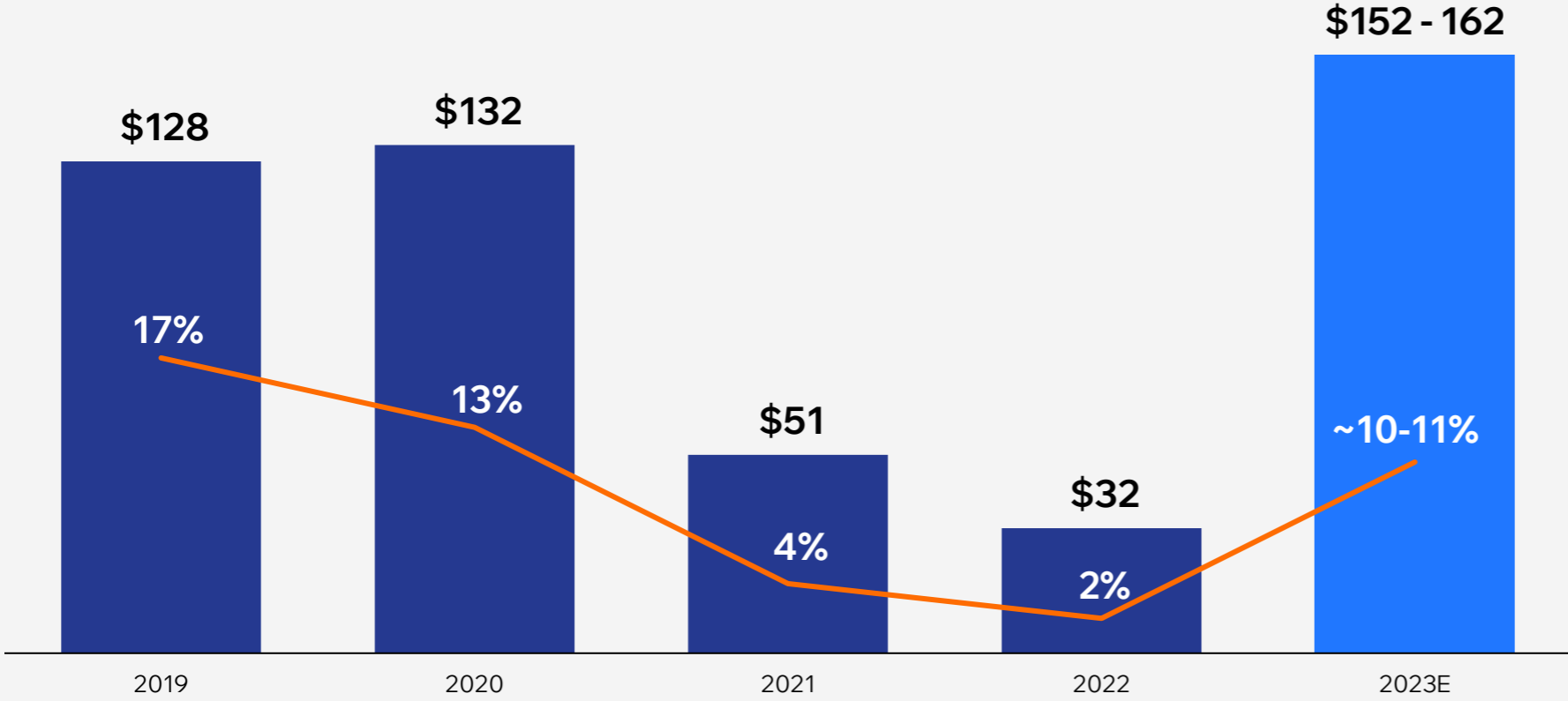
Q4-2021 Q1-2022 Q2-2022 Q3-2022 Q4-2022 Q4-2023
 ● Non-GAAP Gross Margin ● Non-GAAP CS Gross Margin

Q4-2021 Q1-2022 Q2-2022 Q3-2022 Q4-2022 Q4-2023
 2021 2022 2023

Free cash flow

(\$ Millions)

Free cash flow expected to accelerate compared to three-year plan provided at May 2022 Analyst Day



We are making headway towards sustained profitability and expect to generate FCF margin excluding HQ investments of ~12-13% exiting 2023 as a result of our focus on efficiency

● FCF as % of revenue

*Free cash flow excludes HQ spend in 2020-2023

Appendix



Reconciliation of GAAP to Non-GAAP Financial Measures

in 000s	2020				2021				2022				2019	2020	2021	2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	FY	FY	FY	FY
Revenues	\$215,987	\$236,059	\$254,180	\$282,534	\$300,779	\$315,575	\$319,890	\$333,413	\$341,597	\$345,224	\$345,805	\$355,040	\$757,667	\$988,760	\$1,269,657	\$1,387,666
Change in deferred revenues	\$32,871	\$29,792	\$26,761	\$23,847	\$50,330	\$19,266	\$6,243	\$6,522	\$37,552	\$7,731	\$6,023	\$4,081	\$74,818	\$113,271	\$82,361	\$55,387
Change in unbilled obligations	NM	NM	NM	NM	NM	\$8,020	\$47,164	\$11,621	\$14,099	\$1,639	\$636	\$12,692	NM	NM	\$66,805	\$29,066
Bookings	\$248,858	\$265,851	\$280,941	\$306,381	\$351,109	\$342,861	\$373,297	\$351,556	\$393,248	\$354,594	\$352,464	\$371,813	\$832,485	\$1,102,031	\$1,418,823	\$1,472,119
in 000s	2020				2021				2022				2019	2020	2021	2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	FY	FY	FY	FY
Creative Subscriptions Revenues	\$176,546	\$190,169	\$202,996	\$213,745	\$226,436	\$235,891	\$241,303	\$246,669	\$254,968	\$258,177	\$261,066	\$265,268	\$644,491	\$783,456	\$950,299	\$1,039,479
Change in deferred revenues	\$32,251	\$27,527	\$25,331	\$22,675	\$41,623	\$19,134	\$4,270	\$5,748	\$30,720	\$10,105	\$8,235	\$3,806	\$67,272	\$107,784	\$70,775	\$52,866
Change in unbilled obligations	NM	NM	NM	NM	NM	\$8,020	\$47,164	\$11,621	\$14,099	\$1,639	\$636	\$12,692	NM	NM	\$66,805	\$29,066
Creative Subscriptions Bookings	\$208,797	\$217,696	\$228,327	\$236,420	\$268,059	\$263,045	\$292,737	\$264,038	\$299,787	\$269,921	\$269,937	\$281,766	\$711,763	\$891,240	\$1,087,879	\$1,121,411
in 000s	2020				2021				2022				2019	2020	2021	2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	FY	FY	FY	FY
Business Solutions Revenues	\$39,441	\$45,890	\$51,184	\$68,789	\$74,343	\$79,684	\$78,587	\$86,744	\$86,629	\$87,047	\$84,739	\$89,772	\$113,175	\$200,911	\$319,358	\$348,187
Change in deferred revenues	\$620	\$2,265	\$1,430	\$1,172	\$8,707	\$132	\$1,973	\$774	\$6,832	\$(2,374)	\$(2,212)	\$275	\$7,547	\$9,880	\$11,586	\$2,521
Business Solutions Bookings	\$40,061	\$48,155	\$52,614	\$69,961	\$83,050	\$79,816	\$80,560	\$87,518	\$93,461	\$84,673	\$82,527	\$90,047	\$120,722	\$210,791	\$330,944	\$350,708

Note: Numbers may not add due to rounding.

In Q4 2021, we corrected our historical financial statements in the year 2020 and the first three quarters of 2021 to reflect revenue recognition timing differences related to the sale of Google Workspace solutions.

Reconciliation of GAAP to Non-GAAP Financial Measures

in millions	Q1'10	Q1'11	Q1'12	Q1'13	Q1'14	Q1'15	Q1'16	Q1'17	Q1'18	Q1'19	Q1'20	Q1'21	Q1'22
Cumulative Cohort Revenue	\$35	\$49	\$60	\$121	\$165	\$168	\$190	\$207	\$207	\$181	\$149	\$111	\$41
Cumulative Cohort change in deferred revenues	\$1	\$2	\$2	\$5	\$8	\$9	\$11	\$13	\$15	\$15	\$17	\$16	\$15
Cumulative Cohort Bookings	\$36	\$51	\$62	\$126	\$173	\$177	\$201	\$220	\$222	\$196	\$166	\$127	\$56

Note: Numbers may not add due to rounding.

Reconciliation of GAAP to Non-GAAP Financial Measures

in 000s	2020				2021				2022				2019	2020	2021	2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	FY	FY	FY	FY
Partners Revenue	\$29,099	\$34,734	\$40,150	\$50,309	\$58,003	\$64,883	\$70,061	\$77,007	\$81,996	\$84,893	\$86,696	\$94,584	\$93,292	\$154,292	\$269,955	\$348,169
y/y growth	56%	57%	60%	84%	99%	87%	75%	53%	41%	31%	24%	23%	-	65%	75%	29%
2-year CAGR	-	-	-	-	76%	71%	67%	68%	68%	56%	47%	37%	-	-	70%	50%

in 000s	2020				2021				2022				2019	2020	2021	2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	FY	FY	FY	FY
Transaction Revenue	\$5,915	\$10,669	\$12,432	\$26,767	\$29,455	\$32,438	\$32,290	\$36,132	\$36,557	\$36,758	\$36,040	\$38,870	\$11,127	\$55,783	\$130,314	\$148,226
y/y growth	~20x	962%	211%	360%	398%	204%	160%	35%	24%	13%	12%	8%	-	401%	134%	14%
2-year CAGR	-	-	-	-	886%	468%	160%	149%	149%	86%	70%	21%	-	-	242%	63%

Note: In Q1 2022, we revised comparative historical numbers for Partners in order to more accurately reflect users we have identified as Partners