Business Performance & Growth Drivers
What we’ll share with you today

01  Self Creators continues to be a stable business providing robust base of consistent bookings and revenues

02  Partners business continues to ramp rapidly and layer in compounding bookings and revenues

03  Together, Self Creators and Partners drive durable growth and long term value
Self Creators continues to be a stable business providing a robust base of bookings and revenue.
Self Creators cohorts produce stable, consistent bookings

Yearly Bookings Self Creators Cohorts

Note: Excludes bookings from DeviantArt, Wix Answers, and acquired companies.

2023 estimation is based on H1'23 cohort performance and historical data and is subject to change.
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Yearly Bookings Self Creators Cohorts

$200M

2020
2021

$150M

2023
2019

$100M

2022
2018

$50M

2017
2016

2023 Cohort is projected to be one of our strongest non-covid cohorts

Estimated to produce over ~$550M in bookings over the next 5 years

Note: Excludes bookings from DeviantArt, Wix Answers, or acquired companies.

2023 estimation is based on H1’23 cohort performance and historical data and is subject to change.

Underlying our estimation of expected future bookings are certain assumptions and projections, such as assumptions regarding future cohort behavior based on historical data. Actual results may differ materially from our expectations.
With steadily increasing ARPS

Self Creators ARPS

8% 4Y CAGR

ARPS increase due to:

- Mix shift to higher priced subscription packages
- More commerce users generate higher GPV
- Expanded product offering

Analyst & Investor Day | August 2023
Producing long term double digit growth for self creator revenues

Self Creators Revenues

$ 300M
$ 200M
$ 100M
$ 0M


14% 4Y CAGR
Partners business continues to ramp rapidly while compounding growth
Partners cohorts demonstrate compounding bookings growth

Yearly Bookings Partners Cohorts

Note: Excludes bookings from DeviantArt, Wix Answers, and acquired companies.

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Partners cohorts demonstrate compounding bookings growth

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Yearly Bookings Partners Cohorts

2023 partner cohort is projected to be our strongest partner cohort to date

Number of years passed

Note: Excludes bookings from DeviantArt, Wix Answers, and acquired companies.

2023 estimation is based on H1'23 cohort performance and historical data and is subject to change.
What is driving this compounding growth?
More partners continue to come to Wix

Number of partners on Wix

55% 3Y CAGR
Partners are building more sites

Number of total paid subscriptions from Partners

32% 3Y CAGR
Partners’ sites generate more GPV

Partners GPV grows as partners build more advanced ecommerce sites.

Partners contribute ~43% of total GPV today.
Partners increasingly adopt more business applications, driving higher Business Solutions revenue

Revenues from business applications by partners’ sites

53% 3Y CAGR

Partners increasingly attach more business applications as well as monetized marketing solutions
Partners have increased Net Revenue Retention

Even in 2022, Partners NRR was 116%, reflecting sticky, high value users.
As a result, Partners revenue continues to grow meaningfully.
Growth Pillars
Growth Pillars

Partners

Wix Studio - Best in class product:

- More partners
- More sites per partner
- More complex sites (higher monetization)
Growth Pillars

Partners

Wix Studio - Best in class product:

- More partners
- More sites per partner
- More complex sites (higher monetization)

Self Creators

Re-accelerating growth:

- Global economic recovery
- AI products and tech to increase conversion, monetization and retention
- Product innovation
Growth Pillars

Partners

Wix Studio - Best in class product:

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Self Creators

Re-accelerating growth:

- Global economic recovery
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Business Solutions

- GPV growth
- Business applications - continued adoption as well as future innovation
Notes

Creative Subscription Revenue and Creative Subscription Bookings refer to revenue or bookings, as applicable, generated from premium subscriptions, including premium subscriptions bundled with vertical solutions and domain name subscriptions and exclude any revenue or bookings, as applicable, included under Business Solutions Revenue or Bookings, respectively. Our total revenue is comprised of Business Solutions Revenue and Creative Subscriptions Revenue. Our total bookings is comprised of Business Solutions Bookings and Creative Subscriptions Bookings.

Business Solutions Revenue and Business Solutions Bookings refer to all revenue or bookings, as applicable, generated from business solutions and exclude any revenue or bookings, as applicable, included under Creative Subscriptions Revenue or Bookings, respectively.

Business Applications revenue is a portion of Business Solutions revenue, including but not limited to revenue generated from Google Workspace, paid-ads, and Email Marketing, and excluding Transactional Revenue and revenue generated from acquired companies.

GPV or Gross Payments Volume includes the total value, in US dollars, of transactions facilitated by our platform.

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

**Partners** is defined as agencies and freelancers that build sites or applications for other users, as well as B2B partnerships, such as LegalZoom or Vistaprint and enterprise partners. We identify Partners 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, among other criteria.

**Partners Revenue** is defined 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, and through enterprise partners. Partners revenue includes revenue from both the Creative Subscriptions and Business Solutions segments.

**Partners Cohort Bookings** is bookings attributed to cohorts based on the period in which a user registered with Wix, and has since been identified as a Partner. Cohort bookings include bookings from both the Creative Subscriptions and Business Solutions segments and excludes bookings from DeviantArt, Wix Answers, or acquired companies.

**Net Revenue Retention:** 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 DeviantArt, Wix Answers, or acquired companies.
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. Revenues 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, acquisition-related expenses and amortization, 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 one-time cash restructuring charges and the capital expenditures and other expenses associated with the buildout of our new corporate 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. Non-GAAP financial measures or other financial metrics used herein but not defined, shall have the meaning as in the Company’s most annual report on Form 20-F for the year ended December 31, 2022 as filed with the Securities and Exchange Commission on March 30, 2023. 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 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 in effect on the last day of the period; and (iii) monthly revenue from other partnership agreements and enterprise partners.
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, in particular as we continuously adjust our marketing strategy and as the macro-economic environment continues to be turbulent; our expectation that we will be able to increase the average revenue we derive per premium subscription, including through our partners; our expectations related to our ability to develop relevant and required products using Artificial Intelligence (“AI”), the regulatory environment impacting AI related activities including privacy and intellectual property aspects, and potential competition from third-party AI tools which may impact our business; 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, in particular during the current turbulent macro-economic environment; our expectation regarding the successful impact of our previously announced Cost-Efficiency Plan and other cost saving measures we may take in the future; expectations regarding our ability to reach our profitability targets; our prediction of the future revenues and/or bookings generated by our user cohorts and our ability to maintain and increase such revenue and growth, as well as our ability to generate and maintain elevated levels of free cash flow and profitability; our expectation to maintain and enhance our brand and reputation; our expectation that we will effectively execute our initiatives to improve our user support function through our Customer Care team, and that our recent downsizing of our Customer Care team will not affect our ability to continue attracting registered users and increase user retention, user engagement and sales; 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 expectation regarding the impact of fluctuations in foreign currency exchange rates, interest rates, potential illiquidity of banking systems, and other recessionary trends on our business; our expectations relating to the repurchase of our ordinary shares and/or Convertible Notes pursuant to our repurchase program which remains subject to Israeli court approval and depends on a number of factors, including the market price of the Company’s ordinary shares, general market and economic conditions and other corporate considerations; our expectation that we will effectively manage our infrastructure; 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, including the profitability targets set forth herein; our expectations regarding changes in the global, national, regional or local economic, business, competitive, market, and regulatory landscape, including as a result 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; and our expectations about entering into new markets and attracting new customer demographics, including our ability to successfully attract new partners large enterprise-level users and to grow our activities with these customer types 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, 2022 filed with the Securities and Exchange Commission on March 30, 2023. The preceding list is not intended to be an exhaustive list of all of our forward-looking statements. 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.