

Wix.com

Q1 2014 Earnings Summary



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, 2013 filed with the Securities and Exchange Commission on March 20, 2014. 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 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, adjusted EBITDA, 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. Adjusted EBITDA represents earnings before interest, income tax, depreciation and amortization, and further eliminates the effect of share-based compensation expense, withdrawn secondary offering expenses and acquisition related expenses. Free cash flow represents cash flow from operating activities minus capital expenditures. Free cash flow represents cash flow from operating activities minus capital expenditures. Non-GAAP net loss represents net loss calculated in accordance with GAAP as adjusted for the impact of share-based compensation expense and other non-GAAP adjustments. 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.

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 they 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 of GAAP to Non-GAAP” table in the Annex to this presentation. 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 adjusted EBITDA guidance to net income because it does not provide guidance for net income. As items that impact net income 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 net income 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.

The trademarks included herein are the property of the owners thereof and are used for reference purposes only. Such use should not be construed as an endorsement of the products or services of the company.

Key Metrics: Q1 2014



\$37.5 Million
Collections



\$28.8 Million
Revenue



46.2 Million
**Registered
Users**



908,000
**Premium
Subscribers**

Highlights

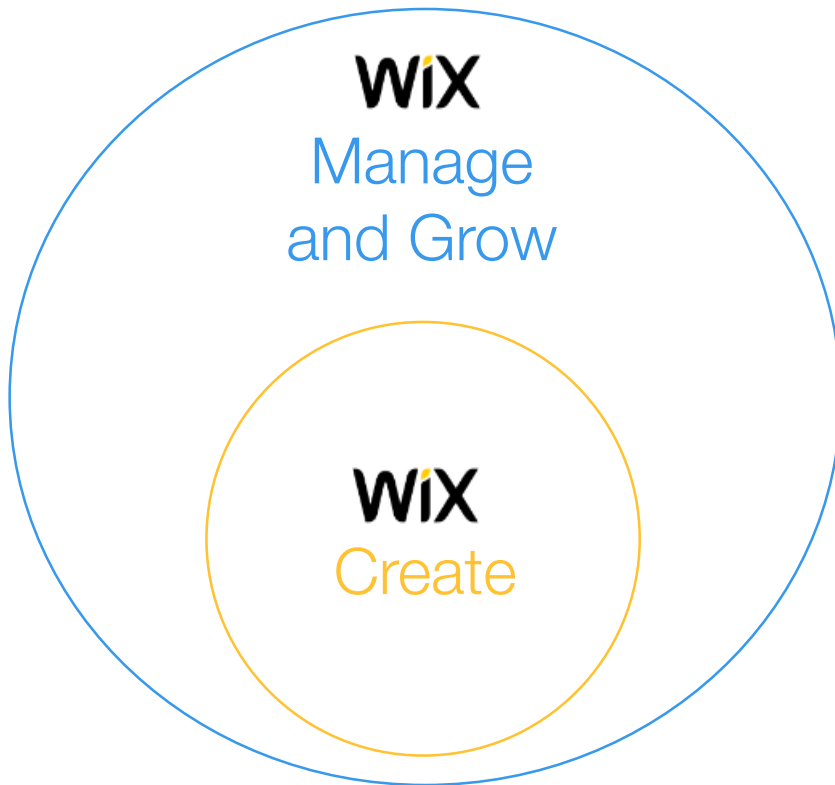
Financial Highlights:

- ✓ Collections Y/Y growth of 91% to \$37.5 million
- ✓ Revenue Y/Y growth of 86% to \$28.8 million
- ✓ Record premium subscription growth – 118,000 net adds, 65% Y/Y growth

Business Highlights:

- ✓ Launch of Wix Hive – enables shared data across Apps that users can leverage to manage and grow their business through the Wix Cloud
- ✓ Payments partnerships with Yandex.Money and MercadoPago
- ✓ New go-to-market partnership with REG.RU
- ✓ Continued investment in R&D talent to drive product development and in marketing and branding to drive subscription growth

Beyond Website Creation

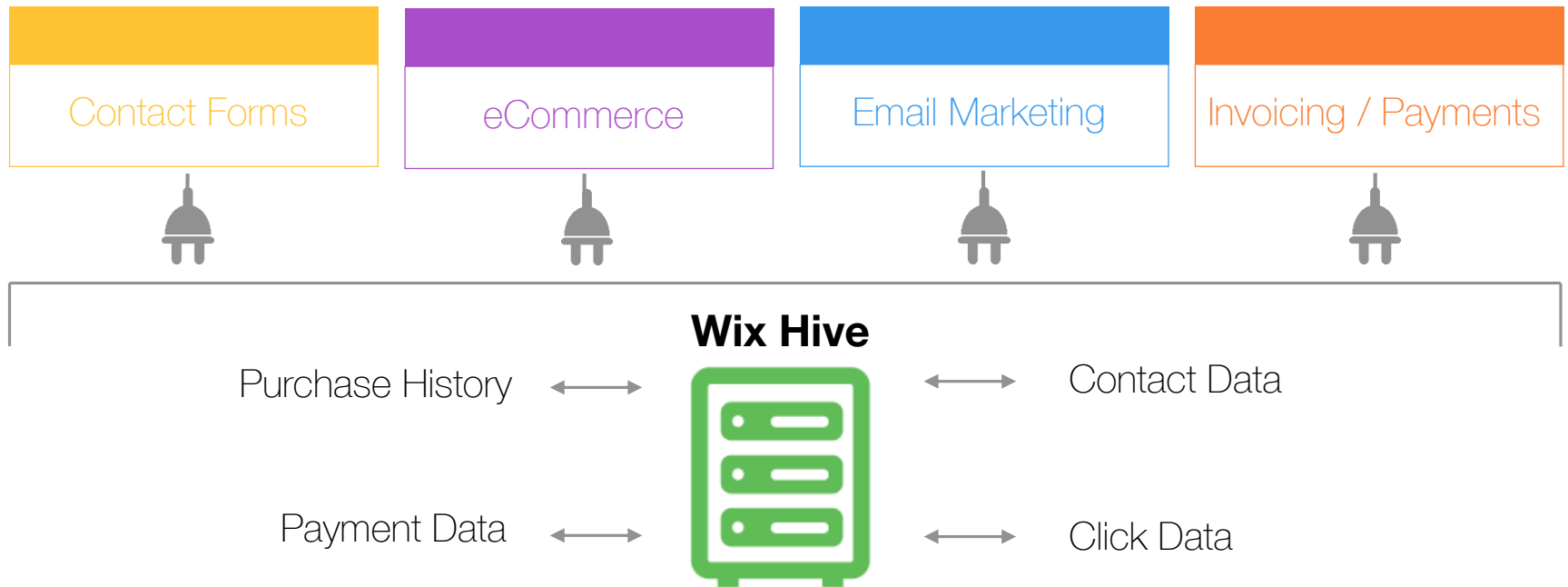


- My Account Dashboard
- Notifications
- Business Apps
- Premium Services
- Mobile Apps

- Wix Editor
- Wix App Market
- Wix Mobile
- Lists
- Content and Tools

Intelligent Apps

- ✓ Actionable Data
- ✓ Integrated Tools
- ✓ Real-time Updates
- ✓ Business Management



Software Strategy: Wix OS

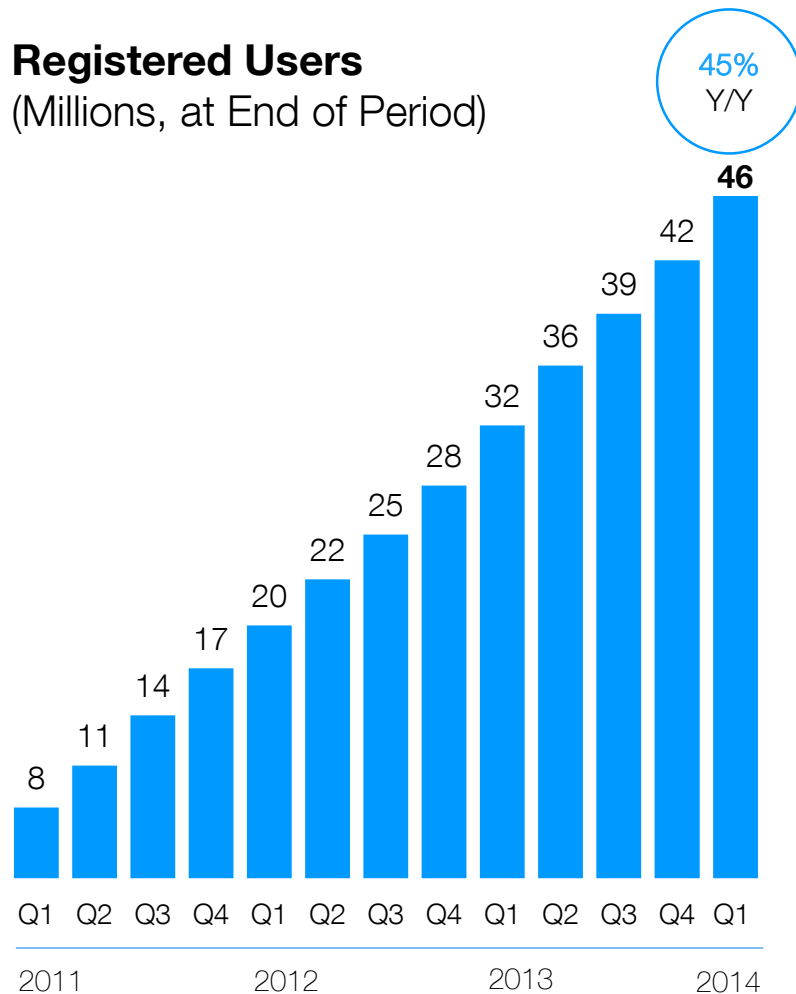


Provide SMBs the ability to run their business online, all from the Wix Cloud

Users and Subscriptions

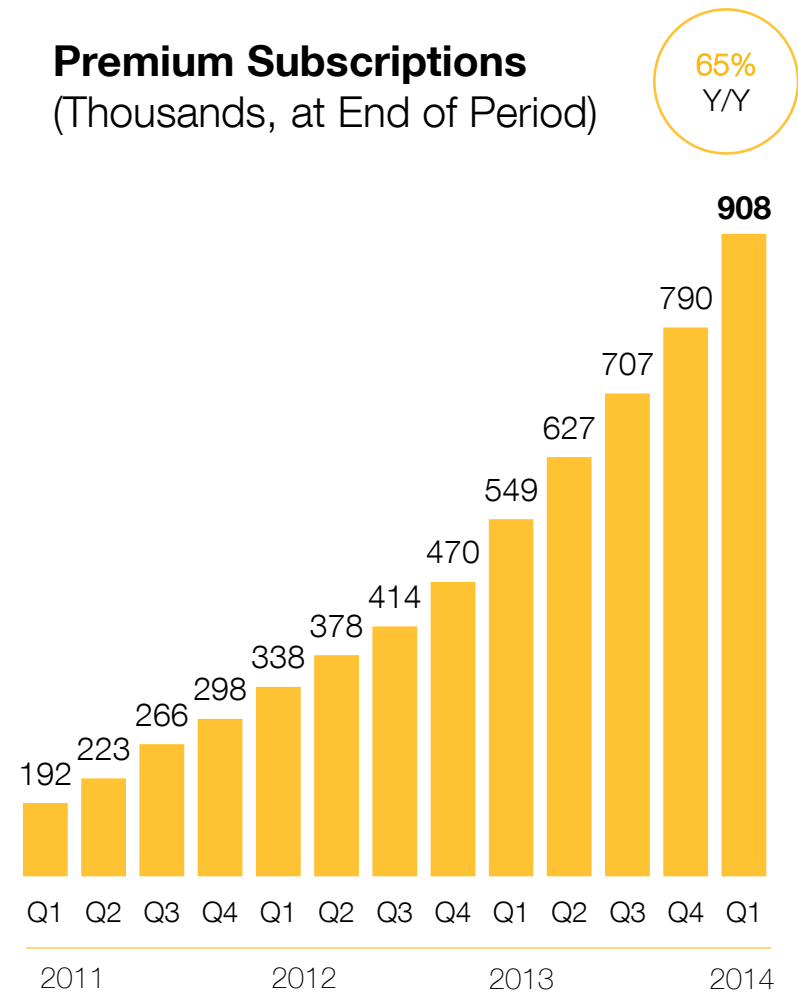
Registered Users

(Millions, at End of Period)



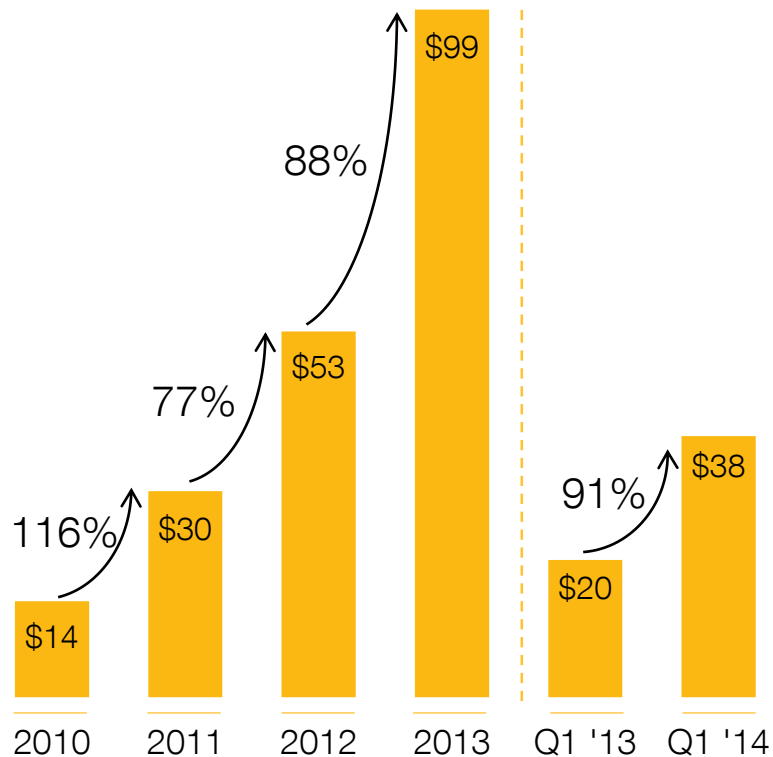
Premium Subscriptions

(Thousands, at End of Period)

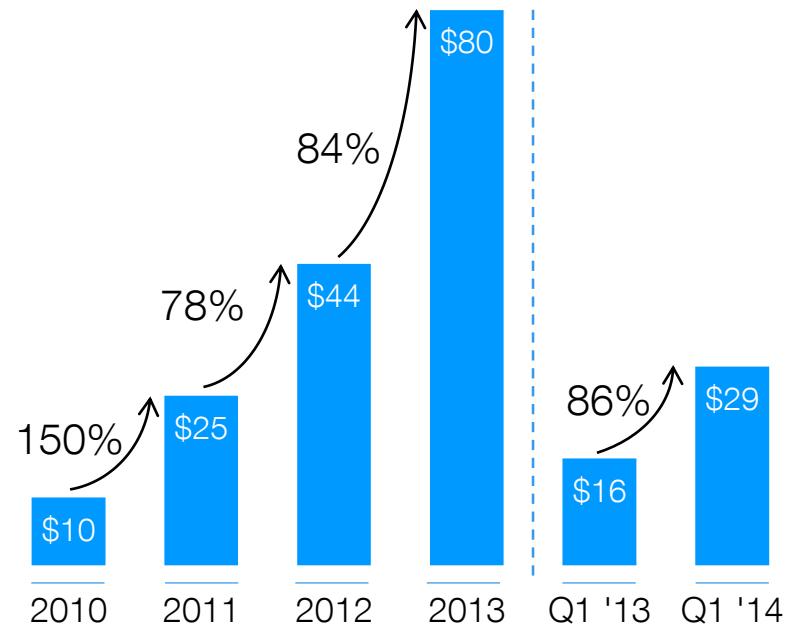


Collections and Revenues

Collections
(\$ Millions)



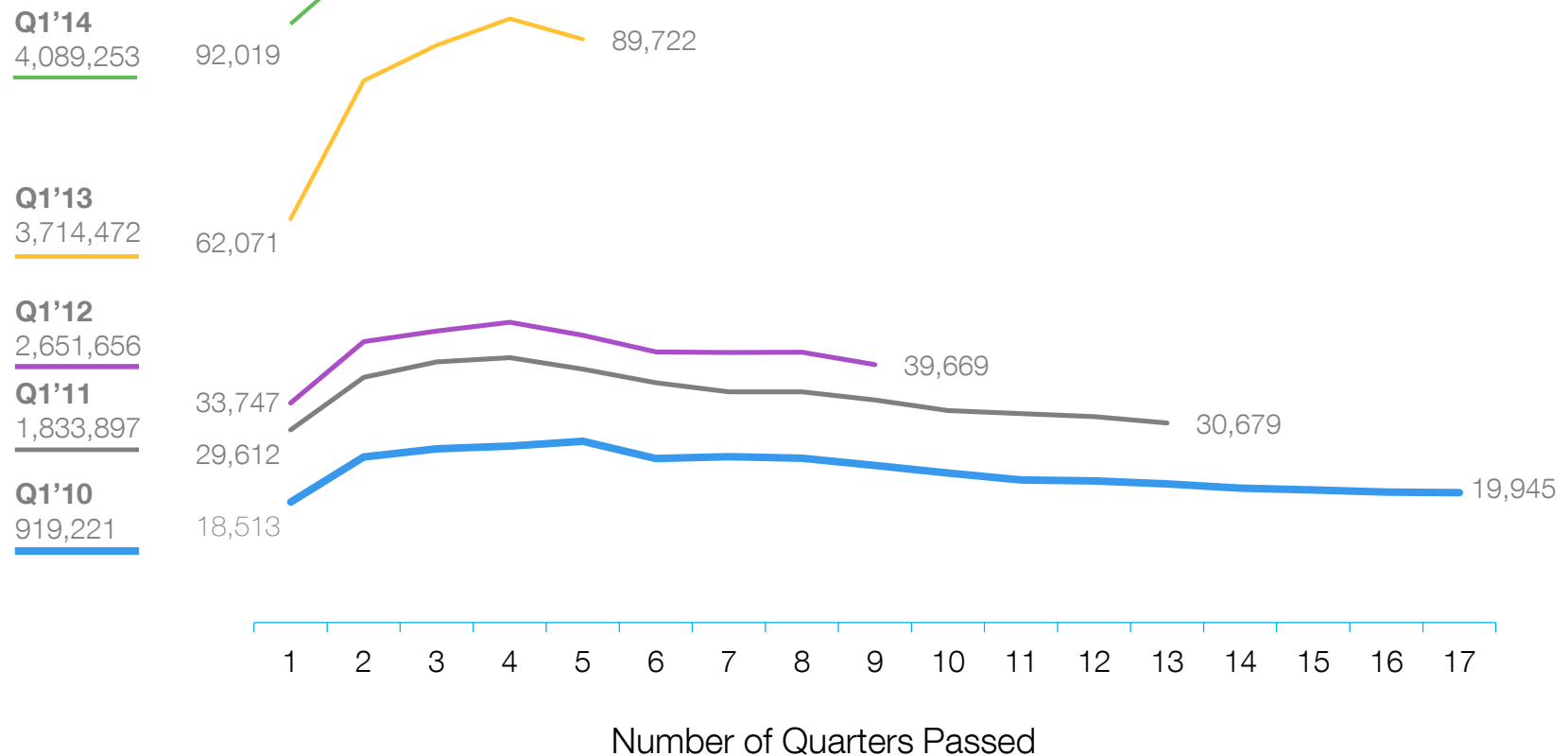
Revenues
(\$ Millions)



Consistent Behavior

Active Premium Subscriptions from Q1 User Cohorts

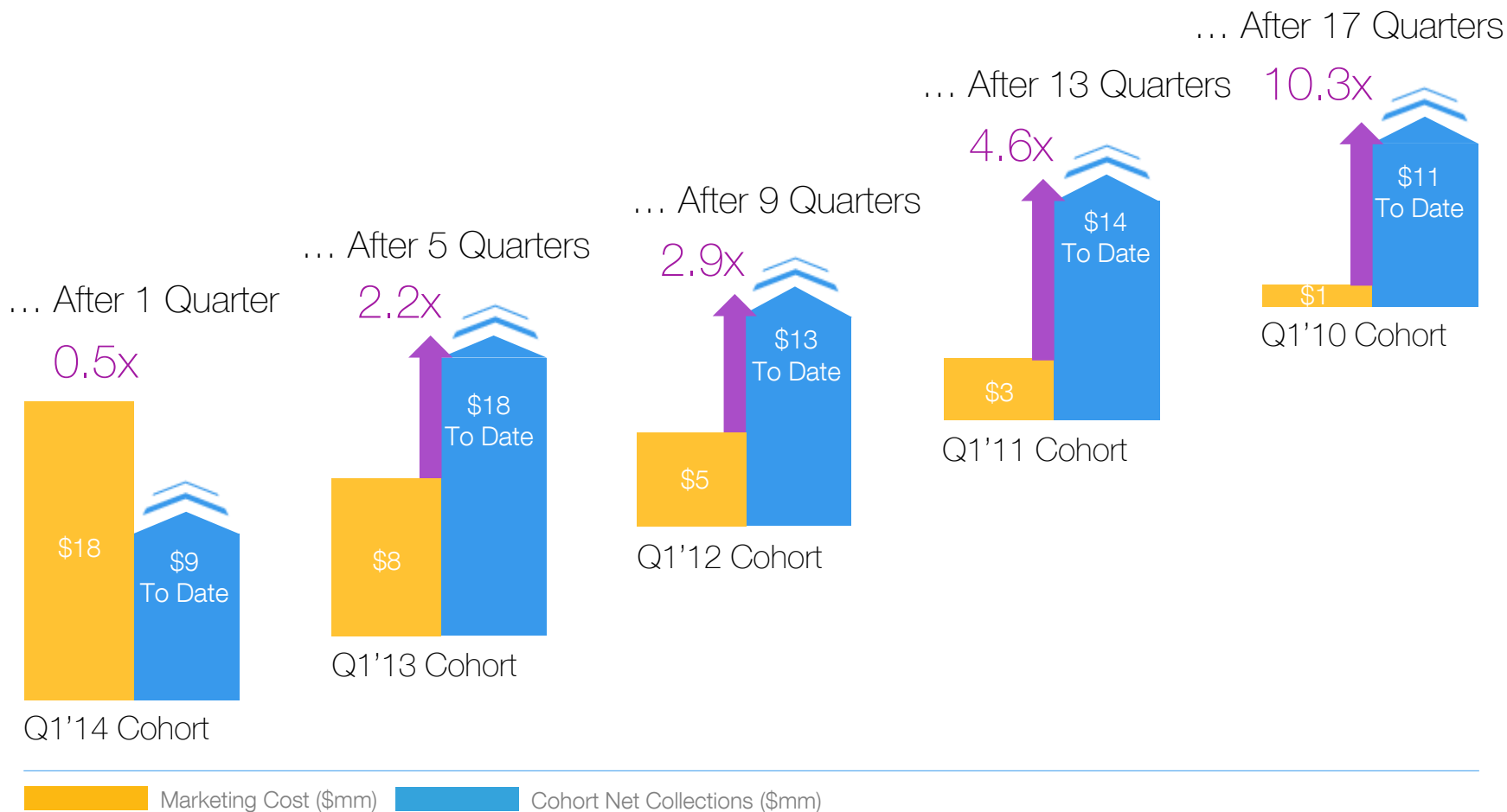
Registered Users



Note: Data as of March 31, 2014

Marketing Efficiency

One Time Marketing, Ongoing Monthly Collections



Note: Data as of March 31, 2014

Non-GAAP Financial Summary

(in thousands)	2011	2012	2013	Q1 '13	Q1 '14
Revenues	\$24,600	\$43,676	\$80,473	\$15,522	\$28,847
Gross Profit	\$19,350	\$34,548	\$65,706	\$12,540	\$23,785
Gross Margin	79%	79%	82%	81%	82%
Net Loss	(\$17,923)	(\$13,718)	(\$20,953)	(\$4,400)	(\$11,316)
Adjusted EBITDA	(\$17,035)	(\$13,070)	(\$18,244)	(\$4,196)	(\$10,650)
Free Cash Flow	(\$12,353)	(\$4,555)	\$1,173	\$236	(\$371)

APPENDIX

Reconciliation of GAAP to Non-GAAP

(in thousands)	2011	2012	2013	Q1 '13	Q1 '14
Revenues	\$24,600	\$43,676	\$80,473	\$15,522	\$28,847
Change in Deferred Revenues	5,048	8,803	18,200	4,152	8,668
Collections	\$29,648	\$52,479	\$98,673	\$19,674	\$37,515

(in thousands)	2011	2012	2013	Q1 '13	Q1 '14
Net Cash (used)/from Operating Activities	(\$10,599)	(\$3,608)	\$4,243	\$640	\$1,097
Capital Expenditures	(1,754)	(947)	(3,070)	(404)	(1,468)
Free Cash Flow	(\$12,353)	(\$4,555)	\$1,173	\$236	(\$371)

Reconciliation of GAAP to Non-GAAP

(in thousands)	2011	2012	2013	Q1 '13	Q1 '14
GAAP Net Loss	(\$22,740)	(\$14,972)	(\$28,720)	(\$4,916)	(\$14,917)
Adjustments:					
Financial expenses (income), net	41	(487)	603	(261)	(84)
Other expenses (income)	127	2	18	-	3
Taxes on income	212	496	1,572	283	501
Depreciation	592	871	1,229	236	472
Withdrawn secondary offering expenses	-	-	-	-	365
Acquisition related expenses	-	-	-	-	65
Stock-based compensation	4,733	1,020	7,054	462	2,945
Total adjustments	\$5,705	\$1,902	\$10,476	\$720	\$4,267
Adjusted EBITDA	(\$17,035)	(\$13,070)	(\$18,244)	(\$4,196)	(\$10,650)

Reconciliation of GAAP to Non-GAAP

(in thousands)	2011	2012	2013	Q1 '13	Q1 '14
GAAP Gross Profit	\$19,310	\$34,443	\$65,216	\$12,507	\$23,607
Stock-based Compensation	40	105	490	33	178
Non-GAAP Gross Profit	\$19,350	\$34,548	\$65,706	\$12,540	\$23,785
GAAP Net Loss	(\$22,740)	(\$14,972)	(\$28,720)	(\$4,916)	(\$14,917)
Stock-based Compensation and other Non GAAP Adjustments	4,817	1,254	7,767	516	3,601
Non-GAAP Net Loss	(\$17,923)	(\$13,718)	(\$20,953)	(\$4,400)	(\$11,316)