

**Wix.com Fourth Quarter and Full Year 2019 Results Conference Call  
February 20, 2020**

*Introduction*

**Operator:** Good morning. My name is Cindy, and I will be your conference operator today.

At this time, I would like to welcome everyone to the Wix 2019 Fourth Quarter and Full Year Financial Results Conference Call.

(Operator Instructions)

I will now hand the turn the call over to Maggie O'Donnell, Director of Investor Relations. Please go ahead.

**Maggie O'Donnell:** Thanks, Cindy. Good morning, everyone. Welcome to Wix's Fourth Quarter and Full Year 2019 Earnings Call. Joining me today to discuss our results are Avishai Abrahami, CEO and Co-Founder; Nir Zohar, President and COO; and Lior Shemesh, CFO.

During this call, we may make forward-looking statements, and these statements are based on current expectations and assumptions. Please consider the risk factors, please -- included in our press release and most recent Form 20-F that could cause our actual results to differ materially from these forward-looking statements. We do not undertake any obligation to update these forward-looking statements.

In addition, we will comment on non-GAAP financial results. You can find all reconciliations between our GAAP and non-GAAP results in our press release, presentation slides and shareholder update as well as our Interactive Analyst Center on the Investor Relations section of our website, [investors.wix.com](http://investors.wix.com).

Before I turn the call over to Avishai, I want to mention that we will be hosting an Analyst and Investor Day on March 18 in New York. Please e-mail us at [ir@wix.com](mailto:ir@wix.com) if you're interested in receiving an invitation.

Now I will hand it over to Avishai, who is going to say a couple of words about the quarter.

**Avishai Abrahami:** Thank you, Maggie, and welcome, everyone. We ended 2019 on a very strong note. We finished the year with 28% collection growth on an FX-neutral basis, which was higher than we expected. By all accounts, it was a fantastic year.

Before we go to questions, I just want to emphasize how excited I am about 2020. Never before had we had so many new initiatives, new products and new opportunities heading into a new year. In 2020, we will, for the first time ever surpass \$1 billion in collection. It is a great symbolic milestone for our business. And what I think of as the beginning of Wix' second act. It is a symbol of how we'll become so much more than a website builder. Wix today is the home of over 165 million people, who not only build their website on our platform, but also manage the communication and relationship with their customers, their friends and their users.

It is a place where a full business can be run, allowing a small business the same opportunities as a big one. With the recent announcement of Editor X, a whole new market is opening to us. We see a huge opportunity in this market of larger businesses and global brands. We believe that you have coming launch of Editor X combined with Corvid that our offering is remarkably better than any product in the market today. We are ready. We are executing against it, and we have more to come.

My management team and I are extremely bullish about what this means for our business, and I believe it will accelerate our growth in the next couple of years.

With that, we can now take your questions.

**Maggie O'Donnell:** Thanks, Avishai. Operator, can we take the first question, please?

**Operator:** Your first question is from Ron Josey from JMP.

**Ron Josey:** Great. From JMP. And I just wanted to ask a little more about the new disclosures in the quarter around creative subscriptions and business solutions, Maybe Avishai and Lior, I think the data is extremely helpful just to understand the drivers of the business, but any additional context of what's included in the breakdown of the drivers? Specifically with business solutions, I know, G Suite and Payments are included. So any insights there would be helpful. And then maybe taking a step back, as we think about, as Avishai, you mentioned the new day or whatever of Wix going forward. Just the approach and deciding why these new reporting lines are most relevant?

**Avishai Abrahami:** So I'm going to -- if it's okay, I'm going to ask Lior to describe what is included, and then I'll take the second question.

**Lior Shemesh:** Sure. So first of all, with regard to the, in general, to the changes that we've made, we feel that those changes actually serve and provide much more transparency into our business. And we need to understand that our business has

evolved in the last few years. As we mentioned many times in the past, we are no longer just a website builder. We are much more than that. And I think that the breakdown of the revenue of the top line into those 2 separate segments actually provide the right transparency in order to really to understand the business and the changes that we went through.

With regard to the content of each of them, the creative subscription in a way, it includes all the packages that we sell and monetize, including also the domain. While the Business solutions, when you think about it, this is exactly the changes that we've went through, include all the different applications as well as payments, applications like G Suite, Ascend, obviously, Payments and many other initiatives that were included over there. We believe that, if we take, for example, the Editor X will be a great contribution to the creative subscription in the future and to its growth. And obviously, for the business solution, we see a big potential, especially coming from payments and other applications and more solution that we intend to introduce in the future.

**Avishai Abrahami:** So the second part of your question, why we think that it's time that we actually start to report additional information. I think that as price discrepancy between customers, right, grows, and we now have customers that are paying \$5 a month, and then people that pay a thousand times that on Wix. And we believe that just telling about the amount of subscription become less, less clear because, obviously, each one of them holds dramatically different value. As a result, we think that we need to provide more transparency. And on the standard subscription-based model of the website building part and then on the other side, on the business management growth that we also see growing very quickly.

**Operator:** Your next question comes from Ken Wong from Guggenheim.

**Ken Wong:** So this question just regarding fiscal '20 growth. When I think about your outlook, the first thing that popped in my head is just some of the headwinds that you guys experienced in fiscal year '19. I think a lot of us were expecting maybe subs re-accelerating, customer support contributing. I think you guys had mentioned 5 points of growth. And then also seeing some traction with Corvid. I guess when thinking about your outlook, how are you feathering in some of those elements? Have some of those pieces then been pushed out a little? Any color there would be great.

**Lior Shemesh:** Ken, this is Lior. Sure. So I think that -- let me start with the fourth quarter. We managed to beat our own expectations during the fourth quarter. And that was -- and by the way, also in terms of the net addition in terms of subscriptions. And that was, for us, a great indication for the strength of our business and especially the new initiatives like going into the creators market. And also with Corvid and other new initiatives like payments and so on.

We believe that looking in the last few years, we have a really strong track record of growth, which I believe that will continue. We are entering into a new market with a huge opportunity, and we feel really, really excited about it. We actually started to see things happening. And I believe that it will generate even higher growth in the second half of the year, once we will start to monetize on Editor X. Obviously, not everything is part of our guidance because some of it is still in progress. And some of it, we simply need to understand exactly what will be the model, especially when we talk about the Editor X and the monetization that start -- that's going to be in the second half of the year.

A very important thing to remember, we have never had so many new products and initiatives. And we believe that those new products and initiatives are going to provide more upside for us in the coming -- in the near future.

**Ken Wong:** Great. And then maybe if we can just -- I'm not sure if you guys have kind of thought this through yet, but thinking about the creative business and then the business segment. Any rough sense of how we should be thinking about growth between those 2 buckets?

**Lior Shemesh:** So obviously, what we provided in the guidance is just one number. And I think that -- I think that it's something that we didn't want to provide guidance for both of them separately, and let me try to explain why. Sometimes, there is a mix between our subscription to our business solution. And I believe that at this stage, it makes much sense to provide only one number. But then again, we provide you with the model and how the subscription -- creative subscription is actually acting, especially together with the ARR that we provided for the first time, which going to provide you much more color and transparency about how to try to predict it. But at this point of time, we feel very comfortable in providing just one number with regard to the guidance.

**Operator:** Your next question comes from Ygal Arounian from Wedbush Securities.

**Ygal Arounian:** Maybe I'll try the guidance question a little bit more directly with agency push. And you guys are clearly excited about the agency or professional designer market. You put a lot of the pieces together over the course of 2019. Any way to help investors understand how much that's contributing today? We're early there, but how much is it contributing? How much is it contributing to the overall guidance for the year? I understand that there's upside if it starts to build-out, but is it built into guidance at all?

And then a related follow-up, you put the sales team in place over the course of last year. I feel Editor X was a kind of big missing piece in the go-to-market for the sales team. And so can you help -- also help us understand how the sales team is contributing to the agency push? If that helps accelerate growth and expand

opportunity? And did they need Editor X before they were really able to make a meaningful headway in that market?

**Avishai Abrahami:** I think that -- this is Avishai. I'll try the first part. So what we do see is that we have really good growth on the professional creators and agencies, and which exceeds 50% growth year-over-year. We are very excited about that. It has started to become significant numbers. As we started to see that the opportunity there is not just real, but it's something that is available for us, and we can easily participate when we started to work on Editor X because it will give us even the ability to further accelerate into that domain.

One of the things we really like about this domain is that if you look at it, in terms of what is the companies who provide to -- for the creators and designers on web design, it's really a bunch of old tools with companies that are rather boring. And I think that this is a time where we have really a massive opportunity. Obviously, like everything else, we provide guidance to the thing that we do know that we're able to achieve and other things that we hope we will achieve. So the portion that we are aware that we can achieve is already in the guidance. Everything else is, hopefully we're going to continue to beat guidance that we provide.

**Operator:** Your next question comes from Deepak Mathivanan from Barclays.

**Deepak Mathivanan:** Two quick ones from us. So first, the advertising spend was up 14% last year, which is steadily decelerated over the past couple of years. I know 2019 is a bit of a unique year, given the pricing change and then shift towards more sales force. But are you facing constraints on ad returns and ROIs to acquire new users at this time? How should we think about the advertising spend in 2020 and then going forward?

And then the second question is for Avishai. Where is Payments penetration right now? Maybe talk about it in terms of new subscribers or existing subscribers? Is the adoption curve kind of tracking as you had originally expected? How does it compare to your expectations?

**Lior Shemesh:** Yes. Let me start with the marketing. Today, we are still under the 7 to 9 months TROI. There was no change, by the way, in terms of the way that we actually do the marketing and the go-to-market with regard to that. We are still able to generate the growth in terms of the number of users that we are getting, and we can actually see that as part of the numbers.

And we don't see any changes with regard to that. As for the agencies, obviously, we already started the process of breaking it down for our own use. In order to measure it, obviously, separately. But let's remember that as part of the 2 million users that we bring every month, there are many of them that are agencies and

many of them are creators. That said, I don't expect the 7 to 9 months to change in the near future.

**Avishai Abrahami:** And this is Avishai. With respect to regarding who's using Payment today. And so when we released this product, we assume that the majority of the new users will adopt it, and we do see that happening. And we estimate there's going to be some move from old customers. And what we see today is that we actually have a bit more than we expected, move from our old customers into payments. I think because of the quality of the way that you can actually track transactions.

And -- so as a result, we see both of them growing very well. The majority of new users today on Wix are choosing Wix Payment. And pretty much everybody who changed or add a payment solution on an old store and old -- any kind of a transactional base product on Wix is moving to Wix Payment. So we are very proud of the product, and obviously, it's already returned a lot of the value that we expected, and I think that it will continue to do so.

**Operator:** Your next question comes from Naved Khan from SunTrust.

**Naved Khan:** So I think previously, you guys have talked about at least a 3x return on this expanded customer support, is that still the expectation for 2020? And then in your prepared commentary, you talked about implementing a more proactive approach to support. Can you just maybe discuss that in more detail? And then secondarily, can you maybe give us some more color on what drove the acceleration in revenue and collections for business solutions in the fourth quarter?

**Lior Shemesh:** Sure. So this Lior. I will start with the first part, and Nir will share some more light about the progress. So we still feel very strong about the opportunity in 2020 with regard to the care. And we still feel very strong about the returns, about the 5% that we indicated last year. Obviously, some of it already incorporated into our guidance, but not all of it. Because, in a way, it's still work in progress. So I think that we might get some upside during this year and certainly next year. But Nir will elaborate more about it.

**Nir Zohar:** Yes. So I think, generally, it's -- for a company our size, doing such a change for the customer experience is really a big -- it's a huge undertaking. And I think we moved forward a lot. And then we had to align ourselves a little bit while we were making some mistakes underway. But all in all, I think that we're heading in a very positive direction. We've given high cadence of training now, all of our agents to adopt this new approach, which we really believe in. I believe that by the end of this quarter or very early in Q2, we will finish all of the training program. But the good news is that since this is a cadence, in which we do in groups. We already started seeing some of the agents that have been trained are taking phone calls. And there, I can say that we're seeing extremely positive signs. First and foremost,

by just much higher satisfaction with customers that talk with those agents. Significantly more satisfied than ones we are still getting people who haven't had the training.

And also, I would say, on the financial side of the potential, because we see a much higher conversion rate for the free users that goes in, and who will convert to premium after talking to agents that have been trained. As well as when you look at premium users who call in and are -- just adopting a much higher level and more expensive level of our additional services. So, I think that we have very, very high conviction that this is going to be a very successful undertaking in 2020 and the years to come.

**Lior Shemesh:** Yes. With regard to the second question, about the business solutions growth. So, we see, obviously, and this is what we indicated also last quarter, is about the payment growth. So that was one of the reasons why we see the acceleration in growth on business solutions. And also much better adoption of application including G Suite that we've seen on a year-over-year basis.

**Operator:** Your next question comes from Nat Schindler from Bank of America.

**Nat Schindler:** So just looking at Slide 11, for the first time your cohorts for 2019 were behind your cohorts for -- of the previous year, any of the previous years. And is that because of the cutoff of connect? And do you expect that to lever going forward?

**Avishai Abrahami:** The answer is, yes. That is exactly because of the fact that we moved the connect my domain package.

**Nir Zohar:** But I think that you can go back two slides and look at the cohort value, I think, which is the more important part, you can actually see that it is still ahead of any cohort before that in terms of year.

**Nat Schindler:** And that brings up another question. When you say you're billing -- you are getting customers that are a thousand times more valuable or many times more valuable than previous ones, I assume you mean agencies, but are you billing the agencies on a per website basis? Or as you -- just as they probably were prior to 2019? Or are you changing it to build them a kind of more enterprise pricing?

**Avishai Abrahami:** So, agencies are just part of it. And yes, then it can be a very different pricing model. But also, we have customers that through payment and through buying enterprise packages and buying huge amount of applications are just paying us a substantially higher amount than the lower customer, right? So -- and that is part of the reason that we felt that subscription alone does not necessarily reflect the value of customers. And as you just showed, right, with the question, which is the Q1 cohort 2019 in absolute number looks smaller. But if you

look at the dollar amount, it is higher. So that just showed that. And this, we believe that this discrepancy, this difference, will continue to grow going forward. And so, it's important to be able to establish the right metrics.

**Operator:** Your next question is from Brent Thill from Jefferies.

**Brent Thill:** In the U.S., the growth rate was really consistent throughout the year, but you did see a pretty material deceleration in the Europe business, starting at 32% growth going to -- ending at-- 21%. Can you just maybe talk through some of the reasons why you're seeing some major deceleration? And what looks about a quarter of your business?

**Lior Shemesh:** Sure. So I think that if you look at the chart, obviously, the North America was extremely strong for us. And as we mentioned many times in the past, we do the TROI based on channel and geography or even country. So, the fact is that for example, many of our new initiatives were launched in the U.S. so, obviously, help the TROI, and therefore, we can see that in terms of the marketing, it was more efficient for us than other places. I think that the rest of the regions were pretty much consistent. The only place where, in the fourth quarter, we saw like a kind of a decrease compared to last time was actually in Asia Pacific, and it was mostly because of Australia, I guess, that it's got to do with the fires and everything that's happened over there in the fourth quarter.

**Avishai Abrahami:** And in regards to Europe, again, I think that, as Lior said, a lot of the new initiatives were launched in the United States. But also, things like Brexit and instability in Russia, it slowed down business, and we can see already that it's picking up back. And luckily, I mean, Brexit finally has been decided on.

**Brent Thill:** Okay, great. And just a quick follow-up. I know you mentioned you're moving away from subs as a metric, but you originally held a view that premium sub should accelerate in 2020. Are you still holding that view or not?

**Lior Shemesh:** Yes. Yes, of course. We are actually even feel much more bullish about it when we were starting the year. And I think that Q4 is a great indication for that. We actually managed to beat our own expectations in terms of net subs, and we are going to still -- by the way, we're going to still provide subscription in 2020 and later on, on an annual basis.

But again, I must say that from our point of view, after everything that we discussed about the evolution of our business and what Avishai mentioned before, ARR, the way that we presented it, explains and shows the business and the way that we actually look at our business in a much, much better way.

**Operator:** Your next question comes from Lloyd Walmsley from Deutsche Bank.

**Chris Kuntarich:** This is Chris on for Lloyd. Could you just talk about how you guys are thinking about the attach rate of some of these new functions associated with Editor X, both functions you guys talked about in the letter related to collaboration, management and growth? And then maybe second, could you just talk a little bit about how you guys are thinking about the value of these additional functions versus the value that the core Editor X product would provide on a stand-alone basis?

**Avishai Abrahami:** I think that in regards to Editor X, the most important thing right is that it opens Wix to a completely new market, to things like responsive design, very close to the HTML level and really powerful editing of CSS, enable professional designers to dramatically accelerate their work. We didn't launch the product yet, right? And we just announced it, and we hope to fully release it before summer. And so, we have not yet had the ability to share performance on revenues or anything else.

In terms of value, it's a different pricing model. Of course, it's a different product to a different crowd, which we believe is, by far, the most superior product out there. Addressing this market and provide tremendous value. So especially combined with Corvid. So, it's going to have a different price model. And a higher price model, of course. And when we actually release it, we'll be happy to share it.

**Operator:** Your next question comes from Jeff Helfstein from Oppenheimer.

**Jason Helfstein:** It's Jason. So 2 questions. What quarter this year will all subs be on the new pricing plan? And then secondly, is DeviantArt still a margin drag? And if so, maybe help us understand how much it was a drag on last year? However you want to do it, either free cash flow or EBITDA.

**Lior Shemesh:** Sure. So with regard to the first question about the price increase, so obviously, we are going to see the end of it or the effect of it in the second quarter. So this is with regard to the first question.

With regard to the DeviantArt. And I think that I'll let Nir elaborate about it some more. We basically launched the new product, we see an amazing first results in terms of the business metrics. It's part of our guidance. It's yet not big. But we believe that we are going to generate much more growth from DeviantArt in the future.

**Nir Zohar:** Jason, it's Nir. So as Lior mentioned, I think, definitely, on the margin side, DeviantArt is a -- the drag is very small, probably not that significant. But I think what's more interesting is that throughout 2019, we managed to pretty much overhauled and released a new product of DeviantArt which, so to speak, kind of stopped the bleeding in terms of decline in the amount of users and new registrants...

**Avishai Abrahami:** Tripled. More than tripled, the amount of new registrations.

**Nir Zohar:** Yes. So as I said, we not only managed to stop that bleeding as we linked it and actually gone into the path of growth there, which we think is tremendous. So growth is in adoption in terms of new users, but also in the behavioral adoption within the community itself. How much people are uploading new media items and their new art, how much people are communicating with each other and then commenting. And this is basically, I think, the right time for us to start working on how do we add value for those users that we can monetize on. That's definitely what we're going to do throughout 2020.

**Jason Helfstein:** And just a quick follow-up. There was this accounting question. There was a non-GAAP sales and marketing, \$1.7 million add back. Just what was that related to?

**Lior Shemesh:** Again, \$1.7 million of non-GAAP sales and marketing?

**Jason Helfstein:** Yes. It was in the reconciliation tables. But probably, we can take it offline, or when I talk to you later.

**Lior Shemesh:** It's probably the stock-based compensation expenses, but we can go over it offline.

**Operator:** Your next question comes from Mark Mahaney from RBC Capital.

**Mark Mahaney:** I wanted to ask about gross margin trends in both segments, creative subscriptions and business solutions. They've been -- they came down this last year, you provided the reasons why - the investments in customer care and then this mix shift towards G Suite and the Wix Payments. It sounds like going forward you expect creative subscriptions gross margins to kind of stabilize in '20? Is the -- would it have been theoretically after '20 start rising again as you get scale against the customer care organization costs? And then on the business solutions side, it sounds like gross margins could be up or down, it will just depend on the product mix shift? Is there a way to know at which -- what level those gross margins could stabilize, maybe not in '20, but at some point in the future?

**Lior Shemesh:** Yes. So I think that you described it quite good. I think that the gross margin for the creative subscription are more or less stable. I think that the more that we actually get the benefits from the customer support and obviously, from start to monetize on, for example, on Editor X, so I think that we might see some upside on the gross margin.

With regard to the business solution, you're absolutely right. It really depends on the volume of Payments, for example, and volume of new products that we are

going to launch, it will be part of it. It's really hard to tell. But the most important thing that they're all adding incremental dollars. So this is the way that we're actually looking at it.

**Operator:** Your next question comes from Sterling Auty from JPMorgan.

**Sterling Auty:** I apologize if you covered this, but how do we think about how the FX impacts will kind of unfold through the year, especially around collections?

**Lior Shemesh:** Well, Sterling, it's hard to tell. Most of the impact that we had, actually, when you look at 2019, excluding the FX effect, the growth was 28%. It was about, on a year-over-year basis, it was \$12 million. Many analysts said that it's going to reverse in 2020, but it's hard to tell and certainly, we cannot tell that. So I hope that we'll start to see the benefit of the euro and the British pound versus the dollar, but it's hard to tell.

**Sterling Auty:** Okay. And then one quick follow-up, if I may. So just when I look at the product road map, you've done some vertical solutions through the years and then some horizontal, obviously the new editor update. How do we think about where the focus of the innovation will be as you look throughout 2020 and into '21? Is it going to be more of the horizontal broad-based solutions, like what you did with editor? Or could we go back and see something that's a little bit more vertically focused?

**Avishai Abrahami:** I think that at this stage, we're going to continue to focus on Editor X and similar initiatives in order to complete our offering to go after the creatives and agencies. So that is probably what you're going to see most coming this year. We are playing with a few verticals, and -- but it's not necessarily something that we're going to release this year.

**Operator:** Your next question comes from Josh Beck from KeyBanc.

**Josh Beck:** I wanted to ask about the monetization strategy around Editor X and how it impacts Corvid. Are you looking at those things differently now that you have both products? Maybe you could just give us an update. I realize it's an evolving strategy.

**Avishai Abrahami:** Of course, this is Avishai. So Corvid and Editor X actually complete each other, right? Because one of them allow you to design the website in a super professional way and the another one allow you to program and add all the super advanced functionality that you have in the website. So in many ways, they multiply the power of each other.

When we look at it, right? So Editor X is, of course, geared as monetization will be aligned toward professional. And then the fact that they are doing the design part of it.

On Corvid. And so -- and so actually a lot of it will be geared toward how do we help designers and align their business with -- our business model with their business model. And Corvid is when you go deeper, right? So if you get a large customer, right, an enterprise customer, we're going to find, you can find that Corvid will have more and more chances of payment in order to be able to scale that in the right way. So it kind of weigh to more of a matrix than a linear line, where Corvid goes deeper into each customer and Editor X is actually allowing designers to work on multiple accounts. And that should -- that's how we think about the business model.

**Josh Beck:** Okay. That's helpful. And just a follow-up. It seems like one of the benefits of Editor X is that it has richer tie-ins with a lot of CSS platforms. So I'm just wondering, is that benefiting from -- it seems like there's an industry shift towards headless commerce and headless websites. Is Editor X in any way benefiting from that trend?

**Avishai Abrahami:** Yes. Well, I do believe so. You can do all that easily with Editor X. And that really simplify the amount of work did and enhance the result that you're probably going to get.

**Operator:** Your next question comes from Nick Jones from Citi.

**Nick Jones:** I just have one question. In the shareholder letter, you pointed to partners with onetime subs growing, I think, more than 50% year-over-year, which is great growth. But with Editor X and ADI and a lot of the tools you've created that kind of increase speed, can you kind of talk about the opportunity there to maybe partner with higher volume professionals who are doing a lot more than 10, maybe 100 sites a month? Or is that kind of out of reach today?

**Avishai Abrahami:** So, this is exactly what we started to do in 2019, and we hope to continue to do as successfully in 2020. I think that it's a big milestone for Wix that it's able now to -- that, for us, a company to be able to work with the top agencies out there and to see the excitement they get from our products. So, Editor X, I believe, will continue to enhance exactly this trend. And as you said, it's already at 50%. So, it's a big number. So, we're very excited about it.

**Nir Zohar:** And I just want to add here, in terms of what we want to offer in Editor X, and also discussed that at the launch event 2 weeks ago, around Editor X there is going to be a whole suite of functionality that is geared exactly towards those bigger kind of professional designers and agencies. So, I think that through 2020, we will definitely be able to cater for their needs even better than we did in '19.

**Operator:** Your last question comes from Matt Pfau from William Blair.

**Matt Pfau:** Just another one on the partner program. Maybe you can discuss which geographies you've seen the most success with the partner program in? And then as you look at where you're allocating your investments, are there certain geographies that are better suited for the partner program than others?

**Nir Zohar:** Absolutely. So it's Nir. I think currently, I would say the key geography is the United States and North America. Not solely. We do have people from across the globe as we're a global company. But definitely, in terms of how we launched it and focused our first effort. It's more -- we are garnering more attention in North America. Definitely, in the future and part of, I think, the potential here is that we're going to expand it to other geographies. And I think that it should be extremely successful all across the globe.

**Operator:** We have a question from Ron Josey from JMP Securities.

**Ron Josey:** Great. I'm just thinking out loud, maybe I'll add in relation to the call and thinking about the broader landscape. And as Wix increasingly goes up market. Can you just talk more broadly about the competitive landscape, both on the DIY and do it for me business? I think we're seeing just newer products launched across the, call it, landscape, and just wanted to get your thoughts, overall?

**Avishai Abrahami:** Well, of course. So, I think that as you said, we now have 2 competitive landscapes. And the first one is the do-it-yourself. And I think that the -- as time passes, it's become clear that the gap between us to our competitor is growing every year, and we launch a new product, it's becoming always bigger. I think that the news from the recent days just emphasize again the difference between open source, being hosted on a domain selling company with generic hosting, right? And the lack of security, where everybody can just hack into your website, and it's so hard to maintain it compared to a fully integrated and secure platform like Wix. And so we see that and I think a lot of that is just making it easier for us to explain the value, the tremendous value that we're bringing to our customers.

As for the -- if you look at the designers and professional market, there are not really too many solutions in this market. And -- which is, I think, will allow us to actually be so bullish about it. Most of the offerings are old offerings made by old companies, and very little that is actually exciting there, which I think gives us a tremendous opportunity to innovate and continue to capture a big portion of this market.

**Maggie O'Donnell:** Great. I think that's all the questions we have today. Thanks, everyone, for joining.

**Operator:** Ladies and gentlemen, this concludes today's conference. You may now disconnect. Thank you for participating.