



## Q4 2020 Financial Results

March 8, 2021



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This presentation contains forward-looking statements that involve risks and uncertainties. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, and financial needs. All statements other than statements of historical facts contained in this presentation, including, but not limited to, statements regarding our business, effectiveness of our platform in attracting and engaging users and merchants, growth in mobile usage, our ability to expand our offerings, network effects to drive growth; our operating leverage and our ability to flex growth and margin; our ability to scale and effectively manage growth, our outlook, recovery of ProductBoost revenue, improving customer service, reducing delivery times and growth opportunities, could be deemed forward-looking statements. The words “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “seek,” “should,” “will,” “would” or other similar expressions and the negatives of those terms are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. The forward-looking statements in this presentation are only predictions and represent our views as of the date of this presentation. Although we believe the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. The forward-looking statements are subject to a number of risks, uncertainties and assumptions, including, but not limited to: our efforts to acquire, retain, and engage users may not be successful or may be more costly than we expect, which could prevent us from maintaining or increasing our revenue; if we are unable to promote, maintain, and protect our brand and reputation and offer a compelling user experience, our ability to attract new users and engage with our existing base of users will be impaired; if we lose the services of Peter Szulczewski, our founder, Chief Executive Officer, and Chairperson, or other members of our senior management team, we may not be able to execute our business strategy; we rely on the Apple App Store and the Google Play Store to offer and promote our app and if we are unable to maintain a good relationship with such platform providers, if their terms and conditions change to our detriment, if we violate, or if a platform provider believes that we have violated, the terms and conditions of its platform, our business will suffer; our brand, reputation, and business may be harmed if our merchants use unethical or illegal business practices, including the sale of counterfeit or fraudulent products or if our policies and practices with respect to such sales are perceived or found to be inadequate, and we may be impacted by the unlawful activity of merchants on our platform; we face intense competition, the market in which we operate is rapidly evolving and if we do not compete effectively, our results of operations and financial condition could be harmed; the COVID-19 pandemic may adversely affect our business and results of operations; economic tension between the United States and China, or between other countries, may intensify and the United States, China, or other countries may adopt drastic measures in the future that impact our business; and any significant disruption in service on our platform or in our computer systems, some of which are currently hosted by third-party providers, could damage our reputation and result in a loss of users, which would harm our business and results of operations.

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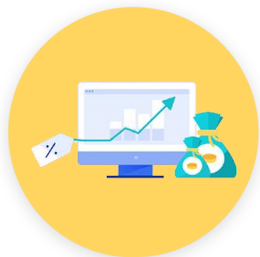
This presentation includes non-GAAP financial measures. These non-GAAP financial measures are in addition to, and not as a substitute for or superior to measures of financial performance prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures. For example, other companies may calculate similarly-titled non-GAAP financial measures differently. Refer to the Appendix for a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures.



## **Our Mission**

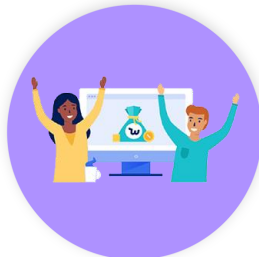
**Bring an affordable and entertaining mobile shopping experience to billions of consumers around the world.**

# 2020 was a milestone year for Wish



**\$2.5B**

Revenue  
34% YoY Growth



**107M**

Monthly Average Users  
19% YoY Growth



**550k+**

Partner Merchants



**100+**

Countries



**50k+**

Wish Local Partners



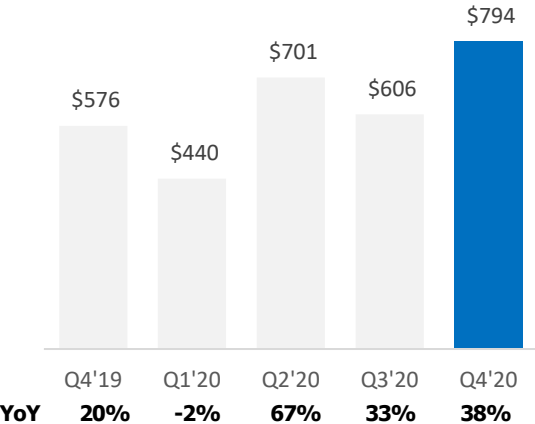
**\$1.1B**

IPO Proceeds Raised



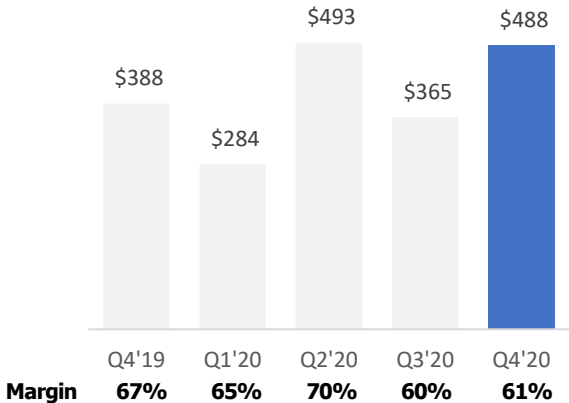
# 4Q20 Results Highlights

Revenue  
**\$794 Million +38% YOY**

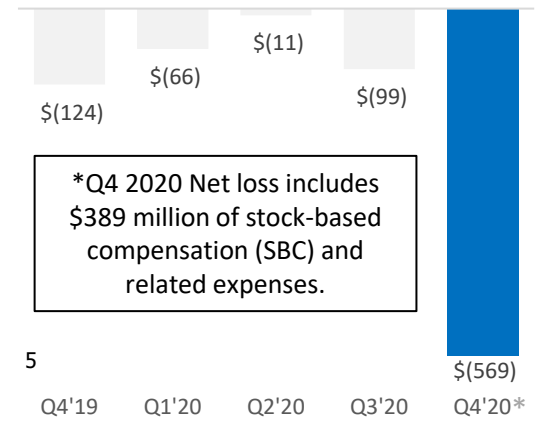


Gross Profit\*  
**\$488 Million +61% Margin**

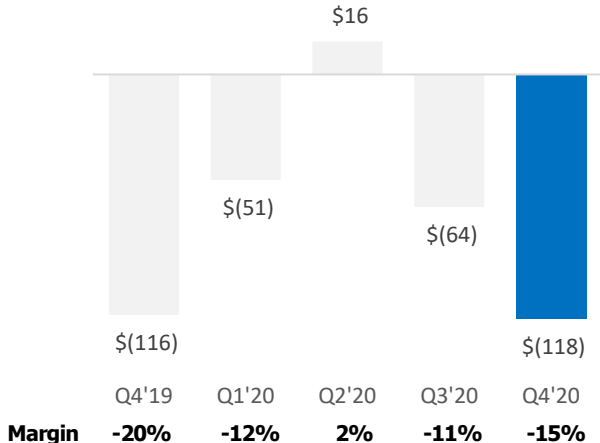
\*Excludes SBC



Net Loss  
**(\$569) Million**



Adjusted EBITDA<sup>1</sup>  
**(\$118) Million -15% Margin**



- Revenue increased 38% YoY.
- Core Marketplace Revenue per Active Buyer increased 66% YoY and 25% from Q3.
- Logistics revenue increased 193% YoY, driven by rapid merchant adoption.
- Significantly reduced average time to door worldwide.
- Retention trends improving significantly for recent cohorts, reversing the downward pressure following the pandemic-related logistics challenges.
- ProductBoost recovering from pandemic-related slowdown.
- Launched logistics-as-a-service pilot to extend to non-Wish merchants.
- Wish Local orders accounted for more than 6% of total orders and reached 25% of total orders in some geographies.
- Grew merchant network in the U.S. by 435% YoY.
- Launched several new products and features, including a daily sweepstakes, translation of product info to more than 40 languages, improved time to delivery estimates, and live chat support.
- Onboarded new brands as merchants, including Mizuno, Rue La La and TracFone Wireless.

1. See Appendix for non-GAAP reconciliations.

# Wish investment highlights

## Massive and growing opportunity in mobile ecommerce

2019: \$1.3T global mobile ecommerce  
2024E: \$2.4T global mobile ecommerce

## Focus on large, underpenetrated value-conscious consumer group

1B+ households worldwide make less than \$75k income annually

## Diversified revenues via services and geography

Geography: 46% from Europe / 40% from US  
Services: 72% Core Marketplace / 20% Logistics / 8% Advertising

## Strong data science advantage

Cost-effective user acquisition, focused on high LTV customers

## Proprietary logistics platform

Faster times to delivery  
Lower refunds

## Multiple growth opportunities with new product expansion

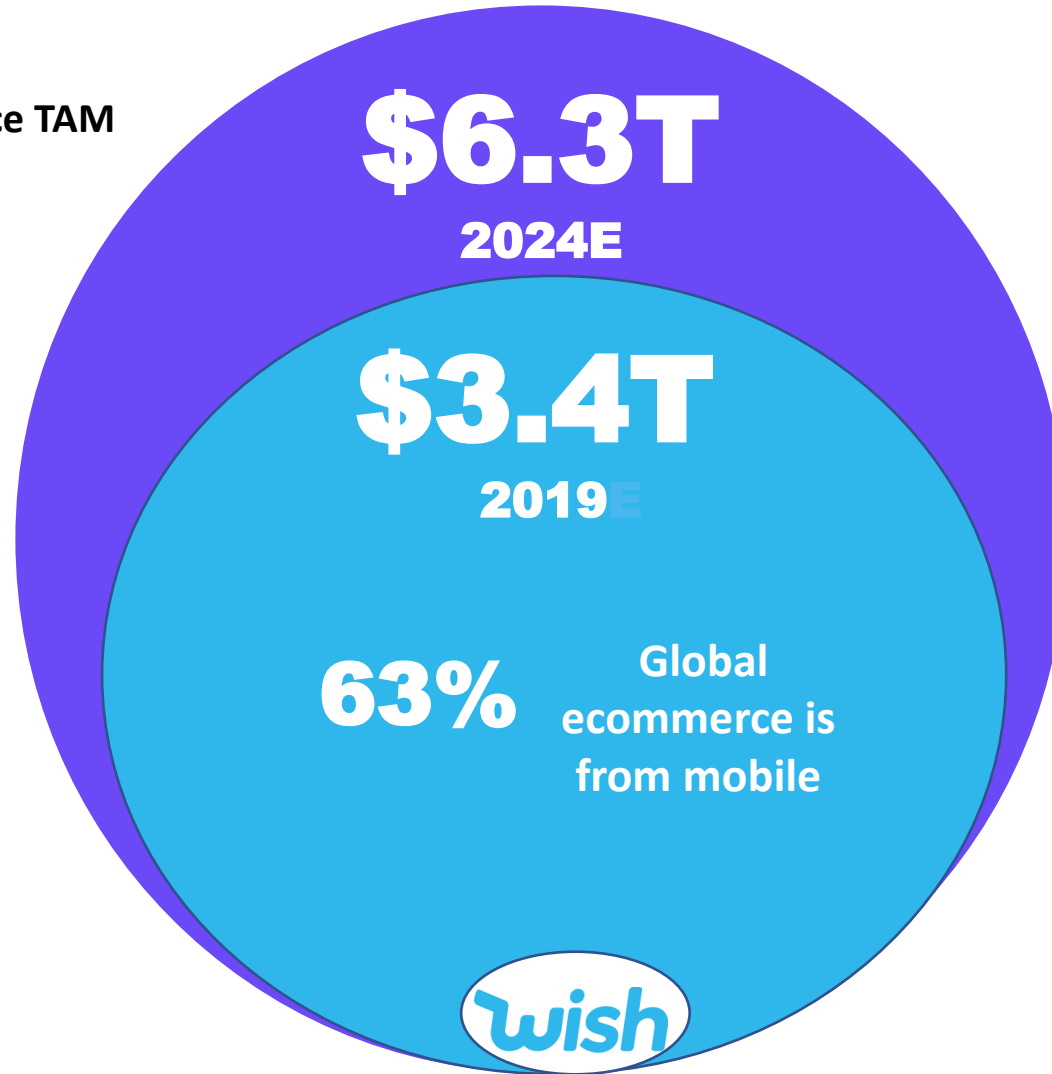
Wish Local opens up large growth opportunity  
CPG and branded product expand catalog  
Open Wish platform for logistics and marketing

## Scaled platform with engaged global user base

100M+ MAUs across 100 countries  
550k+ merchants, 50k+ Wish Local partners  
Users spend 9 minutes per day on platform

# Global ecommerce is a massive and growing market

- 2019 global ecommerce TAM
- 2024 estimated global ecommerce TAM



Mobile expected to grow to 71% of ecommerce by 2024

# Value-conscious consumers have been left behind by ecommerce

1B+ Global Households make less than \$75k in annual income, ex. China & India

Number of households with annual income < \$75,000

~60M  
United States

~300M  
Europe

~ \$50K  
Wish buyer median annual household income

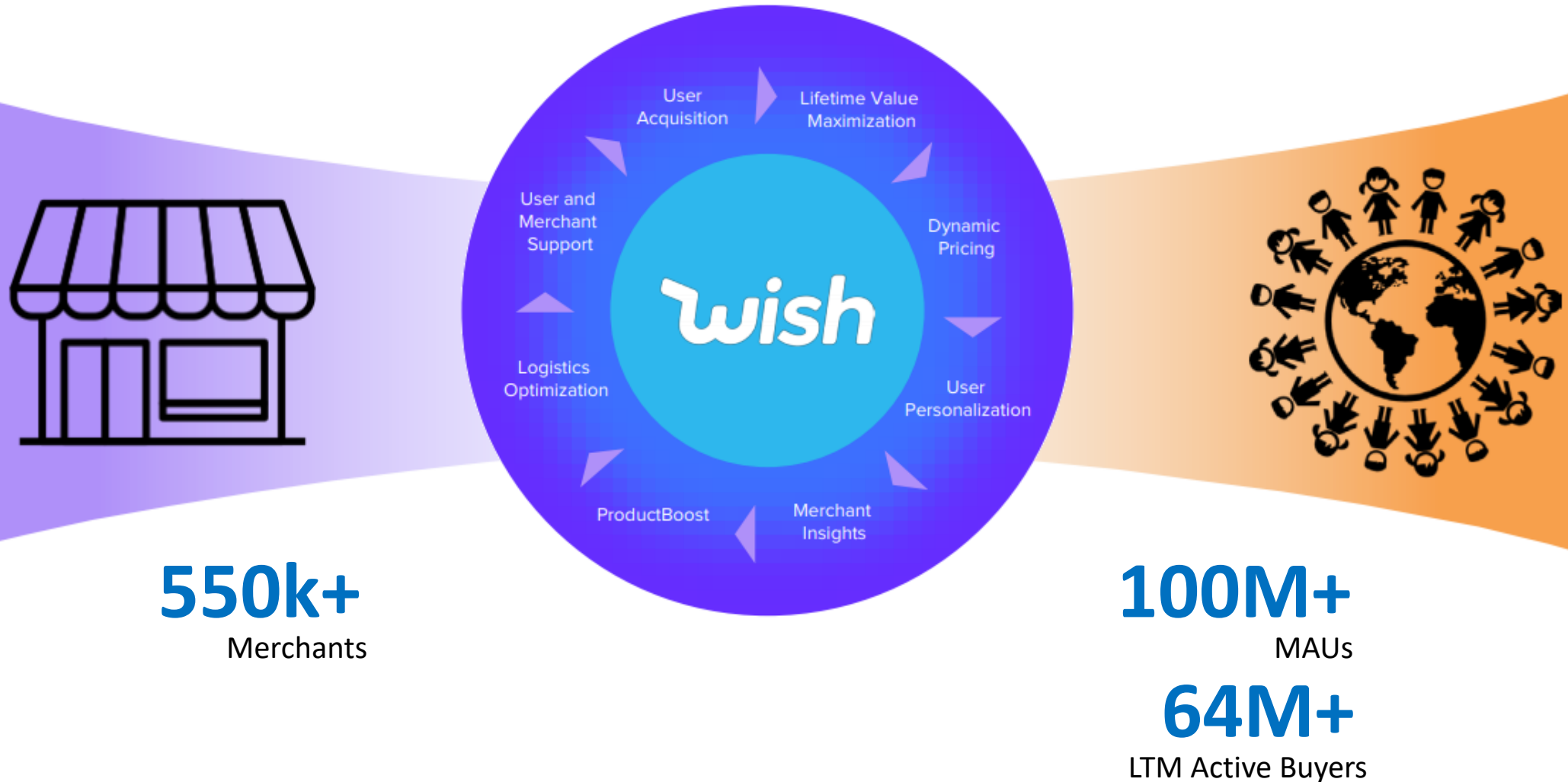
~75%  
Of Wish users have an annual household income less than \$75,000

~ 75%  
Of people surveyed prioritize the price of an item over brand and delivery time

● Wish Footprint



# Wish is a two-sided network connecting merchants with a massive audience of consumers worldwide



# Consumer experience is discovery-based and entertaining

**500+**

Distinct products seen per active user on a daily basis across multiple categories

**70%+**

Of the sales on our platform do not involve a search query

**65%+**

Of our users click on a product detail page from the main feed

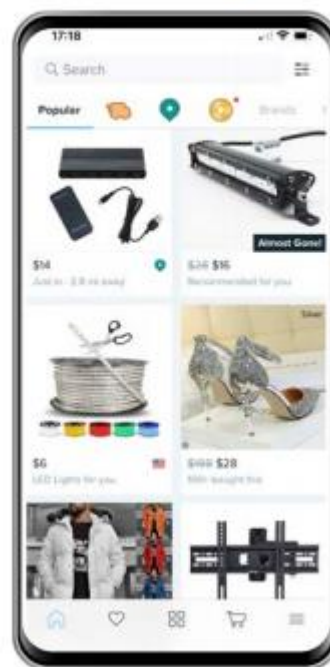
**90%**

Of activity and purchases originate from mobile

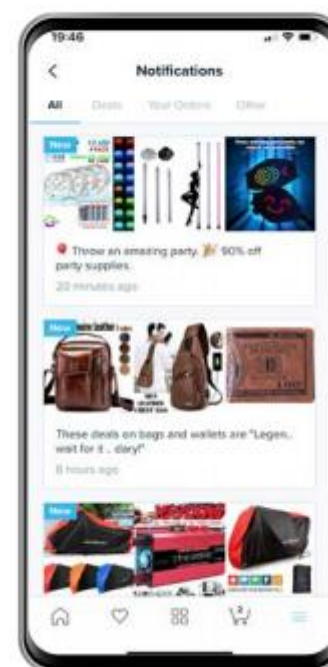
**9+**

Minutes spent per day on the Wish platform

## Discover new personalized products



## Notifications



## Unlock daily rewards



# ProductBoost advertising amplifies a merchant's reach

**65k+**

Daily active merchants

**680k+**

Daily active products

**30%+**

Merchants have used ProductBoost

**User targeting:** Leverages our AI matching system and knowledge graph.

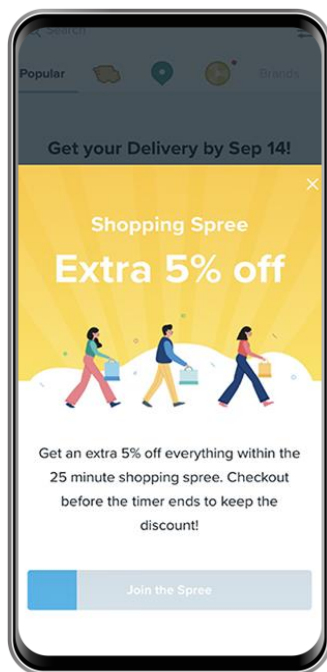
**Multiple objective optimization:** Optimizes platform growth, user experience and merchant return on investment.

**Smart bidding and placement:** Achieves favorable results and is easy to use.

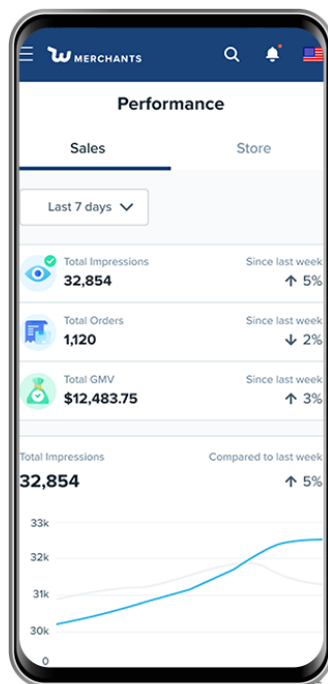


# Merchants get access to a comprehensive suite of services

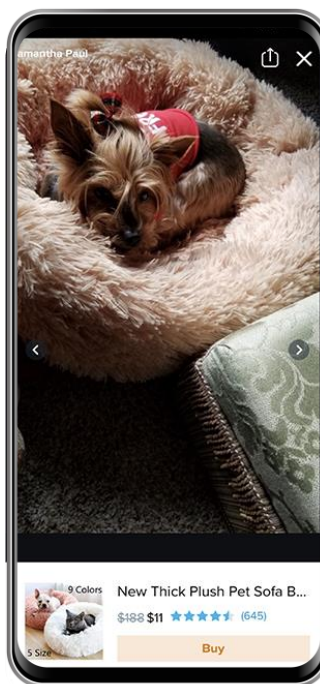
## Demand Generation



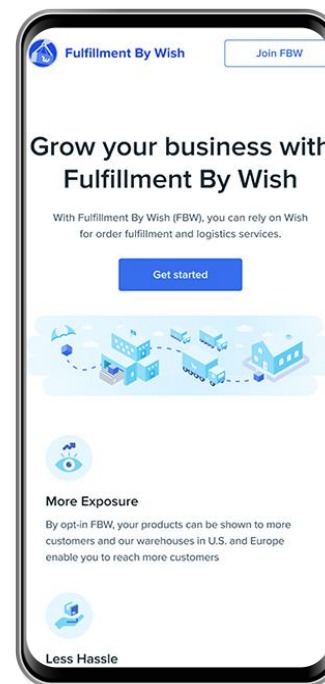
## Data Intelligence



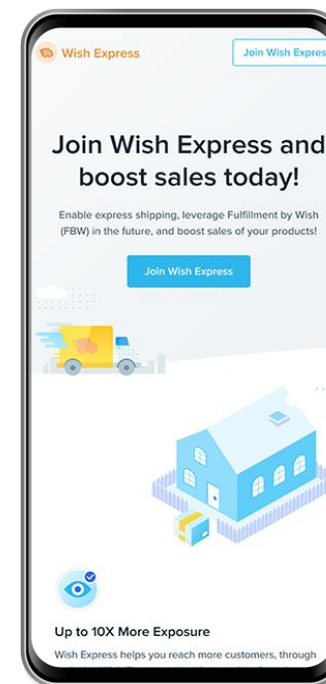
## UGC Creation



## Logistics



## Business Operations



# Robust global logistics platform adds efficiency at scale

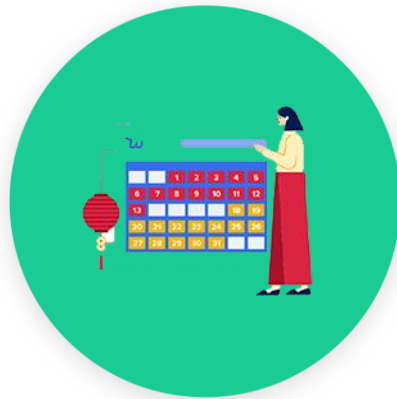
More than **90%** of packages are shipped through Wish's proprietary logistics platform.

Wish performs all logistics services for approximately **50%** of those packages, representing a large growth opportunity.



## First Mile

Enables efficient first mile collection



## Bundling

Combines orders into one parcel



## Transportation

Partners with logistics vendors; optimizes pricing and service level



## Warehousing

Connects to a network of warehouse partners



## Last Mile

Enables dropship, last mile delivery and fulfillment in local stores



# Wish Local creates opportunities for brick-and-mortar partners



## Store Benefits

- Digital storefront
- Online reach and discovery
- Increased foot traffic and sales

## **Wish** Benefits

- Local warehousing without owning any real estate
- Cost-effective fulfillment

## Consumer Benefits

- Product verification
- Faster pick-up
- More savings

**50k+**

Wish Local merchant partners

**6%+**

Total Wish orders

**~25%**

Orders in Italy & Mexico

# Extensible platform with significant avenues for growth



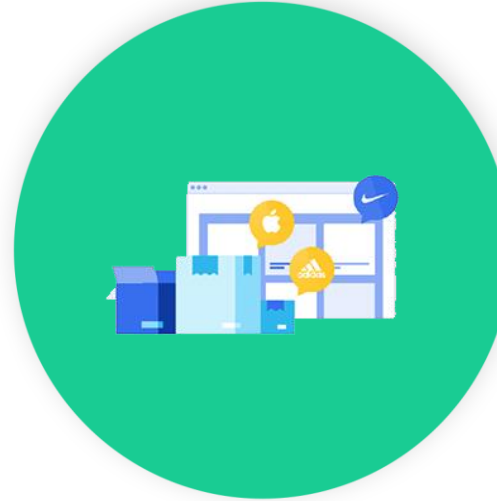
## Grow Users

- Acquire New Users
- Drive User Conversion
- Drive Profitable LTV
- Expand Geographically



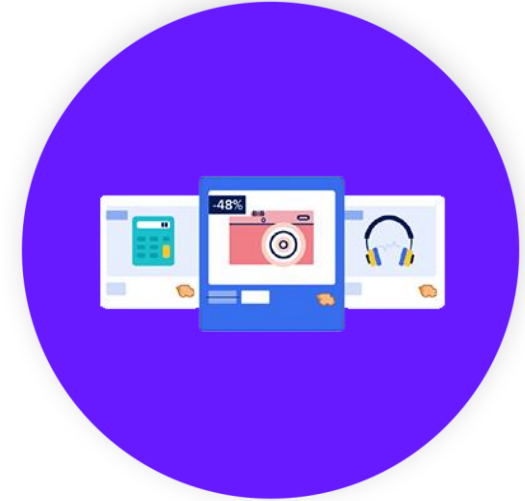
## Add Merchants

- Diversify Merchant Base
- Expand Product Categories



## Expand Offering

- Broaden Merchant Services
- Expand Logistics Platform
- Grow Wish Local Offering



## Leverage Platform

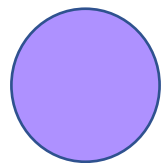
- Monetize Brick-and-Mortar Stores
- Add New Product Categories
- Expand to New Advertising Partners
- Grow First-Party Sales
- Open Commerce Platform



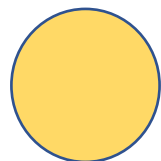
## Financial Highlights



**Extensible platform driving diversification of revenue**



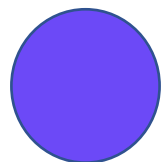
**Powerful combination of global scale and growth**



**Significant operating leverage with ability to optimize growth and margin**



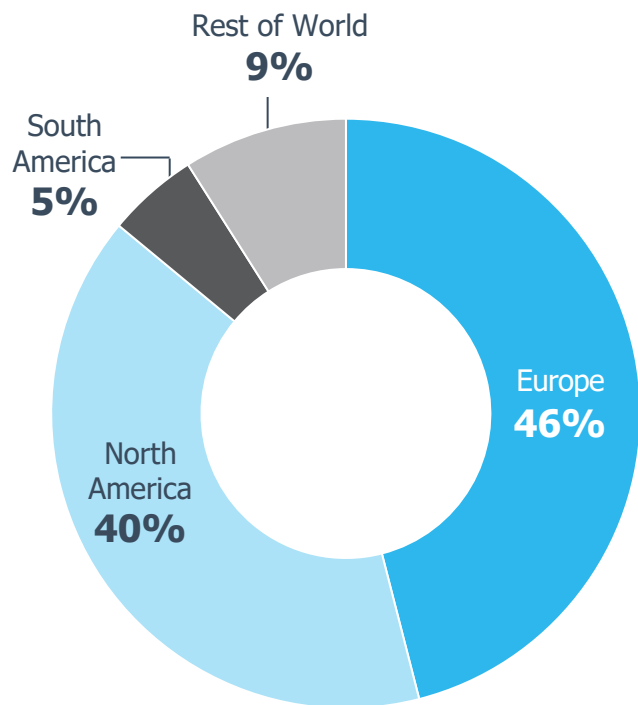
**Attractive unit economics and data-driven user acquisition and engagement**



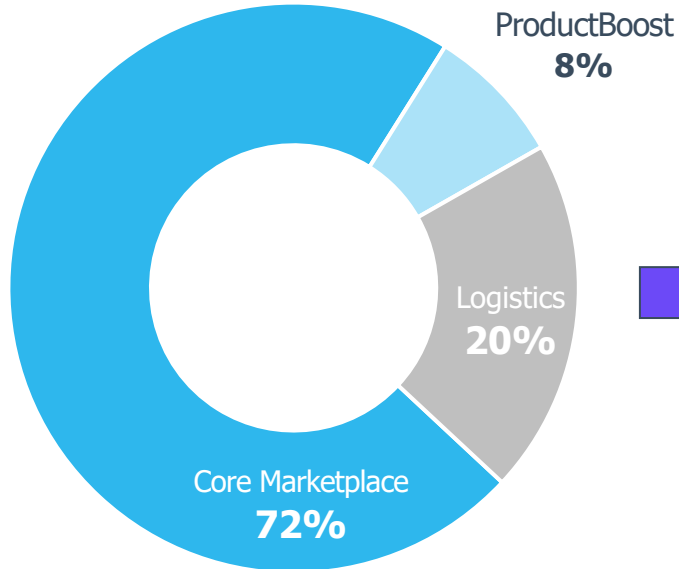
**Highly capital efficient model with \$2B+ of cash on balance sheet**

# Model benefits from strong revenue diversification

Revenue by Geography



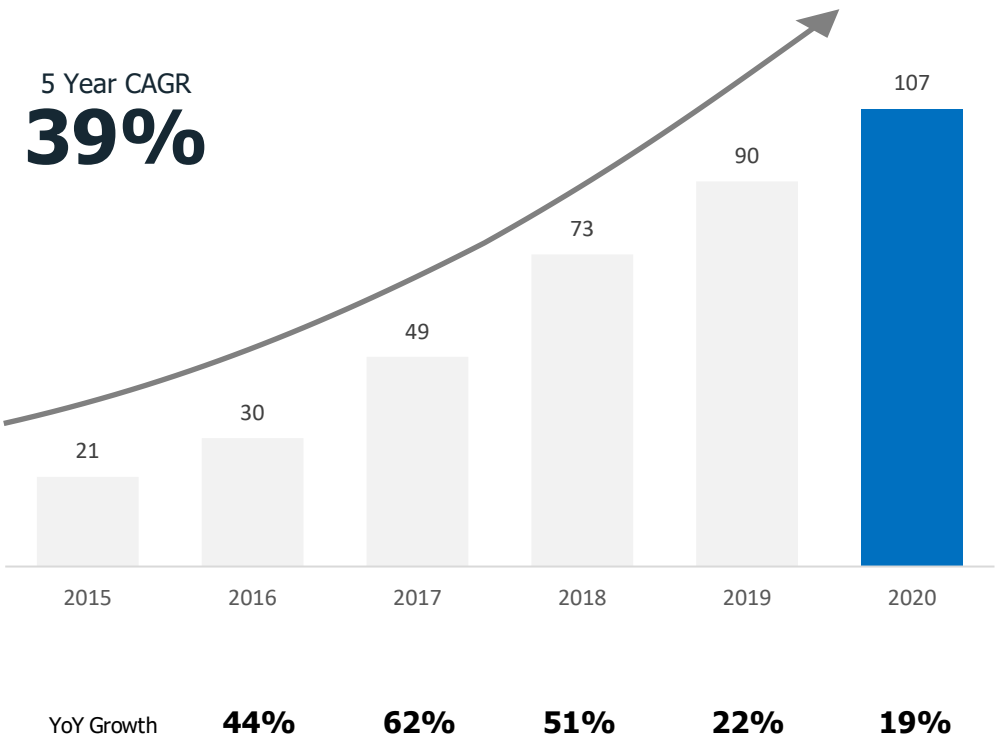
Revenue by Service



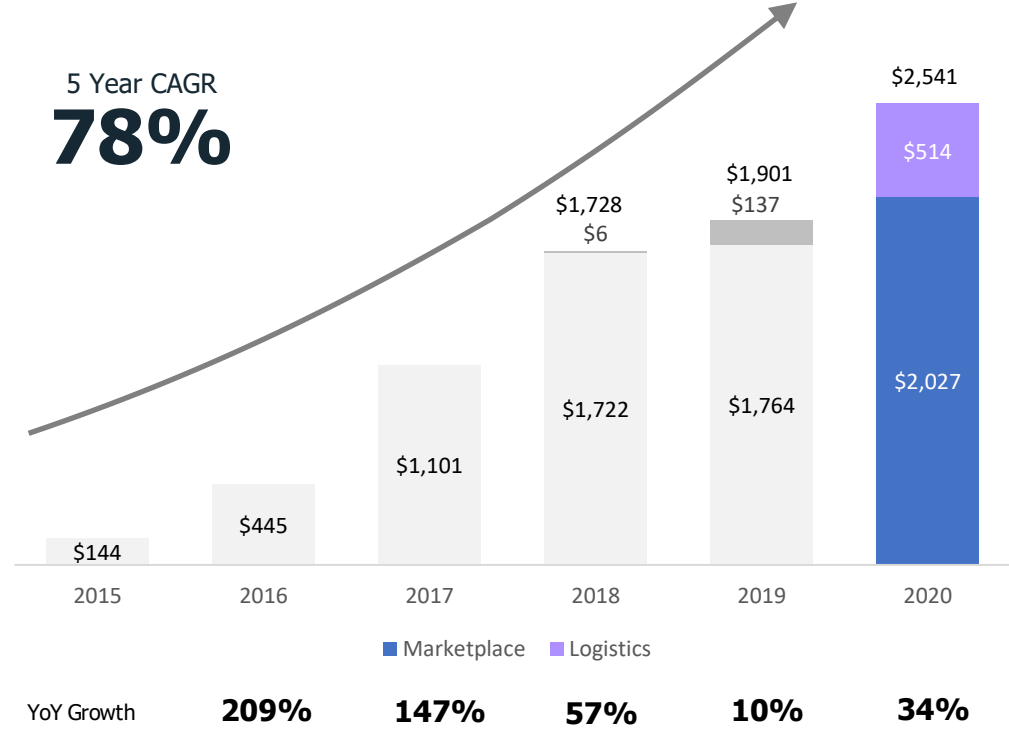
2020 Logistics  
Revenue  
Increased  
**275% YoY**

# Powerful combination of global scale and growth

**MAUs** (in Millions)



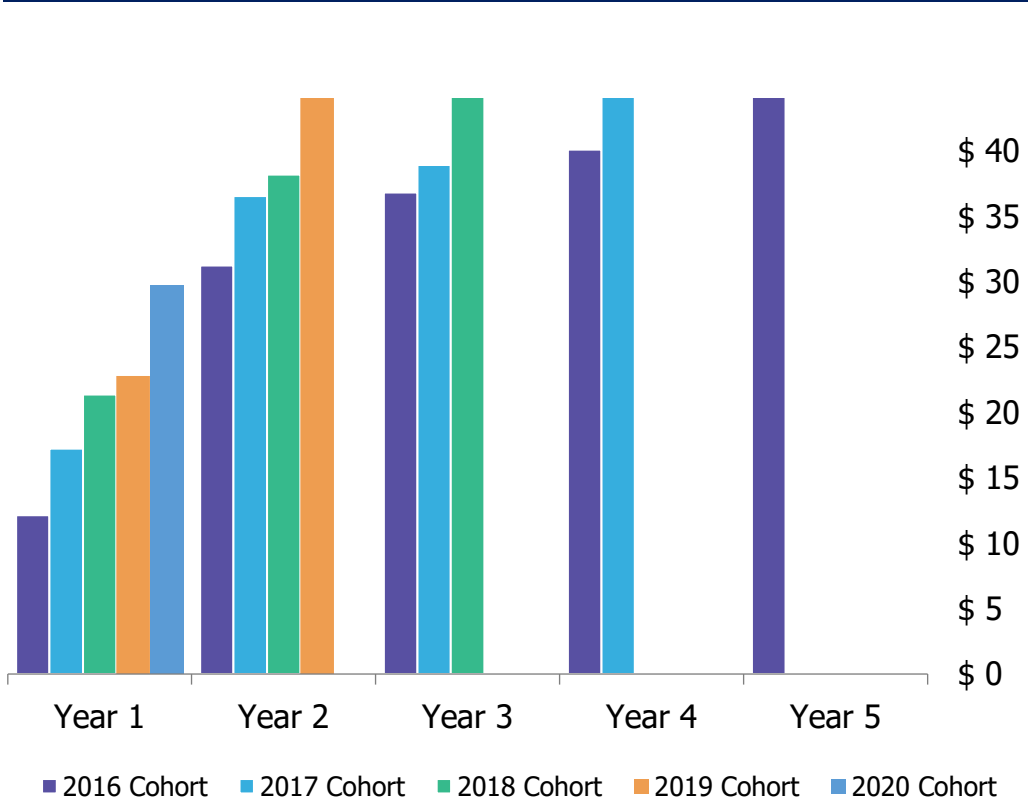
**Revenue** (\$ in Millions)



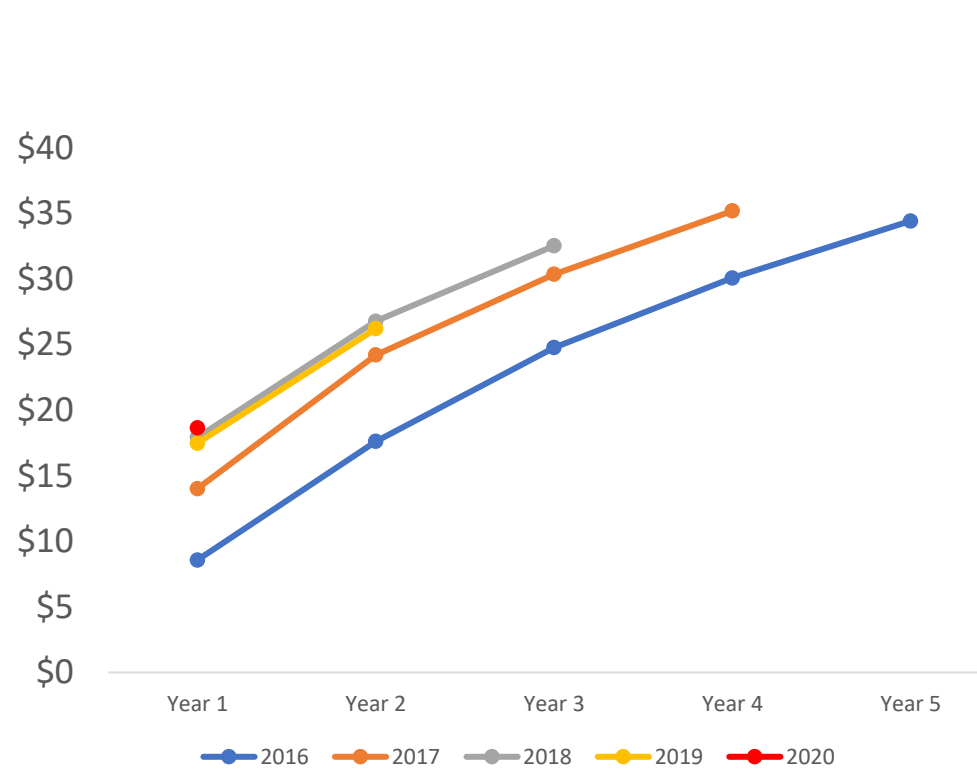


# Increasing engagement with high LTV customers

Average Revenue Per Active Buyer by Cohort



Lifetime Value Per Buyer by Cohort









CAC payback period for all cohorts since 2016 is approximately 2 years

# Opportunity to improve user monetization

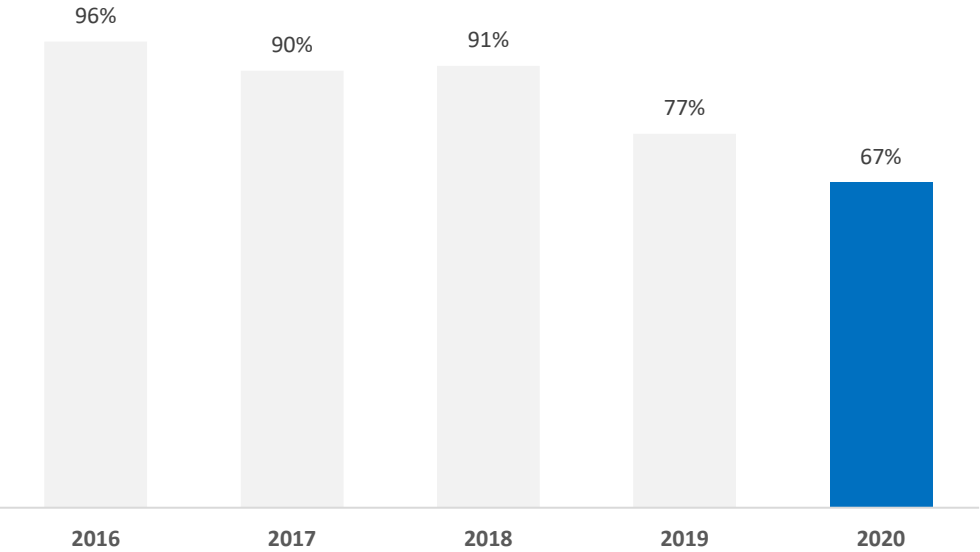
## Key drivers for improving engagement and monetization of users to maximize LTV

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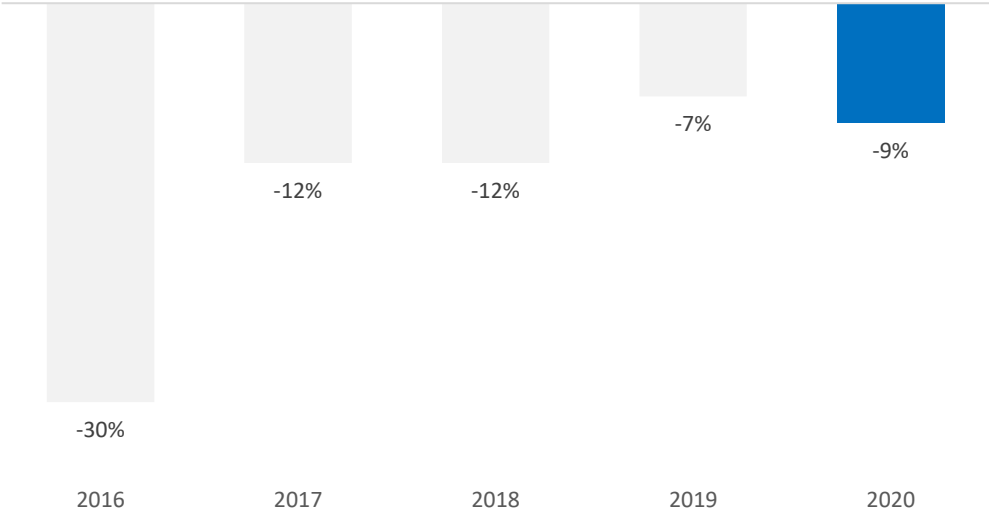
-  Leveraging data science to drive personalization and targeted advertising
-  Expanding shipping solutions, improving reliability and reducing time to delivery
-  Earning customer trust with investments in support services
-  Continuing to offer attractive discounts and value
-  Enhancing the customer experience to make it more entertaining and engaging
-  Providing more user-generated content

# Significant operating leverage to optimize growth and margin

S&M % of Revenue

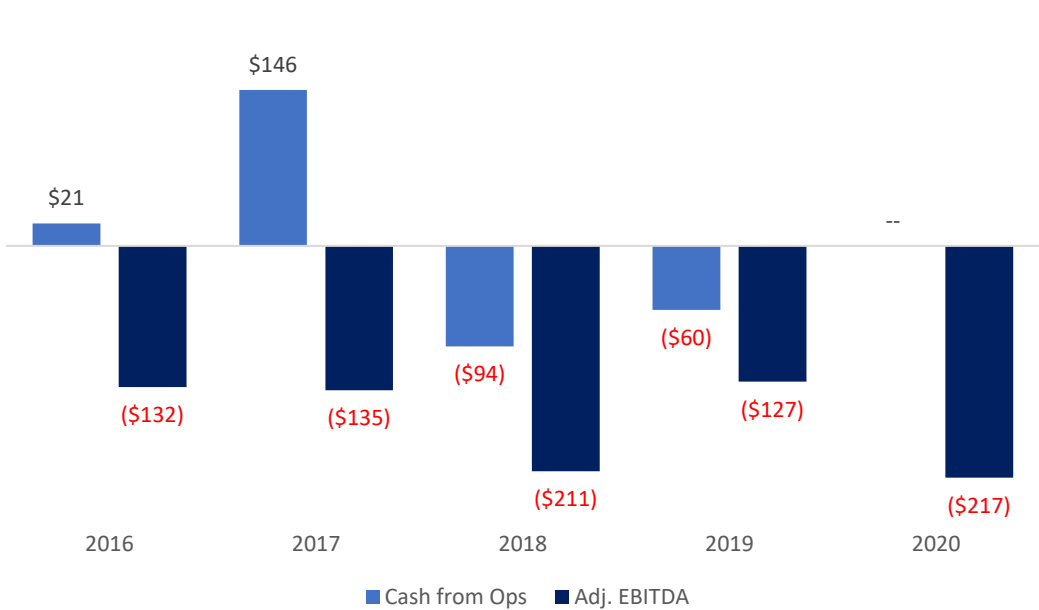


Adj. EBITDA Margin

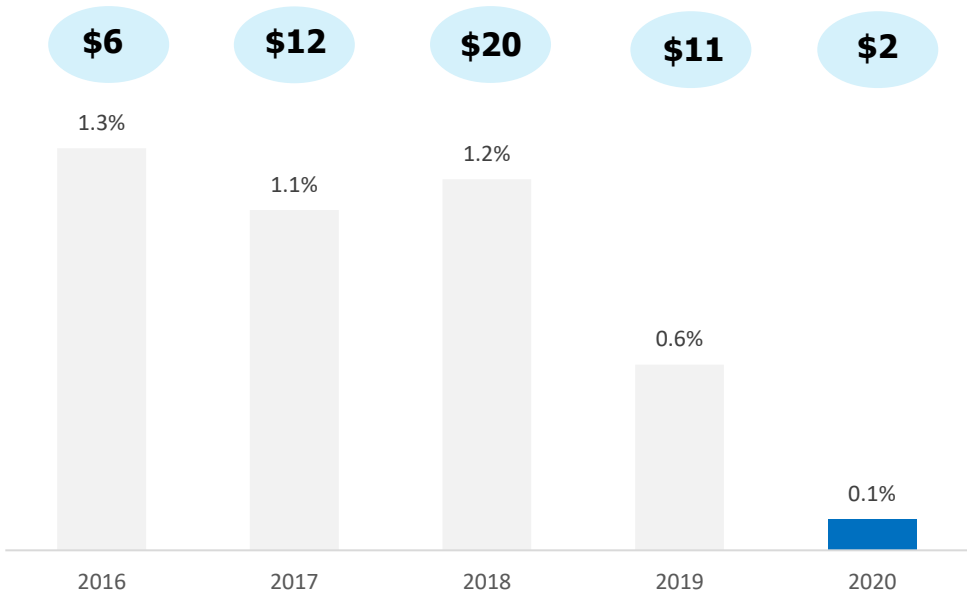


# Highly capital efficient model with \$2B+ of cash on balance sheet

Cash from Ops and Adj. EBITDA (\$ in Millions)



Capex as % of Revenue





# Financial Outlook & Long-Term Targets

Please note, there remains considerable uncertainty around the macroeconomic environment and impact of the pandemic on Wish's results. The outlook and long-term targets assume that the company will not experience any unforeseen significant changes in consumer behavior, disruptions to its merchant suppliers or logistical delays as a result of the pandemic or otherwise. The outlook and long-term targets provided are as of March 8, 2021.

## Q1 2021

	Low		High
Revenue	\$735	to	\$750
% YoY Growth	67%	to	70%
Adjusted EBITDA*	(\$85)	to	(\$80)
% of Revenue	(12)%	to	(11)%

## LONG-TERM FINANCIAL TARGETS

Revenue growth	25%+
Gross margin	70% to 75%
Sales & Marketing as a % of revenue	40% to 45%
Product Development as a % of revenue	~3%
General & Administrative as a % of revenue	~2%
Adjusted EBITDA margin	20% to 30%



# Wish financial priorities



Increase Scale and Grow User Base

Increase Lifetime Value of Users

Diversify Merchant Base and Product Categories

Innovate and Expand Wish Platform



Leverage Scale of Business and Manage Costs

Invest in Sales and Marketing Engine

# GAAP Reconciliations

## Reconciliation of GAAP Net Loss to Non-GAAP EBITDA

	Quarterly							
	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20
	(in million, except percentages)							
Revenue	\$ 450	\$ 420	\$ 455	\$ 576	\$ 440	\$ 701	\$ 606	\$ 794
Net income (loss)	87	42	(134)	(124)	(66)	(11)	(99)	(569)
Net income (loss) as a percentage of revenue	19%	10%	(29)%	(22)%	(15)%	(2)%	(16)%	(72)%
Excluding:								
Interest and other income (expense), net	(5)	(8)	(3)	(3)	(3)	(5)	8	2
Provision for income taxes	—	—	—	1	—	—	1	1
Depreciation and amortization	2	3	2	3	2	3	4	3
Stock-based compensation expense <sup>(1)</sup>	—	2	—	—	—	—	9	381
Employer payroll taxes related to stock-based compensation expense	—	—	—	—	—	—	—	8
Remeasurement of redeemable convertible preferred stock warrant liability	10	(17)	4	6	15	28	12	55
Recurring other items	1	2	1	1	1	1	1	1
Adjusted EBITDA	\$ 95	\$ 24	\$ (130)	\$ (116)	\$ (51)	\$ 16	\$ (64)	\$ (118)
Adjusted EBITDA margin	21%	6%	(29)%	(20)%	(12)%	2%	(11)%	(15)%

Annual				
2016	2017	2018	2019	2020
\$ 445	\$ 1,101	\$ 1,728	\$ 1,901	\$ 2,541
(151)	(207)	(208)	(129)	(745)
(34)%	(19)%	(12)%	(7)%	(29)%
5	(10)	(15)	(19)	2
—	—	—	1	2
2	4	8	10	12
7	8	2	2	390
—	—	—	—	8
5	70	—	3	110
—	—	2	5	4
\$ (132)	\$ (135)	\$ (211)	\$ (127)	\$ (217)
(30)%	(12)%	(12)%	(7)%	(9)%

## Reconciliation of GAAP Gross Profit to Non-GAAP Gross Profit

	Quarterly							
	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20
Gross profit - GAAP	\$ 378	\$ 346	\$ 346	\$ 388	\$ 284	\$ 493	\$ 365	\$ 452
Gross margin - GAAP	84%	82%	76%	67%	65%	70%	60%	57%
Stock-based compensation expense	—	—	—	—	—	—	—	35
Employer tax related to stock-based compensation expense	—	—	—	—	—	—	—	1
Gross profit - non-GAAP	\$ 378	\$ 346	\$ 346	\$ 388	\$ 284	\$ 493	\$ 365	\$ 488
Gross margin - non-GAAP	84%	82%	76%	67%	65%	70%	60%	61%

Annual				
2016	2017	2018	2019	2020
\$ 314	\$ 896	\$ 1,450	\$ 1,458	\$ 1,594
71%	81%	84%	77%	63%
—	—	—	—	35
—	—	—	—	1
\$ 314	\$ 896	\$ 1,450	\$ 1,458	\$ 1,630
71%	81%	84%	77%	64%