

## SIKULI CAPITAL

Conviction through contrarian research

# Wix.com (WIX)

## Valuation Snapshot — Fair Value Range

As of May 20, 2026 | Website builder + AI Studio + Base44

CURRENT PRICE	PROBABILITY-WEIGHTED FAIR VALUE	FAIR VALUE RANGE
<b>\$53.15</b>	<b>~\$65</b>	<b>\$42 - \$93</b>
May 2026	Bull 25% / Base 50% / Bear 25%	~18% upside post-selloff

**Verdict:** WIX dropped 27% post-Q1 earnings as EPS missed materially (\$0.68 vs \$1.26 cons)<sup>[1]</sup> despite revenue growing 14% YoY to \$541M. The company maintained FY26 outlook and pushed BASE44 ARR to \$150M in mid-May. At ~9x forward P/E with \$1.6B tender offer reducing share count, the setup is asymmetric: bull case (\$93) if Harmony AI and Base44 drive re-acceleration; bear case (\$42) reflects margin compression from elevated marketing spend.

## CURRENT SNAPSHOT

Metric	Value	Notes / Source
Stock price	<b>\$55</b>	52w low post-Q1 <sup>[2]</sup>
Q1 2026 revenue	<b>\$541M (+14%)</b>	Bookings +15% <sup>[3]</sup>
Q1 2026 EPS	<b>\$0.68</b>	vs cons \$1.26 (miss) <sup>[1]</sup>
BASE44 ARR	<b>\$150M</b>	Mid-May milestone <sup>[3]</sup>
Forward P/E	<b>~9-13x</b>	Sources vary; recent depressed <sup>[4]</sup>
Tender offer	<b>\$1.6B</b>	Reduced share count <sup>[3]</sup>

## BULL / BASE / BEAR SCENARIOS

Scenario (weight)	Assumptions	Fair Value
<b>Bull (25%)</b>	Harmony AI scales, Base44 to \$300M ARR, 22x forward P/E	<b>\$93</b>
<b>Base (50%)</b>	Hit FY26 guide, mid-teens growth, 15x forward P/E	<b>\$65</b>
<b>Bear (25%)</b>	AI investments dilutive, growth slows to +10%, multiple compresses to 10x	<b>\$42</b>
<b>Probability-</b>	Post-selloff value setup; AI/Base44 monetization is the swing	<b>~\$65</b>

Scenario (weight)	Assumptions	Fair Value
weighted	factor.	

### Key Risks

- **AI marketing spend:** Margin compression from incremental customer acquisition spend on AI Studio/Base44.
- **Competition:** Shopify, Squarespace, GoDaddy compete; Webflow targets premium tier.
- **Subscriber churn:** Long-term retention metrics softening as cohort behavior matures.
- **FX (Israeli shekel):** Operating expense exposure to ILS movements.

### What Would Change Our View

- **Upside:** Base44 ARR to \$200M+, margin recovery, large self-serve cohort win.
- **Downside:** Q2 miss, marketing spend extends, BASE44 stalls.

### Sources

- [1] <https://www.indexbox.io/blog/wix-q1-2026-results-revenue-meets-estimates-earnings-miss-on-marketing-spend/>
- [2] <https://finance.yahoo.com/quote/WIX/>
- [3] <https://www.stocktitan.net/news/WIX/wix-reports-first-quarter-2026-n4elwa17sfze.html>
- [4] <https://www.gurufocus.com/term/forward-pe-ratio/WIX>

### Disclaimer

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