

The background image is a blue-tinted scene from a movie. It depicts a character with red hair and a blue suit in the foreground, looking towards the camera. In the background, several characters are visible inside glass cages. One character is holding a sword. There are also flying creatures, possibly dragons or birds, in the air. The overall atmosphere is dramatic and action-oriented.

Q3 2024 Supplemental Materials

October 31, 2024

Forward-Looking Statements

This presentation and the live webcast and Q&A session which will be held at 5:30 a.m. Pacific Time/8:30 a.m. Eastern Time on Thursday, October 31, 2024 contain "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to, statements regarding our vision to connect one billion global DAUs, our vision to reach 10% of the global gaming software market, our efforts to improve the Roblox Platform, our investments to pursue the highest standards of trust and safety on our platform, our immersive and video advertising efforts, including our ads manager and independent measurement partnerships, our efforts to provide a safe online environment for children, our efforts regarding content curation, live operations and platform-wide events, our efforts regarding real-world shopping, the use of artificial intelligence ("AI") on our platform, our economy and product efforts related to creator earnings and platform monetization, our sponsored experiences, branding and new partnerships and our roadmap with respect to each, our business, product, strategy and user growth, our investment strategy, including our opportunities for and expectations of improvements in financial and operating metrics, including operating leverage, margin, free cash flow, operating expenses and capital expenditures, our expectation of successfully executing such strategies and plans, disclosures regarding the seasonality of our business, disclosures and future growth rates, benefits from agreements with third-party cloud providers, disclosures about our infrastructure efficiency initiatives, changes to our estimated average lifetime of a paying user and the resulting effect on revenue, cost of revenue, deferred revenue and deferred cost of revenue, our expectations of future net losses and net cash and cash equivalents provided by operating activities, statements by our Chief Executive Officer and Chief Financial Officer, and our outlook and guidance for fourth quarter and full year 2024, and future periods. These forward-looking statements are made as of the date they were first issued and were based on current plans, expectations, estimates, forecasts, and projections as well as the beliefs and assumptions of management. Words such as "expect," "vision," "envision," "evolving," "drive," "anticipate," "intend," "maintain," "should," "believe," "continue," "plan," "goal," "opportunity," "estimate," "predict," "may," "will," "could," and "would," and variations of these terms or the negative of these terms and similar expressions are intended to identify these forward-looking statements. Forward-looking statements are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond our control. Our actual results could differ materially from those stated or implied in forward-looking statements due to a number of factors, including but not limited to risks detailed in our filings with the Securities and Exchange Commission (the "SEC"), including our annual reports on Form 10-K, our quarterly reports on Form 10-Q and other filings and reports we make with the SEC from time to time. In particular, the following factors, among others, could cause results to differ materially from those expressed or implied by such forward-looking statements: our ability to successfully execute our business and growth strategy; the sufficiency of our cash and cash equivalents to meet our liquidity needs, including the repayment of our senior notes; the demand for our platform in general; our ability to retain and increase our number of users, developers, and creators; the impact of inflation and global economic conditions on our operations; the impact of changing legal and regulatory requirements on our business, including the use of verified parental consent; our ability to develop enhancements to our platform, and bring them to market in a timely manner; our ability to develop and protect our brand and build new partnerships; any misuse of user data or other undesirable activity by third parties on our platform; our ability to maintain the security and availability of our platform; our ability to detect and minimize unauthorized use of our platform; and the impact of AI on our platform, users, creators, and developers. Additional information regarding these and other risks and uncertainties that could cause actual results to differ materially from our expectations is included in the reports we have filed or will file with the SEC, including our annual reports on Form 10-K and our quarterly reports on Form 10-Q.

The forward-looking statements included in this presentation represent our views as of the date of this presentation. We anticipate that subsequent events and developments will cause our views to change. However, we undertake no intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this presentation.

Q3 2024 Results Review

29% YoY Growth

\$919M

REVENUE

34% YoY Growth

\$1,129M

BOOKINGS⁽¹⁾

27% YoY Growth

88.9M

AVERAGE DAILY
ACTIVE USERS
("DAUs")

29% YoY Growth

20.7B

HOURS
ENGAGED

Q3 2024 Results Review

\$(240)M

CONSOLIDATED
NET LOSS

\$55M

ADJUSTED
EBITDA^{(A)(1)}

120% YoY Growth

\$247M

NET CASH AND CASH
EQUIVALENTS PROVIDED BY
OPERATING ACTIVITIES

266% YoY Growth

\$218M

FREE CASH FLOW⁽¹⁾

^(A) Adjusted EBITDA excludes adjustments for increases in deferred revenue and deferred cost of revenue of \$216.3 million and \$(47.9) million, respectively, or a total change in deferred of \$168.4 million.

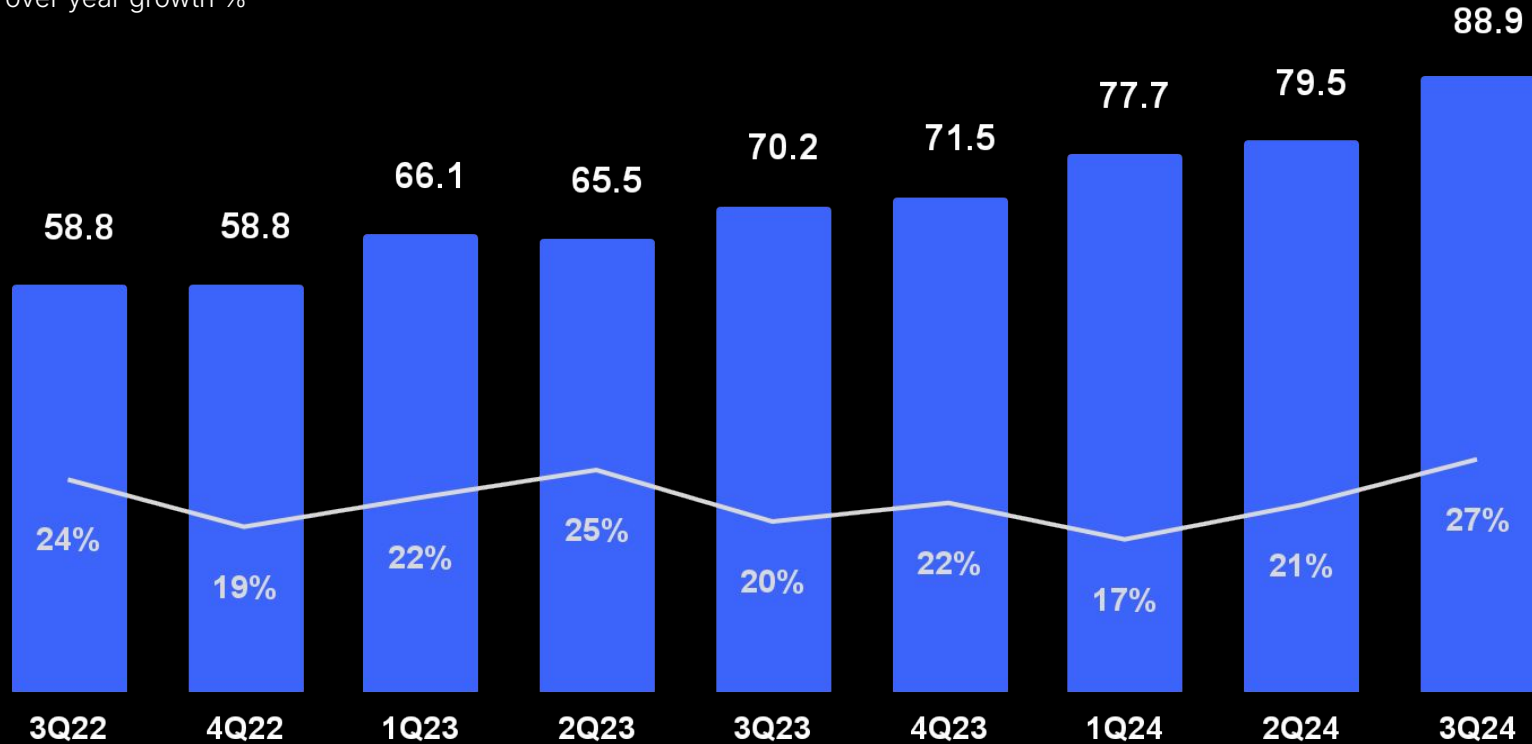
For endnote descriptions, see [final slide](#).

Operating and Financial Metrics Discussion

DAUs

(in millions)

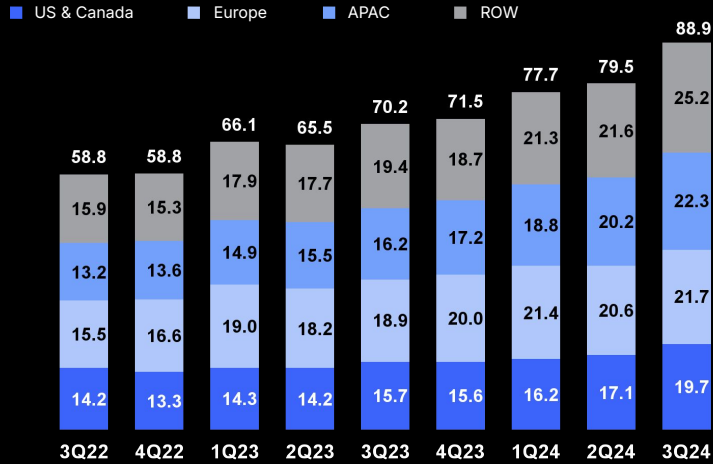
— Year over year growth %



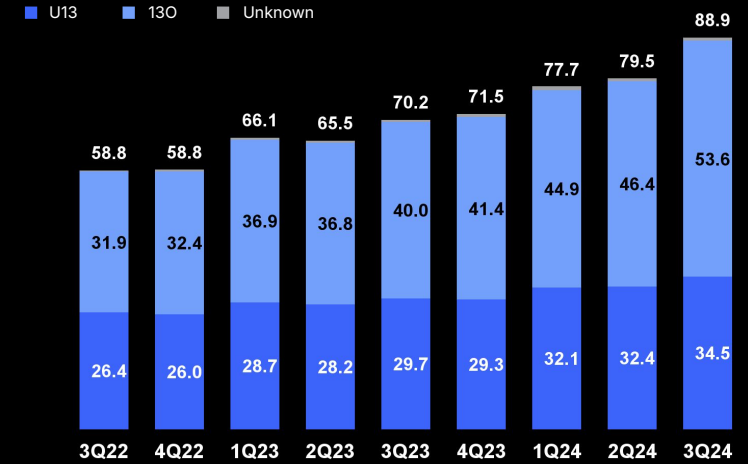
DAUs by Region and Age⁽²⁾

(in millions)

By Region



By Age Group



YoY

Region	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
US & Canada	17%	19%	16%	15%	11%	17%	13%	21%	26%
Europe	30%	24%	27%	29%	22%	20%	13%	14%	15%
APAC	40%	21%	18%	25%	23%	27%	26%	31%	37%
ROW	15%	12%	27%	32%	22%	22%	19%	22%	30%
Total	24%	19%	22%	25%	20%	22%	17%	21%	27%

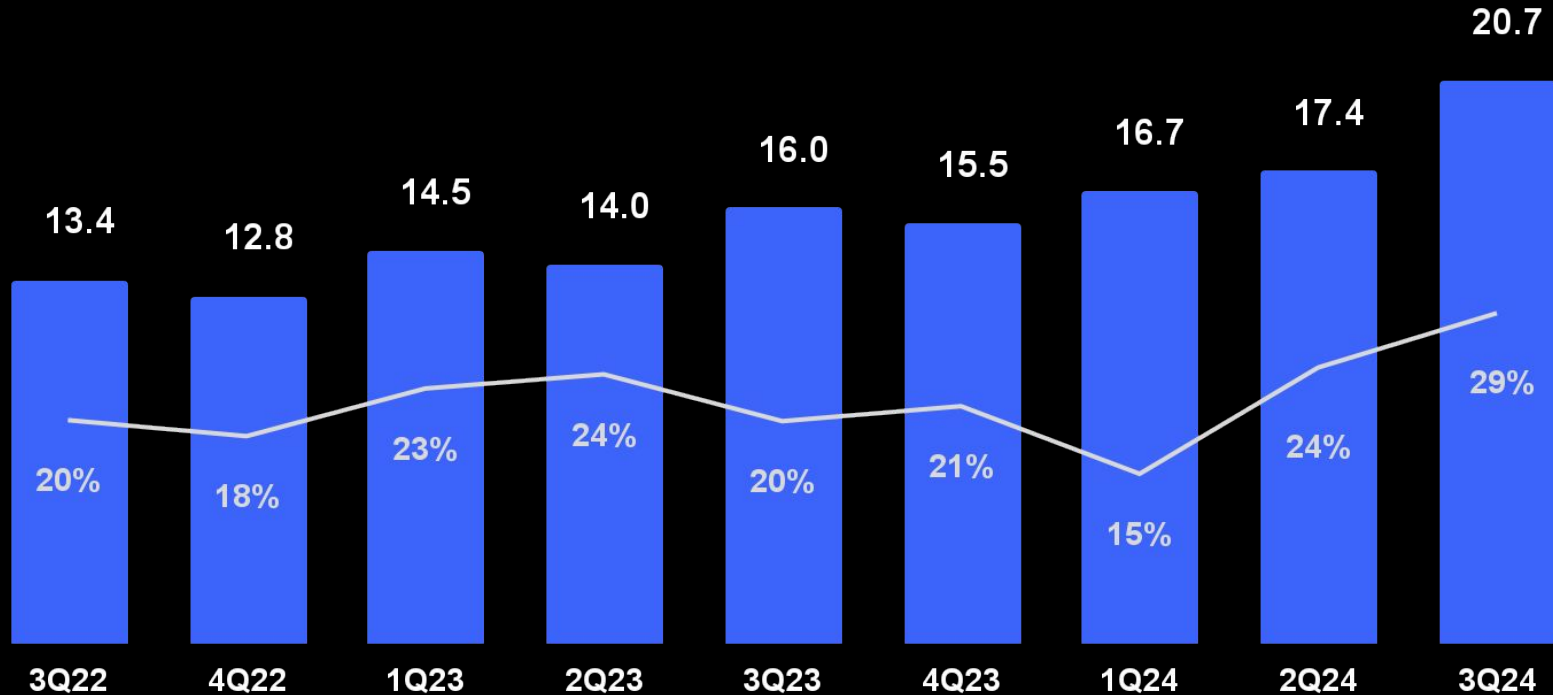
YoY

Age Group	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
U13	14%	11%	12%	17%	12%	13%	12%	15%	16%
O13	34%	26%	31%	33%	25%	28%	22%	26%	34%
Total	24%	19%	22%	25%	20%	22%	17%	21%	27%

Hours Engaged

(in billions)

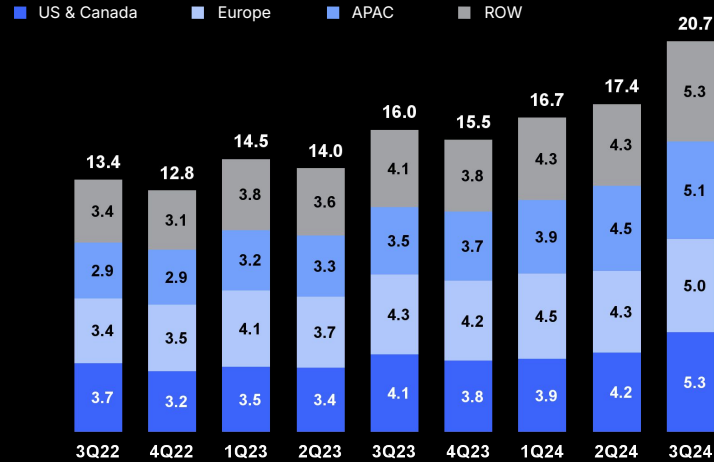
— Year over year growth %



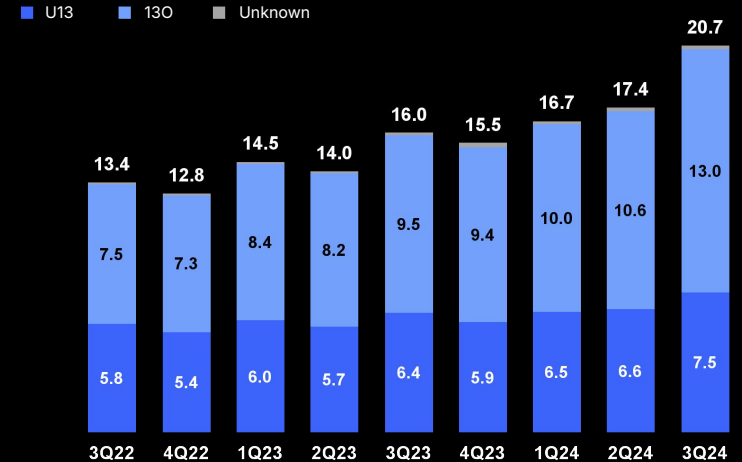
Hours Engaged by Region and Age⁽²⁾

(in billions)

By Region



By Age Group



YoY	US & Canada	Europe	APAC	ROW	Total
3Q22	21%	34%	20%	7%	20%
4Q22	29%	28%	9%	8%	18%
1Q23	21%	33%	8%	28%	23%
2Q23	17%	32%	16%	30%	24%
3Q23	12%	24%	21%	22%	20%
4Q23	16%	21%	27%	21%	21%
1Q24	12%	11%	23%	15%	15%
2Q24	23%	16%	39%	22%	24%
3Q24	28%	17%	45%	29%	29%

YoY	U13	13O	Unknown	Total
3Q22	9%	31%	60%	20%
4Q22	7%	28%	65%	18%
1Q23	10%	33%	57%	23%
2Q23	13%	32%	55%	24%
3Q23	10%	27%	63%	20%
4Q23	10%	28%	62%	21%
1Q24	8%	19%	73%	15%
2Q24	16%	30%	54%	24%
3Q24	17%	37%	46%	29%

Revenue⁽³⁾

(\$ in millions, unaudited)

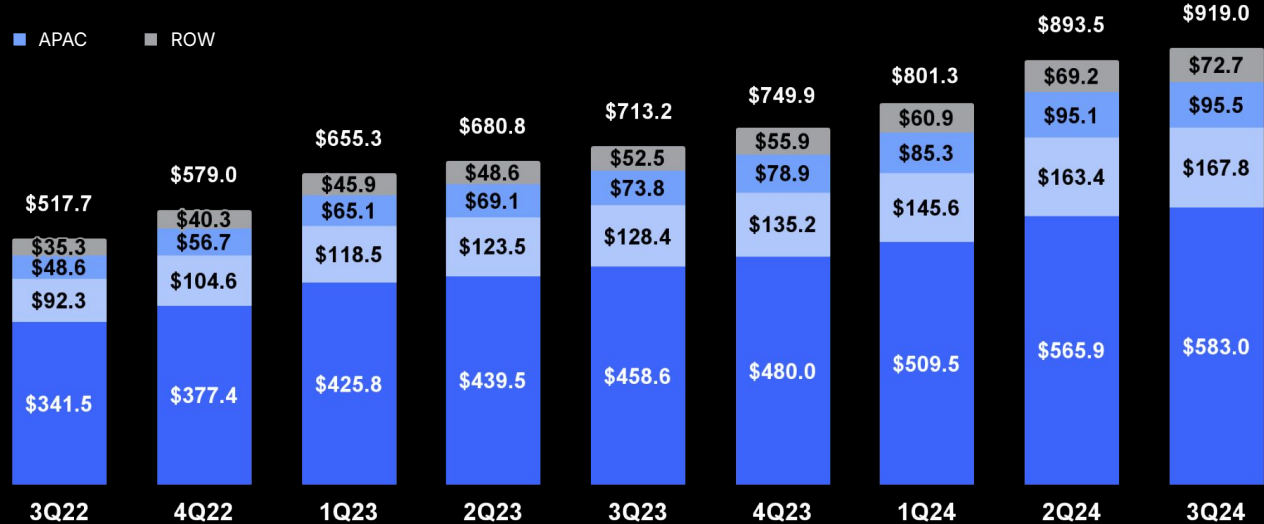
— Year over year growth %



Revenue by Region⁽³⁾⁽⁴⁾

(\$ in millions, unaudited)

■ US & Canada ■ Europe ■ APAC ■ ROW

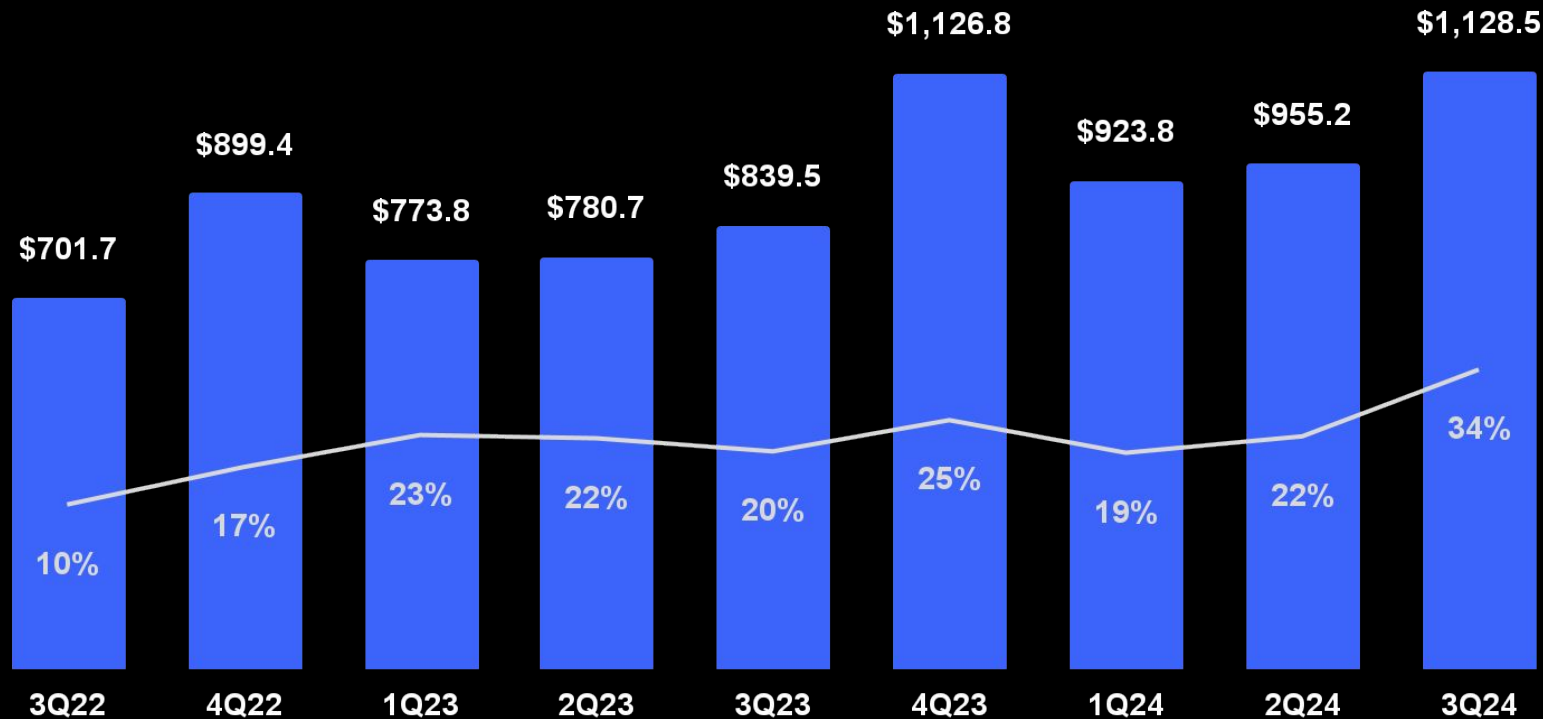


	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
US & Canada	-1%	-1%	19%	13%	34%	27%	20%	29%	27%
Europe	-2%	-1%	19%	14%	39%	29%	23%	32%	31%
APAC	29%	22%	42%	30%	52%	39%	31%	38%	29%
ROW	11%	9%	30%	23%	49%	39%	33%	42%	38%
Total	2%	2%	22%	15%	38%	30%	22%	31%	29%

Bookings⁽¹⁾

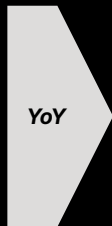
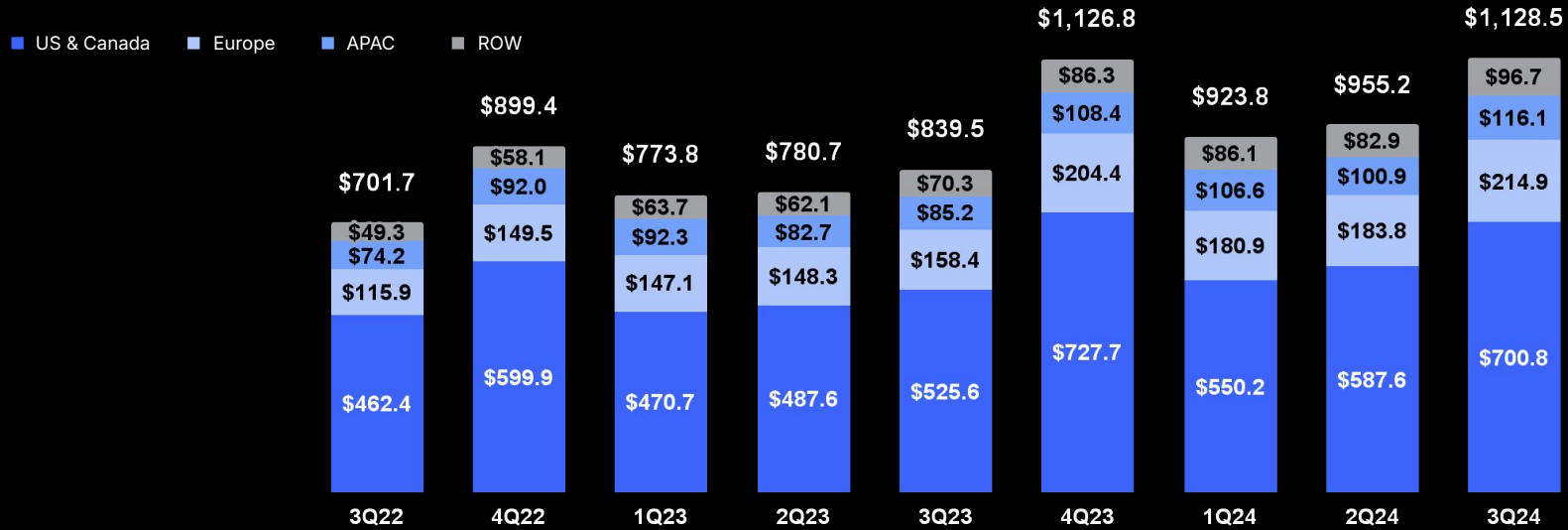
(\$ in millions, unaudited)

— Year over year growth %



Bookings by Region⁽¹⁾⁽⁴⁾

(\$ in millions, unaudited)



US & Canada

Europe

APAC

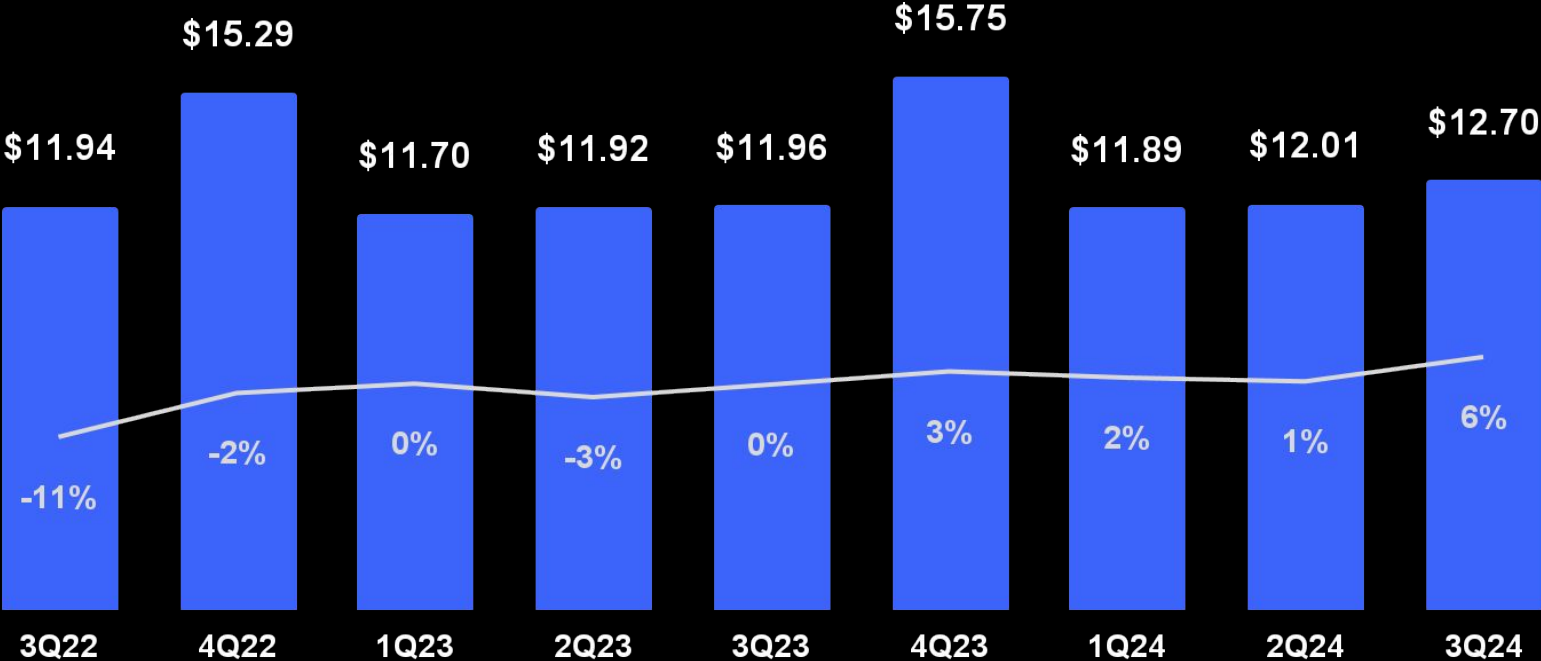
ROW

Total

13%	19%	21%	19%	14%	21%	17%	21%	33%
0%	9%	17%	30%	37%	37%	23%	24%	36%
21%	18%	26%	17%	15%	18%	16%	22%	36%
-7%	11%	41%	36%	43%	49%	35%	33%	37%
10%	17%	23%	22%	20%	25%	19%	22%	34%

Average Bookings per DAU ("ABPDAU")⁽¹⁾

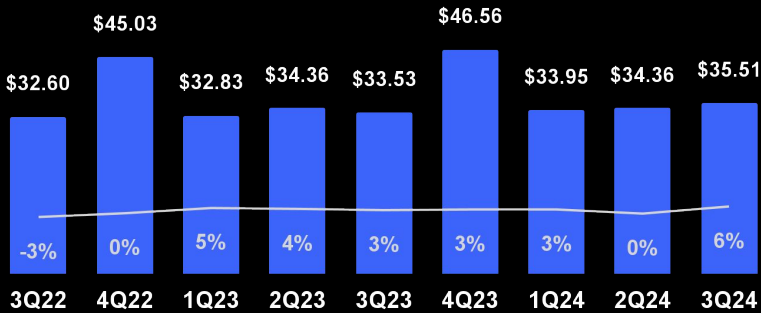
— Year over year growth %



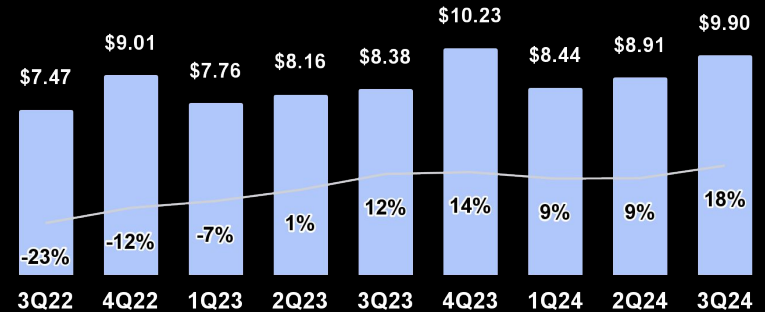
ABPDAUs by Region⁽¹⁾⁽²⁾⁽⁴⁾

— Year over year growth %

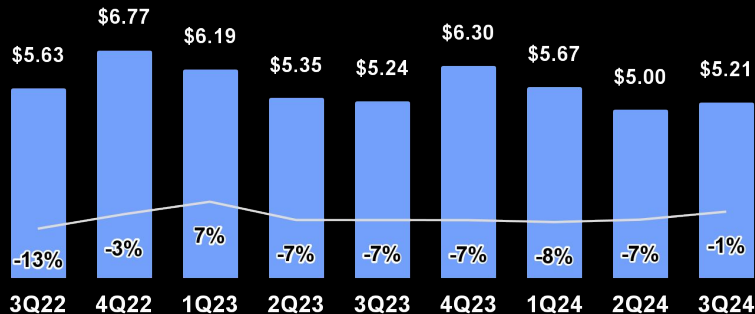
US & Canada



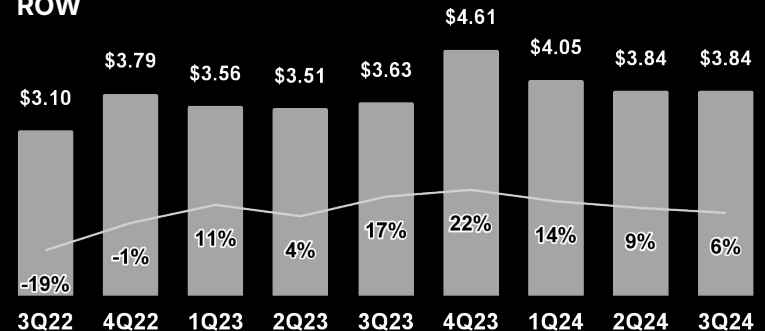
Europe



APAC

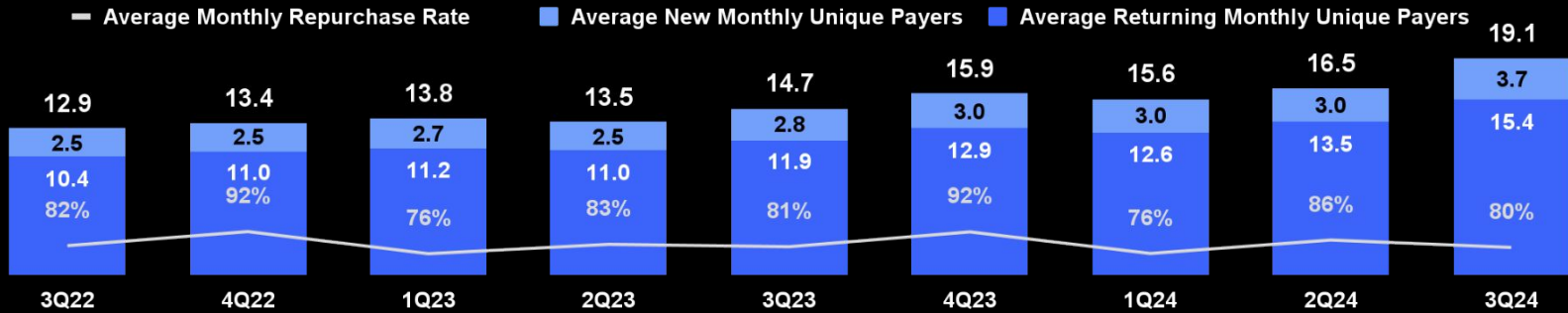


ROW

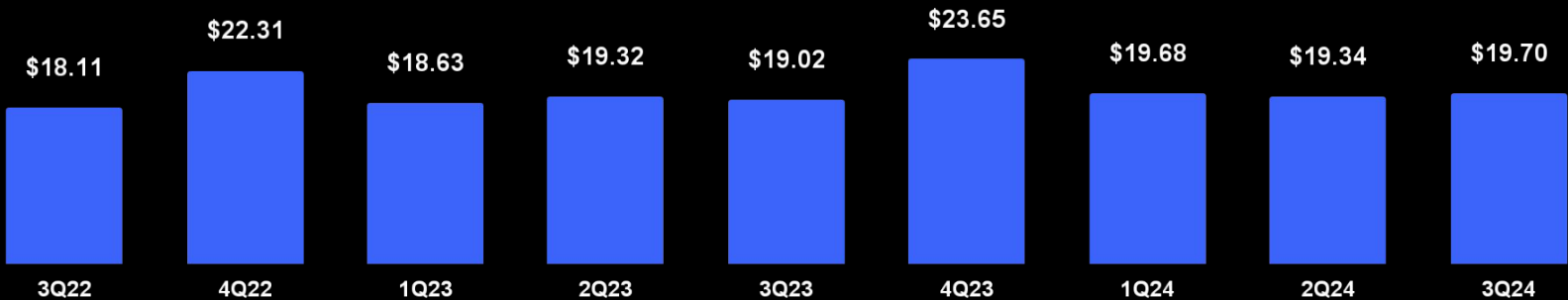


Payer Community

New & Returning Monthly Unique Payers (in millions)



Average Bookings Per Monthly Unique Payer⁽¹⁾

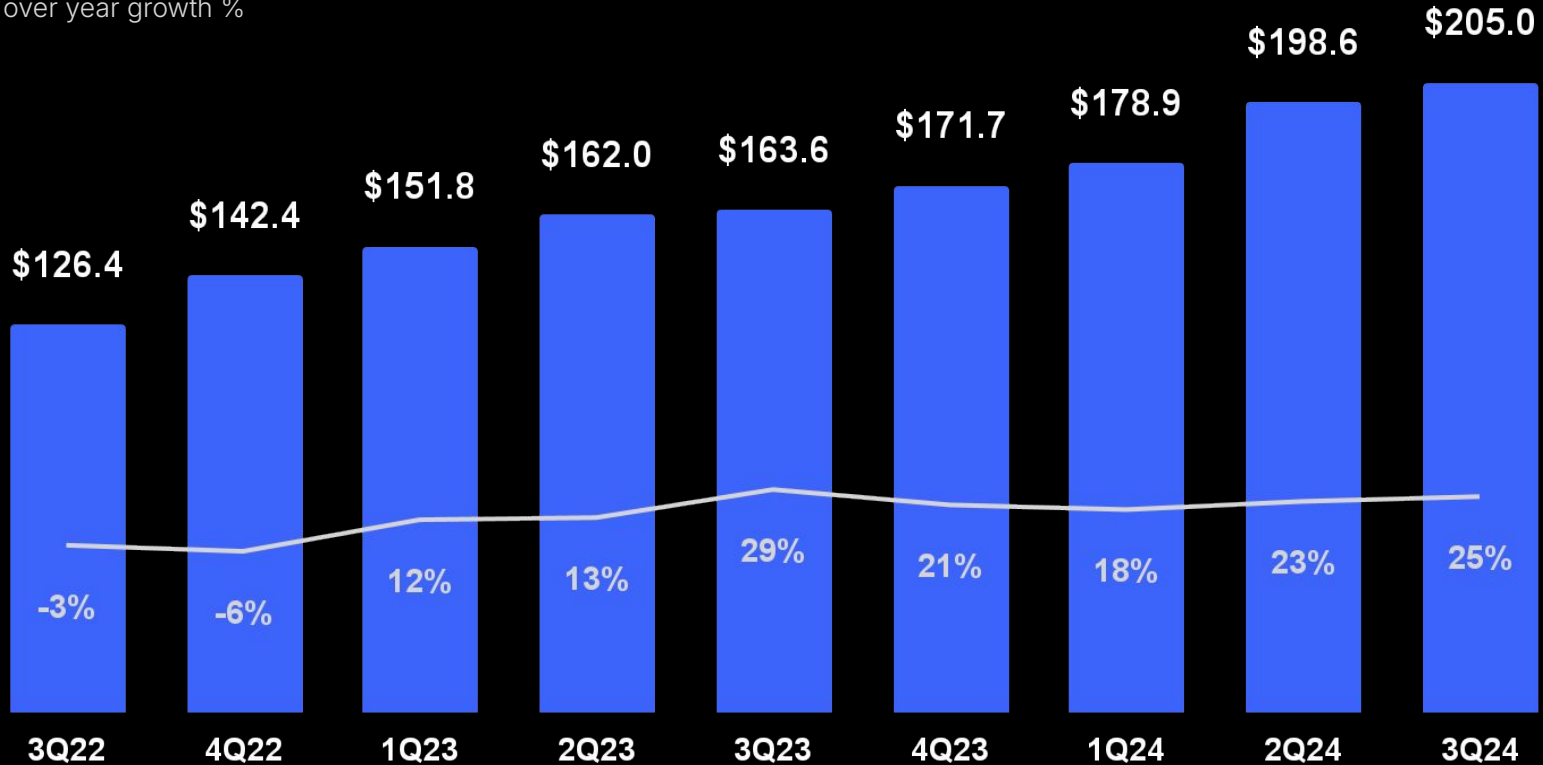


Four Main Expenses

Cost of Revenue⁽³⁾

(\$ in millions, unaudited)

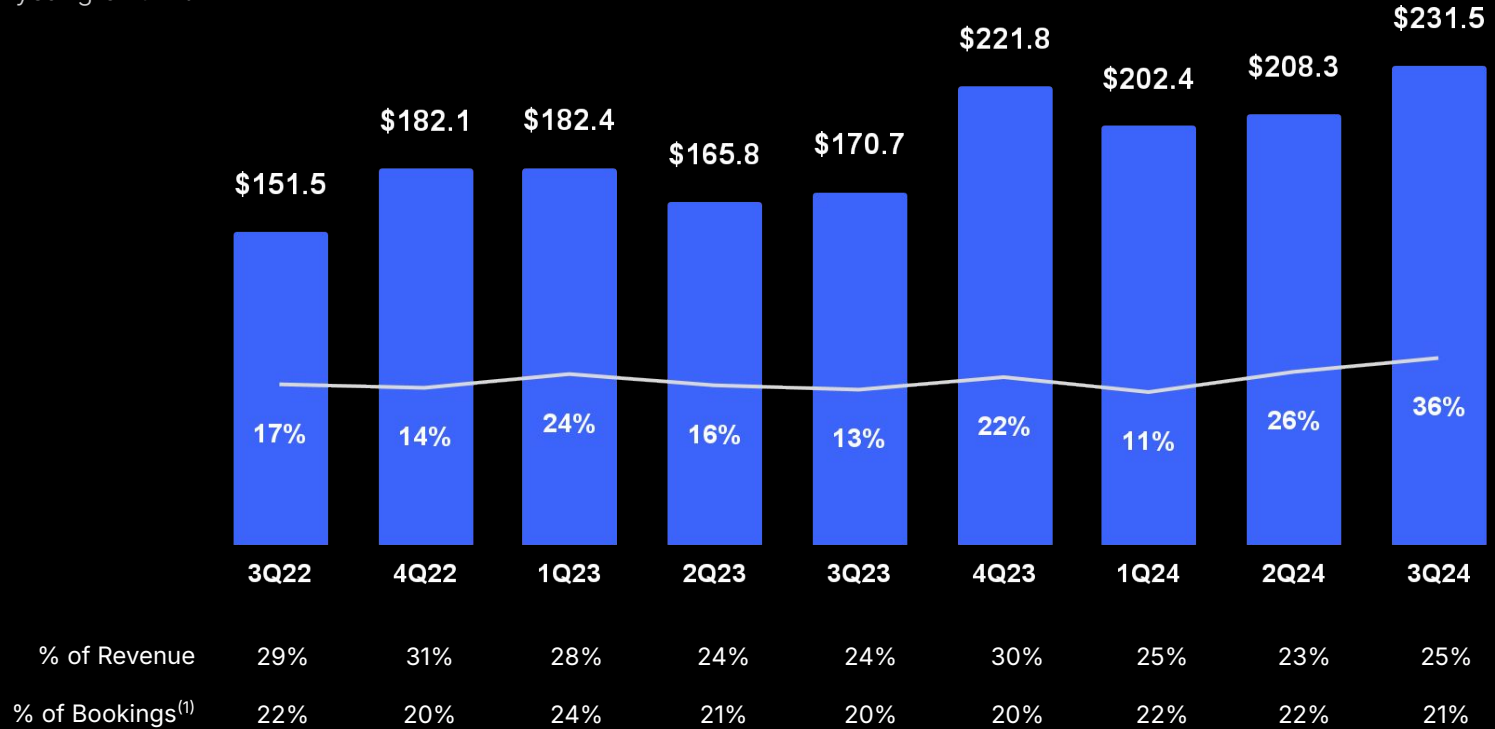
— Year over year growth %



Developer Exchange Fees

(\$ in millions, unaudited)

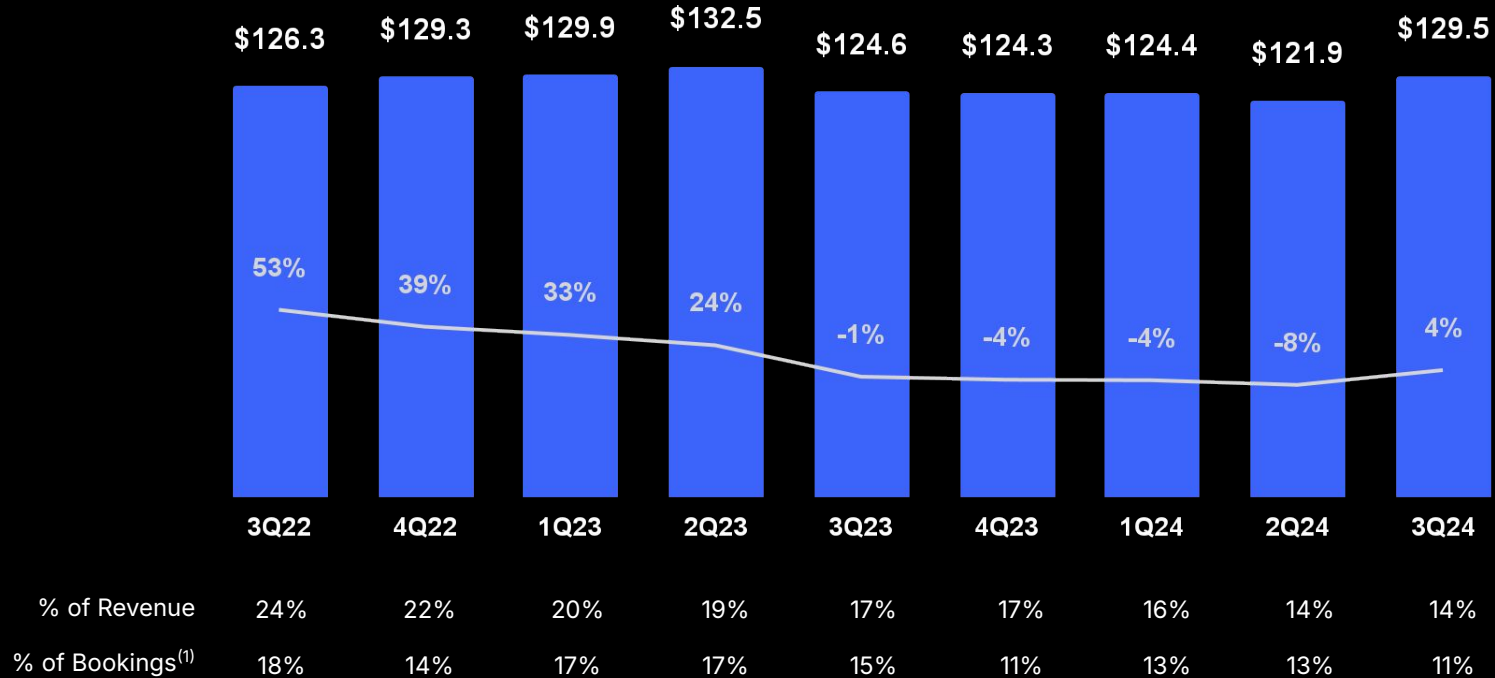
— Year over year growth %



Certain Infrastructure and Trust & Safety Expense⁽⁵⁾

(\$ in millions, unaudited)

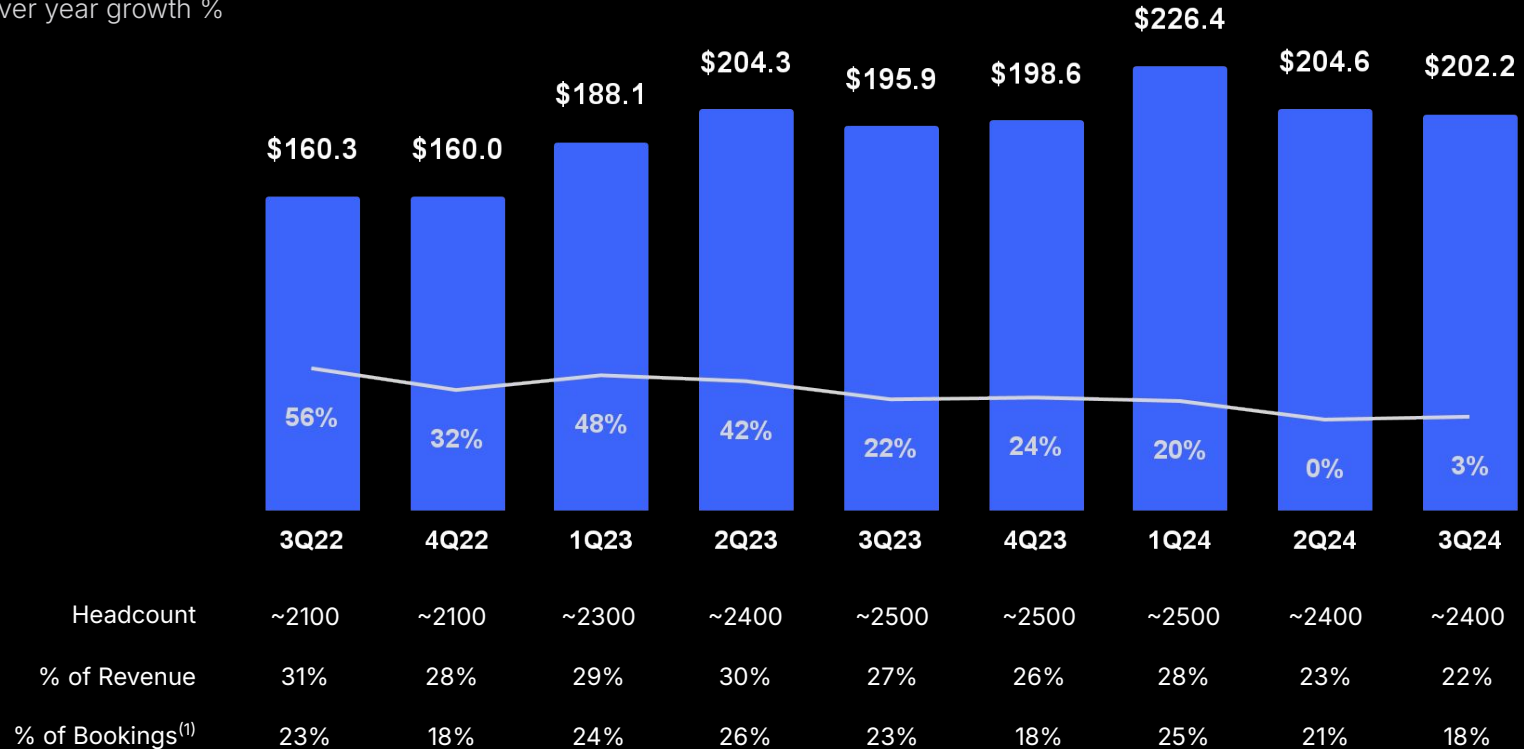
— Year over year growth %



Personnel Costs excl. Stock-Based Compensation

(\$ in millions, unaudited)

— Year over year growth %



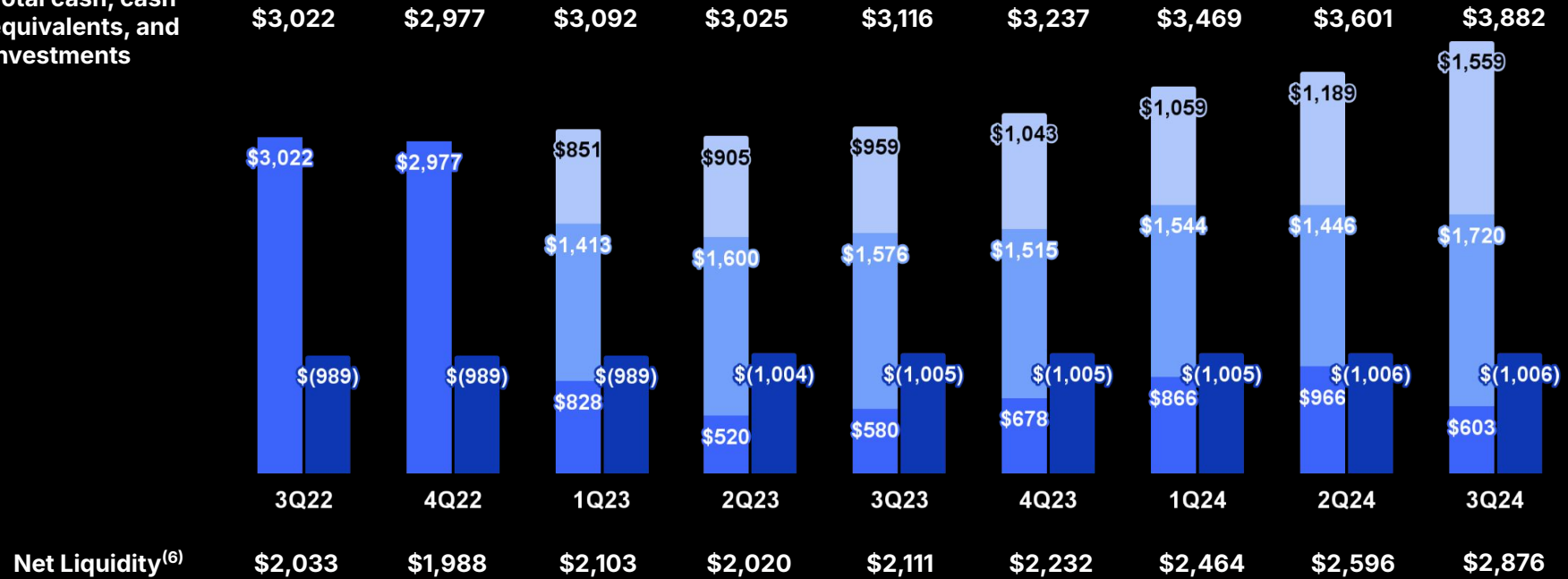
Liquidity, Cash Flow, & Shares Outstanding

Principal Sources of Liquidity

(\$ in millions, unaudited)

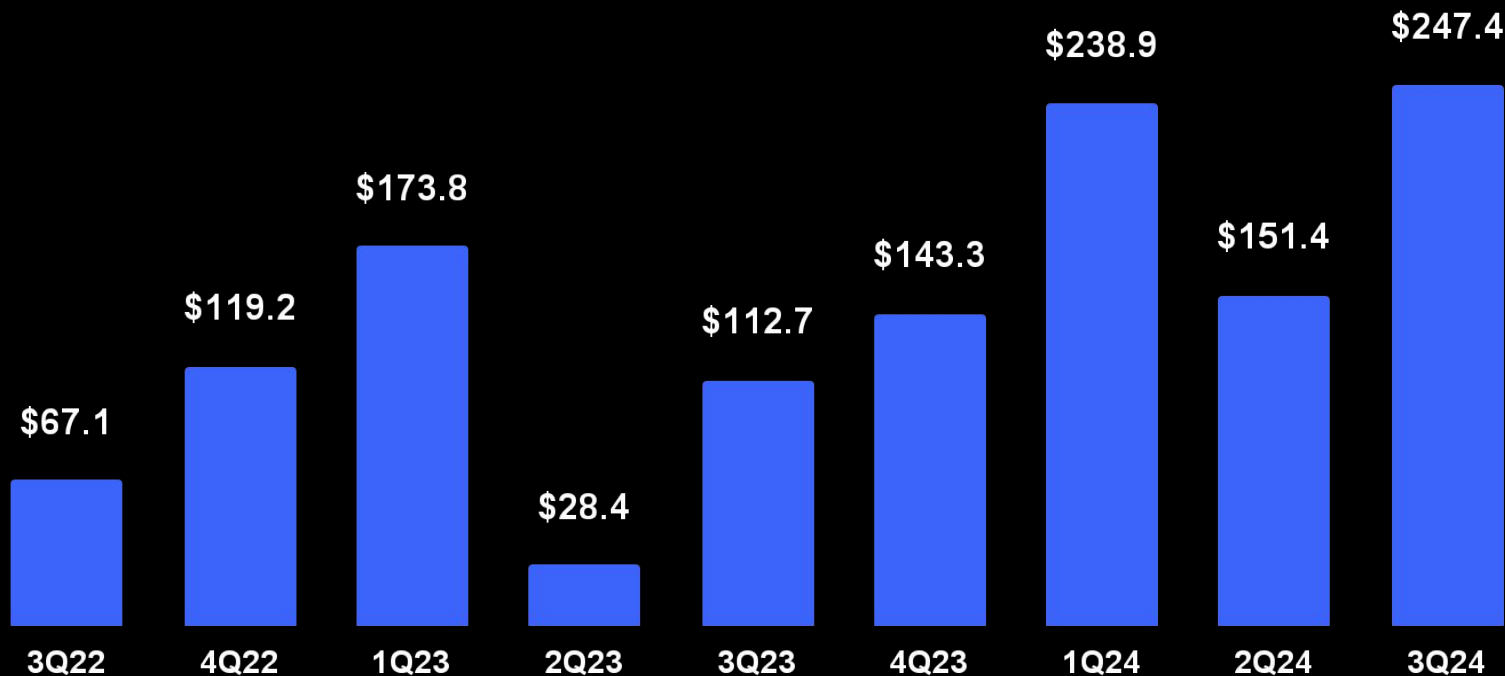
■ Long-term investments ■ Short-term investments ■ Cash and cash equivalents ■ Long-term debt, net⁽⁷⁾

Total cash, cash equivalents, and investments



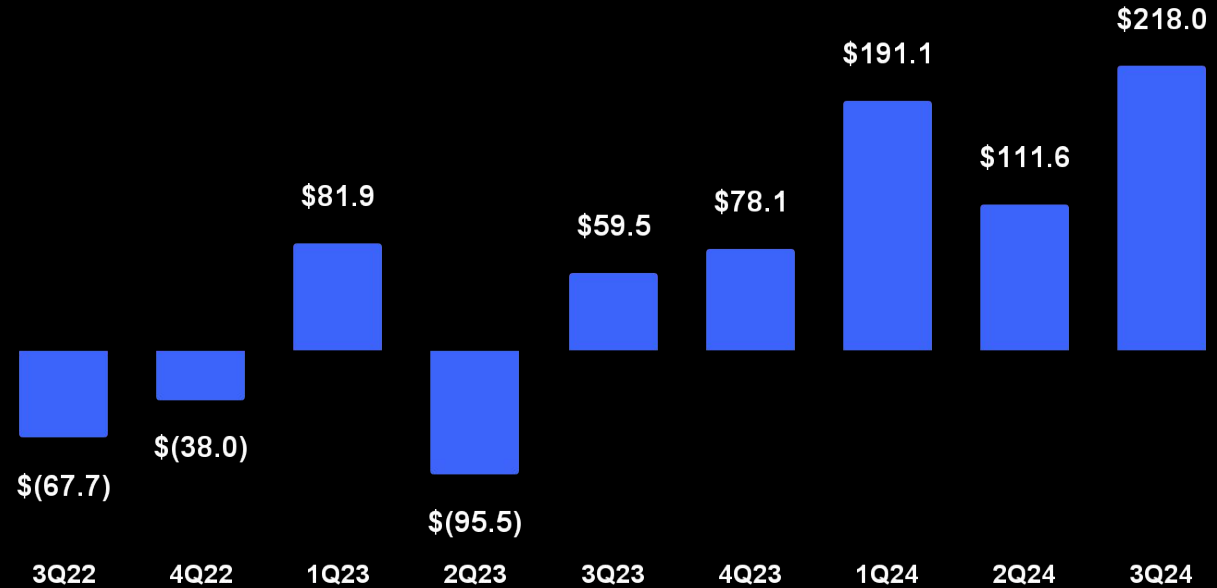
Net Cash and Cash Equivalents Provided by Operating Activities

(\$ in millions, unaudited)



Free Cash Flow⁽¹⁾

(\$ in millions, unaudited)



Acquisition of property and equipment	\$(133.4)M	\$(157.2)M	\$(91.4)M	\$(110.9)M	\$(53.2)M	\$(65.2)M	\$(46.7)M	\$(39.7)M	\$(29.4)M
Purchases of intangible assets	\$(1.5)M	—	\$(0.5)M	\$(13.0)M	—	—	\$(1.2)M	\$(0.2)M	—

Shares Outstanding

(in thousands, unaudited)

	As of			2023 to 2024 YoY %
	9/30/2024	9/30/2023	9/30/2022	
Shares of Class A and B Common stock outstanding	656,132	623,588	600,641	5%
Number of stock options outstanding ^(A)	32,160	43,306	53,412	-26%
Number of unvested RSUs outstanding	36,467	36,880	30,731	-1%
Number of ESPP shares to be purchased	1,665	3,406	2,270	-51%
Number of 2023 PSUs Grants based on performance target achievement at period-end ^(B)	43	-	-	NM
Number of stock warrants and RSAs outstanding	314	540	896	-42%
Total outstanding and potentially dilutive shares^(B)	726,781	707,720	687,950	3%

For further information on these award types, please refer to our annual and quarterly SEC filings.

^(A) The weighted average exercise price per outstanding option was \$3.04, \$2.92, and \$2.84 as of 3Q24, 3Q23, and 3Q22, respectively.

^(B) Based on the Company's performance against the cumulative Adjusted EBITDA performance measure (as that performance measure is described in the respective grant agreements) through the respective balance sheet date, the hypothetical number of shares that would have been earned under the Company's 2023 PSU Awards had the performance period ended on the balance sheet date have been included in the table above. All other PSU Awards are excluded from the above table because the respective stock price targets or performance measures had not been met as of or during the periods presented.

Guidance

Revenue⁽³⁾ Guidance Comparison

(\$ in millions, unaudited)

3Q24

4Q24

FY2024



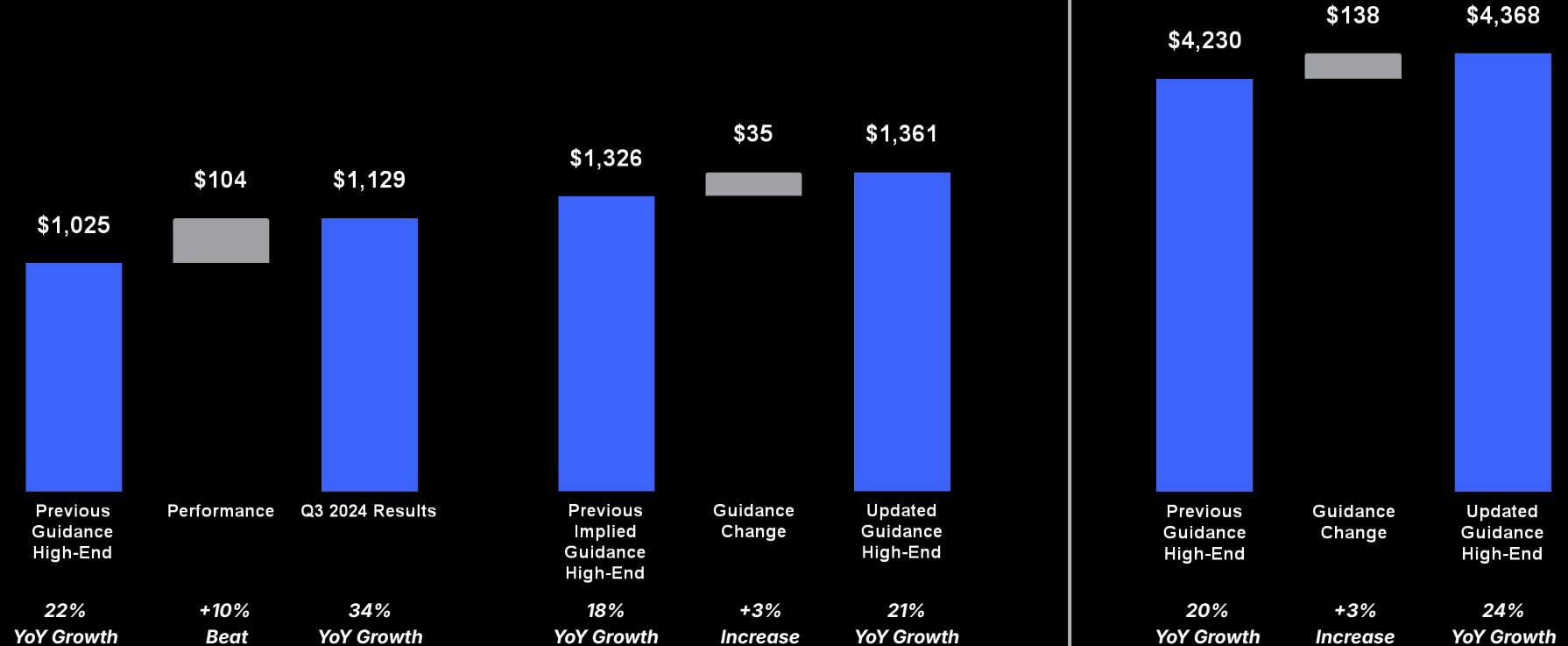
Bookings⁽¹⁾ Guidance Comparison

(\$ in millions, unaudited)

3Q24

4Q24

FY2024



4Q24 Guidance⁽⁸⁾

Summary

(\$ in millions)

	Guidance		3 months ended		YoY %	
	12/31/2024		12/31/2023			
	Low	High			Low	High
Revenue	\$935.0	\$960.0	\$749.9		25%	28%
Bookings ⁽¹⁾	\$1,336.0	\$1,361.0	\$1,126.8		19%	21%
Consolidated net loss	\$(303.0)	\$(283.0)	\$(325.3)		-7%	-13%
Adjusted EBITDA ⁽¹⁾	\$10.0	\$30.0	\$(44.8)		NM	NM
Increase in deferred revenue	\$406.0	\$406.0	\$382.2		6%	6%
Increase in deferred cost of revenue	\$(86.0)	\$(86.0)	\$(77.8)		11%	11%
Total change in deferrals	\$320.0	\$320.0	\$304.4		5%	5%
Net cash and cash equivalents provided by operating activities	\$170.0	\$185.0	\$143.3		19%	29%
Capital expenditures and purchases of intangible assets	\$(70.0)	\$(70.0)	\$(65.2)		7%	7%
Free cash flow ⁽¹⁾	\$100.0	\$115.0	\$78.1		28%	47%

Updated Fiscal Year Guidance⁽⁸⁾

Summary

(\$ in millions)

	12 months ended				
	Updated Guidance 12/31/2024		Actual 12/31/2023	YoY %	
	Low	High		Low	High
Revenue	\$3,548.8	\$3,573.8	\$2,799.3	27%	28%
Bookings ⁽¹⁾	\$4,343.5	\$4,368.5	\$3,520.8	23%	24%
Consolidated net loss	\$(1,022.6)	\$(1,002.6)	\$(1,158.9)	-12%	-13%
Adjusted EBITDA ⁽¹⁾	\$124.6	\$144.6	\$(170.7)	NM	NM
Increase in deferred revenue	\$816.7	\$816.7	\$742.3	10%	10%
Increase in deferred cost of revenue	\$(185.7)	\$(185.7)	\$(139.9)	33%	33%
Total change in deferrals	\$631.0	\$631.0	\$602.4	5%	5%
Net cash and cash equivalents provided by operating activities	\$807.8	\$822.8	\$458.2	76%	80%
Capital expenditures and purchases of intangible assets	\$(187.2)	\$(187.2)	\$(334.2)	-44%	-44%
Free cash flow ⁽¹⁾	\$620.7	\$635.7	\$124.0	400%	413%

4Q24 Guidance: Non-GAAP Financial Measures Reconciliation

Revenue⁽³⁾ to Bookings⁽¹⁾
(\$ in millions)

	Guidance		3 months ended		YoY %	
	12/31/2024		12/31/2023			
	Low	High			Low	High
Revenue	\$935.0	\$960.0	\$749.9		25%	28%
Add (deduct):						
Change in deferred revenue	406.0	406.0	382.2		6%	6%
Other	(5.0)	(5.0)	(5.3)		-6%	-6%
Bookings	\$1,336.0	\$1,361.0	\$1,126.8		19%	21%

Updated Fiscal Year Guidance:

Non-GAAP Financial Measures Reconciliation

Revenue⁽³⁾ to Bookings⁽¹⁾
 (\$ in millions)

	Updated Guidance		12 months ended		YoY %	
	12/31/2024		12/31/2023			
	Low	High			Low	High
Revenue	\$3,548.8	\$3,573.8	\$2,799.3		27%	28%
Add (deduct):						
Change in deferred revenue	816.7	816.7	742.3		10%	10%
Other	(22.0)	(22.0)	(20.8)		6%	6%
Bookings	\$4,343.5	\$4,368.5	\$3,520.8		23%	24%

4Q24 Guidance: Non-GAAP Financial Measures Reconciliation

Consolidated Net Loss⁽⁸⁾ to Adjusted EBITDA⁽¹⁾⁽⁸⁾
 (\$ in millions)

	3 months ended					
	Guidance		Actual		YoY %	
	12/31/2024		12/31/2023		Low	High
	Low	High				
Consolidated Net Loss	\$(303.0)	\$(283.0)	\$(325.3)		-7%	-13%
Add (deduct):						
Interest income	(40.0)	(40.0)	(39.5)		1%	1%
Interest expense	11.0	11.0	10.3		7%	7%
Other (income)/expense, net	—	—	(0.9)		NM	NM
Provision for/(benefit from) income taxes	2.0	2.0	0.3		NM	NM
Depreciation and amortization expense	55.0	55.0	54.5		1%	1%
Stock-based compensation expense	285.0	285.0	250.7		14%	14%
RTO severance charge ^(A)	—	—	5.2		NM	NM
Adjusted EBITDA	\$10.0	\$30.0	\$(44.8)		NM	NM

^(A) Relates to cash severance costs associated with the Company's return-to-office ("RTO") plan announced in October 2023, which required a subset of the Company's remote employees to begin working from the San Mateo headquarters for three days a week, beginning in the summer of 2024.

Updated Fiscal Year Guidance:

Non-GAAP Financial Measures Reconciliation

Consolidated Net Loss^(B) to Adjusted EBITDA⁽¹⁾⁽⁸⁾
(\$ in millions)

	12 months ended				
	Updated Guidance		Actual	YoY %	
	12/31/2024		12/31/2023	Low	High
	Low	High		Low	High
Consolidated Net Loss	\$ (1,022.6)	\$ (1,002.6)	\$ (1,158.9)	-12%	-13%
Add (deduct):					
Interest income	(173.3)	(173.3)	(141.8)	22%	22%
Interest expense	41.9	41.9	40.7	3%	3%
Other (income)/expense, net	1.3	1.3	0.5	148%	148%
Provision for/(benefit from) income taxes	3.5	3.5	0.5	NM	NM
Depreciation and amortization expense	230.1	230.1	208.1	11%	11%
Stock-based compensation expense	1,042.6	1,042.6	868.0	20%	20%
RTO severance charge ^(A)	1.1	1.1	5.2	-79%	-79%
Other non-cash charges ^(B)	—	—	7.0	NM	NM
Adjusted EBITDA	\$124.6	\$144.6	\$ (170.7)	NM	NM

^(A) Relates to cash severance costs associated with the Company's return-to-office ("RTO") plan announced in October 2023, which required a subset of the Company's remote employees to begin working from the San Mateo headquarters for three days a week, beginning in the summer of 2024.

^(B) Includes impairment expense related to certain operating lease right-of-use assets and related property and equipment.

For endnote descriptions, see [final slide](#).

4Q24 Guidance: Non-GAAP Financial Measures Reconciliation

Net Cash and Cash Equivalents Provided by Operating Activities to Free Cash Flow⁽¹⁾
 (\$ in millions)

	Guidance		3 months ended		YoY %	
	12/31/2024		12/31/2023			
	Low	High			Low	High
Net cash and cash equivalents provided by operating activities	\$170.0	\$185.0	\$143.3		19%	29%
Deduct:						
Acquisition of property and equipment	(70.0)	(70.0)	(65.2)		7%	7%
Free cash flow	\$100.0	\$115.0	\$78.1		28%	47%

Updated Fiscal Year Guidance:

Non-GAAP Financial Measures Reconciliation

Net Cash and Cash Equivalents Provided by Operating Activities to Free Cash Flow⁽¹⁾
 (\$ in millions)

	Updated Guidance		12 months ended		YoY %	
	12/31/2024		12/31/2023			
	Low	High			Low	High
Net cash and cash equivalents provided by operating activities	\$807.8	\$822.8	\$458.2		76%	80%
Deduct:						
Acquisition of property and equipment	(185.8)	(185.8)	(320.7)		-42%	-42%
Purchases of intangible assets	(1.4)	(1.4)	(13.5)		-90%	-90%
Free cash flow	\$620.7	\$635.7	\$124.0		400%	413%

Appendix

Revenue, Deferred Revenue, and Bookings Illustration

The following example illustrates GAAP revenue recognition for bookings on the Roblox platform.

- Paying user spends **\$30** on the Roblox platform to purchase 3,000 Robux or purchases a **\$30** prepaid card to exchange for 3,000 Robux
- Paying user spends Robux (on average, within 3 days^(A)) on the platform to purchase:

Durable Virtual Items^(B) = 2,700 Robux, or \$27

GAAP Revenue Recognition

Revenue is recognized over estimated average lifetime of paying user^(C)

\$27 bookings / 27 months^(C) = \$1 per month

Revenue recognized by month



Recognized in Month 1

Bookings recognized = \$30

Revenue recognized = \$1
(associated with durable items)

Deferred Revenue at end of Month 1 = \$26
(to be recognized as revenue in months 2-27)

Consumable Virtual Items^(B) = 300 Robux, or \$3

GAAP Revenue Recognition

Revenue is recognized immediately upon consumption

\$3 bookings in month of purchase

Revenue recognized = \$3
(associated with consumable items)

Recognized in Month 1: Total Revenue recognized (\$4) + Deferred Revenue (\$26) = Bookings (\$30)

^(A)For the three months ended September 30, 2024, average number of days it takes our users to spend Robux following purchase of Robux through our Platform or following redemption of Robux from prepaid cards.

^(B)For the three months ended September 30 2024, durable virtual items accounted for 92% of virtual item-related revenue while consumable virtual items accounted for 8%. For the purpose of the example, we did not apply these exact percentages.

^(C)For the three months ended September 30, 2024, the estimated average lifetime for a paying user was 27 months.

Non-GAAP Financial Measures Reconciliation

Revenue to Bookings⁽¹⁾

(\$ in thousands, unaudited)

	3 months ended			2023 to
	9/30/2024	9/30/2023	9/30/2022	2024 YoY%
Revenue	\$ 918,953	\$ 713,225	\$ 517,707	29%
Add (deduct):				
Change in deferred revenue	216,325	130,957	187,991	65%
Other	(6,758)	(4,729)	(3,982)	43%
Bookings	<u>\$ 1,128,520</u>	<u>\$ 839,453</u>	<u>\$ 701,716</u>	<u>34%</u>

Non-GAAP Financial Measures Reconciliation

Consolidated Net Loss to Adjusted EBITDA⁽¹⁾

(\$ in thousands, unaudited)

	3 months ended			2023 to 2024 YoY%
	9/30/2024	9/30/2023	9/30/2022	
Consolidated Net Loss	\$ (240,447)	\$ (278,808)	\$ (301,902)	-14%
Add (deduct):				
Interest income	(46,718)	(36,442)	(12,764)	28%
Interest expense	10,286	10,268	10,005	—%
Other (income)/expense, net	(2,352)	4,262	4,302	NM
Provision for/(benefit from) income taxes	303	682	352	-56%
Depreciation and amortization expense ^(A)	68,613	53,600	34,052	28%
Stock-based compensation expense	265,165	220,022	161,359	21%
RTO severance charge ^(B)	108	-	-	NM
Adjusted EBITDA	<u>\$ 54,958</u>	<u>\$ (26,416)</u>	<u>\$ (104,596)</u>	<u>NM</u>

^(A) Includes a one-time charge of \$17.9 million related to the re-assessment of the estimated useful life of certain software licenses, resulting in the acceleration of their remaining depreciation within infrastructure and trust & safety expenses.

^(B) Relates to cash severance costs associated with the Company's return-to-office ("RTO") plan announced in October 2023, which required a subset of the Company's remote employees to begin working from the San Mateo headquarters for three days a week, beginning in the summer of 2024.

Non-GAAP Financial Measures Reconciliation

Net Cash and Cash Equivalents Provided by Operating Activities to Free Cash Flow⁽¹⁾

(\$ in thousands, unaudited)

	3 months ended			2023 to 2024 YoY%
	9/30/2024	9/30/2023	9/30/2022	
Net cash and cash equivalents provided by operating activities	\$ 247,430	\$ 112,704	\$ 67,144	120%
Deduct:				
Acquisition of property and equipment	(29,405)	(53,196)	(133,356)	-45%
Purchases of intangible assets	-	-	(1,500)	NM
Free Cash Flow	<u>\$ 218,025</u>	<u>\$ 59,508</u>	<u>\$ (67,712)</u>	<u>266%</u>

Personnel Costs excl. Stock-Based Compensation by Department

(\$ in thousands, unaudited)

	3 months ended			2023 to 2024 YoY%
	9/30/2024	9/30/2023	9/30/2022	
Infrastructure and trust & safety	\$ 24,694	\$ 23,888	\$ 21,060	3%
Research and development	137,121	128,604	101,859	7%
General and administrative	28,247	33,277	27,151	-15%
Sales and marketing	12,157	10,102	10,241	20%
Total Personnel Costs excl. SBC	\$ 202,219	\$ 195,871	\$ 160,311	3%

Depreciation and Amortization Expense by Department

(\$ in thousands, unaudited)

	3 months ended			2023 to 2024 YoY%
	9/30/2024	9/30/2023	9/30/2022	
Infrastructure and trust & safety ^(A)	\$ 61,284	\$ 46,014	\$ 28,665	33%
Research and development	6,651	6,980	5,063	-5%
General and administrative	508	466	273	9%
Sales and marketing	170	140	51	22%
Total Depreciation and Amortization expense	\$ 68,613	\$ 53,600	\$ 34,052	28%

^(A) Includes a one-time charge of \$17.9 million related to the re-assessment of the estimated useful life of certain software licenses, resulting in the acceleration of their remaining depreciation within infrastructure and trust & safety expenses.

Stock-Based Compensation Expense by Department

(\$ in thousands, unaudited)

	3 months ended			2023 to 2024 YoY%
	9/30/2024	9/30/2023	9/30/2022	
Infrastructure and trust & safety	\$ 29,078	\$ 24,483	\$ 14,948	19%
Research and development	189,064	155,651	111,450	21%
General and administrative	36,345	32,200	28,327	13%
Sales and marketing	10,678	7,688	6,634	39%
Total Stock-Based Compensation Expense	\$ 265,165	\$ 220,022	\$ 161,359	21%

Non-GAAP Financial Measures Definitions

This presentation contains the non-GAAP financial measures bookings, Adjusted EBITDA, and free cash flow. We use this non-GAAP financial information to evaluate our ongoing operations, for internal planning, and forecasting purposes. We believe that this non-GAAP financial information may be helpful to investors because it provides consistency and comparability with past financial performance.

Bookings is defined as revenue plus the change in deferred revenue during the period and other non-cash adjustments. Substantially all of our bookings are generated from sales of virtual currency, which can ultimately be converted to virtual items on the Roblox Platform. Sales of virtual currency reflected as bookings include one-time purchases or monthly subscriptions purchased via payment processors or through prepaid cards. Bookings also include an insignificant amount from advertising and licensing arrangements. We believe bookings provide a timelier indication of trends in our operating results that are not necessarily reflected in our revenue as a result of the fact that we recognize the majority of revenue over the estimated average lifetime of a paying user. The change in deferred revenue constitutes the vast majority of the reconciling difference from revenue to bookings. By removing these non-cash adjustments, we are able to measure and monitor our business performance based on the timing of actual transactions with our users and the cash that is generated from these transactions.

Free cash flow represents the net cash and cash equivalents provided by operating activities less purchases of property, equipment, and intangible assets acquired through asset acquisitions. We believe that free cash flow is a useful indicator of our unit economics and liquidity that provides information to management and investors about the amount of cash generated from our core operations that, after the purchases of property, equipment, and intangible assets acquired through asset acquisitions, can be used for strategic initiatives, including investing in our business, making strategic acquisitions, and strengthening our financial position.

Adjusted EBITDA represents our GAAP consolidated net loss, excluding interest income, interest expense, other income/(expense), provision for/(benefit from) income taxes, depreciation and amortization expense, stock-based compensation expense, and certain other nonrecurring adjustments. We believe that, when considered together with reported GAAP amounts, Adjusted EBITDA is useful to investors and management in understanding our ongoing operations and ongoing operating trends. Our definition of Adjusted EBITDA may differ from the definition used by other companies and therefore comparability may be limited.

Non-GAAP financial measures have limitations in their usefulness to investors because they have no standardized meaning prescribed by GAAP and are not prepared under any comprehensive set of accounting rules or principles. In addition, other companies, including companies in our industry, may calculate similarly titled non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial information as a tool for comparison. As a result, our non-GAAP financial information is presented for supplemental informational purposes only and should not be considered in isolation from, or as a substitute for financial information presented in accordance with GAAP.

A reconciliation table of the most comparable GAAP financial measure to each non-GAAP financial used in this presentation is included in this presentation. We encourage investors and others to review our business, results of operations, and financial information in their entirety, not to rely on any single financial measure, and to view these non-GAAP financial measures in conjunction with the most directly comparable GAAP financial measure.

Note Regarding Operating Metrics

We manage our business by tracking several operating metrics, including those listed below. As a management team, we believe each of these operating metrics provides useful information to investors and others. For information concerning these metrics as measured by us, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the most recently filed Quarterly Report on Form 10-Q.

While these metrics are based on what we believe to be reasonable estimates of our user base for the applicable period of measurement, there are inherent challenges in measuring how our platform is used. These metrics are determined by using internal data gathered on an analytics platform that we developed and operate and have not been validated by an independent third party. This platform tracks user account and session activity. If we fail to maintain an effective analytics platform, our metrics calculations may be inaccurate. These metrics are also determined by certain demographic data provided to us by the user, such as age or gender. If our users provide us with incorrect or incomplete information, then our estimates may be inaccurate.

We believe that these metrics are reasonable estimates of our user base for the applicable period of measurement, and that the methodologies we employ and update from time-to-time to create these metrics are reasonable bases to identify trends in user behavior. Because we update the methodologies we employ to create our metrics, our current period daily active users or other metrics may not be comparable to those in prior periods. For example, in 1Q23, we revised the methodology we use to calculate average monthly unique payers for payers who purchased prepaid cards through one of our specified distributors; the impact to average new & returning monthly unique payers and average bookings per monthly unique payer in periods prior to 1Q23 was not significant.

Finally, the accuracy of these metrics may be affected by certain factors relating to user activity and systems and our ability to identify and detect attempts to replicate legitimate user activity, often referred to as botting.

Average daily active users (“DAUs”)

We define a DAU as a user who has logged in and visited Roblox through our website or application on a unique registered account on a given calendar day. If a registered, logged in user visits Roblox more than once within a 24-hour period that spans two calendar days, that user is counted as a DAU only for the first calendar day. We believe this method better reflects global engagement on the platform compared to a method based purely on a calendar-day cutoff. DAUs for a specified period is the average of the DAUs for each day during that period. As an example, DAUs for the month of September would be an average of DAUs during that 30 day period.

Other companies, including companies in our industry, may calculate DAUs differently.

We track DAUs as an indicator of the size of the audience engaged on our platform. DAUs are also broken out by geographic region to help us understand the global engagement on our platform.

The geographic location data collected is based on the IP address associated with the account when an account is initially registered on Roblox. The IP address may not always accurately reflect a user’s actual location at the time they engaged with our platform. Historically, we have grouped Xbox users into Rest of World for the purposes of our reporting (we note that since the fourth quarter of 2020, Xbox users have represented less than 2% of our total quarterly DAUs and quarterly hours engaged). Beginning in the fourth quarter of 2023, Xbox users are reported in their respective geographies.

Because DAUs measure account activity and an individual user may actively use our platform within a particular day on multiple accounts for which that individual registered, our DAUs are not a measure of unique individuals accessing Roblox. References to “user” or our “user base” in this supplement refer to users as described in our definition of DAUs. Additionally, if undetected, fraud and unauthorized access to our platform may contribute, from time to time, to an overstatement of DAUs. In many cases, fraudulent accounts are created by bots to inflate user activity for a particular developer’s content on our platform, thus making the developer’s experience (which refer to the titles that have been created by developers) or other content appear more popular than it really is. We strive to detect and minimize fraud and unauthorized access to our platform.

Note Regarding Operating Metrics (continued)

Hours engaged

We define hours engaged as the time spent by our users on the platform. We calculate total hours engaged as the aggregate of user session lengths in a given period. We estimate this length of time using internal company systems that track user activity on our platform as discrete events, and aggregate these discrete activities into a user session. A given user session on our platform may include, among other things, time spent in experiences, in Roblox Studio, in platform features such as chat and avatar personalization, in the Creator Store, and some amount of non-active time due to limits within the tracking systems and our estimation methodology. As we continue to develop new features and products, we expect that our user session calculation will continue to evolve. We continue to review our user session calculation methodologies and may develop alternative calculation methods to increase consistency and accuracy in future periods.

We track hours engaged as an indicator of the user engagement on our platform. Hours engaged are also broken out by geographic region to help us understand the global engagement on our platform.

We continuously strive to increase the sophistication of our company systems to detect different user activities, including botting, non-active time and other activities across all devices. As we continue to improve our ability to detect and deter certain user behaviors on the Platform and different devices, including unauthorized use of our Platform, we may see an impact to our overall hours engaged as our measurement systems evolve and our efforts to reduce botting become more successful.

Average Bookings per Daily Active User ("ABPDAU")

We define ABPDAU as bookings in a given period divided by the DAUs for such period. We primarily use ABPDAU as a way to understand how we are monetizing across all of our users through the sale of virtual currency and subscriptions. ABPDAU is also broken out by geographic region to help us understand the global monetization on our platform.

Average new monthly unique payers

We define new monthly unique payers as user accounts that made their first payment on the platform, or via redemption of prepaid cards, during a given month. Average new monthly unique payers for a specified period is the average of the new monthly unique payers for each month during that period. Because we do not always have the data necessary to link an individual who has paid under multiple user accounts, an individual may be counted as multiple new monthly unique payers.

Average returning monthly unique payers

We define returning monthly unique payers as user accounts that have made a payment on the platform, or via redemption of prepaid cards, in the current month and in any prior month. Average returning monthly unique payers for a specified period is the average of the returning monthly unique payers for each month during that period. Because we do not always have the data necessary to link an individual who has paid under multiple user accounts, an individual may be counted as multiple returning monthly unique payers.

Note Regarding Operating Metrics (continued)

Monthly repurchase rate

We define monthly repurchase rate as the returning monthly unique payers in the current month, divided by the sum of the prior month's new monthly unique payers and returning monthly unique payers. Average monthly repurchase rate for a specified period is the average of the monthly repurchase rates for each month during that period.

Average bookings per monthly unique payer

We define average bookings per monthly unique payer as bookings in the specified period divided by the average monthly unique payers for the same specified period.

Endnotes

Note: Amounts reported in millions are rounded based on the amounts in thousands. As a result, the sum of the components reported in millions may not equal the total amount reported in millions due to rounding. In addition, percentages presented are calculated from the underlying numbers in thousands and may not add to their respective totals due to rounding.

- (1) Bookings, Adjusted EBITDA, and Free Cash Flow are non-GAAP financial measures that we believe are useful in evaluating our performance and are presented for supplemental information purposes only and should not be considered in isolation from, or as a substitute for, financial information presented in accordance with GAAP. For further information, please refer to definition and reconciliation slides within the presentation and our annual and quarterly SEC filings.
- (2) Historically, we have grouped Xbox users into RoW for the purposes of our reporting (we note that since 4Q20, Xbox users have represented less than 2% of both our quarterly DAUs and hours engaged). Beginning in 4Q23, Xbox users are reported in their respective geographies. Under the previous reporting methodology, DAUs, Hours Engaged, and ABPDAUs YoY growth would have been as follows:

	4Q23	1Q24	2Q24	3Q24		4Q23	1Q24	2Q24	3Q24
DAUs					ABPDAUs				
US & Canada	14%	10%	17%	22%	US & Canada	6%	6%	3%	9%
Europe	19%	12%	12%	13%	Europe	15%	10%	10%	20%
APAC	26%	26%	30%	37%	APAC	-7%	-8%	-6%	0%
ROW	26%	22%	26%	34%	ROW	17%	10%	6%	3%
Hours Engaged									
US & Canada	13%	9%	19%	24%					
Europe	19%	10%	14%	15%					
APAC	26%	23%	39%	45%					
ROW	27%	20%	27%	35%					

- (3) In 1Q22, the estimated average lifetime of a payer changed from 23 months to 25 months and subsequently, in 3Q22, the estimated average lifetime of a payer changed to 28 months. Beginning 2Q24, the estimated average lifetime of a payer changed to 27 months.
- (4) Revenue and bookings are broken out by geographic region based on the billing country of our payers at the time of purchase, to help us understand the global engagement on our platform. The billing address may not always accurately reflect a payer's actual location at the time of purchase.
- (5) Infrastructure and Trust & Safety expenses, excluding personnel, stock-based compensation, and depreciation and amortization expenses.
- (6) Net liquidity represents cash, cash equivalents, and short-term and long-term investments, less long-term debt, net.
- (7) Amounts shown for long-term debt, net represents the net carrying amount of the senior notes due 2030 and beginning with 2Q23, also include the non-eliminated carrying amount of notes issued by the Company's fully consolidated joint venture; the principal amount of the senior notes due 2030 is \$1.0 billion and the principal amount of the non-eliminated portion of the notes associated with the fully consolidated joint venture is \$14.7 million.
- (8) Beginning April 1, 2024, the estimated average lifetime of a payer changed from 28 months to 27 months, which is reflected in our fourth quarter and updated full year 2024 GAAP and non-GAAP guidance. Based on the carrying amount of deferred revenue and deferred cost of revenue as of March 31, 2024, this change in estimated average lifetime of a payer will result in an increase in revenue and cost of revenue of \$12.7 million and \$2.6 million, respectively, during the fourth quarter of 2024 and an increase in revenue and cost of revenue of \$98.0 million and \$20.4 million, respectively, during the full year 2024. Refer to "Basis of Presentation and Summary of Significant Accounting Policies — Revenue Recognition" as described in the Company's consolidated financial statements and related notes included in the Company's Annual Report on Form 10-K for further background on the Company's process to estimate the average lifetime of a payer.