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Presentation

Operator

Hello, everyone. Thank you for joining us, and welcome to the Roblox Third Quarter 2026 Earnings Conference Call. [Operator Instructions] I will now hand the conference over to Jaime Morris, Head of Investor Relations. Jaime, please go ahead.

Jaime Sue Morris
Head of Investor Relations

Good afternoon, everyone. Thank you for joining us to discuss our Q3 2026 earnings results. With me today is Roblox's Co-Founder and CEO, David Baszucki; and our Chief Financial Officer, Naveen Chopra.

Before we begin, I would like to remind you that our commentary today may include forward-looking statements, which are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those described in our forward-looking statements. A description of these risks, uncertainties and assumptions are included in our SEC filings, including our most recent reports on Form 10-K and Form 10-Q. You should not rely on our forward-looking statements as predictions of future events, and we disclaim any obligation to update these statements, except as required by law.

During this call, we will also discuss certain non-GAAP financial measures. Reconciliations between GAAP and non-GAAP metrics can be found in our shareholder letter and supplemental materials, which are available on our Investor Relations website.

With that, I will turn the call over to Dave.

David Baszucki
Founder, President, CEO & Chairman of the Board

Thank you. Welcome to our Q3 2026 earnings call. There's a lot going on right now in the industry. I'm really excited about it and especially with regard to Roblox. My comments may go slightly longer than normal today.

So first, I want to reiterate our long-term vision is to capture 10% of the global gaming market on Roblox with an even greater share in the U.S. And we do estimate that in our app, approximately 20% of U.S. under 18 market revenue is already on Roblox. We are -- I'm going to share today all of the things we have in motion to replicate that success with 18 and over starting in the U.S.A. and our long-term mission remains to connect 1 billion daily active users with optimism and civility.

There's a lot of technology. Things are changing every day. And we've seen just in the last few weeks or months, really reverse engineering of all stand-alone code has become very commonplace. We've seen capability, both open source and frontier models continue to accelerate. And the time required to go from an idea to a playable game is compressing dramatically. And we're seeing that on Roblox with Roblox Build, and we're seeing it in the top charts on Roblox. We're going to talk more about that today.

There is a massive surge in creation velocity happening right now on Roblox. And I'll share a few stats. This month, daily asset uploads to our Roblox Cloud have tripled month-to-month. And we think assets, with our images, textures, meshes, are a good proxy for the amount of creativity that's going on. Our game volume leveraging AI has grown 50% quarter-by-quarter. We're seeing some of these experiences now become AI-driven hits. Since Q2, the time we estimate that's being spent with AI tools and that includes Build, Studio Assistant and external AI with MCP has tripled amongst our top creators. Daily active users of MCP has increased nearly 5x quarter-by-quarter. And MCP is the way people can connect their own external frontier models to Roblox.

Over the last month, more than 80% of the top 100 games when we rank by hours, used AI to creation. And we've seen 2 titles created almost exclusively with AI hit the top 20 by concurrent players during Q3.

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That's Break and Steal an Egg and Huss Valley. There's also an inflection point going on in our ad system as more devs are using ads to buy traffic.

Now I want to share, we're running several initiatives to drive 18 and up adoption. We've shared what we've done with DevEx and our engine and marketing. We have updates on these in our shareholder letter, but I do want to talk about 2 new initiatives.

The first is Roblox Everywhere. We announced this at RDC. This is a framework to allow creators and Roblox to publish directly in app stores with 2 phases. In Phase 1, which we estimate will launch in the first half of '27, we're at Roblox going to directly curate and publish select top titles as stand-alone apps directly into major app stores. In Phase 2, our vision is to allow any creator to generate a stand-alone binary directly within their creator portal and submit it on their own to the App Store of their choice.

The way to think about this is imagine going to search for Grow a Garden in your favorite app store and finding both a stand-alone game called Grow a Garden as well as that game being available on the Roblox app at the same time. This leverages the view of build once, publish everywhere. Creators on Roblox already build once and publish across devices. They'll now publish within our app and ultimately into app stores. And Roblox Everywhere gives full access to a lot, if not all, of the Roblox platform capabilities, safety infrastructure, our social graph, economy and communications. This is something devs have been asking for, for quite a while, which is a highly attractive alternative to how they create and support their stand-alone games right now.

Second, we're starting to share more and more our vision of what we call a Universal Player. You've seen a lot of chatter lately probably about people bringing games into Roblox. What the initiative of our Roblox player is really 2 pieces. The first, we're developing an AI-supported system, which is going to allow creators to import literally any existing PC, console or mobile game directly onto the platform. We're making a lot of investments in our platform on scale, 2D and 3D perf, our terrain system and many other aspects to make our infrastructure and game engine a true Universal Player. And second, something really important to note is that once games are brought into Roblox, they're available for what I personally call Robloxification. And it's all of the things that have shown a lot of the success we've seen already on the platform.

Any game that comes into our Universal Player can become multiplayer. Games that creators build on Roblox run both on high-end PC as well as low-end 2-gig Android at the same time. Games on Roblox join instantly with 3D streaming rather than with a download. We do local 3D to eliminate the feeling of latency with your avatar. Creators using Roblox right now can do instant updates and many of them update many times a day. And Roblox games are supported once again by safety, social graph and economic system, all running on our back end. So with our current platform plus Everywhere plus Universal Player, we're really expanding the framework for 18 and up growth.

I'm going to discuss our Q3 results in the context of 5 strategic initiatives that support and power our long-term growth. First is Roblox is a distribution platform powered by social growth. And in Q3, highlighting some tough compares last year with Q3, we achieved the highest seasonally adjusted overall platform retention since 2021 on the platform. We had 138 million DAUs in Q3, up 12% quarter-on-quarter. We have nearly 34 billion hours of engagement in Q3, up 17% quarter-on-quarter. And I want to highlight over the last 3 years, both our DAUs and hours have nearly doubled relative to Q3 '23.

Looking more into some of the cohorts on the platform, our estimate is right now, 30% of U.S. 13-through 17-year-olds are not just on Roblox, but they use it daily and over 80% of them have age checked. In the U.S. right now for 18 and up, those DAUs are growing 18% year-on-year and 89% over 2 years. And our 18 and up users monetize 50% or more than our under 18 cohort. Looking internationally, once again, on tough year-on-year compares, France DAUs are up 12% year-on-year, Germany, 13%. Japan DAUs are up 33%. India DAUs are up 37%. And we have a lot of runway outside of the U.S., less than 2% of the international population uses Roblox daily.

On monetization, Roblox+ has scaled to millions. And I want to note that Roblox+ subscribers average twice the play time and 7x higher on Robux spend. And more and more functionality is entering Roblox+ all the time. Our sponsored tiles and rewarded video products are demonstrating really expanding product

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market fit with over 70% of the top 100 games running sponsored ads. And we expect to be testing skippable pre-roll video ads in select cohorts and countries with expanding first-party inventory this year.

We continue to innovate and lead on safety. And most recently, for content, we are completely live with our Kids and Select content system for younger users. We're -- our vision of a dynamic configurable safety architecture continues to be well received with regulators, including Australia and Indonesia and beyond.

Second, Roblox is a UGC platform with discovery continuously improving. And we're, as I said, poised for a massive increase in content on the platform as AI accelerates content. In Q3, we've more and more incorporated age cohorts and play data into our recommendation algorithm. We believe our discovery systems are continuing to drive meaningful lifts in retention and engagement. And I want to highlight on content diversity, 40% of the weekly top 100 recommended for you games by impressions were created within the last 3 months. We're significantly accelerating the surfacing of great content into our top charts. Moments is now live in most of the U.S. And we're directly connecting the games found in Moments to active gameplay.

Second -- or third strategic vector I want to highlight is just our proprietary data and models. We have over 20 years of data now on the platform, and we get over 350 million hours of daily data. This is powering now over 400 internal proprietary models that we fine-tuned on top of open weights in some cases. An example that I just want to share, which we're working on is in safety.

Moving to the capture of 4D telemetry, that means location and time all the way down to the instance and frame level. This is part of our vision to support more and more multimodal moderation, which evaluates entire 3D scenes. And I'd highlight, for example, we're now evaluating avatars and the combinations of clothing. They work automatically as part of our moderation system. Our discovery models are trained on billions of daily signals right now and our economy models more and more are optimizing pricing and storefront placement.

Fourth, we shared today the continuing goal of creating what we call a Universal Player infrastructure. And I want to leverage how this highlights the difference right now between traditional gaming in many cases, which is the production of a large binary blob with the whole game and a Roblox architectural simulation, which includes an app, an engine, cloud infrastructure and core services. And we really want our Universal Player to be a universal way for any game to be created and distributed. We have a lot of advancements that shipped this quarter on our Universal Player, including procedural terrain, our slim run time, which is a way of optimizing LOD and how we share systems, our dynamic LOD mesh system, our texture streaming system and server authority with client prediction for fair low latency play.

We have 3 really interesting things coming in our Universal Player. The first is Roblox Reality. We've shared that at RDC. You can go see it online, which couples generative video world models to move towards really the dream of multiplayer photorealism. We have early access scheduled for Roblox Reality in the first half of 2027. On our expansion to 2D play, I want to -- and offline play. I do want to highlight we are moving towards supporting disconnected solo play, which is what a lot of people who use puzzle games and other people have asked for.

And finally, within all of the targets in our platform, including mobile, PC, desktop, consoles and beyond, we are also now targeting WebAssembly with the exact same Roblox engine, and we expect this to enable instant one-click browser play initially in Google Chrome. So stay tuned for that, Roblox without a download. And then finally, I just want to highlight that this fifth strategic pillar involves our use of all of our data and systems to create what we see as the ultimate AI harness for game creation. Right now, games and experiences on Roblox are built either directly human in Studio, with the Roblox Studio Assistant, with Roblox Build or connecting Roblox Studio to MCP and external AI, we're making big progress on this harness, both within Roblox Build and Studio Assistant.

Our harness right now is routing prompts across multiple models, both for code, for 3D SceneGen, for audio, Avatar models are coming online and more. In our testing so far in New Zealand, Singapore, Serbia and Thailand, we've tested with over 500,000 users -- we've seen over 70,000 games published with Roblox Build. We already see multiple titles running ads and making money, and the vast majority of Build

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users have never previously opened Roblox Studio. We're going to be doing a broader U.S. release of Build in December and a global rollout in 2027.

So summarizing, we're really excited about how AI is unlocking our platform. We're already seeing early benefits. We believe we're really well positioned to capitalize on this moment.

And with that, I'll pass it to Naveen.

Naveen K. Chopra
Chief Financial Officer

Thanks, Dave, and good afternoon, everyone. This is an incredibly exciting time at Roblox. As you heard, the rapid adoption of AI across our ecosystem has truly emboldened our vision for growing content and users on our platform. We're looking forward to speaking with you more about that. But before we do, I want to briefly share some color on our Q3 results and our guidance for the current quarter.

With respect to Q3, as you've now seen, bookings came in above the high end of our guidance. The better-than-expected performance was driven largely by retention and engagement. In fact, seasonally adjusted retention reached its highest level since 2021. That was aided in part by continued optimization of our recommendation algorithm, which helped new titles like Steal an Egg and Huss Valley build sizable audiences quickly. And that dynamic is also playing out more broadly. In fact, in Q3, 40% of the top 1,000 games by hours launched in the last 90 days.

Now as expected, monetization headwinds did continue in the quarter, particularly with younger cohorts in the U.S. But we remain confident that the RFY-driven lift we are observing to engagement and retention translates to higher user LTV over time.

On the bottom line, margins in Q3 benefited from higher-than-expected bookings. And free cash flow came in well ahead of expectations. That was a combination of the flow-through from bookings outperformance and also the shift of approximately $140 million of CapEx from Q3 into Q4, which you'll also see in our free cash flow guidance.

Speaking of our guidance, we expect Q4 bookings to decline by 10% to 15% year-over-year. This assumes normal seasonal DAU declines between Q3 and Q4. And though bookings are expected to be down year-over-year given the comps from 2025, I'd note that the midpoint of our guidance implies full year annualized growth of 26% over the last 2 years. Now our bookings guidance does build in a modest headwind from the release of GTA in the quarter. So candidly, we have limited data from which to size any potential impact.

And on our margin guidance, we expect increased infrastructure expense relative to Q3 for AI initiatives, including things like Build, Roblox Reality and Universal Player. We also plan to continue to increase marketing spend targeting over 18 users. We've been encouraged by what we've seen as we've been dialing up this type of spend. Retention, engagement and monetization of paid users is outperforming organic sign-ups, which means it's a very efficient way for us to jump start the flywheel for 18 and over users. And we plan to continue scaling while also maintaining a high ROAS bar.

Lastly, as I referenced earlier, our free cash flow projection for Q4 is heavily impacted by the shift of CapEx from Q3 to Q4. We're currently planning for $380 million of CapEx in the fourth quarter. That implies $468 million for the full year, which sits at the low end of the expectations that we shared at the beginning of the year.
With that, I'm going to pass it back to the operator so we can jump into your questions.

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Question and Answer

Operator

[Operator Instructions] Your first question comes from the line of Bryan Smilek with JPMorgan.

Bryan Michael Smilek
JPMorgan Chase & Co, Research Division

Dave, as you look to power 10% of the gaming industry, you made the decision to more effectively balance LTV and monetization within the algorithm. Can you just elaborate a bit on the progress of yielding viral hits faster while also deepening retention? And then conversely, as we look towards return to bookings growth over time, can you just talk about the building blocks of improvements across the algo, AI, content and distribution, especially across the over 18 cohort?

David Baszucki
Founder, President, CEO & Chairman of the Board

Yes. So great. Once again, the algo is getting better all the time. I think if you look at our home page, you'll see it and you'll feel it and you'll feel that we're driving direct measurements and optimization of long-term retention. What we've seen recently is both in that the algo is pushing more dynamic content to the surface while simultaneously bringing long-term retention high. And you've also seen recently more and more new hits popping up on the platform, and our algorithm has been supporting that. As I look to what the homepage looks like for an 18 and up user, it's looking more and more like a platform for those age cohorts. So I think we're not just on our way with algo improvements, which are continuous, but we're also on our way with algo improvements that I think will take advantage of more creativity with AI rather than succumb to it. And even as we see more content being pushed to our platform, we're designing with that in mind to find the great new content within arguably more content.

Operator

Your next question comes from the line of Ken Gawrelski with Wells Fargo.

Kenneth James Gawrelski
Wells Fargo Securities, LLC, Research Division

Two, if I may, please. First, could you talk a little bit maybe more near term around the assumptions on the 4Q bookings guidance and kind of how much conservatism you bake in as the comps ease, especially towards the end of the quarter? And also, you mentioned there, you expect a modest headwind from GTA launch early in 4Q. Could you talk about any historical references you may -- you could discuss there about that would share any kind of similar competitive entertainment launches and the potential impact?

And then one second one, please. Could you talk about your preparedness to enable all of the tools and experiences Dave detailed to open the call? I know you talked about some 4Q expected deleverage, but can you touch upon '27 and beyond infrastructure spending to prepare for all these outstanding experiences?

Naveen K. Chopra
Chief Financial Officer

Yes. Ken, it's Naveen. I'll start and then Dave may add a little bit on some of these. So first, in terms of our thoughts on the guidance for Q4, I'd say a few things. First of all, we continue to feel really good about the long-term trends that we're seeing across user growth, retention, engagement. You obviously heard some of the stats and highlights there. And that's been trending very positively as we've gone into the beginning of Q4.

So I would note a few things. Number one, some of the strength we've seen recently has been a function of some big hit games that have grown quickly on the platform as well as a high volume of updates associated with Halloween and events that we've got planned around Halloween. And I mentioned that

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because for guidance purposes, we don't assume that those things will necessarily repeat in the coming weeks. Similarly, for guidance purposes, we don't assume short-term improvement in monetization. And then as I also called out and you asked about, we have built into our guidance some modest headwind related to GTA.

That being said, and this is your second question, there really is not a lot of data or analogous releases by which to try to estimate the impact that GTA may have. This is a -- it's a pretty different demo than what we have on the platform today. Obviously, that will change over time. It is a console-only release. And so we don't really know what to expect, but we've tried to be prudent and as I said, build in a little bit of headwind there.

And then I think on the next part of your question around sort of readiness to support some of the new initiatives, I'll let Dave start, and then I'll touch on some of the '27 financial impact there.

David Baszucki
Founder, President, CEO & Chairman of the Board

Yes. And adding on for a game like GTA, these do create cultural moments. And it is, in many cases, on Roblox, no prediction here. But when we have cultural moments, people do lean into cultural moments on Roblox as well and similar types of genres. On the infra right now, we're really focused on keeping that same trajectory. We have a really economical infra cost going forward. We are going to be adding more compute, more GPU as we look forward to, for example, Build, which has some inference. But we're being very thoughtful of it right now. And part of our secret sauce to date has been just running infra very efficiently. We're not going to lose track of that. But that being said, we are going to add more, I would say, inference capability going forward. I'll let Naveen get into details on that.

Naveen K. Chopra
Chief Financial Officer

Yes. I actually don't have a lot to add. I mean I think Dave kind of hit the key points. From a modeling perspective, I think you should assume that as we called out in Q4, we do expect infra expense will grow. I expect there'll be some additional year-over-year growth as we go into next year. Obviously, too early to get into any specifics about that. But I would remind you of something we talked about last quarter as well that a lot of the investments we're making in infra now take more of the form of fixed expense as opposed to variable because a lot of it is related to model training.

We like that for 2 reasons. Number one, over time, we can move more and more of it on-prem. And number two, obviously, as the top line continues to scale, it will be a source of operating leverage for us, particularly, as Dave pointed out, as we start to drive down the cost of both the models and the efficiency of power and compute that we need to execute those models.

Operator

Your next question comes from the line of Matt Cost with Morgan Stanley.

Matthew Andrew Cost
Morgan Stanley, Research Division

There's a lot of exciting stuff in the shareholder letter and the call on the product side, but I want to focus really just on AI content creation. What are the biggest product milestones that investors should be watching most closely in terms of bringing some of those tools like Build to market and seeing the velocity of games being created improve? And then when should we expect that higher velocity to start to translate into user and bookings growth?

David Baszucki
Founder, President, CEO & Chairman of the Board

Yes. I think you're already seeing early signs of it. A year ago, I don't think we would have imagined that we would have 2 of the top 20 experiences on Roblox primarily AI generated. So we're seeing that right now. The metric that I shared earlier, which is really a tripling of assets coming into Roblox. A lot of those

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are AI-generated textures, meshes, assets. That is already a good metric of the velocity of imagining our Universal Player as headless rails where people can run MCP or our Studio Assistant on it. So that tripling has already happened.

With Build, if you want to watch our velocity over time, we're going to go live in the U.S. with Build. We've only been testing with a small group, New Zealand, Singapore, Serbia and Thailand. There's going to be a very large increase in the number of games that are created and published with Build. And we are seeing right now games created with Build start to monetize, and we're seeing people buying ads with that. So we're in the middle of it. I would say watch the -- we'll probably give more stats of Build as we go along. But I think with launching this year, you're going to see a huge expansion of that.

The other thing that we're doing is the harness that powers Build is ultimately the same harness that powers Roblox Studio Assistant. And this is a fairly complex harness that leverages a lot of our data and tech, multimodel writing or routing for code, multimodel routing for SceneGen. You're going to see Avatar Gen come online. So watch both build as well as Studio Build, they'll be working hand in hand.

Operator

Your next question comes from the line of James Heaney with Jefferies.

James Edward Heaney
Jefferies LLC, Research Division

Yes. Great. Can you just talk about how you plan to execute on the Universal Player initiative? Are you going to need licenses with the IP owners whose games you're trying to port over onto Roblox? I just want to make sure we understand the playbook and the opportunity for that initiative.

David Baszucki
Founder, President, CEO & Chairman of the Board

Yes. So first, once again, we really respect IP and respect DMCA takedown. We want licensed IP on our platform. What's interesting with the Universal Player is a lot of creators we're talking to who have a game running that's been built in some other way, can now imagine rather than a full rewrite of the game, literally having that game functioning in a matter of days rather than weeks or months. And as far as the velocity of that Universal Player, you're already seeing it once again, but it's going to get better and better as fidelity goes up, scale goes up, and we really take on this vision of the Universal Player can import and run any game.

This makes it easier once again for a creator with an existing property to bring it here and add Robloxification. There's a lot of PC games that don't run mobile right now. The way we dynamically scale in the cloud, those PC games will run at lower resolution on a low-end 2-gig Android device. There's a lot of games that have a large download that typically you wait to download that will launch much more quickly. There are a bunch of large games where it's hard for the creator to update at a certain frequency. With Roblox Everywhere and our Universal Player like on the Roblox app. Those updates will be possible many times a day.

Operator

Your next question comes from the line of Chris Schoell with UBS.

Christopher Joseph Schoell
UBS Investment Bank, Research Division

Great. I just want to follow up on your comments around AI adoption across the gaming industry. We continue to see headlines about new platforms and AI-powered creation tools, making it easier for developers to build games. But how do you think about the risk of increased competition for developer time and talent as these alternative platforms potentially emerge? And what do you see as Roblox's most durable competitive advantages that will help ensure that the best developers continue to build primarily on your platform?

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David Baszucki
Founder, President, CEO & Chairman of the Board

Yes. I mean we went through 5 of them that we think are all durable and contribute to growth. Just the first is the size of our distribution platform, especially when it's powered by social and a safety infrastructure and an economy. Part of the reason we're seeing so much MCP usage and tagging into our ad system is when people build games, they're looking for a way to get them distributed either through our RFY algorithm as well as a place to run them, especially if they're multiplayer.

What we're also seeing the fact that we're a UGC platform and uses discovery to find great new and upcoming content, once again, is a long-term competitive advantage. The way we power our discovery systems, our safety systems, our AI harness, our economy is all based on the historic proprietary data we've gathered on the platform. Those systems get better and better the more data we get, and we're continuing to improve those models.

And then finally, there's a wide range of things you might call game engines. There's, of course, the traditional universal binary. But what we're building really with the Universal Player is the vision of a really integrated client cloud simulation engine that does all of the things we call Robloxification, one build runs on any device, dynamically scales, run single player, multiplayer. We think all of these, coupled with the harness we're building for Build, are long-term strategic components that are really strong for us.

Operator

Your next question comes from the line of Andrew Marok with Raymond James.

Andrew Jordan Marok
Raymond James & Associates, Inc., Research Division

So one of the big impacts as a result of the global age check rollout was on chat density that we remember. So can you give us an update on how that curve has been trending in 3Q as the age checks maybe sit in market for longer? And to the extent that it's lower than pre-age checks, is there any element of that you think might be structural at this point?

David Baszucki
Founder, President, CEO & Chairman of the Board

We've shared a bit that over 80% of our daily users, 13 through 17 U.S.A., have age checked. So we are on a really good track. I believe what we're doing is really foreshadowing where the industry is going, and we're really proud of the work we've done. We see other companies following in the direction we've put out. On the comm side, the early stat I'll give you is our chat DAUs are up 24% quarter-on-quarter. So as we age check more, we are seeing more chat activity. We have a comprehensive view, I would say, of chat that we shared at RDC, which is to be a first-class communication system with age-appropriate filtering and banding and age check. So we're optimistic about the big view we have for chat.

Operator

Your next question comes from the line of Jason Bazinet with Citi.

Jason Boisvert Bazinet
Citigroup Inc., Research Division

I just had a very basic question about capital structure. I think you guys have about $5 billion now of net investment, stripping out the cash and the debt sort of offset each other. Can you just remind us sort of what your philosophy is in terms of your cap structure? Because I only ask because it's not an insignificant part of your market cap now.

Naveen K. Chopra
Chief Financial Officer

Yes. Jason, you're right on the numbers. So we have about $5 billion of net cash on the balance sheet. The way we think about capital allocation is, first and foremost, it's about making sure we have plenty of

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capacity to continue to invest in organic growth. We're incredibly bullish about those opportunities. At the same time, we're very disciplined about it. I mean, as you've seen, like for the most part, we continue to put cash on the balance sheet. But having a lot of dry powder there, I think, is an important thing, particularly given the speed at which the AI landscape is changing, and we never want to be in a position where we can't invest as quickly and aggressively as we think is prudent. So that's priority #1.

We like having similar optionality for, call it, strategic growth. That's something we've done at relatively small scale historically. We've actually had some great tuck-in type acquisitions where we've been able to bring amazing talent into the company, particularly in the AI space. You'll see us continue to do that. And similarly, having optionality to do bigger things there, I think, is important.

And then lastly, as I think you're aware, we are -- we do have an active buyback program in place. We started out with a $3 billion authorization. I think over the last couple of quarters, we bought back probably over $400 million worth of stock, and that's been able to help us get dilution to what we see as an acceptable level. And I think you'll see us continue to do that going forward as well.

Operator

Your next question comes from the line of Aaron Lee with Macquarie.

Aaron Lee
Macquarie Research

At the Roblox Developers Conference, you guys showcased some really impressive examples of Roblox Reality. And as the platform advances towards more photorealistic experiences through technology like this, how do you think about balancing those ambitions with your existing visual identity, which I think has historically been a big part of the platform's accessibility and appeal? Like is there any tension between increasing realism and preserving what makes Roblox feel uniquely Roblox? Or do you see photorealism as just another creative option alongside the stylized experiences that have been on the platform historically?

David Baszucki
Founder, President, CEO & Chairman of the Board

I'd say yes, yes and yes. And that is what is typically known as Roblox Classic or the Roblox Classic Avatar. We feel there's a lot of opportunity there with that form factor, both for Roblox games and for licensing. You'll see us more over time, I believe, clearly identify that, which is Roblox Classic side-by-side with our ambition to have 10% of the gaming market and beyond on the platform, you're going to see more and more diverse avatars. You're going to see diverse avatars created in Build as Build starts to build avatars based on what people would like to see. You will see -- Build will not necessarily force into a Roblox Classic look. It will give you the avatar you're looking for. So look for both, look for clarity on what is Roblox Classic and kind of support of that form factor with increasing avatar diversity at the same time. And we don't want to have any tension. We want both to run free.

Operator

Your next question comes from the line of Martin Yang with Oppenheimer.

Zhihua Yang
Oppenheimer & Co. Inc., Research Division

Another question on Universal Player initiative. Can you talk a bit more on Roblox's role in connecting IP owners who have games on console, PC and mobile and developers? Is Roblox the company going to take a more active role facilitating porting, connecting the publishers to Roblox developers?

David Baszucki
Founder, President, CEO & Chairman of the Board

Yes, that's a great question. And I would say yes, yes and yes, again. We're a UGC platform and what UGC typically means is self-serve. So we are both going to be simultaneously a self-serve platform for IP holders as well as creators who want to use that IP as well as a self-serve platform for creators who have

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an existing game that they want to bring in the platform. Our IP manager right now, we are -- once again, there are studios out there with content that may want to put it in our IP manager and allow others to use it. We're also in direct contact with our DevRel team with many major studios. And part of the Roblox Universal Player initiative is to make it easier for them to imagine bringing their game and having it live in Roblox not in months, but in a day. So you'll see more of this to come. But the vision really is Universal Player can run any game, can add Robloxification, which is multiplayer low latency, instant join cross device and people can import into it instantly.

Cool. So we're -- I believe we're coming to the close of the call. Naveen, I'll go over to you if any further comments, and then I'll close with mine.

Naveen K. Chopra
Chief Financial Officer

No, I think we're good to go. We're very excited about everything that we shared today, and we are looking forward to telling you more about it over the coming weeks and months.

David Baszucki
Founder, President, CEO & Chairman of the Board

Great. Thank you all for your interest and questions. I would invite everyone to on Halloween morning at 8:00 a.m. PST, 11:00 a.m. Eastern Standard Time to come and see the Jonas Brothers inside one of the trending hits on Roblox, Steal an Egg. With that, thank you all.

Operator
This concludes today's call. Thank you for attending. You may now disconnect.

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