

S&P Global

Market Intelligence

Roblox Corporation NYSE:RBLX

Earnings Call

Thursday, July 31, 2025 1:30 PM GMT

CALL PARTICIPANTS	2
-------------------	---

PRESENTATION	3
--------------	---

QUESTION AND ANSWER	7
---------------------	---

Call Participants

EXECUTIVES

David Baszucki

*Founder, President, CEO &
Chairman of the Board*

Naveen K. Chopra

Chief Financial Officer

Stefanie Notaney

*Senior Director of Financial &
Corporate Communications*

ANALYSTS

Benjamin Thomas Black

*Deutsche Bank AG, Research
Division*

Brian Joseph Pitz

*BMO Capital Markets Equity
Research*

William Lampen

BTIG, LLC, Research Division

Cory Alan Carpenter

*JPMorgan Chase & Co, Research
Division*

Eric James Sheridan

*Goldman Sachs Group, Inc.,
Research Division*

Jason Boisvert Bazinet

Citigroup Inc., Research Division

Kenneth James Gawrelski

*Wells Fargo Securities, LLC,
Research Division*

Matthew Andrew Cost

Morgan Stanley, Research Division

Ross Adam Sandler

*Barclays Bank PLC, Research
Division*

Presentation

Operator

Good morning. My name is Rebecca, and I will be your conference operator today. At this time, I would like to welcome everyone to the Roblox Q2 2025 Earnings Conference Call. [Operator Instructions] I will now turn the call over to Stefanie Notaney. You may now begin your conference.

Stefanie Notaney

Senior Director of Financial & Corporate Communications

Thank you, Rebecca. Good morning, everyone. Thank you for joining our Q&A session to discuss Roblox's Q2 2025 results. With me today is Roblox's Co-Founder and CEO, David Baszucki; and our Chief Financial Officer, Naveen Chopra.

Our shareholder letter, press release, SEC filings, supplemental slides and a replay of today's call can be found on our Investor Relations website.

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. 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 press release and supplemental slides.

With that, I'll turn the call over to Dave.

David Baszucki

Founder, President, CEO & Chairman of the Board

Thank you, and good morning, everyone, and thank you for joining us today. I'm sitting here side by side with our new CFO. Welcome, Naveen. It's great to have you here. And I would like to just do a shout out and thank you to Mike Guthrie for such an incredible tenure at Roblox. We wish you all the best. Naveen, we're really excited for you to be in the seat here. And I think everyone is going to see how quickly why we picked him. So welcome.

So let's get started. We -- 18 months ago, we shared with everyone a focus on perf and quality, discovery, economy and live ops and shared the notion of creating the conditions for growth powered by our creator community.

Fast forward today, and our community has produced solid growth in Q2, several viral hits, great velocity on new content and metaphorically, just as we created really the conditions for growth, Grow a Garden, also very similar metaphorically in creating conditions for growth has set all-time records. And it's an elegant metaphor just as we have, and we're going to continue on this focus of targeting 10% of the global gaming content market on the platform with some great results we'd like to share with you.

In Q2 2025, we had revenue of \$1.1 billion. This was up 21% year-on-year. Our Q2 bookings were \$1.4 billion, up 51% year-on-year. And bookings growth was strong across all regions. U.S. and Canada saw bookings growth of 43%, APAC grew 75%, driven by strength in strategic markets across the region. Here are some notable call outs on year-on-year Q2 bookings growth: Japan, over 50%; India, over 90%; Philippines, approximately 100%; Korea, over 120%; Indonesia, over 150% year-on-year.

Our Q2 DAUs were 111.8 million, up 41% year-on-year. Once again, growth across all regions. U.S. and Canada DAUs grew 21%. APAC grew 76%. And on the age demographics, over 13 DAUs grew 54% year-on-year. Over 64% of our DAUs total are now over 13.

On hours engaged in Q2, we had 27.4 billion hours, up 58% year-on-year. Similar trends to DAUs, USA and Canada grew 35%, APAC 95%. Some call outs: Japan hourly year-on-year quarter growth, 61% year-on-year; Indonesia, 170% year-on-year. Strong growth over 13, with 72% year-on-year and over 66% of total hours are in users 13 or over -- over 13.

Monthly unique payers in Q2 were 23.4 million, up 42%. This is a new all-time record. We also had a record number of new monthly unique payers of 4.6 million. At the same time, this drove higher average bookings per monthly unit payer up 6%.

In Q2, DevEx was \$316.4 million. This was up 52% year-on-year, a new all-time record, nearly double the amount of DevEx from the same period 2 years ago. Our strength in Q2 was broad-based across the platform, but we do want to share the breadth of new viral hits that have showed up on the platform.

Into July, we currently have 5 experiences with over 10 million daily active users, including hits such as Grow a Garden, Steal a Brainrot, Brookhaven, 99 Nights in the Forest and Ink Game. Four out of 5 of these experiences have been launched in the last 12 months. As a result of this, we raised our fiscal year 2025 guidance. You'll hear more about that from Naveen as we progress to our goal of capturing 10% of the global gaming content market on our platform.

The -- really the scale and the speed of the creator success on our platform isn't an accident. We've been creating these conditions for viral content. And once again, let's reiterate the investments we're making in platform performance, discovery, our economy.

Among other things, we now have a large audience, over 111 million DAUs of all ages, genders and geographies. This audience is growing faster than the industry as a whole. We have put enormous emphasis on our global infrastructure and network, both its scalability, its reliability, its performance and our ability to run this global infrastructure efficiently.

We continue to work on personalization and discovery, making them more transparent and really making them better at connecting new content with our individual users and promoting long-term ecosystem health.

I want to highlight in search and discovery, we focus on long-term health, not short-term health in how we connect people on our platform with content.

And finally, our economy, which we're really building to help creators thrive and earn, for example, in the last 12 months, 18 creators earned over \$10 million on the platform. There's a lot of momentum in new content in our ecosystem for really up and down the size of creators.

I want to highlight a couple of the viral hits that we believe are having positive effects through the rest of the ecosystem. For example, in Q2 2025, more than 75% of Grow a Garden's DAUs engaged with at least 1 other additional experience on the same day they played. And this highlights a healthy interconnected nature of our platform.

We've seen that even when excluding the big success of Grow a Garden, our inexperienced spending across the platform grew 36% year-over-year, and it highlights the really depth and robustness of the content on the platform.

I want to highlight some momentum we've been building for the future. In September, we're going to be hosting our RDC Annual Developer Conference, and we'll be showcasing a wide range of technology and innovation that we believe will enable us to build on this momentum. I want to highlight a few of the innovations we mentioned in our letter.

On our safety platform, we continue to innovate and set the standard of what we believe is the future of safety for people of all ages on platforms, including in July, we introduced Trusted Connections and age estimation on the platform. We expanded privacy tools and screen time management and we introduced RoGuard 1.0, an open-source safety toolkit to help put guardrails around large language models.

As we make these available within live experiences on Roblox, our vision really from day one has been to be the leader in online safety. And more to come here. Expect us to keep innovating in this space.

Our IP License Manager and Catalog was launched in July. We have partners, including Lionsgate, Netflix, Sega and Kodansha. This is really a market connecting creators on the platform with great IP holders and really systematizing the licensing and the connection of this. We think this is the future of how our large creator platform connect with -- can connect with great IP.

On our brand and ads group, we've integrated our Rewarded Video with Google efforts, and we're in beta now. We're seeing strong interest. And we just expanded the eligibility of who can access this data.

Some really cool activations that we've seen on the platform, Grow a Garden integrated and was live last weekend with Travis. And Travis Kelce participated with the creator in a QA live within the game on Saturday morning. FIFA partnered with one of our most popular soccer game, Super League Soccer.

And Google just wrapped another campaign. It's the third activation in under 1 year with Google Play being really the most recent with more to come.

We just released the next iteration of our Cube 3D generational foundational model, once again, highlighting Cube 3D is live now within live Roblox experiences. We've made significant improvements in accelerating the inference for our 3D generation.

We've had over 1 million 3D models generated not just in studio, but within games themselves, highlighting really providing this infrastructure for what we believe will be a future aspect of games, which is really AI on demand, whether it's 3D generation or text generation.

On our genre expansion efforts, we've had early traction in some of the target genres, we've shared with you, RPG, sports and racing and battle shooter games. And we expect Roblox spending in these target genres. It actually grew 66% from Q2 '24 to Q2 '25. We'll continue our focus on these key genres and we'll discuss more about the technology and the road map to make progress here.

One final thing. In our press release, we shared that Manuel Bronstein has decided to move on from Roblox. I just want to share that Manuel has been at Roblox for more than 4 years, and he's been a key part of our growth and maturation. He's helped us build incredible teams across product and partnerships. He plans to take a break before pursuing personal and entrepreneurial activities, but he'll stay with us through the end of September. And on behalf of everyone at Roblox, Manuel, we want to thank you for your lasting contribution.

With that, I'm going to turn it over to Naveen.

Naveen K. Chopra
Chief Financial Officer

Thank you, Dave. It's awesome to be here. I also want to echo your thanks to Mike, who has spent a lot of time helping me get up to speed and I'm very grateful for the world-class team that he has built. And I'm very much looking forward to working with everyone here at Roblox.

Before we take questions, I thought I would just share some quick thoughts on what attracted me to Roblox. And then add some color both on the Q2 results and on our guidance for the balance of the year.

Look, I came to Roblox not just because of the amazing business that exists today, but really because of where I think it can go in the future. Today, I think, as most of you know, Roblox is a highly scaled consumer platform with massive engagement and what I think of as an enviable financial model.

We're talking 110 million DAUs, with engagement and bookings that have grown at strong double-digit growth rates over the past 2 years. Over that same period of time, the business has generated almost \$1.4 billion of free cash flow and now has a balance sheet with close to \$4 billion of net liquidity.

And I particularly love the fact that it's a team that embraces a long-term orientation and intentionally chooses to tackle really hard problems.

And looking forward, I believe that Roblox can use those assets to capitalize on multiple tailwinds. And that includes tailwinds from Inertia in the UGC creator economy, which pervades social, video and now

gaming. Tailwinds from AI, which accelerate -- which will accelerate Roblox platform development, reduce friction for our creators and enhance our economy. Tailwind from what I describe as market headroom. Despite tremendous growth to date, we're really just scratching the surface of a very large and lucrative gaming market. And tailwinds from financial scale. There is opportunity for incremental operating leverage and cash flow generation. And as that expands, the company will have the ability to pursue multiple paths to growth and shareholder value creation.

So now let's touch on our reported results and our guidance. First, with respect to Q2. And the main thing I want to emphasize above and beyond what Dave has noted and what you read in our letter, is the performance of non-top 10 experiences, i.e., the robot platform at large.

So let me share some stats on that. First, engagement. For experiences ranked #11 and below, growth of in-experience hours was 47% year-on-year. And that engagement is also powering broad-based spending growth. In fact, more than half the growth in experience spend came from non-top 10 titles. And that, in turn, translates to significant earnings for creators of all sizes.

Over the last 12 months, our top 1,000 creators averaged nearly \$1 million in Roblox earnings, and the top 10,000 creators averaged more than \$110,000.

Now I note all this because I think it's really important to understand that our growth is a function of both viral hits and broader ecosystem growth.

All right. So let's look at the rest of the year. As you've hopefully read, we have significantly raised our full year 2025 revenue and bookings guidance. Revenue guidance is now 22% to 25% year-on-year. And our bookings guidance calls for year-over-year growth of 34% to 37%. At the high end, that's a bookings increase of \$610 million or more than 11% to our prior annual guidance, most of which is still to be delivered in the second half of the year.

In terms of how this flows to individual quarters, I want to note a couple of things. First, although momentum has continued in July, for guidance purposes, we conservatively assume that engagement and spending in recent viral hits will move toward underlying growth trends during Q3. Second, we note the fact that year-over-year growth rates will face tougher comps in August and September as prior viral hits were at their peak during those months in 2024.

And then if you look at Q4, we believe that some additional conservatism is warranted. To be clear, everything we're seeing is positive and healthy, but it's just too early to extrapolate Q2's extraordinary trends over a prolonged period of time. Additionally, our Q4 forecast does have some heightened uncertainty given the significant portion of Q4 bookings that we typically capture in the final days and weeks of the period.

But zooming out, what we're seeing in 2025, i.e., 34% to 37% full year bookings growth makes us more confident than ever that Roblox is positioned to capture 10% of the \$180 billion global gaming content market. And I am incredibly excited to be on this journey as we build one of the great global consumer Internet platforms.

With that, let's open up the call for questions.

Question and Answer

Operator

[Operator Instructions] And your first question comes from the line of Jason Bazinet with Citi.

Jason Boisvert Bazinet

Citigroup Inc., Research Division

I just had one quick question. I would appreciate it, maybe if you could just give us a little color about how much capacity the system has to sort of absorb the surge in demand that we've seen? Because I know you guys are very focused on the long term. But a couple of years back, I think you sort of increased your CapEx to increase the capacity and resiliency of the platform. Can you just give a little bit of color on how you're thinking about sort of the CapEx and the platform itself?

David Baszucki

Founder, President, CEO & Chairman of the Board

Great question. I want to highlight, we are pushing numbers above 30 million concurrent players at the same time and Grow a Garden in the past few weeks has gone over 20 million concurrent. Prior to that, I believe, in the Guinness Book of World Records, the peak concurrent of any game was in the 14 million to 15 million. So we're pushing some really big numbers.

Behind the scenes, the optimal mix for spending is both our bare metal infrastructure with burst mode into cloud providers. And what you're seeing now behind the scenes is somewhat of a really great mix where for 4 to 8 hours, we spin up a bunch of cloud servers and mix it with the constant bare metal of our own infrastructure. So that's worked really well and allowed us to absorb this without paying the CapEx 7 days a week, 24/7 to handle that type of a load.

Operator

Next, we'll move to Clark Lampen with BTIG.

William Lampen

BTIG, LLC, Research Division

Before I start, congrats on what are objectively some very impressive results. I think maybe, Dave, if we take a step back from the print and we think about the ecosystem implications here, it's hard for me to imagine that, I guess, professional developers aren't taking note of the changes to the platform, the earnings opportunity and with more of that being spread to non-top 10 developers.

As Naveen noted, you're also reducing friction with onboarding and creation. How does this -- I guess, recognizing that you don't have a great deal of visibility beyond the next sort of 2 quarters, how does this maybe not translate a faster run rate of growth for Roblox in sort of 2026 and beyond?

I think we've seen the proof points for how developer investment and sort of the discovery engine translates to bookings growth. So I'm wondering, I guess, where there could be sort of incremental friction here?

David Baszucki

Founder, President, CEO & Chairman of the Board

Yes, I want to highlight we're on the track that we started really annotating 6 quarters ago, which is raw perf, scale, tech, discovery, economy, live ops. We still believe we have a lot of technology in the pipeline to fully realize our vision of what it's going to take. And there is still a range of experiences that we think we're going to accelerate on top of that.

So we're not really done with the tech. The vision on Roblox is ultimately to support a single build from a creator that runs in any language on any device and scales all the way from a low-end 2-gigabyte Android phone maybe in a difficult networking environment, all the way to an experience that looks great on

Copyright © 2025 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

a gaming PC and starts to go higher in res, maybe with avatars that -- our avatars that don't look like Roblox avatars and look like a wide range of that.

So we're not quite there yet. So we do want to focus on that technology. We think over time that's going to accelerate the genre expansion that we're talking about.

We are -- our economy keeps getting better with more optimization, dynamic pricing. And regionalized dynamic pricing, more developers are adopting that. So we're going to see improvements there. There's still -- I think there's still a lot of tech in the hopper really to help drive this.

Operator

We'll move next to Benjamin Black with Deutsche Bank.

Benjamin Thomas Black

Deutsche Bank AG, Research Division

Maybe a follow-up to Clark, just honing in on the developer side of the equations. Are experiences like Grow a Garden serving as a sort of a promotional launch pad for newer prospective developers? So maybe could you just give us an update on developer growth and what you're hearing from the community?

And then I just want to look past Grow a Garden a little bit on hone in on the other experiences that are gaining real traction. Could you maybe talk about why you're seeing such a high rotation in the top 10 experiences? Is it search and discovery? Is it sort of the halo effect from Grow a Garden? Is there something else? Maybe talk about the durability of some of those dynamics.

David Baszucki

Founder, President, CEO & Chairman of the Board

I do feel the word is out, in that most creators in the gaming space when one experience goes over 20 million concurrent, they take note of that. So I do think the word is out. I want to highlight Grow a Garden shows that when the conditions are right for growth, metaphorically Grow a Garden is that, we see interesting things. And in this case, Grow a Garden is somewhat unique, in that they recognized asynchronous play and having things happen where you're not necessarily playing like a garden keeps growing, contributed to that.

I think there's a lot of opportunity for new types of experiences on the platform as we make AI available, both 3D generation and text generation in a safe way within games, so stay tuned on that.

On the other experiences on the platform, we're seeing continued really interesting stuff. Once again, 5 experiences with more than 10 million DAU. But what Naveen shared that I think is really interesting is the growth all the way down to 1,000 and the breadth of what we have coming in the pipeline. We think there's a lot of headroom as we look at genres that we think should someday be really bigger on the platform, sports, racing, battle, RPG.

And so part of our whole road map is making sure the technology, search and discovery and economy are there for those genres.

The other thing I'll note is, without giving any forward predictions, we want to move as much money as we can from the top line to the creator community. And we want to get to the point where it's more and more clear, it's more efficient to build an experience on Roblox, both from a developer time as well as search and discovery as well as monetization relative to the stack that creators use in the existing gaming space.

Operator

Your next question comes from the line of Cory Carpenter with JPMorgan.

Cory Alan Carpenter

JPMorgan Chase & Co, Research Division

Dave, I had two for you. Understanding you've been working on a number of initiatives over the past 18 months. But what do you attribute all these viral hits happening in a really compacted sort of time frame to? And then on geographies, APAC, really, really strong growth this quarter. Just -- you called out a couple of countries, but hoping you could expand a bit on what's really resonating in that market.

David Baszucki

Founder, President, CEO & Chairman of the Board

It's interesting, right? For the history of the company, we constantly try to attribute growth and acceleration to one or two big things. And we -- whenever we do this attribution exercise, we come back to the notion that we're really doing hundreds of things at the same time. We have a very broad stack. It goes from 3D engine to creator tooling, to search and discovery, to apps on all devices, to auto translation and up and up. And we're really trying to innovate and execute on all of these.

When we look at the viral hits that are here today, we believe it's all of those really contributions working together rather than one big thing. And they all play a role, right?

These -- Grow a Garden was picked up by our discovery algorithm. It arguably scaled based on the quality of our infrastructure. Our studio tooling helped Jandel build it quickly rather than over years. It was built in months.

So all of these things really contribute.

I think on APAC, we've had a huge focus on increasing the quality of our auto translation. We've had a huge focus in APAC on performance. We've added server capacity in Singapore and in other places. And over the last year, the -- really the performance of our infrastructure in APAC has gotten better and has scaled with that. In Japan, especially, we had a bit of an unlock as we got to ultimately product quality on translation that I think supports the growth in that region. So even in APAC, my belief would be it's really a bunch of things working together.

Operator

Moving next to Eric Sheridan with Goldman Sachs.

Eric James Sheridan

Goldman Sachs Group, Inc., Research Division

I appreciate all the color. When you think about longer term monetization of the platform and maybe for a mixture of Dave and Naveen, how do you think about the building blocks when you move from sort of product by product to more of this platform approach and you're building this developer ecosystem of how you're thinking about the building blocks for commerce as opposed to advertising and maybe the longer term for subscription aspects to the business model? And how should we think about mix of monetization evolving as the platform does?

David Baszucki

Founder, President, CEO & Chairman of the Board

I'll go first and then Naveen, if you want to chime in. We really are building an ecosystem and a platform here, and we see a market where individual creators have a range of monetization vehicles to choose from and optimize for their own experiences.

As we roll out Rewarded Video ads, we believe some developers will focus very heavily on those, whereas some creators will stay with a virtual economy type model. So we really want to have the best range of tools, both freemium, virtual currency, paid access gaming, ad-supported, and have an ecosystem where creators can do a pickup on that.

And that ultimately includes physical shopping as well where I believe some of our creators are making most of their money now by selling physical items.

So the thought is, the more we can drive genre expansion, raw engagement growth in more and more domains, DAU growth and our growth, if we have the right economic system, it's going to pull through.

Copyright © 2025 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

I will highlight there are certain genres out there amongst older users that naturally monetize much higher -- more highly than Roblox does. And so the expectation could be that as we start to see content in those genres amongst older users, with the market supporting that, we may and should see higher monetization within some of those.

Naveen K. Chopra
Chief Financial Officer

Yes. The only thing I would add to that is to remind everyone of kind of the flywheel nature of this, which is to say that I think all of those models for monetization are enhanced by continuing to drive user growth and engagement growth in the short term.

And so all the things that you've heard us talk about today in terms of things that have been built over the last few years, that is the priority, and you can see what it is unlocking in terms of engagement, user growth and monetization with our current business model. And I really think that as that continues to accelerate, it's going to make it easier for both the platform and our creators to experiment with other types of monetization.

Operator

We'll move next to Ken Gawrelski with Wells Fargo.

Kenneth James Gawrelski
Wells Fargo Securities, LLC, Research Division

Naveen, nice to be back in contact again. Congrats on the new role. I look forward to work with you. Maybe we could just follow up on Eric's question here and maybe a little finer tuned.

Could you talk about where you are with the Google partnership on the advertising side, the implementation time line and how we should think about the opportunities for kind of ad monetization and maybe where that is on the priorities.

You've actually had -- just had a tremendous period of growth on the platform. But in terms of prioritization of that opportunity and the rollout, how should we think about that throughout the rest of this year, into next year? And then within that, are you -- how much are you thinking bringing other sources of third-party demand on the ad side?

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

Yes. I'll highlight and I'll want to check on it, but we did open the window of which creators can now offer Rewarded Video. We have been very fastidious in watching the performance of that product on both iOS and Android, making sure even on low memory devices that we offer the performance and scale that we're used to, and we've been doing that relentlessly and we're now live.

We've -- I've seen the internal results of the growth rate of the pickup of Rewarded Videos and there is strong and continued pickup of it. We're not splitting out the size of that, but there is, once again, a wide range of creators who this tends to line up for.

And we have a lot of creators now starting to experiment with this. I'm really excited about the opportunity to grow that. So stay tuned.

We hope, as we start to imagine being 10% of the global gaming content market running through our platform, this will naturally form a monetization component for a chunk of developers that have experiences that make sense for this.

Naveen K. Chopra
Chief Financial Officer

And just with respect to your question on bringing in additional partners, that is absolutely something that we envision doing as we continue to scale the business. As Dave said, we're still in relatively early

days, although excited by the degree to which a lot of creators have started to integrate with Google capabilities. I think we have almost 100 publishers now onboarded. So more to come on that front.

[Audio Gap]

Stefanie Notaney

Senior Director of Financial & Corporate Communications

Rebecca, are you there?

David Baszucki

Founder, President, CEO & Chairman of the Board

I think we lost our moderator, we can go to reading questions ourselves or...

Stefanie Notaney

Senior Director of Financial & Corporate Communications

Okay. Let's take the next question from Matthew Cost at Morgan Stanley. We can open up the line. We apologize. We are having some audio difficulties with our operator.

David Baszucki

Founder, President, CEO & Chairman of the Board

And assuming we're still live if we have written questions, we can move direct...

Stefanie Notaney

Senior Director of Financial & Corporate Communications

I think it's an audio problem with our operator.

David Baszucki

Founder, President, CEO & Chairman of the Board

So we can start pulling questions off the stack.

Stefanie Notaney

Senior Director of Financial & Corporate Communications

Yes. We're trying to unmute Matthew Cost. Matthew?

Matthew Andrew Cost

Morgan Stanley, Research Division

Can you guys hear me?

Stefanie Notaney

Senior Director of Financial & Corporate Communications

Yes. Thank you.

Matthew Andrew Cost

Morgan Stanley, Research Division

Okay. Great. Awesome. So maybe just on the Creator Rewards Program that you talked about in the shareholder letter. How does that change incentives for creators versus the old engagement-based payouts? And should that drive any near-term meaningful uptick in the amount of DevEx that you're paying out? That's the first question.

The second one is just on discovery. Obviously, that's been such a huge part of driving deeper engagement and spending across the content portfolio. At what point do you make a more aggressive push into sponsored tiles? Because that really seems like an obvious commercial opportunity within that discovery engine. So I guess what inning are you in with that? And when do you push more on that front?

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

Great perceptive questions. Let's start with Creator Rewards. We're a systems company. We support a complex set of incentives for creators. And as you correctly mentioned, with Creator Rewards, we want to fully optimize the alignment of those incentives with behavior that we think makes sense for the long-term health of the platform.

This is a bit of a move from engagement-based payouts that pay for raw time. And in certain cases, paying for raw time can create incentives that maybe aren't optimal, whereas with our new Creator Rewards system, we really want to make it good for creators to drive organic traffic to the platform.

And in the traditional gaming space, sometimes people drive traffic to their own web destination. We want to reward them for driving traffic and bringing viral on new users to our platform. So we think that is in alignment with what drives long-term health to the platform. And we think it makes -- it'll really make more sense for a creator to do a social campaign or drive viral traffic to the platform.

On the discovery side, I do want to highlight we have adopted the notion that with discovery, we want to drive long-term health of the platform, both for users, for creators and the overall ecosystem. And that means being very thoughtful about what we reward for discovery. We're getting more and more transparent with what the things are that we reward for creators. They appreciate that. They can see in their own analytics dashboard the things that we're rewarding for discovery.

And you are spot on that over time as we get better targeting with sponsored tiles, it's a very economical way for creators to bring more traffic to their game. It's also a great way for creators to launch an experience by buying traffic on Roblox rather than going somewhere else, really.

So we do think, long term, there's a big future for sponsored tiles. So stay tuned on that. We're really focusing on making the optimization and the targeting of that better.

Naveen K. Chopra*Chief Financial Officer*

And just on the financial impact of Creator Rewards, I think you asked about that as well. I just would note two things. In the short term, I don't think the transition from the prior engagement-based system to the framework that Dave described is really going to have any material impact to the P&L.

Obviously, we hope that over time, we are sharing significant incremental earnings with our developers through Creator Rewards. But I really view that as part of our overall strategy to share more dollars with creators as we capture operating leverage in other parts of the business.

Operator

Your next question comes from the line of Brian Pitz with BMO Capital Markets.

Brian Joseph Pitz*BMO Capital Markets Equity Research*

Maybe a couple of things here. Can you talk about the new customer acquisition you saw during the quarter? How impactful was Grow a Garden to that new customer acquisition? Do you believe it's sustainable? And then specifically, double-clicking on Grow a Garden, how sticky can that game be?

Can you talk about how these new players you've acquired behave relative to other players you've acquired previously? What does the age demo look like? Are you seeing some of the new content migrating to maybe an older age. I know you guys have been trying to age up for a while. Any of these viral titles reaching a generally older audience?

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

Yes. I would feel there would be a nuance, in that our vision is that we're creating a platform for all ages around the world, and we've been working this vision for quite a while. And I feel we're not just trying to age up. We're seeing it in the numbers as an increasing percentage of our users are over 13, and we continue to show solid growth amongst that. Starting even a year ago with Dress To Impress, we've started to see experiences that are really big for users over 13. Even if over 17, Dress To Impress last summer was being played in class in college.

And I think the same thing has happened in Grow a Garden, in that it's a -- it highlights a universal experience that's appealing to all ages. So arguably, it is helping pull older people onto the platform. We have still enormous headroom over 17 on the platform. And so I expect our creators are going to respond to that. They can see the opportunity to build great things.

And just fun and anecdotally, it's really fun to think through that on a gaming platform like Roblox, the last 2 super viral hits, Dress To Impress were fashion and then gardening, which are nontypical gaming genres, which shows both the creativity on the platform as well as the -- really the ability in the future for the more traditional genres to follow that.

So Grow a Garden is definitely bringing new users on the platform. And that's why we've restructured Creator Rewards to reward people who create experiences like this who bring new users to the platform.

Naveen K. Chopra
Chief Financial Officer

And just to add a couple of things to that. There are some interesting dimensions in which Grow a Garden looks a little different than the platform as a whole. Dave touched on this. From an age and a user tenure perspective, we did see Grow a Garden kind of skew a little older than platform average. So I think that's compelling audience expansion.

And then in terms of the durability of the experience, I mean, it's obviously still early days, but we see some early signals that this can be a very sustainable level of engagement for the title.

If you look at some of the charts we published on our home page, you can see that it's still one of our top, if not the top retaining game on the platform. It's a game that is very social in nature, and that's the ingredient that we have seen be an indicator of sustainability. Users who play with friends tend to engage at anywhere from 1.5x to 2x the rate of non co-play users?

And the game has very successfully taken advantage of live ops, including the Travis Kelce event that Dave mentioned from last weekend.

So there's definitely the potential for evergreen hits. I mean, we've seen some of those on the platform in the past, things like Brookhaven, Blox Fruits, et cetera, but also instances of games that have peaked and then started to taper.

So as I mentioned in my comments around guidance, we're sort of assuming normalization just out of, I guess, prudence. But we really like the ingredients that we see in Grow a Garden and its potential to be a sustainable game over the long term.

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

And complementing what Naveen said, for those of you that are game historians, looking back over the last 5, 10 or 15 years, there have been social asynchronous games on other platforms that involves things like gardening and growing things that have sustained fairly well. So there have been some historical patterns of fairly sticky type experiences like this.

Operator

We have time for one last question from Ross Sandler with Barclays.

Ross Adam Sandler
Barclays Bank PLC, Research Division

Copyright © 2025 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Just following up on that last question. So it isn't just that Grow a Garden is breaking records in terms of size of concurrent, but also the speed by which they ascended in that first 100 days or so. So could you talk a little bit about algorithmic changes you've made that made that possible in terms of that speed versus just the natural kind of social virality built into that game? And how repeatable that is across other titles?

And then Naveen, following up on that last comment. Could you talk about how you're retaining or moving first-time Roblox users who are coming in to play Grow a Garden into other experiences?

David Baszucki

Founder, President, CEO & Chairman of the Board

Well, the discovery that occurred with Grow a Garden after that was launched with our recommendation system, should be intrinsically repeatable, in that it was algorithmic, and it was based on the things we use to estimate the long-term value of that property for each individual user, not necessarily in the short term, but over the next year.

We're trying to project the 1-year plus value of any experience for any user relative to a wide range of factors. And so that is getting better all the time. It's why we're transparent with discovery. We -- the more transparent we are with recommendations and the more we share with creators what the signals are, it creates an environment where creators who are satisfying all of these signals are basically building amazingly interesting and satisfying experiences. So I do feel it's repeatable and native to the platform. And I'll hand it over to Naveen, if you want to talk about the second part of the question.

Naveen K. Chopra

Chief Financial Officer

Yes. Look, we're confident that the more time people spend on the platform, the more they will discover new experiences. And I think that's exactly what has happened with Grow a Garden. It's obviously driven tremendous levels of engagement. And we know that basically 3/4 of the daily active users on Grow a Garden are also engaging with at least one other experience.

So that sort of organic discovery, which leverages all the capabilities of the platform that you've heard Dave describe, I think, really is working, and Grow a Garden is a great example of that.

Stefanie Notaney

Senior Director of Financial & Corporate Communications

So I want to thank everyone for joining us today, and I'm going to turn it back to Rebecca to close out the call.

Operator

Thank you. And that does conclude today's conference call. Thank you all for your participation. You may now disconnect.

Copyright © 2025 by S&P Global Market Intelligence, a division of S&P Global Inc. All rights reserved.

These materials have been prepared solely for information purposes based upon information generally available to the public and from sources believed to be reliable. No content (including index data, ratings, credit-related analyses and data, research, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of S&P Global Market Intelligence or its affiliates (collectively, S&P Global). The Content shall not be used for any unlawful or unauthorized purposes. S&P Global and any third-party providers, (collectively S&P Global Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Global Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. THE CONTENT IS PROVIDED ON "AS IS" BASIS. S&P GLOBAL PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Global Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages. S&P Global Market Intelligence's opinions, quotes and credit-related and other analyses are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P Global Market Intelligence may provide index data. Direct investment in an index is not possible. Exposure to an asset class represented by an index is available through investable instruments based on that index. S&P Global Market Intelligence assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P Global Market Intelligence does not act as a fiduciary or an investment advisor except where registered as such. S&P Global keeps certain activities of its divisions separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain divisions of S&P Global may have information that is not available to other S&P Global divisions. S&P Global has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P Global may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P Global reserves the right to disseminate its opinions and analyses. S&P Global's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription), and may be distributed through other means, including via S&P Global publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

© 2025 S&P Global Market Intelligence.