



Roblox Corporation NYSE:RBLX

Earnings Call

Thursday, February 5, 2026 9:30 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

ANALYSTS

Andrew Northcutt
Wolfe Research, LLC

Brian Joseph Pitz
*BMO Capital Markets Equity
Research*

Cory Alan Carpenter
*JPMorgan Chase & Co, Research
Division*

Eric James Sheridan
*Goldman Sachs Group, Inc.,
Research Division*

Jaime Morris

James Edward Heaney
Jefferies LLC, Research Division

Kenneth James Gawrelske
*Wells Fargo Securities, LLC,
Research Division*

Matthew Andrew Cost
Morgan Stanley, Research Division

Omar Dessouky
BofA Securities, Research Division

Presentation

Operator

Good afternoon, everyone. This is Tiffany, and I will be your conference coordinator today. Welcome to Roblox's Fourth Quarter and Full Year 2025 Earnings Call.

[Operator Instructions]

Now I will turn the call over to Jaime Morris, Roblox's Head of Investor Relations. Jaime?

Jaime Morris

Thank you. Good afternoon, everyone. I am very happy to be here for my first earnings call at Roblox. Thank you for joining us to discuss our Q4 and full year 2025 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 slides, 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, and good afternoon, and thank you all for joining us today. One year ago, we shared our goal of growing year-on-year bookings at 19% to 21%, and we talked about our goal of capturing 10% of the \$200 billion global gaming content market on Roblox. The results we're sharing today for Q4 and the full year 2025 demonstrate the incredible progress we've made. In 2025, we significantly exceeded our guidance, both on revenue where we grew by 36% and on bookings where we grew by 55% year-on-year. We saw the emergence of viral hits that broke concurrency records at a platform peak in August of 2025, we hit 45 million concurrence on Roblox, and we saw new records for individual games on Roblox, including in September of 2025, Steal a Brainrot peaked at 25.4 million concurrent players at the same time.

We saw strong engagement and bookings growth across a long tail of content driven in part by search and discovery advancements, and we made great progress on the technical underpinnings of our platform that drive genre expansion. We took safety a step further in just the last 2 months, rolling out facial age estimation across our platform, and we're unique in large platforms with over 100 million DAUs. In doing this, we completed the global rollout in January. Today, we continue to be bullish of our future. We're at about 3.4% of the global gaming content market. As you know, we're aiming for 10%. And internally, we have even more ambitious goals for the U.S. market.

Now diving into Q4, where we delivered another quarter of outperformance. Q4 revenue was \$1.4 billion, up 43% year-on-year. And our Q4 bookings were at \$2.2 billion, which is up 63% year-on-year. We saw strong growth across all regions. U.S. and Canada grew 41% year-on-year. APAC grew 96% year-on-year with a couple of key strength points, Japan at 60% year-on-year, India won 10% year-on-year and Indonesia at over 700% year-on-year. On DAUs in Q4, we saw growth at 69% year-on-year, really strong growth across all regions. And our engagement hours in Q4 of last year were at 35 billion hours. That's up over 88% year-on-year.

Quarterly -- monthly unique payers were nearly 37 million, which is close to a double from a year ago and up sequentially. And this was strong across the globe, U.S. and Canada up 34% year-on-year. And in Q4, DevEx was at \$477 million, which was up 77 -- or 7-0% year-on-year. This increase in DevEx reflects our 8.5% increase rate in September. And for 2025, creators earned over \$1.5 billion for the first time.

If we take a look at our top 1,000 creators, they earned an average of \$1.3 million, which is up over 50% compared to a year ago. Our results reinforce our conviction in our long-term vision. We believe the future of gaming is part of a bigger vision around human co-experience. Our mission is to connect 1 billion people every day with optimism and civility, and we remain bullish about this vision.

In the shareholder letter, we outlined some areas of innovation and investment we believe will fuel growth in 2026 and beyond. First, we introduced the concept of novel game expansion, which is how we talk about expanding the genres and footprint to our older audiences. You'll note now that we're age checking all users who participate in communication on our platform, we've been able to find really a bigger growth opportunity in the 18-plus demographic than previously assumed. We estimate our 18 and over cohort is growing at over 50%, and this cohort monetizes 40% higher than younger cohorts. We're optimizing our platform technically to facilitate growth of high monetizing genres popular with older users such as shooters, RPGs and sports and racing. And we believe our technical opportunity on the platform is enormous.

When we look at the gaming industry as a whole, in a sense, there's enormous room for advancement right now. Typically, where we're going with our platform is a focus on vertical integration from cloud to engine to tooling to our clients on many devices to discovery, economy and safety as opposed to what typically and often happens in the gaming industry is in a bespoke way, putting together different cloud, different engine, different social communication.

We have an enormous amount of high fidelity AI training data that we'll share more with you, and you can watch on our main X feed as far as what we're doing with it. And we are pushing the notion for studios that the exact same gaming experience should run very well and at high performance on low-end 2 gigabyte Android, and at the same time, blossom into high res on a PC or console. And that includes running on every language or most languages with auto translation as well. Our stack from top to bottom is multiplayer, and we run that extremely efficiently in our own data centers. And of course, we auto scale. And we believe for cost, it's very important to run the majority of your world on your own bare metal, but be able to burst in the cloud.

Finally, we'll talk more about our advances in safety that are built in. A couple of highlights on critical innovations we're introducing to support genre expansion. We have now -- are in the middle of a full cloud rollout of native streaming of both 2D and 3D assets with various LODs. We're doing that automatically in our cloud. We have introduced SLIM, which is our nickname for dynamically compositing very complex assets in our cloud and delivering those at various levels of detail for performance on all devices. We are -- we've announced that we're bringing native server authority, which is very necessary and popular and competitive gaming. And we've rolled out custom matchmaking, which our creators can use to optimize either latency, age or social connection. In the first half of this year, stay tuned. We're doing a complete release of an expansion of our avatar system, including higher fidelity and more articulation.

And finally, really, we've seen over the last few years, the definition of what is a game expand. The more infra and platform technology we provide, the more we see experiences that aren't typically thought of as a game, for example, dress to impress and grow a garden. And we're sharing more and more the AI tech we're building on top of our enormous data to continue this expansion with the use of AI. This week, we launched 4D Generation, which allows experiences to include creation of new objects simply by users prompting and creating by AI. We shared earlier our vision on using our training data to create higher and higher quality NPCs. We're now working on photo upsampling in our cloud on both 2D and 3D for higher photorealism. And we shared really yesterday the work we're doing on our internal world model as a service and as a service that could be used both for creation by walking around and painting potential worlds as well as something we look forward to potentially integrating with Roblox moments.

In addition to this AI future, AI is really driving creation, safety, discovery, translation in addition to these potential areas of user growth on our platform. Every day, we capture roughly 30,000 years of human

interaction data on Roblox in a PII and privacy compliant way. We're actively using this data to develop and train AI models that continue to bring our vision to life. I want to highlight that we're internally now running over 400 AI models. This includes, of course, Cube 3D, which has recently expanded to do 4D or functional interactive type simulation. We have our own facial tracking client side model that we use for avatar facial animation. Our voice safety model has been open sourced and is open source as part of the ROOST consortium. Our text filter is constantly updated and we believe one of the best, if not the best, in the world. Our text and voice translations are supporting published once and chat in multiple languages. And of course, we highlighted our internal world model team and our internal NPC efforts as well.

We see a future of creation in Roblox Studio that's enhanced not just by code gen and not just by experience gen, but ultimately, agentic iteration and testing in our cloud, once again powered by our 4D foundational and 3D foundational cube models.

Some other AI highlights, and then I'll turn it over to Naveen. In discovery, AI has been driving personalization. In Q4, AI drove a double-digit increase in the number of unique experiences that are surfaced in our Recommended For You algorithm. In 2025, on average, users engaged with over 24 unique experiences per month. This is up double digits from 2024. And I want to note we've done this all relatively transparently by sharing with our creators the factors we use for discovery.

Of course, critically in safety, we've been using AI not just for our voice model, but with state-of-the-art models like Roblox Sentinel and Roblox Guard. And I want to highlight in safety, the continued focus on our goal to lead the world in online gaming safety and civility. We shared a few months ago what we believe is the gold standard. We continue to innovate in this direction. Of course, no image sharing on Roblox, of course, monitoring text for critical harms. But in addition, moving to the estimation of age of everyone on our platform and the use in how we support chat.

In Q4, we started a global rollout of age verification for access to communication in Australia, New Zealand and Netherlands. I'm pleased to report adoption has been strong with approximately 60% of DAUs age checked in these markets. We completed our global rollout in early January of '26. And as of January 31, we've achieved 45% penetration of global DAUs. We're bullish about continued adoption with Australia and New Zealand and as a model. We are also rapidly enhancing our platform to make both age check adoption and to improve its reliability. And then kind of a fun full circle here that as part of our age estimation release, we're really going up and down our system. We've enhanced our matchmaking to cluster users based on their age and skill level. We're moving to continuous age estimation, which will use additional signals such as play patterns, the social graph economic activities to supplement facial age estimation. And over the coming months, we have more product launches, including always continuous refinement of our text and voice filters.

We're ambitious, and we believe these types of enhancements really give us the opportunity to enable even higher level of engagement than what we saw prior to our Age Check rollout. From a commercial and financial standpoint, our flywheel continues to accelerate. We believe having all ages on our platform is a long-term strategic opportunity that many other platforms are not confronting as they claim 13 and up users. We're seeing the growth we saw in 2025 in combination with fixed cost discipline to reinvest in our creators and our infrastructure, all really with an eye to fueling continued growth and long-term margin expansion. We're excited about the innovations we're developing and executing across all areas of our platform, which we believe will ensure our ability to continue to deliver on our long-term vision and deliver growth over a multiyear period.

With that, I'll turn it over to Naveen.

Naveen K. Chopra
Chief Financial Officer

Thank you, Dave, and good afternoon, everybody. Dave obviously shared a lot of the highlights from a spectacular 2025 and a strong end of the year in Q4. I'm going to share a few reflections on the business based on what we've observed over the last few months and then also share some additional color on our expectations for 2026. We have more conviction than ever in the ability for Roblox to grow in excess of 20%. Our platform is healthier than ever. In fact, if you look at Q4, we saw very strong growth rates, 63%

growth in bookings without the benefit of a big new viral hit. Our Age Check data, as Dave mentioned, showed that we have an even larger opportunity to grow with older audiences than previously imagined. That's especially true in the United States, where the 18 and over cohort on our platform is growing at more than 50%.

We have an international business that is still relatively nascent and growing at close to triple-digit rates. And the pace of innovation in AI is a tremendous accelerant and has the potential to help us grow beyond gaming as we develop even deeper connections in communication, entertainment and commerce. In addition to the tailwinds on the top line, all the ingredients for long-term margin expansion are in place. Now that margin expansion may not be linear, as you can see with investments that we're making in 2026. But in the long run, we expect to capture operating leverage from COGS, from infrastructure and our fixed costs. So as I said, our conviction in the ability to drive very healthy top line growth and bottom line margin expansion continues to grow.

Now at the same time, we've learned that it's difficult to predict exactly where this business will land 12 months out. I mean if you look back at 2025, when Roblox set guidance, Steal a Brainrot and Grow a Garden had not even launched. And that's created a situation where the company has had to provide relatively conservative guidance. I don't think that's helpful to investors, and it's certainly not helpful to day-to-day operation of our business. So we're going to get out of that cycle. We're going to give everyone a long runway. We're providing detailed guidance for 2026. But as we get into 2027, you'll see us starting to guide one quarter at a time.

So let's talk about 2026. We're expecting bookings growth of 22% to 26%. Those estimates are informed by the quality of the users that we saw come to our platform in 2025. It's informed by recent content trends that we've seen in early 2026. It reflects our confidence in the adoption of our age checking technology. And a number of things that we have planned in our road map related to our economy, discovery capabilities and many other features. Now importantly, our bookings guidance does not assume because we wouldn't be able to predict it, another viral hit of the magnitude of a Grow Garden or a Steal a Brainrot.

And when it comes to margins, we're expecting at the high end of our bookings guidance, margins to be relatively flat year-over-year. At the low end of bookings, we are estimating a slight year-over-year decline in margin. That's driven by the increase in the DevEx rate that we announced last year, and we'll see a full year impact of that in 2026. It incorporates investments that we've talked about related to continued growth in users and engagement and also AI workloads. And we're also planning to invest more aggressively in safety marketing to better educate our users, parents and other constituents about everything we're doing to ensure that Roblox remains a leader in online safety. And we are funding a decent chunk of those investments through operating leverage on COGS and fixed costs.

Our guidance also implies another year of strong free cash flow growth. In fact, at the midpoint of our guidance range, we're estimating 26% year-over-year growth in free cash flow. That includes a slight uptick in CapEx spend relative to last year as we are continuing to land GPUs in our own data centers and also navigating the recent inflation in memory prices.

So overall, we see 2026 as another year of strong growth on top of a spectacular 2025. We're making investments in our creators, in our infrastructure, in our safety, all of which sets us up for future shareholder value creation in the form of long-term growth and margin expansion. With that, we'll open the line for questions.

Question and Answer

Operator

[Operator Instructions]

We'll take our first question from the line of Ken Gawrelske with Wells Fargo.

Kenneth James Gawrelske

Wells Fargo Securities, LLC, Research Division

Two, if I may. First, maybe, one, could you talk about -- could you give a little bit more color on the elements that inform your outlook for the bookings outlook for the year. I think it was -- it certainly has been a bit better than feared. Could you talk about -- I know you're saying that you don't assume any big viral hit. But like how much visibility do you have kind of beyond the first quarter into content schedules and releases? And kind of what informs your conviction in that guidance?

And then the second one, maybe just could you elaborate a little bit more on the -- you said the increased -- the better opportunity to target the 18 plus. And maybe within that, kind of if you could please talk a little bit about the recent developments with Genie and AI gaming. Just how does that inform your view and help hurt -- how are you going to use AI to make the platform better for developers?

David Baszucki

Founder, President, CEO & Chairman of the Board

It's Dave. I'll kick off a little on the first question, pass it over to Naveen and then come back on the second question. We have a lot of internal leading indicators we can see that somewhat correlate to the health of our system. And part of that is content diversity, content distribution, content velocity and types of content that are hitting different age ranges and genres. And we see a lot of health in that. So from just a high-level predictive view, that is one confidence inspiring thing we would see.

I'll hand it over to Naveen on more of the modeling and the makeup of our bookings forecast.

Naveen K. Chopra

Chief Financial Officer

Yes. Thanks, Dave. I mean I'll really kind of put a finer point on what Dave said and then a little bit of what I said in my opening remarks. The content dynamic that Dave mentioned, I mean, we saw both in Q4 sort of an increasing diversity of content. We noted in our shareholder letter that experiences outside of our top 10 are growing at an even faster rate than they were in Q3, and that's true both with respect to engagement and bookings. So that's something we really like to see just spreading the growth around, if you will.

And we've continued to see similar trends in early 2026. And we like both the diversity of content, but also the freshness of the content. So there have been even not necessarily something as big as a Grow a Garden or Steal a Brainrot, but there have been new titles come in that have grown in a healthy way, which gives us a lot of confidence in the power of the platform.

I also mentioned the quality of the users that we saw in 2025. There was some uncertainty in that period of very high growth. Are these sort of low-calorie users that are going to come in and disappear. But when we look at what has happened on the platform, the behavior of the new users that came to Roblox in Q3, Q4, they largely look like our core users. And that's true when you think about how they engage, how they spend, how they retain. So that gives us confidence in how to think about the business over the next few quarters.

All that being said, there is still uncertainty trying to predict exactly where things are going to land 12 months out. That's the reason we don't think annual guidance is the right approach long term. We are using a slightly wider guidance range for 2026 than what we've used in the past, which kind of reflects some of that uncertainty. And then importantly, as I said, we are not building into our guidance an

assumption of a massive viral hit the size of a Grow a Garden or a Steal a Brainrot. We're optimistic that things like that will happen again. But since we can't predict them, they're not built into our guidance.

Dave, do you take the second question?

David Baszucki

Founder, President, CEO & Chairman of the Board

And then just on the AI future, and I highlighted a little that we're optimistic we're going to see an expansion of the definition of really what is gaming and AI is going to power that. I'll step back though to our mission. And our mission is to connect 1 billion people every day with optimism and civility. And I'll highlight the word connect, which means bring multiple people together to play, to learn, to work. And for the last -- really since we've gone public, we've been sharing the visionary spec we've been building, which is many, many people coming together in physically simulated environments within games to play. We've started adding the notion of adding both NPCs as well as people to those environments, making those environments more and more photorealistic. And finally, making those environments one in which in real time, people can create, modify and change the environment.

So we're staying with that spec -- that spec. And we're -- as we showed on X yesterday, starting to use AI up and down the stack, up sampling 3D to bring things more to life, training NPCs with the 13 billion hours of not just video data, but intrinsic 3D world data. And we highlighted yesterday our internal world model team and what they've done using not just video data, but internal Roblox data to build internal world models that we think we can use both for creation and whatever.

I will highlight one thing, and that's very important to the spec we're designing. We're building multiplayer platform technology. We're building stuff that brings people together. And a lot of the current work that you see out there is operating in video latent space rather than synchronize 3D multiplayer cloud space. I would just cautiously highlight investors to understand the difference of that. You can read our recent tweet on X. That said, we continue to be optimistic about hybridizing and putting together many AI components to build the stack we're talking about.

Operator

Your next question comes from the line of Eric Sheridan with Goldman Sachs.

Eric James Sheridan

Goldman Sachs Group, Inc., Research Division

I appreciate all the disclosure in the materials and especially the shift around the guidance philosophy. Dave, I have one for you. The journey you've been on with respect to discovery on the platform over the last 12 months, what have been the key lessons you've learned about the opportunity that sits in front of you based on what you've learned about the evolution of discovery? And how does that align with your strategic priorities either for the platform or individual products as you look out over the next couple of years?

David Baszucki

Founder, President, CEO & Chairman of the Board

Discovery is a really hard problem to do right. And we believe being transparent in it is very important. We're as much as possible trying to optimize discovery not for short-term gain, but for long-term gain. And that's both long-term gain in user engagement as well as long-term gain in platform health and creator health. And any efforts to optimize discovery in the short term may not be optimal for long-term enterprise value and the health of our system.

So figuring out how to personalize discovery for every user in a way that connects great users with great content in the long term is what we've been focusing on. What we've seen as a result, as I mentioned, is more good content, reaching more great users, an increased robustness in the diversity of our content mix in a way that we believe is very, very healthy and also some future opportunities. So stay tuned with moments. We believe for many users, browsing in-game experiences will more and more be a complement to our discovery. So it's a long-term journey, and we'll keep getting better at it.

Operator

Our next question comes from the line of Matthew Cost with Morgan Stanley.

Matthew Andrew Cost

Morgan Stanley, Research Division

I have 2. Maybe one for Naveen to start. I think that the gross margins that you showed in the quarter were, I think, the second strongest that we can see going back even to 2020, I think it was the only time you did better. When we think about that improvement to gross margins, is that a function in the fourth quarter of a shift towards direct payments or any other moving pieces? And could you just give us an update on kind of the direct payment initiative?

And then a second one for Dave, if I could. I think the detail on the blog post that you've shared so far on this call about the work you're doing with AI and world models is incredibly helpful. And I want to put a finer point on kind of the concerns that we've seen coming up in the market over the past week about the potential for disruption to your business from other advances from -- with AI coming from other companies out there in the space. And I wonder if you could respond to those concerns and what you see as the differentiating factors that protect Roblox. I think the commentary you made a moment ago about multiplayer versus non was really helpful. But if you could expand on that.

Naveen K. Chopra

Chief Financial Officer

Yes. Matt, thanks for the question. I'd really point to 2 things in relation to your question on gross margin in the quarter. One, as you hypothesize, we did get some tailwind from COGS. I think as we've spoken about in the past, we are doing a number of things in the product to try to steer the purchase of Roblox to lower-cost platforms. And that honestly performed better than we anticipated in Q4, and that was very helpful from a margin perspective. We -- the other source of margin expansion in the quarter was really bookings growth. Bookings came in also better than expected, which gave us powerful leverage against fixed costs.

When we look forward, and I think I spoke about this in relation to 2026 margins, we do continue to expect improvement in COGS rates as we are able to shift more and more of the business to lower-cost platforms. That's not going to be necessarily linear. There will be places and points in time where we're able to be more or less aggressive on that. But in the long run, we do see that as a source of additional margin expansion in the business.

Dave, on AI?

David Baszucki

Founder, President, CEO & Chairman of the Board

Yes. I would -- this is a great question. I would flip it and share how we think about it internally which is an opportunity for disruption in the opposite direction, which is an opportunity for the expansion of the Roblox vision beyond gaming into the future mix of what is entertainment and where does gaming end and where do other points begin. 10 years ago, a lot of people in the market used to talk about how is video going to get interactive, and there's been a lot of experiments on that, that have been very difficult. But the other direction to think about is how does gaming expand and become part of entertainment.

So I would say stay tuned on that. We feel what we're building, which is multiplayer technology that runs in the cloud that more and more can load instantly that more and more can be consumed in smaller bite-sized nuggets will more and more start to blur those 2 visions. World models are interesting. I would say, not initially in many of the ways that I think many people think, but we do think they have an opportunity for walking around and painting a world, for example, they have a really interesting opportunity to think about where does video end and snapshots end and interactivity begin. And so we have developed our own models there, but the core of our technology will continue to be the very difficult problem of 3D cloud synchronization and building communication type technology.

Operator

Copyright © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

spglobal.com/marketintelligence

Our next question comes from the line of Omar Dessouky with Bank of America.

Omar Dessouky

BofA Securities, Research Division

I wanted to ask more of a financial question. Specifically, how do you think about dilution in stock-based compensation in 2026 with your stock price significantly down compared to last year? Could you explain how having that stock-based comp flexibility is helping you make long-term strategic investments? For example, what investments besides headcount have a higher ROI that you would use that cash for?

David Baszucki

Founder, President, CEO & Chairman of the Board

I'll go first, and then I'll hand it over to Naveen. Internally, we're always running a multiyear model on stock-based comp and dilution at a very, very wide range of stock prices and running the business in a way we feel comfortable. So we do think about these things and model many dimensions. I'll hand it over to Naveen.

Naveen K. Chopra

Chief Financial Officer

Yes. Not a ton to add to that, Omar. But number one, I would say we look at this on a pretty long-term horizon. I mean that both with respect to the share price and dilution. I mean, sure dilution at various points in time might spike just because of what's going on with the stock price. But ultimately, we think we're going to create shareholder value, and that will cause dilution to come down over time. If you look at what's happened over the last few years, that's definitely been the case. So something we pay attention to, but we're much more focused on the operating results of the business because dilution is going to get solved by that.

Operator

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

Brian Joseph Pitz

BMO Capital Markets Equity Research

Maybe a quick update on your ramping advertising ambitions and how you're thinking about the potential growth contribution from advertising in 2026? And then any additional detail about the age verification rollout, which maybe was not as smooth as you hoped. Can you comment on specific challenges and adjustments the team has made to ensure a better transition?

David Baszucki

Founder, President, CEO & Chairman of the Board

I'll go first. We sure don't think about it that way. We're very excited and proud of the way our age verification rollout has gone, and we're very optimistic that the result of it has been expanded thinking within our team on long term how to be unique in being a platform that can have all ages on the platform, can monitor and help how communication happens on the platform. I'll say that we gave our internal teams an ambitious goal of rolling this out eventually with no friction. And I would say, by doing this, we found so many other opportunities for optimization that I'm very pleased and happy with the way the rollout has gone.

Naveen K. Chopra

Chief Financial Officer

And then on advertising, we expect our advertising business to show some pretty healthy growth in 2026. That being said, it is still modest. It's not a major contributor to the top line. As you've heard me say in the past, it is going to take some time to grow. I think the long-term opportunity is very exciting given the scale and engagement of our platform, but it is going to take some time, and we are executing carefully with respect to building out those products, the integration of the technology in our platform, working with

our creators to expand the amount of inventory that is available, and we're going to continue to be very methodical about that to make sure we're building the business in the right way.

Operator

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

Cory Alan Carpenter

JPMorgan Chase & Co, Research Division

I had 2. Maybe first, there's been some reports of interest in maybe building your presence in China. Anything you could comment on there and the type of opportunity that you see? And then just on the age of users, you framed it as the large opportunity given in novel game experiences given more younger users than previously reported. The half glass empty view of that, of course, could be that younger users have been tougher to age up on the platform than you expected. So what's giving you the confidence to invest there that you can age up more with users?

David Baszucki

Founder, President, CEO & Chairman of the Board

I'll go first on China. We continue to be a great partner with Tencent, and we continue to see a huge opportunity in China. We've revamped the way we look at China. If we were to go live in China, we would do it in an air-gapped way. And we think our infrastructure is built and designed in a really unique way that we can abstract and deploy it in multiple places. On our -- a couple of things about age checking and getting detail on estimated age. The first thing is it highlights the level of cultural phenomena that Roblox has become. And so yes, age checks slightly younger than self-reported. But if anything, it highlights the success.

I look to a couple of things. First, over 50% growth year-on-year, 18 plus. Two, the platform and technical advantages we've used to get to where we are in under 18 are exactly the same 18 plus. vertical integration all the way from cloud to apps to discovery to social graph and beyond, we believe right the same. And ultimately, the tech as well, supporting more and more realistic experiences. So I continue to be absolutely bullish on our 18 and up opportunity.

Operator

Our next question comes from the line of Shweta Khajuria with Wolfe Research.

Andrew Northcutt

Wolfe Research, LLC

This is Andrew on for Shweta. Just kind of one on the age check rollout. You talked a lot about the penetration that seems to be going well. But have you noticed any change in behavior or engagement levels for those who have completed age check versus not yet? And then maybe when you think about the derivative impacts of age check, is it possible to think about how the older cohorts may be viewing this as a quality of life update that might be contributing to the engagement levels that you're seeing?

David Baszucki

Founder, President, CEO & Chairman of the Board

I'll give one example on why we're excited about this. And that is the more we get into age check interacting with communication, the more we can more accurately match make different age bands together. That's one of the factors that makes me so optimistic is that age banding our matchmaking in ways that brings the average older user together as well as the average 15-year-old together, we believe can be a long-term growth aspect. So we think this is going to become -- it's why we call it the gold standard actually. And what we've seen after we did this is another very large gaming company announced they're going to do it, a communication platform announced they're going to do it. So we just see this as ultimately the way the world is going to work. We're proud to be one of the first big platforms to do it.

Operator

Our final question comes from the line of James Heaney with Jefferies.

James Edward Heaney

Jefferies LLC, Research Division

Yes. Naveen, if we look at the Q1 bookings guide, it looks like a sequential decline greater than 20%, which I think would be one of your bigger sequential slowdowns. Is there anything you're calling out there specifically? Or is it just kind of the conservatism that you called out? Anything specific and even maybe what you're seeing so far in Q1?

Naveen K. Chopra

Chief Financial Officer

Yes. I mean, I guess I look at it pretty differently. This is a quarter where we do not have, at this point, a big new viral hit. And so to put up 40% to 44% top line growth in the absence of that, I think we should all be very, very excited about what that says about the health of the platform. We said last quarter that as we started to move past this period of time with huge viral hits that growth would slow. So I don't think anyone should be surprised by the sequential trend there. If anything, I think we should be really excited about what we're seeing early in the year. I'm going to turn it over to Dave to close out.

David Baszucki

Founder, President, CEO & Chairman of the Board

Thank you all for joining us on our call today, and we appreciate the really interesting and thoughtful questions. Thank you all, and we look forward to seeing you in a quarter.

Operator

This concludes today's conference call. Thank you for your participation. You may now disconnect.

Copyright © 2026 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.

© 2026 S&P Global Market Intelligence.