

## Roblox Refutes Misleading Claims in Hindenburg Report

Roblox rejects the claims made in the Hindenburg Report.

Safety and civility have been foundational to Roblox since the company's inception nearly two decades ago, and the company has invested heavily throughout its history in its Trust & Safety efforts. Every day, tens of millions of users of all ages have safe and positive experiences on Roblox, abiding by the company's [Community Standards](#). Roblox takes any content or behavior on the platform that doesn't abide by its standards extremely seriously, and Roblox has a robust set of proactive and preventative safety measures designed to catch and prevent malicious or harmful activity on the platform. For more information about Roblox's safety efforts, see this most [recent blog post](#).

The financial claims made by Hindenburg are misleading. The authors are short sellers and have an agenda irrespective of the substance of Roblox's business model and results. Roblox's topline is growing quickly. Bookings grew over 22% to \$955.2 million in Q2 2024 (the most recent publicly reported quarter) up from \$780.7 million in Q2 2023. Over the last four quarters, cash provided by operating activities have totaled \$646.3 million and free cash flow was \$440.3 million. An examination of Roblox's GAAP balance sheet and GAAP cash flow statement makes that clear. The focus on cash bookings and cash flow are themes that the company has focused on consistently with investors dating back to when it was a private company. The authors made no attempt to highlight any of that because the positive facts simply don't support their agenda.

The authors neglected to accurately report on the company's public disclosures. Roblox takes its reporting obligations seriously. Since Roblox's initial public filing the company has included a [Special Note Regarding Operating Metrics](#) that explains how the company's key operating metrics (including DAUs, hours, and bookings) are calculated.

As an example, below is selected language from the company's most recent 10-K regarding Daily Active Users (emphasis added):

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

*"Because DAUs measure account activity and an individual user may actively use our platform within a particular day on multiple accounts for which that individual registered, **our DAUs are not a measure of unique individuals accessing Roblox**. Additionally, if undetected, fraud and unauthorized access to our platform may contribute, from time to time, to an overstatement of*

*DAUs. In many cases, fraudulent accounts are created by bots to inflate user activity for a particular developer's content on our platform, thus making the developer's experience (which refer to the titles that have been created by developers) or other content appear more popular than it really is. We strive to detect and minimize fraud and unauthorized access to our platform."*

There is additional detail in the company's filings on hours, bookings and other metrics that provide abundant clarity on the company's approaches to measuring and reporting these critical metrics. Roblox looks forward to discussing its most recent financial results and answering any questions on the company's third quarter earnings call on October 31, 2024.