

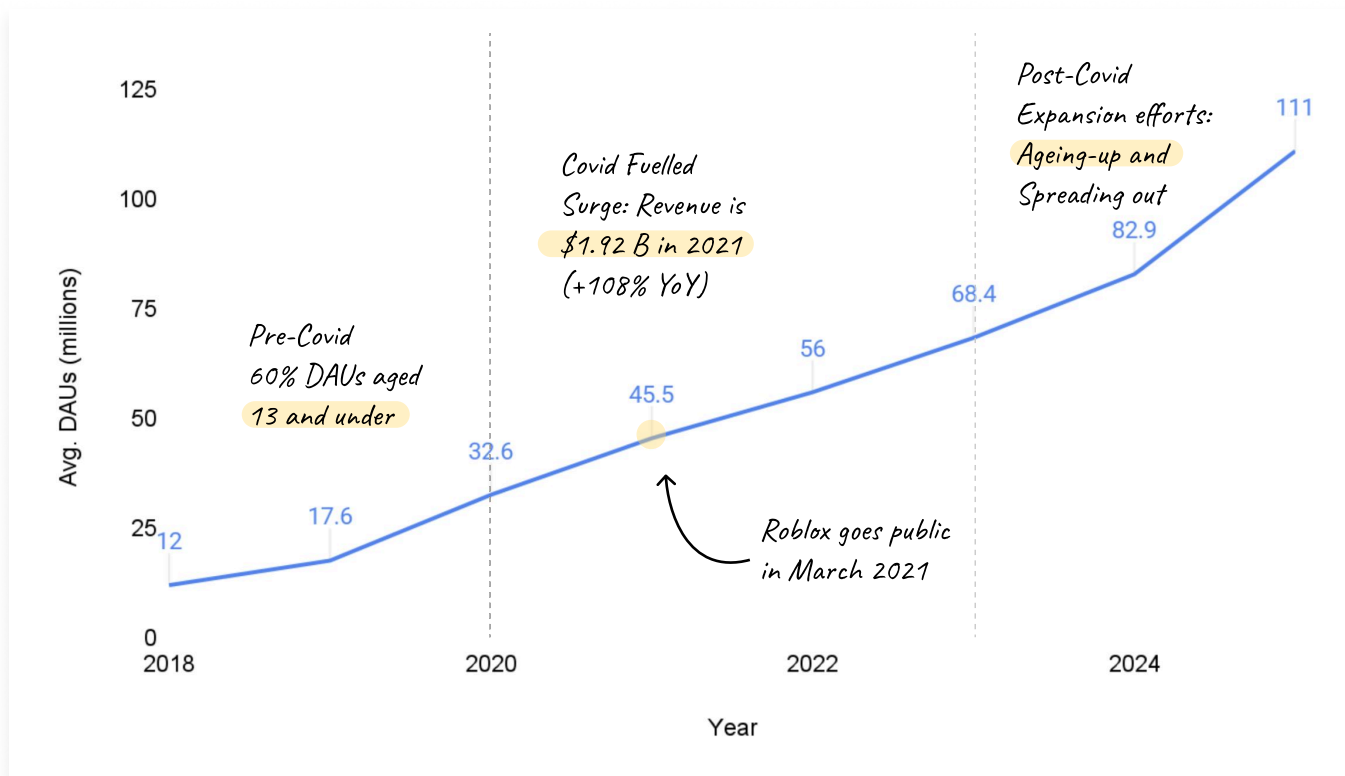
Roblox: The road to US\$ 18 billion

100 mn+ DAUs, 23 mn+ paying users and US\$ 4 Bn+ in Revenue - what's next for Roblox, home to the highest number of concurrent gamers in the world?

About Roblox

In 1989, David Baszucki and Erik Cassel created Interactive Physics, a 2D simulated physics lab that allowed users to test and visualize mechanical concepts. This project became the foundation for Dynablox, a sandbox environment where children could code and play together. Eventually rebranded as Roblox and formally incorporated in 2006, the platform quickly gained popularity among students aged 5-18 who were drawn to its open-world concept, creative potential, and playful, LEGO-like interface.

Between 2006 and 2019, Roblox grew at a steady but moderate pace. Its true inflection point came during the COVID-19 pandemic, when global lockdowns and the rise of platforms such as Discord and Twitch drove a surge in online synchronous activity. Roblox experienced explosive user growth during this period, cementing its place as one of the world's largest social-gaming platforms. By 2025, Roblox has amassed over 110 million daily active users, 983,000 daily paying users, and 23 million monthly paying users, contributing to annual revenues of \$3.6 billion (US GAAP reporting).

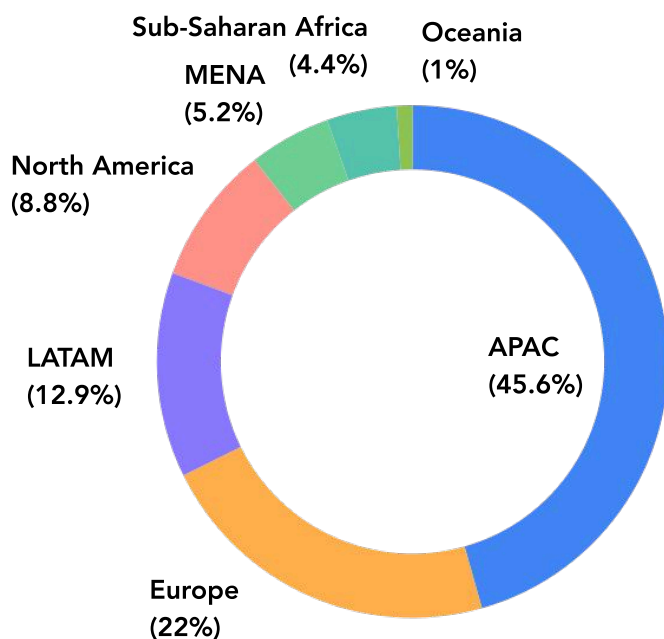


Roblox's Daily Average Users (DAU) saw 10x growth in the 6 years between 2018-2025 (Q1)

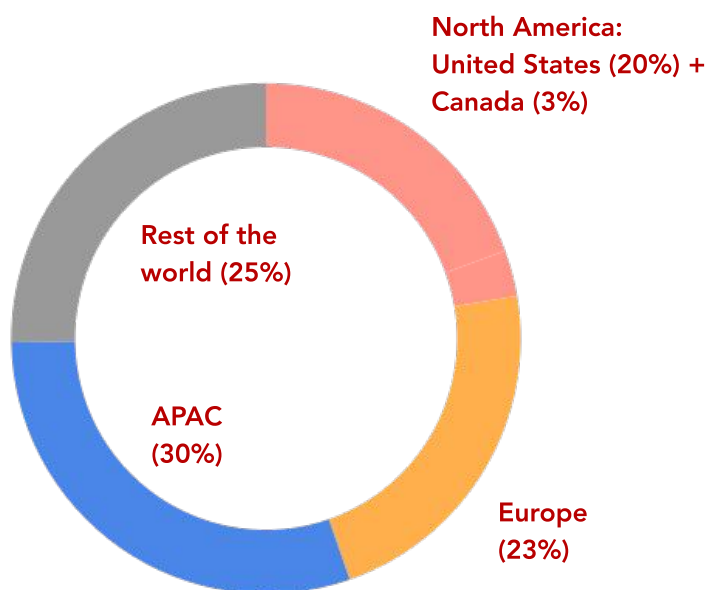
Despite its origins as a student-first platform, Roblox has consistently articulated a broader ambition: to enable “human co-experience” and reimagine how people of all ages come together online. In line with this vision, the company has set a bold target of capturing 10 percent of the world’s **\$180 billion gaming revenue**.

The Global Gaming Market - Where does Roblox Fit?

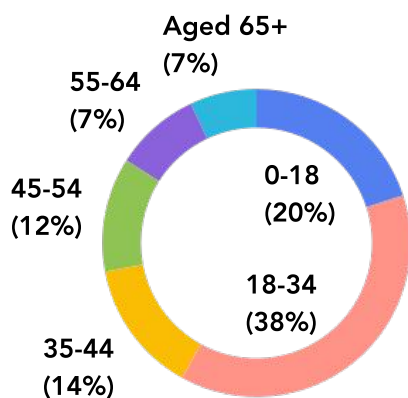
This snapshot of the global gaming market - spanning mobile apps, consoles, in-game and in-app purchases, and traditional video game sales - shows that the largest concentration of gamers lies in the 18 - 34 age group and in the APAC region, both areas where Roblox has historically had limited presence.



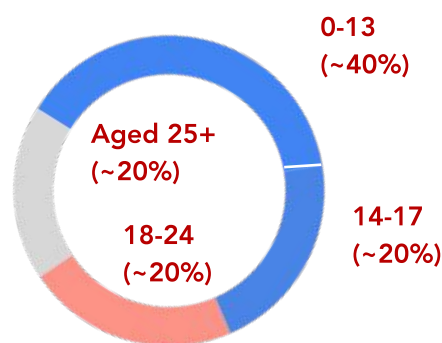
3.2 Bn Gamers Globally



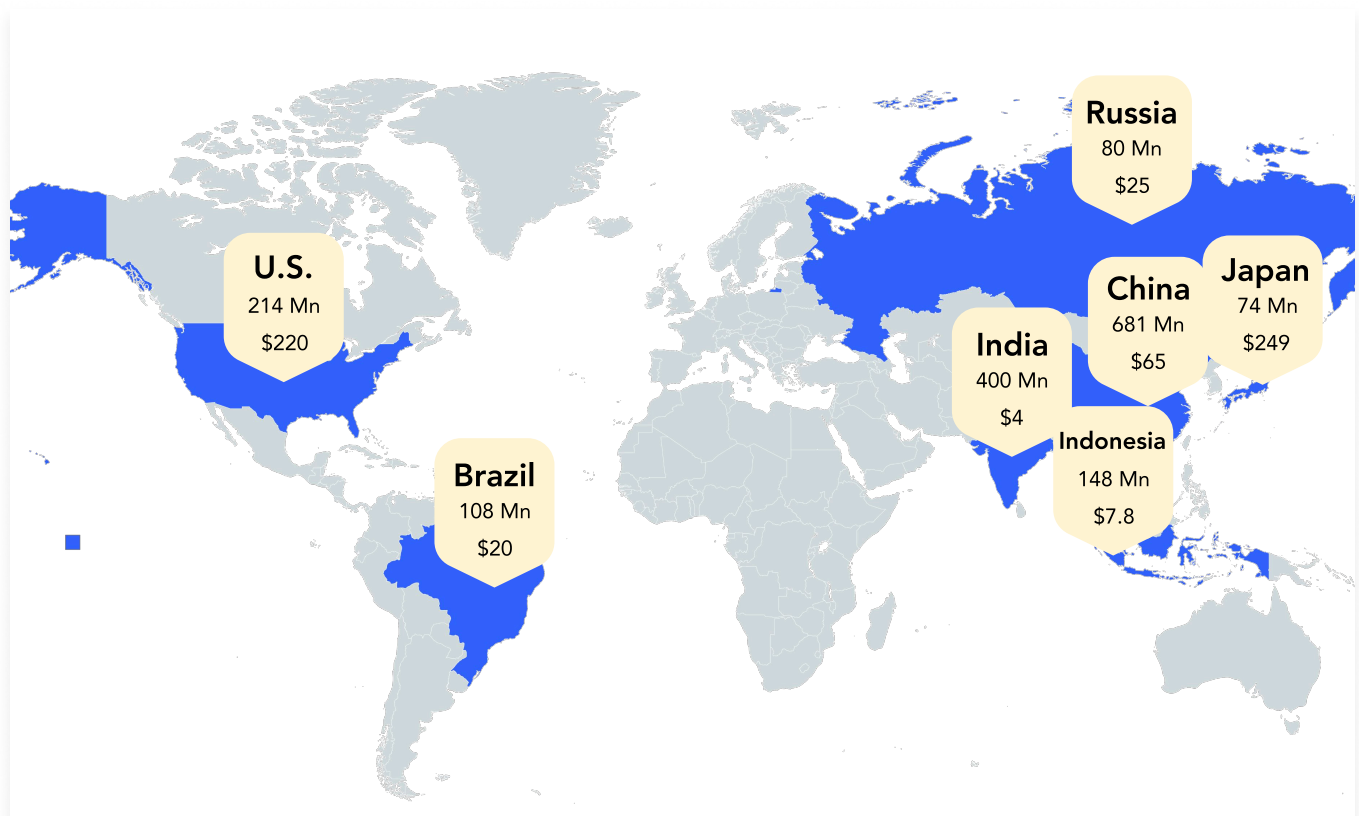
110 Mn Gamers on Roblox



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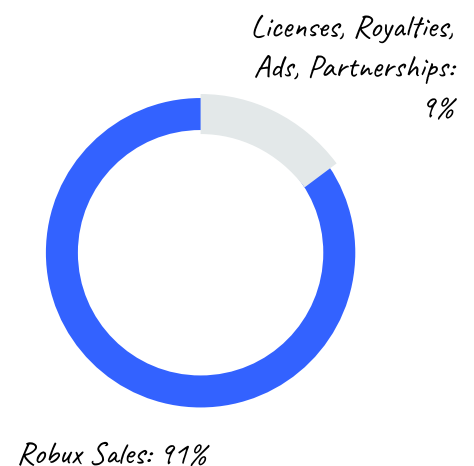
110 Mn Gamers on Roblox



Estimated number of gamers and gaming spends per user of top gaming countries worldwide

Where is Roblox on its journey to US\$18Bn today?

Roblox's revenue model is dominated by the sale of its virtual currency, Robux, which players purchase to spend on avatar accessories, digital items, and game passes. These purchases account for roughly 90 to 91 percent of total revenues. Within this category, durable virtual items such as permanent goods contributed about 91 percent of revenue in 2024, while consumable, one-time items made up the remaining nine percent.



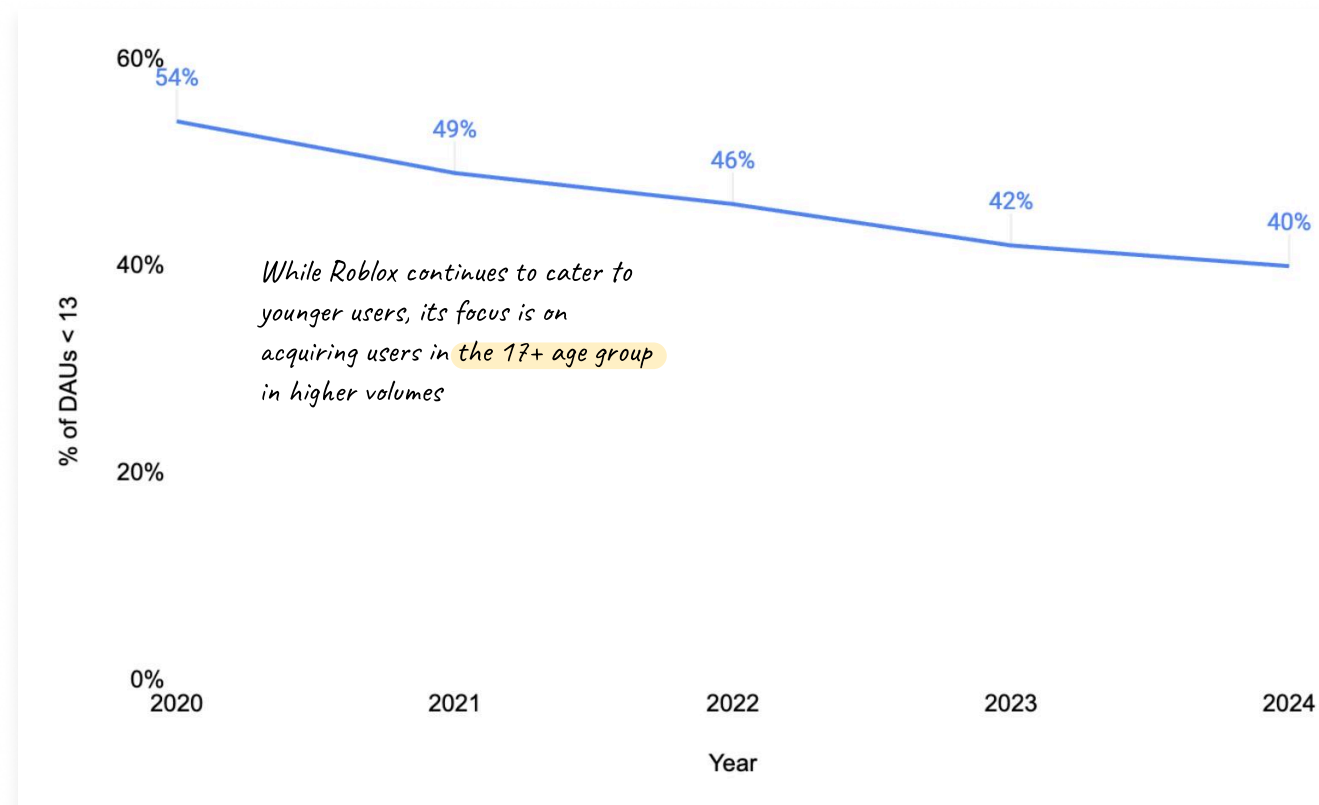
Other revenue streams remain relatively minor. Advertising, though in testing stages with immersive formats, contributed only an insignificant amount in 2024. Licensing and royalties are similarly small, and subscription revenue from Roblox Premium is largely treated as bundled Robux sales. While the majority of Roblox's more than 200 million monthly active users play for free, a meaningful minority converts to paying users. As of Q2 2025, monthly unique payers stood at 23.4 million, representing roughly 21 percent of daily active users. These players generate the bulk of revenues, with motivations ranging from avatar customization to unlocking exclusive content or trading limited items. Importantly, average bookings per daily active user rose to \$15.97 in Q4 2024, up from around \$11-12 a year earlier, reflecting Roblox's ability to increase monetization over time.

To achieve its ambitious revenue goals, Roblox must expand beyond its traditional reliance on Robux sales. With a captive audience of more than 100 million users, the company is exploring new avenues such as advertising and deeper partnerships with brands. Yet a crucial factor in unlocking these opportunities lies in reshaping its user base. Roblox is pursuing two major strategic shifts to drive its next phase of growth: attracting older users and accelerating international expansion.

Shift 1: Attracting Older Users

One of the biggest structural bottlenecks for Roblox has been the composition of its user base. A platform dominated by children under 13 must comply with stringent child-safety laws like COPPA, which restrict the ability to advertise to minors or collect personal data without verified parental consent. This also means that purchases often require parental involvement, reducing the likelihood of frictionless impulse buys - the very type of transactions that many free-to-play ecosystems rely on. To build a sustainable advertising vertical and unlock new **monetisation** streams, Roblox must continue to expand beyond being perceived solely as a children's platform.

That shift is already underway. In 2020, an estimated 55 percent of daily users were under 13. By late 2024, that share had declined to about 39 percent, with roughly 61 percent now over 13. Roblox itself has confirmed that users aged 13 and above now outnumber those under 13.



Percentage of total Daily Average Users in the 13 and under segment

Roblox's "Aging Up" Strategy - Key Product Developments

- Expanded Content Ratings (2023): Introduced a 17+ category, giving verified older users access to mature themes (violence, horror, crude humor) while shielding kids.
- ID-Based Age Verification: Requires government ID + selfie to access/create 17+ content, access spatial chat, and more ensuring strict gatekeeping.
- Safer Social Tools: Rolled out Spatial Voice Chat (13+) and Trusted Connections (2025) for verified teens to chat freely with real-life friends, balancing openness with safety.
- Upgraded Tech: Enhanced engine with realistic materials, lighting, and larger servers, fueling high-fidelity genres like horror and MMORPGs that attract older teens/adults.
- Pop Culture Tie-Ins: Partnered with brands and artists (Gucci, Nike, Vans, Twenty One Pilots) to draw teens/young adults with spending power, with events often seeing at least a third of attendees 17+.



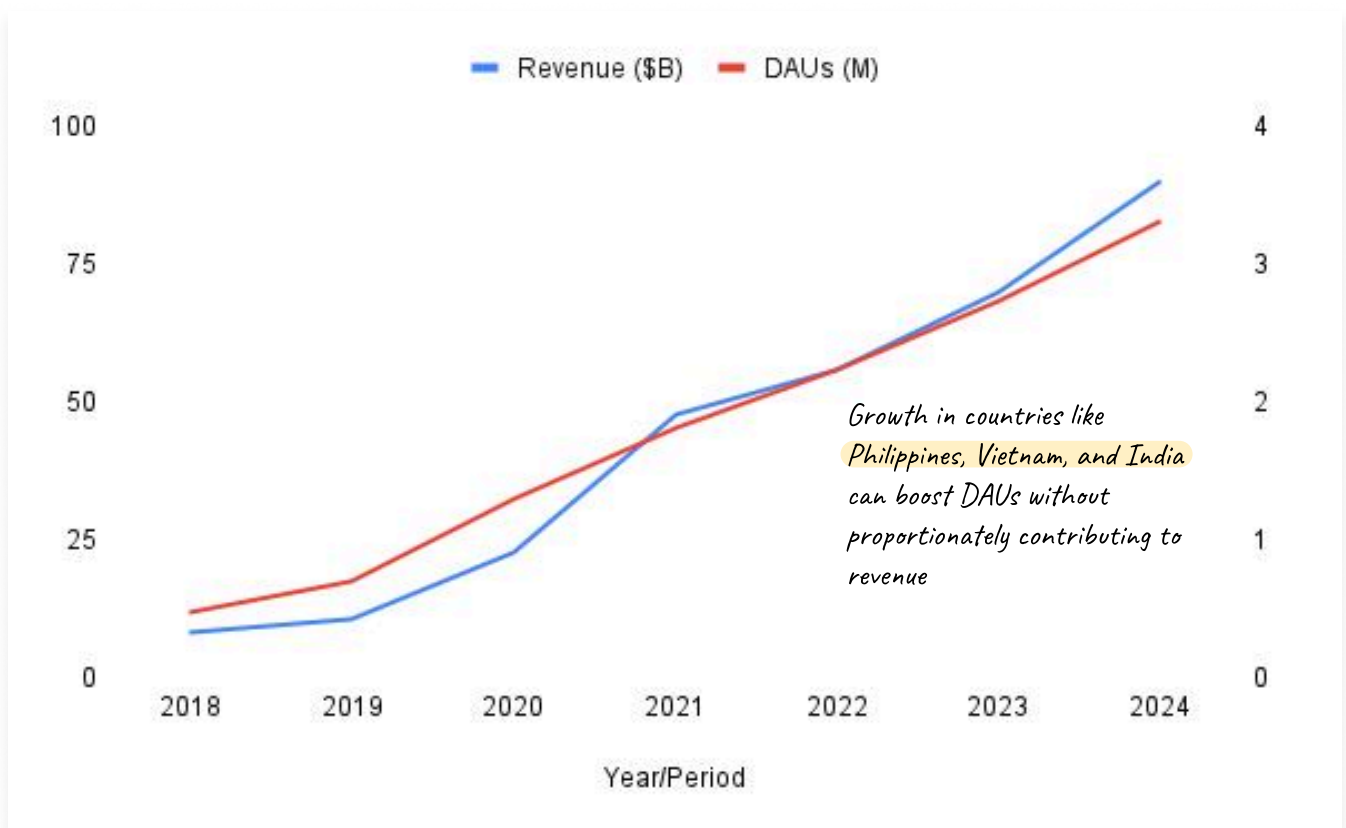
Gucci Town on Roblox

- Creator Licensing Platform (2025): Enabled devs to use IP from Netflix, Lionsgate, Sega, Kodansha, legitimizing mature content (e.g. Squid Game, Saw).
- Real Commerce (2024): Roblox tested allowing real purchases in E.L.F. Cosmetic's immersive experience. Users could purchase real products through a purchase integration with walmart.

Shift 2: Expansion Beyond North America

Since its launch, Roblox has grown into a global platform, though monetization remains concentrated in North America. In 2024, the United States alone accounted for 59% of revenue, with the broader U.S. and Canada region contributing 63% in total. Europe provided 18%, Asia-Pacific 11%, and the “Rest of World” 8%. This marks gradual diversification from 2022, when U.S. and Canada together made up 66% of revenue, with Asia-Pacific notably increasing its share from 8% to 11%.

However, despite international growth, the U.S. and Canada remain Roblox’s most lucrative markets. In the latest quarter, the region had average quarterly bookings per DAU of \$34.36 - about 285% higher than Europe, and dramatically above Asia (\$5) and Rest of World (\$3.84). Together, the U.S., Canada, and Europe still generate roughly 82% of bookings, but Roblox is actively entering new markets: Asia and Rest of World now account for 53% of Roblox’s DAUs, underscoring the growing importance of these regions for user growth even as monetization lags behind.



Revenue and DAU growth as Roblox expands beyond the U.S.

Potential Emerging Gaming Markets for Roblox

	Country	# Gamers	Avg Annual Spend Per User	Potential
	Japan	74 Million	\$249	72% of Japanese gamers use consoles, 64% are mobile-first - indicating a strong multi-platform culture where Roblox can expand both on mobile and console fronts. - The gamer demographic leans older (17+), aligning well with Roblox's push to age up its content. - Roblox has already formed a strategic partnership with Dentsu to launch immersive fashion experiences in Japan - a step toward localizing brand content and resonating with Japanese youth culture. - Additionally, Roblox can tap into gacha mechanics and blind-box models - extremely familiar and popular in Japan - to introduce monetization schemes that feel native. - Headwind: Japanese gamers favor story-driven RPGs, often with anime-inspired art styles, which may be too different from Roblox's UGC.
	South Korea	34 Million	\$226	- South Korea is a mobile-first gaming market: with 53% of gaming taking place on mobile devices. 70% of South Korea's Gamers are 21-50 years old, which aligns with Roblox's ageing up strategy. - South Korean gaming is social and competitive. The success of Zepeto (400mn users, 20mn DAUs) serves as proof of concept for Roblox. - Tech savviness and growing interest in AR/VR coupled with high average annual spending indicates strong scope for monetization beyond in-app purchases.
	Indonesia	148 Million	\$12	83% of Indonesian gamers are mobile-first. 50% of gamers fall in the age range 24-25, aligning with Roblox's aging up strategy - Popular games include Multiplayer Online Battle Arena (MOBA) and First-Person Shooter (FPS) games are the most popular. - Indonesia also has a growing esports culture. Competitive events with cash prizes would attract its young audiences. - Headwind: The Indonesian government has taken very specific measures to ensure children's online safety, like the IGRS - a rating system specifically for gaming. Roblox has recently had to review its content to meet these standards. - Monetization is largely through small ticket In App Purchases, making it less attractive than more affluent Asian markets.

Potential Emerging Gaming Markets for Roblox

Country	# Gamers	Avg Annual Spend Per User	Potential
	India	400 Million	\$4
- Gaming in India has picked up over the last decade as the result of smartphone availability and affordable data. 85% of Indian gamers are mobile-first. 50-70% of India's gamers fall in the 18-35 age group, aligning with Roblox's strategic shift. - Indian gamers are split between casual gaming like Ludo (a popular board game), fantasy sports (Dream11) and Battle Royale games (Free Fire, BGMI). - India has a large, English speaking, tech-enabled population of college-goers, making it a fertile ground for game developers. Roblox could tap into this audience through esports events, hackathons and coding competitions. - Headwinds: The Indian government has grown increasingly attentive to the gaming industry over the last 5 years, initially imposing a high tax on earnings and now banning real-money gaming all-together. This could slow down growth and innovation in gaming. - Indian users are used to paying "Recharges" or micro-transactions (Low ARPU) making the market difficult to monetise.			
	China	681 Million	\$65
- China is the world's largest gaming market, dominated by mobile-first play and sophisticated free-to-play ecosystems. - The demographic skews toward teens and young adults, but strict playtime limits for minors mean most monetisation comes from older users, aligning with Roblox's ageing-up strategy. - Popular genres include MMORPGs, competitive shooters, anime-inspired RPGs, and sandbox builders, with strong demand for branded IP. - With higher ARPU than India and deep cultural interest in UGC, China offers massive upside, but only if Roblox secures regulatory approvals and adapts to local norms. - Headwind: Roblox's previous China pilot was paused due to licensing and content restrictions, highlighting the need for a strong local partner and compliance with censorship rules. While LuoBu (Roblox in China) did partner with Tencent, it is very likely that the local giant will build its own version of the metaverse if it sees value.			

Potential Emerging Gaming Markets for Roblox

	Country	# Gamers	Avg Annual Spend Per User	Potential
	Germany	38 Million	\$206	• 52% of German gamers are mobile-first, but consoles are equally popular. • The player base skews older than most other countries with an average age of 39.5%. This comes with high expectations for polish, stability, and high-quality content. • Genres like strategy, simulation, and RPGs are popular, and there is an appetite for user-generated and modded content. • With high ARPU and openness to subscriptions, IAP, and premium models, Roblox can thrive if it localises well and emphasises safety. The government is strict about privacy and safety ratings, but also promotes gaming through funding. • Germany is gaming hub in Europe, with events like Gamescom setting trends continent wide. Growth in Germany could also result in interest from other countries. • Headwind: Strict youth-protection and ratings rules, GDPR compliance, and sensitivity to violent content make regulatory adherence critical.
	Brazil	108 Million	\$20	• Brazil already has a growing Roblox user base, which doubled between 2020-24. • While exact device-use figures vary, Brazil is widely considered a mobile-first gaming market. • Popular genres include battle royales, football/soccer titles, and casual party games, with strong crossover into YouTube and TikTok culture. • The country has a growing ecosystem of indie developers and an active tabletop gaming community, reflecting diverse gaming interests. • Challenges remain around payment friction, currency volatility, and historically low ARPU, though the rise of local payment systems like Pix and boleto has eased access and improved monetization prospects.
	Russia	80 Million	\$25	• Russia has a large PC and mobile gaming culture and strong adoption of free-to-play models. • Despite this, geopolitical tensions, sanctions, and payment rail disruptions have led to market shrinkage and rising piracy. • Domestic platforms like VK Play are filling the gap left by global firms, creating additional competitive hurdles. • Headwind: Monetization is weak due to blocked app stores, limited payment methods, and currency instability.

Roblox's Market Penetration & Strategic Focus

Roblox's presence today spans much of North America and parts of Europe, but its most ambitious expansions are now in Asia, Latin America, and other fast-growth markets. In markets like Japan and South Korea, Roblox is already beginning to court creators, host branded events, and localize content - making inroads beyond its historic "kids' game" identity.



My FIRST Roblox Japan Vlog
1.1M views · 1 year ago

Socksfor3

Roblox and Geekout, a game development studio specialising in Roblox games, organised an influencer meet up bringing together vloggers from around the world in Tokyo



ROBLOX invited US TO JAPAN!! Food, and Exploring Tokyo!

MEGAN 9.4K views · 1 year ago

Stay Peachy - Shop: <https://staypeachy.com/> ROBLOX invited US TO JAPAN!! Food, and Exploring Tokyo! in todays vlog we are exploring Tokyo, Japan!! Thank you so much to GeekOut and Roblox...

In Brazil and Indonesia, Roblox is doubling down on mobile-first strategies, creator incentives, and localized payment improvements (Pix, boleto, local wallets) to convert sheer user scale into long-term revenue. Roblox is also actively working with governments to comply with local rating systems and safety requirements.

Looking ahead, the clearest bets are in Japan, Korea, Brazil, and Indonesia, where Roblox has at least partial footing and meaningful tailwinds. China remains the most tantalising prize, (high volume of gamers, tech-savvy users and high spends on gaming) but only if Roblox secures deep regulatory partnerships and local infrastructure. Russia is on pause given current geopolitical and market risks.

In sum, Roblox is evolving from "where it is" to "where it must be": markets with large gamer populations, increasing spending power, and a cultural openness to UGC-driven platforms. Over the next 3–5 years, its success will hinge on tailoring monetization models to local dynamics—whether through payments innovation in Brazil, safety and regulation in Europe, or IP and brand partnerships in Asia.

What excites me most is the stage that follows once Roblox establishes itself in these geographies: the opportunity to move beyond gaming and into a broader metaverse ecosystem. At that point, Roblox can become not only a platform for play but also a cultural hub where young people co-work, attend concerts, meet celebrities, and participate in movements that shape their generation.