UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2025
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to
Commission File Number: 001-38211

Roku, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**26-2087865**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

1173 Coleman Avenue
San Jose, California 95110
(Address of principal executive offices including zip code)

Registrant's telephone number, including area code: (408) 556-9040

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class:	Trading Symbol(s):	Name of Exchange on Which Registered:
Class A Common Stock, $0.0001 par value	ROKU	The Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of September 30, 2025, the registrant had 130,797,707 shares of Class A common stock, $0.0001 par value per share, and 16,954,064 shares of Class B common stock, $0.0001 par value per share, outstanding.

Table of Contents

GLOSSARY OF SELECTED TERMS

As used in this Quarterly Report on Form 10-Q ("Quarterly Report"), unless the context otherwise requires, references to the following terms have the respective meaning as defined below.

Ad-supported Video on Demand (AVOD): Streaming content supported by advertising that does not charge a fee to the viewer.

Apps: Primarily refers to the direct-to-consumer streaming applications on the Roku platform (e.g., The Roku Channel or Netflix). We also use "apps" to refer to mobile applications (such as our Roku Smart Home app).

Average Revenue per User (ARPU): Platform revenue for the trailing four quarters divided by the average of the number of Streaming Households at the end of the current period and the end of the corresponding period in the prior year.

Demand-side platform (DSP): Programmatic advertising technology that allows advertisers and advertising agencies to buy advertising inventory across multiple platforms and publishers through one interface.

FAST: Free, ad-supported linear streaming TV, which does not include on-demand content.

Licensed Roku TV partners: TV original equipment manufacturers ("OEMs") that license the Roku TV OS and leverage our smart TV reference designs to build TVs.

Linear TV: A TV format that provides programming at specifically scheduled times.

Premium Subscriptions: Subscription-based streaming services from content partners (e.g., Paramount) offered through The Roku Channel.

Roku-branded TVs: TVs powered by the Roku TV OS that are designed, made, and sold by Roku. Roku-branded TVs include the Roku Select, Roku Plus, and Roku Pro Series TVs.

Roku Experience: The user experience on the Roku platform, representing all the features that Roku builds and operates to engage, delight, and help our viewers easily find great entertainment.

Roku Home Screen: The first screen the viewer sees when they begin streaming with a Roku streaming device. The viewer is also returned to the Roku Home Screen by pressing the home button on the Roku remote or when exiting apps.

Roku Home Screen Menu: The left-hand navigation bar on the Roku Home Screen.

Roku Originals: Original content programming created by Roku.

Roku TV OS (or Roku platform): Roku operating system that is purpose built for TV and powers Roku streaming devices.

Roku TV models: TVs powered by the Roku TV OS that are made and sold by our licensed Roku TV partners.

Supply-side platform (SSP): Programmatic advertising technology that enables publishers to sell their advertising inventory to multiple demand sources.

Streaming: The distribution of video, music, or other media content via the internet.

Streaming device: Any device that enables streaming. **Roku streaming devices** include Roku streaming players, Roku TV models, and Roku-branded TVs.

Streaming Hours: The aggregate amount of time streaming devices stream content on Roku's streaming platform in a given period. See Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations, Key Performance Metrics and Non-GAAP Measures, elsewhere in this Quarterly Report for additional detail.

Streaming Households: The number of distinct user accounts that have streamed on our platform within the last 30 days of the period.

Streaming platform: The technology that delivers the viewer experience and streaming apps (e.g., The Roku Channel and Netflix) over an internet connection to a user's TV.

Streaming players: A device that connects to a TV via an HDMI connection to enable streaming to the TV (such as the Roku Express, Roku Express 4K, Roku Streaming Stick 4K, Roku Ultra, Roku Streambar, and Roku Streambar Pro).

Smart TV: A television that is connected to the internet through an operating system (e.g., the Roku TV OS).

Subscription Video on Demand (SVOD): Streaming content that is available on demand, requires a paid subscription, and can be ad-supported or ad-free.

TV streaming: The act of streaming content over the internet on a TV.

The Roku Channel: A Roku owned and operated streaming service. The Roku Channel aggregates three types of content—AVOD, FAST, and Premium Subscriptions—within The Roku Channel app and through viewing experiences integrated throughout the Roku platform (e.g., Live TV on the Roku Home Screen Menu).

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended ("Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act"), about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts in this Quarterly Report, including statements regarding our future results of operations and financial condition, business strategy, and plans and objectives of management for future operations, are forward-looking statements. In some cases, forward-looking statements may be identified by words such as "aim," "anticipate," "believe," "continue," "could," "design," "developing," "estimate," "expect," "intend," "may," "plan," "potentially," "predict," "project," "seek," "should," "will," "would," "target," or the negative of these terms or other similar expressions. We caution you that the foregoing may not encompass all of the forward-looking statements made in this Quarterly Report.

Forward-looking statements are based on our management's beliefs and assumptions and on information currently available. These forward-looking statements are subject to a number of known and unknown risks, uncertainties, and assumptions, including risks described in the section titled "Risk Factors" and elsewhere in this Quarterly Report, regarding, among other things:

- *our financial performance, including our revenue, cost of revenue, operating expenses, profitability, and key performance metrics;*
- *the impact of macroeconomic conditions and uncertainties, such as tariffs, inflation, and geopolitical conflicts, on our business, operations, and the markets and communities in which we and our advertisers, content partners, licensed Roku TV partners, other device licensees, manufacturers, suppliers, retailers, and viewers operate;*
- *our ability to attract and retain viewers and increase Streaming Hours;*
- *our ability to attract and retain advertisers to purchase advertising on our streaming platform;*
- *our ability to attract and retain TV brands and manufacturing partners to license and deploy our technology;*
- *our ability to produce or acquire rights to distribute popular content on our streaming platform on favorable terms, or at all, including the renewals of our existing agreements with content partners;*
- *changes in TV viewing habits and the growth of TV streaming;*
- *the growth of our relevant markets, including the growth in advertising spend on TV streaming platforms, and our ability to successfully grow our business in those markets;*
- *our ability to adapt to changing market conditions and technological developments;*
- *our ability to develop and launch new products and provide ancillary services and support;*
- *our ability to integrate and realize the anticipated benefits of acquired businesses, products, and technologies;*
- *our ability to expand our products and services into adjacent markets, scale our operations in these markets, and do so profitably over time;*
- *our ability to compete effectively with existing competitors and new market entrants;*
- *our ability to successfully manage domestic and international expansion;*
- *our ability to attract and retain qualified employees and key personnel;*
- *our ability to address potential and actual cybersecurity incidents and system failures involving our products, systems, and operations;*
- *our ability to maintain, protect, and enhance our intellectual property;*
- *our ability to obtain financing on favorable terms, or at all;*
- *our ability to repurchase shares of our common stock;*
- *our ability to manage the selling prices of our products to increase Streaming Households; and*
- *our ability to comply with laws and regulations that currently apply or may become applicable to our business both in the United States and internationally, including compliance with privacy and data protection regulations.*

Other sections of this Quarterly Report may include additional factors that could harm our business and financial performance. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time, and it is not possible for our management to predict all risk factors nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ from those contained in, or implied by, any forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. We cannot assure you that the events and circumstances reflected in the forward-looking statements will be achieved or occur. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. Except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason after the date of this Quarterly Report or to conform these statements to actual results or to changes in our expectations. You should read this Quarterly Report, and the documents referenced in and filed as exhibits to this Quarterly Report, with the understanding that our actual future results, levels of activity, performance, and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

Investors and others should note that we may announce material business and financial information to our investors using our investor relations website (roku.com/investor), our blog (roku.com/blog), U.S. Securities and Exchange Commission ("SEC") filings, webcasts, press releases, and conference calls. We use these mediums to communicate with investors and the general public about our company, our products and services, and other issues. It is possible that the information that we make available may be deemed to be material information. We therefore encourage investors, the media, and others interested in our company to review the information that we post on our investor relations website. Roku, the Roku logo, and other trade names, trademarks, or service marks of Roku appearing in this report are the property of Roku. Trade names, trademarks, and service marks of other companies appearing in this report are the property of their respective holders. Information contained on or accessible through the websites listed above is not incorporated by reference nor otherwise included in this Quarterly Report, and any references to these websites are intended to be inactive textual references only.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

ROKU, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except par value data)
(unaudited)

	As of	
	September 30, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 1,575,491	$ 2,160,236
Short-term investments	726,875	—
Accounts receivable, net of allowances of $60,345 and $72,657 as of September 30, 2025 and December 31, 2024, respectively	745,405	812,510
Inventories	140,682	158,271
Prepaid expenses and other current assets	140,239	103,146
Total current assets	3,328,692	3,234,163
Property and equipment, net	182,809	213,690
Operating lease right-of-use assets	272,877	304,505
Content assets, net	175,126	237,321
Intangible assets, net	56,540	27,501
Goodwill	309,406	161,519
Other non-current assets	71,835	125,234
Total Assets	$ 4,397,285	$ 4,303,933
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 159,455	$ 273,985
Accrued liabilities	933,717	852,799
Deferred revenue, current portion	122,309	105,718
Total current liabilities	1,215,481	1,232,502
Deferred revenue, non-current portion	28,046	25,050
Operating lease liability, non-current portion	457,405	512,706
Other long-term liabilities	71,267	40,938
Total Liabilities	1,772,199	1,811,196
Commitments and contingencies (Note 13)		
Stockholders' Equity:		
Common stock, $0.0001 par value	15	15
Additional paid-in capital	4,092,846	3,921,432
Accumulated other comprehensive income (loss)	1,314	(1,737)
Accumulated deficit	(1,469,089)	(1,426,973)
Total stockholders' equity	2,625,086	2,492,737
Total Liabilities and Stockholders' Equity	$ 4,397,285	$ 4,303,933

See accompanying Notes to Condensed Consolidated Financial Statements.

ROKU, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Net revenue:				
Platform	$ 1,064,644	$ 908,175	$ 2,920,932	$ 2,487,443
Devices	145,994	154,028	421,416	424,408
Total net revenue	1,210,638	1,062,203	3,342,348	2,911,851
Cost of revenue:				
Platform	516,869	416,396	1,411,170	1,161,416
Devices	168,870	165,732	463,576	457,369
Total cost of revenue	685,739	582,128	1,874,746	1,618,785
Gross profit (loss):				
Platform	547,775	491,779	1,509,762	1,326,027
Devices	(22,876)	(11,704)	(42,160)	(32,961)
Total gross profit	524,899	480,075	1,467,602	1,293,066
Operating expenses:				
Research and development	182,235	178,798	544,831	534,738
Sales and marketing	242,077	237,047	709,026	660,827
General and administrative	91,121	99,993	285,342	276,543
Total operating expenses	515,433	515,838	1,539,199	1,472,108
Income (loss) from operations	9,466	(35,763)	(71,597)	(179,042)
Other income, net:				
Interest expense	(455)	—	(1,348)	—
Other income, net	29,019	30,880	75,134	84,955
Total other income, net	28,564	30,880	73,786	84,955
Income (loss) before income taxes	38,030	(4,883)	2,189	(94,087)
Income tax expense (benefit)	13,218	4,147	(5,695)	(249)
Net income (loss)	$ 24,812	$ (9,030)	$ 7,884	$ (93,838)
Net income (loss) per share — basic	$ 0.17	$ (0.06)	$ 0.05	$ (0.65)
Net income (loss) per share — diluted	$ 0.16	$ (0.06)	$ 0.05	$ (0.65)
Weighted-average common shares outstanding — basic	147,466	144,862	146,855	144,319
Weighted-average common shares outstanding — diluted	151,580	144,862	150,449	144,319

See accompanying Notes to Condensed Consolidated Financial Statements.

ROKU, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)
(unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Net income (loss)	$ 24,812	$ (9,030)	$ 7,884	$ (93,838)
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustment	(120)	614	3,051	(206)
Comprehensive income (loss)	$ 24,692	$ (8,416)	$ 10,935	$ (94,044)

See accompanying Notes to Condensed Consolidated Financial Statements.

ROKU, INC.

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands)
(unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
Three Months Ended September 30, 2025	Shares	Amount				
Balance—June 30, 2025	147,331	$ 15	$ 4,033,004	$ 1,434	$ (1,443,901)	$ 2,590,552
Issuance of common stock pursuant to equity incentive plans	1,443	—	15,374	—	—	15,374
Stock-based compensation expense	—	—	88,031	—	—	88,031
Shares withheld for taxes related to net share settlement of equity awards	(455)	—	(43,563)	—	—	(43,563)
Repurchases and retirement of common stock	(568)	—	—	—	(50,000)	(50,000)
Foreign currency translation adjustment	—	—	—	(120)	—	(120)
Net income	—	—	—	—	24,812	24,812
Balance—September 30, 2025	147,751	$ 15	$ 4,092,846	$ 1,314	$ (1,469,089)	$ 2,625,086
Nine Months Ended September 30, 2025						
Balance—December 31, 2024	145,910	$ 15	$ 3,921,432	$ (1,737)	$ (1,426,973)	$ 2,492,737
Issuance of common stock pursuant to equity incentive plans	3,795	—	18,320	—	—	18,320
Stock-based compensation expense	—	—	268,165	—	—	268,165
Shares withheld for taxes related to net share settlement of equity awards	(1,386)	—	(115,071)	—	—	(115,071)
Repurchases and retirement of common stock	(568)	—	—	—	(50,000)	(50,000)
Foreign currency translation adjustment	—	—	—	3,051	—	3,051
Net income	—	—	—	—	7,884	7,884
Balance—September 30, 2025	147,751	$ 15	$ 4,092,846	$ 1,314	$ (1,469,089)	$ 2,625,086

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
Three Months Ended September 30, 2024	Shares	Amount				
Balance—June 30, 2024	144,689	$ 14	$ 3,773,831	$ (661)	$ (1,382,395)	$ 2,390,789
Issuance of common stock pursuant to equity incentive plans	852	1	301	—	—	302
Stock-based compensation expense	—	—	100,096	—	—	100,096
Shares withheld for taxes related to net share settlement of equity awards	(342)	—	(22,261)	—	—	(22,261)
Foreign currency translation adjustment	—	—	—	614	—	614
Net loss	—	—	—	—	(9,030)	(9,030)
Balance—September 30, 2024	145,199	$ 15	$ 3,851,967	$ (47)	$ (1,391,425)	$ 2,460,510
Nine Months Ended September 30, 2024						
Balance—December 31, 2023	143,502	$ 14	$ 3,623,747	$ 159	$ (1,297,587)	$ 2,326,333
Issuance of common stock pursuant to equity incentive plans	2,724	1	8,980	—	—	8,981
Stock-based compensation expense	—	—	283,124	—	—	283,124
Shares withheld for taxes related to net share settlement of equity awards	(1,027)	—	(63,884)	—	—	(63,884)
Foreign currency translation adjustment	—	—	—	(206)	—	(206)
Net loss	—	—	—	—	(93,838)	(93,838)
Balance—September 30, 2024	145,199	$ 15	$ 3,851,967	$ (47)	$ (1,391,425)	$ 2,460,510

See accompanying Notes to Condensed Consolidated Financial Statements.

ROKU, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Nine Months Ended	
	September 30, 2025	September 30, 2024
Cash flows from operating activities:		
Net income (loss)	$ 7,884	$ (93,838)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	51,514	47,629
Stock-based compensation expense	268,165	283,124
Amortization of right-of-use assets	36,231	35,674
Amortization and write-off of content assets	153,608	158,892
Foreign currency remeasurement losses	196	674
Change in fair value of strategic investment in convertible promissory notes	324	(6,978)
Change in fair value of contingent consideration	1,394	—
Impairment of assets	2,870	29,118
Provision for doubtful accounts	2,252	2,081
Other items, net	(1,952)	(2,224)
Changes in operating assets and liabilities:		
Accounts receivable	71,033	83,828
Inventories	17,589	(99,084)
Prepaid expenses and other current assets	(1,041)	(40,952)
Content assets and liabilities, net	(123,461)	(141,345)
Other non-current assets	6,859	(19,996)
Accounts payable	(120,826)	(57,937)
Accrued liabilities	75,615	14,044
Operating lease liabilities	(60,338)	(45,766)
Other long-term liabilities	(7,456)	1,866
Deferred revenue	(4,392)	(10,057)
Net cash provided by operating activities	376,068	138,753
Cash flows from investing activities:		
Purchases of property and equipment	(4,189)	(2,603)
Purchase of business, net of cash acquired	(95,090)	—
Purchases of strategic investments	(7,000)	(20,000)
Purchases of short-term investments	(725,000)	—
Repayment of convertible promissory note	10,000	—
Net cash used in investing activities	(821,279)	(22,603)
Cash flows from financing activities:		
Issuance costs related to credit agreement	—	(1,829)
Proceeds from equity issued under incentive plans	18,320	8,981
Taxes paid related to net share settlement of equity awards	(115,071)	(63,884)
Repurchases of common stock	(50,000)	—
Net cash used in financing activities	(146,751)	(56,732)
Net increase (decrease) in cash, cash equivalents and restricted cash	(591,962)	59,418
Effect of exchange rate changes on cash, cash equivalents and restricted cash	6,814	2,774
Cash, cash equivalents and restricted cash—beginning of period	2,160,639	2,066,604
Cash, cash equivalents and restricted cash—end of period	$ 1,575,491	$ 2,128,796

	Nine Months Ended	
	September 30, 2025	September 30, 2024
Cash, cash equivalents and restricted cash at end of period:		
Cash and cash equivalents	$ 1,575,491	$ 2,126,974
Restricted cash, current	—	1,822
Cash, cash equivalents and restricted cash—end of period	$ 1,575,491	$ 2,128,796
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 693	$ 106
Cash paid for income taxes	$ 12,523	$ 13,235
Supplemental disclosures of non-cash investing and financing activities:		
Non-cash contingent consideration for business combination	$ 65,815	$ —
Unpaid portion of property and equipment purchases	$ 71	$ 169

See accompanying Notes to Condensed Consolidated Financial Statements.

ROKU, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. THE COMPANY

Organization and Description of Business

Roku, Inc. (the "Company" or "Roku"), was formed in October 2002 as Roku LLC under the laws of the State of Delaware. On February 1, 2008, Roku LLC was converted into Roku, Inc., a Delaware corporation. The Company operates in two reportable segments and generates platform revenue from the sale of digital advertising (including direct and programmatic video advertising, ads integrated into the Company's user interface, and related services) and streaming services distribution (including subscription and transaction revenue shares, the sale of Premium Subscriptions, the sale of owned and operated subscription services, and the sale of branded app buttons on remote controls). The Company generates devices revenue from the sale of streaming players, Roku-branded TVs, smart home products and services, audio products, and related accessories.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The condensed consolidated financial statements, which include the accounts of Roku and its wholly-owned subsidiaries, have been prepared in conformity with accounting principles generally accepted in the United States ("U.S. GAAP") and applicable rules and regulations of the Securities and Exchange Commission (the "SEC") regarding interim financial reporting. Certain information and note disclosures normally included in the financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on February 14, 2025 (the "Annual Report").

The condensed consolidated balance sheet as of December 31, 2024 has been derived from the audited consolidated financial statements as of that date but does not include all of the information and footnotes included in the Company's Annual Report. The interim financial information is unaudited, but reflects all normal recurring adjustments that are, in the opinion of management, necessary to fairly present the information set forth herein. The results of operations for the three and nine months ended September 30, 2025 are not necessarily indicative of the operating results to be expected for the full year or any future periods.

All intercompany accounts and transactions have been eliminated in consolidation. Certain prior period amounts reported in our condensed consolidated financial statements and accompanying notes have been reclassified to conform to the current period presentation.

Use of Estimates

The preparation of the Company's condensed consolidated financial statements in accordance with U.S. GAAP requires management to make certain estimates, judgments, and assumptions that affect the reported amounts of assets, liabilities, net revenue, and expenses. Significant items subject to such estimates and assumptions include:

- revenue recognition: determining the nature and timing of satisfaction of performance obligations, variable consideration, determining the stand-alone selling prices of performance obligations, gross versus net revenue recognition, and evaluation of customer versus vendor relationships;
- amortization and impairment of content assets;
- the impairment of long-lived assets;
- inventory reserves;
- valuation of consideration transferred, assets acquired, and liabilities assumed in connection with business combinations (see Note 4);
- valuation of strategic investments (see Note 9);
- useful lives of tangible and intangible assets;
- allowances for sales returns and sales incentives; and
- the valuation of deferred income tax assets.

The Company bases its estimates on historical experience and on various other assumptions that the Company believes to be reasonable under the circumstances. Actual results may differ from the Company's estimates and assumptions.

Cash and Cash Equivalents and Restricted Cash

The Company considers all highly liquid investments purchased with an original maturity of three months or less at the date of purchase to be cash equivalents. Cash and cash equivalents consist primarily of bank deposit accounts and investments in money market funds.

The Company's restricted cash balance is included in Prepaid expenses and other current assets in the condensed consolidated balance sheets and is used to secure outstanding letters of credit related to operating leases for office facilities.

The Company maintains its cash, cash equivalent, and restricted cash balances with financial institutions of high credit quality and continuously monitors the amount of exposure to any one institution and diversifies as necessary in order to minimize its concentration risk. Such balances often exceed regulated insured limits.

Short-term Investments

Short-term investments consist of time deposits that are carried at cost plus accrued interest, which approximates fair value, and have original maturities of greater than three months at the date of purchase. Interest is recorded as income when earned.

Accounts Receivable, Net

Accounts receivable are typically unsecured and are derived from revenue earned from customers. They are stated at invoice value less estimated allowances for sales returns, sales incentives, doubtful accounts, and other miscellaneous allowances. The Company performs ongoing credit evaluations of its customers to determine allowances for potential credit losses and doubtful accounts. The Company considers historical experience, ongoing promotional activities, historical claim rates, and other factors to determine the allowances for sales returns and sales incentives.

Allowance for Sales Returns: Allowance for sales returns consisted of the following activities (in thousands):

	Three Months Ended		Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Beginning balance	$ 5,617	$ 6,376	$ 6,427	$ 7,808
Add: Charged to revenue	2,657	3,733	11,575	12,307
Less: Utilization of sales return reserve	(4,145)	(4,039)	(13,873)	(14,045)
Ending balance	$ 4,129	$ 6,070	$ 4,129	$ 6,070

Allowance for Sales Incentives: Allowance for sales incentives consisted of the following activities (in thousands):

	Three Months Ended		Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Beginning balance	$ 42,514	$ 26,641	$ 63,367	$ 23,024
Add: Charged to revenue	50,187	37,622	143,321	93,655
Less: Utilization of sales incentive reserve	(41,117)	(36,292)	(155,104)	(88,708)
Ending balance	$ 51,584	$ 27,971	$ 51,584	$ 27,971

Allowance for Doubtful Accounts: Allowance for doubtful accounts consisted of the following activities (in thousands):

	Three Months Ended		Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Beginning balance	$ 2,656	$ 5,869	$ 1,895	$ 2,213
Provision for (recoveries of) doubtful accounts	838	(2,263)	2,252	2,081
Adjustments for write-off	(21)	(323)	(674)	(1,011)
Ending balance	$ 3,473	$ 3,283	$ 3,473	$ 3,283

Customers J and L accounted for 13% and 10%, respectively, of the Company's accounts receivable, net balance as of September 30, 2025. Customers J and B accounted for 12% and 10%, respectively, of the Company's accounts receivable, net balance as of December 31, 2024.

Inventories

The Company's inventories consist primarily of finished goods and are stated at the lower of cost or net realizable value with cost determined on a first-in, first-out basis. Provisions are made if the cost of the inventories exceeds their net realizable value. The Company evaluates inventory levels for excess and obsolete products, based on its assessment of future demand and market conditions. During the three months ended September 30, 2025, the Company recognized an inventory provision of $17.0 million charged to Cost of revenue, devices. The inventory provision was not significant for the three months ended September 30, 2024. During the nine months ended September 30, 2025 and 2024, the Company recognized inventory provisions of $27.4 million and $1.2 million, respectively, charged to Cost of revenue, devices. As of September 30, 2025 and December 31, 2024, the ending inventory reserve was $19.3 million and $28.7 million, respectively.

In addition, the Company records a liability for expected losses on firm, noncancelable, and unconditional purchase commitments with contract manufacturers and suppliers. During the three months ended September 30, 2025 and 2024, the Company recorded losses on purchase commitments in Cost of revenue, devices of $0.4 million and $10.4 million, respectively. During the nine months ended September 30, 2025 and 2024, the Company recorded losses on purchase commitments in Cost of revenue, devices of $0.7 million and $31.7 million, respectively. The associated liabilities related to the anticipated losses on firm purchase commitments were immaterial as of September 30, 2025 and December 31, 2024.

Business Combinations

The Company determines whether a transaction meets the definition of a business combination before applying the acquisition method of accounting to that transaction. The Company recognizes and measures tangible and intangible assets acquired and liabilities assumed based on their acquisition date fair values. The excess of the fair value of purchase consideration over the fair values of identifiable assets and liabilities is recorded as goodwill. The operating results of acquired businesses are included in the Company's condensed consolidated statements of operations from their acquisition date. Acquisition-related expenses and certain acquisition restructuring and other related charges are recognized separately from the business combination and are expensed as incurred. Contingent consideration classified as a liability is recognized at fair value as of the acquisition date with subsequent fair value adjustments recorded in the condensed consolidated statements of operations.

While the Company uses its best estimates and assumptions to accurately value assets acquired and liabilities assumed at the acquisition date, such estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, the Company may record adjustments to consideration transferred, and to the assets acquired and liabilities assumed with the corresponding offset to goodwill. In addition, uncertain tax positions and tax-related valuation allowances are initially recorded in connection with a business combination as of the acquisition date. The Company continues to collect information and reevaluates these estimates and assumptions throughout the measurement period, recording any adjustments to the Company's preliminary estimates with a corresponding offset to goodwill as necessary. Upon the conclusion of the measurement period or the final determination of the values of consideration transferred, and assets acquired and liabilities assumed, whichever comes first, any subsequent adjustments are recorded to the condensed consolidated statements of operations.

Recent Accounting Pronouncements

In September 2025, the Financial Accounting Standards Board ("FASB") issued ASU 2025-06, *Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*, which simplifies the capitalization guidance by removing all references to software development project stages so that the guidance is neutral to different software development methods. The guidance is effective for fiscal years beginning after December 15, 2027 and interim periods within those fiscal years on a retrospective, modified, or prospective basis. The Company is currently in the process of evaluating the effects of the new guidance.

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*, which introduces a practical expedient for the application of the current expected credit loss model to current accounts receivable and contract assets. The guidance is effective for fiscal years beginning after December 15, 2025 and interim periods within those fiscal years on a prospective basis. The Company is currently in the process of evaluating the effects of the new guidance.

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40) - Disaggregation of Income Statement Expenses*, which requires additional disclosures of specific expense categories in the notes to the financial statements on an annual and interim basis. The guidance is effective for fiscal years beginning after December 15, 2026 and interim periods within fiscal years beginning after December 15, 2027 on a retrospective or prospective basis. The Company is currently in the process of evaluating the effects of the new guidance.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740) - Improvements to Income Tax Disclosures*, which requires incremental disclosures within the income tax disclosures that increase the transparency and usefulness of income tax disclosures. The updated disclosures primarily require specific categories and greater disaggregation within the rate reconciliation, disaggregation of income taxes paid, and modifications of other income tax-related disclosures. The guidance is effective for annual periods beginning after December 15, 2024. Retrospective application is also permitted. The Company is currently in the process of evaluating the effects of the new guidance.

3. REVENUE

The Company's disaggregated revenue is represented by the two reportable segments discussed in Note 16.

The contract balances include the following (in thousands):

	As of	
	September 30, 2025	December 31, 2024
Accounts receivable, net	$ 745,405	$ 812,510
Contract assets (included in Prepaid expenses and other current assets)	1,593	1,687
Deferred revenue:		
Deferred revenue, current portion	122,309	105,718
Deferred revenue, non-current portion	28,046	25,050
Total deferred revenue	$ 150,355	$ 130,768

Accounts receivable are recorded at the amount invoiced, net of an allowance for sales returns, sales incentives, and doubtful accounts. Payment terms can vary by customer and contract.

The timing of revenue recognition may differ from the timing of invoicing to customers. Contract assets are created when invoicing occurs subsequent to revenue recognition. Contract assets are transferred to accounts receivable when the right to invoice becomes unconditional. The Company's contract assets are current in nature and are included in Prepaid expenses and other current assets.

Deferred revenue reflects consideration invoiced prior to the completion of performance obligations and revenue recognition. Deferred revenue increased by $19.6 million during the nine months ended September 30, 2025 primarily due to the timing of fulfillment of performance obligations related to advertising arrangements, growth in Premium Subscriptions, and a business combination. See Note 4 for additional details.

Revenue recognized during the three and nine months ended September 30, 2025, from amounts included in total deferred revenue as of December 31, 2024, was $13.9 million and $74.1 million, respectively. Revenue recognized during the three and nine months ended September 30, 2024, from amounts included in total deferred revenue as of December 31, 2023, was $10.5 million and $92.8 million, respectively.

Revenue allocated to remaining performance obligations represents estimated contracted revenue that has not yet been recognized, which includes unearned revenue and amounts that will be invoiced and recognized as revenue in future periods. Remaining performance obligations exclude contracts with original expected terms of one year or less. Estimated contracted revenue for these remaining performance obligations was $1.1 billion as of September 30, 2025, of which the Company expects to recognize approximately 54% over the next 12 months and the remainder thereafter.

Revenue recognized from performance obligations that were satisfied in previous periods due to changes in the estimated transaction price of the Company's revenue contracts was not significant during the three and nine months ended September 30, 2025. The Company recognized $12.0 million and $15.8 million of revenue during the three and nine months ended September 30, 2024, respectively, from performance obligations that were satisfied in previous periods due to changes in the estimated transaction price of the Company's revenue contracts.

Customer J accounted for 11% of the Company's total net revenue during the three and nine months ended September 30, 2025, and 11% of the Company's total net revenue during the three months ended September 30, 2024. The Company did not have any customer that individually accounted for 10% or more of its total net revenue during the nine months ended September 30, 2024.

4. BUSINESS COMBINATION

On May 9, 2025 (the "Acquisition Date"), the Company acquired all of the outstanding shares of Frndly TV, Inc. ("Frndly"), a subscription streaming service that offers live TV, on-demand video, and cloud-based DVR for an affordable price. The total purchase consideration (the "Purchase Consideration") was $169.8 million, consisting primarily of cash of $103.6 million and the fair value of contingent consideration of $65.8 million. The acquisition supports the Company's focus on growing Platform revenue and Roku-billed subscriptions.

The Company will pay contingent consideration of up to $75.0 million in cash upon the achievement of certain performance metrics and milestones over the two years following the Acquisition Date. See Note 9 to the condensed consolidated financial statements for details on the fair value of the contingent consideration.

The Company incurred $3.5 million in acquisition-related expenses and has recorded them in General and administrative expenses in the condensed consolidated statements of operations.

The purchase price allocation below is preliminary in nature. The estimates and assumptions regarding the fair value of contingent consideration, certain tangible assets acquired and liabilities assumed, the valuation of intangible assets acquired, income taxes, and goodwill are subject to change as the Company obtains additional information on the facts and circumstances that existed as of the Acquisition Date during the measurement period.

The preliminary allocation of the Purchase Consideration to tangible and intangible assets acquired and liabilities assumed is based on estimated fair values at the Acquisition Date and is as follows (in thousands):

	Fair Values
Assets Acquired	
Cash and cash equivalents	$ 8,481
Accounts receivable	5,610
Prepaid expenses and other assets	432
Operating lease right-of-use asset	640
Intangible assets	46,000
Goodwill	147,887
Total assets acquired	209,050
Liabilities Assumed	
Accounts payable	5,986
Accrued liabilities	9,918
Deferred revenue	16,956
Operating lease liability	358
Deferred tax liability	6,031
Total liabilities assumed	39,249
Total Purchase Consideration	$ 169,801

The excess of the total Purchase Consideration over the tangible assets, intangible assets, and liabilities assumed is recorded as goodwill. Goodwill is primarily attributable to expected synergies and economies of scale expected from combining the operations of Roku and Frndly. The goodwill recorded is not deductible for tax purposes.

The valuation of the intangible assets acquired from Frndly along with their estimated useful lives at the Acquisition Date, is as follows (in thousands, except years):

	Estimated Fair Value	Estimated Weighted-Average Useful Lives (in years)
Customer relationships	$ 32,000	7.3
Tradename	14,000	5.0
Estimated fair value of acquired intangible assets	$ 46,000	6.6

The operations of Frndly are included in the Company's operating results beginning on the Acquisition Date. Historical and pro forma disclosures are not required given the size of Frndly relative to the Company.

5. GOODWILL AND INTANGIBLE ASSETS

Goodwill

Goodwill represents the excess of purchase consideration in a business combination over the fair value of tangible and intangible assets acquired net of the liabilities assumed. All goodwill relates to the platform segment.

The following table reflects the changes in the carrying value of goodwill (in thousands):

	Carrying Value
Balance as of December 31, 2024	$ 161,519
Frndly acquisition (see Note 4)	147,887
Balance as of September 30, 2025	$ 309,406

Intangible Assets

The following tables summarize the Company's intangible assets for the periods presented (in thousands, except years):

	As of September 30, 2025			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted-Average Useful Lives (in years)
Developed technology	$ 73,367	$ (69,753)	$ 3,614	5.9
Customer relationships	46,100	(19,320)	26,780	6.3
Tradename	34,400	(10,632)	23,768	7.9
Patents	4,076	(1,698)	2,378	14.0
Total Intangible assets	$ 157,943	$ (101,403)	$ 56,540	6.7

	As of December 31, 2024			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted-Average Useful Lives (in years)
Developed technology	$ 73,367	$ (60,896)	$ 12,471	5.9
Customer relationships	14,100	(14,100)	—	4.0
Tradename	20,400	(7,966)	12,434	9.8
Patents	4,076	(1,480)	2,596	14.0
Total Intangible assets	$ 111,943	$ (84,442)	$ 27,501	6.7

The Company amortizes the fair value of intangible assets over their estimated useful lives in proportion to the economic benefits received. Amortization expense related to intangible assets was approximately $8.0 million and $3.5 million for the three months ended September 30, 2025 and 2024, respectively, and $17.0 million and $10.7 million for the nine months ended September 30, 2025 and 2024, respectively. The Company recorded amortization of developed technology in Cost of revenue, platform, amortization of customer relationships and tradename in Sales and marketing expenses, and amortization of patents in General and administrative expenses in the condensed consolidated statements of operations for all periods presented.

As of September 30, 2025, the estimated future amortization expense for intangible assets for the next five years and thereafter is as follows (in thousands):

Year Ending December 31,	
2025 (remaining 3 months)	$ 6,333
2026	14,698
2027	10,507
2028	8,419
2029	7,257
Thereafter	9,326
Total	$ 56,540

6. BALANCE SHEET COMPONENTS

Accounts Receivable, net*:* Accounts receivable, net consisted of the following (in thousands):

	As of	
	September 30, 2025	December 31, 2024
Accounts receivable, gross	$ 805,750	$ 885,167
Less: Allowances		
Allowance for sales returns	4,129	6,427
Allowance for sales incentives	51,584	63,367
Allowance for doubtful accounts	3,473	1,895
Other allowances	1,159	968
Total allowances	60,345	72,657
Accounts receivable, net	$ 745,405	$ 812,510

Property and Equipment, net*:* Property and equipment, net consisted of the following (in thousands):

	As of	
	September 30, 2025	December 31, 2024
Computers and equipment	$ 51,996	$ 51,741
Leasehold improvements	287,245	286,585
Internal-use software	5,916	5,916
Office equipment and furniture	36,414	35,691
Property and equipment, gross	381,571	379,933
Less: Accumulated depreciation and amortization	(198,762)	(166,243)
Property and equipment, net	$ 182,809	$ 213,690

Depreciation and amortization expense for property and equipment assets was approximately $11.5 million and $11.8 million for the three months ended September 30, 2025 and 2024, respectively, and $34.6 million and $36.9 million for the nine months ended September 30, 2025 and 2024, respectively.

During the three and nine months ended September 30, 2024, the Company recorded impairment charges of $6.5 million and $7.0 million, respectively, related to property and equipment associated with the leased office facilities that are part of its restructuring efforts. See Note 17 to the condensed consolidated financial statements for additional details. There were no impairment charges related to property and equipment during the three and nine months ended September 30, 2025.

Accrued Liabilities*:* Accrued liabilities consisted of the following (in thousands):

	As of	
	September 30, 2025	December 31, 2024
Revenue share payable	$ 280,845	$ 267,163
Accrued cost of revenue	156,999	149,135
Marketing, retail, and merchandising expenses	104,992	112,001
Operating lease liability, current	86,379	79,221
Content liability, current	45,778	69,710
Other accrued expenses	258,724	175,569
Total Accrued liabilities	$ 933,717	$ 852,799

***Deferred Revenue**:* Deferred revenue consisted of the following (in thousands):

	As of	
	September 30, 2025	December 31, 2024
Platform, current	$ 91,890	$ 75,026
Devices, current	30,419	30,692
Total deferred revenue, current	122,309	105,718
Platform, non-current	2,560	—
Devices, non-current	25,486	25,050
Total deferred revenue, non-current	28,046	25,050
Total Deferred revenue	$ 150,355	$ 130,768

Other Long-term Liabilities: Other Long-term liabilities consisted of the following (in thousands):

	As of	
	September 30, 2025	December 31, 2024
Content liability, non-current	$ 4,202	$ 18,453
Other long-term liabilities	15,392	22,485
Contingent consideration, non-current	51,673	—
Total Other long-term liabilities	$ 71,267	$ 40,938

7. CONTENT ASSETS

Content assets, net consisted of the following (in thousands):

	As of	
	September 30, 2025	December 31, 2024
Licensed content, net and advances	$ 100,905	$ 152,851
Produced content:		
Released, less amortization	66,830	65,990
Completed, not released	7,924	23,267
In production	5,684	7,565
Total produced content, net	80,438	96,822
Total Content assets, net and advances	$ 181,343	$ 249,673
Current portion (included in Prepaid expenses and other current assets)	$ 6,217	$ 12,352
Non-current portion	$ 175,126	$ 237,321

Amortization of content assets is included in Cost of revenue, platform in the condensed consolidated statements of operations and is as follows (in thousands):

	Three Months Ended		Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Licensed content	$ 39,590	$ 40,744	$ 119,768	$ 114,979
Produced content	10,240	10,126	31,065	32,106
Total amortization costs	$ 49,830	$ 50,870	$ 150,833	$ 147,085

During the three and nine months ended September 30, 2025, the Company wrote off $2.8 million of unamortized costs related to produced content assets that were removed from the content library of the Roku Channel. There were no write-offs during the three months ended September 30, 2024. During the nine months ended September 30, 2024, the Company wrote-off $11.8 million of unamortized costs related to produced content assets that were removed from the content library of The Roku Channel.

8. STRATEGIC INVESTMENTS

Investment in Convertible Promissory Notes

In June 2022, the Company agreed to provide financing of up to $60.0 million in the aggregate in the form of an investment in the convertible promissory notes of a counterparty with whom the Company has a commercial relationship. The convertible promissory notes accrue interest at 5% per annum. The Company's investment consisted of four tranches: (i) Tranche 1 and Tranche 2, maturing on June 15, 2025, with a principal amount of $35.0 million and $5.0 million, respectively; (ii) Tranche 3, maturing on March 23, 2026, with a principal amount of $5.0 million; and (iii) Tranche 4, maturing on May 23, 2026, with a principal amount of $5.0 million.

In June 2025, the Company amended the investment agreement, modifying the maturity schedule for Tranche 1. As amended, Tranche 1 is repayable as follows: $5.0 million on June 15, 2025, and three equal installments of $10.0 million each, repayable on December 31, 2025, March 23, 2026, and May 23, 2026, respectively. The maturity terms for Tranches 2, 3, and 4 were not modified by the amendment. Each tranche remains subject to acceleration of repayment upon the occurrence of an event of default. The Company received repayments from the counterparty totaling $10.0 million plus interest, in accordance with the amended repayment schedule for Tranche 1 and for the maturity of Tranche 2.

The convertible promissory notes contain certain redemption features that meet the definition of embedded derivatives and require bifurcation. The Company elected to apply the fair value option and account for the hybrid instrument containing the host contract and the embedded derivatives at fair value as a single instrument, with any subsequent changes in fair value included in Other income, net in the condensed consolidated statements of operations. The convertible promissory notes are included in Prepaid expenses and other current assets on the condensed consolidated balance sheets. See Note 9 to the condensed consolidated financial statements for additional details on the fair value of the convertible promissory notes.

Investment in Preferred Stock

In September 2024, the Company invested $20.0 million in cash in exchange for preferred stock in a privately-held company. The Company elected to apply the measurement alternative for equity securities without readily determinable fair values as there are no quoted market prices for the preferred stock. The investment is measured at cost and adjusted to fair value when there is an observable price change from orderly transactions of identical or similar investments, and assessed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. There were no adjustments recognized in the three and nine months ended September 30, 2025. As of September 30, 2025, the carrying value of the Company's investment was $20.0 million, and is included within Other non-current assets on the condensed consolidated balance sheet.

9. FAIR VALUE DISCLOSURE

The Company's financial assets and liabilities measured at fair value on a recurring basis are as follows (in thousands):

	As of September 30, 2025			
	Fair Value	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents:				
Cash	$ 870,491	$ 870,491	$ —	$ —
Money market funds	705,000	705,000	—	—
Short-term investments:				
Time deposits	726,875	—	726,875	—
Prepaid expenses and other current assets:				
Strategic investment - convertible promissory notes	43,400	—	—	43,400
Total assets measured and recorded at fair value	$ 2,345,766	$ 1,575,491	$ 726,875	$ 43,400
Liabilities:				
Accrued liabilities:				
Contingent consideration	$ 15,536	$ —	$ —	$ 15,536
Other long-term liabilities:				
Contingent consideration	51,673	—	—	51,673
Total liabilities measured and recorded at fair value	$ 67,209	$ —	$ —	$ 67,209

	As of December 31, 2024			
	Fair Value	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents:				
Cash	$ 794,213	$ 794,213	$ —	$ —
Money market funds	1,366,023	1,366,023	—	—
Restricted cash, current	403	403	—	—
Other non-current assets:				
Strategic investment - convertible promissory notes	55,225	—	—	55,225
Total assets measured and recorded at fair value	$ 2,215,864	$ 2,160,639	$ —	$ 55,225

The following table reflects the changes in the fair value of the Company's convertible promissory notes measured using Level 3 inputs (in thousands):

	Three Months Ended		Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Beginning balance	$ 40,624	$ 57,450	$ 55,225	$ 53,816
Change in estimated fair value	2,776	3,344	(324)	6,978
Repayment of principal and interest	—	—	(11,501)	—
Ending balance	$ 43,400	$ 60,794	$ 43,400	$ 60,794

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in the principal market (or most advantageous market, in the absence of a principal market) for the asset or liability in an orderly transaction between market participants at the measurement date. Further, the Company maximizes the use of observable inputs and minimizes the use of unobservable inputs in measuring fair value and utilizes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value.

The three levels of inputs used to measure fair value are as follows:

Level 1—Quoted prices in active markets for identical assets or liabilities. Financial assets and liabilities measured using Level 1 inputs include cash, cash equivalents, restricted cash, accounts receivable, prepaid expenses, accounts payable, and accrued liabilities.

Level 2—Observable inputs other than quoted prices included within Level 1, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable or are derived principally from, or corroborated by, observable market data by correlation or other means. Financial assets measured using Level 2 inputs include time deposits as of September 30, 2025. The Company did not have any Level 2 instruments as of December 31, 2024.

Level 3—Unobservable inputs that are supported by little or no market activity, are significant to the fair value of the assets or liabilities and reflect the Company's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

As of September 30, 2025, the Company measured its strategic investment in convertible promissory notes using Level 3 inputs. The fair value of the strategic investment in convertible promissory notes on the date of purchase was determined to be equal to its principal amount. The Company recorded an unrealized gain of $2.8 million and $3.3 million in Other income, net related to the change in the fair value of the strategic investment in convertible promissory notes during the three months ended September 30, 2025 and 2024, respectively. The Company recorded an unrealized loss of $0.3 million and an unrealized gain of $7.0 million in Other income, net related to the change in the fair value of the strategic investment in convertible promissory notes during the nine months ended September 30, 2025 and 2024, respectively.

The Company classified the strategic investment in convertible promissory notes as Level 3 due to the lack of relevant observable market data over fair value inputs. The fair value of the strategic investment in convertible promissory notes was estimated using a scenario-based probability weighted discounted cash flow model. Significant assumptions include the discount rate, and the timing and probability weighting of the various redemption scenarios that impact the settlement of the strategic investment in convertible promissory notes.

The contingent consideration is related to the Company's acquisition of Frndly in May 2025 (refer to Note 4). As of the Acquisition Date, the Company measured its contingent consideration using Level 3 inputs. The fair value of the contingent consideration on the Acquisition Date was determined to be $65.8 million. The contingent consideration is subsequently remeasured to fair value at each reporting date until the contingency is resolved, with any changes in fair value included in General and administrative expenses in the condensed consolidated statements of operations. The Company recorded an expense of $0.9 million and $1.4 million in General and administrative expenses related to the change in the fair value of the contingent consideration during the three and nine months ended September 30, 2025, respectively.

The Company classified the contingent consideration as Level 3 due to the lack of relevant observable market data over fair value inputs. The fair value of the contingent consideration was estimated using a probability weighted discounted cash flow model. Significant assumptions include the probability of achieving certain performance metrics and milestones and the discount rate. The estimated fair value is based upon assumptions believed to be reasonable but which are uncertain and involve significant judgment by management. Favorable or unfavorable changes in expectations of achieving the performance metrics and milestones would result in corresponding increases or decreases in the fair value measurement, while increases or decreases in discount rates would have inverse impacts on the fair value measurement.

Assets and liabilities that are measured at fair value on a non-recurring basis

Non-financial assets such as goodwill, intangible assets, property and equipment, operating lease right-of-use assets, and content assets are evaluated for impairment and adjusted to fair value using Level 3 inputs, only when impairment is recognized.

The Company measured the intangible assets acquired from the Frndly acquisition at fair value using Level 3 inputs. The fair value of the customer relationships has been estimated using the multi-period-excess-earnings method. The key valuation assumptions include the Company's estimates of customer attrition rates, expected future revenue, profit margins, and discount rate. The fair value of the tradename has been estimated using the relief-from-royalty method. The key valuation assumptions include the Company's estimates of expected future revenue, royalty rate, and discount rate.

There were no impairment charges related to operating lease right-of-use assets and property and equipment during the three months ended September 30, 2025. During the three months ended September 30, 2024, the Company recorded impairment charges of $11.4 million related to operating lease right-of-use assets, and $6.5 million related to property and equipment, both associated with the leased office facilities that are part of its restructuring efforts.

During the nine months ended September 30, 2025, the Company recorded impairment charges of $2.9 million related to operating lease right-of-use assets associated with the leased office facilities that are part of its restructuring efforts, and during the nine months ended September 30, 2024, the Company recorded impairment charges of

$22.6 million related to operating lease right-of-use assets, and $7.0 million related to property and equipment, both associated with the leased office facilities that are part of its restructuring efforts. See Note 17 to the condensed consolidated financial statements for additional details.

10. LEASES

The Company has entered into operating leases primarily for office real estate. The leases have remaining terms ranging from less than one year to eight years and may include options to extend or terminate the lease. The depreciable life of operating lease right-of-use assets is limited by the expected lease term.

The components of lease expense are as follows (in thousands):

	Three Months Ended		Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Operating lease expense	$ 18,364	$ 16,046	$ 54,584	$ 52,426
Variable lease expense	6,944	5,765	19,026	16,518
Sublease income	(6,200)	(4,871)	(17,302)	(7,756)
Total operating lease expense	$ 19,108	$ 16,940	$ 56,308	$ 61,188

Supplemental cash flow information related to leases is as follows (in thousands):

	Three Months Ended		Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash outflows from operating leases	$ 27,462	$ 24,192	$ 77,749	$ 67,914
Right-of-use assets obtained in exchange for lease obligations:				
Operating leases	$ 53	$ 5,616	$ 7,927	$ 8,501
Decrease in operating lease right-of-use assets due to impairment (See Note 17 for details)	$ —	$ 11,386	$ 2,870	$ 22,618

Supplemental balance sheet information related to leases is as follows (in thousands, except lease term and discount rate):

	As of	
	September 30, 2025	December 31, 2024
Operating lease right-of-use assets	$ 272,877	$ 304,505
Operating lease liability, current (included in Accrued liabilities)	86,379	79,221
Operating lease liability, non-current	457,405	512,706
Total operating lease liability	$ 543,784	$ 591,927
Weighted-average remaining term for operating leases (in years)	6.3	7.0
Weighted-average discount rate for operating leases	3.99 %	3.98 %

Future lease payments under operating leases as of September 30, 2025 are as follows (in thousands):

Year Ending December 31,	Operating Leases [(2)]
2025 (remaining 3 months)	$ 25,828
2026	106,592
2027	103,539
2028	100,469
2029	96,850
Thereafter	186,467
Total future lease payments	619,745
Less: imputed interest	(72,702)
Less: expected tenant improvement allowance	(3,259)
Total [(1)]	$ 543,784

[(1)] Total lease liabilities include liabilities related to operating lease right-of-use assets which were included in the impairment charges as part of the Company's restructuring efforts. See Note 17 for additional details.

[(2)] Non-cancelable sublease proceeds for the fiscal years ending December 31, 2025 (remaining three months), 2026, 2027, 2028, and 2029 of $4.5 million, $18.6 million, $18.8 million, $18.8 million, and $12.0 million, respectively, are not included in the table above.

As of September 30, 2025, the Company had approximately $1.0 million in commitments relating to operating leases that have not yet commenced.

11. DEBT

On September 16, 2024, the Company entered into a Credit Agreement, by and among the Company, as borrower, certain of the Company's subsidiaries, as guarantors, the lenders and issuing banks party thereto, and with Citibank N.A., as administrative agent (the "Credit Agreement"), which provides for (i) a five-year revolving credit facility in an aggregate principal amount of up to $300.0 million, and (ii) an uncommitted increase option of up to an additional $300.0 million exercisable upon the satisfaction of certain customary conditions. The Credit Agreement provides for a $100.0 million sub-facility for the issuance of letters of credit, and certain existing letters of credit were deemed outstanding under this facility. The Credit Agreement will mature on September 16, 2029. Proceeds from the Credit Agreement may be used for general corporate purposes, including to finance working capital requirements.

The Company's obligations under the Credit Agreement are secured by substantially all the assets of the Company and its subsidiaries that are guarantors under the Credit Agreement. The Company may prepay, and in certain circumstances would be required to prepay, loans under the Credit Agreement without payment of a premium. The Credit Agreement also contains customary representations and warranties, customary affirmative and negative covenants, financial covenants requiring the maintenance of a minimum interest coverage ratio and a maximum total net leverage ratio, as well as customary events of default, the occurrence of which could result in amounts borrowed under the Credit Agreement becoming due and payable and remaining commitments terminated prior to its scheduled September 16, 2029 termination date.

Debt issuance costs incurred in connection with the Company's Credit Agreement, which are recorded in Prepaid expenses and other current assets and Other non-current assets, are amortized over the five-year term and recognized as a component of interest expense in the condensed consolidated statements of operations.

The Company had outstanding letters of credit secured by the Credit Agreement of $39.5 million as of September 30, 2025. As of September 30, 2025, the Company had not borrowed against the Credit Agreement, and the Company was in compliance with all of the covenants of the Credit Agreement.

12. STOCKHOLDERS' EQUITY

Preferred Stock

The Company has 10 million shares of undesignated preferred stock authorized but not issued with rights and preferences determined by the Company's Board of Directors (the "Board") at the time of issuance of such shares. As of September 30, 2025 and December 31, 2024, there were no shares of preferred stock issued and outstanding.

Common Stock

The Company has two classes of authorized common stock, Class A common stock and Class B common stock. Holders of Class A common stock are entitled to one vote for each share of Class A common stock held on all matters submitted to a vote of stockholders and holders of Class B common stock are entitled to ten votes for each share of Class B common stock held on all matters submitted to a vote of stockholders. Except with respect to voting, the rights of the holders of Class A and Class B common stock are identical. Shares of Class B common stock are voluntarily convertible into shares of Class A common stock at the option of the holder and are generally automatically converted into shares of the Company's Class A common stock upon sale or transfer. Shares issued in connection with exercises of stock options or vesting of restricted stock units are generally automatically converted into shares of the Company's Class A common stock.

Stock Repurchase Program

In August 2025, the Company began repurchasing shares of the Company's common stock under a stock repurchase program approved by the Board pursuant to which the Company is authorized to repurchase up to $400 million of the Company's Class A common stock through December 31, 2026. The program does not obligate the Company to acquire any amount of Class A common stock, and the timing and total amount of share repurchases will depend on general market conditions, the trading price of the Company's Class A common stock, corporate and regulatory requirements, the availability of funds, other investment opportunities, and other considerations. Repurchases may be executed through open market transactions at prevailing market prices, including pursuant to trading plans that comply with the requirements of Rule 10b5-1 of the Securities Exchange Act of 1934, as amended, or through other means.

During the three months ended September 30, 2025, the Company paid an aggregate of $50.0 million to repurchase approximately 0.6 million shares of its Class A common stock, which were immediately retired. As a result, $50.0 million was recorded to Accumulated deficit to reflect the difference between the market price of the Class A common stock repurchased and its par value.

The following table summarizes the share repurchase activity under the Company's stock repurchase program (in thousands, except share and per share data):

	Three Months Ended September 30, 2025
Total number of shares repurchased	567,582
Average price paid per share	$ 88.10
Amount repurchased	$ 50,000

As of September 30, 2025, $350.0 million remained available and authorized for repurchases under the stock repurchase program.

Common Stock Reserved for Issuance

As of September 30, 2025, the Company's common stock reserved for issuance in the future is as follows (in thousands):

	As of September 30, 2025
Common stock awards granted under equity incentive plans	13,133
Common stock awards available for issuance under the 2017 Employee Stock Purchase Plan *	5,089
Common stock awards available for issuance under the 2017 Amended and Restated Equity Incentive Plan	38,402
Total reserved shares of common stock	56,624

* The Company has not issued any common stock pursuant to the 2017 Employee Stock Purchase Plan.

Equity Incentive Plans

The Company currently grants equity awards under the Amended and Restated 2017 Equity Incentive Plan (the “2017 Plan”). The 2017 Plan became effective September 2017 in connection with the Company’s initial public offering (“IPO”). The 2017 Plan provides for the grant of incentive stock options to the Company’s employees and for the grant of non-statutory stock options, stock appreciation rights, restricted stock awards, restricted stock unit awards, performance stock awards, performance cash awards, and other forms of equity compensation to the Company’s employees, directors and consultants. The outstanding equity relates to the 2017 Plan and the 2008 Equity Incentive Plan (“2008 Plan”), a pre-IPO plan. No additional equity grants have been made pursuant to the 2008 Plan subsequent to the IPO.

The equity awards granted under the 2017 Plan vest subject to continuous service. Stock options granted under the 2017 Plan generally are granted at a price per share equivalent to the fair market value on the date of grant. Recipients of incentive stock option grants who possess more than 10% of the combined voting power of the Company are subject to certain limitations, and incentive stock options granted to such recipients are at a price no less than 110% of the fair market value at the date of grant.

Restricted Stock Units

Restricted stock unit activity for the nine months ended September 30, 2025 is as follows (in thousands, except per share data):

	Number of Shares	Weighted-Average Grant Date Fair Value per Share
Balance as of December 31, 2024	8,657	$ 74.80
Awarded	3,138	88.21
Released	(3,225)	87.27
Forfeited	(894)	73.17
Balance as of September 30, 2025	7,676	$ 75.23

As of September 30, 2025, the Company had $495.8 million of unrecognized stock-based compensation expense related to unvested restricted stock units that is expected to be recognized over a weighted-average period of approximately 1.9 years.

Stock Options

Stock option activity for the nine months ended September 30, 2025 is as follows (in thousands, except per share data and years):

	Number of Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Balance as of December 31, 2024	5,759	$ 75.24	6.6	
Granted	325	88.47	—	
Exercised	(570)	32.12	—	
Forfeited and expired	(57)	75.18	—	
Balance as of September 30, 2025	5,457	$ 80.40	6.3	$ 183,817
Options exercisable as of September 30, 2025	4,182	$ 84.79	5.6	$ 140,309

As of September 30, 2025, the Company had $45.1 million of unrecognized stock-based compensation expense related to unvested stock options that is expected to be recognized over a weighted-average period of approximately 1.7 years.

Stock-based Compensation

The Company measures the cost of employee services received in exchange for an equity award based on the grant date fair value of the award. Stock options granted to employees generally vest over one to four years and have a term of ten years. Restricted stock units generally vest over one to four years.

The following table presents the total stock-based compensation expense for the three and nine months ended September 30, 2025 and 2024 (in thousands):

	Three Months Ended		Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Cost of revenue, platform	$ 247	$ 366	$ 972	$ 1,062
Cost of revenue, devices	75	163	183	1,201
Research and development	34,496	38,502	103,315	109,457
Sales and marketing	31,921	36,401	97,193	100,353
General and administrative	21,292	24,664	66,502	71,051
Total stock-based compensation	$ 88,031	$ 100,096	$ 268,165	$ 283,124

13. COMMITMENTS AND CONTINGENCIES

Purchase Commitments

The Company has purchase commitments with various parties to purchase products and services such as licensed intellectual property and content, manufacturing supplier agreements, and data center capacity and other goods and services.

The following table presents details of the aggregate future purchase commitments as of September 30, 2025 (in thousands):

		Years Ended December 31,					
	Total	Remaining 2025	2026	2027	2028	2029	Thereafter
Content	$ 197,930	$ 56,653	$ 89,303	$ 30,099	$ 16,078	$ 3,636	$ 2,161
Manufacturing	180,616	180,616	—	—	—	—	—
Other obligations	124,278	24,629	81,530	10,680	3,644	3,720	75
Total commitments	$ 502,824	$ 261,898	$ 170,833	$ 40,779	$ 19,722	$ 7,356	$ 2,236

Contingencies

The Company accounts for loss contingencies, including liabilities for intellectual property licensing and other claims, when it believes such losses are probable and reasonably estimable. These contingencies are reviewed at least quarterly and adjusted to reflect the impact of negotiations, estimated settlements, legal rulings, advice of legal counsel, and other information and events. The resolution of these contingencies and of other legal proceedings can be, however, inherently unpredictable and subject to significant uncertainties.

The Company is, and may become, subject to various lawsuits, stockholder derivative actions, class action lawsuits, individual or mass arbitration proceedings, and other types of legal proceedings, as well as other disputes, claims, and regulatory or governmental inquiries and investigations in the ordinary course of business, relating to commercial, contract, consumer protection, privacy, data protection, intellectual property, tax, employment, corporate governance, and other matters. Although the results of these legal proceedings, disputes, claims, and inquiries and investigations cannot be predicted with certainty, the Company does not believe that the final outcome of any matters that it is currently involved in is reasonably likely to have a material adverse effect on its business, financial condition, or results of operations. Regardless of the outcome, such legal proceedings, disputes, claims, and inquiries and investigations can have an adverse impact on the Company because of legal fees, other litigation costs, and settlement costs, diversion of management resources, reputational harm, and other factors. During the three and nine months ended September 30, 2025 and 2024, the Company did not have any loss contingencies that were material.

Indemnification

In the ordinary course of business, the Company has entered into contractual arrangements which provide indemnification provisions of varying scope and terms to business partners and other parties with respect to certain matters, including, but not limited to, losses arising out of the Company's breach of such agreements and out of intellectual property infringement claims made by third parties. The Company's obligations under these agreements may be limited in terms of time or amount, and in some instances, the Company may have recourse against third parties for certain payments. In addition, the Company has entered into indemnification agreements with its directors and certain of its officers that will require it, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors or officers.

It is not possible to determine the maximum potential amount under these indemnification obligations due to the limited history of prior indemnification claims and the unique facts and circumstances involved in each agreement. To date, the Company has not incurred any material costs as a result of such obligations and has not accrued any liabilities related to such obligations in the condensed consolidated financial statements.

14. INCOME TAXES

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was signed into law. Key changes include the immediate expensing of domestic research and development costs and the reinstatement of 100% bonus depreciation. The Company expects domestic cash tax savings and a decrease in its effective tax rate in fiscal year 2025 due to the research and development provisions. The Company has recognized the effects of OBBBA starting in the three months ended September 30, 2025.

Income tax expense was $13.2 million and $4.1 million for the three months ended September 30, 2025 and 2024, respectively. Income tax benefit was $5.7 million and $0.2 million for the nine months ended September 30, 2025 and 2024, respectively.

The increase in income tax expense for the three months ended September 30, 2025 as compared to the three months ended September 30, 2024 is primarily due to higher pre-tax book income, partially offset by the impact from the enactment of the OBBBA.

The increase in income tax benefit for the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024 is primarily due to the impact from the enactment of OBBBA.

A valuation allowance must be established for deferred tax assets when it is more likely than not that they will not be realized. As of September 30, 2025, the Company analyzed all available objective evidence, both positive and negative, and believes it is more likely than not that some deferred tax assets will not be realizable. Accordingly, the Company continues to provide a valuation allowance against its U.S. deferred tax assets.

15. NET INCOME (LOSS) PER SHARE

The Company's basic net income (loss) per share is calculated by dividing the net income (loss) by the weighted-average number of shares of common stock outstanding for the period. The Company uses the two-class method to calculate net income (loss) per share. Except with respect to certain voting, conversion, and transfer rights and as otherwise expressly provided in the Company's amended and restated certificate of incorporation or required by applicable law, shares of the Company's Class A common stock and Class B common stock have the same rights and privileges and rank equally, share ratably, and are identical in all respects as to all matters. Accordingly, basic and diluted net income (loss) per share are the same for both classes.

For purposes of the calculation of diluted net income (loss) per share, options to purchase common stock and restricted stock units are considered common stock equivalents. Dilutive shares of common stock are determined by applying the treasury stock method. The dilutive shares are excluded from the calculation of diluted net loss per share in the period of net loss, as their effect is antidilutive.

The following table presents the calculation of basic and diluted net income (loss) per share (in thousands, except per share data):

	Three Months Ended		Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Numerator:				
Net income (loss)	$ 24,812	$ (9,030)	$ 7,884	$ (93,838)
Denominator:				
Weighted-average common shares outstanding — basic	147,466	144,862	146,855	144,319
Dilutive effect of common stock equivalents	4,114	—	3,594	—
Weighted-average common shares outstanding — diluted	151,580	144,862	150,449	144,319
Net income (loss) per share — basic	$ 0.17	$ (0.06)	$ 0.05	$ (0.65)
Net income (loss) per share — diluted	$ 0.16	$ (0.06)	$ 0.05	$ (0.65)

Common stock equivalents (comprised of stock options and restricted stock units) excluded from the calculation of diluted net income (loss) per share because of their anti-dilutive effect were 1.6 million shares and 2.9 million shares for the three and nine months ended September 30, 2025, respectively, and 15.9 million shares for each of the three and nine months ended September 30, 2024.

16. SEGMENT INFORMATION

An operating segment is defined as a component of an entity for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker ("CODM") for purposes of allocating resources and evaluating financial performance. The CODM evaluates performance and makes decisions about allocating resources to its operating segments based on financial information presented on a consolidated basis and on gross profit for each operating segment. For both the Platform and Devices reportable segments, Cost of revenue is the significant segment expense that is regularly provided to the CODM.

While not considered significant segment expenses, the Company has separately disclosed content amortization (refer to Note 7) and stock-based compensation expense (refer to Note 12) charged to Cost of revenue, platform. The Company disclosed charges related to the inventory provision and inventory losses on purchase commitments (refer to Note 2) and stock-based compensation expense (refer to Note 12) included within Cost of revenue, devices.

The Company reports its financial results consistent with the manner in which financial information is viewed by management for decision-making purposes. The Company does not manage operating expenses such as research and development, sales and marketing, and general and administrative expenses at the segment level. The Company does not allocate property and equipment or any other assets or capital expenditures to reportable segments.

Descriptions of the Company's two reportable segments are as follows:

Platform

Platform revenue is generated from the sale of digital advertising (including direct and programmatic video advertising, ads integrated into the Company's user interface, and related services), as well as streaming services distribution (including subscription and transaction revenue shares, the sale of Premium Subscriptions, the sale of owned and operated subscription services, and the sale of branded app buttons on remote controls).

Devices

Devices revenue is generated from the sale of streaming players, Roku-branded TVs, smart home products and services, audio products, and related accessories.

Customers accounting for 10% or more of segment revenue, net, were as follows:

	Three Months Ended		Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Platform segment revenue:				
Customer J	13 %	13 %	13 %	11 %
Devices segment revenue:				
Customer A	10 %	23 %	15 %	22 %
Customer B	17 %	15 %	25 %	20 %
Customer C	17 %	25 %	23 %	27 %
Customer K	29 %	16 %	18 %	*

* Less than 10%

Revenue by geography is determined based on the location where the Company's products and services are delivered. Revenue in international markets was less than 10% in each of the periods presented.

Long-lived assets, net

The following table presents long-lived assets, net, which consist primarily of property and equipment and operating lease right-of-use assets, by geographic area (in thousands):

	As of	
	September 30, 2025	December 31, 2024
United States	$ 354,940	$ 401,464
United Kingdom	79,578	92,110
Other countries	21,168	24,621
Total	$ 455,686	$ 518,195

17. RESTRUCTURING CHARGES

Starting in the fourth quarter of fiscal 2022, the Company implemented measures to reduce its operating expense growth rate due to economic conditions, including consolidating its office space utilization, performing a strategic review of its content portfolio, reducing outside services expenses, and slowing its year-over-year headcount expense growth rate through a workforce reduction and limiting new hires, among other measures.

During the nine months ended September 30, 2025, the Company recorded restructuring charges associated with decisions to sub-lease and cease the use of certain office facilities, and there were no restructuring charges recorded during the three months ended September 30, 2025. During the three and nine months ended September 30, 2024, the Company recorded restructuring charges associated with employee termination expenses consisting primarily of severance payments, employee benefits contributions, payroll taxes and related costs, and impairment charges related to decisions to sub-lease and cease the use of certain office facilities and related property and equipment.

Restructuring charges are recorded as follows (in thousands):

	Three Months Ended September 30, 2024			
	Employee Terminations	Facilities Exit Costs	Asset Impairment Charges	Total
Cost of revenue, platform	$ —	$ —	$ —	$ —
Cost of revenue, devices	—	—	—	—
Research and development	—	52	(1,418)	(1,366)
Sales and marketing	—	717	16,271	16,988
General and administrative	—	140	2,759	2,899
Total restructuring charges	$ —	$ 909	$ 17,612	$ 18,521

	Nine Months Ended September 30, 2025			Nine Months Ended September 30, 2024			
	Facilities Exit Costs	Asset Impairment Charges	Total	Employee Terminations	Facilities Exit Costs	Asset Impairment Charges	Total
Cost of revenue, platform	$ —	$ —	$ —	$ (3)	$ —	$ —	$ (3)
Cost of revenue, devices	—	—	—	1	—	5	6
Research and development	194	2,133	2,327	368	98	(603)	(137)
Sales and marketing	—	175	175	697	719	24,641	26,057
General and administrative	—	562	562	(116)	117	5,075	5,076
Total restructuring charges	$ 194	$ 2,870	$ 3,064	$ 947	$ 934	$ 29,118	$ 30,999

The asset impairment charges for the nine months ended September 30, 2025 are primarily comprised of $2.9 million of operating lease right-of-use assets impairment. The asset impairment charges for the three months ended September 30, 2024 are primarily comprised of $11.4 million of operating lease right-of-use assets impairment and $6.5 million of property and equipment impairment. The asset impairment charges for the nine months ended September 30, 2024 include $22.6 million of operating lease right-of-use assets impairment and $7.0 million of property and equipment impairment, partially offset by $0.5 million of adjustments to other long-term liabilities and assets.

A reconciliation of the beginning and ending balance of employee termination restructuring charges and facilities exit costs, which are included in Accrued liabilities in the condensed consolidated balance sheets, is as follows (in thousands):

	Three Months Ended September 30, 2025			Three Months Ended September 30, 2024		
	Employee Terminations	Facilities Exit Costs	Total	Employee Terminations	Facilities Exit Costs	Total
Beginning balance	$ —	$ 1,226	$ 1,226	$ 181	$ 839	$ 1,020
Restructuring charges incurred	—	—	—	—	909	909
Payments made	—	—	—	(181)	(326)	(507)
Ending balance	$ —	$ 1,226	$ 1,226	$ —	$ 1,422	$ 1,422

	Nine Months Ended September 30, 2025			Nine Months Ended September 30, 2024		
	Employee Terminations	Facilities Exit Costs	Total	Employee Terminations	Facilities Exit Costs	Total
Beginning balance	$ —	$ 1,381	$ 1,381	$ 12,661	$ 1,198	$ 13,859
Restructuring charges incurred	—	194	194	947	934	1,881
Payments made	—	(349)	(349)	(13,608)	(710)	(14,318)
Ending balance	$ —	$ 1,226	$ 1,226	$ —	$ 1,422	$ 1,422

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report and with our audited consolidated financial statements included in our Annual Report for the year ended December 31, 2024, filed on February 14, 2025 with the SEC.

Overview

Our two reportable segments are the platform segment and the devices segment. Platform revenue is generated from the sale of digital advertising (including direct and programmatic video advertising, ads integrated into our user interface ("UI"), and related services) and streaming services distribution (including subscription and transaction revenue shares, the sale of Premium Subscriptions, the sale of owned and operated subscription services, and the sale of branded app buttons on remote controls).

Devices revenue is generated from the sale of streaming players, Roku-branded TVs, smart home products and services, audio products, and related accessories. We expect to continue to manage the average selling prices of Roku streaming devices in an effort to sell more devices, which we believe will increase our Streaming Households. We expect that this trade off from devices gross profit or loss to grow Streaming Households should result in increased platform revenue and platform gross profit over time.

Business Conditions and Macroeconomic Factors

Our business is subject to risks related to the evolving macroeconomic environment, including the effects of increased volatility in financial markets, higher inflation and interest rates, potential economic slowdown or recession, geopolitical developments, changes in economic or government policies, including the unknown impact of tariffs, changing global regulations, and the overall uncertainty surrounding international trade relations. While we intend to remain vigilant in monitoring the impacts of these circumstances on our business and adapt accordingly, the effects of these macroeconomic factors on our business, results of operations, and financial condition remain largely uncertain. See Item 1A, Risk Factors, and the Note Regarding Forward Looking Statements elsewhere in this Quarterly Report for additional details.

Key Performance Metrics and Non-GAAP Measures

Since our IPO in 2017, the streaming TV industry has evolved meaningfully, with Americans now spending significantly more TV time streaming than watching cable. Our business has also grown and evolved, and we are now primarily focused on growing Platform revenue and profitability. As a result, and as previously disclosed, starting in the first quarter of 2025, we have updated our Key Performance Metrics ("KPMs") to better align with these priorities.

The key performance metrics we use to evaluate our business, measure our performance, develop financial forecasts and make strategic decisions are Streaming Hours, Platform Revenue, Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA"), and Free Cash Flow.

Streaming Hours

We believe the number of Streaming Hours on our platform is an effective measure of user engagement and that the growth in the number of hours of content streamed across our platform reflects our success in addressing the growing user demand for TV streaming. We define Streaming Hours as the aggregate amount of time Roku streaming devices stream content on our platform in a given period. Hours streamed from The Roku Channel on non-Roku platforms are not included in this metric. Additionally, smart home products do not contribute to our Streaming Hours.

Additionally, we believe that over time, increasing user engagement on our streaming platform increases our platform monetization because we earn platform revenue from various forms of user engagement, including advertising, as well as revenue shares from subscriptions and transactional video on-demand. However, our revenue from content partners is not tied to the hours streamed on their streaming apps, and the number of Streaming Hours does not correlate to revenue earned from such content partners or ARPU on a period-by-period basis. Moreover, Streaming Hours on our platform are measured whenever a Roku streaming device is streaming content, whether a viewer is actively watching or not. For example, if a Roku player is connected to a TV, and the viewer turns off the TV, steps away, or falls asleep and does not stop or pause the player, then the particular streaming app may continue to play content for a period of time determined by the streaming app. We believe that this also occurs across a wide variety of non-Roku streaming devices and other set-top boxes.

Since 2020, all of our Roku streaming devices include a Roku TV OS feature that is designed to identify when content has been continuously streaming on an app for an extended period of time without user interaction. This feature, which we refer to as "Are you still watching," periodically prompts the user to confirm that they are still watching the selected app and closes the app if the user does not respond affirmatively. We believe that the implementation of this feature across the Roku platform benefits us, our customers, content partners, and advertisers. Some of our leading content partners, including Netflix, also have implemented similar features within their apps. This Roku TV OS feature supplements these app features. This feature has not had and is not expected to have a material impact on our financial performance.

We streamed 36.5 billion and 32.0 billion hours during the three months ended September 30, 2025 and 2024, respectively, reflecting an increase of 14%.

Platform Revenue

We use Platform revenue as a primary metric to measure the performance of our business because it represents our ability to successfully monetize our platform. Platform revenue growth is one of our strategic priorities. Platform revenue was $1,064.6 million and $908.2 million for the three months ended September 30, 2025 and 2024, respectively.

Adjusted EBITDA (Non-GAAP Measure)

We use Adjusted EBITDA as a primary metric to measure the performance of our business because it represents our ability to successfully manage profitability. Our goal is to grow Adjusted EBITDA over time, driving continued growth in stockholder value.

Adjusted EBITDA is a non-GAAP financial measure. The Adjusted EBITDA reconciliation excludes total other income, net, stock-based compensation expense, depreciation and amortization, restructuring charges, and income tax (benefit) from the net income (loss) of the period. We believe Adjusted EBITDA is useful as a supplement in evaluating our ongoing operational performance and enhancing an overall understanding of our past financial performance. However, this non-GAAP financial measure has limitations, and should not be considered in isolation or as a substitute for our GAAP financial information, such as GAAP net income (loss). In addition, Adjusted EBITDA may not be comparable to similarly titled metrics of other companies due to differences in methods of calculation.

The following table presents a reconciliation of Adjusted EBITDA to the most directly comparable GAAP financial measure for each of the periods indicated (in thousands):

	Three Months Ended		Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Net income (loss)	$ 24,812	$ (9,030)	$ 7,884	$ (93,838)
Total other income, net	(28,564)	(30,880)	(73,786)	(84,955)
Stock-based compensation	88,031	100,096	268,165	283,124
Depreciation and amortization	19,441	15,349	51,514	47,629
Restructuring charges [1]	—	18,521	3,064	30,999
Income tax expense (benefit)	13,218	4,147	(5,695)	(249)
Adjusted EBITDA	$ 116,938	$ 98,203	$ 251,146	$ 182,710

[1] The restructuring charges for the nine months ended September 30, 2025 primarily include asset impairment charges of $2.9 million. Restructuring charges for the three and nine months ended September 30, 2024 primarily include asset impairment charges of $17.6 million and $29.1 million, respectively.

Free Cash Flow (Non-GAAP Measure)

We use Free Cash Flow as a primary metric to measure the performance of our business because we believe maximizing Free Cash Flow helps indicate the financial strength of our business, as well as provide an indication of cash generated or (used) by the business. Our goal is to continuously increase Free Cash Flow over time. We define Free Cash Flow as our trailing 12-month ("TTM") cash flows from operating activities excluding purchases of property and equipment and the effects of exchange rates on cash.

Our Free Cash Flow was $443.0 million and $157.3 million for the TTM periods ended September 30, 2025 and 2024, respectively.

Free Cash Flow is a non-GAAP financial measure. The Free Cash Flow reconciliation excludes purchases of property and equipment and effects of exchange rates on cash from the cash flows from operating activities, in each case where applicable. We believe Free Cash Flow is useful as a supplement in evaluating our ongoing operational performance and enhancing an overall understanding of our past financial performance. However, this non-GAAP financial measure has limitations, and should not be considered in isolation or as a substitute for our GAAP financial information, such as GAAP cash flows from operating activities. For additional information about cash flows from operating activities, see "Liquidity and Capital Resources" below. In addition, Free Cash Flow may not be comparable to similarly titled metrics of other companies due to differences in methods of calculation.

The following table presents a reconciliation of Free Cash Flow to the most directly comparable GAAP financial measure for each of the periods indicated (in thousands):

	Trailing Twelve Months Ended	
	September 30, 2025	September 30, 2024
Net cash provided by operating activities	$ 455,360	$ 155,080
Less: Purchases of property and equipment	(6,647)	(6,123)
Add/(Less): Effect of exchange rate changes on cash, cash equivalents and restricted cash	(5,706)	8,392
Free cash flow (TTM)	$ 443,007	$ 157,349

Components of Results of Operations

Revenue

Platform Revenue

We generate platform revenue from the sale of digital advertising (including direct and programmatic video advertising, ads integrated into our UI, and related services), as well as streaming services distribution (including subscription and transaction revenue shares, the sale of Premium Subscriptions, the sale of owned and operated subscription services, and the sale of branded app buttons on remote controls). Our ad inventory primarily includes video ad inventory from AVOD content in The Roku Channel, native display ads throughout the Roku Experience, as well as ad inventory we obtain through our streaming services distribution agreements with our content partners. To supplement supply, we purchase advertising inventory from our content partners, on an as needed basis. To date, we have generated most of our platform revenue in the United States.

Devices Revenue

We generate devices revenue from the sale of streaming players, Roku-branded TVs, smart home products and services, audio products, and related accessories. We generate most of our devices revenue in the United States. In our international markets, we primarily sell our devices through wholesale distributors which, in turn, sell to retailers.

Cost of Revenue

Cost of Revenue, Platform

Cost of revenue, platform primarily consists of costs associated with acquiring advertising inventory, content amortization costs for both licensed and produced content, costs for licensed premium subscriptions, and revenue share payments on licensed content. Cost of revenue, platform also includes other costs such as payment processing fees, allocated expenses associated with the delivery of our services that primarily include costs of third-party cloud services and salaries, benefits, and stock-based compensation for our platform operations personnel, and amortization of acquired developed technology.

Cost of Revenue, Devices

Cost of revenue, devices is comprised mostly of manufacturing costs payable to third-party manufacturers for devices we sell which include streaming players, Roku-branded TVs, audio products and smart home products. Cost of revenue, devices also includes technology licenses or royalty fees on devices we sell, inbound and outbound freight, duty and logistics costs, third-party packaging, inventory provisions, and allocated overhead costs related to facilities, third-party cloud services, and salaries, benefits, and stock-based compensation for operations personnel.

Operating and Other Expenses

Research and Development

Research and development expenses consist primarily of salaries, benefits, and stock-based compensation for our development teams as well as outsourced development expenses. In addition, research and development expenses include allocated facilities and overhead expenses.

Sales and Marketing

Sales and marketing expenses consist primarily of salaries, benefits, commissions, and stock-based compensation for our employees engaged in sales and sales support, marketing, communications, data science and analytics, business development, product management, and partner support functions. Sales and marketing expenses also include marketing, retail and merchandising expenses, consulting and outside services, and allocated facilities and overhead expenses.

General and Administrative

General and administrative expenses consist primarily of salaries, benefits, and stock-based compensation for our finance, legal, information technology, human resources, and other administrative personnel. General and administrative expenses also include outside legal, accounting, and other professional service fees as well as allocated facilities and overhead expenses.

Other Income, Net

Other income, net primarily consists of interest income on cash and cash equivalents, short-term investments, foreign currency remeasurement, transaction gains and losses, and net change in the fair value of our strategic investments.

Income Tax Expense (Benefit)

Our income tax expense (benefit) consists primarily of income tax expense in certain foreign jurisdictions where we conduct business and income tax expense (benefit) in the United States. We have a full valuation allowance against net deferred tax assets in the United States. We expect to maintain this valuation allowance for the foreseeable future.

Results of Operations

The following table sets forth selected condensed consolidated statements of operations data as a percentage of total revenue for each of the periods indicated.

	Three Months Ended		Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Net revenue:				
Platform	88 %	85 %	87 %	85 %
Devices	12 %	15 %	13 %	15 %
Total net revenue	100 %	100 %	100 %	100 %
Cost of revenue:				
Platform	43 %	39 %	42 %	40 %
Devices	14 %	16 %	14 %	16 %
Total cost of revenue	57 %	55 %	56 %	56 %
Gross profit (loss):				
Platform	45 %	46 %	45 %	45 %
Devices	(2)%	(1)%	(1)%	(1)%
Total gross profit	43 %	45 %	44 %	44 %
Operating expenses:				
Research and development	15 %	17 %	16 %	18 %
Sales and marketing	20 %	22 %	21 %	23 %
General and administrative	8 %	9 %	9 %	9 %
Total operating expenses	43 %	48 %	46 %	50 %
Income (loss) from operations	— %	(3)%	(2)%	(6)%
Other income, net:				
Interest expense	— %	— %	— %	— %
Other income, net	2 %	3 %	2 %	3 %
Total other income, net	2 %	3 %	2 %	3 %
Income (loss) before income taxes	2 %	— %	— %	(3)%
Income tax expense (benefit)	1 %	— %	— %	— %
Net income (loss)	1 %	— %	— %	(3)%

Comparison of the Three and Nine Months Ended September 30, 2025 and September 30, 2024

Net Revenue

	Three Months Ended				Nine Months Ended			
	September 30, 2025	September 30, 2024	Change $	Change %	September 30, 2025	September 30, 2024	Change $	Change %
(in thousands, except percentages)								
Platform	$ 1,064,644	$ 908,175	$ 156,469	17 %	$ 2,920,932	$ 2,487,443	$ 433,489	17 %
Devices	145,994	154,028	(8,034)	(5)%	421,416	424,408	(2,992)	(1)%
Total net revenue	$ 1,210,638	$ 1,062,203	$ 148,435	14 %	$ 3,342,348	$ 2,911,851	$ 430,497	15 %

Platform

Platform revenue increased by $156.5 million, or 17%, during the three months ended September 30, 2025 as compared to the three months ended September 30, 2024. The increase was primarily due to higher revenue from streaming services distribution, specifically higher Premium Subscriptions revenue and higher subscription revenue from both third-party and our owned and operated subscription services, and higher advertising revenue, which grew despite continued weakness in the media and entertainment vertical.

Platform revenue increased by $433.5 million, or 17%, during the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024. The increase was primarily due to higher revenue from streaming services distribution, specifically higher Premium Subscription revenue and higher subscription revenue from both third-party and our owned and operated subscription services. In addition, advertising revenue increased despite continued weakness in the media and entertainment vertical.

Devices

Devices revenue decreased by $8.0 million, or 5%, during the three months ended September 30, 2025 as compared to the three months ended September 30, 2024. The decrease was primarily due to lower revenue from streaming players. During the three months ended September 30, 2025, the average selling price of all devices shipped decreased by 6% and the volume of all devices shipped increased by 1% as compared to the three months ended September 30, 2024. The decrease in average selling price is primarily due to the mix of products sold.

Devices revenue decreased by $3.0 million, or 1%, during the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024. The decrease was primarily due to lower revenue from streaming players. During the nine months ended September 30, 2025, the average selling price of all devices shipped increased by less than 1% and the volume of all devices shipped increased by 1% as compared to the nine months ended September 30, 2024.

Cost of Revenue and Gross Profit (Loss)

	Three Months Ended				Nine Months Ended			
	September 30, 2025	September 30, 2024	Change $	Change %	September 30, 2025	September 30, 2024	Change $	Change %
(in thousands, except percentages)								
Cost of revenue:								
Platform	$ 516,869	$ 416,396	$ 100,473	24 %	$ 1,411,170	$ 1,161,416	$ 249,754	22 %
Devices	168,870	165,732	3,138	2 %	463,576	457,369	6,207	1 %
Total cost of revenue	$ 685,739	$ 582,128	$ 103,611	18 %	$ 1,874,746	$ 1,618,785	$ 255,961	16 %
Gross profit (loss):								
Platform	$ 547,775	$ 491,779	$ 55,996	11 %	$ 1,509,762	$ 1,326,027	$ 183,735	14 %
Devices	(22,876)	(11,704)	(11,172)	95 %	(42,160)	(32,961)	(9,199)	28 %
Total gross profit	$ 524,899	$ 480,075	$ 44,824	9 %	$ 1,467,602	$ 1,293,066	$ 174,536	13 %

Platform

The Cost of revenue, platform increased by $100.5 million, or 24%, during the three months ended September 30, 2025 as compared to the three months ended September 30, 2024. The increase was primarily driven by higher costs of Premium Subscriptions, acquiring content, and acquiring advertising inventory.

The Cost of revenue, platform increased by $249.8 million, or 22%, during the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024. The increase was primarily driven by higher costs of Premium Subscriptions, acquiring content, and acquiring advertising inventory.

Gross profit for the platform segment increased by $56.0 million, or 11%, during the three months ended September 30, 2025 as compared to the three months ended September 30, 2024, primarily driven by the overall growth in our platform revenue.

Gross profit for the platform segment increased by $183.7 million, or 14%, during the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024, primarily driven by the overall growth in our platform revenue.

Devices

The Cost of revenue, devices increased by $3.1 million, or 2%, during the three months ended September 30, 2025 as compared to the three months ended September 30, 2024. The increase was primarily driven by higher inventory provisions of $7.0 million, partially offset by lower manufacturing costs of $4.0 million related to lower costs to manufacture Roku-branded TVs.

The Cost of revenue, devices increased by $6.2 million, or 1%, during the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024. The increase was primarily driven by higher freight costs of $8.7 million and higher manufacturing costs of $5.2 million mainly due to a higher proportion of sales from Roku-branded TVs. The increase was partially offset by lower inventory provisions of $4.8 million and lower royalty costs of $3.9 million.

Gross loss for the devices segment increased by $11.2 million, or 95%, during the three months ended September 30, 2025 as compared to the three months ended September 30, 2024, primarily driven by higher inventory provisions and lower sales of streaming players. We manage the average selling prices of our products to grow our Streaming Households, which we expect should result in increased platform revenue and platform gross profit over time.

Gross loss for the devices segment increased by $9.2 million, or 28%, during the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024, primarily driven by higher freight costs and higher manufacturing costs. We manage the average selling prices of our products to grow our Streaming Households, which we expect should result in increased platform revenue and platform gross profit over time.

Operating Expenses

	Three Months Ended				Nine Months Ended			
	September 30, 2025	September 30, 2024	Change $	Change %	September 30, 2025	September 30, 2024	Change $	Change %
(in thousands, except percentages)								
Research and development	$ 182,235	$ 178,798	$ 3,437	2 %	$ 544,831	$ 534,738	$ 10,093	2 %
Sales and marketing	242,077	237,047	5,030	2 %	709,026	660,827	48,199	7 %
General and administrative	91,121	99,993	(8,872)	(9)%	285,342	276,543	8,799	3 %
Total operating expenses	$ 515,433	$ 515,838	$ (405)	— %	$ 1,539,199	$ 1,472,108	$ 67,091	5 %

Research and development

Research and development expenses increased by $3.4 million, or 2%, during the three months ended September 30, 2025 as compared to the three months ended September 30, 2024. The increase was primarily driven by higher consulting expenses of $3.8 million.

Research and development expenses increased by $10.1 million, or 2%, during the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024. The increase was primarily driven by higher consulting expenses of $11.6 million.

Sales and marketing

Sales and marketing expenses increased by $5.0 million, or 2%, during the three months ended September 30, 2025 as compared to the three months ended September 30, 2024. The increase was primarily driven by higher marketing, retail, and merchandising expenses of $14.5 million, higher amortization of $5.4 million, and higher consulting expenses of $2.3 million. The increases were partially offset by lower restructuring charges of $17.0 million.

Sales and marketing expenses increased by $48.2 million, or 7%, during the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024. The increase was primarily driven by higher marketing, retail, and merchandising expenses of $48.9 million, higher personnel-related expenses of $11.1 million, higher amortization of $7.2 million, and higher consulting expenses of $6.5 million. The increases were partially offset by lower restructuring charges of $25.9 million.

General and administrative

General and administrative expenses decreased by $8.9 million, or 9%, during the three months ended September 30, 2025 as compared to the three months ended September 30, 2024. The decrease was primarily driven by lower personnel-related expenses of $4.6 million, lower restructuring charges of $2.9 million, and lower legal and consulting expenses of $1.0 million.

General and administrative expenses increased by $8.8 million, or 3%, during the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024. The increase was primarily driven by higher legal and consulting expenses of $15.7 million, partially offset by lower restructuring charges of $4.5 million.

Other Income, Net

	Three Months Ended				Nine Months Ended			
	September 30, 2025	September 30, 2024	Change $	Change %	September 30, 2025	September 30, 2024	Change $	Change %
(in thousands, except percentages)								
Interest expense	$ (455)	$ —	$ (455)	nm	$ (1,348)	$ —	$ (1,348)	nm
Other income, net	29,019	30,880	(1,861)	(6)%	75,134	84,955	(9,821)	(12)%
Total other income, net	$ 28,564	$ 30,880	$ (2,316)	(8)%	$ 73,786	$ 84,955	$ (11,169)	(13)%

Total other income, net decreased by $2.3 million, or 8%, during the three months ended September 30, 2025 as compared to the three months ended September 30, 2024. The decrease was driven by lower other income of $1.9 million and higher interest expense of $0.5 million.

Total other income, net decreased by $11.2 million, or 13%, during the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024. The decrease was primarily driven by a fair value remeasurement loss of $0.3 million on our strategic investment in convertible promissory notes, compared to a gain of $7.0 million during the nine months ended September 30, 2024, and higher interest expense of $1.3 million.

Income Tax Expense (Benefit)

	Three Months Ended				Nine Months Ended			
	September 30, 2025	September 30, 2024	Change $	Change %	September 30, 2025	September 30, 2024	Change $	Change %
(in thousands, except percentages)								
Income tax expense (benefit)	$ 13,218	$ 4,147	$ 9,071	219 %	$ (5,695)	$ (249)	$ (5,446)	nm

Income tax expense increased by $9.1 million during the three months ended September 30, 2025 as compared to the three months ended September 30, 2024, primarily due to higher pre-tax book income, partially offset by the impact from the enactment of the One Big Beautiful Bill Act.

Income tax benefit increased by $5.4 million during the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024, primarily due to the impact from the enactment of the One Big Beautiful Bill Act.

Liquidity and Capital Resources

As of September 30, 2025, we had cash and cash equivalents of $1,575.5 million, and short-term investments of $726.9 million. Approximately 8% of our cash and cash equivalents was held outside the United States in accounts held by our foreign subsidiaries, which are used to fund foreign operations, and all short-term investments were held inside the United States.

Our primary sources of cash are receipts from platform and devices revenue. The primary uses of cash are costs of revenue including costs to acquire advertising inventory, costs to license and produce content, third-party manufacturing costs for our products, as well as operating expenses such as personnel-related expenses, consulting and professional service expenses, facility expenses, and marketing expenses. Other uses of cash include purchases of property and equipment and mergers and acquisitions.

We have pursued merger and acquisition activities, such as the acquisition of Frndly, and we may pursue additional merger and acquisition activities in the future, including the acquisition of rights to programming and content assets. Though we do not expect to incur expenses for facilities and building related costs at the same level as in the last few fiscal years, we will continue to incur expenses on the maintenance of our facilities and purchases of computer systems, and other property and equipment, in order to support future growth in our business. These activities may materially impact our liquidity and capital resources.

We believe our existing cash and cash equivalents balance, and our undrawn available balance under our Credit Agreement (as discussed below), will be sufficient to meet our working capital, capital expenditures, and material cash requirements from known contractual obligations for the next twelve months and beyond. Our future capital requirements, the adequacy of available funds, and cash flows from operations could be affected by various risks, uncertainties, including, but not limited to, those detailed in Part II, Item 1A, Risk Factors in this Quarterly Report and the effects of the current macroeconomic environment. While the current macroeconomic environment has not severely impacted our liquidity and capital resources to date, it has contributed to disruption and volatility in local economies and in capital and credit markets, which could adversely affect our liquidity and capital resources in the future.

We may attempt to raise additional capital through the sale of equity securities or other financing arrangements. If we raise additional funds by issuing equity, the ownership of our existing stockholders will be diluted. If we raise additional financing by the incurrence of indebtedness, we may be subject to fixed payment obligations and also to restrictive covenants. Additionally, we may be unable to obtain debt or equity financing on terms that are acceptable to us.

Credit Agreement

On September 16, 2024, we entered into a Credit Agreement, by and among the Company, as borrower, certain of our subsidiaries, as guarantors, the lenders and issuing banks party thereto, and Citibank N.A., as administrative agent (the “Credit Agreement”), which provides for (i) a five-year revolving credit facility in an aggregate principal amount of up to $300.0 million, and (ii) an uncommitted increase option of up to an additional $300.0 million exercisable upon the satisfaction of certain customary conditions. The Credit Agreement provides for a $100.0 million sub-facility for the issuance of letters of credit, and certain existing letters of credit were deemed outstanding under this facility. The Credit Agreement will mature on September 16, 2029. Proceeds from the Credit Agreement may be used for general corporate purposes, including to finance working capital requirements.

Our obligations under the Credit Agreement are secured by substantially all the assets of the Company and our subsidiaries that are guarantors under the Credit Agreement. We may prepay, and in certain circumstances, would be required to prepay, loans under the Credit Agreement without payment of a premium. The Credit Agreement also contains customary representations and warranties, customary affirmative and negative covenants, financial covenants requiring the maintenance of a minimum interest coverage ratio and a maximum total net leverage ratio, as well as customary events of default, the occurrence of which could result in amounts borrowed under the Credit Agreement becoming due and payable and remaining commitments terminated prior to its scheduled September 16, 2029 termination date.

We had outstanding letters of credit secured by the Credit Agreement of $39.5 million as of September 30, 2025. As of September 30, 2025, we had not borrowed against the Credit Agreement, and we were in compliance with all of the covenants of the Credit Agreement.

Cash Flows

The following table summarizes our cash flows for the periods presented (in thousands):

	Nine Months Ended	
	September 30, 2025	September 30, 2024
Condensed Consolidated Statements of Cash Flows Data:		
Cash flows provided by operating activities	$ 376,068	$ 138,753
Cash flows used in investing activities	$ (821,279)	$ (22,603)
Cash flows used in financing activities	$ (146,751)	$ (56,732)

Cash Flows from Operating Activities

Our operating activities provided cash of $376.1 million for the nine months ended September 30, 2025. Our net income of $7.9 million for the nine months ended September 30, 2025 was adjusted by non-cash charges of $514.6 million composed primarily of stock-based compensation, amortization of content assets, depreciation and amortization of property and equipment and intangible assets, and amortization of operating lease right-of-use assets. The negative impact from changes in our operating assets and liabilities of $146.4 million was primarily due to decreases in accounts payable due to timing of payments, payments made to acquire content, and payments made for operating lease liabilities and other longer-term liabilities. This was partially offset by a decrease in accounts receivable, a decrease in inventories, a decrease in other non-current assets, and an increase in accrued liabilities.

Cash Flows from Investing Activities

Net cash used in investing activities of $821.3 million for the nine months ended September 30, 2025 included purchases of short-term investments of $725.0 million, a purchase of business, net of cash acquired of $95.1 million, a purchase of a strategic investment of $7.0 million, and purchases of property and equipment of $4.2 million, partially offset by a repayment received from an investment of $10.0 million.

Cash Flows from Financing Activities

Net cash used in financing activities of $146.8 million for the nine months ended September 30, 2025 was primarily due to tax payments of $115.1 million to net settle equity awards vested during the period, and payments of $50.0 million to repurchase common stock, partially offset by proceeds from employee stock option exercises of $18.3 million.

Material Cash Requirements from Known Contractual Obligations

For a description of our purchase obligations and operating lease obligations, refer to Note 13 and Note 10 to our condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report, respectively.

Critical Accounting Estimates

Our financial statements are prepared in accordance with generally accepted accounting principles in the United States. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses, and related disclosures. These estimates and assumptions are based on historical experience, current trends, and other factors that we believe to be reasonable at the time our condensed consolidated financial statements are prepared. We evaluate our estimates and assumptions on an ongoing basis. Except for the accounting policy related to Business Combinations, as discussed below, there have been no material changes to our critical accounting policies and estimates as compared to the critical accounting policies and estimates described in our Annual Report.

Business Combinations

We recognize, separately from goodwill, identifiable assets and liabilities acquired in a business combination at fair value on the date of acquisition. We use our best estimates and assumptions to determine the fair value of contingent consideration, and tangible and identifiable intangible assets acquired and liabilities assumed at the acquisition date. Critical estimates in valuing contingent consideration include the probability of achieving certain performance metrics and milestones, and the discount rate. Critical estimates in valuing intangible assets include, but are not limited to, the amount and timing of projected cash flows, customer attrition rates, royalty rates, and discount rates. We estimate the useful lives of intangible assets based on the expected period over which we anticipate generating economic benefit from the asset. Unanticipated events and circumstances may occur that may affect the accuracy or validity of such assumptions, estimates, or actual results.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Fluctuation Risk

Our exposure to interest rate risk relates to the interest income generated by cash and cash equivalents. The primary objective of our investment policy is to preserve principal while maximizing income without significantly increasing risk. We believe that an increase or decrease in interest rates of 100 basis points on our cash and cash equivalents balance would increase or decrease our interest income by approximately $15.8 million.

Foreign Currency Exchange Rate Risk

Most of our revenue is generated within the United States and as such we have minimal foreign currency risk related to our revenue. Our foreign currency risk primarily relates to operating expenses, cash balances, and lease liabilities denominated in currencies other than U.S. dollars, primarily British pounds and Euros. Our results of current and future operations and cash flows are, therefore, subject to fluctuations due to changes in foreign currency exchange rates.

We have experienced and will continue to experience fluctuations in our net income (loss) as a result of transaction gains or losses related to revaluing monetary asset and liability balances that are denominated in currencies other than the functional currency of the entities in which they are recorded. We have not entered into any derivatives or other financial instruments in an attempt to hedge our foreign currency exchange risk, but we may do so in the future.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this Quarterly Report, our disclosure controls and procedures were, in design and operation, effective at a reasonable assurance level.

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all errors and all fraud. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objective and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the quarter ended September 30, 2025 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

Information with respect to this item may be found in Note 13 to the condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report, which is incorporated herein by reference.

Item 1A. Risk Factors

Our business involves significant risks, some of which are described below. You should carefully consider the risks and uncertainties described below, together with all the other information in this Quarterly Report, including "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the condensed consolidated financial statements and the related notes. If any of the following risks actually occur, our business, reputation, financial condition, results of operations, revenue, key performance metrics, and future prospects could be seriously harmed. In addition, you should consider the interrelationship and compounding effects of two or more risks occurring simultaneously. Unless otherwise indicated, references to our business being harmed in these risk factors will include harm to our business, reputation, financial condition, results of operations, revenue, key performance metrics, and future prospects. In that event, the market price of our Class A common stock could decline, and you could lose part or all of your investment. You should not interpret our disclosure of any of the following risks to imply that such risks have not already materialized. The risks facing our business have not changed substantively from those discussed in our Annual Report, filed with the SEC on February 14, 2025, except for those risks marked with an asterisk (*).

Risk Factors Summary

Below is a summary of the principal factors that make an investment in our Class A common stock speculative or risky:

Risks Related to Our Business and Industry

- the highly competitive nature of the TV streaming industry that is rapidly evolving;
- our ability to successfully grow revenues from advertising on our platform;
- maintaining an adequate supply of quality video advertising inventory on our platform and effectively selling the available supply;
- irrelevant or unengaging advertising campaigns on our streaming platform;
- our ability to successfully utilize programmatic advertising technology;
- advertiser or advertising agency delayed payment or failure to pay;
- our ability to further monetize our streaming platform;
- our ability to successfully operate and monetize The Roku Channel and our owned and operated subscription services;
- our ability to establish and maintain relationships with important content partners;
- popular or new content publishers not publishing their content on our streaming platform;
- the non-renewal or early termination of our agreements with content partners;
- content partners electing not to participate in platform features that we develop;
- users signing up for offerings and services outside of our platform;
- our ability to develop, maintain, and expand relationships with licensed Roku TV partners and manufacturing partners;
- our and our licensed Roku TV partners' ability to develop, maintain, and expand relationships with important retail sales channels that we and they rely on to sell our streaming devices and other products;
- our ability to build a strong brand and maintain customer satisfaction and loyalty;
- our and our licensed Roku TV partners' reliance on contract manufacturers and limited manufacturing capabilities;
- our reliance on licensed Roku TV partners' operations for the supply of Roku TV models;
- our ability to accurately forecast manufacturing requirements and manage our supply chain and inventory levels;
- decreased availability or increased costs for materials and components used in the manufacturing of our products and our licensed Roku TV partners' products;
- our ability to obtain key components from sole source suppliers;
- interoperability of our products with content partners' and other third parties' offerings, technologies, and systems;
- detecting hardware defects and software errors in our products before they are released to end users;
- component manufacturing, design, or other defects that may render our products permanently inoperable;
- our ability to obtain or maintain necessary or desirable licenses, certifications, or approvals related to our use or support of third-party technology, intellectual property, or services;
- our introduction of new products and services;

- our use of artificial intelligence ("AI") technologies in some of our products and services;
- maintaining adequate customer support levels;

Risks Related to Operating and Growing Our Business

- our history of operating losses;
- volatility of our quarterly operating results that could cause our stock price to decline;
- our ability to manage our growth;
- our ability to successfully expand our international operations;
- seasonality and other potential fluctuations in our business and their impact on our revenue and gross profit;
- attracting and retaining key personnel and managing succession;
- maintaining systems that can support our growth, business arrangements, and financial rules;
- our ability to successfully complete acquisitions and investments and integrate acquired businesses;
- our ability to comply with the terms of our outstanding credit facility;
- our ability to secure funds to meet our financial obligations and support our planned business growth;
- adverse developments affecting financial institutions, including bank failures;
- the impact of macroeconomic conditions, natural disasters, geopolitical conflicts, or other natural or man-made catastrophic events on our business;

Risks Related to Cybersecurity, Reliability, and Data Privacy

- data security incidents, including cybersecurity attacks, or other significant disruptions of our information technology systems that could adversely affect our business and subject us to liability;
- legal obligations and potential liability or reputational harm related to our collection, processing, disclosure, and storage of personal information;
- disruptions in information technology systems or other services that result in a degradation of our platform;
- changes in how network operators manage data that travel across their networks;

Risks Related to Intellectual Property

- intellectual property infringement claims and litigation resulting in significant costs or the loss of important intellectual property rights;
- failure or inability to protect or enforce our intellectual property or proprietary rights;
- our use of open-source software;
- our agreements to indemnify certain of our partners if our technology is alleged to infringe on third parties' intellectual property rights;

Legal and Regulatory Risks

- lawsuits and other legal proceedings, disputes, claims, and government inquiries and investigations;
- enactment of or changes to government regulation or laws related to our business;
- changes in U.S. or foreign trade policies, geopolitical conditions, and general economic conditions that impact our business;
- U.S. or international rules (or the absence of rules) that permit internet access network operators to degrade users' internet service speeds or limit internet data consumption by users;
- liability for content that is distributed through or advertising that is served through our platform;
- our ability to maintain effective internal controls over financial reporting;
- the impact of changes in accounting principles;
- compliance with laws and regulations related to the payment of income taxes and collection of indirect taxes;
- changes to U.S. or foreign taxation laws or regulations;

Risks Related to Ownership of Our Class A Common Stock

- the dual class structure of our common stock;
- volatility in the market price of our Class A common stock;
- potential dilution or a decline in our stock price caused by future sales or issuance of our capital stock or rights to purchase capital stock;
- a decline in our stock price caused by future sales by existing stockholders;
- the impact of our stock repurchase program;
- dependency on favorable securities and industry analyst reports;
- the significant legal, accounting, and other expenses associated with being a publicly traded company;
- the absence of dividends on our common stock;
- anti-takeover provisions in our charter and bylaws; and
- the limitations resulting from our selection of the Delaware Court of Chancery and the U.S. federal district courts as the exclusive forums for substantially all disputes between us and our stockholders.

Risks Related to Our Business and Industry

If we fail to differentiate our streaming platform and compete successfully with our competitors, it will be difficult for us to attract and retain users and our business will be adversely impacted.*

The TV streaming industry—including the sale of TV streaming devices as well as the sale of advertising on TV streaming platforms—is highly competitive and global. Our success depends in part on user acquisition and retention and the effective monetization of our streaming platform. To attract and retain users, we must respond efficiently to changes in user tastes and preferences and offer our users access to the content they demand on terms that they accept. Effective monetization requires us to continue to update the features and functionality of our streaming platform for users, content partners, and advertisers. We also must effectively support popular sources of streaming content that are available on our platform, such as Amazon Prime Video, Disney+, Hulu, HBO Max, Netflix, and YouTube. And we must respond rapidly to actual and anticipated market trends in the TV streaming industry.

Large companies such as Amazon, Apple, and Google offer TV streaming devices that compete with Roku streaming devices and those of our licensed Roku TV partners and the Roku TV OS. Google licenses its Android operating system software for integration into smart TVs, including those of certain of our existing TV partners, and service provider set-top boxes, and Amazon licenses its operating system software for integration into smart TVs and sells Amazon-branded smart TVs. We also face increased competition from Walmart (which makes and sells Onn. branded streaming products, including co-branded Roku TV models), in light of Walmart's acquisition of Vizio (which makes and sells smart TVs with a proprietary operating system). These companies have greater financial resources than we do and can subsidize the cost of their streaming devices or licensing arrangements to promote their other products and services, which could make it harder for us to acquire new users, retain existing users, increase Streaming Hours, and monetize our streaming platform. These competitors could also implement standards or technology that are not compatible with our products or that provide a better streaming experience and have greater resources to more aggressively promote their brands through advertising than we do.

In addition, we compete for Streaming Hours with many TV brands, including certain of our existing TV partners, that offer their own TV streaming solutions within their TVs, mobile streaming applications on smartphones and tablets, and other devices and platforms, such as game consoles with TV streaming functionality. Similarly, some service operators, such as Comcast and Charter Communications (and their joint venture, Xumo, LLC), offer TV streaming applications and devices as part of their cable service plans and can leverage their existing user bases, installation networks, broadband delivery networks, and name recognition to gain traction in TV streaming. If viewers of TV streaming content prefer alternative products to Roku streaming devices, we may not be able to achieve our expected growth in platform revenue, gross profit, and our key performance metrics.

We expect continued competition in TV streaming, which could result in pricing pressure, lower revenue and gross profit, declines in our key performance metrics, or the failure of Roku streaming devices, our streaming platform, or our other products to gain or maintain broad market acceptance.

To remain competitive and maintain our position as a leading TV streaming platform, we need to continuously invest in our platform, product development, marketing, service and support, and device distribution infrastructure. In addition, evolving TV standards and unknown future developments may require further investments in the development of Roku streaming devices, our streaming platform, and our other products. We may not have sufficient resources to continue to make the investments needed to maintain our competitive position. In addition, many of our competitors have longer operating histories, greater name recognition, larger customer bases, and significantly greater financial, technical, sales, marketing, and other resources than us, which provide them with advantages in developing, marketing, or servicing new products and offerings. As a result, they may be able to respond more quickly to market demand, devote greater resources to the development, promotion, sales, and distribution of their products or their content, and influence market acceptance of their products better than we can. These competitors may also be able to adapt more quickly to new or emerging technologies or standards and may be able to deliver products and services at a lower cost. Sustained competition could reduce our sales volume, revenue, and operating margins, increase our operating costs, harm our competitive position, and otherwise harm our business.

To enhance our users' experience, we also offer Roku-branded smart home products and services, and audio products, including wireless speakers and subwoofers. As a result, we face additional competition from other brands of smart home and audio products. If our smart home and audio products do not operate as designed or do not enhance the Roku Experience as we intend, our users' overall viewing experience may be diminished, which may impact the overall demand for our products and our partners' Roku TV models.

Our competitors offer content and other advertising mediums that may be more attractive to advertisers than our streaming platform.

We operate in a highly competitive advertising industry and compete for revenue from advertising with other streaming platforms and services, social media platforms, and other digital platforms, as well as traditional media, such as radio, broadcast, cable and satellite TV, and satellite and internet radio. These competitors offer content and other advertising mediums that may be more attractive to advertisers than our streaming platform. These competitors are often very large and have more advertising experience and financial resources than we do, which may adversely affect our ability to compete for advertisers and may result in lower revenue and gross profit from advertising. Many major

SVOD services, including Netflix, Disney+, and Amazon Prime Video, now have ad-supported SVOD tiers, which has further increased competition for streaming TV advertising revenue. These services, as well as other services such as YouTube and services that have FAST channels (such as Tubi and Pluto), sell (either through direct sales or programmatically through third parties) advertising inventory in their ad-supported content that is distributed on our streaming platform. Our business and growth prospects may be harmed if we are unable to increase our revenue from advertising by, among other things, continuing to improve our streaming platform's capabilities to further optimize and measure advertisers' campaigns; continuing to increase our streaming platform's reach; increasing, differentiating, and selling our advertising inventory, including video advertising inventory we sell in The Roku Channel, video advertising inventory that we acquire through our streaming services distribution agreements, and display ads included throughout the Roku Experience; innovating our ad product offerings; and maintaining a strong advertising sales team and programmatic capabilities. See also "*—If we are unable to maintain an adequate supply of quality video advertising inventory on our streaming platform or generate sufficient demand to effectively sell our available video advertising inventory, our business may be harmed*."

If advertisers continue to devote a substantial portion of their advertising budgets to advertising in traditional media or on other digital platforms rather than on advertising on our streaming platform, the future growth of our business may be negatively impacted.*

Many advertisers continue to devote a substantial portion of their advertising budgets to advertising in traditional media or on other digital platforms, such as traditional TV, radio, print publications, and social media. The future growth of our business depends on the growth of advertising on TV streaming platforms and on advertisers increasing their spending on advertising on our TV streaming platform. Although traditional TV advertisers have shown growing interest in advertising on TV streaming platforms, we cannot be certain that their interest will continue to increase or that they will not revert to traditional TV advertising or shift their advertising spending to social media and other digital platforms. In addition, if we are unable to compete with social media and other digital platforms to win business from advertisers and advertising agencies who have traditionally advertised on these platforms, such as direct-to-consumer and small or medium-sized businesses, our ability to grow our business may be limited. If advertisers, or their agency relationships, do not perceive meaningful benefits of advertising on our TV streaming platform, the market may develop more slowly than we expect, which could adversely impact our operating results and our ability to grow our business.

Finally, there is political or regulatory pressure in some countries to limit streaming TV advertising (including limiting the advertising that may be associated with children's content) or impose local content or prominence requirements on streaming TV services, which could pose a threat to our operating results and our ability to grow our business.

If we are unable to maintain an adequate supply of quality video advertising inventory on our streaming platform or generate sufficient demand to effectively sell our available video advertising inventory, our business may be harmed.

Our business model depends on our ability to grow video advertising inventory on our streaming platform and sell it to advertisers. While The Roku Channel has historically served as a valuable source of video advertising inventory for us to sell, there is no guarantee that it will continue to do so in the future. If The Roku Channel is unable to secure content that is appealing to our users and advertisers, or is unable to do so on terms that provide a sufficient supply of advertising inventory at reasonable cost, our supply of video advertising inventory will be negatively impacted. We are also dependent on our ability to monetize video advertising inventory within other ad-supported apps on our streaming platform and seek to sell such inventory from the content partners of such apps. We may fail to attract content partners that generate a sufficient quantity or quality of ad-supported content hours on our streaming platform or fail to obtain access to a sufficient supply of such advertising inventory from the publishers.

Our access to video advertising inventory in ad-supported streaming apps on our streaming platform varies greatly among apps and the amount, quality, and cost of video advertising inventory available to us can change at any time. Accordingly, we may not have access to a significant portion of the video advertising inventory on our streaming platform. For certain apps, including YouTube's ad-supported app, we have no access to video advertising inventory at this time, and we may not secure access in the future. Moreover, when existing SVOD services introduce new ad-supported tiers to their streaming services, we have in the past been unable, and in the future may be unable, to obtain access to video advertising inventory on these tiers on mutually agreeable terms, or at all. If we cannot grow, maintain, and generate sufficient demand for an adequate supply of quality video advertising inventory at reasonable costs to keep up with demand or sell such advertising inventory at our desired price, our business may be harmed. If we are unable to effectively sell our available video advertising inventory, our business may be harmed.

If the advertising campaigns that run on our streaming platform decrease or are not relevant or not engaging to our users, our business may be adversely impacted.*

We have made, and are continuing to make, investments to engage with more advertisers and content partners, and enable them to deliver more relevant advertising campaigns to our viewers. However, a small number of advertisers and content partners historically have accounted for a significant portion of the spending on ads integrated into our UI. If our advertisers and content partners decrease spending on ads integrated into our UI, our financial condition and operating results may suffer, and our business may be harmed. For example, consolidation among content partners has in the past resulted, and may in the future result, in decreased spending on ads integrated into our UI.

In addition, existing and prospective advertisers may not be successful in serving advertising campaigns that lead to and maintain viewer engagement. Those ads and campaigns may seem irrelevant, repetitive, or overly targeted and intrusive. For example, viewers may dislike the content and frequency of advertising that appears on the Roku Home Screen. We are continuously seeking to balance the objectives of our advertisers with our desire to provide an optimal viewer experience, but we may not be successful in achieving a balance that continues to attract and retain viewers, advertisers, and content partners. If the advertising campaigns that run on our streaming platform are not relevant, are overly intrusive or too frequent, or are an impediment to the use of our platform, our viewers may stop using our platform, resulting in a reduction of our user base and Streaming Hours, which will harm our business, financial condition, and operating results.

We are subject to various risks in connection with programmatic advertising.

The market for programmatic streaming TV ad buying is growing, and advertisers and advertising agencies can programmatically purchase and manage their streaming TV, desktop, and mobile advertising campaigns both off and on the Roku platform through third-party demand sources (such as third-party DSPs and SSPs) and through our media buying channels. If our current and potential advertising partners do not continue to shift to programmatic ad buying from other buying methods, or if we are unable to expand our programmatic demand by maintaining and developing third-party demand relationships in a way that is competitive with other advertising platforms, our business could be harmed. In addition, if DSPs or SSPs do not have the functionality or services expected by advertisers or advertising agencies, they may take their advertising spend to a non-Roku platform. We also may not be able to adapt to changes or trends in programmatic streaming TV advertising, which would harm our ability to grow our advertising revenue and harm our business.

Furthermore, the programmatic advertising ecosystem is large, distributed, and complex, requiring us to integrate with several key third-party advertising partners. Our compliance with applicable laws and regulations therefore may depend in part on these partners' commitment to handling user data with the care that we require or expect of them. Because integration of our respective systems is complex and rapidly evolving, we and our partners may be susceptible to breaches, failures, and other errors (whether inadvertent or intentional). We expect to encounter more of these challenges and issues as the number of partners we integrate with increases.

We are subject to credit and payment-related risks if our advertisers, advertising agencies, or programmatic partners do not pay or dispute their invoices, which could harm our business.

Many of our contracts with advertising agencies provide that if the advertiser does not pay the agency, the agency is not liable to us, and we must seek payment solely from the advertiser, a type of arrangement called sequential liability. Contracting with these agencies, which in some cases have or may develop higher-risk credit profiles, may subject us to greater credit risk than if we were to contract directly with advertisers.

This credit risk may vary depending on the nature of an advertising agency's aggregated advertiser base. In addition, typically, we are contractually required to pay advertising inventory data suppliers within a negotiated period of time, regardless of whether our advertisers or advertising agencies pay us on time, or at all. Further, we typically experience slow payment cycles by advertising agencies as is common in the advertising industry. While we attempt to balance payment periods with our suppliers and advertisers and advertising agencies, we are not always successful. As a result, we can often face a timing issue with our accounts payable on shorter cycles than our accounts receivables, requiring us to remit payments from our own funds, and accept the risk of credit losses.

We may also be involved in disputes with agencies, their advertisers, or our programmatic partners over the operation of our streaming platform, the terms of our agreements, or our billings for purchases made by them through our streaming platform, our DSP, or other programmatic partners. If we are unable to collect or make adjustments to bills, we could incur credit losses, which could have a material adverse effect on our results of operations for the periods in which the write-offs occur. In the future, bad debt may exceed reserves for such contingencies, and our bad debt exposure may increase over time. Any increase in write-offs for bad debt could have a materially negative effect on our business, financial condition, and operating results. Though we have not experienced significant credit losses to date, if we are not paid by our advertisers or advertising agencies on time or at all, our business may be harmed.

We may not be successful in our efforts to further monetize our expanding user base and streaming activity as we increase the amount of content offered and streamed across our platform, which may harm our business.

Our business model depends on our ability to generate platform revenue from advertisers and content partners through ad-supported content. We generate platform revenue primarily from the sale of digital advertising (including direct and programmatic video advertising, ads integrated into our UI, and related services) and streaming services distribution (including subscription and transaction revenue shares, the sale of Premium Subscriptions, the sale of owned and operated subscription services, and the sale of branded app buttons on remote controls). As such, we are seeking to expand our user base and increase Streaming Hours in an effort to create additional platform revenue opportunities. As our user base grows and as we increase the amount of content offered and streamed across our platform, we must effectively monetize our expanding user base and streaming activity. The total number of Streaming Hours does not correlate with platform revenue on a period-by-period basis, primarily because we do not monetize every hour streamed or every user on our platform. Moreover, Streaming Hours on our platform are measured whenever a Roku streaming device is streaming content, whether a viewer is actively watching or not. For example, if our streaming player is connected to a TV, and the viewer turns off the TV, steps away, or falls asleep without stopping or pausing the player, then a particular streaming app may continue to play content for a period of time determined by the streaming app. Roku TV OS's "Are you still watching?" feature, which prompts users to confirm they are still watching, does not resolve this lack of correlation.

Our ability to deliver advertisements relevant to our users and to increase our streaming platform's value to advertisers and content partners depends on the collection of user engagement data, and the degree to which our users consent to, opt out of, or limit the collection or use of data for advertisements, including as a result of product changes and controls that we have implemented or may implement in the future related to new applicable laws, regulations, industry standards, regulatory actions, or litigation that impact our ability to use data for advertising purposes. Content partners may also refuse to allow us to collect data regarding user engagement or refuse to implement mechanisms we request to ensure compliance with our legal obligations or technical requirements. For example, we are not able to fully utilize program level viewing data from many of our most popular apps to improve the relevancy of advertisements provided to our users.

Other apps available on our streaming platform, such as Amazon Prime Video, Apple TV+, Hulu, and YouTube, are focused on increasing user engagement and time spent within their apps by allowing users to purchase additional content and streaming services within their apps. When users purchase these products and services in-app rather than from us, we may earn less revenue than when such products and services are purchased directly from us. Additionally, if our users spend most of their time within particular apps where we have limited or no ability to place advertisements or leverage user information, or our users opt out from our ability to collect data for use in providing more relevant advertisements, we may not be able to achieve our expected growth in platform revenue, gross profit, or certain key performance metrics. Additionally, our distribution agreements with our most popular apps are renegotiated periodically; thus, even if we are currently able to monetize Streaming Hours within an app, we may not be able to do so in the future. If we are unable to further monetize our streaming platform, our business may be harmed.

Our efforts to monetize our streaming platform may not continue to grow as we expect, and at times our platform revenue growth has been, and may in the future be, lower than expected due to advertising inventory supply and demand imbalances; advertisers significantly curtailing or pausing advertising spending due to macroeconomic factors or other factors beyond our control; competitive pressures from video advertising offerings on other TV streaming platforms or services; or the non-binding nature of advertisers' spending commitments. For example, spending commitments we obtain in connection with annual TV Upfront presentations are typically not fully binding, and the revenue we receive from such commitments may be less than the initially committed amount. To materially increase the monetization of our streaming platform through the sale of video advertising, we must generate significantly more advertising revenue on our streaming platform as well as deliver ad-supported content that results in our users streaming significantly more ad-supported content. We cannot assure you that we will be successful in monetizing our streaming platform through the distribution of ad-supported content.

We are subject to various risks in connection with our operation and monetization of The Roku Channel and our owned and operated subscription services.*

We operate The Roku Channel, which offers ad-supported free access for users to a collection of films, television series, live linear television, and other content, as well as our owned and operated subscription services (which include Howdy, an ad-free SVOD service, and Frndly TV, a subscription streaming service that offers live TV, on-demand video, and a cloud-based DVR). We have incurred, and will continue to incur, costs and expenses in connection with the development, expansion, and operation of The Roku Channel, which we monetize primarily through advertising, and our owned and operated subscription services, which we monetize primarily through subscription fees. We also commission original content that we own and distribute on The Roku Channel. From time to time, we may remove underperforming content from The Roku Channel or our owned and operated subscription services and record an impairment charge related to such removal.

In order to attract users to the ad-supported content on The Roku Channel and drive streaming of ad-supported video on The Roku Channel, and attract users to our owned and operated subscription services, we must secure rights to stream content that is appealing to our users and advertisers. In part, we do this by directly licensing certain content from content owners, such as television and movie studios. Our agreements with these content owners have varying terms and provide us with rights to make specific content available during certain periods of time. Upon expiration of these agreements, we must re-negotiate and renew these agreements with the existing content owners, or enter into new agreements with other content owners, to obtain rights to distribute additional titles or to extend the duration of the rights previously granted. If we cannot enter into content license agreements on acceptable terms to access content that enables us to attract and retain users on The Roku Channel and our owned and operated subscription services, or if the content we do secure rights to stream is ultimately not appealing to our users and advertisers, usage of The Roku Channel may decline, and our business may be harmed. Further, even if we successfully monetize The Roku Channel and our owned and operated subscription services in the United States, we may not be successful in monetizing them in international markets. See also "*—We may be unable to successfully expand our international operations, and our international expansion plans, if implemented, will subject us to a variety of risks that may harm our business.*"

In addition, we produce original content for distribution on The Roku Channel and other platforms. We have limited experience producing content, and we may not succeed in doing so in a cost-effective manner that furthers the growth of The Roku Channel and increases its appeal to our users and advertisers. We also assume risks associated with content production, such as completion and key talent risks, and the risk of litigation and claims related to our content production.

Furthermore, if the advertisements on our streaming services are not relevant to our users or are overly intrusive and impede our users' enjoyment of the available content, our users may not stream content and view advertisements on our streaming services, and our streaming services may not generate sufficient revenue from advertising to be cost effective for us to operate. In addition, we distribute our streaming services on platforms other than our own streaming platform, and we may not be successful in attracting a large number of users or generating significant revenue from advertising or subscription fees on such other streaming platforms.

The sale of Premium Subscriptions on The Roku Channel also generates platform revenue and carries certain non-advertising related risks. See "*—If our users sign up for offerings and services outside of our streaming platform or through other apps on our streaming platform, our business may be harmed.*"

We depend on a small number of content partners for nearly half of our Streaming Hours, and if we fail to maintain these relationships, our business could be harmed.*

Historically, a small number of content partners have accounted for a significant portion of the hours streamed on our platform. In the three months ended September 30, 2025, the top three streaming services (excluding The Roku Channel) represented nearly half of all hours streamed in the period. If, for any reason, we cease distributing apps that have historically streamed a large percentage of the aggregate Streaming Hours on our platform, our Streaming Hours, user base, or Roku streaming device sales may be adversely affected, and our business may be harmed.

If popular or new content publishers do not publish content on our streaming platform, we may fail to retain existing users and attract new users.

We must continuously maintain existing relationships and identify and establish new relationships with content publishers to provide popular streaming apps, streaming app features, and content on our platform. In order to remain competitive, we must consistently meet user demand for popular streaming apps, streaming app features, streaming app bundles, and content, particularly as we launch new streaming devices, introduce new TVs powered by the Roku TV OS, or enter new markets, including international markets. This may be challenging as the industry continues to evolve, including through consolidation of content publishers, joint ventures among content publishers, and licensing of content between content publishers. If we are not successful in helping our content publishers launch, maintain, and expand their streaming apps and streaming app features that attract and retain a significant number of users on our streaming platform or if we are not able to do so in a cost-effective manner, our business will be harmed. Our success in assisting our content publishers maintain and expand their app offerings on a cost-effective basis largely depends on our ability to effectively promote and market streaming apps, minimize launch delays or downtime of streaming apps, and minimize streaming platform downtime and other technical difficulties.

In addition, if service operators, including traditional TV providers, refuse to grant our users access to stream certain apps or only make content available on devices they prefer, our ability to offer a broad selection of popular streaming apps or content may be limited, which could adversely affect our business.

The non-renewal or early termination of agreements with our content partners may result in the removal of certain apps or app features from our streaming platform and harm our streaming device sales, user base growth, and engagement.

Our agreements with content partners generally have terms of one to three years and can be terminated before the end of the term by the content partner under certain circumstances, including if we materially breach the agreement, become insolvent, enter bankruptcy, commit fraud, or fail to adhere to the content partners' security or other platform certification requirements. Upon expiration of these agreements, we are required to re-negotiate and renew them in order to continue providing content from these content partners on our streaming platform. We have in the past been unable, and in the future may not be able, to reach a satisfactory agreement with certain content partners before our existing agreements have expired. If we are unable to renew such agreements on a timely basis on mutually agreeable terms, or if a content partner terminates an agreement with us prior to its expiration, we may be required to temporarily or permanently remove certain apps or app features from our streaming platform.

The loss of such apps or app features from our streaming platform for any period of time may harm our business. More broadly, if we fail to maintain our relationships with the content partners on terms favorable to us, or at all, or if these content partners face problems in delivering their content across our streaming platform, we may lose app partners or users and our streaming device sales, user base growth, and engagement may be harmed.

If our content partners do not participate in new features that we may introduce from time to time or choose to develop their apps on alternative streaming platforms, our business may be harmed.

As our streaming platform and products evolve, we will continue to introduce new features, which may or may not be attractive to our content partners or meet their business or technical requirements. For example, some content partners have elected not to participate in new Roku Home Screen Menu features or in our Roku Zones (collections of related content from apps across our streaming platform) or have imposed limits on our data gathering for usage within their apps. See also "—*We may not be successful in our efforts to further monetize our expanding user base and streaming activity as we increase the amount of content offered and streamed across our platform, which may harm our business.*" In addition, our streaming platform utilizes our proprietary Brightscript scripting language to allow our content partners to develop and create apps on our streaming platform. Certain content partners may find other languages, such as HTML5, more attractive to develop for and shift their resources to developing their apps on other platforms. If key content partners do not find our streaming platform simple and attractive to develop apps for, do not value and participate in all of the features and functionality that our streaming platform offers, or determine that our software developer kit or new features of our platform do not meet their requirements, our business may be harmed.

If our users sign up for offerings and services outside of our streaming platform or through other apps on our streaming platform, our business may be harmed.

We earn revenue by acquiring subscribers for certain of our content partners activated on or through our streaming platform, including Premium Subscriptions on The Roku Channel, which allow our users to pay for content from various content partners. If users reduce their use of our streaming platform for these purchases or subscriptions for any reason, including opting to pay for services directly with content partners or by other means for which we do not receive attribution, our business may be harmed.

In addition, certain apps available on our streaming platform allow users to purchase additional streaming services from within those apps. The revenue we earn from these transactions, if any, is not always equivalent to the revenue we earn from sales of such additional services on a stand-alone basis through our streaming platform. If users increase their spending on such in-app transactions at the expense of stand-alone purchases through our streaming platform, our business may be harmed.

Our growth depends in part on our ability to develop, maintain, and expand relationships with our licensed Roku TV partners and manufacturing partners.

We license the Roku TV OS and our smart TV reference designs to certain TV brand and manufacturing partners for the development, manufacture, and commercialization of licensed Roku TV models and, for a number of years, the sale of Roku TV models by our licensed Roku TV partners has materially contributed to growth in our user base and Streaming Hours and supported our platform monetization efforts. As our Roku TV licensing program has expanded to certain markets outside the United States, international users are representing an increasing share of our user base. We have developed, and intend to continue to develop and expand, relationships with these TV brand and manufacturing partners as we continue to invest in the growth and expansion of our Roku TV program both in the United States and international markets. We typically do not receive or expect license revenue from these license arrangements but incur operating expenses to establish and support them. The economic benefits that we derive from these license arrangements are and will likely continue to be indirect, primarily growth of our user base and increasing Streaming Hours, and both enabling us to generate more streaming services distribution and advertising-related revenue on our platform. If these arrangements do not continue to result in increased user base and Streaming Hours, and if that growth does not in turn lead to successfully monetizing that increased user activity, our business may be harmed. See also "—*We may not be successful in our efforts to further monetize our expanding user base and streaming activity as we increase the amount of content offered and streamed across our platform, which may harm our business.*"

The loss of a relationship with a licensed Roku TV partner (including as a result of our launch of Roku-branded TVs that are designed, made, and sold by us) could harm our results of operations, damage our reputation, increase pricing and promotional pressures from other partners and retail distribution channels, increase our marketing costs, and result in the loss of revenue. If we are not successful in maintaining existing and creating new relationships with any of these licensed Roku TV partners, or if we encounter technological, content licensing, or other impediments to these relationships, our ability to grow or maintain our business could be adversely impacted.

Our Roku TV licensing arrangements are complex and time-consuming to negotiate and complete. Under these license arrangements, we generally have limited or no control over the amount and timing of resources our licensing partners may dedicate to the relationship. In the past, our licensed Roku TV partners have failed to meet their forecasts and anticipated market launch dates for distributing Roku TV models, and they may fail to do so in the future. If our licensed Roku TV partners fail to meet their forecasts or launch dates for distributing our streaming devices or choose to deploy competing streaming solutions within their product lines, our business may be harmed.

We and our licensed Roku TV partners depend on retail sales channels to effectively market and sell our respective products, and if we or our partners fail to maintain and expand effective retail sales channels, we or our partners could experience lower product sales.*

To continue to grow our user base, we must maintain and expand retail sales channels for our products and for the Roku products sold by our partners or licensees. The majority of our products and our licensed Roku TV partners' products are sold through traditional brick and mortar retailers, such as Best Buy, Costco, Target, and Walmart, their respective online sales platforms, and traditional online retailers such as Amazon.

We also sell certain products directly through our website and internationally through distributors and retailers such as Coppel in Mexico, Magazine Luiza in Brazil, MediaMarkt in Germany, and Currys in the United Kingdom. As we are still a recent entrant in international markets, we may not have established a strong reputation or relationships with retailers for those markets as compared to our retail sales channels in the United States or our competitors in international markets. See also "*—We may be unable to successfully expand our international operations, and our international expansion plans, if implemented, will subject us to a variety of risks that may harm our business*."

Our retailers and distributors also sell products that compete with our products and our licensed Roku TV partners' products, including house-branded televisions sold by such retailers that utilize TV operating systems other than the Roku TV OS. We have no minimum purchase commitments or long-term contracts with any of these retailers or distributors, and there can be no assurance that we will reach agreements with our retailers and distributors on terms we find acceptable or that will be consistent with our past practices.

We may be reliant on certain retailers or distributors. Amazon, Best Buy, Target, and Walmart in total accounted for 73% and 78% of our devices revenue for the three months ended September 30, 2025 and 2024, respectively. Furthermore, our licensed Roku TV partners may be reliant on the same or other retailers and distributors for a significant portion of their unit sales of Roku TV models. If one or several retailers or distributors were to discontinue selling our or licensed Roku TV partners' products, choose not to prominently display those products in their stores or on their websites, or close or severely limit access to their brick and mortar locations, the volume of our or our licensed Roku TV partners' products sold could decrease, which would harm our business. These risks may be exacerbated by our reliance on certain retailers or distributors, or when a major retailer in a jurisdiction commercializes televisions under brands that the retailer controls.

In addition, if any of our existing licensed Roku TV partners choose to work exclusively with, or divert a significant portion of their business with us, to other operating system developers, this may adversely impact our ability to continue to license the Roku TV OS and our smart TV reference design to TV brands and to grow our user base and monetize the Roku TV OS. Traditional retailers have limited shelf and end cap space in their stores and limited promotional budgets, and online retailers have limited prime website product placement space. Competition is intense for these resources, and a competitor with more extensive product lines, stronger brand identity, and greater marketing resources, such as Amazon or Google, possesses greater bargaining power with retailers. In addition, one of our online retailers, Amazon, sells its own competitive streaming devices, smart TVs, and smart home devices, is able to market and promote these products more prominently on its website, and could refuse to offer or promote our products on its website. We also face increased competition with Walmart (which currently makes and sells Onn. branded streaming products, including co-branded Roku TV models), in light of Walmart's acquisition of Vizio (which also makes and sells smart TVs with a proprietary operating system). See also "*—If our efforts to build a strong brand and maintain customer satisfaction and loyalty are not successful, we may not be able to attract or retain users, and our business may be harmed*" and "*—If we fail to differentiate our streaming platform and compete successfully with our competitors, it will be difficult for us to attract and retain users and our business will be adversely impacted.*" Any reduction in our ability to place and promote our products, or increased competition for available shelf or website placement, could require us to increase our marketing or other expenditures to maintain our product visibility or could result in reduced visibility for our products, which may harm our business. In particular, the availability of product placement during peak retail periods, such as the holiday season, is critical to our revenue growth, and if we are unable to effectively sell our products during these periods, our business would be harmed.

If our efforts to build a strong brand and maintain customer satisfaction and loyalty are not successful, we may not be able to attract or retain users, and our business may be harmed.

Building and maintaining a strong brand is important to attract and retain users, as potential users have a number of TV streaming choices. Successfully building a brand is a time-consuming and comprehensive endeavor, and our brand may be negatively impacted by factors, some which are beyond our control, such as the quality and reliability of the Roku TV models made by our licensed Roku TV partners and the quality of the content provided by our content partners. Our competitors may be able to achieve and maintain brand awareness and consumer demand for their products more quickly and effectively than we can. Many of our competitors are larger companies and may have greater resources to devote to the promotion of their brands through traditional advertising, digital advertising, or website product placement. See also "*—If we fail to differentiate our streaming platform and compete successfully with our competitors, it will be difficult for us to attract and retain users and our business will be adversely impacted.*" If we are unable to execute on building a strong brand, it may be difficult to differentiate our business and streaming platform from our competitors in the marketplace, which may adversely affect our ability to attract and retain users and harm our business.

Our streaming platform allows our users to choose from a wide variety of apps, representing a variety of content from a wide range of content partners. While we have policies that prohibit the publication of content that is unlawful, incites illegal activities, or violates third-party rights, among other things, we may distribute apps that include controversial content. Controversies related to the content included on certain apps that we distribute have resulted in, and could in the future result in, negative publicity, cause harm to our reputation and brand, or subject us to claims and may harm our business.

If we encounter problems with the limited number of contract manufacturers we primarily depend upon, our operations could be disrupted.*

We do not have any internal manufacturing capabilities and rely on a limited number of contract manufacturers to build our players, smart home products, and Roku-branded TVs. Our contract manufacturers are vulnerable to, among other issues:

- capacity constraints;
- reduced component availability;
- production, supply chain, or shipping disruptions, delays, or increased costs, including from labor disputes, strikes, mechanical issues, quality control issues, natural disasters, geopolitical conflicts, and public health crises; and
- the impact of U.S. or foreign tariffs, trade, or sanctions restrictions on components, finished goods, software, other products, or data transfers.

As a result, we have limited control over delivery schedules, manufacturing yields, and costs, particularly when components are in short supply or when we introduce new products.

We also have limited control over our contract manufacturers' quality systems and controls, and therefore must rely on them to manufacture our products to our quality and performance standards and specifications. Delays, component shortages, quality issues, and other manufacturing and supply problems in the past have impaired, and could in the future impair, the retail distribution of our products and ultimately our brand. Furthermore, any adverse change in our contract manufacturers' financial or business condition could disrupt our ability to supply our products to our retailers and distributors.

We also rely upon our contract manufacturers and other contractors to perform some of the development work on our products. The contract manufacturers or other contractors may be unwilling or unable to successfully complete desired development or fix defects or errors in a timely manner. Delays in development work by contract manufacturers or contractors could delay launch of new or improved products.

Our contracts with our contract manufacturers generally may not contain terms that protect us against development, manufacturing, and supply disruptions or risks. For example, such contracts may not obligate our contract manufacturers to supply our products in any specific quantity or at any specific price. If our contract manufacturers are unable to fulfill our production requirements in a timely manner, if their costs increase because of inflationary pressures, U.S. or international tariffs, sanctions, export or import restrictions, or if they decide to terminate their relationship with us, our order fulfillment may be delayed or terminated, and we would have to attempt to identify, select, and qualify acceptable alternative contract manufacturers.

Alternative contract manufacturers may not be available to us when needed or may not be in a position to satisfy our production requirements at commercially reasonable prices, to our quality and performance standards on a timely basis, or at all. Any significant interruption in manufacturing at our contract manufacturers for any reason could require us to reduce our supply of products to our retailers and distributors, which in turn would reduce our revenue, or incur higher freight costs than anticipated, which would negatively impact our devices gross margin.

In addition, our contract manufacturers' facilities, and the facilities of our contract manufacturers' suppliers, are located in various geographic areas that may be subject to political, economic, labor, trade, public health, social, and legal uncertainties, including Brazil, China, Mexico, Taiwan, Thailand, and Vietnam, and such uncertainties may harm or disrupt our relationships with these parties or their ability to perform. For example, if the tensions between Taiwan and China escalate and impact the operations of our contract manufacturers and their Taiwanese suppliers, our supply chain and our business could be adversely affected. We believe that the international location of these facilities increases supply risk, including the risk of supply interruptions, tariffs, and trade restrictions on exports or imports.

The supply of Roku TV models to the market could be disrupted if our licensed Roku TV partners encounter problems with their internal operations or with their contract manufacturers, assemblers, or component suppliers.

Some of our licensed Roku TV partners have internal manufacturing capabilities, while others rely primarily or exclusively upon contract manufacturers to build the Roku TV models that our licensed Roku TV partners sell to retailers. Regardless of whether their manufacturing capabilities are internal or contracted, our licensed Roku TV partners' manufacturers may be vulnerable to capacity constraints and reduced component availability; increases in tariffs on imports of Roku TV models; future possible changes in regulations on exports; restrictions, by the United States or otherwise, on dealings with certain countries, companies, or imported inputs; tariffs on parts or components for Roku TV models; and supply chain disruptions, increased shipping costs, and shipping delays.

Our licensed Roku TV partners' control over delivery schedules, manufacturing yields, and costs, particularly when components are in short supply, may be limited. For those licensed Roku TV partners with contract manufacturers or suppliers, the problems are exacerbated because the contract manufacturer is a third party, and the licensed Roku TV partner does not have direct visibility into or control over the operations. Delays, component shortages, and other manufacturing and supply problems could impair the manufacture or distribution of Roku TV models. Interruptions in the supply of Roku TV models to retailers and distributors or increases in the pricing of Roku TV models at times have negatively affected, and could adversely affect in the future, the volume of Roku TV models sold at retail, resulting in slower user base and Streaming Hours growth.

Furthermore, any manufacturing, design, or other issues affecting the quality or performance of Roku TV models could harm our brand and our business.

If we fail to accurately forecast our manufacturing requirements for our products and manage our inventory with our contract manufacturers, we could incur additional costs, experience manufacturing delays, and lose revenue.

We bear risks of excess and insufficient inventories under our contract manufacturing arrangements. For example, our contract manufacturers order materials and components in advance in an effort to meet our projected needs for our products. Lead times for the materials and components that our contract manufacturers order on our behalf through different component suppliers may vary significantly and depend on numerous factors outside of our control, including the specific supplier, contract terms, shipping and freight, market demand for a component at a given time, and trade and government relations. Lead times for certain key materials and components incorporated into our products are currently lengthy and may require our contract manufacturers to order materials and components many months in advance. If we overestimate our production requirements, our contract manufacturers may purchase excess components and build excess inventory. If our contract manufacturers, at our request, purchase excess components or build excess products, we could be required to pay for these excess components or products. In the past, we have agreed to reimburse our contract manufacturers for purchased components that were not used as a result of our decision to discontinue a certain model or the use of particular components. If we incur costs to cover excess supply commitments, our business may be harmed.

Conversely, if we underestimate our product requirements, our contract manufacturers may have inadequate material or component inventory, which could interrupt the manufacturing of our products, result in insufficient quantities available to meet demand, and result in delays or cancellation of orders from retailers and distributors. In addition, from time to time we have experienced unanticipated increases in demand that resulted in the need to ship our products via air freight, which is more expensive than ocean freight, and adversely affected our devices gross margin during such periods of high demand (for example, during end-of-year holidays). If we fail to accurately forecast our manufacturing requirements, our business may be harmed.

Our products incorporate key components from sole source suppliers, and if our contract manufacturers are unable to obtain sufficient quantities of these components on a timely basis, we will not be able to deliver our products to our retailers and distributors.

We depend on sole source suppliers for key components in our products. For example, each of our streaming players and TVs powered by the Roku TV OS may utilize a specific system on chip (or SoC), Wi-Fi silicon product, and Wi-Fi front-end module, each of which may be available from only a single manufacturer and for which we do not have a second source.

Although this approach allows us to maximize product performance on lower cost hardware, reduce engineering development and qualification costs, and develop stronger relationships with our strategic suppliers, this also creates supply chain risk. These sole-source suppliers could be constrained by fabrication capacity issues or material supply issues, such as U.S. or foreign tariffs, war or other government or trade relations issues, other export or import restrictions on parts or components for finished products that are used in final assembly of their components (or on the finished products themselves), or shortages of key components.

There is also a risk that the strategic supplier may stop producing such components, cease operations, be acquired by or enter into exclusive arrangements with our competitors or other companies, put contract manufacturers on allocation because of semiconductor shortages, or become subject to U.S. or foreign sanctions or export control restrictions or penalties. Such suppliers have experienced, and may in the future experience, production, shipping, or logistical constraints arising from macroeconomic conditions or other circumstances, such as inflationary pressures, geopolitical conflicts, and supply chain disruptions. Such interruptions and delays have in the past and may in the future force us to seek similar components from alternative sources, which may not always be available, and which may cause us to delay product introductions and incur air freight expense. Switching from a sole-source supplier may require that we adapt our software and redesign our products to accommodate new chips and components, and may require us to re-qualify our products with regulatory bodies, such as the U.S. Federal Communications Commission ("FCC"), which would be costly and time-consuming.

Our reliance on sole-source suppliers involves a number of additional risks, including risks related to: supplier capacity constraints; price increases, including those related to inflationary pressures, tariffs, and material costs; timely delivery; component quality; and delays in, or the inability to execute on, a supplier roadmap for components and technologies. Any interruption in the supply of sole-source components for our products could adversely affect our ability to meet scheduled product deliveries to our retailers and distributors, result in lost sales and higher expenses, and harm our business.

If our products do not operate effectively with various offerings, technologies, and systems from content partners and other third parties that we do not control, our business may be harmed.*

The Roku TV OS is designed to perform using relatively low-cost hardware, which enables us to drive user growth via Roku streaming devices offered at a low cost to users. However, this hardware must be interoperable with all apps and other offerings, technologies, and systems from our content partners, including virtual multi-channel video programming distributors, and other third parties. We have no control over these offerings, technologies, and systems beyond our app certification requirements, and if Roku streaming devices do not provide our users with a high-quality experience on those offerings on a cost-effective basis or if changes are made to those offerings that are not compatible with Roku streaming devices, we may be unable to increase user base growth and user engagement or may be required to increase our hardware costs, and our business will be harmed.

We plan to continue to introduce new products regularly, including, for example, the new Roku streaming devices and product enhancements we announced in April 2025, and we have experienced that it takes time to optimize such products to function well with these offerings, technologies and systems. In addition, many of our largest content partners have the right to test and certify our new products before we can publish their apps. The certification processes can be time-consuming and introduce third-party dependencies into our product release cycles. If our content partners do not certify new products on a timely basis or require us to make changes in order to obtain certifications, our product release plans may be adversely impacted, we may not be able to offer certain products to all licensed Roku TV partners or we may not continue to offer certain apps. To continue to grow our user base and user engagement, we will need to prioritize development of Roku streaming devices to work better with new offerings, technologies, and systems. If we are unable to maintain consistent operability of Roku streaming devices that is on parity with or better than other platforms, our business could be harmed.

In addition, any future changes to offerings, technologies, and systems from our content partners may impact the accessibility, speed, functionality, and other performance aspects of Roku streaming devices. We may not successfully develop Roku streaming devices that operate effectively with these offerings, technologies, or systems. If it becomes more difficult for our users to access and use these offerings, technologies, or systems, our business could be harmed.

Our products are complex and may contain hardware defects and software errors, which could manifest themselves in ways that could harm our reputation and our business.*

Our products and the products of our licensed Roku TV partners are complex and have in the past contained, and may in the future contain, hardware defects or software errors. These defects and errors can manifest themselves in any number of ways in our products or our streaming platform, including through diminished performance, security vulnerabilities, data loss or poor quality, device malfunctions, account inactivity, or even permanently disabled products. Some errors may only be discovered after a product has been shipped and used by users and may in some cases only be detected under certain circumstances or after extended use. We update our software on a regular basis, and, despite our quality assurance processes, we have in the past introduced, and may in the future introduce, software errors in the process of any such updates.

The introduction of a serious software error could result in products becoming permanently disabled. We offer a limited warranty for our products, in accordance with applicable law, however, providing software updates, product support, and other activities could cause us to be responsible for issues with products for an extended period of time. Any defects discovered in our products after commercial release could result in loss of revenue or delay in revenue recognition, loss of customer goodwill and users, and increased service costs, any of which could harm our business, operating results, and financial condition. We could also face claims for product or information liability, tort or breach of warranty, or other violations of laws or regulations. In addition, our contracts with our end users contain provisions relating to warranty disclaimers and liability limitations, which may not be upheld. Defending a lawsuit, regardless of its merit, is costly and may divert management's attention and adversely affect the market's perception of Roku and our products. In addition, if our insurance coverage proves inadequate or future coverage is unavailable on acceptable terms or at all, our business could be harmed.

Components used in our products may fail as a result of manufacturing, design, or other defects that were unknown to us or over which we have no control and may render our products permanently inoperable.

We rely on third-party component suppliers to provide certain functionalities needed for the operation and use of our products. Any errors or defects in such third-party technology could result in errors or defects in our products that could harm our business. If these components have a manufacturing, design, or other defect, they could cause our products to fail and could render them permanently inoperable. For example, the typical means by which our users connect their home networks to our players is by way of a Wi-Fi access point in the home network router. If the Wi-Fi receiver or transmitter in a player fails and cannot detect a home network's Wi-Fi access point, the player will not be able to display or deliver any content to the TV screen. As a result, we may have to recall and replace defective products, which could be at a considerable expense. In addition, if our insurance coverage proves inadequate or future coverage is unavailable on acceptable terms or at all, our business could be harmed. Should we have a widespread problem of this kind, our reputation in the market could also be adversely affected.

If we are unable to obtain or maintain necessary or desirable licenses, certifications, or approvals related to our use or support of third-party technology, intellectual property, or services then our ability to develop and introduce new products and services, and continue to manufacture, update, and commercialize existing products and services, may be impaired.

We use or enable in our products and services certain industry standard and other technology, intellectual property, and services that are obtained from third parties. In order to continue to make, distribute, update, and commercialize existing products and services and introduce and commercialize new products and services that use a third-party technology, we may be required to maintain certain licenses, certifications, and approvals from the relevant third parties. The licenses, certifications, and approvals we need to obtain may be or become unavailable to us on commercially reasonable terms, if at all. If we are unable to obtain or maintain necessary third-party licenses, certifications, or approvals, we may have to obtain substitute technologies, intellectual property, or services with lower quality or performance standards, or at a greater cost, or remove desired functions and features from our products and services, any of which could harm customer and partner relationships, as well as the competitiveness of our products, services, and business.

Our products and services are designed to be compatible with numerous industry standards. In many cases, these industry standards have numerous associated patents known generally as standard essential patents ("SEPs"). Over time, SEP owners have increasingly turned away from licensing their SEPs through patent pools, preferring to license their portfolios directly. This has increased the number of licensors (since the patents are not pooled) and increased the time, cost, and difficulty of SEP licensing. If we are unable to obtain a license to a necessary SEP on commercially reasonable terms, or at all, or find a suitable substitute technology that complies with the industry standard, our customer and partner relationships, as well as the competitiveness of our products and services, and our business may be harmed. See also "*—We must continue to innovate and develop new and existing products and services to remain competitive, and new products and services expose our business to new risks.*"

We must continue to innovate and develop new and existing products and services to remain competitive, and new products and services expose our business to new risks.*

We must continually innovate and improve our products and services and develop new products and services to meet changing consumer demands. The introduction of a new product or service is a complex process, involving significant expenditures in research and development, promotion, and sales channel development, and can expose our business to new risks. For example, in 2025, we acquired Frndly TV and launched Howdy, both of which are owned and operated subscription streaming services. The introduction of new products and services or changes to our existing products and services may require us to comply with new laws and regulations and result in new or enhanced governmental or regulatory scrutiny, new litigation or claims, or other complications that could adversely affect our business, reputation, or financial results. In addition, our entrance into entirely new lines of business beyond our historical core business of TV streaming and advertising, such as our Roku-branded smart home products, may change our risk profile and subject us to risks that differ from the risks we face as a result of our historical TV streaming business.

Whether users will broadly adopt our new products or services is not certain. Our future success will depend on our ability to develop new and competitively priced products and services and add new desirable content and features to our streaming platform. Moreover, we must introduce new products and services in a timely and cost-effective manner, and we must secure production orders for new products from our contract manufacturers. See also "*—If popular or new content publishers do not publish content on our streaming platform, we may fail to retain existing users and attract new users.*"

The successful development and introduction of new products and services depends on a number of factors, including:

- the accuracy of our forecasts for market requirements beyond near-term visibility;
- our ability to anticipate and react to new technologies and evolving consumer trends;
- our development, licensing, or acquisition of new technologies;
- our timely completion of new designs and development;
- our ability to timely and adequately redesign or resolve design or manufacturing or security issues;
- our ability to identify and contract with appropriate manufacturers;
- the ability of our contract manufacturers to cost-effectively manufacture our products, produce quality products, and minimize defects, manufacturing mishaps, shipping costs, and delays;
- the availability of materials and key components used in manufacturing;
- tariffs, trade, sanctions, and export restrictions by the U.S. or foreign governments;
- our ability to comply with regulatory requirements; and
- our ability to attract and retain high quality research and development personnel.

If any of these or other factors materializes, we may not be able to develop and introduce new products or services in a timely or cost-effective manner, and our business may be harmed. We do not expect that all of our new products and services will be successful.

We are incorporating AI technologies into some of our products and services, which may present operational and reputational risks.

We have incorporated and intend to continue to incorporate AI technologies, such as generative AI, into our products and services. For example, we have introduced a generative-driven ad creation service for our advertisers to help them create ads more easily, and we continue to use AI technologies to power our content recommendation engine and our content row on the Roku Home Screen. As with many innovations, AI presents risks and challenges that could adversely impact our business. AI technologies can create accuracy issues, unintended biases, and discriminatory outcomes, or may create content that appears correct but is inaccurate or flawed. If the recommendations, content, or analyses that AI applications produce are or are alleged to be deficient or inaccurate, we could be subjected to competitive harm, potential legal liability, and brand or reputational harm. The legal and regulatory landscape surrounding AI technologies is rapidly evolving and uncertain, including in the areas of intellectual property, cybersecurity, and privacy and data protection. For example, there is uncertainty around the validity and enforceability of intellectual property rights related to the use, development, and deployment of AI technologies. Compliance with new or changing laws, regulations or industry standards relating to AI may impose significant operational costs and may limit our ability to develop, deploy, or use AI technologies. See also "*—If government regulations or laws relating to the internet, video, advertising, or other areas of our business change, we may need to alter the manner in which we conduct our business, or our business could be harmed.*" There can be no assurance that the measures we have taken to mitigate the potential risks related to generative AI will be sufficient. Failure to appropriately respond to this evolving landscape may result in legal liability, regulatory action, or brand and reputational harm.

If we fail to provide adequate levels of quality customer support, we could lose users, advertisers, content partners, and licensed Roku TV partners, which could harm our business.

A high level of support is critical for the success of our business, and our users depend on this support to resolve issues relating to our products and our streaming platform. We currently outsource the majority of our customer support operation to a third-party customer support organization which provides support to end users and licensees. If we do not effectively train, update, and manage our third-party customer support organization to assist our users and licensees, and if that support organization does not succeed in helping them quickly resolve issues or provide effective ongoing support, it could adversely affect our ability to monetize our streaming platform, to sell our products to users and could harm our reputation with potential new customers and our licensees.

Risks Related to Operating and Growing Our Business

We have incurred operating losses in the past, and although we have achieved profitability in certain quarters, we may incur operating losses in the future and may not be able to achieve profitability again in the near term or at all.*

We have incurred operating losses in the past, and we may incur operating losses in the future. Although we achieved profitability in certain quarters, we may not be able to achieve profitability again in the near term or at all. As of September 30, 2025, we had an accumulated deficit of $1,469.1 million. Our operating expenses have increased in the past and may increase again in the future as we expand our operations and invest in growth and new areas. If our revenue and gross profit do not grow at a greater rate than our operating expenses, we may not be able to achieve profitability again. We expect our profitability to fluctuate in the future for a number of reasons, including without limitation the other risks and uncertainties described herein. Additionally, we may encounter unforeseen operating or legal expenses, difficulties, complications, delays, and other factors that may result in losses in future periods.

Our quarterly operating results may be volatile and are difficult to predict, and our stock price may decline if we fail to meet the expectations of securities analysts or investors.*

Our revenue, gross profit, key performance metrics, and other operating results could vary significantly from quarter-to-quarter and year-to-year and may fail to match our past performance due to a variety of factors, including many factors that are outside of our control. Factors that may contribute to the variability of our operating results and cause the market price of our Class A common stock to fluctuate include:

- the entrance of new competitors or competitive products or services;
- our ability to retain and grow our user base, increase engagement among new and existing users, and monetize our streaming platform;
- our ability to maintain effective pricing practices in response to competitive market conditions or other macroeconomic factors, such as increased taxes, inflation, or tariffs, and our ability to control costs, including our operating expenses;
- our revenue mix, which drives gross profit;
- supply of advertising inventory on our platform and advertiser demand for such inventory;
- seasonal, cyclical, or other shifts in revenue from advertising or product sales;
- the timing of the launch of new or updated products, apps, or features;
- the addition or removal of content or apps from our streaming platform;
- the expense and availability of content to license or produce for The Roku Channel and our owned and operated subscription services;
- the ability of retailers to anticipate consumer demand;
- an increase in the manufacturing or component costs of our products or partner-branded products;
- delays in delivery of our products or partner-branded products, or disruptions in our or our partners' supply or distribution chains; and
- an increase in legal costs, including costs associated with protecting our intellectual property, defending against intellectual property infringement allegations, or procuring rights to intellectual property.

See also *"—The market price of our Class A common stock has been, and may continue to be, volatile, and the value of our Class A common stock may decline."*

Our gross margins vary across our devices and platform offerings. Our devices segment experienced negative gross margin for the three months ended September 30, 2025, and our platform segment experienced positive gross margin for the three months ended September 30, 2025. Gross margins on our streaming devices vary across models and can change over time as a result of product transitions, pricing and configuration changes, component costs, device returns, and other cost fluctuations (including due to the impact of tariffs or other trade restrictions).

In addition, our gross margin and operating margin percentages, as well as overall profitability, may be adversely impacted as a result of a shift in device, geographic, or retail sales channel mix, component cost increases, price competition, or the introduction of new products, including those that have higher cost structures with flat or reduced pricing. We have in the past and may in the future strategically reduce our devices gross margin or record negative gross margin on devices in an effort to grow our user base and gross profit.

As a result, our devices segment revenue may not increase as rapidly as it has in the past, or at all, and, unless we are able to continue to increase our platform segment revenue and grow our user base, we may be unable to grow gross profit and our business will be harmed. For example, from time to time, global supply chain disruptions have resulted in shipping delays, increased shipping costs, component shortages, and increases in component prices, which negatively affected our devices gross margin. If a reduction in devices gross margin does not result in an increase in our user base or an increase in our platform revenue and gross profit, our financial results may suffer, and our business may be harmed. In addition, our platform segment has experienced in the past, and may experience in the future, lower gross margins than we anticipate. If our platform gross margins are lower than we anticipate, our financial results may suffer, and our business may be harmed.

If we have difficulty managing our growth in operating expenses, our business could be harmed.

From time to time, we have experienced significant growth in our research and development, sales and marketing, support services, operations, and general and administrative functions, and we may expand certain of these activities in the future. Our historical growth has placed, and any future growth will continue to place, significant demands on our management, as well as our financial and operational resources, to:

- manage a larger organization;
- hire more employees, including engineers with relevant skills and experience;
- expand internationally;
- increase our sales and marketing efforts;
- expand the capacity to manufacture and distribute our products;
- broaden our customer support capabilities;
- expand our product offerings;
- support our licensed Roku TV partners;
- expand and improve the content offering on our streaming platform;
- implement appropriate operational and financial systems; and
- maintain effective financial disclosure controls and procedures.

If we fail to manage our growth effectively, including if we grow our business too rapidly, we may not be able to execute our business strategies, which could harm our business and adversely affect our financial condition, results of operations, or cash flows.

We have previously undertaken restructuring plans to adjust our investment priorities and manage our operating expenses, and we may do so again in the future. We have incurred, and may in the future incur, material costs and charges in connection with restructuring plans and initiatives, and there can be no assurance that any restructuring plans and initiatives will be successful. Any restructuring plans may adversely affect our internal programs and our ability to recruit and retain skilled and motivated personnel, may result in a loss of continuity, loss of accumulated knowledge, or inefficiency during transitional periods, may require a significant amount of employees' time and focus, and may be distracting to employees, which may divert attention from operating and growing our business. For more information, see Note 17 to the condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report.

If we fail to achieve some or all of the expected benefits of any restructuring plans or are unable to manage our growth and expansion plans effectively, which may be impacted by factors outside of our control, our business, operating results, and financial condition could be adversely affected.

We may be unable to successfully expand our international operations, and our international expansion plans, if implemented, will subject us to a variety of risks that may harm our business.*

We currently generate the vast majority of our revenue in the United States and have limited experience marketing, selling, licensing, and supporting our products and running or monetizing our streaming platform outside the United States. In addition, we have limited experience managing the administrative aspects of a global organization.

While we intend to continue to explore opportunities to expand our business in international markets in which we see compelling opportunities, we may not be able to create or maintain international market demand for our products and streaming platform services. Moreover, we face intense competition in international markets, especially because some of our competitors have already successfully introduced their products into new markets we are entering, have greater experience managing a global organization, and have greater resources.

In the course of expanding our international operations, we are subject to a variety of risks that could adversely affect our business, including:

- differing and evolving legal and regulatory requirements in foreign jurisdictions, including laws and regulations pertaining to data privacy and security, consumer protection, tax, telecommunications, trade (including tariffs, quotas, and sanctions), labor, environmental protection, censorship and other content restrictions, AI technologies, intellectual property, and local content and advertising requirements, among others;
- exposure to increased corruption risk and compliance with laws such as the U.S. Foreign Corrupt Practices Act, UK Bribery Act, and other anti-corruption laws, U.S. or foreign export controls and sanctions, and local laws requiring the maintenance of accurate books and records and a system of sufficient internal controls;
- slower consumer adoption and acceptance of streaming devices and services in other countries;
- different or unique competitive pressures, including as a result of competition with other devices that consumers may use to stream TV or existing local traditional TV services and products, including those provided by incumbent TV service providers and local consumer electronics companies;
- greater difficulty supporting and localizing Roku streaming devices and our streaming platform, including delivering support and training documentation in languages other than English;
- our ability to deliver or provide access to popular streaming apps or content to users in certain international markets;
- availability of reliable broadband connectivity in areas targeted for expansion;
- challenges and costs associated with staffing and managing foreign operations;
- differing legal and court systems, including limited or unfavorable intellectual property protection;
- unstable political and economic conditions, social unrest, or economic instability, including due to pandemics, natural disasters, wars, terrorist activity, foreign invasions (such as the Russian invasion of Ukraine), tariffs, trade disputes, local or global recessions, diplomatic or economic tensions (such as the tension between China and Taiwan and the tension in the Middle East), long-term environmental risks, or climate change;
- adverse tax consequences, such as those related to changes in tax laws (including increased tax rates, the imposition of digital services taxes, and the adoption of global corporate minimum taxes and anti-base-erosion rules), changes in the interpretation of existing tax laws, and the heightened scrutiny by tax administrators of companies that have cross-border business activities;
- the imposition of customs duties on cross-border data flows for streaming services, such as in the event that the World Trade Organization (WTO) fails to extend the current moratorium on such duties or the moratorium is applied only among WTO member states that support a new e-commerce agreement;
- pandemics or epidemics, which could result in decreased economic activity in certain markets, changes in the use of our products or platform, or decreased ability to import, export, ship, or sell our products to supply such services to existing or new customers in international markets;
- inflationary pressures, which may increase costs for materials, supplies, and services;
- fluctuations in currency exchange rates, which could impact the revenue and expenses of our international operations and expose us to foreign currency exchange rate risk (see the section titled “Foreign Currency Exchange Rate Risk” in Part I, Item 3 of this Quarterly Report);
- restrictions on the repatriation of earnings from certain jurisdictions; and
- working capital constraints.

In addition, we may face challenges in successfully deploying our three-phased business model—grow scale, grow engagement, and grow monetization—in international markets. Even if we are able to increase our user base in international markets, we may be unable to effectively grow our Streaming Hours or monetize user activity in those markets. If we invest substantial time and resources to expand our international operations and are unable to do so successfully and in a timely manner, our business and financial condition may be harmed.

Our revenue and gross profit are subject to seasonality and other potential fluctuations, and if our sales during the affected periods fall below our expectations, our business may be harmed.

Seasonality and certain one-time events significantly affect our business. For example, our revenue and gross profit are traditionally strongest in the fourth quarter of each fiscal year due to higher consumer purchases and increased advertising during holiday seasons. Furthermore, in preparation for the fourth quarter holiday season, we recognize significant discounts in the average selling prices of our products through retailers in an effort to grow our user base, which typically reduce our devices gross margin in the fourth quarter. Additionally, certain other events have in the past, and may in the future, impact the amount of advertising spending on our platform.

Given the seasonal and often irregular nature of advertising and our product sales, as well as other potential fluctuations, accurate forecasting is critical to our operations. We anticipate that such impact on revenue and gross profit is likely to continue, and any shortfall in expected fourth quarter revenue due to a decline in the effectiveness of our promotional activities, actions by our competitors, reductions in consumer discretionary spending, curtailed advertising spending, disruptions in our supply or distribution chains, tariffs or other restrictions on trade, increased shipping costs, shipping or air freight delays, or for any other reason, would cause our full year results of operations to suffer significantly. For example, delays or disruptions at U.S. ports of entry have in the past, and may in the future, adversely affect our or our licensed Roku TV partners' ability to timely deliver products to retailers during holiday seasons.

A substantial portion of our expenses are personnel-related (including salaries, stock-based compensation, and benefits) and facilities-related, none of which are seasonal in nature. Accordingly, in the event of a revenue shortfall, we would be unable to mitigate the negative impact on gross profit and operating margins, at least in the short term, and our business would be harmed.

If we fail to attract and retain key personnel, effectively manage succession, or hire, develop, and motivate our employees, we may not be able to execute our business strategy or continue to grow our business.

Our success depends in large part on our ability to attract and retain key personnel on our senior management team and in our engineering, research and development, sales and marketing, operations, and other organizations. In particular, our founder, Chairman and Chief Executive Officer, Anthony Wood, is critical to our overall management, as well as the continued development of our products and streaming platform, our culture, and our strategic direction. We do not have long-term employment or non-competition agreements with any of our key personnel. The loss of one or more of our executive officers or the inability to promptly identify a suitable successor to a key role could have an adverse effect on our business.

Our ability to compete and grow depends in large part on the efforts and talents of our employees. Labor is subject to external factors that are beyond our control, including our industry's highly competitive market for skilled workers and leaders, cost inflation, workforce participation rates, and unstable political conditions. Our employees, particularly engineers and other product developers, are in demand, and we devote significant resources to identifying, hiring, training, successfully integrating, and retaining these employees. To attract top talent, we generally offer competitive compensation packages before we can validate the productivity of those employees. In addition, some companies offer a remote or hybrid work environment, which may increase the competition for employees from employers outside of our traditional office locations. To retain employees, we have in the past and may in the future need to increase our employee compensation levels or other benefits in response to competition and other business and macroeconomic factors. The loss of employees or the inability to hire additional skilled employees necessary to support our growth could result in significant disruptions to our business, and the integration of replacement personnel could be time-consuming and expensive and cause disruptions.

We believe a critical component to our success and our ability to retain our best people is our culture. As we continue to grow, we may find it difficult to maintain our entrepreneurial, execution-focused culture. In addition, past or any additional workforce reductions could harm employee morale and negatively impact employee recruiting and retention.

We need to maintain operational and financial systems that can support our expected growth, increasingly complex business arrangements, and rules governing revenue and expense recognition, and any inability or failure to do so could adversely affect our financial reporting, billing, and payment services.

We have a complex business that is growing in size and complexity both in the United States and in international jurisdictions. To manage our growth and our increasingly complex business operations, especially as we move into new markets internationally or acquire new businesses, we will need to maintain and may need to upgrade our operational and financial systems and procedures, which requires management time and may result in significant additional expense. Our business arrangements with our content partners, advertisers, licensed Roku TV partners, and other licensees, and the rules that govern revenue and expense recognition in our business, are increasingly complex.

To manage the expected growth of our operations and increasing complexity, we must maintain operational and financial systems, procedures, and controls and continue to increase systems automation to reduce reliance on manual operations. An inability to do so will negatively affect our financial reporting, billing, and payment services. Our current and planned systems, procedures, and controls may not be adequate to support our complex arrangements and the rules governing revenue and expense recognition for our future operations and expected growth. Delays or problems associated with any improvement or expansion of our operational and financial systems and controls could adversely affect our relationships with our users, content partners, advertisers, advertisement agencies, licensed Roku TV partners, or other licensees; cause harm to our reputation and brand; and result in errors in our financial and other reporting.

We may pursue acquisitions involving a number of risks, which could harm our business if not successfully addressed.*

We have acquired, and may in the future acquire, businesses, products, or technologies to expand our offerings and capabilities, user base, and business. For example, in May 2025, we acquired Frndly TV, Inc., a subscription streaming service that offers live TV, on-demand video and cloud-based DVR for an affordable price, to support our focus on growing Platform revenue and Roku-billed subscriptions. We have evaluated, and expect to continue to evaluate, a wide array of potential strategic transactions; however, we have limited experience completing or integrating acquisitions. Any acquisition could be material to our financial condition and results of operations, and any anticipated benefits from an acquisition may never materialize.

Acquisitions may require the expenditure of cash, dilutive issuances of equity securities, or the incurrence of debt, which could adversely affect our operating results, result in unfavorable accounting treatment, and expose us to claims and disputes by third parties, including intellectual property claims. Acquisitions may not generate sufficient financial returns to offset additional costs and expenses related to the acquisitions.

In addition, the process of integrating acquired businesses, products, or technologies may create unforeseen operating difficulties and expenditures, in particular when the acquired businesses, products, or technologies involve areas of operation in which we have limited or no prior experience. Acquisitions of businesses, products, or technologies in international markets would involve additional risks, including those related to integration of operations across different cultures and languages, currency risks, and the particular economic, political, and regulatory risks associated with specific countries. We may not be able to address these risks successfully, or at all, without incurring significant costs, delays, or other operational problems, and if we were unable to address such risks successfully, our business could be harmed.

Our credit facility provides our lenders with a first-priority lien against substantially all of our assets and contains financial covenants and other restrictions on our actions that may limit our operational flexibility or otherwise adversely affect our financial condition.*

On September 16, 2024, we entered into a credit agreement (the “Credit Agreement”), by and among us, as borrower, certain of our subsidiaries, as guarantors, the lenders and issuing banks party thereto, and Citibank N.A., as administrative agent (the “Agent”), providing for (i) a five-year revolving credit facility in an aggregate principal amount of up to $300.0 million, and (ii) an uncommitted increase option of up to an additional $300.0 million exercisable upon the satisfaction of certain customary conditions. The Credit Agreement provides for a $100.0 million sub-facility for the issuance of letters of credit, and certain existing letters of credit were deemed outstanding under this facility. The Credit Agreement will mature on September 16, 2029. Proceeds from the Credit Agreement may be used for general corporate purposes, including to finance working capital requirements. As of September 30, 2025, we had not borrowed against the Credit Agreement.

The Credit Agreement contains financial covenants requiring the maintenance of a minimum interest coverage ratio and a maximum total net leverage ratio, as well as customary events of default, the occurrence of which could result in amounts borrowed under the Credit Agreement becoming due and payable and remaining commitments terminated prior to the initial termination date on September 16, 2029. The Credit Agreement also contains a number of customary affirmative and negative covenants that, among other things, impose restrictions, subject to certain exceptions, on indebtedness, liens, fundamental changes, investments, asset dispositions, restricted payments, dividends and distributions, prepayment of other indebtedness, transactions with affiliates, restrictive agreements, amendments of material documents, and the abandonment of intellectual property. The obligations under the Credit Agreement, along with certain swap and banking services obligations, are secured by substantially all the assets of us and our subsidiaries that are guarantors under the Credit Agreement, except for certain customary excluded assets.

As of September 30, 2025, we were in compliance with all of the covenants of the Credit Agreement. However, if we fail to comply with the covenants, fail to make payments as specified in the Credit Agreement, or undergo any other event of default contained in the Credit Agreement, the Agent could declare an event of default, which would give it the right to terminate the commitments to provide additional loans and declare any borrowings outstanding, together with accrued and unpaid interest and fees, to be immediately due and payable. In addition, the Agent would have the right to proceed against the assets we provided as collateral pursuant to the Credit Agreement. If any future outstanding debt under the Credit Agreement is accelerated, we may not have sufficient cash or be able to sell sufficient assets to repay it, which would harm our business and financial condition.

We may require additional capital to meet our financial obligations and support planned business growth, and this capital might not be available on acceptable terms or at all.

We intend to continue to make significant investments to support planned business growth and may require additional funds to respond to business challenges, including the need to develop new products and enhance our streaming platform, continue to expand the content on our platform, maintain adequate levels of inventory to support our retail partners’ demand requirements, improve our operating infrastructure, or acquire complementary businesses, personnel, and technologies. Our primary uses of cash include operating costs such as personnel-related expenses and capital spending. Our future capital requirements may vary materially from those currently planned and will depend on many factors including our growth rate and the continuing market acceptance of our products and streaming platform, along with the timing and effort related to the introduction of new platform features, products, the hiring of experienced personnel, the expansion of sales and marketing activities, as well as overall economic conditions.

We may need to engage in equity or debt financings to secure additional funds. If we raise additional funds through future issuances of equity or convertible debt securities, our then existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our Class A common stock. Any debt financing we secure could involve additional restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. If we were to violate such restrictive covenants, we could incur penalties, increased expenses, and an acceleration of the payment terms of our outstanding debt, which could in turn harm our business.

Our Credit Agreement matures on September 16, 2029. While we may enter into a new credit agreement in the future, we currently have no other committed source of financing, and we may not be able to obtain additional financing on terms favorable to us. Any future credit agreements we may enter into could require a lien on our assets or contain financial covenants and other restrictions that may limit our operational flexibility or otherwise adversely affect our financial condition. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly impaired, and our business may be harmed.

We maintain cash deposits in excess of federally insured limits. Adverse developments affecting financial institutions, including bank failures, could adversely affect our liquidity and financial performance.

We maintain domestic cash deposits in Federal Deposit Insurance Corporation ("FDIC") insured banks that exceed the FDIC insurance limits. We also maintain cash deposits in foreign banks where we operate, some of which are not insured or are only partially insured by the FDIC or similar agencies. Bank failures, events involving limited liquidity, defaults, non-performance, or other adverse developments that affect financial institutions, or concerns or rumors about such events, may lead to liquidity constraints. For example, in 2023, Silicon Valley Bank failed and was taken into receivership by the FDIC. The failure of a bank, or other adverse conditions in the financial or credit markets impacting financial institutions at which we maintain balances, could adversely impact our liquidity and financial performance. There can be no assurance that our deposits in excess of the FDIC or other comparable insurance limits will be backstopped by the U.S. or applicable foreign government, or that any bank or financial institution with which we do business will be able to obtain needed liquidity from other banks, government institutions, or by acquisition in the event of a failure or liquidity crisis.

Macroeconomic uncertainties can adversely impact our business, results of operations, and financial condition.*

Macroeconomic uncertainties, such as volatility in financial markets, higher inflation and interest rates, potential economic slowdown or recession, geopolitical developments, changes in economic or government policies (including the unknown impact of tariffs), and global supply chain constraints have in the past adversely impacted, and may in the future adversely impact, our business, results of operations, and financial condition.

Tariffs and other trade barriers or restrictions could increase our costs, as well as the costs of our contract manufacturers and our licensed Roku TV partners, and decrease our devices gross margins. See also "—*Changes in U.S. or foreign trade policies, geopolitical conditions, general economic conditions, and other factors beyond our control may adversely impact our business and operating results*." Our business is dependent on consumer discretionary spending and advertising spending, both of which are susceptible to changes in macroeconomic conditions and uncertainties. Sustained inflation, an economic downturn, the impact of tariffs, or even the public perception that changes to the cost of buying goods are imminent or could occur in the future, have in the past resulted, and may in the future result, in fewer consumer purchases of our products or the products of our licensed Roku TV partners and reduced advertising spending. At times, advertising budgets in a variety of industries have been pressured by factors such as inflation, rising interest rates, and market uncertainty, which has led to reduced advertiser spending and adversely affected our platform revenue. Any pullback in consumer discretionary spending or advertising spending could adversely affect our future operating results.

The extent to which macroeconomic uncertainties may impact our operational and financial performance is largely uncertain and will depend on many factors outside our control. These direct and indirect impacts may negatively affect our business and operating results.

Natural disasters, geopolitical conflicts, or other natural or man-made catastrophic events could disrupt and impact our business.

Occurrence of any catastrophic event, including an earthquake, flood, tsunami, or other weather event, power loss, internet failure, software or hardware malfunctions, cybersecurity attack, war or foreign invasion (such as the Russian invasion of Ukraine and the conflicts in the Middle East), terrorist attack and other geopolitical conflicts (such as Yemen's Houthi attacks in the Red Sea, or potential retaliatory actions from foreign governments in response to the current U.S. Administration's actions), medical epidemic or pandemic (such as the COVID-19 pandemic), government shutdown orders, other man-made disasters, or other catastrophic events could disrupt our, our business partners' and customers' business operations or result in disruptions in the broader global economic environment. Any of these business disruptions could require substantial expenditures and recovery time in order to fully resume operations.

In particular, our principal offices are located in California, and our contract manufacturers and some of our suppliers are located in Asia, both of which are regions known for seismic activity, making our operations in these areas vulnerable to natural disasters or other business disruptions in these areas. Our insurance coverage may not compensate us for losses that may occur in the event of an earthquake or other significant natural disaster. For example, a recent earthquake damaged equipment in our Taiwan office, and the losses, while relatively minor, were not covered by our insurance.

In addition, our offices and facilities, and those of our contract manufacturers, suppliers, and licensed Roku TV partners, could be vulnerable to the effects of climate change (such as sea level rise, drought, flooding, wildfires, and increased storm severity) that could disrupt our business operations. For example, in California, increasing intensity of drought and annual periods of wildfire danger increase the probability of planned power outages. Further, acts of terrorism could cause disruptions to the internet or the economy as a whole.

If our streaming platform were to fail or be negatively impacted as a result of a natural disaster or other event, our ability to deliver streaming content, including advertising, to our users would be impaired. Disruptions in the operations of our contract manufacturers, suppliers, or licensed Roku TV partners as a result of a disaster or other catastrophic event could delay the manufacture and shipment of our products or the products of our licensed Roku TV partners, which could impact our business. If we are unable to develop adequate plans to ensure that our business functions continue to operate during and after a natural disaster or other catastrophic event and to execute successfully on those plans in the event of a disaster or catastrophic event, our business would be harmed.

Risks Related to Cybersecurity, Reliability, and Data Privacy

Data security incidents, including cybersecurity attacks, or other significant disruptions of our information technology systems could harm our reputation, cause us to modify our business practices, and otherwise adversely affect our business and subject us to liability.

We depend on information technology systems and infrastructure to operate our business. In the ordinary course of our business, we collect, store, process, and transmit large amounts of sensitive corporate, personal, and other information, including intellectual property, proprietary business information, user payment card information, user video and audio recordings, other user information, employee information, and other confidential information. It is critical that we do so in a secure manner to maintain the confidentiality, integrity, and availability of such information. Our obligations under applicable laws, regulations, contracts, industry standards, self-certifications, and other documentation may include maintaining the confidentiality, integrity, and availability of personal information in our possession or control, maintaining reasonable and appropriate security safeguards as part of an information security program, and complying with requirements regarding the use or cross-border transfer of such personal information. These obligations create potential legal liability to regulators, our business partners, our users, and other stakeholders and impact the attractiveness of our services to existing and potential users. Data protection laws around the world often require “reasonable,” “appropriate,” or “adequate” technical and organizational security measures, and the interpretation and application of those laws are often uncertain and evolving, and there can be no assurance that our security measures will be deemed adequate, appropriate, or reasonable by a regulator or court. Moreover, even security measures that are deemed appropriate, reasonable, or in accordance with applicable legal requirements may not be able to protect the information we maintain.

In addition, each U.S. state and most U.S. territories, each EU member state, and the United Kingdom, as well as many other foreign nations, have passed laws requiring notification to regulatory authorities, affected users, or others within a specific timeframe when there has been a security breach involving, or other unauthorized access to or acquisition or disclosure of, certain personal information and impose additional obligations on companies. In addition to potential fines, we could be subject to mandatory corrective action due to a data security incident, and any failure to maintain performance, reliability, security, and availability of our network infrastructure to the satisfaction of our users, business partners, regulators, or other relevant stakeholders may harm our reputation and our ability to retain existing users and attract new users, as well as adversely affect our business operations and result in substantial costs. These obligations create potential legal liability to regulators, our business partners, our users, and other stakeholders and impact the attractiveness of our services to existing and potential users.

We have outsourced or may outsource certain elements of our operations (including elements of our information technology infrastructure) to third parties, or may have incorporated technology into our platform, that collects, processes, transmits, and stores our users’ or others’ personal information (such as payment card information and user video and audio recordings), and as a result, we manage a number of third-party vendors and other partners who may or could have access to our information technology systems (including our computer networks) or to our confidential information. In addition, many of those third parties in turn subcontract or outsource some of their responsibilities to third parties. As a result, our information technology systems, including the functions of third parties that are involved in or have access to those systems, are very large and complex. Technology system disruptions, whether from attacks on our technology environment or from computer viruses, natural disasters, terrorism, war, foreign invasions, and telecommunications and electrical failures, could result in a material disruption of our product development and our business operations. Significant disruptions of our third-party vendors’ or commercial partners’ information technology systems or other similar data security incidents could also adversely affect our business operations or result in the loss, misappropriation, or unauthorized access, use or disclosure of, or the prevention of access to, sensitive or personal information, which could harm our business.

The size, complexity, accessibility, and distributed nature of our information technology systems, and the large amounts of sensitive or personal information stored on those systems, make such systems vulnerable to unintentional or malicious, internal, and external threats. Because of our prominence in the TV streaming industry, we believe we may be a particularly attractive target for threat actors. The risk of harm to our business caused by security incidents may also increase as we expand our product and service offerings and as we enter new markets. Vulnerabilities can be, and have been, exploited from inadvertent or intentional actions of our employees, third-party vendors, or business partners, or by malicious third parties. Open-source software, which may be incorporated into our systems or products, inherently presents a large attack surface and may contain vulnerabilities of which we are not aware and which we cannot control or fully mitigate. Moreover, AI technologies may be used to implement certain cybersecurity attacks or to increase their intensity, which may further increase risk. While we have processes in place to mitigate the risks related to these vulnerabilities, these measures may not be adequately designed or implemented to ensure that our operations are not disrupted, our reputation is not harmed, or that we will not be impacted by ransomware, cybersecurity attacks, or other vulnerabilities in the future. For example, despite our efforts to secure our information technology systems and the data contained in those systems, we and our third-party vendors and business partners have experienced, and remain vulnerable to, data security incidents, including ransomware, phishing attacks, bot attacks, credential stuffing attacks, improper employee access of confidential data, and inadvertent employee disclosure of confidential data. There is no way of knowing with certainty whether we have experienced any data security incidents that have not been discovered. While we have no reason to believe that we have experienced a data security incident that we have not discovered, we note that attackers continue to advance the ways they conceal their unauthorized access to systems.

Malicious attacks are increasing in their frequency, levels of persistence, sophistication, and intensity, and are being conducted by sophisticated and organized groups and individuals with a wide range of motives (including, but not limited to, industrial espionage) and expertise, including organized criminal groups, “hacktivists,” nation states, and others. The geopolitical conflicts stemming from the Russian invasion of Ukraine and the current unrest in the Middle East have increased the risk of malicious attacks on information technology operations globally, including for companies headquartered in the United States, that could materially disrupt our systems and operations, supply chain, and ability to produce, sell, and distribute our devices and services. Any attempts by threat actors to disrupt our streaming platform, streaming devices, smart home products, website, computer systems, or mobile apps, if successful, could harm our business, subject us to liability, be expensive to remedy, cause harm to our systems and operations, damage our reputation, and could result in contractual damages, litigation, governmental inquiries and investigations, enforcement actions, and regulatory notification requirements, fines, and penalties that could harm our business. For example, in the wake of a data breach involving payment card data, we may be subject to substantial penalties for failure to adhere to the technical or operational security requirements of the Payment Card Industry (“PCI”) Data Security Standards (“DSS”) imposed by the PCI Council to protect cardholder data. Penalties arising from PCI DSS enforcement are inherently uncertain as penalties may be imposed by various entities within the payment card processing chain without regard to any statutory or universally mandated framework. Such enforcement could threaten our relationship with our banks, card brands we do business with, and our third-party payment processors.

Most of our employees have a hybrid work schedule (consisting of both in-person work and working from home). Although we have implemented work from home protocols, the actions of our employees while working from home may have a greater effect on the security of our systems and the data we process, including by increasing the risk of compromise to our systems, intellectual property, or data arising from employees’ combined use of personal and private devices, accessing our systems or data using wireless networks that we do not control, or the ability to transmit or store company-controlled data outside of our secured network.

The limitations of liability in our contracts related to our information technology systems may not be enforceable or adequate or otherwise protect us from liabilities or damages. While we maintain insurance policies to cover certain losses relating to our information technology systems, there may be exceptions. Security incidents or certain aspects of security incidents may not be fully covered by our insurance policies or covered at all. Additionally, insurance policies will not protect against the reputational harms caused by a major security incident. The successful assertion of one or more large claims against us that exceeds our available insurance coverage, or results in changes to our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have an adverse effect on our business. Further, we cannot be sure that our existing insurance coverage and coverage for errors and omissions will continue to be available on acceptable terms or that our insurers will not deny coverage as to any future claim.

We and our service providers and partners collect, process, transmit, disclose, and store personal information, which creates legal obligations and exposes us to potential liability.*

We and our service providers and partners collect, process, transmit, disclose, and store personal information of individuals. We collect such information from individuals located both in the United States and abroad and may store or process such information outside the country in which it was collected. Various federal, state, and foreign laws and regulations as well as industry standards and contractual obligations govern the collection, processing, retention, protection, disclosure, cross-border transfer, localization, and storage of such personal information. These regulatory requirements are evolving, and data privacy compliance is an area of increasing scrutiny for privacy and consumer rights groups and government bodies. For example, in addition to the EU General Data Protection Regulation (“GDPR”), the UK General Data Protection Regulation, and Brazil’s Lei Geral de Proteção de Dados, numerous U.S. states have enacted broad-based privacy and data protection legislation.

We have incurred, and will continue to incur, expenses to comply with privacy and security standards and protocols imposed by law, regulation, industry standards, and contractual obligations. We continue to monitor the implementation, enforcement, interpretation, and evolution of these laws and regulations, but they are still rapidly evolving and, as a result, their application, interpretation, and enforcement are uncertain, and they may be interpreted and applied inconsistently with our current policies and practices. In such event, we may be subject to significant fines and penalties (such as restrictions on personal information processing), or we may be required to settle with or pay damages to private litigants or make changes to our policies and operations, including the manner in which we provide our services or use our user data, and our business, financial condition, and results of operations may be harmed.

We continue to assess the available regulatory guidance, determinations, and enforcement actions on international data transfer compliance for companies. As part of our data protection compliance program, we have implemented data transfer mechanisms to provide for the transfer of personal information from the European Economic Area or the United Kingdom to the United States. We have joined the EU, Swiss, and UK Data Privacy Framework programs to facilitate transfers of non-HR personal data to the United States from these jurisdictions. Our ability to continue to transfer personal information outside of the EU may become significantly more costly and may subject us to increased scrutiny and liability under the GDPR or other legal frameworks, and we may experience operating disruptions if we are unable to conduct these transfers in the future. In addition, some countries are considering or have enacted "data localization" laws requiring that user data regarding users in their respective countries be maintained, stored, or processed in their respective countries. Maintaining local data centers in individual countries could increase our operating costs significantly.

We, our service providers and partners use tracking technologies to collect information about users' interactions with our platform, devices, websites, apps, and partners' digital properties, and deliver advertising and personalized content for ourselves and on behalf of our partners. To personalize content and advertisements effectively, we must leverage this data, as well as data provided by third parties. The U.S. federal government, U.S. states, and foreign governments have enacted (or are considering) laws and regulations that could significantly restrict us and other advertising industry participants' ability to collect, use, retain, and disclose personal information. For example, some of these laws and regulations may require more explicit consumer notice and consent for using tracking technology or collecting sensitive personal information, restrict disclosure of personal information between companies, or grant consumers the right to delete or limit the collection and use of their personal information. Our ability to collect, use and retain such data could also be further restricted by our agreements with advertisers and content partners.

Any restrictions on our ability to collect, use, or retain data is likely to increase the number of users to whom we cannot serve targeted advertising, which could make our platform less attractive to advertisers and partners, and harm our ability to grow our revenue, particularly our platform revenue which depends on effective delivery of advertising campaigns. We are continuing to assess the impact of new and proposed privacy and data protection laws on our business.

Any significant disruption in our information technology systems or those of third parties we utilize in our operations could result in a loss or degradation of service on our platform and could harm our business.*

We rely on the expertise of our engineering and software development teams as well as the teams of our service providers and partners for the performance and operation of the Roku TV OS, streaming platform, smart home products, and other information technology systems. Service interruptions, errors in our software, or the unavailability of information technology systems used in our operations have at times affected our business and could diminish the overall attractiveness of our products and streaming platform to existing and potential users. We utilize information technology systems located either in our facilities or those of third-party server hosting providers and third-party internet-based or cloud computing services. Although we generally enter into service level agreements with these parties, we exercise no control over their operations, which makes us vulnerable to any errors, interruptions, or delays that they may experience.

Upon the expiration or termination of any of our agreements with third-party vendors, we may not be able to replace their services in a timely manner or on terms and conditions, including service levels and cost, that are favorable to us, and a transition from one vendor to another vendor could subject us to operational delays and inefficiencies until the transition is complete. In addition, fires, floods, earthquakes, wars, foreign invasions, terrorist activity, power losses, telecommunications failures, break-ins, and similar events could damage these systems and hardware or cause them to fail completely.

As we do not maintain entirely redundant systems, a disrupting event could result in prolonged downtime of our operations, products, or services, could result in liabilities to our customers or third parties, and could adversely affect our business. Our property insurance and cyber liability insurance may not be sufficient to fully cover our losses or may not cover a particular event at all. Any disruption in the services provided by these vendors could have adverse impacts on our business reputation, customer relations, and operating results.

If any aspect of our information technology systems or those of third parties we utilize in our operations fails, it may lead to downtime or slow processing time, either of which may harm the experience of our users. We have experienced, and may in the future experience, service disruptions, outages, and other performance problems due to a variety of factors, including infrastructure changes, human or software errors, and capacity constraints. We expect to continue to invest in our technology infrastructure to maintain and improve the user experience and platform performance. To the extent that we or our third-party service hosting providers do not effectively address capacity constraints, upgrade or patch systems as needed, and continually develop technology and network architecture to accommodate increasingly complex services and functions, increasing numbers of users, and actual and anticipated changes in technology, our business may be harmed.

Changes in how network operators manage data that travel across their networks could harm our business.

Our business relies upon the ability of our users to access high-quality streaming content through the internet. As a result, the growth of our business depends on our users' ability to obtain and maintain high-speed access to the internet at reasonable cost, which relies in part on internet service network operators' continuing willingness to upgrade and maintain their equipment as well as their continued willingness to preserve the open and interconnected nature of the internet. We exercise no control over network operators, which makes us vulnerable to any errors, disruptions, or delays in their operations, as well as any decision they may make to prioritize the delivery of certain network traffic at the expense of other traffic. Any material disruption or degradation in internet services could harm our business.

To the extent that the number of internet users continues to increase, network congestion could adversely affect the reliability of our streaming platform. We may also face increased costs of doing business, or decreased demand for our services, if network operators engage in discriminatory practices with respect to streamed video content in an effort to monetize access to their networks or customers by data providers.

Certain laws intended to prevent network operators from engaging in discriminatory practices with respect to streaming video content have been implemented in many countries, including in the EU. In other countries, laws in this area may be nascent or non-existent. Furthermore, favorable laws may change. Given the uncertainty around these laws and the rules that implement them, including changing interpretations, amendments, or repeal, coupled with potentially significant political and economic power of network operators, we could experience discriminatory or anti-competitive practices, such as usage-based pricing, bandwidth caps, zero rating of competing services by ISPs, and traffic "shaping" or throttling, that could impede our growth, result in a decline in our quality of service, cause us to incur additional expense, or otherwise impair our ability to attract and retain users, all of which could harm our business.

In addition, most network operators that provide users with access to the internet also offer users multichannel video programming, and some network operators also own streaming services. These network operators have an incentive to use their network infrastructure in a manner adverse to the continued growth and success of other companies seeking to distribute similar video programming. To the extent that network operators are able to provide preferential treatment to their own data and content, as opposed to ours, our business could be harmed.

Risks Related to Intellectual Property

Litigation and claims regarding intellectual property rights could result in the loss of rights important to our products and streaming platform, cause us to incur significant legal costs, or otherwise harm our business.

Some internet, technology, and media companies, including some of our competitors, own large numbers of patents, copyrights, and trademarks, which they may use to assert claims against us. Third parties have asserted, and may in the future assert, that we have infringed, misappropriated, or otherwise violated their intellectual property rights. As we grow and face increasing competition, the possibility of intellectual property rights claims against us will grow. Plaintiffs who have no relevant product revenue may not be deterred by our own issued patents and pending patent applications in bringing intellectual property rights claims against us and may seek to challenge the validity or enforceability of our own patents and patents applications. The cost of patent litigation or other proceedings, even if resolved in our favor, has been and is expected to be substantial. Some of our competitors may be better able to sustain the costs of such litigation or proceedings because of their substantially greater financial resources. Patent litigation and other proceedings may also require significant management time and divert management's attention from our other business concerns or otherwise adversely affect our business and operating results. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could impair our ability to compete in the marketplace. The occurrence of any of the foregoing could harm our business.

As a result of intellectual property infringement claims, or to avoid potential claims, we may choose or be required to seek licenses from third parties. These licenses may not be available on commercially reasonable terms, or at all, thereby hindering our ability to sell or use the relevant technology or requiring redesign of the allegedly infringing solutions to avoid infringement, which could be costly, time-consuming, or impossible. Even if we are able to obtain a license, the license would likely obligate us to pay license fees or royalties or both, and the rights granted to us might be nonexclusive, with the potential for our competitors to gain access to the same intellectual property. In addition, the rights that we secure under intellectual property licenses may not include rights to all of the intellectual property owned or controlled by the licensor, and the scope of the licenses granted to us may not include rights covering all of the products and services provided by us and our licensees. Furthermore, an adverse outcome of a dispute may require us to: pay damages, potentially including treble damages and attorneys' fees, if we are found to have willfully infringed a party's intellectual property; cease making, licensing, using, or importing technologies or products that are alleged to infringe or misappropriate the intellectual property of others; expend additional development resources to redesign our products; enter into potentially unfavorable royalty or license agreements in order to obtain the right to use necessary technologies, content, or materials; and indemnify our partners and other third parties. For example, we have in the past elected to develop and implement specific design changes to address potential risks that certain products could otherwise become subject to exclusion or cease and desist orders arising from patent infringement and other intellectual property claims brought to the U.S. International Trade Commission. In addition, any lawsuits regarding intellectual property rights, regardless of their success, could be expensive to resolve and would divert the time and attention of our management and technical personnel.

If we fail to, or are unable to, protect or enforce our intellectual property or proprietary rights, our business and operating results could be harmed.

We regard the protection of our patents, trade secrets, copyrights, trademarks, trade dress, domain names, and other intellectual property or proprietary rights as critical to our success. We strive to protect our intellectual property rights by relying on federal, state, and common law rights, as well as contractual restrictions. We seek to protect our confidential proprietary information, in part, by entering into confidentiality agreements and invention assignment agreements with all of our employees, consultants, contractors, advisors, and any third parties who have access to our proprietary know-how, information, or technology.

However, we cannot be certain that we have executed such agreements with all parties who may have helped to develop our intellectual property or who had access to our proprietary information, nor can we be certain that our agreements will not be breached. Any party with whom we have executed such an agreement could potentially breach that agreement and disclose our proprietary information, including our trade secrets, and we may not be able to discover such breaches, and if we do, we may not be able to obtain adequate remedies for such breaches. We cannot guarantee that our trade secrets and other confidential proprietary information will not be disclosed or that competitors will not otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. Detecting the disclosure or misappropriation of a trade secret and enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, time-consuming, and could result in substantial costs, and the outcome of such a claim is unpredictable.

Further, the laws of certain foreign countries do not provide the same level of protection of corporate proprietary information and assets such as intellectual property, trademarks, trade secrets, know-how, and records as the laws of the United States. For instance, the legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents and other intellectual property protection. As a result, we may encounter significant problems in protecting and defending our intellectual property or proprietary rights abroad. Additionally, we may also be exposed to material risks of theft, counterfeiting, or unauthorized reverse engineering of our proprietary information and other intellectual property, including technical data, manufacturing processes, data sets, or other sensitive information.

Our efforts to enforce our intellectual property rights in such foreign countries may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop, which could have a material adverse effect on our business, financial condition, and results of operations. Moreover, if we are unable to prevent the disclosure of our trade secrets to third parties, or if our competitors independently develop any of our trade secrets, we may not be able to establish or maintain a competitive advantage in our market, which could harm our business.

There can be no assurance that the particular forms of intellectual property protection that we seek, including business decisions about when to file patents and when to maintain trade secrets, will be adequate to protect our business. We have filed and will in the future file patent applications on inventions that we deem to be innovative. There is no guarantee that our patent applications will issue as granted patents, that the scope of the protection gained will be sufficient or that an issued patent may subsequently be deemed invalid or unenforceable. U.S. patent laws, and the scope of coverage afforded by them, have been subject to significant changes, such as the change to “first-to-file” from “first-to-invent” resulting from the Leahy-Smith America Invents Act. This change in the determination of inventorship may result in inventors and companies having to file patent applications more frequently to preserve rights in their inventions, which may favor larger competitors that have the resources to file more patent applications. Another change to the patent laws may incentivize third parties to challenge any issued patent in the United States Patent and Trademark Office (“USPTO”), as opposed to having to bring such an action in U.S. federal court. Foreign patent laws may also continue to develop and significantly impact our ability to protect or maintain our intellectual property. Any invalidation of a patent claim could have a significant impact on our ability to protect the innovations contained within our products and platform and could harm our business.

The USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment, and other provisions to maintain patent applications and issued patents. We may fail to take the necessary actions and pay the applicable fees to obtain or maintain our patents. Noncompliance with these requirements can result in abandonment or lapse of a patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, competitors might be able to use our technologies and enter the market earlier than would otherwise have been the case.

We pursue the registration of our domain names, trademarks, and service marks in the United States and in certain locations outside the United States. We are seeking to protect our trademarks, patents, and domain names in an increasing number of jurisdictions, a process that is expensive and time-consuming and may not be successful or which we may not pursue in every jurisdiction in which we conduct business. Despite the cost and time we spend monitoring, we may or may not be able to detect infringement by third parties. Our competitive position may be harmed if we cannot detect infringement and enforce our intellectual property rights quickly or at all. In particular, our actions to monitor and enforce our trademarks against third parties may not prevent counterfeit versions of our products or products bearing confusingly similar trademarks to ours from entering the marketplace, which could divert sales from us, tarnish our reputation, or reduce the demand for our products. In some circumstances, we may choose to not pursue enforcement because an infringer has a dominant intellectual property position or for other business reasons.

Litigation may be necessary to enforce our intellectual property or proprietary rights, protect our trade secrets, or determine the validity and scope of proprietary rights claimed by others. Any litigation of this nature, regardless of outcome or merit, could result in substantial costs, adverse publicity, or diversion of management and technical resources, any of which could adversely affect our business and operating results. If we fail to maintain, protect, and enhance our intellectual property or proprietary rights, our business may be harmed.

Our use of open-source software could impose limitations on our ability to commercialize our products and our streaming platform or could result in public disclosure of competitively sensitive trade secrets.

We incorporate open-source software in our proprietary software. From time to time, companies that have incorporated open-source software into their products and services have faced claims challenging the ownership of certain open-source software or compliance with open-source software license terms. Therefore, we could be subject to similar suits by parties claiming ownership of what we believe to be open-source software or our noncompliance with the open-source software license terms.

Although we have processes and procedures designed to help monitor our use of open-source software, these processes and procedures may not be followed appropriately or may fail to identify risks. Additionally, the terms of many open-source software licenses have not been interpreted by U.S. courts, and there is a risk that such licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our products or technology or impose unanticipated obligations that could require the disclosure of trade secrets. Some open-source software is governed by licenses containing conditions that any person who distributes or uses a modification or derivative work of software that was subject to an open-source license make the modified version subject to the same open-source license. Distributing or using software that is subject to this kind of open-source license can lead to a requirement that certain aspects of our solutions be distributed or made available in source code form. In such event, we could be required to make portions of our proprietary software generally available under similar open-source software license terms to third parties, including competitors, at low or no cost, to seek licenses from third parties in order to continue offering our products, to re-engineer our products, or to discontinue the sale of our products in the event re-engineering cannot be accomplished on a timely basis or at all, any of which could harm our business.

Further, use of open-source software can involve greater risks than those associated with use of third-party commercial software, as open-source licensors generally do not provide warranties, assurances of title, performance, non-infringement, or controls on the origin of the software. Open-source software typically lacks support, and authors of such open-source software may abandon further development and maintenance. Open-source software may contain security vulnerabilities and other liabilities, and we may be subject to additional security risk by using open-source software. We have established processes to help alleviate these risks, but there can be no assurance that these processes will alleviate all risks with the open-source software we incorporate.

Under our agreements with many of our content partners, licensees, distributors, retailers, contract manufacturers, and suppliers, we are required to provide indemnification in the event our technology is alleged to infringe upon the intellectual property rights of third parties.

In certain of our agreements, we indemnify our content partners, licensees, distributors, retailers, manufacturing partners, and suppliers. We have in the past, and may in the future, incur significant expenses defending these partners if they are sued for patent or other property infringement based on allegations related to our technology. If a partner were to lose a lawsuit and in turn seek indemnification from us, we also could be subject to significant monetary liabilities. In addition, because the devices sold by our licensing partners and licensed Roku TV partners often involve the use of third-party technology, this increases our exposure to litigation in circumstances where there is a claim of infringement asserted against the streaming device in question, even if the claim does not pertain to our technology. Liability under our indemnification commitments may not be contractually limited.

Legal and Regulatory Risks

We have been, are currently, and may in the future be subject to various lawsuits and other legal proceedings, disputes, claims, and government inquiries and investigations, which could cause us to incur substantial costs or require us to change our business practices in a way that could seriously harm our business.

We have been, are currently, and may in the future be subject to various lawsuits, stockholder derivative actions, class action lawsuits, individual or mass arbitration proceedings, and other types of legal proceedings, as well as other disputes, claims, and regulatory or governmental inquiries and investigations, including with regard to contract or commercial disputes, consumer protection, privacy, data protection, intellectual property, tax, employment, and corporate governance, among other matters. If we fail to meet our contractual commitments or otherwise fail to comply with our contractual obligations, then we could be subject to breach of contract or other claims. Any claims, proceedings, individual or mass arbitration demands, or inquiries or investigations initiated by or against us, whether successful or not, may be time-consuming, subject us to damage awards, regulatory orders, consent decrees, injunctive relief, fines, or other penalties or sanctions, require us to change our policies or practices, result in increased operating costs, divert management’s attention, harm our reputation, and require us to incur significant legal fees, other litigation costs and settlement costs, as well as other expenses. In addition, our insurance may not be adequate to protect us from all material expenses related to pending and future claims. Any of these factors could materially and adversely affect our business, financial condition, and results of operations.

If government regulations or laws relating to the internet, video, advertising, or other areas of our business change, we may need to alter the manner in which we conduct our business, or our business could be harmed.

We are subject to or affected by general business regulations and laws, as well as regulations and laws specific to the internet and online services, including laws and regulations related to data privacy and security, consumer protection, child and youth protection, data localization, encryption, telecommunications, social media, payment processing, subscriptions, taxation, trade, intellectual property, competition, electronic contracts, internet access, net neutrality, advertising, calling and texting, content restrictions, protection of minors, and accessibility, among others. We have been, and may be in the future, subject to claims or governmental or regulatory inquiries and investigations with regard to our compliance with such regulations and laws.

Some of our business activities may be within the scope of existing or proposed laws and regulations intended to protect minors online. In this regard, examples of potentially applicable laws and regulations include the UK Age-Appropriate Design Code, UK Online Safety Act, the Irish Fundamentals for a Child-Oriented Approach to Data Processing, various minor-specific provisions of the GDPR and EU Digital Services Act, the Children's Online Privacy Protection Act, age-appropriate design code style laws at the state level, and minor-specific provisions of state consumer privacy laws. Many states have also incorporated children's privacy requirements into their laws. This is a rapidly evolving area of law and regulation, and the need to comply with this growing body of laws across the jurisdictions in which we operate could impact our business and require us to incur additional expenses for compliance. Additionally, there have been a dramatic rise in claims asserted under various unsettled laws in the United States, including the Video Privacy Protection Act, which provides a private right of action and allows for statutory damages, actual damages, and, in certain cases, attorneys' fees, and other similar U.S. state video privacy laws.

As we develop new products and services and improve our streaming platform, we may also be subject to new laws and regulations specific to new technologies that may require us to make changes to our business practices, and failure to adequately address or comply with such laws and regulations may result in legal liability, regulatory action, or brand and reputational harm. For example, to the extent that we incorporate generative AI into our products and services, we will be subject to the evolving legal and regulatory landscape surrounding generative AI technologies. Various national and local governments have proposed or enacted measures that impose new and substantial obligations related to the use of generative AI systems, including the EU, California, Colorado, and Utah.

The laws and regulations governing our industry are still evolving and, as a result, their application, interpretation and enforcement are uncertain, and they may be interpreted and applied inconsistently with our current policies and practices. All litigation and regulatory proceedings are inherently uncertain, and the federal, state, and foreign laws and regulations governing such issues continue to develop. See also "*—We and our service providers and partners collect, process, transmit, disclose, and store personal information, which creates legal obligations and exposes us to potential liability*." Regulatory inquiries, investigations, and enforcement actions could also adversely impact our business operations. For example, we and other companies in the media, entertainment, and advertising technology industries have been subject to government inquiries and investigations by regulatory bodies with regard to our compliance with privacy and data security laws, the Federal Trade Commission Act, and other applicable laws and regulations. Advocacy organizations have also filed complaints with data protection authorities against businesses with streaming apps and advertising technology, arguing that certain of these companies' practices do not comply with applicable law. The potential effects of such inquiries, investigations, or enforcement actions are far-reaching, uncertain, and difficult to predict, and may require us, our partners, and our advertisers to modify data processing practices and policies and to incur substantial compliance costs and expenses. Furthermore, if we or the third parties that we work with are alleged to violate applicable laws, our contractual obligations, or our policies, our users could lose trust in us. Any decrease in user retention, growth, or engagement could render our products less attractive to users, advertisers, or partners, and would seriously harm our business.

Changes in U.S. or foreign trade policies, geopolitical conditions, general economic conditions, and other factors beyond our control may adversely impact our business and operating results.*

Our business is subject to risks generally associated with doing business abroad, such as U.S. and foreign governmental regulation in the countries in which we operate and the countries in which our contract manufacturers, component suppliers, and other business partners are located. Our operations and performance depend significantly on global, regional, and U.S. economic and geopolitical conditions, which have grown increasingly uncertain beginning in the first quarter of 2025.

Trade disputes, geopolitical tensions, or political uncertainty can disrupt supply chains and increase the cost of our and our partners' products, and have a negative impact on consumer confidence, which could impair our future growth and adversely affect our operations, business, financial condition, and results of operations. For example, several countries are considering or have recently implemented tariffs or other trade barriers or restrictions, as well as other measures impacting cross-border commerce, including in response to ongoing and unpredictable changes in U.S. trade policy, which could negatively affect our business. Notably, beginning in the first quarter of 2025, the U.S. Administration has announced, delayed, re-imposed and revised a series of broad-based, as well as country-, bloc- and sector-specific, tariffs on goods imported into the United States, as well as other trade policy changes. Such actions have given and may continue to give rise to further escalations of trade measures by the United States and impacted countries. Further, developments with regard to the timing and manner in which tariffs are implemented, the amount, scope and nature of tariffs, and the countries subject to new or additional tariffs imposed by the United States are rapidly evolving and may change unexpectedly at any time, making it impossible for us to predict future developments regarding global tariffs or other trade restrictions or their ultimate effects on our business and results of operations. The threat, implementation, or modification of such new import restrictions, as well as any retaliatory measures adopted by affected U.S. trade partners, could increase our costs and otherwise be disruptive to the business environment in which we operate.

In addition, following Russia's invasion of Ukraine, the United States and other countries imposed economic sanctions and severe export control restrictions against Russia and Belarus, and the United States and other countries could impose wider sanctions and export restrictions and take other actions should the conflict further escalate. Similarly, the effects of Brexit on EU-UK political, trade, economic, and diplomatic relations continue to be uncertain and such impact may not be fully realized for several years or more. Continued uncertainty and friction may result in regulatory, operational, and cost challenges to our international operations.

Also, various countries, in addition to the United States, regulate the import and export of certain products, commodities, software, and technology, including through import and export licensing requirements, and have enacted laws that could limit our ability to distribute our products or collaborate on technology with our commercial or strategic partners, or could limit the ability of our commercial or strategic partners to implement our products in those countries. Changes in our products or future changes in export and import regulations may create delays in the introduction of our products in international markets, disrupt supply chains, prevent our commercial or strategic partners with international operations from deploying our products globally, or, in some cases, prevent the export or import of our products to certain countries, governments, or persons altogether. Any changes in U.S. or foreign export or import regulations, customs duties, or other restrictions on intangible goods (such as cross-border data flows) could result in decreased use of our products by, or in our decreased ability to export or sell our products and services to, existing or new customers in U.S. or international markets or hamper our ability to source products, components, and parts from certain suppliers or lead to potential supply chain disruptions and business or reputational harms. Any decreased use of our products or limitation on our ability to export, import, or sell our products or services, or source parts or components, could harm our business.

Although we attempt to ensure that we, our retailers, and partners comply with the applicable import, export, and sanctions laws, we cannot guarantee full compliance by all. Actions of our retailers and partners are not within our complete control, and our products could be re-exported to sanctioned persons or countries or provided by our retailers to third persons in contravention of our requirements or instructions or the laws. In addition, there are inherent limitations to the effectiveness of any policies, procedures, and internal controls relating to such compliance, and there can be no assurance that such procedures or internal controls will work effectively at all times or protect us against liability under anti-corruption, sanctions or other laws for actions taken by us, our retailers or partners. Any such potential violation by us, our retailers, or our partners could have negative consequences, including government inquiries, investigations, enforcement actions, monetary fines, or civil and/or criminal penalties, and our reputation, brand, and revenue may be harmed.

The ability of internet access network operators in some jurisdictions to degrade users' internet speeds or limit internet data consumption by users, including unreasonable discrimination in the provision of broadband internet access services, could harm our business.

Our products and services depend on the ability of our users to access the internet. We believe that the continued growth of streaming as an entertainment alternative will depend on the availability and growth of cost-effective broadband internet access (including mobile broadband internet access), the quality and reliability of broadband content delivery, and broadband service providers' ability to control the delivery speed of different content traveling on their networks. Laws, regulations, or court rulings that adversely affect the popularity or growth in use of the internet, including decisions that undermine open and neutrally administered internet access, or that disincentivize internet access network operators' willingness to invest in upgrades and maintenance of their equipment, could decrease customer demand for our service offerings, may impose additional burdens on us, or could cause us to incur additional expenses or alter our business model. Some jurisdictions have adopted regulations governing the provision of internet access service. Substantial uncertainty exists in the United States and elsewhere regarding such provisions. For example, in the United States, a federal appellate court recently prevented new FCC "net neutrality" rules and an associated broadband oversight framework from going into effect, finding that the FCC likely does not have statutory authority to adopt such requirements. As a result, there are no FCC rules currently in effect that prohibit internet service providers from unreasonably restricting, blocking, degrading, or charging for access to certain products and services offered by us and our content partners.

If network operators were to engage in restricting, blocking, degrading, or charging for access, it could impede our growth, result in a decline in our quality of service, cause us to incur additional expense, or otherwise impair our ability to attract and retain users, any of which could harm our business. Several states and foreign countries in which we operate also have adopted or are considering rules governing the provision of internet access. In addition, in some jurisdictions (including the United States), network operators are pursuing proposals that would require or enable them to impose fees on content providers related to delivery of network traffic.

As we expand internationally, government regulation protecting the non-discriminatory provision of internet access may be nascent or non-existent. In those markets where regulatory safeguards against unreasonable discrimination are nascent or non-existent and where local network operators possess substantial market power, we could experience anti-competitive practices that could impede our growth, cause us to incur additional expenses, or otherwise harm our business. Future regulations or changes in laws and regulations (or their existing interpretations or applications) could also hinder our operational flexibility, raise compliance costs, and result in additional liabilities for us, which may harm our business.

If we are found liable for content that is distributed through or advertising that is served through our platform, our business could be harmed.

As a distributor of content, we face potential liability for negligence, copyright, patent, or trademark infringement, public performance royalties or other claims based on the nature and content of materials that we distribute. We rely on the statutory safe harbors, as set forth in the Digital Millennium Copyright Act (the “DMCA”), Section 230 of the Communications Decency Act (“Section 230”) in the United States, and the E-Commerce Directive in Europe, for protection against liability for various caching, hosting, and linking activities. The DMCA, Section 230, and similar statutes and doctrines on which we rely or may rely in the future are subject to uncertain judicial interpretation and regulatory and legislative amendments. Any legislation or court rulings that limit the applicability of these safe harbors could require us to take a different approach toward content moderation on our platform, which could diminish the depth, breadth, and variety of content that we offer, inhibit our ability to generate advertising, or otherwise adversely affect our business.

Moreover, if the rules around these statutes and doctrines change, if international jurisdictions refuse to apply similar protections, or if a court were to disagree with our application of those rules to our business, we could incur liabilities and our business could be harmed. If we become liable for these types of claims as a result of the content that is streamed over or the advertisements that are served through our platform, then our business may suffer. Litigation to defend these claims could be costly and the expenses and damages arising from any liability could harm our business. Our insurance may not be adequate to cover these types of claims or any liability that may be imposed on us.

In addition, regardless of any legal protections that may limit our liability for the actions of third parties, we may be adversely impacted if copyright holders assert claims, or commence litigation, alleging copyright infringement against the developers of apps that are distributed on our platform.

While our platform policies prohibit streaming content on our platform without distribution rights from the copyright holder, and we maintain processes and systems for the reporting and removal of infringing content, in certain instances our platform has been misused by unaffiliated third parties to unlawfully distribute copyrighted content. If content owners or distributors are deterred from working with us as a consequence, it could impair our ability to maintain or expand our business, including through international expansion plans.

If we fail to maintain effective internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and our stock price may be adversely affected.

We are required to maintain internal control over financial reporting and to report any material weaknesses in such internal control. Section 404 of the Sarbanes-Oxley Act of 2002 (“Section 404”) requires that we furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting. This assessment must include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. Our independent registered public accounting firm also attests to the effectiveness of our internal control over financial reporting. If we have a material weakness in our internal control over financial reporting in the future, we may not detect errors on a timely basis, and our financial statements may be materially misstated.

Any failure to maintain internal controls over financial reporting could severely inhibit our ability to accurately report our financial condition or results of operations. If we identify material weaknesses in our internal control over financial reporting, are unable to continue to comply with the requirements of Section 404 in a timely manner, are unable to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports, and the market price of our Class A common stock could be adversely affected. In addition, we could become subject to investigations by the SEC, The Nasdaq Global Select Market, or other regulatory authorities, which could require additional financial and management resources.

Our financial results may be adversely affected by changes in accounting principles applicable to us.

The generally accepted accounting principles in the United States are subject to interpretation by the Financial Accounting Standards Board, the SEC, and other bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported results of operations and may even affect the reporting of transactions completed before the announcement or effectiveness of a change. It is difficult to predict the impact of future changes to accounting principles or our accounting policies, any of which could harm our business.

If we fail to comply with the laws and regulations relating to the payment of income taxes and the collection of indirect taxes, we could be exposed to unexpected costs, expenses, penalties, and fees, which could harm our business.*

We are subject to requirements to deduct or withhold income taxes on revenue sourced in various jurisdictions, pay income taxes on profits earned by any permanent establishment (or similar enterprise) of ours that carries on business in various jurisdictions, and collect indirect taxes from our sales in various jurisdictions. The laws and regulations governing the withholding and payment of income taxes and the collection of indirect taxes are numerous, complex, evolving, and vary by jurisdiction. A successful assertion by one or more jurisdictions that we were required to withhold or pay income taxes or collect indirect taxes where we did not could result in substantial tax liabilities, fees, and expenses, including substantial interest and penalty charges, which could harm our business.

New legislation that would change U.S. or foreign taxation of international business activities or other tax-reform policies could harm our business.*

We earn a portion of our income in foreign countries and, as such, we are subject to tax laws in the United States and numerous foreign jurisdictions. Current economic and political conditions make tax laws and regulations, or their interpretation and application, in any jurisdiction subject to significant change.

Changes to U.S. and foreign tax laws could significantly impact how U.S. multinational corporations are taxed on U.S. and foreign earnings. Such changes could have an adverse impact on our effective tax rate, income tax expense (benefit), and cash flows.

In addition, both tax policy and tax administration are becoming multilateral. This multilateralism and collaboration among taxing authorities (including the U.S. and many foreign jurisdictions in which we operate) has resulted in proposed new tax measures specifically targeting online commerce, digital advertising and services, streaming services, and the remote sale of goods and services. Some of these measures (such as a global corporate minimum tax) require adoption of local legislation consistent with the agreed to multilateral framework. Other measures (such as digital services taxes) have already been implemented but may terminate upon the adoption of multilateral tax rules.

The rapid growth of multilateralism in tax administration means greater sharing of tax information among taxing authorities as well as the likelihood of joint and simultaneous tax audits of companies such as ours who have cross-border business activities in which the tax administrations may have a common or complementary interest. The results of any such audits or related disputes could have an adverse effect on our financial results for the period or periods for which the applicable final determinations are made. For example, we and our subsidiaries are engaged in intercompany transactions across multiple tax jurisdictions. Although we believe we have clearly reflected the economics of these transactions and that the proper local transfer pricing is in place, tax authorities may propose and sustain adjustments that could result in changes that may impact our mix of earnings in countries with differing statutory tax rates.

Risks Related to Ownership of Our Class A Common Stock

The dual class structure of our common stock concentrates voting control with those stockholders who held our stock prior to our initial public offering, including our executive officers, employees, and directors and their affiliates, and limits the ability of holders of our Class A common stock to influence corporate matters.*

Our Class B common stock has 10 votes per share, and our Class A common stock has one vote per share. Our founder, Chairman, and Chief Executive Officer, Anthony Wood, holds and controls the vote of a significant number of shares of our outstanding common stock, and therefore Mr. Wood will have significant influence over our management and all matters requiring stockholder approval, including election of directors and significant corporate transactions, such as a merger or other sale of Roku or our assets, for the foreseeable future. If Mr. Wood's employment with us is terminated, he will continue to have the same influence over matters requiring stockholder approval.

In addition, the holders of Class B common stock collectively will continue to be able to control all matters submitted to our stockholders for approval even if their stock holdings represent less than a majority of the outstanding shares of our common stock. This concentrated control will limit the ability of holders of our Class A common stock to influence corporate matters for the foreseeable future, and, as a result, the market price of our Class A common stock could be adversely affected.

Future transfers by holders of Class B common stock will generally result in those shares converting to Class A common stock, which has the effect, over time, of increasing the relative voting power of those holders of Class B common stock who retain their shares in the long term. As a result of such transfers, as of September 30, 2025, Mr. Wood controls a majority of the combined voting power of our Class A and Class B common stock even though he only owns 11.7% of the outstanding Class A and Class B common stock. As a member of our Board of Directors (our "Board"), Mr. Wood owes a fiduciary duty to our stockholders and must act in good faith in a manner he reasonably believes to be in the best interests of our stockholders. As a stockholder, even a controlling stockholder, Mr. Wood is entitled to vote his shares in his own interests, which may not always be in the interests of our stockholders generally. This concentrated control could delay, defer, or prevent a change of control, merger, consolidation, or sale of all or substantially all of our assets that our other stockholders support, or conversely this concentrated control could result in the consummation of such a transaction that our other stockholders do not support. This concentrated control could also discourage a potential investor from acquiring our Class A common stock, which has limited voting power relative to the Class B common stock, and might harm the market price of our Class A common stock.

We have not elected to take advantage of the "controlled company" exemption to the corporate governance rules for companies listed on The Nasdaq Global Select Market.

The market price of our Class A common stock has been, and may continue to be, volatile, and the value of our Class A common stock may decline.

The market price of our Class A common stock has been and may continue to be subject to wide fluctuations in response to numerous factors, many of which are beyond our control, including:

- actual or anticipated fluctuations in our financial condition, operating results, and key performance metrics;
- changes in projected operational and financial results;
- our loss of key content partners;
- changes in laws or regulations applicable to our products or platform;
- the commencement or conclusion of legal proceedings that involve us;
- actual or anticipated changes in our growth rate relative to our competitors;
- announcements of new products or services by us or our competitors;
- announcements by us or our competitors of significant acquisitions, strategic partnerships, or joint ventures;
- capital-raising activities or commitments;
- additions or departures of key personnel;
- issuance of new or updated research or reports by securities analysts;
- the use by investors or analysts of third-party data regarding our business that may not reflect our financial performance;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- the perception that our environmental, social, and corporate governance performance is inadequate compared to that of our competitors;
- sales of our Class A common stock, including short selling of our Class A common stock;
- share price and volume fluctuations attributable to inconsistent trading volume levels of our shares;
- general economic and market conditions; and
- other events or factors, including those resulting from civil unrest, war, foreign invasions, geopolitical tensions, terrorism, or public health crises, or responses to such events.

Furthermore, the stock markets frequently experience extreme price and volume fluctuations that affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political, and market conditions such as recessions, elections, interest rate changes, tariffs, or international currency fluctuations, may negatively impact the market price of our Class A common stock. As a result of such fluctuations, you may not realize any return on your investment in us and may lose some or all of your investment. In addition, we and other companies that have experienced volatility in the market price of their stock have been, and may in the future be, subject to securities class action litigation or derivative litigation. Such litigation could result in substantial costs and divert our management's attention from other business concerns.

Future sales and issuances of our capital stock or rights to purchase capital stock could result in additional dilution of the percentage ownership of our stockholders and could cause our stock price to decline.

We may issue additional securities in the future and from time to time. Future sales and issuances of our capital stock or rights to purchase our capital stock could result in substantial dilution to our existing stockholders. We may sell or issue Class A common stock, convertible securities, and other equity securities in one or more transactions at prices and in a manner as we may determine from time to time. If we sell any such securities in subsequent transactions, investors may be materially diluted. New investors in such subsequent transactions could gain rights, preferences, and privileges senior to those of holders of our Class A common stock.

Future sales of shares by existing stockholders could cause our stock price to decline.

If our existing stockholders sell, or indicate an intention to sell, substantial amounts of our Class A common stock in the public market, the market price of our Class A common stock could decline. All of our outstanding Class A shares are eligible for sale in the public market, other than shares and stock options exercisable held by directors, executive officers, and other affiliates that are subject to volume limitations under Rule 144 of the Securities Act. In addition, we have reserved shares for future issuance under our equity incentive plan. Our directors, employees, and certain contingent workers are subject to our quarterly trading window, which generally opens at the start of the second full trading day after the public dissemination of our annual or quarterly financial results and closes (i) with respect to the first, second, and third quarter of each year, at the end of the fifteenth day of the last month of such quarter and (ii) with respect to the fourth quarter of each year, at the end of the trading day on the Wednesday before Thanksgiving. These directors, employees, and contingent workers may also sell shares during a closed window period pursuant to trading plans that comply with the requirements of Rule 10b5-1(c)(1) under the Exchange Act. When these shares are issued and subsequently sold, it is dilutive to existing stockholders and the market price of our Class A common stock could decline.

We cannot guarantee that our stock repurchase program will be fully consummated or that it will preserve or enhance long-term stockholder value.*

Although our Board has authorized a stock repurchase program, the program does not require us to repurchase any specific dollar amount or to acquire any specific number of shares of our Class A common stock and may be modified, suspended, or terminated at any time. We cannot guarantee that the program will be fully consummated or that it will preserve or enhance long-term stockholder value. Any failure to repurchase stock after we have announced our intention to do so may negatively impact our reputation, investor confidence in us, or our stock price. The program could also affect the trading price of our Class A common stock, increase volatility, and reduce the market liquidity of our Class A common stock, and any announcement of a termination or change of this program may result in a decrease in the trading price of our Class A common stock. In addition, any repurchases made under this program will reduce the amount of cash we have available to fund working capital, capital expenditures, strategic transactions, and other general corporate requirements.

If securities or industry analysts do not publish research or publish unfavorable research about our business or if they downgrade our stock, our stock price and trading volume could decline.

A limited number of equity research analysts provide research coverage of our Class A common stock, and we cannot assure you that such equity research analysts will adequately provide research coverage of our Class A common stock. A lack of adequate research coverage may adversely affect the liquidity and market price of our Class A common stock.

If securities or industry analysts cover our company and one or more of these analysts downgrades our stock or issues other unfavorable commentary or research, the price of our Class A common stock could decline. If one or more equity research analysts cease coverage of our company, or fail to publish reports on us regularly, demand for our stock could decrease, which in turn could cause our stock price or trading volume to decline.

We incur costs and demands upon management as a result of complying with the laws and regulations affecting public companies in the United States, which may harm our business.

As a public company listed in the United States, we incur significant legal, accounting, and other expenses. In addition, changing laws, regulations, and standards relating to corporate governance and public disclosure, including SEC and The Nasdaq Global Select Market regulations, may increase legal and financial compliance costs and make some activities more time-consuming. These laws, regulations, and standards are subject to varying interpretations, and their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. We invest resources to comply with evolving laws, regulations, and standards, which may result in increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. If, notwithstanding our efforts, we fail to comply with new laws, regulations, and standards, regulatory authorities may initiate legal proceedings against us, and our business may be harmed.

Failure to comply with these rules might also make it more difficult for us to obtain certain types of insurance, including director and officer liability insurance, and we might be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. The impact of these events could also make it more difficult for us to attract and retain qualified directors and officers.

We do not intend to pay dividends in the foreseeable future.

We have never declared or paid any cash dividends on our Class A or Class B common stock and do not intend to pay any cash dividends in the foreseeable future. We anticipate that we will retain all of our future earnings to grow our business and for general corporate purposes. Moreover, our Credit Agreement contains prohibitions on the payment of cash dividends on our capital stock. Accordingly, investors must rely on sales of their Class A common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments.

Provisions of our charter documents and Delaware law may prevent or frustrate attempts by our stockholders to change our management or hinder efforts to acquire a controlling interest in us, and the market price of our Class A common stock may be lower as a result.

There are provisions in our certificate of incorporation and bylaws that may make it difficult for a third party to acquire, or attempt to acquire, control of our company, even if a change in control was considered favorable by our stockholders. Our charter documents also contain other provisions that could have an anti-takeover effect, such as:

- establishing a classified Board so that not all directors are elected at one time;
- permitting our Board to establish the number of directors and fill any vacancies and newly created directorships;
- providing that directors may only be removed for cause;
- prohibiting cumulative voting for directors;

- requiring super-majority voting to amend some provisions in our certificate of incorporation and bylaws;
- authorizing the issuance of “blank check” preferred stock that our Board could use to implement a stockholder rights plan;
- eliminating the ability of stockholders to call special meetings of stockholders;
- prohibiting stockholder action by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders; and
- reflecting our two classes of common stock as described above.

Moreover, because we are incorporated in Delaware, we are governed by Section 203 of the Delaware General Corporation Law, which prohibits a person who owns 15% or more of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired in excess of 15% of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner. Any provision in our certificate of incorporation or our bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our Class A common stock and could affect the price that some investors are willing to pay for our Class A common stock.

Our certificate of incorporation provides that the Delaware Court of Chancery and the U.S. federal district courts will be the exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees.

Our certificate of incorporation provides that the Delaware Court of Chancery is the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law:

- any derivative action or proceeding brought on our behalf;
- any action asserting a breach of fiduciary duty;
- any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, our certificate of incorporation, or our bylaws; and
- any action asserting a claim against us that is governed by the internal affairs doctrine.

This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims.

To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our certificate of incorporation provides that the U.S. federal district courts will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act.

While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our certificate of incorporation. This may require significant additional costs associated with resolving such action in other jurisdictions and there can be no assurance that the provisions will be enforced by a court in those other jurisdictions.

These exclusive forum provisions may limit a stockholder’s ability to bring a claim in a judicial forum that it finds favorable for certain disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers, and other employees. If a court were to find either exclusive forum provision in our certificate of incorporation to be inapplicable or unenforceable in an action, we may incur further significant additional costs associated with resolving such action in other jurisdictions, all of which could harm our business.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Our Board has approved a stock repurchase program with authorization to repurchase up to $400.0 million of its Class A common stock through December 31, 2026. As of September 30, 2025, approximately $350.0 million remained available for stock repurchases pursuant to our stock repurchase program.

Repurchases under the stock repurchase program may be made at our discretion from time to time in open market transactions at prevailing market prices, including through trading plans that may be adopted in accordance with Rule 10b5-1 of the Securities Exchange Act of 1934, as amended, or through other means. The amount and timing of repurchases will depend on a variety of factors, including general market conditions, the trading price of our Class A common stock, corporate and regulatory requirements, the availability of funds, other investment opportunities, and other considerations we deem relevant. The stock repurchase program may be modified, suspended, or terminated at any time.

The following table summarizes the share repurchase activity for the three months ended September 30, 2025 and the approximate dollar value of shares that may yet be purchased pursuant to our stock repurchase program (in thousands, except share and per share data):

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program
July 1, 2025 to July 31, 2025	—	$ —	—	$ 400,000
August 1, 2025 to August 31, 2025	453,207	$ 86.10	453,207	$ 361,000
September 1, 2025 to September 30, 2025	114,375	$ 96.20	114,375	$ 350,000
Total	567,582	$ 88.10	567,582	

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Insider Trading Arrangements

During the three months ended September 30, 2025, the following officers (as defined in Rule 16a-1(f) under the Exchange Act) and directors of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

			Trading Arrangement			
Name	Action	Adoption/Termination Date	Rule 10b5-1*	Non-Rule 10b5-1**	Total Shares of Class A Common Stock to be Sold	Expiration Date
Matt Banks* (Vice President, Chief Accounting Officer)	Adoption	8/5/2025	X		18,509	11/6/2026
Neil Hunt* (Director)	Adoption	8/5/2025	X		26,000	11/4/2026
Anthony Wood*** (Chief Executive Officer, President, and Chairman)	Adoption	8/25/2025	X		750,000	6/9/2026
Dan Jedda* (Chief Financial Officer and Chief Operating Officer)	Adoption	9/3/2025	X		78,000	12/31/2026
Gilbert Fuchsberg* (President, Subscriptions, Partnerships, and Corporate Development)	Adoption	9/12/2025	X		56,756	12/11/2026

* Contract, instruction or written plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act.

** "Non-Rule 10b5-1 trading arrangement" as defined in Item 408(c) of Regulation S-K under the Exchange Act.

*** Trading arrangement adopted by The Wood Revocable Trust, of which Mr. Wood and his spouse are co-trustees.

Item 6. Exhibits

Exhibit Number	Description	Incorporation by reference				Filed Herewith
		Form	SEC File No.	Exhibit	Filing Date	
3.1	Amended and Restated Certificate of Incorporation of Roku, Inc.	8-K	001-38211	3.1	10/3/2017	
3.2	Amended and Restated Bylaws of Roku, Inc.	S-1/A	333-220318	3.4	9/18/2017	
4.1	Reference is made to Exhibit 3.1 and Exhibit 3.2					
4.2	Form of Class A common stock certificate	S-1/A	333-220318	4.1	9/18/2017	
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101	The following information from Roku, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2025 formatted in Inline XBRL (Extensible Business Reporting Language) includes (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Operations, (iii) the Condensed Consolidated Statements of Comprehensive Income (Loss), (iv) the Condensed Consolidated Statements of Stockholders' Equity, (v) the Condensed Consolidated Statements of Cash Flows, and (vi) Notes to Condensed Consolidated Financial Statements.					X
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)					X

* These exhibits are furnished with this Quarterly Report and are not deemed filed with the Securities and Exchange Commission and are not incorporated by reference in any filing of Roku, Inc. under the Securities Act of 1933, as amended, or the Securities and Exchange Act of 1934, as amended, whether made before or after the date hereof and irrespective of any general incorporation language contained in such filings.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Quarterly Report to be signed on its behalf by the undersigned thereunto duly authorized.

		Roku, Inc.
Date: October 31, 2025	By:	/s/ Anthony Wood
		Anthony Wood
		President, Chief Executive Officer and Chairman (Principal Executive Officer)
Date: October 31, 2025	By:	/s/ Dan Jedda
		Dan Jedda
		Chief Financial Officer and Chief Operating Officer (Principal Financial Officer)
Date: October 31, 2025	By:	/s/ Matthew Banks
		Matthew Banks
		Vice President, Chief Accounting Officer (Principal Accounting Officer)

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Anthony Wood, certify that:

1) I have reviewed this Quarterly Report on Form 10-Q of Roku, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 31, 2025

By: /s/ Anthony Wood
Anthony Wood
Chief Executive Officer and President
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Dan Jedda, certify that:

1) I have reviewed this Quarterly Report on Form 10-Q of Roku, Inc.;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 31, 2025

By: /s/ Dan Jedda

Dan Jedda
Chief Financial Officer and Chief Operating Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Anthony Wood, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

The Quarterly Report on Form 10-Q of Roku, Inc. for the quarter ended September 30, 2025, as filed with the Securities and Exchange Commission (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

The information contained in such Report fairly presents, in all material respects, the financial condition and results of operations of Roku, Inc.

Date: October 31, 2025	By: /s/ Anthony Wood
	Anthony Wood
	Chief Executive Officer and President
	(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Dan Jedda, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

The Quarterly Report on Form 10-Q of Roku, Inc. for the quarter ended September 30, 2025, as filed with the Securities and Exchange Commission (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

The information contained in such Report fairly presents, in all material respects, the financial condition and results of operations of Roku, Inc.

Date: October 31, 2025	By: /s/ Dan Jedda
	Dan Jedda
	Chief Financial Officer and Chief Operating Officer
	(Principal Financial Officer)