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Navigating the Differences Between Roblox and Mobile Free-to-Play

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#GDC2024

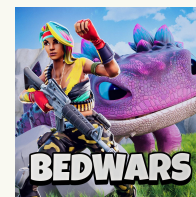
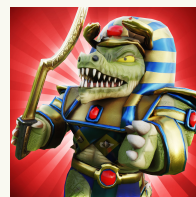
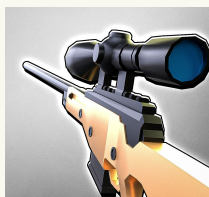
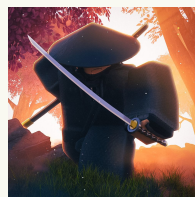
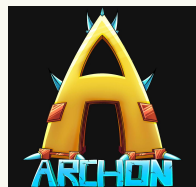
10 years

Experience making F2P UGC games

MINECRAFT

ROBLOX

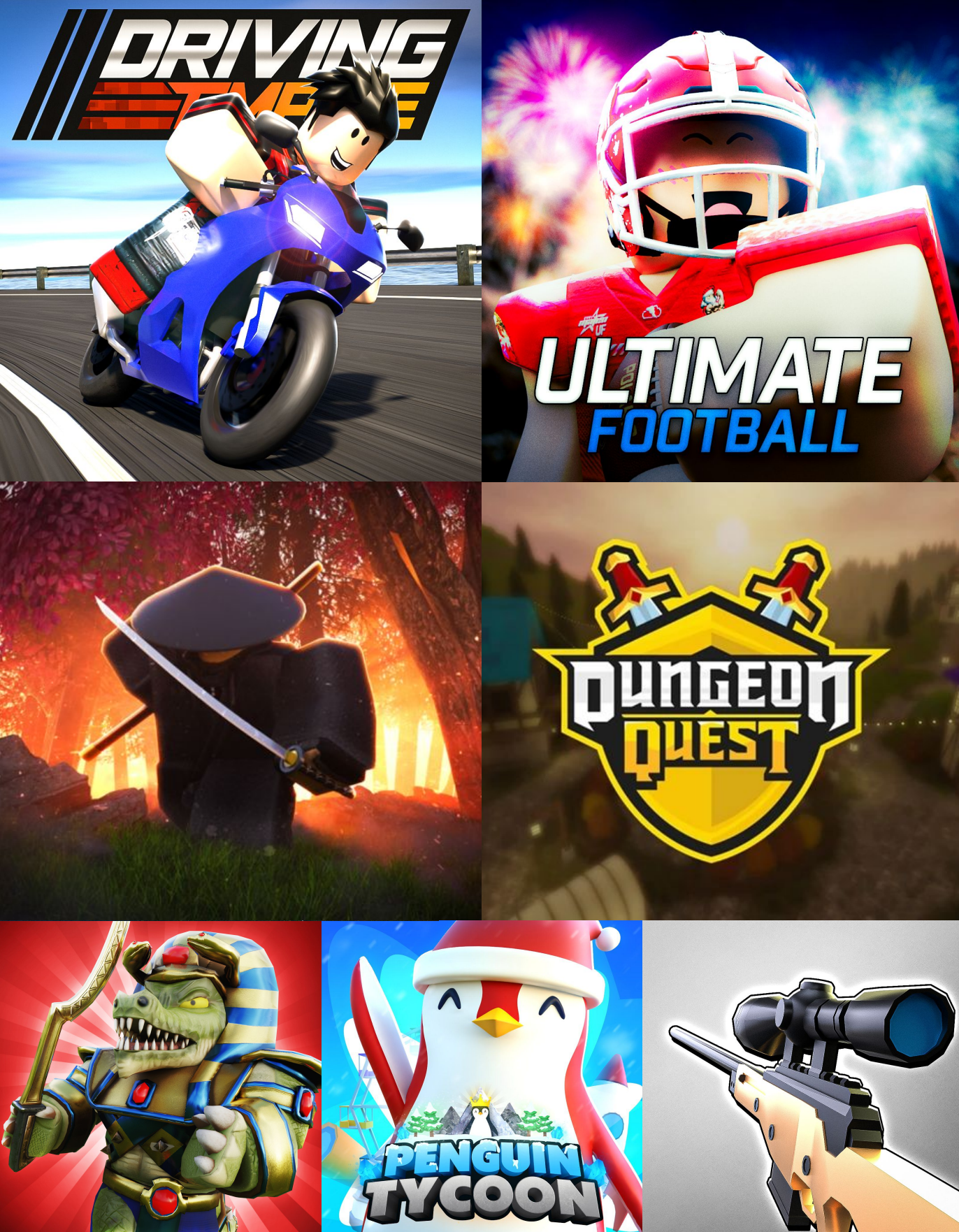
FORTNITE



9 years







Experience building F2P non-UGC games





- Next generation developer on UGC platforms
- Primarily focused on Roblox where we are a top creator by revenue with 25M+ MAU
- 60+ person team with diverse UGC and non-UGC games experience
- Operate portfolio with a multi-disciplined data-informed approach
- Major investors: a16z, Makers Fund, Dune Ventures

Current Voldex Roblox Portfolio

		Genre	Avg. Q4 DAU	% Mobile	2023 Gross Revenue*	2023 Net Revenue
	Driving Empire	Driving	786k	71%	>\$10M	>\$3.5M
	Ultimate Football	Sports	258k	45%	>\$5M	>\$1.5M
	Zo Samurai	Fighting	96k	50%	>\$5M	>\$1.5M
	Dungeon Quest	RPG	116k	50%	>\$2M	>\$0.5M
	Base Battles	Shooter	191k	64%	>\$2M	>\$0.5M
	Encounters	Fighting	78k	64%	>\$1M	>\$0.25M

Note: Using Gross here for understanding, it's scaled up from Net Revenue; Voldex does not recognize it as gross revenue;

Why Roblox?

Lessons Learned on Roblox

Why Roblox?

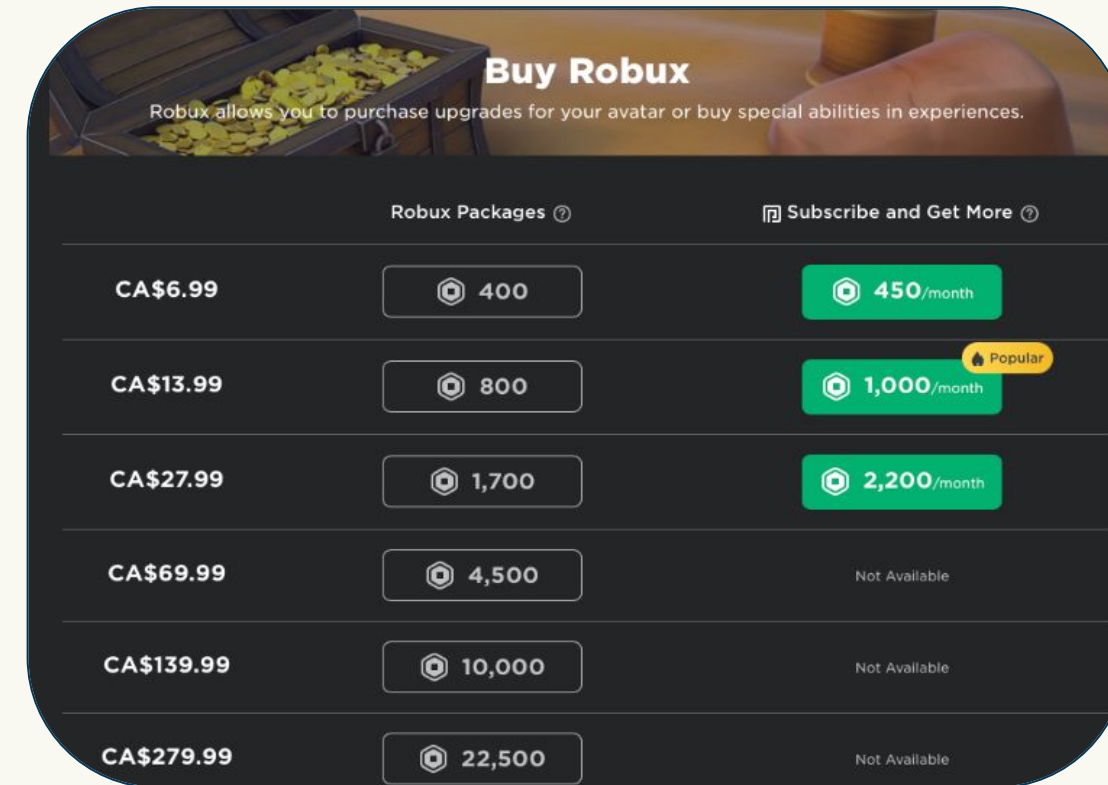
What is Roblox?

- *Global*: 70m+ daily players & 5m creators
- *Cross-platform*: PC, Mobile, Xbox, PS, & VR
- *Algorithmic Discovery*: Surfacing based on players and game KPIs
- *Persistent Identity*: Customizable avatar and cross-game friend list



How Do Roblox Games Monetize?

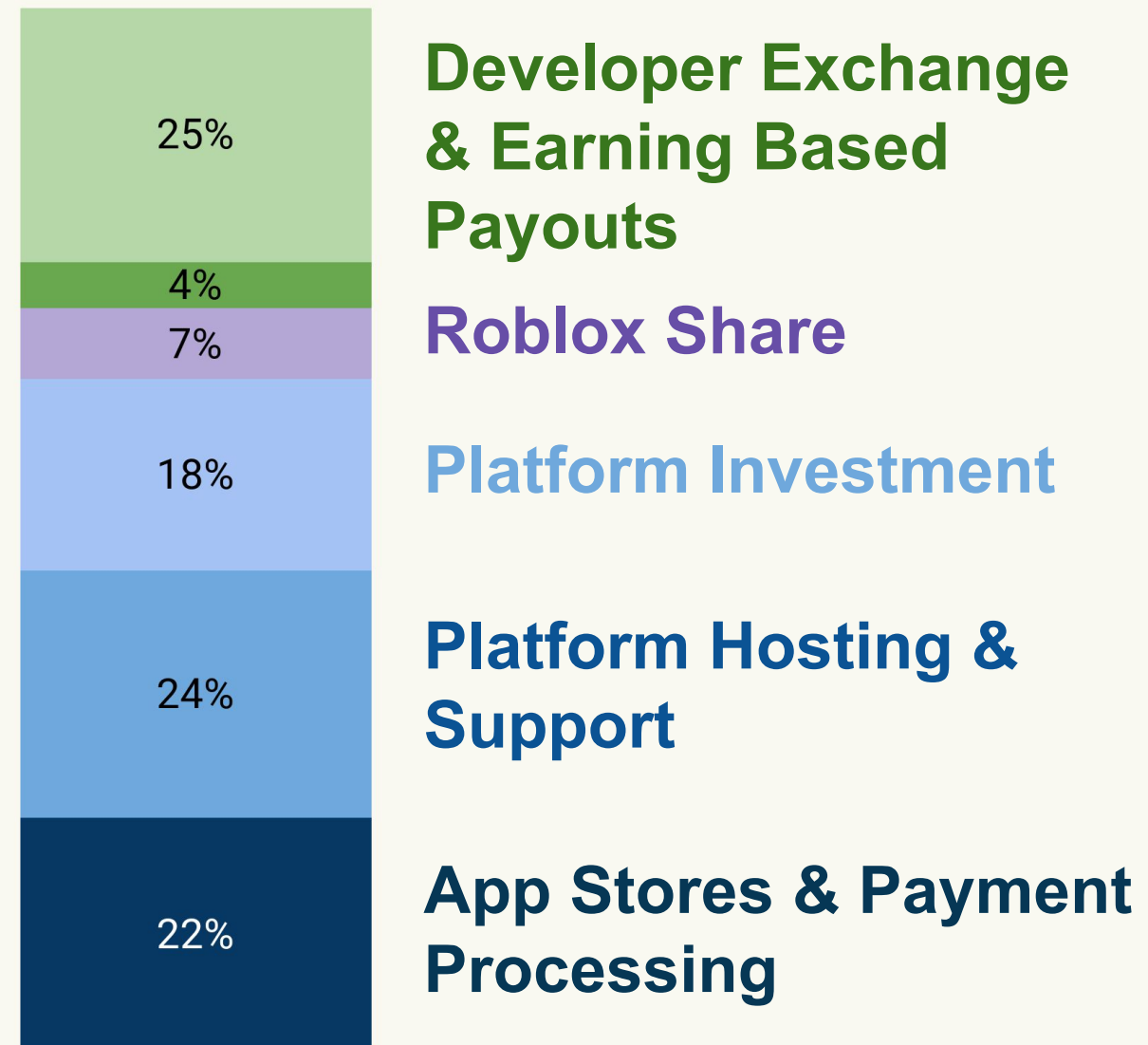
- Multiple forms of monetization
 - In-game purchases via universal currency (Robux, R\$)
 - Engagement-based payouts from Roblox premium subscribers
 - In-game subscriptions
 - In-game advertising
- ~85% of total from IAP
- ~29% of spend returned to developers
 - \$740m+ 2023 developer earnings



Source: Roblox Q4'23 Investor Presentation

What does Roblox Provide?

Est. Utilization of Dollar Spent in Roblox



- *Roblox Studio*: development tools
- *Other Key Services*: hosting, storage, localization, authentication, payments
- *Discovery*: platform surfacing

Source: Roblox

What are Roblox Experiences?

- *Primarily Games:* >40M experiences across most genres
- *Multiplayer:* Server sizes of up to 100
- *Visually Diverse:* From low poly to realistic, the platform encompasses a wide range of visual styles
- *Enduring & Engaging:* Top games not fleeting trends
 - 50% of top 25 games in 2023 same as 2021
 - Top games DAU > 3M



Dungeon Quest



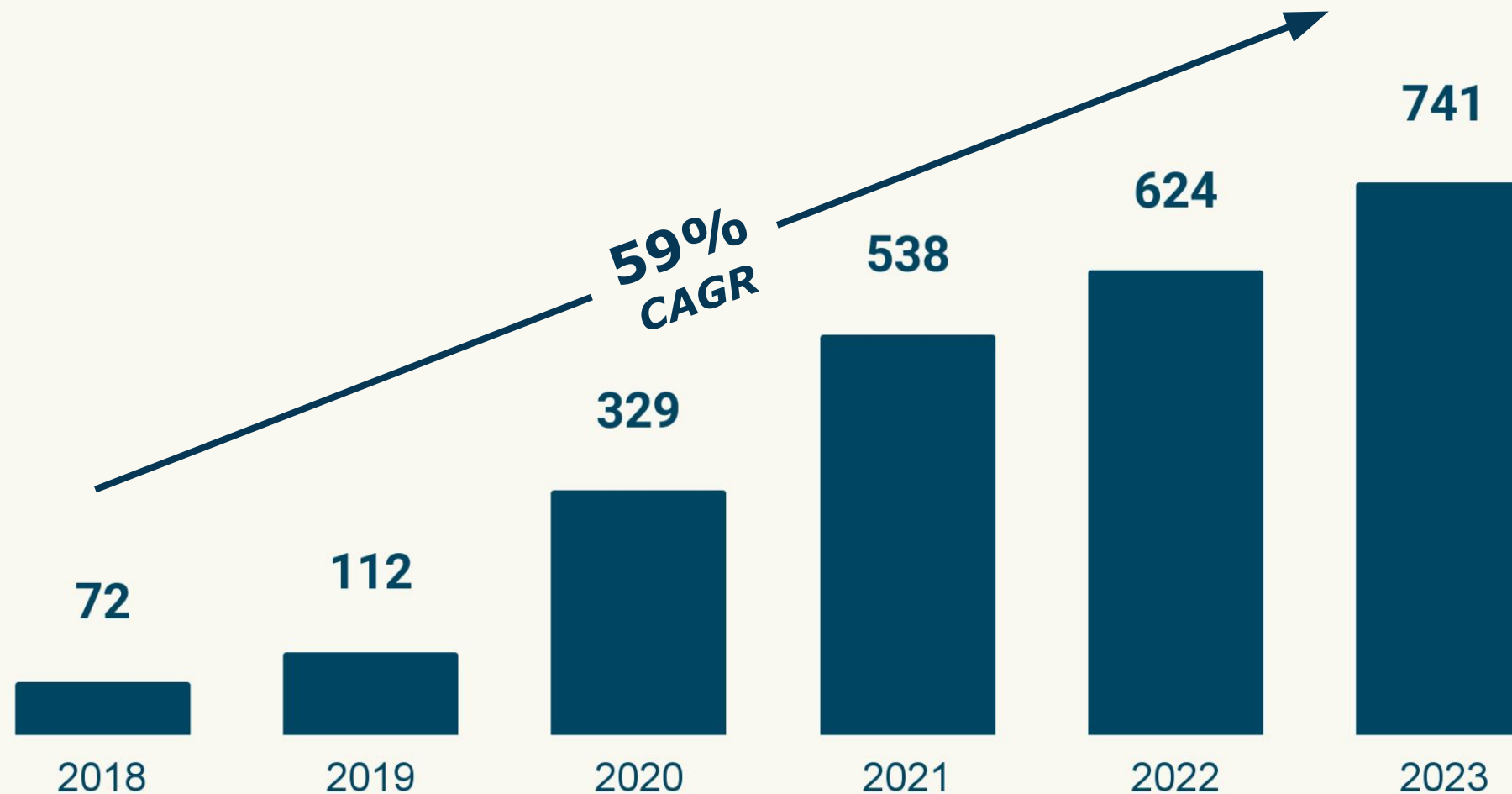
Driving Empire



Frontlines

Developer payouts are growing

Annual Developer Cash Payout on Roblox (USD millions)



Average Top 10 Roblox Game:

\$27M net (to developers)

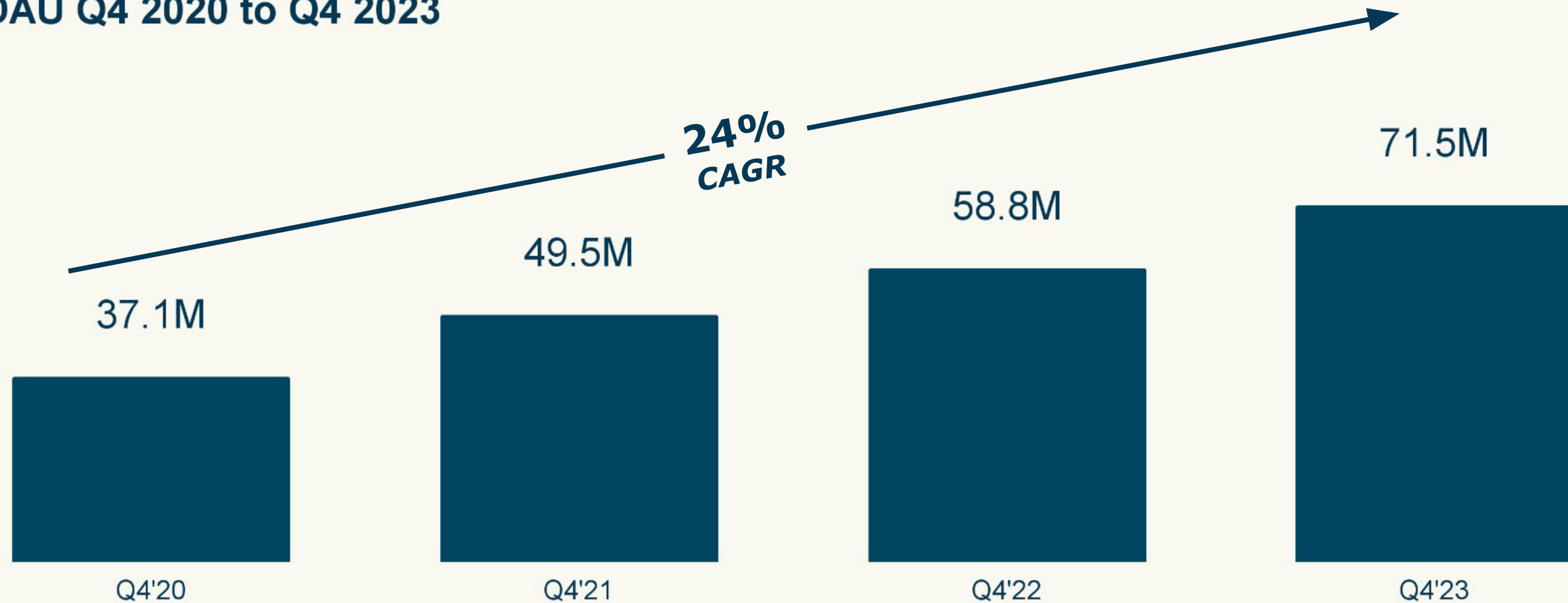
Top 150 Mobile Game:

\$100M+ gross

Source: Roblox Q4'23 Investor Presentation; Data.AI

Audience is large and rapidly growing

Roblox DAU Q4 2020 to Q4 2023

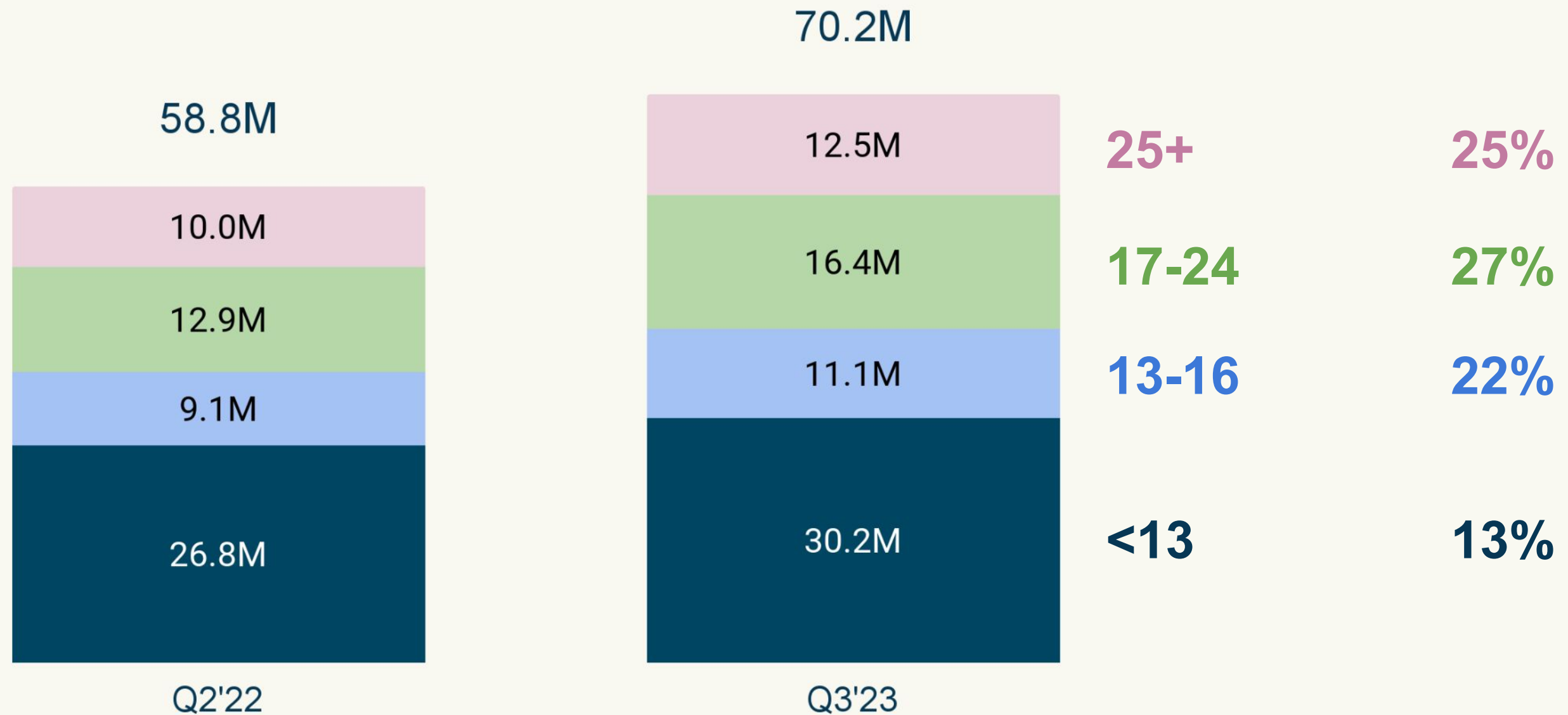


Source: Roblox Q4'23 Investor Presentation, Naavik

Audience is not just kids

Roblox DAU Q3 2022 to Q3 2023

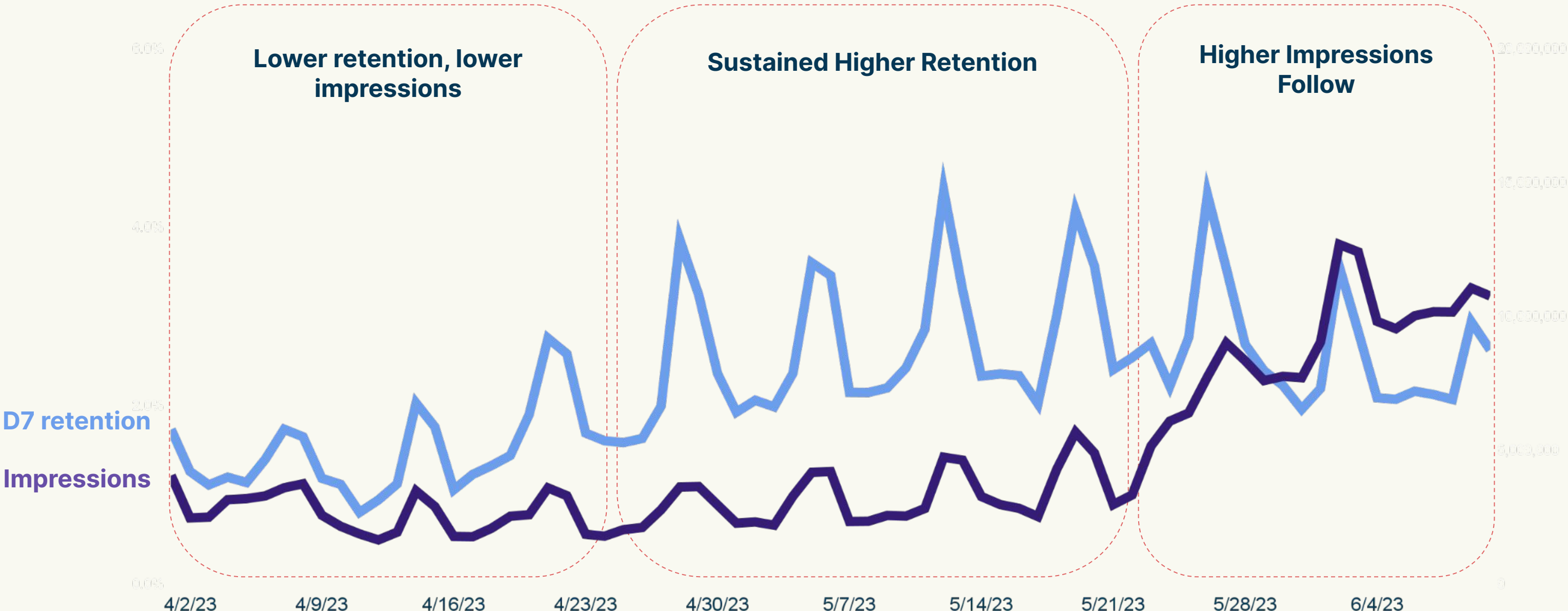
YoY Growth%



Source: Roblox Q3'23 Investor Presentation

Merit-based discovery

Encounters D7 retention and impressions

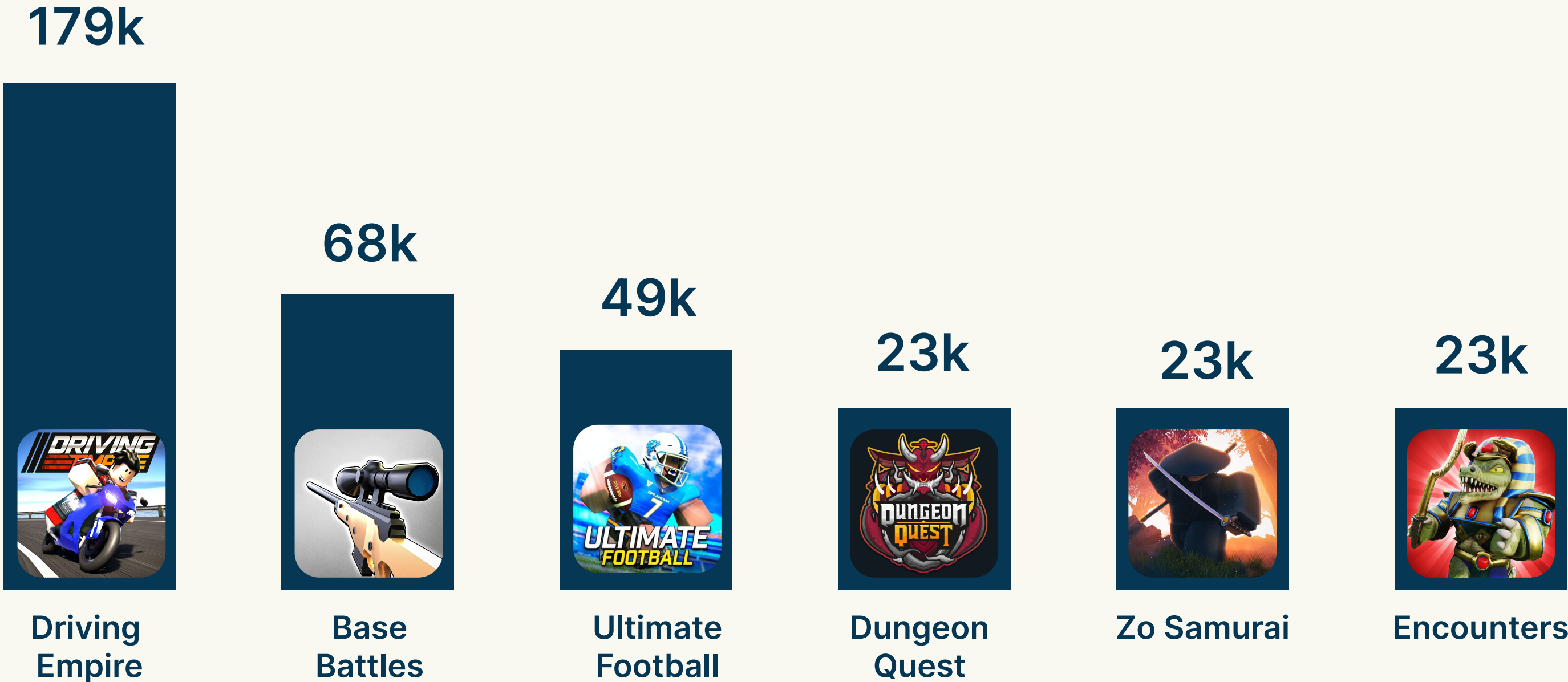


Source: Roblox Create Dashboard



Discovery yields high # of organic installs

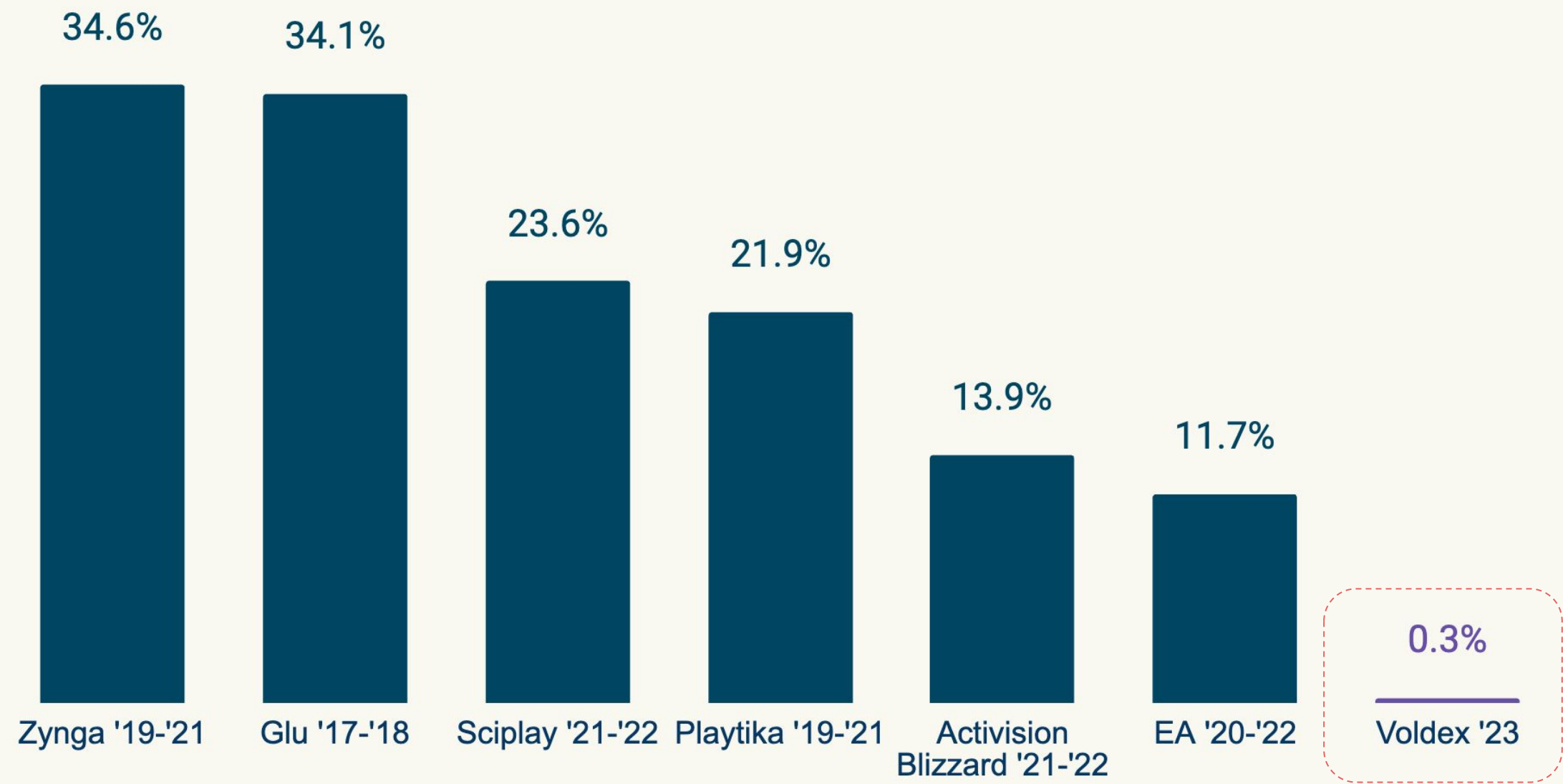
Average Daily Organic Installs, Q4 2023



Source: Roblox Create Dashboard; Adjust Mobile App Trends 2022

Low cost to scale with high organic #'s

Sales & Marketing as a % of Revenue



Source: Available 10ks Submitted to SEC; Internal Analysis

Summary: Why Roblox

01

Growing Developer Payouts: \$740m in 2023, 59% annual growth since 2018

02

Growing Audience: 72M DAU; 41% are 17 or older

03

High Organic Discovery: Top Voldex game averages 179k organic installs / day with no marketing spend



Lessons Learned on Roblox

Key Learnings



01

Onboarding and Retention

02

Reactivation

03

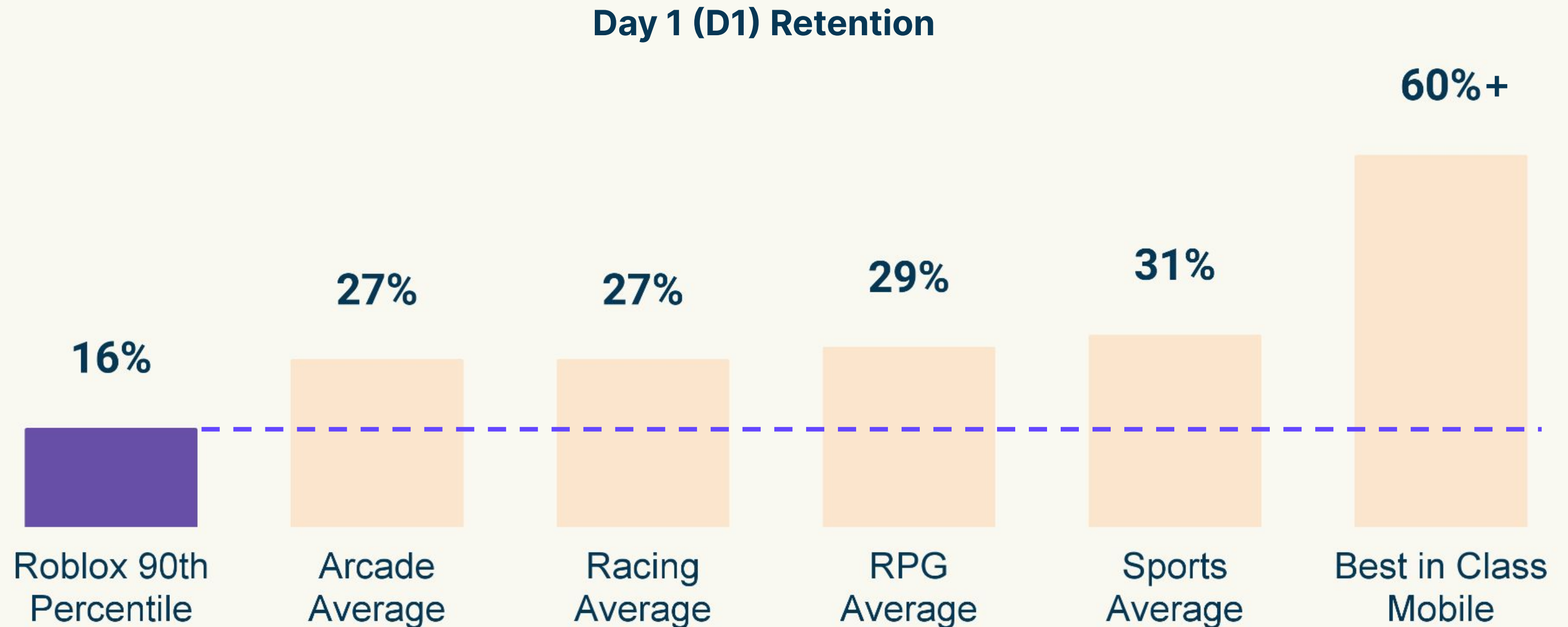
Synchronous Gameplay

04

Monetization

Onboarding and Retention

Retention profile is different on Roblox



Source: Adjust Mobile App Trends 2023; Roblox Create Dashboard

Standard Roblox onboarding didn't work

Base Battles:
Arrow Guides



+0% D1

Encounters:
Arrow Guides



+0% D1

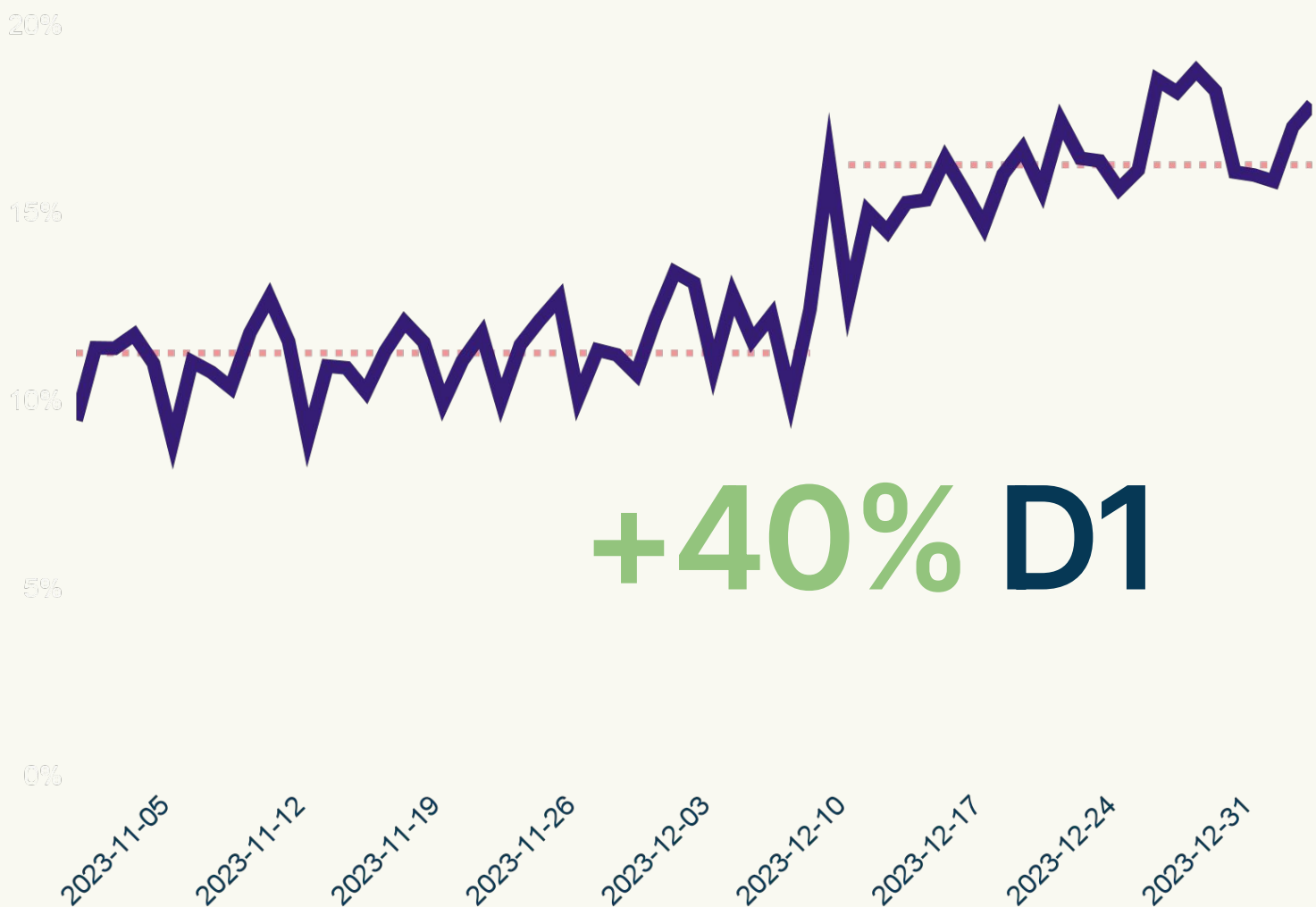
Source: Internal Analysis

Mobile onboarding best practices effective

Dungeon Quest: On-Rails Tutorial & Revamped 1st Dungeon



Dungeon Quest D1 Retention

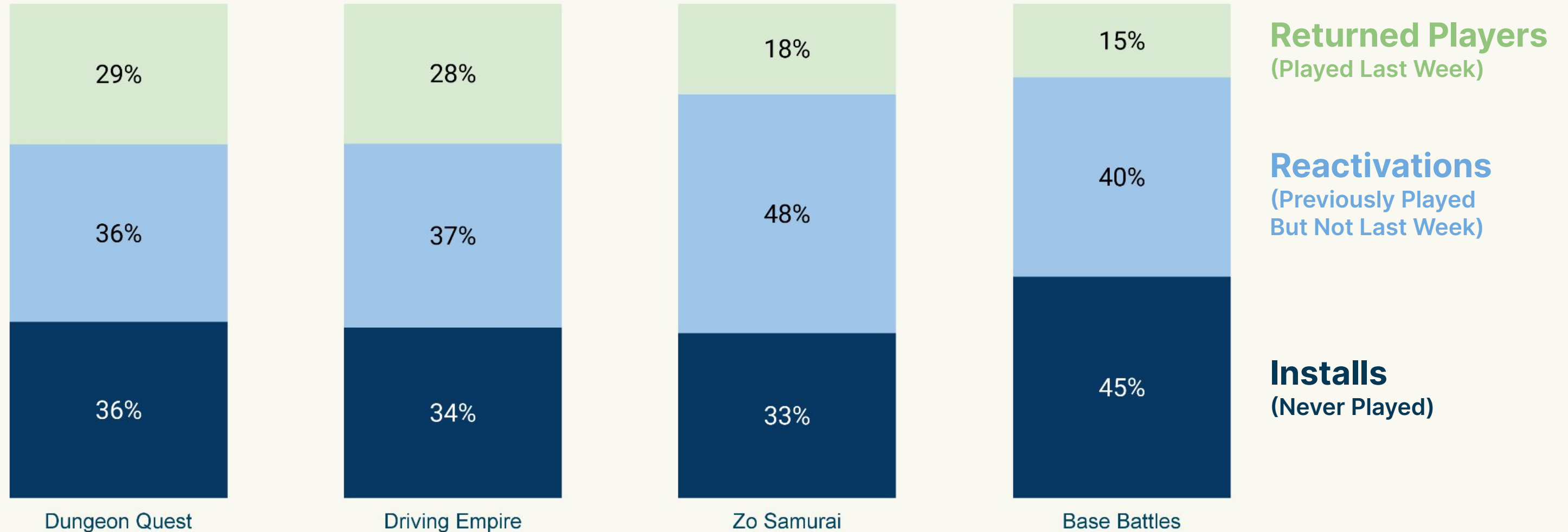


Source: Internal Analysis; Roblox Create Dashboard

Reactivation

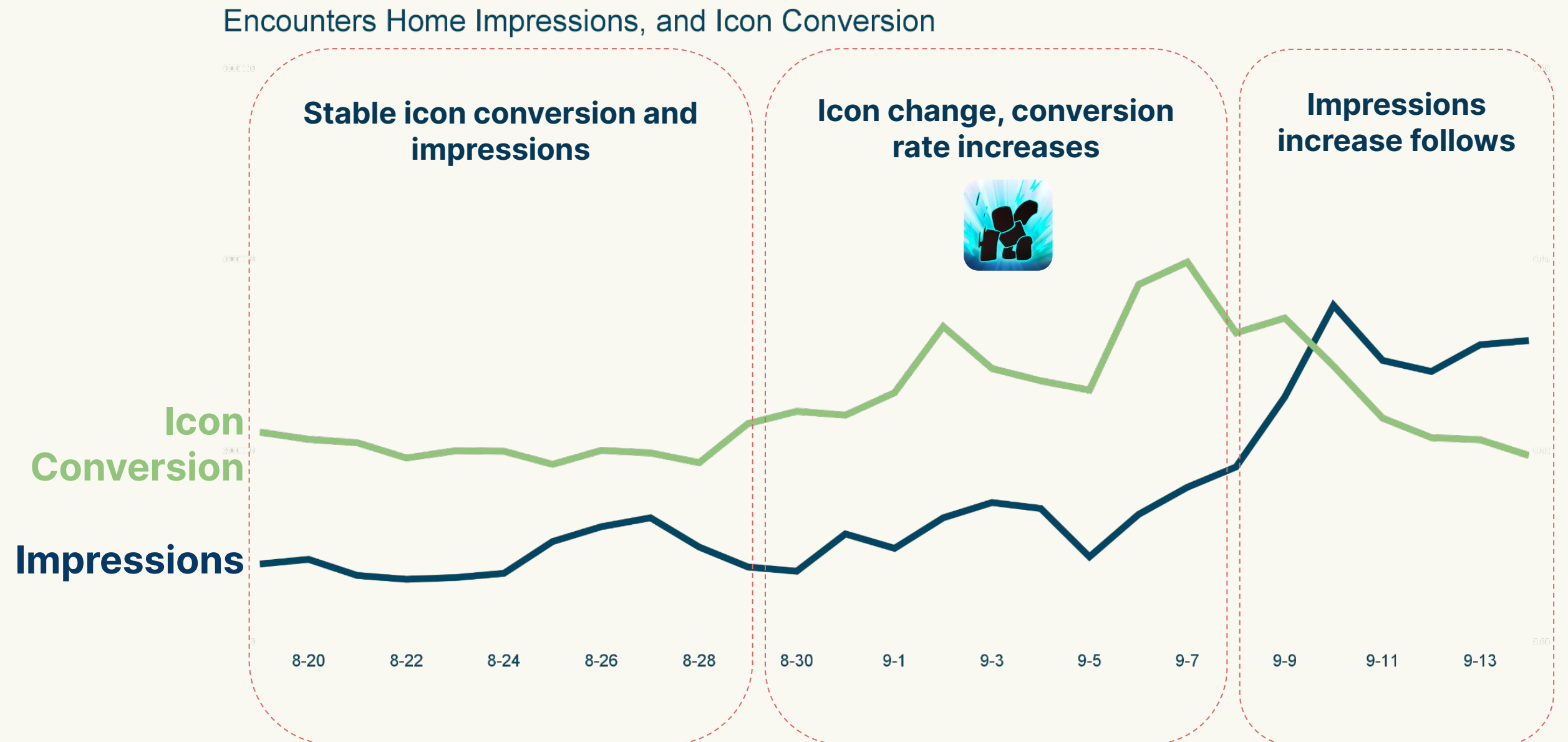
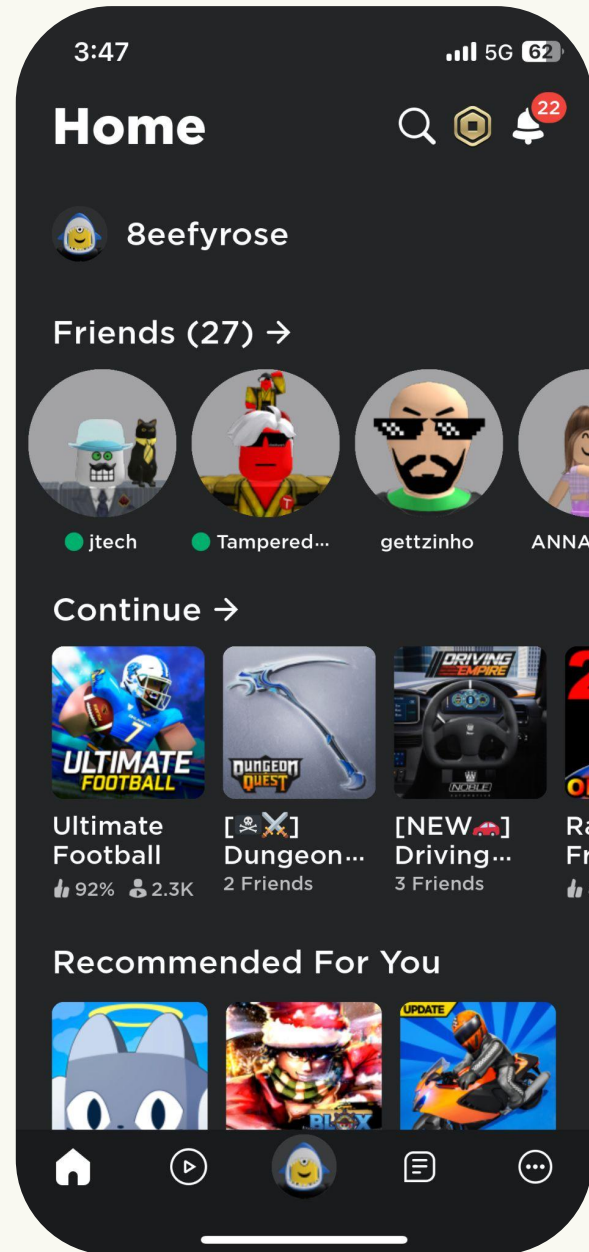
Reactivated players = largest segment

Composition of Weekly Active Users (WAU) by Game



Source: Internal Analysis; Q4 Average

Icon and name are crucial



Source: Roblox Create Dashboard

Synchronous Gameplay

Roblox games are massively multiplayer

- Mobile = mostly asynchronous
- Roblox = mostly synchronous
- Existing players immediately impact gameplay and experience
 - Positives = social proof
 - Negatives = power imbalance
- Design needs to strike the right balance



Must balance impact of existing players

Base Battles:
New Player Servers



+92% ARPDau

(Average revenue per daily active user)

-15% D1 Retention

Many players return to socialize vs. play

% of Returning DAU Completing a Core Action

66%



Driving Empire:
Spawn a Car

61%



Zo Samurai:
Make a Kill

55%



Dungeon Quest:
Enter a Dungeon

Supporting social role-play has benefits

Driving Empire:
Car Meets



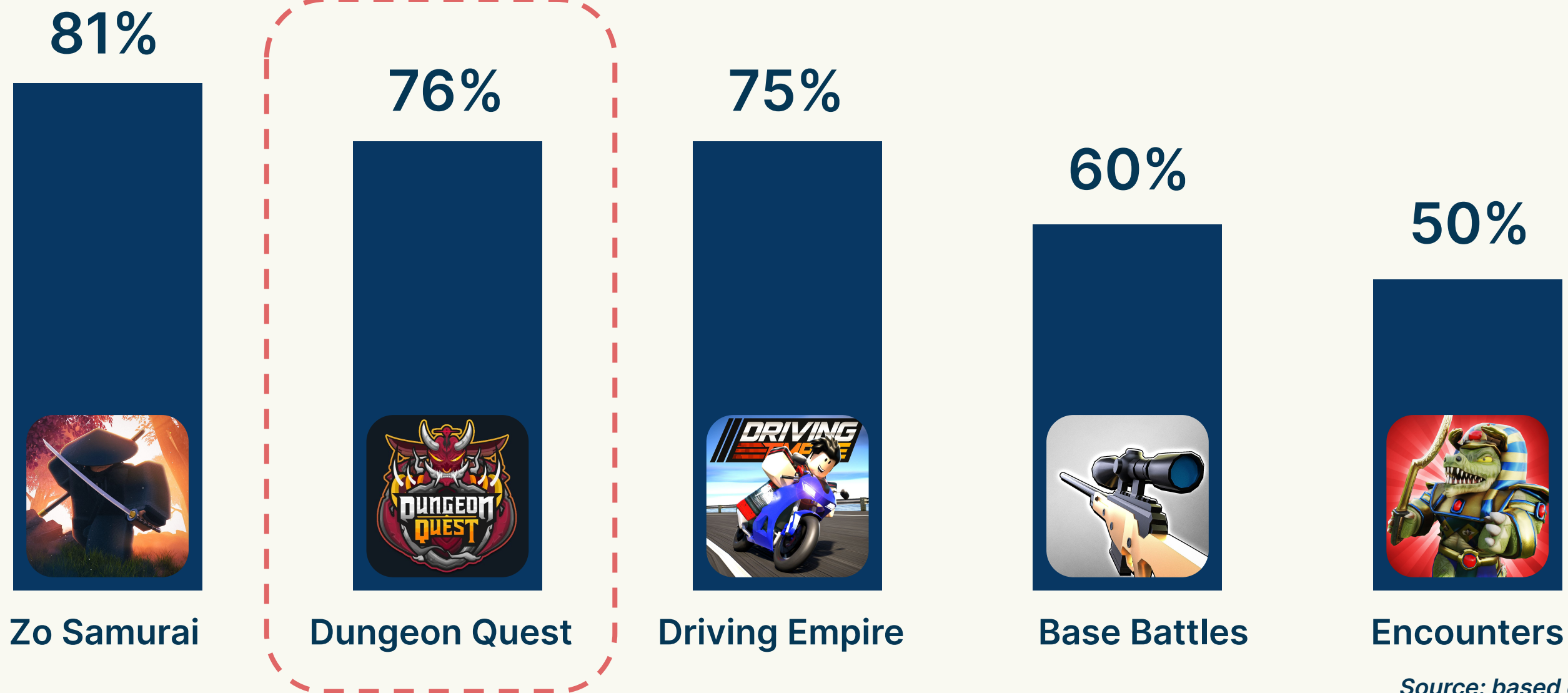
Driving Empire Playtime / DAU



Monetization

Majority of revenue from veteran players

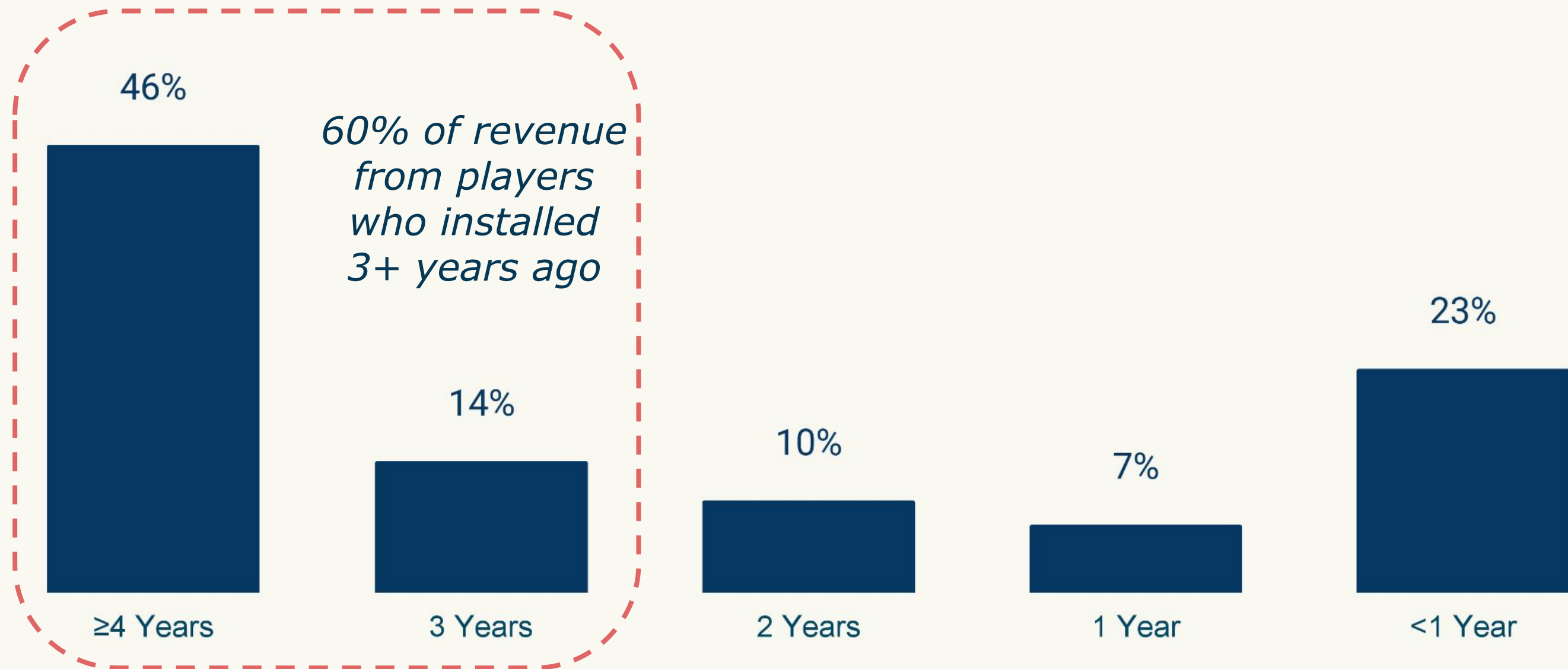
% of daily revenue from players >180 days old, last 90 days



Source: based on internal analysis

Very long tail of veteran players

Dungeon Quest Q4 2023 Bookings Distributed by Years since Player Installed



Source: based on internal analysis

Players are smart spenders

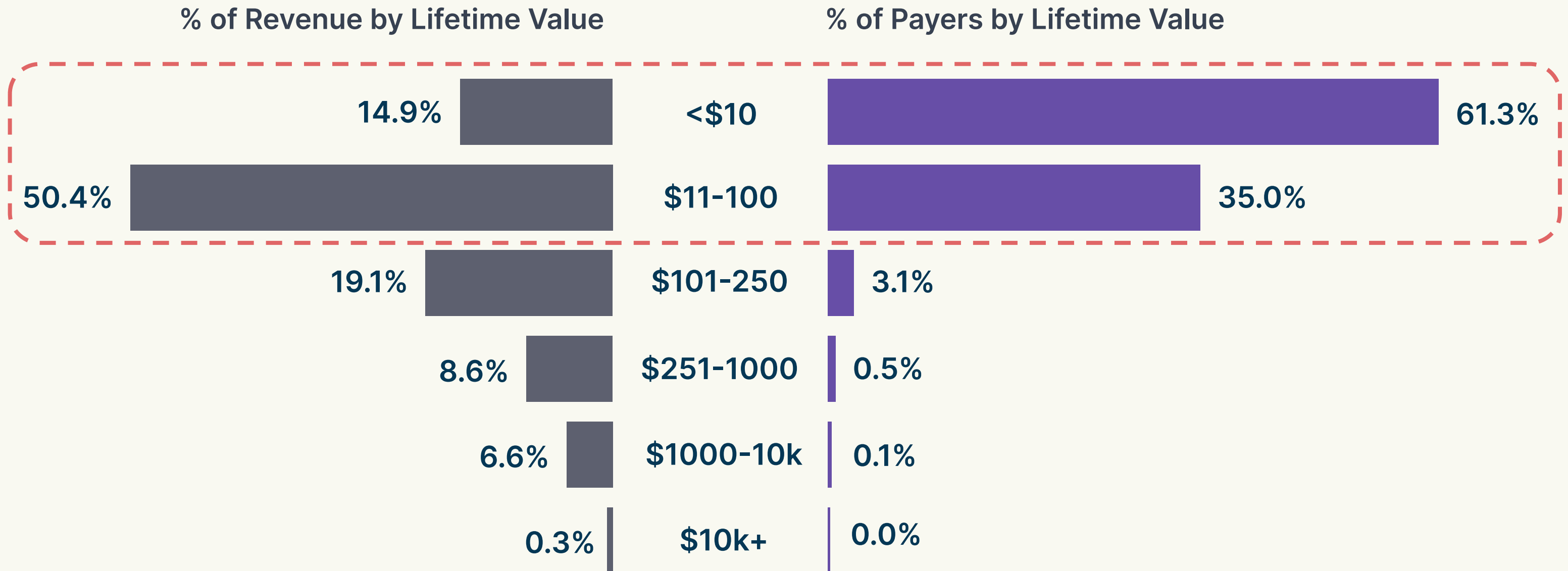
Zo Samurai: Pity System



+7%
ARPDau

Source: based on internal analysis

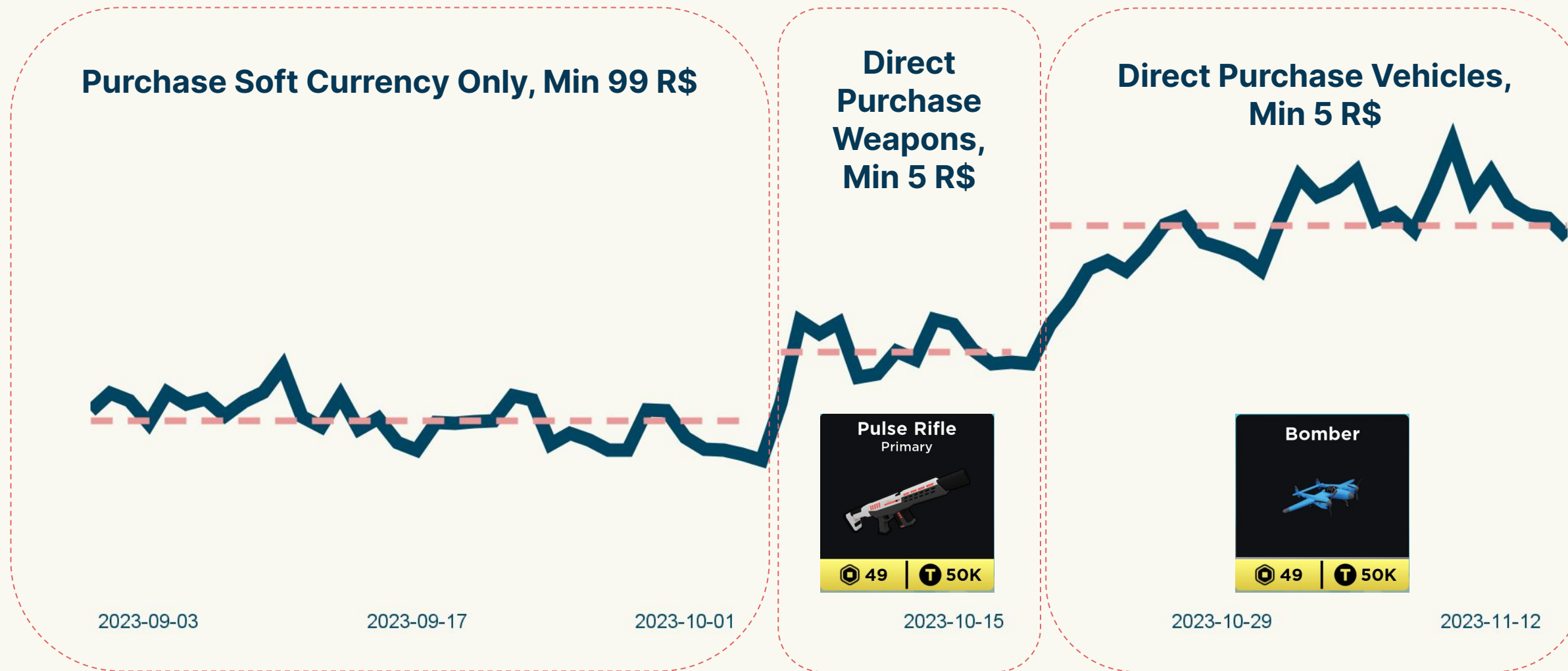
Revenue distribution across payers



Source: based on internal analysis

Bite sized options increased LTV

Base Battles Conversion Rate



+109% Daily Conversion

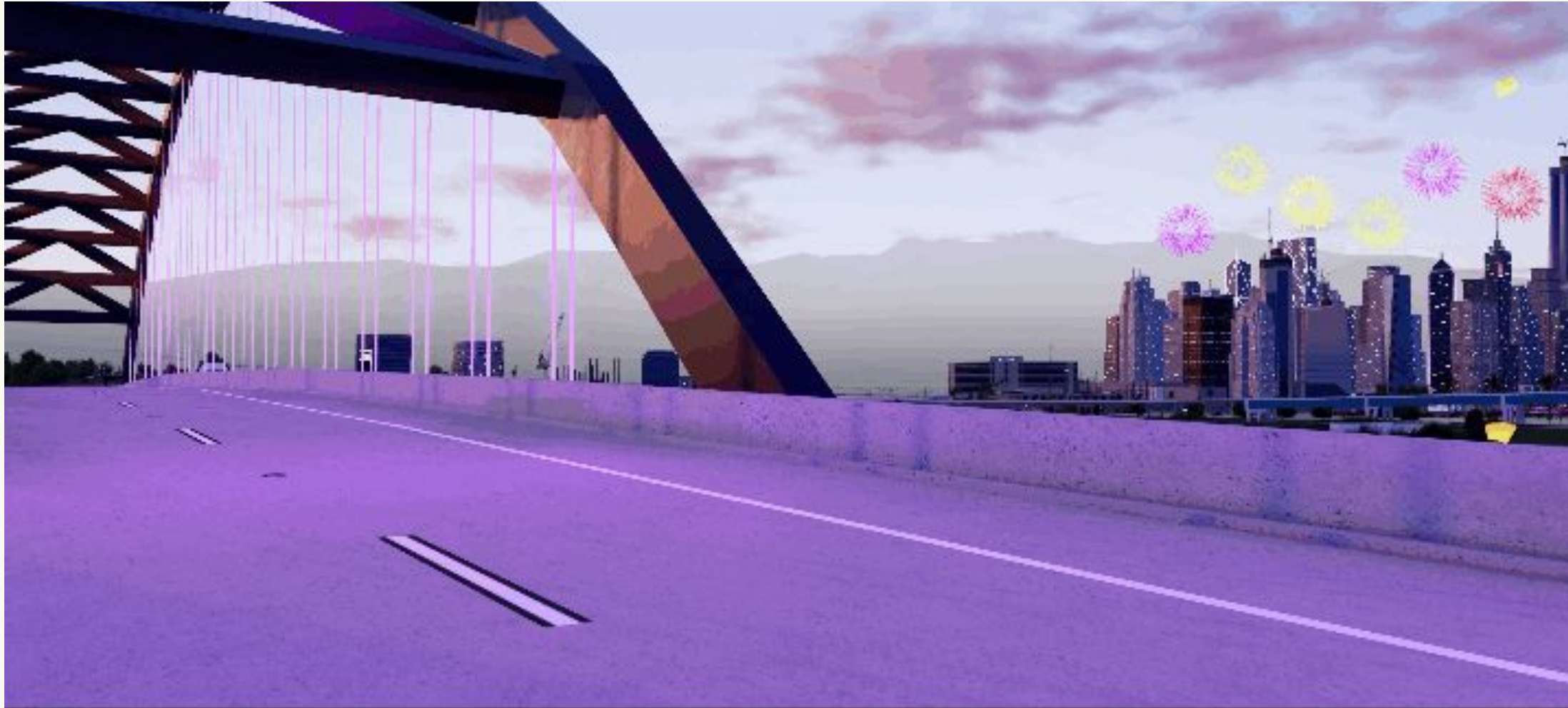
+30% D7 LTV

Source: based on internal analysis

Summary: Learnings

- | | | | |
|----------|--|---|---|
| 1 | Mobile FTUE best practices within Dungeon Quest yielded +40% D1 retention | ▶ | Mobile onboarding best practices can be effective on Roblox |
| 2 | 36%+ of WAU are reactivations; icon change on Encounters doubled conversion and impressions | ▶ | Icons are the primary marketing tool to reactivate players |
| 3 | Exposing new players to existing players in Base Battles increased ARPDAU 92% but lowered D1 retention 15% | ▶ | Manage impact of existing players due to synchronous multiplayer |
| 4 | 33% of returning players don't engage with core loop but instead socialize; social role-play feature on Driving Empire increased playtime 10% | ▶ | Enable social role-play as not all players 'play' |
| 5 | Majority of revenue from veteran players; adding a pity system to Zo Samurai's gacha increased ARPDAU 7% | ▶ | Deliver value as Roblox players are rational spenders |
| 6 | 96% of payers have spent less than \$100 and represent 65% of total spend; offering bite-sized purchase options in Base Battles increased D7 LTV 30% | ▶ | Support and embrace bite-sized purchases |

Thank You



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Thank You



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