

The Roku logo, consisting of the word "Roku" in a bold, purple, sans-serif font, with a registered trademark symbol (®) to the upper right of the letter "u". The logo is set against a light gray background with a white border and a slight drop shadow.

Roku®

Ticker: Roku

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Senior Analysts: Chase Lawinger, Ted Bauer, Tyler Eckert

What is Roku Inc.



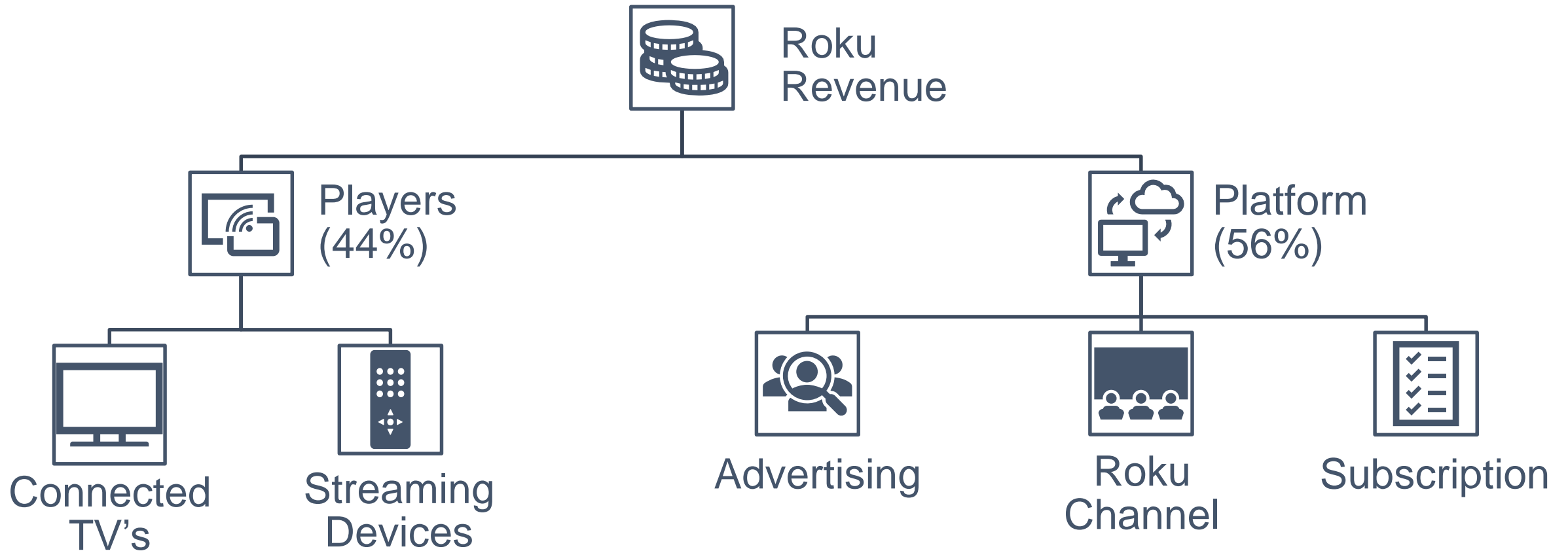
Founded in 2002

Media-Streaming Device
and Software Developer

Advertising Agency



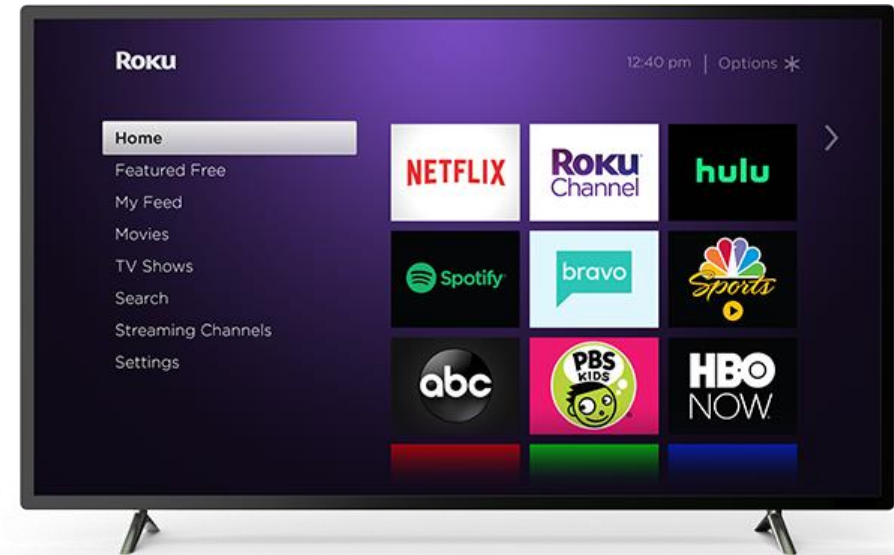
Revenue Stream



Players



Roku Pay



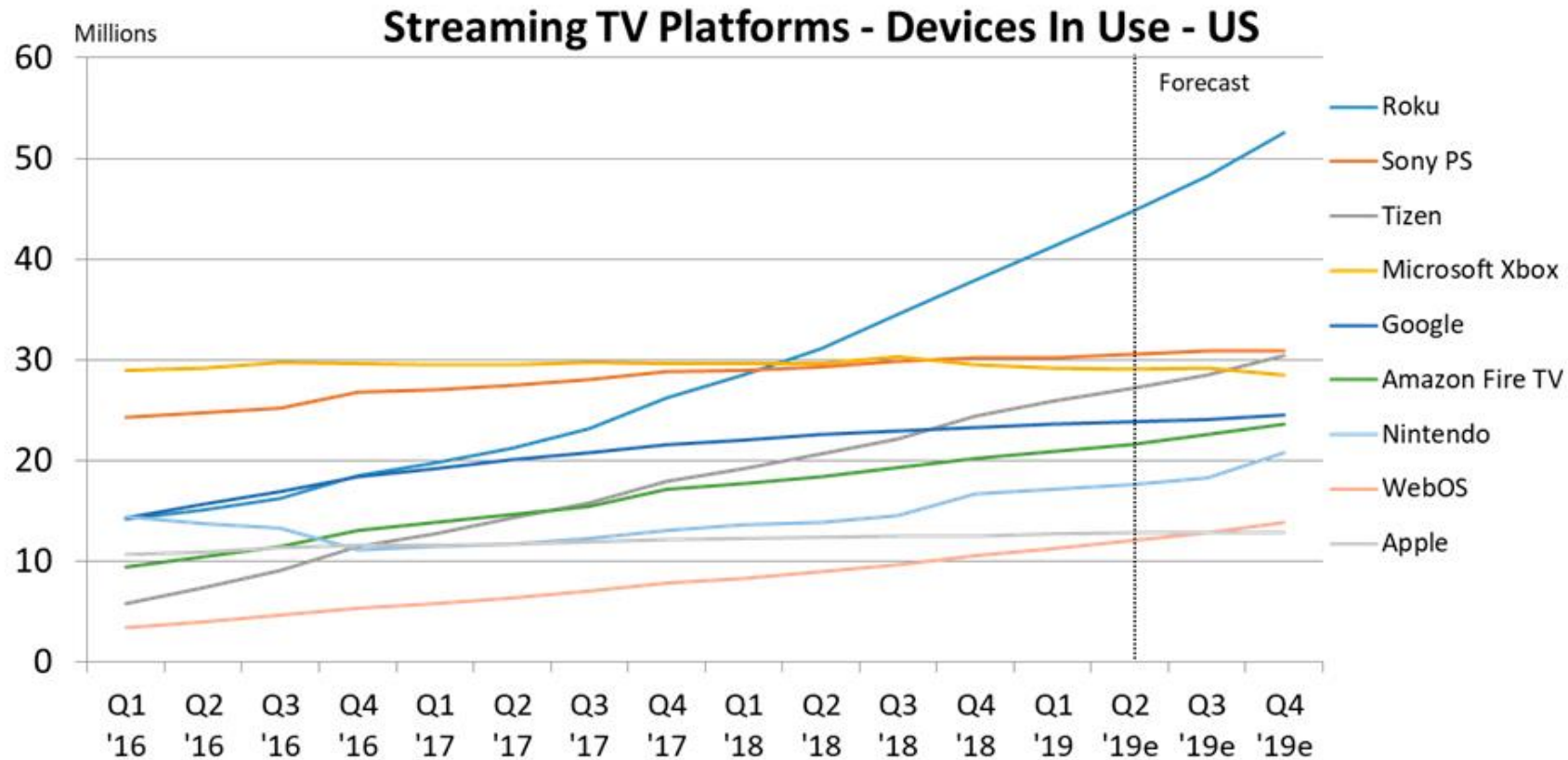
**Roku Streaming
Devices & App**

**Connected TV's & Roku
Operating System**

Roku's Lead



STRATEGYANALYTICS



Source: Strategy Analytics' Connected Home Devices Service, June 2019

Note: Google = Android TV + Chromecast

Platform



Advertising

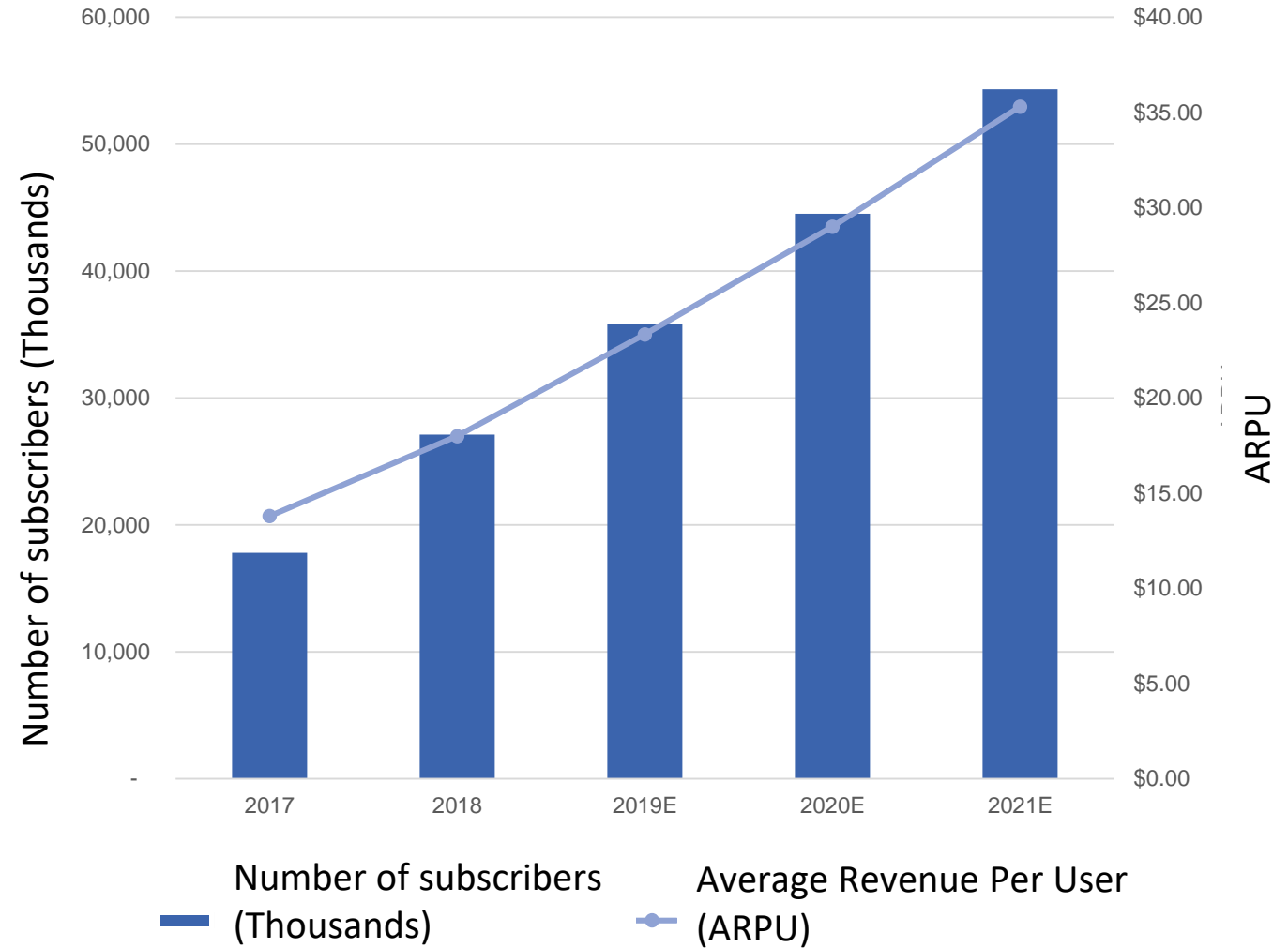
- 30% of Ad Inventory

Subscription

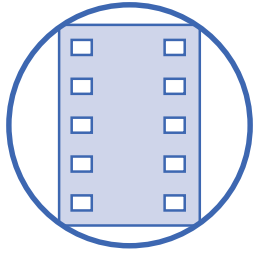
- 20% of Revenue

Licensing

- 1-3 Year Agreement



Roku Channel



Free Movies
TV and More



Options for
Premium
Subscriptions



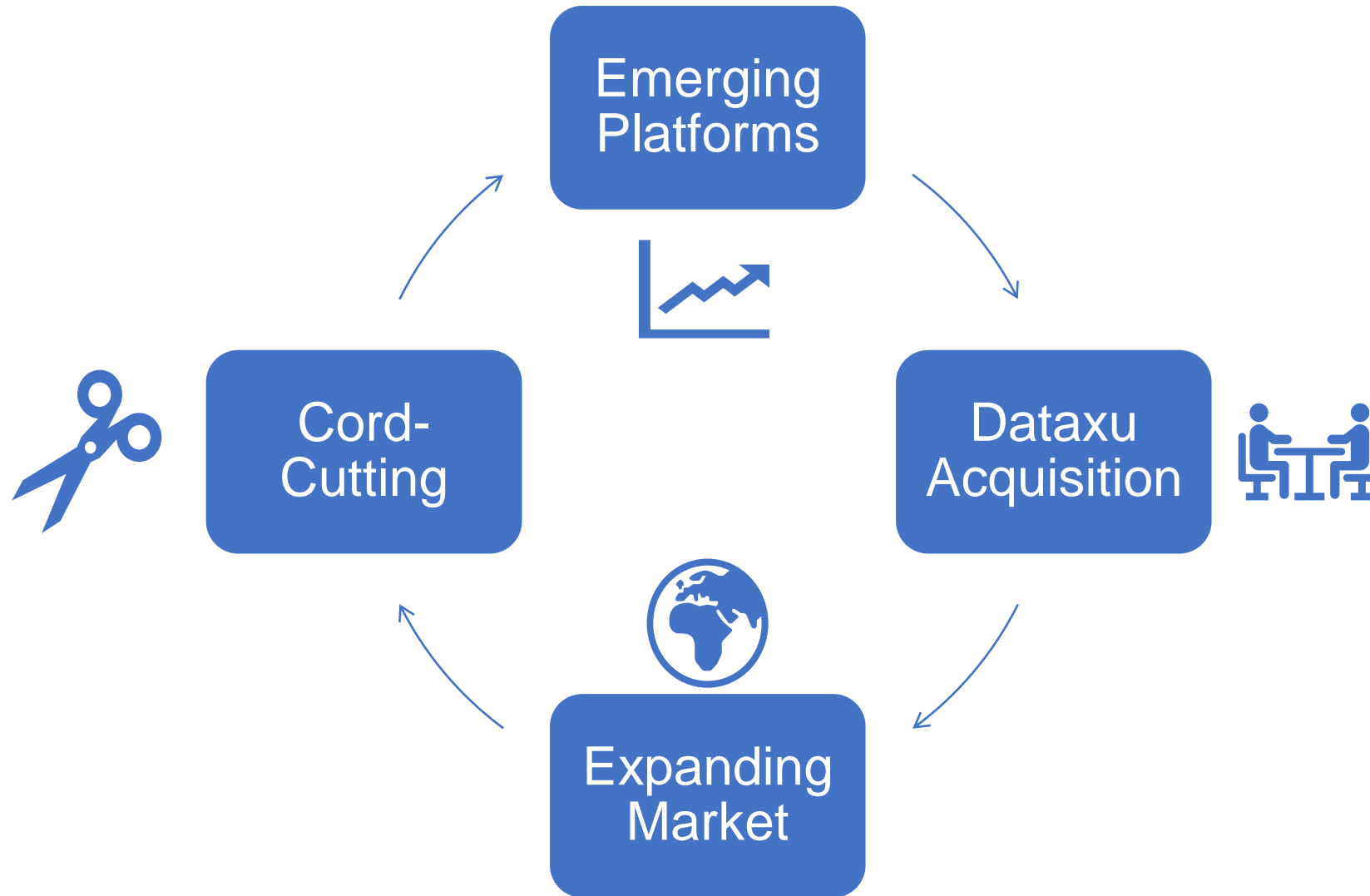
Increased
Data on
Users





Key Drivers

Key Drivers



Cord-Cutting

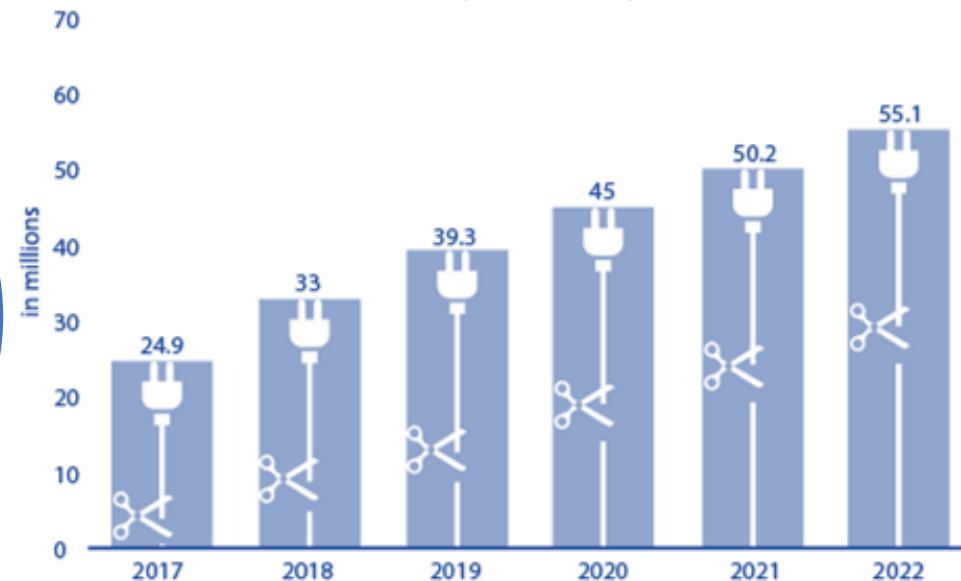


Cable Bills

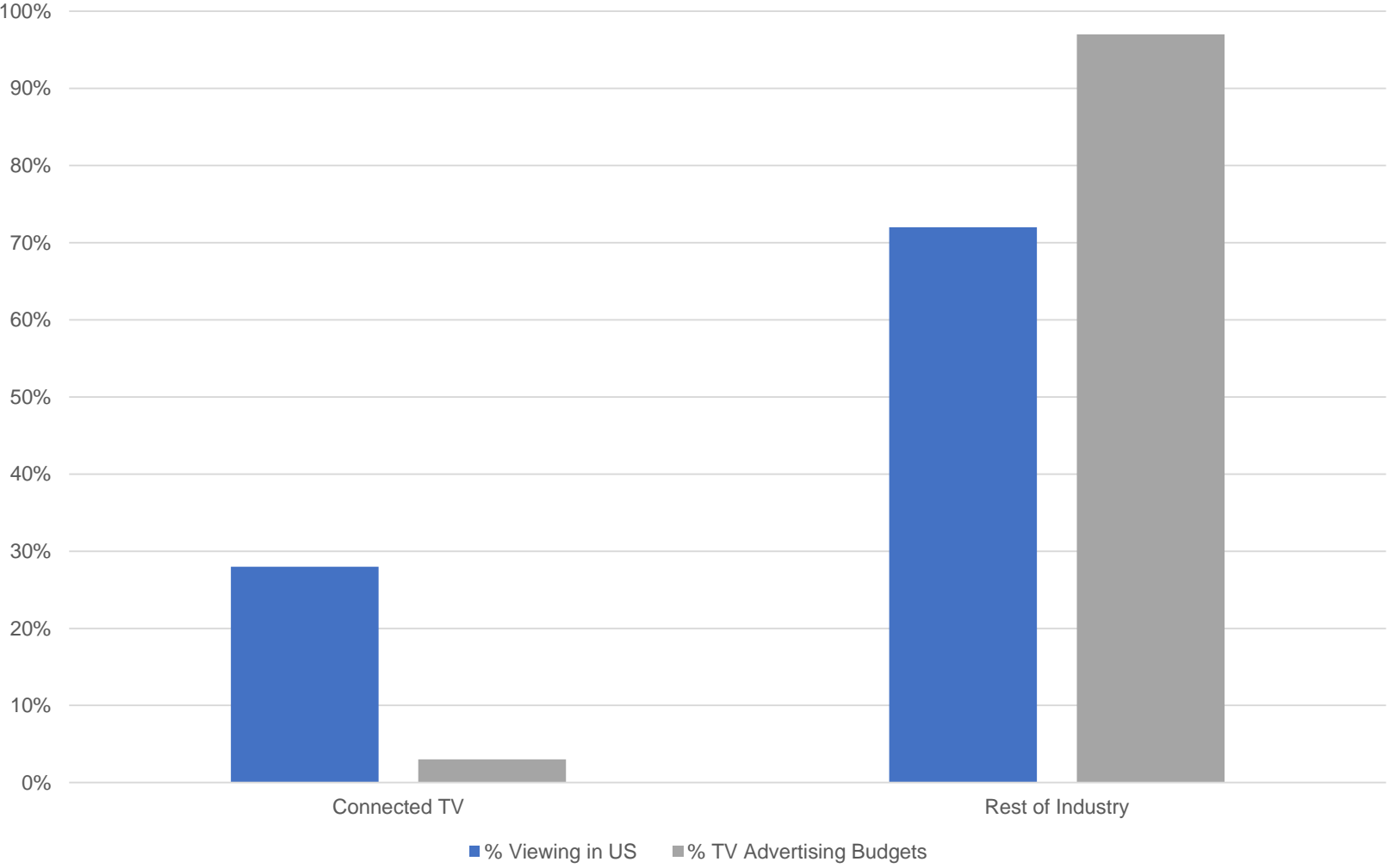
Hours
Streamed

Advertising
Budgets

Households Not Paying for Traditional TV Services in the U.S.
(2017 to 2022)



Advertising Budgets vs Total US Viewing



Emerging Streaming Services



Ad Revenue

Subscription Revenue

Dedicated Buttons



Dataxu Acquisition



Demand-Side Platform

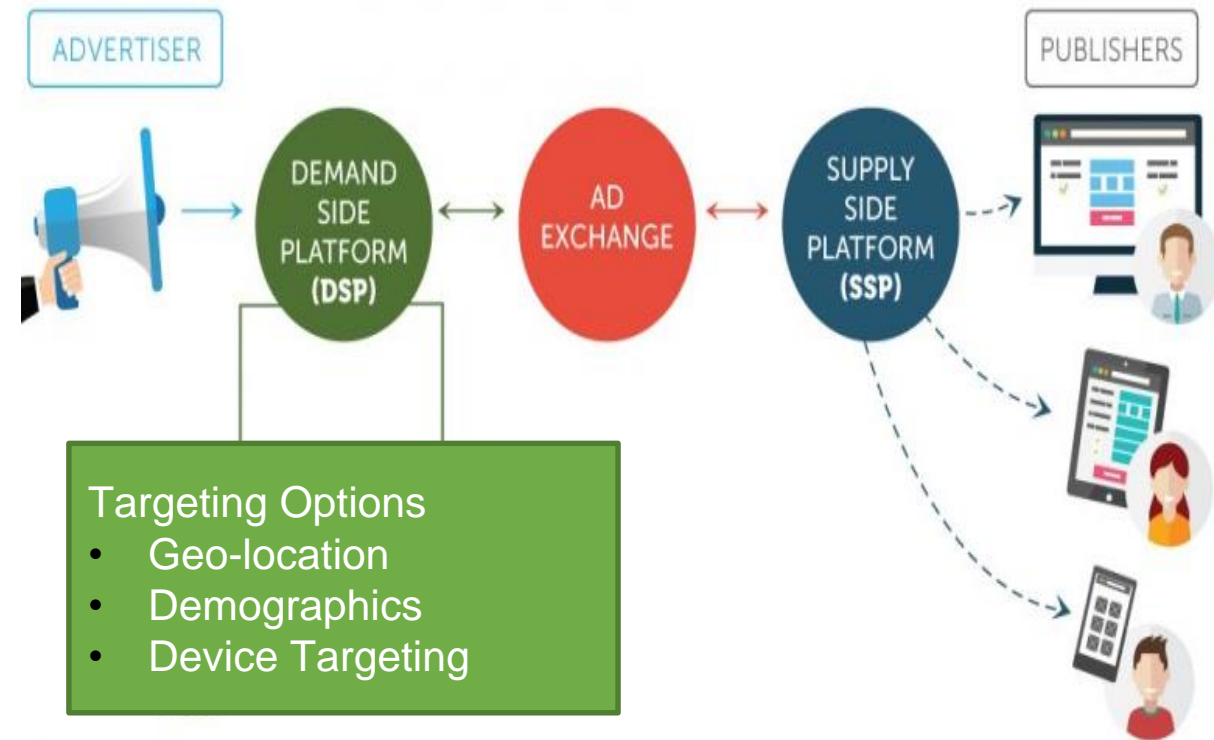


Real Time Bidding



Effective Outreach

dataxu®



Expanding International Markets



High Demand

Strategic Globalization

Diversified Revenue





Risks

Competition



Players

Amazon

Apple

Platform

Facebook
Portal TV

Comcast Xfinity
Flex

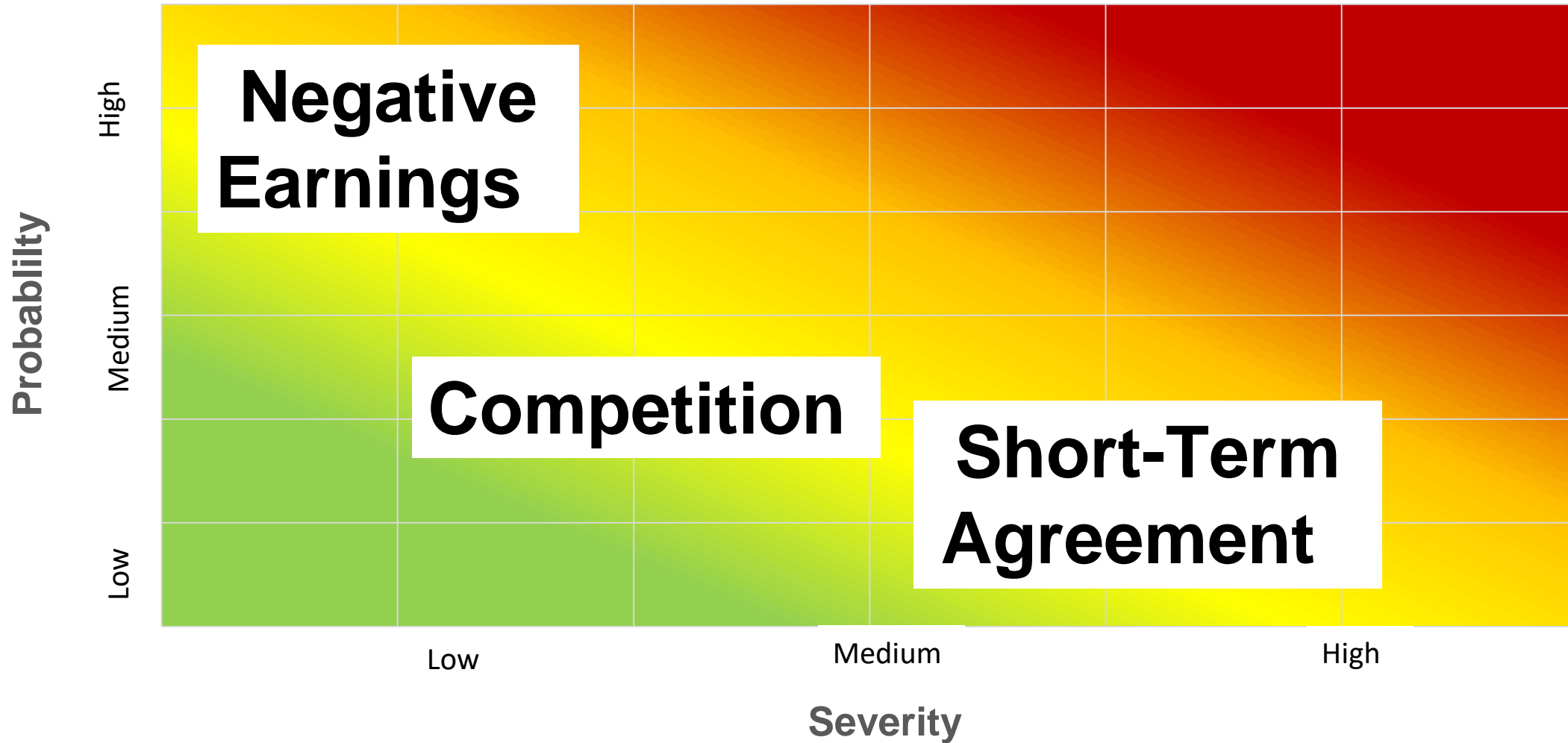
Negative Income



	2017	2018	2019	2020	2021	2022
EPS	-2.18	-0.07	-0.33	-0.39	0.07	1.08



Risk Heat Map





Management

Management



Anthony Wood
Founder, Chairman, CEO

Vice President of InternetTV at
Netflix

Compensated via Stock Options
and Performance Incentives

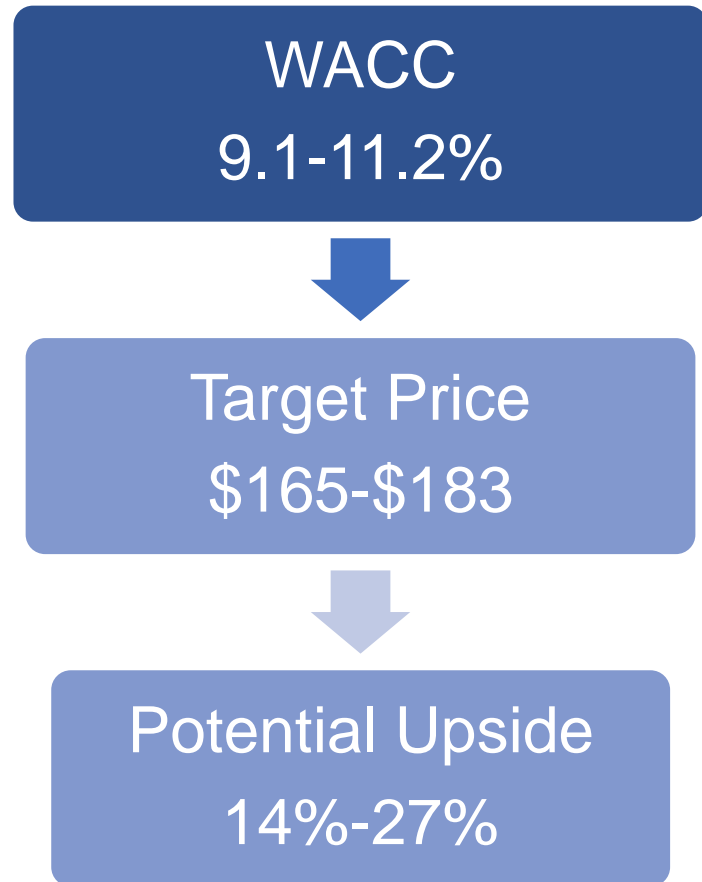


Valuation

Valuation



DCF

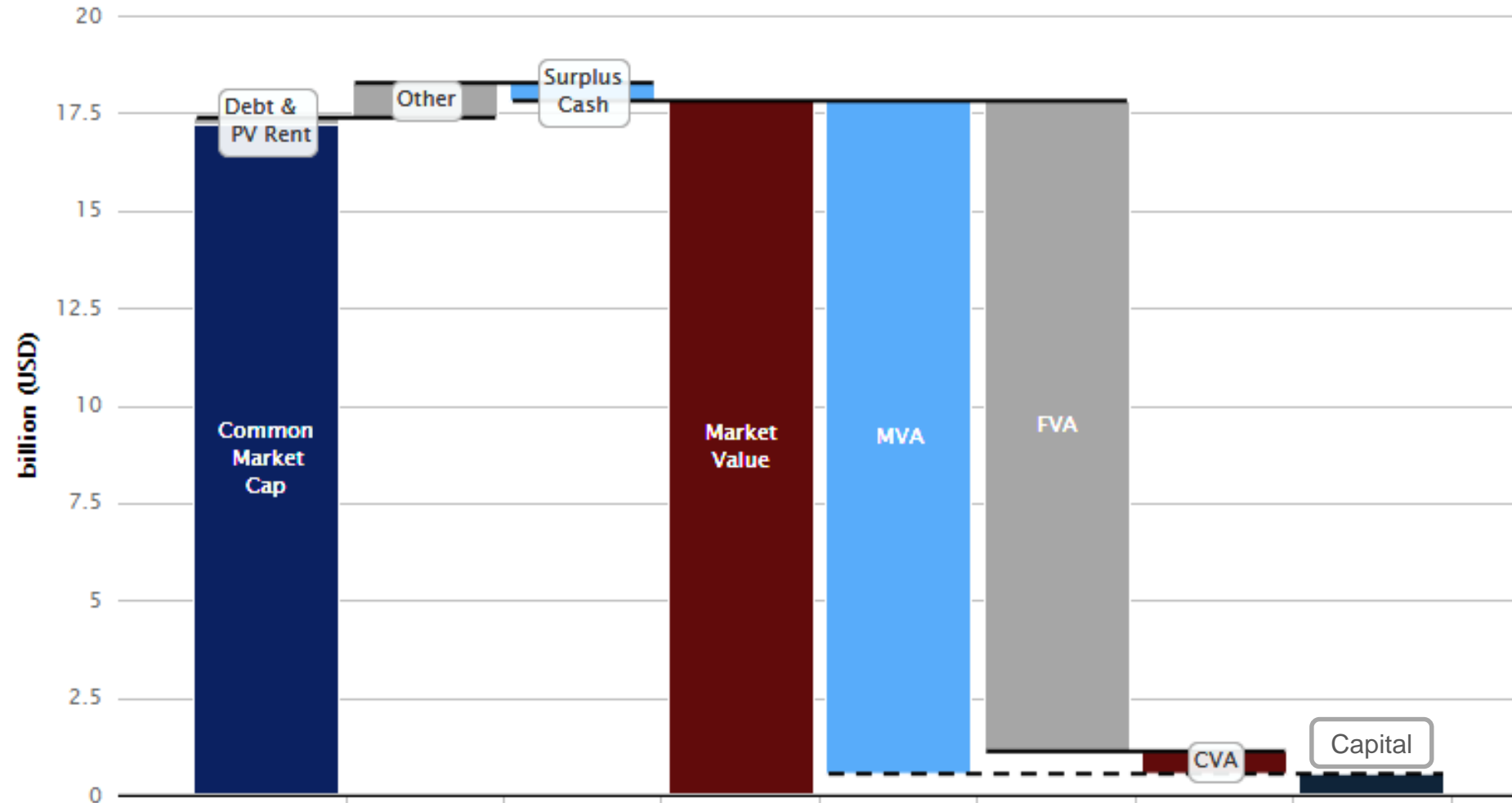


EVA Margin



Capital and Market Value Reconciliation

?



Combined Valuation



DCF 40%
\$165-\$183



EVA 60%
\$141-\$180



Upside
\$150-\$181
or
5%-26%



Recommendations

Recommendations



Roku®

Dominance In
Audience
Engagement

Strong
Revenue
Growth

Advantages
Over
Competition

Buy



Questions?

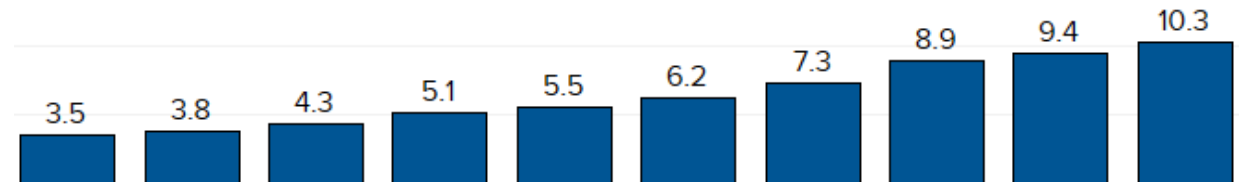
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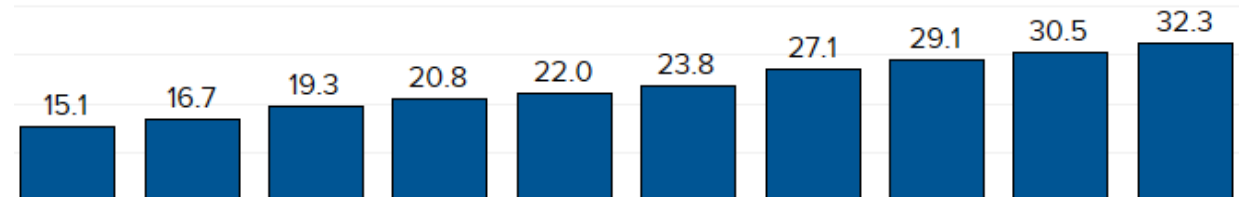
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Roku results

Streaming hours (billions)



Active accounts (millions)



Avg. revenue per user

