



Roku

[Read the Roku Stock Report](#)

MARKET CAP
US\$43.3b

UPDATED 17 Oct, 2021

[4 Analysts](#)

ROKU Overview

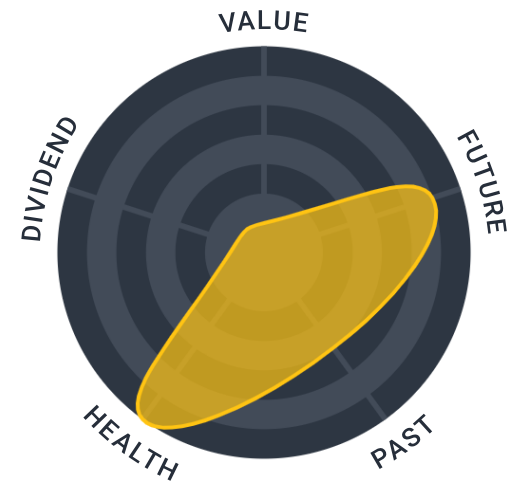
Roku, Inc., together with its subsidiaries, operates a TV streaming platform.

REWARDS

- ★ Earnings are forecast to grow 38.08% per year ▶
- ★ Became profitable this year ▶

RISK ANALYSIS

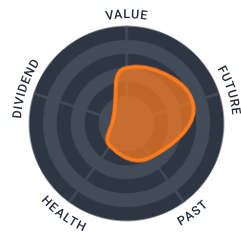
- ⚠ Significant insider selling over the past 3 months ▶
- ⚠ Shareholders have been diluted in the past year ▶



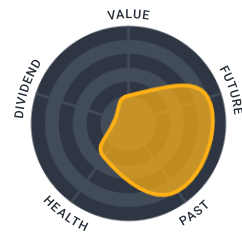
Snowflake Analysis

Flawless balance sheet with high growth potential.

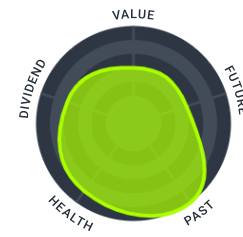
Roku Competitors



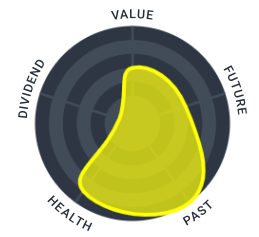
Walt Disney
NYSE:DIS
US\$320.7b



Netflix
NASDAQGS:NFLX
US\$278.1b

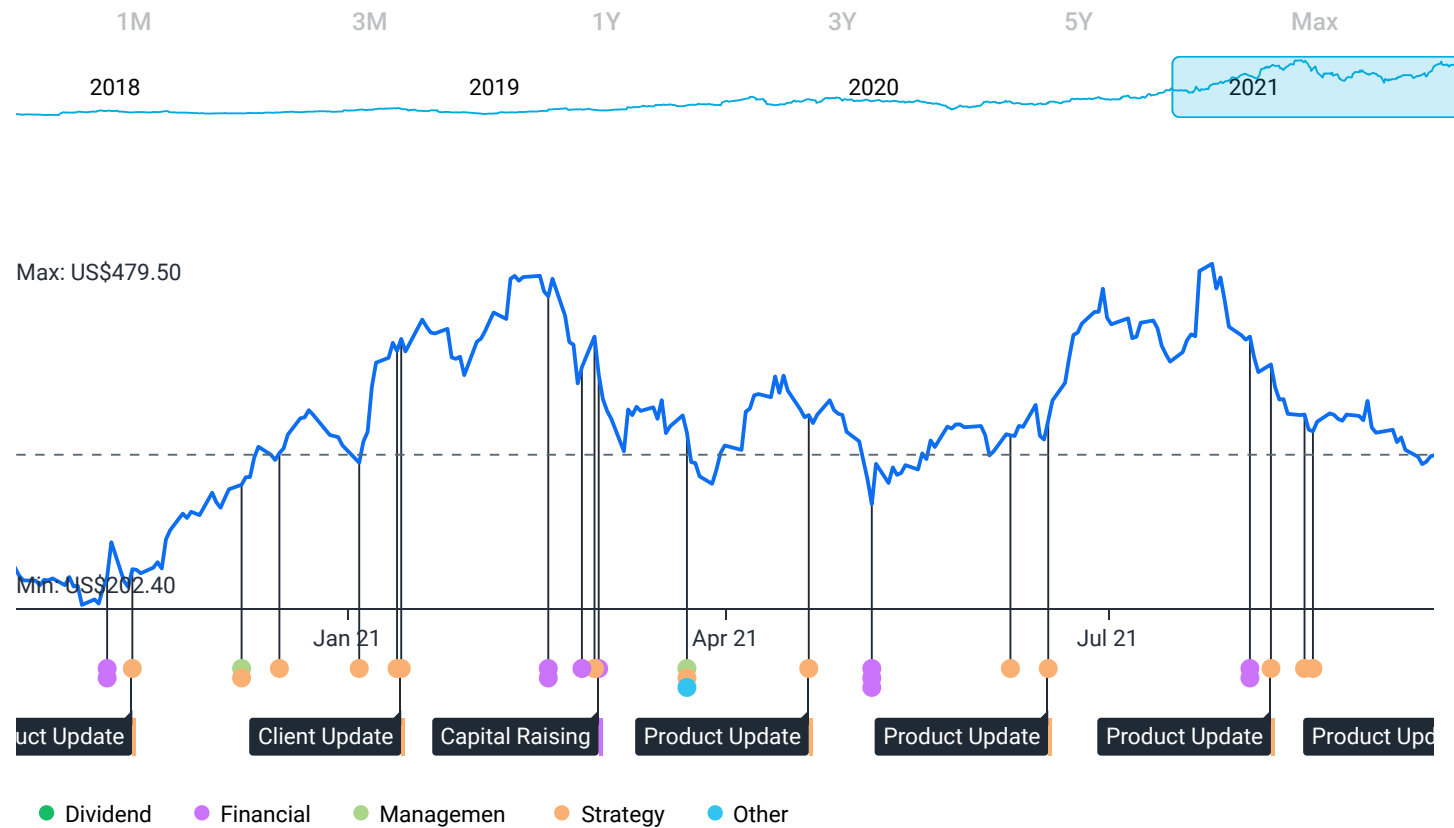


Microsoft
NASDAQGS:MSFT
US\$2.3t




Alphabet
NASDAQGS:GOOG.L
US\$1.9t

Price History & Performance




Recent News & Updates


-
- Oct 15



Is There Now An Opportunity In Roku, Inc. (NASDAQ:ROKU)?


Let's talk about the popular Roku, Inc. (NASDAQ:ROKU). The company's shares saw a double-digit share price rise of...


-
- Oct 07




Roku: Buy The Dip, This Stock Has Fallen Too Far

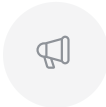
Shares of Roku have crumbled ~35% over the past two months, spurred on by a disappointing Q2 earnings print. Similarly to Netflix, the company disappointed on user growth and streaming hour...
-
- Sep 30



Roku's (NASDAQ:ROKU) Returns On Capital Are Heading Higher


What trends should we look for if we want to identify stocks that can multiply in value over the long term? Firstly...


-
- Sep 27



Roku Presents Streaming Player Line-Up for Germany

Roku introduced its streaming player line-up for Germany, including the Roku Express, Roku Express 4K, Roku Streaming Stick 4K and Roku Streambar. Roku streaming players offer German consumers...
-
- Sep 27



Is Roku Stock Overvalued? It Was Last Year, But Not Now

Roku is the Connected TV platform leader in the US. It operates in a rapidly expanding market. It continues to attract advertisers keen on its brand and programmatic advertising reach. Despite its...

Shareholder Returns

	ROKU	US Entertainment	US Market
7D	0.3%	1.5%	2.0%
1Y	45.9%	26.1%	27.6%

Price Volatility

ROKU volatility	
ROKU Beta	1.77
Industry Beta	1.05
Market Beta	1

Return vs Industry: ROKU exceeded the US Entertainment industry which returned 26.1% over the past year.

Return vs Market: ROKU exceeded the US Market which returned 27.6% over the past year.

Stable Share Price: ROKU is not significantly more volatile than the rest of US stocks over the past 3 months, typically moving +/- 7% a week.

Volatility Over Time: ROKU's weekly volatility (7%) has been stable over the past year.

About the Company

Founded
2002

Employees
1,925

CEO
Anthony Wood

Website
<https://www.roku.com> 

Roku, Inc., together with its subsidiaries, operates a TV streaming platform. The company operates in two segments, Platform and Player. Its platform allows users to discover and access various movies and TV episodes, as well as live...

Roku Fundamentals Summary

ROKU fundamental statistics	
Market Cap	US\$43.29b
Earnings (TTM)	US\$230.02m
Revenue (TTM)	US\$2.32b

188.2x
P/E Ratio

18.7x
P/S Ratio

Earnings & Revenue

Last Reported Earnings
Jun 29, 2021

Next Earnings Date
n/a

ROKU income statement (TTM)	
Revenue	US\$2.32b
Cost of Revenue	US\$1.14b
Gross Profit	US\$1.19b
Expenses	US\$955.30m
Earnings	US\$230.02m

Earnings per share (EPS) 1.72

Gross Margin 51.07%

Net Profit Margin 9.91%

Debt/Equity Ratio 3.6%

1 | Valuation

Analysis Checks 0/6

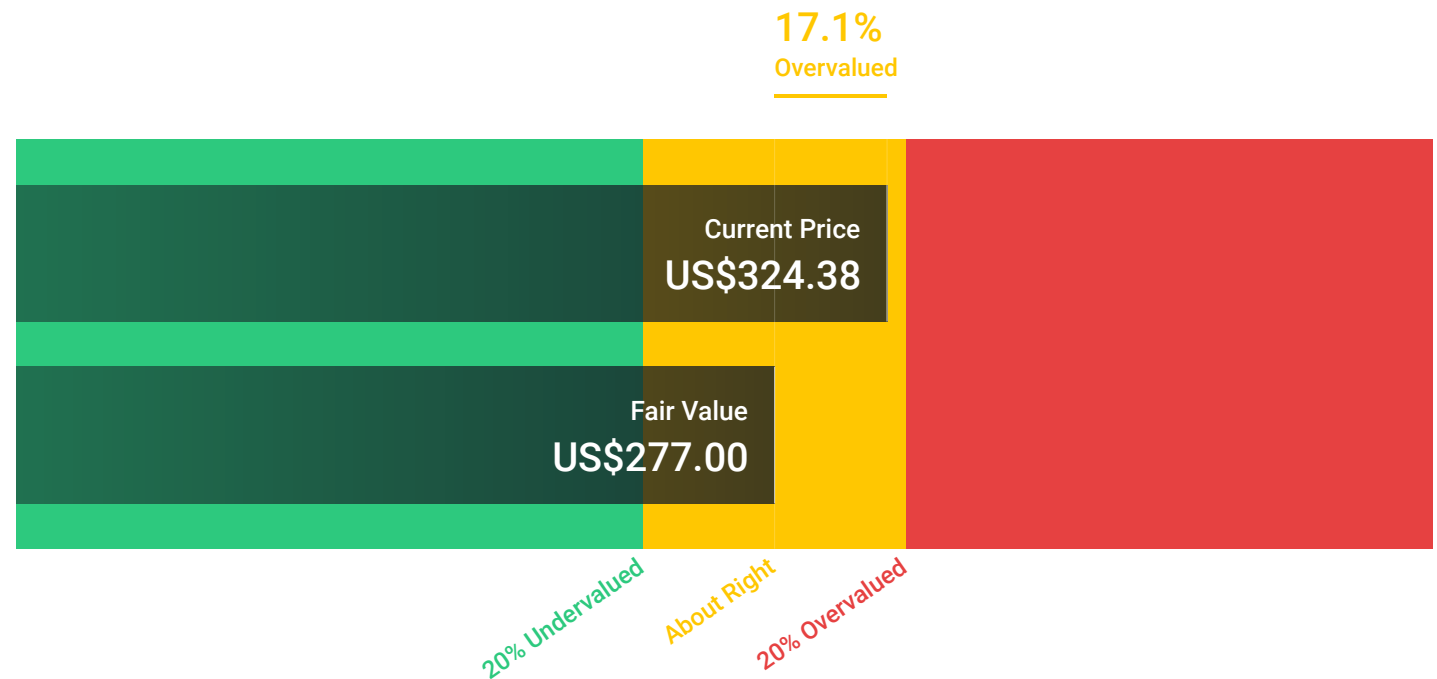


Is Roku undervalued compared to its fair value and its price relative to the market?

188.2x

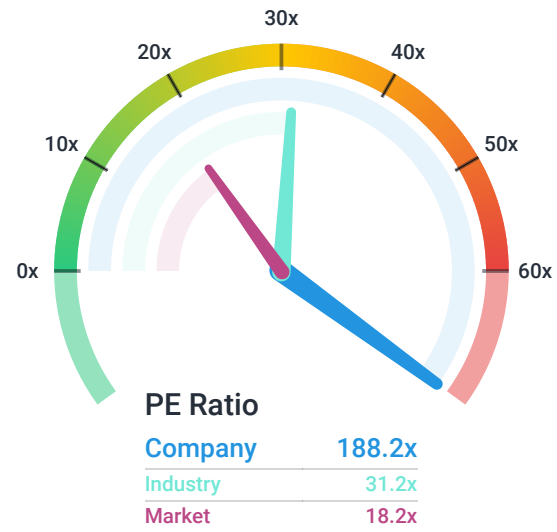
Price to Earnings (PE) ratio

1.1 | Share Price vs. Fair Value



- ⊗ **Below Fair Value:** ROKU (\$324.38) is trading above our estimate of fair value (\$277)
- ⊗ **Significantly Below Fair Value:** ROKU is trading above our estimate of fair value.

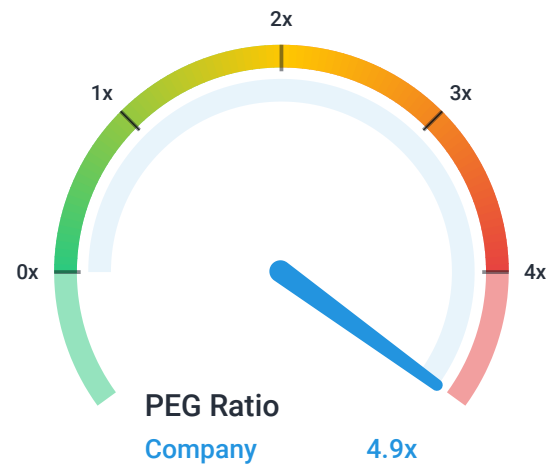
1.2 | Price To Earnings Ratio



⊗ **PE vs Industry:** ROKU is poor value based on its PE Ratio (188.2x) compared to the US Entertainment industry average (31.2x).

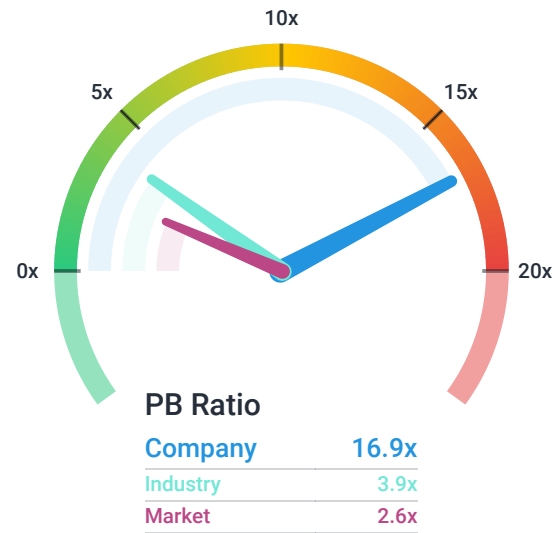
⊗ **PE vs Market:** ROKU is poor value based on its PE Ratio (188.2x) compared to the US market (18.2x).

1.3 | Price to Earnings Growth Ratio



⊗ **PEG Ratio:** ROKU is poor value based on its PEG Ratio (4.9x)

1.4 | Price to Book Ratio



⊗ **PB vs Industry:** ROKU is overvalued based on its PB Ratio (16.9x) compared to the US Entertainment industry average (3.9x).

2 | Future Growth

Analysis Checks 5/6

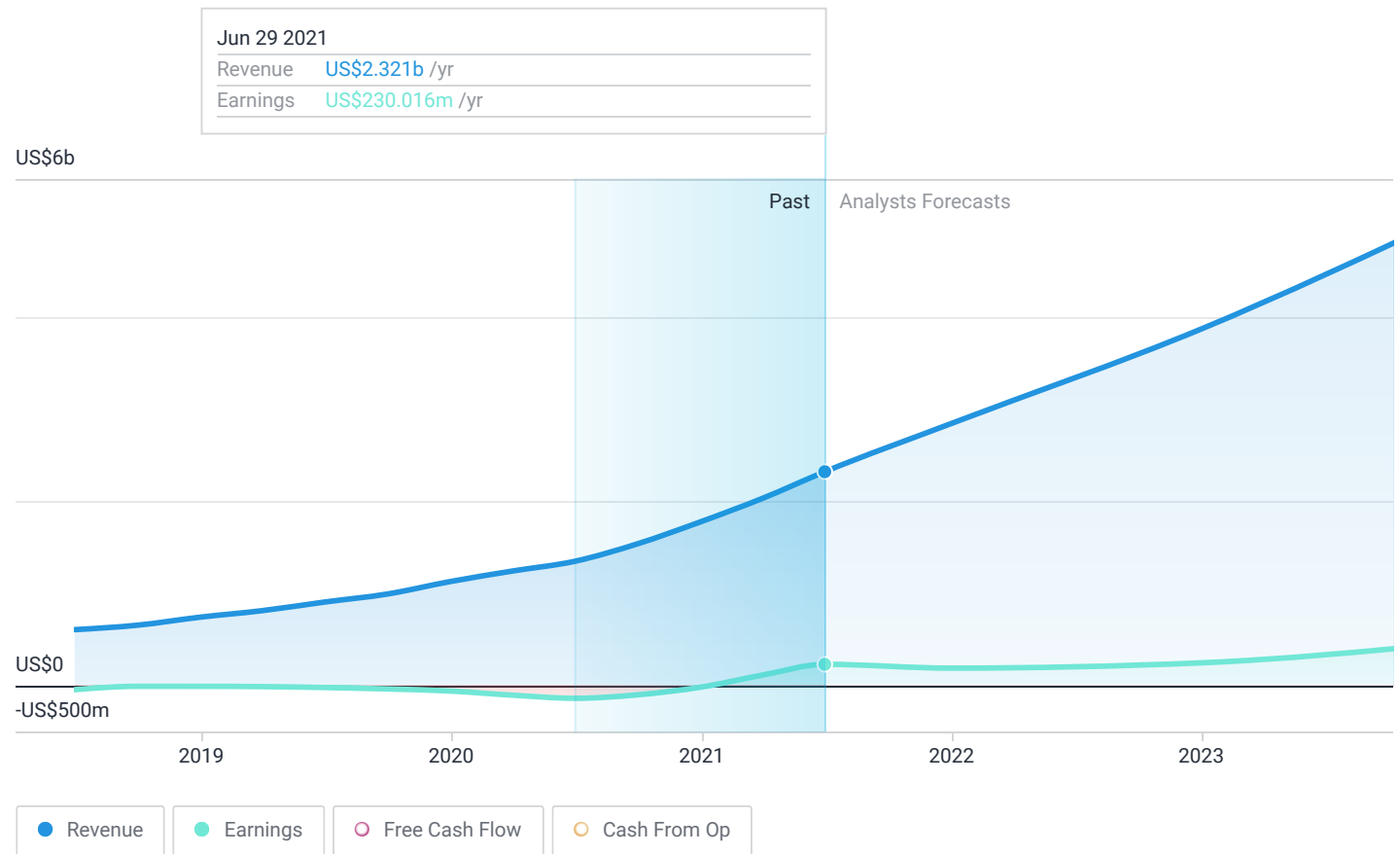


How is Roku forecast to perform in the next 1 to 3 years based on estimates from 24 analysts?

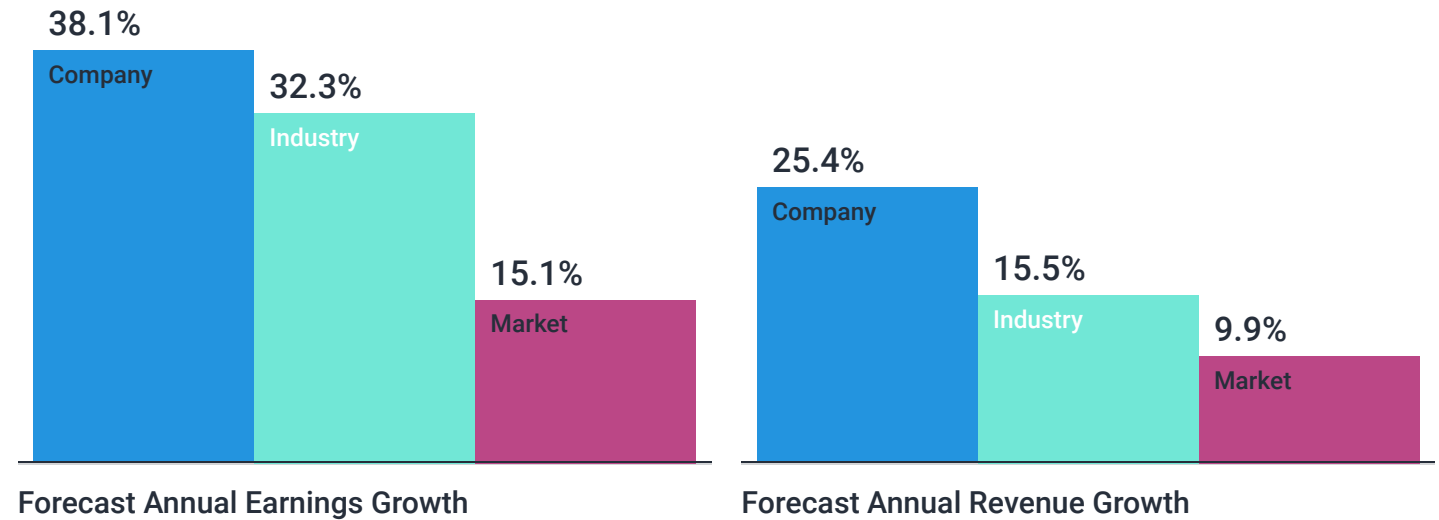
38.1%

Forecasted annual earnings growth

2.1 | Earnings and Revenue Growth Forecasts

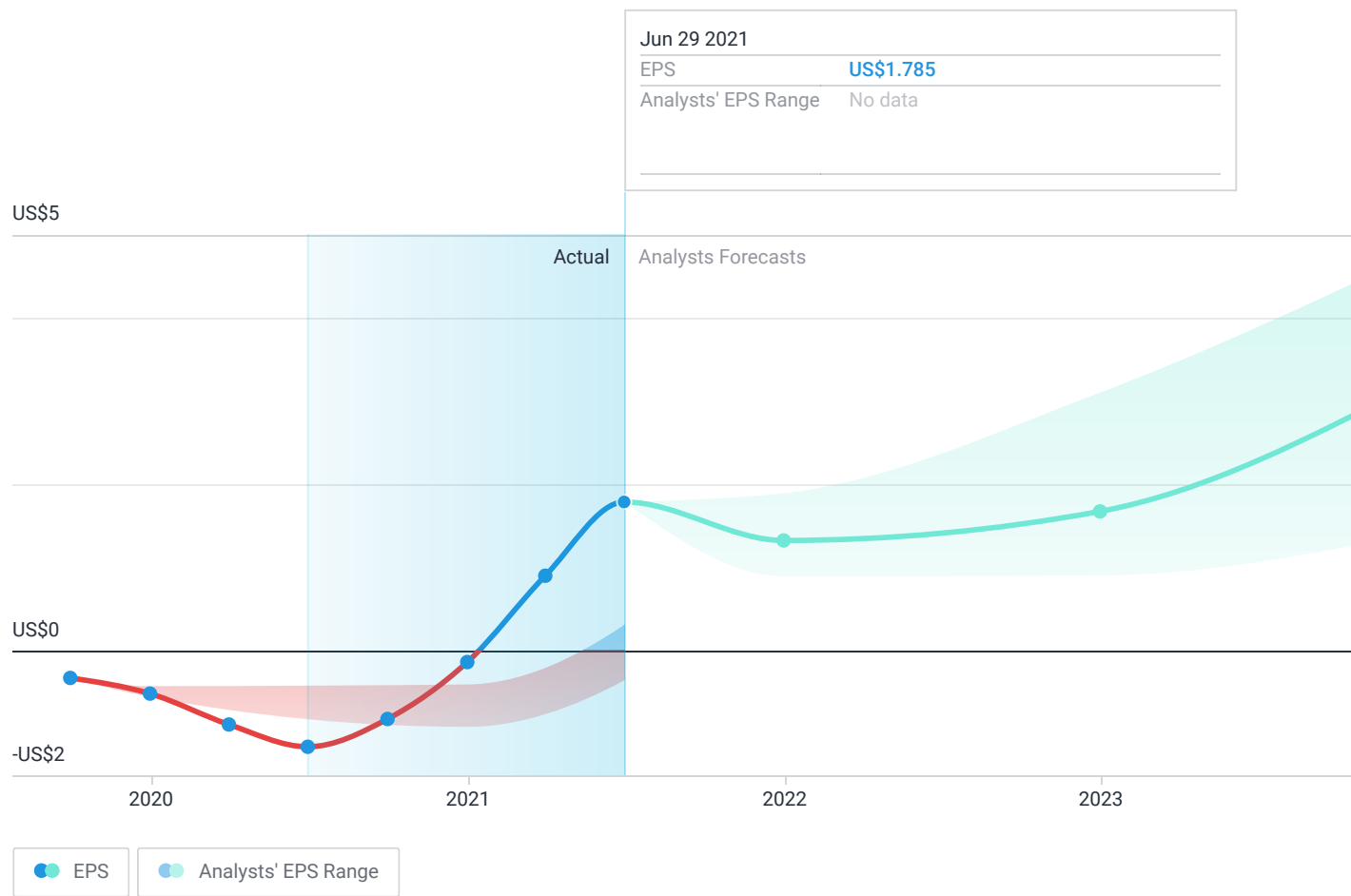


2.2 | Analyst Future Growth Forecasts

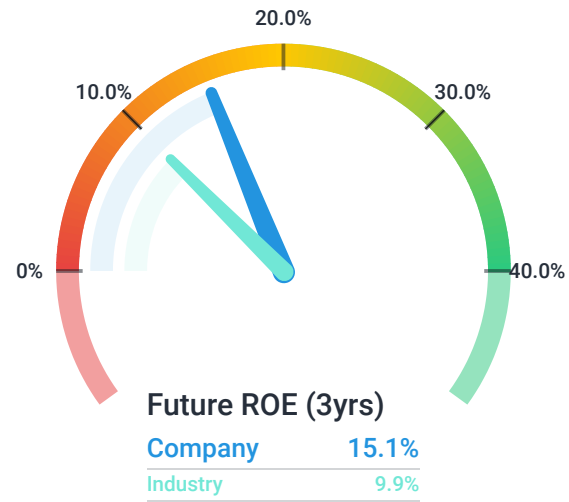


- ✓ **Earnings vs Savings Rate:** ROKU's forecast earnings growth (38.1% per year) is above the savings rate (2%).
 - ✓ **Earnings vs Market:** ROKU's earnings (38.1% per year) are forecast to grow faster than the US market (15.1% per year).
 - ✓ **High Growth Earnings:** earnings are expected to grow significantly over the next 3 years.
 - ✓ **Revenue vs Market:** ROKU's revenue (25.4% per year) is forecast to grow faster than the US market (9.9% per year).
 - ✓ **High Growth Revenue:** ROKU's revenue (25.4% per year) is forecast to grow faster than 20% per year.
-

2.3 Earnings per Share Growth Forecasts



2.4 | Future Return on Equity



⊗ **Future ROE:** ROKU's Return on Equity is forecast to be low in 3 years time (15.1%).

3 | Past Performance

Analysis Checks 3/6



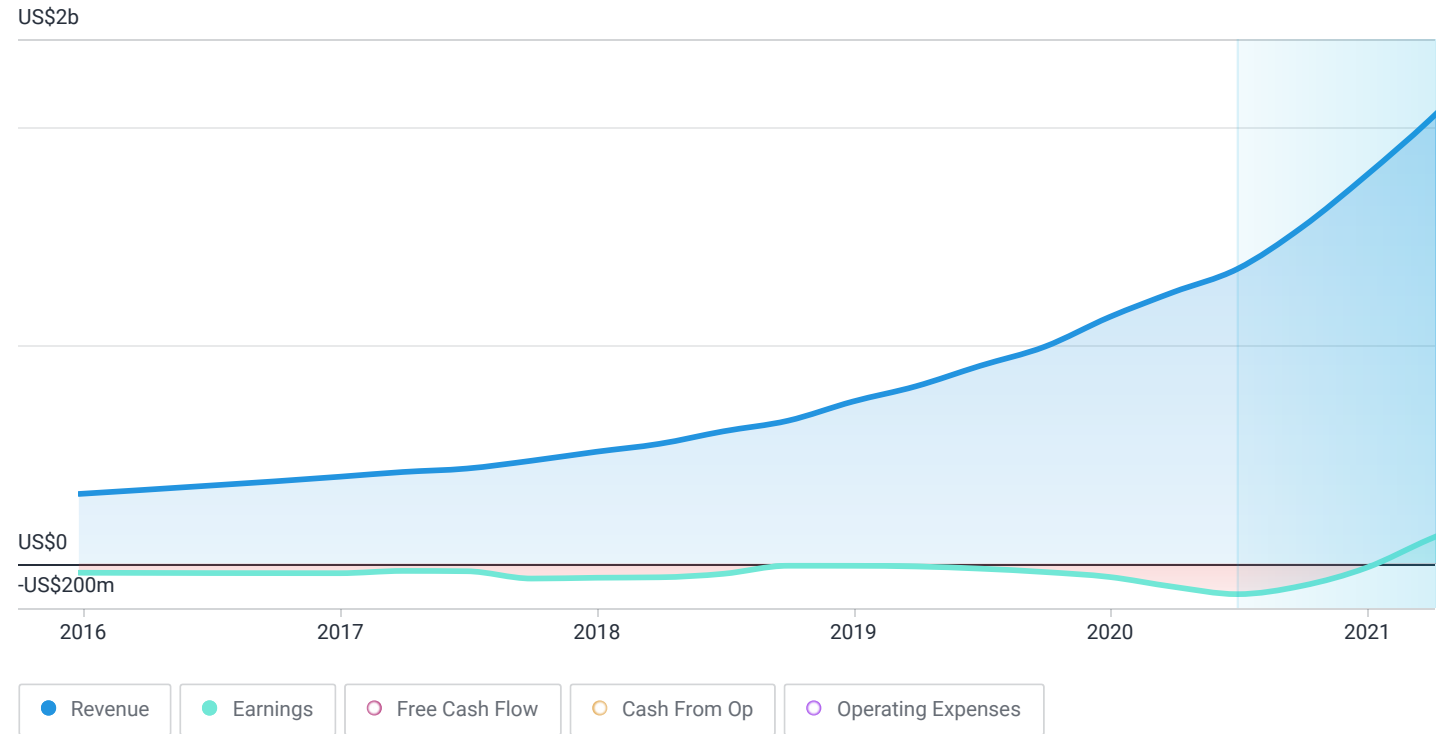
How has Roku performed over the past 5 years?

31.9%

Historical annual earnings growth

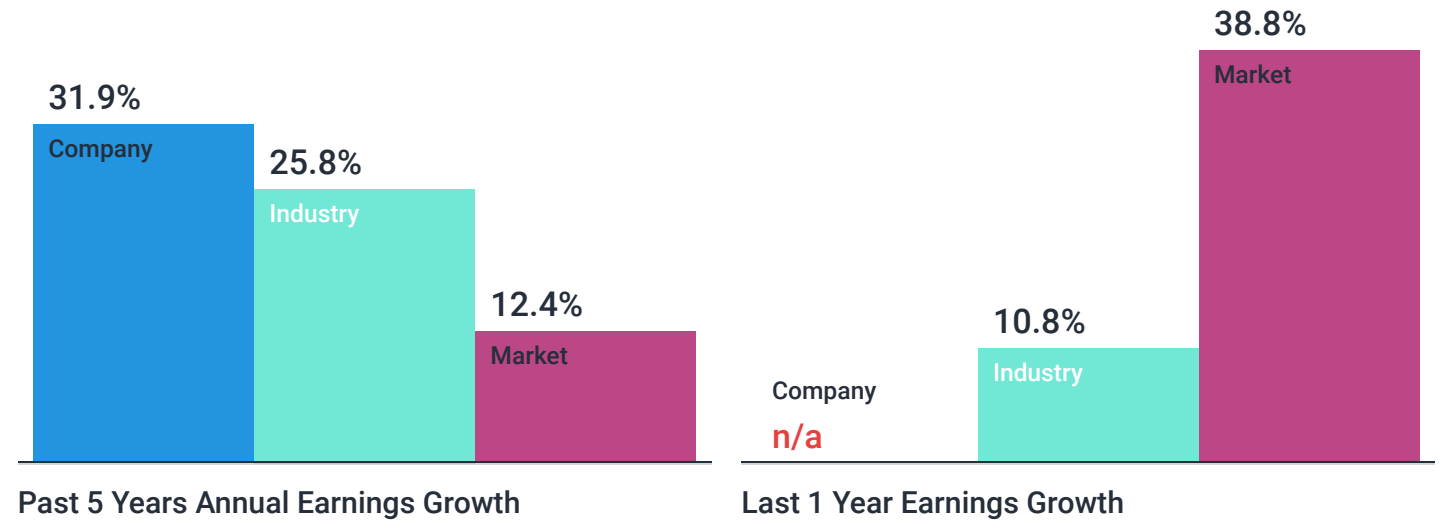
3.1 Earnings and Revenue History

Jun 29 2021	
Revenue	US\$2.321b /yr
Earnings	US\$230.016m /yr
	9.9% profit margin



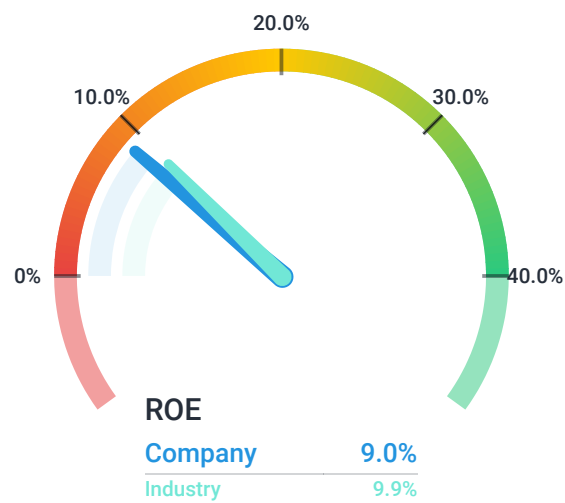
- ✔ Quality Earnings: ROKU has high quality earnings.
- ✔ Growing Profit Margin: ROKU became profitable in the past.

3.2 | Past Earnings Growth Analysis



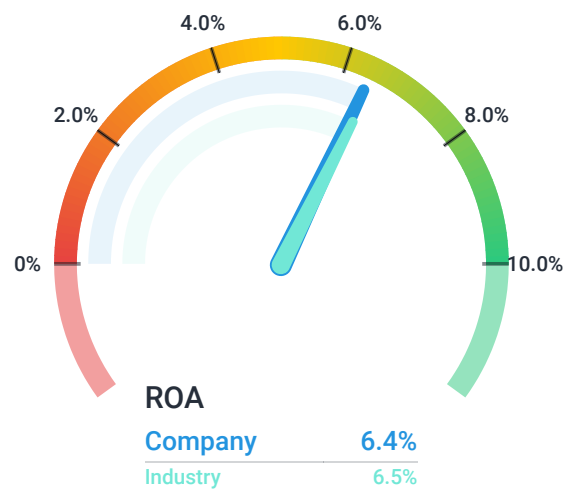
- ✓ **Earnings Trend:** ROKU has become profitable over the past 5 years, growing earnings by 31.9% per year.
 - ✗ **Accelerating Growth:** ROKU has become profitable in the last year, making the earnings growth rate difficult to compare to its 5-year average.
 - ✗ **Earnings vs Industry:** ROKU has become profitable in the last year, making it difficult to compare its past year earnings growth to the Entertainment industry (10.8%).
-

3.3 | Return on Equity

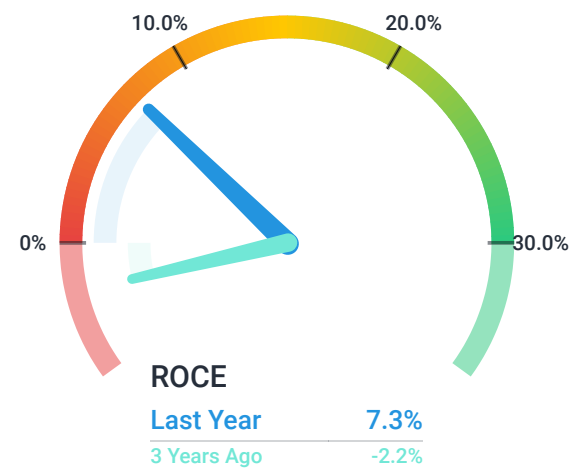


⊗ High ROE: ROKU's Return on Equity (9%) is considered low.

3.4 | Return on Assets



3.5 | Return on Capital Employed



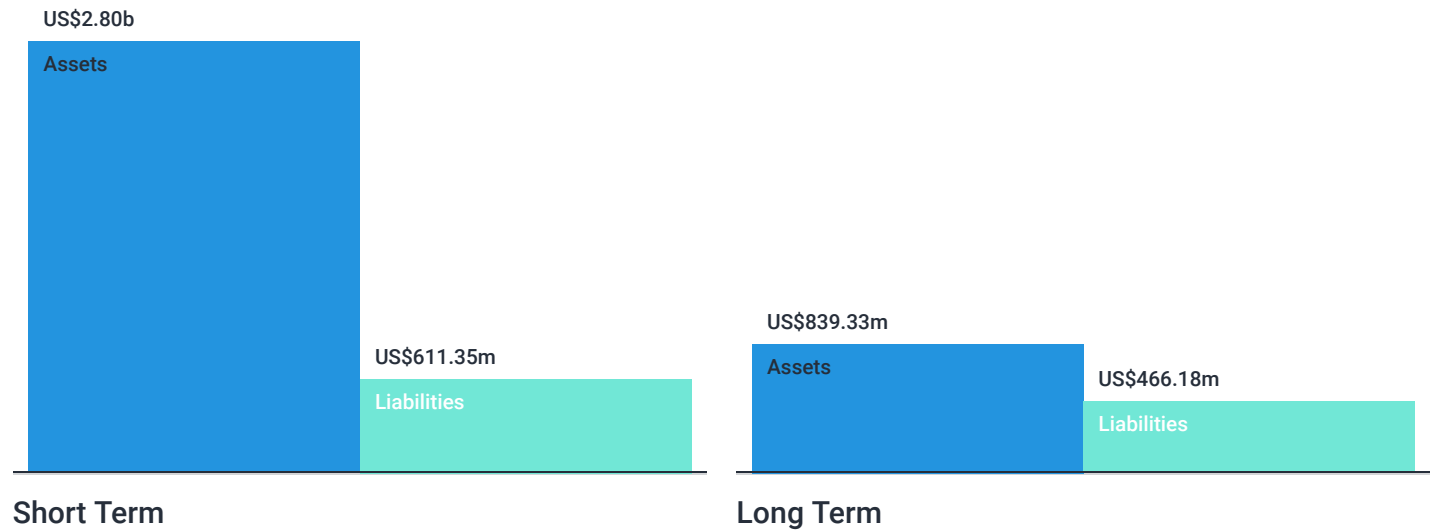
4 | Financial Health

Analysis Checks 6/6



How is Roku's financial position?

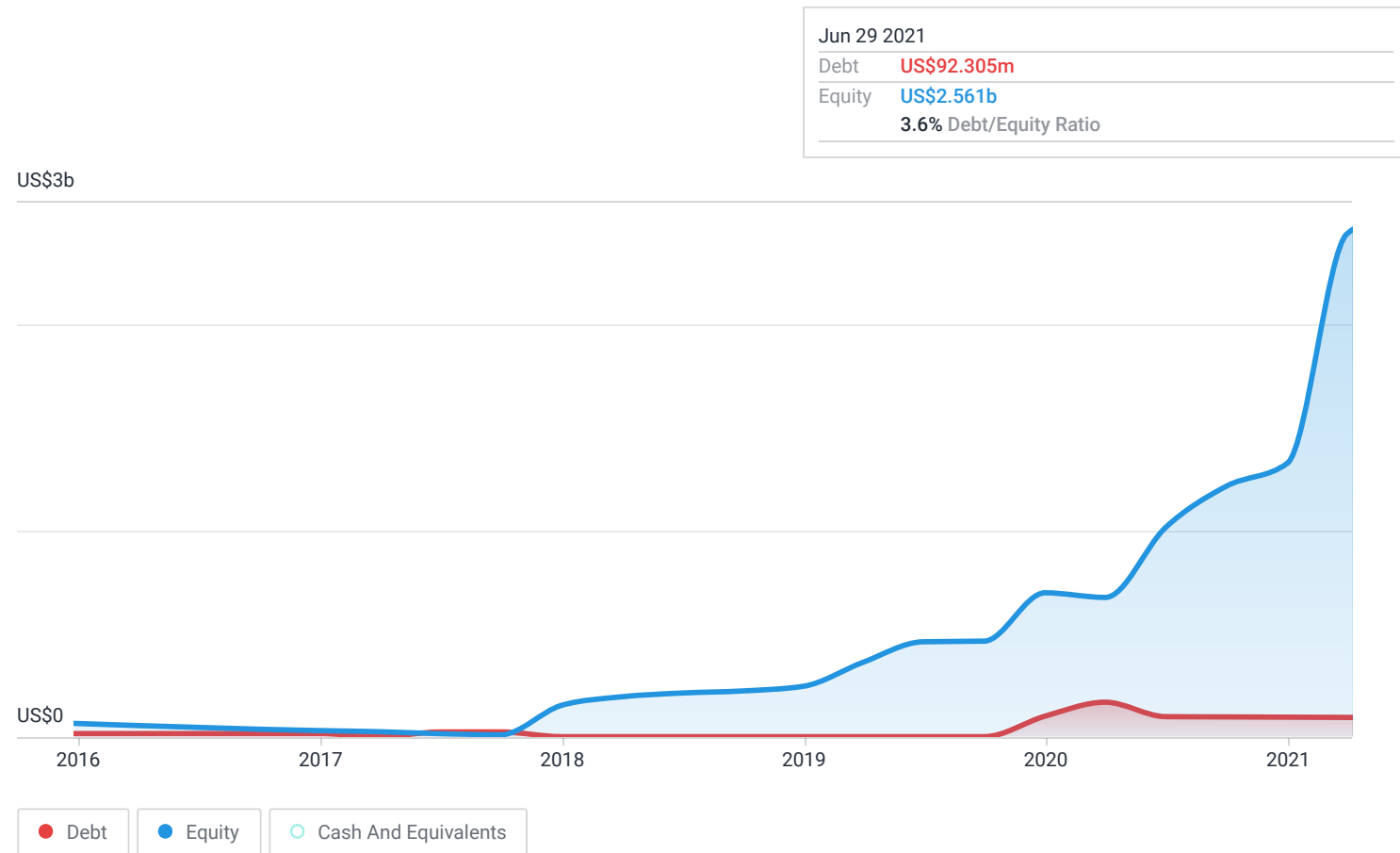
4.1 | Financial Position Analysis



✓ Short Term Liabilities: ROKU's short term assets (\$2.8B) exceed its short term liabilities (\$611.3M).

✓ Long Term Liabilities: ROKU's short term assets (\$2.8B) exceed its long term liabilities (\$466.2M).

4.2 Debt to Equity History and Analysis



- ✓ **Debt Level:** ROKU's debt to equity ratio (3.6%) is considered satisfactory.
- ✓ **Reducing Debt:** ROKU's debt to equity ratio has reduced from 32.2% to 3.6% over the past 5 years.
- ✓ **Debt Coverage:** ROKU's debt is well covered by operating cash flow (230.6%).
- ✓ **Interest Coverage:** ROKU's interest payments on its debt are well covered by EBIT (73.4x coverage).

4.3 Balance Sheet

Assets

Cash & Short term Investments US\$2.1b	Physical Assets US\$459.5m
	Long term & Other Assets US\$422.6m
Receivables US\$625.2m	Inventory

Liabilities + Equity

Equity US\$2.6b	Other Liabilities US\$852.7m
	Accounts Payable US\$132.5m
	Debt US\$92.0m

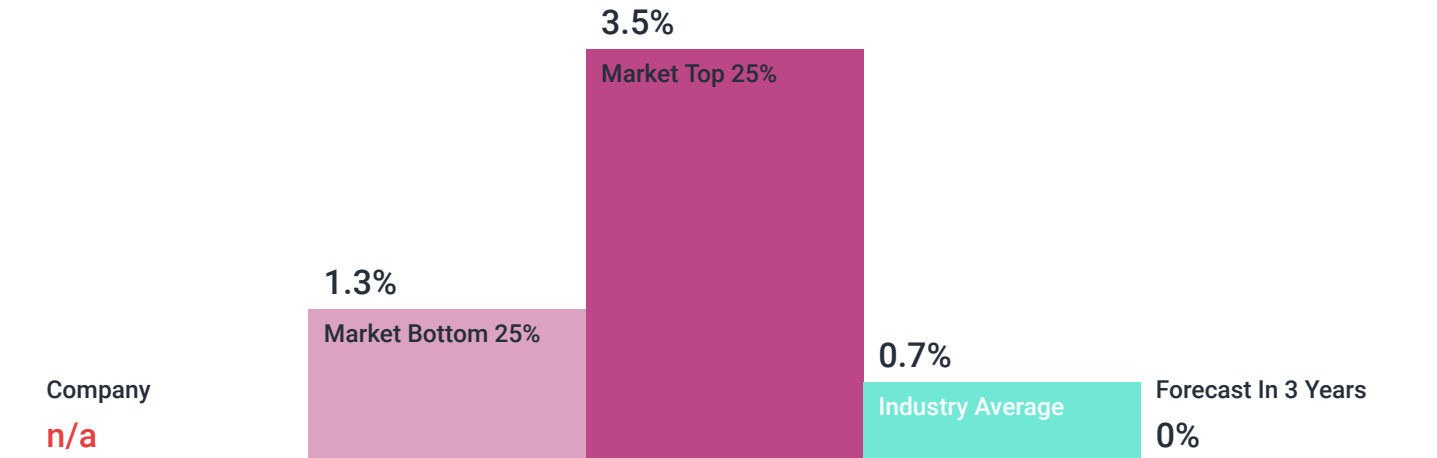
5 | Dividend

Analysis Checks 0/6



What is Roku current dividend yield, its reliability and sustainability?

5.1 | Dividend Yield vs Market





Current Dividend Yield Vs Market & Industry

- ⊗ **Notable Dividend:** Unable to evaluate ROKU's dividend yield against the bottom 25% of dividend payers, as the company has not reported any recent payouts.
- ⊗ **High Dividend:** Unable to evaluate ROKU's dividend yield against the top 25% of dividend payers, as the company has not reported any recent payouts.

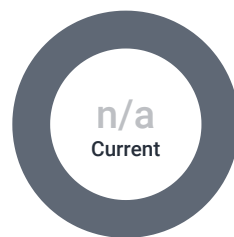
5.2 Stability and Growth of Payments




 **Stable Dividend:** Insufficient data to determine if ROKU's dividends per share have been stable in the past.

 **Growing Dividend:** Insufficient data to determine if ROKU's dividend payments have been increasing.

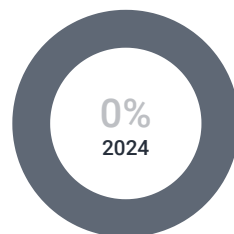
5.3 | Current Payout to Shareholders




No data

 **Dividend Coverage:** Insufficient data to calculate payout ratio to determine if its dividend payments are covered by earnings.

5.4 | Future Payout to Shareholders



Does not pay a dividend

 **Future Dividend Coverage:** No need to calculate the sustainability of ROKU's dividend in 3 years as they are not forecast to pay a notable one for the US market.

6 | Management

How experienced are the management team and are they aligned to shareholders interests?

3.1 yrs

Average management tenure

6.1 | CEO

Anthony Wood (55 yo)

19yrs

Tenure

US\$15,363,568

Compensation

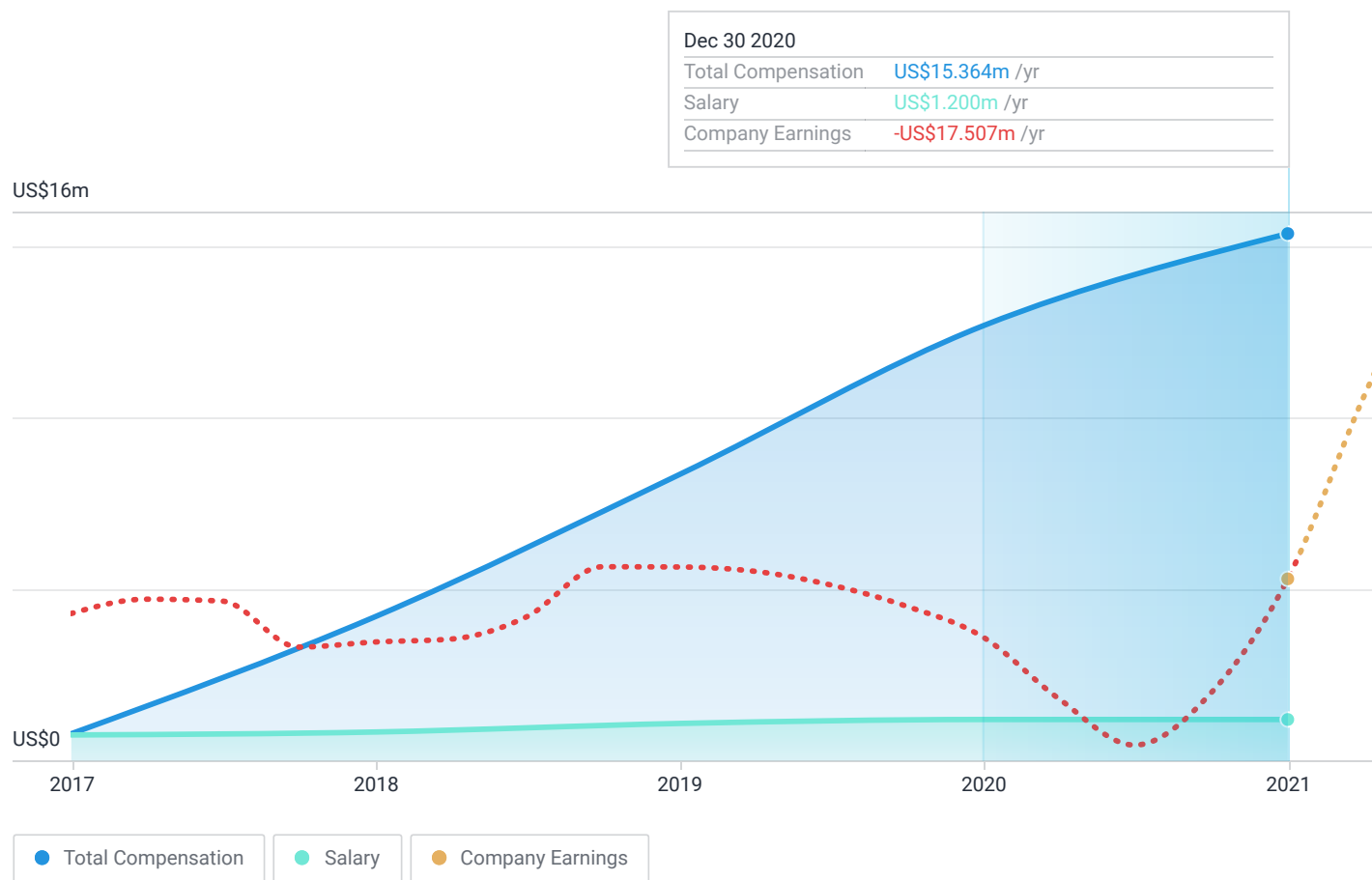
Mr. Anthony J. Wood founded Roku, Inc. in 2002 and has been its Chairman of the Board and Chief Executive Officer since February 2008 and October 2002 respectively. He has been President of Roku Inc. since July 2011. Mr. Wood is an Advisor at Luminari Capital.

Mr. Wood served as a Vice President of Internet TV of Netflix, Inc. since April 16, 2007. At Netflix, He was responsible for all aspects of product development related to the Netflix's strategic intent to deliver movies directly to subscribers' televisions via the Internet. He founded ReplayTV, Inc. and served as its President of Products since November 1999. He served as the President and Chief Executive Officer of ReplayTV, Inc. from November 1997 to August 1999.

Previously, Mr. Wood served as a Vice President of Internet Authoring of Macromedia from March 1996 to September 1997. From January 1995 to March 1996, he co-founded and served as the President and Chief Executive Officer of iband, Inc. From August 1990 to January 1995, he founded and served as the President and Chief Executive Officer of SunRize Industries. He founded BrightSign, LLC in 2002 and serves as its Chairman. He serves as the Chairman of the Board of the Palo Alto, Calif.-based company.

He served as the Chairman of ReplayTV, Inc. from August 1997 to August 1999. He serves as a Director of Roku, Inc. He served as a Director of ReplayTV, Inc. since August 1997. He is the Inventor of DVR. Mr. Wood holds a Bachelor of Science in Electrical Engineering from Texas A&M University.

6.2 CEO Compensation Analysis



- ❌ **Compensation vs Market:** Anthony's total compensation (\$USD15.36M) is above average for companies of similar size in the US market (\$USD11.26M).
- ✅ **Compensation vs Earnings:** Anthony's compensation has been consistent with company performance over the past year.

6.3 Leadership Team

Name	Position	Tenure	Compensation	Ownership
 Anthony Wood	Founder	19yrs	US\$15.36m	12.44% \$ 5.4b
 Steven Louden	Chief Financial Officer	6.33yrs	US\$4.67m	0% \$ 0
 Stephen Kay	Senior VP	7.75yrs	US\$2.89m	0.058% \$ 25.1m
 Scott Rosenberg	Senior VP & GM of Platform Business	3.08yrs	US\$5.15m	0.031% \$ 13.4m
 Mustafa Ozgen	Senior VP & GM of Account Acquisition	2.67yrs	US\$4.07m	no data
 Scott De Haas	Senior Vice President of Product Engineering and Operations	7yrs	no data	no data
 Conrad Grodd	Vice President of Investor Relations	no data	no data	no data
 Tricia Mifsud	Vice President of Communications	no data	no data	no data
 John Kelly	Senior Vice President of Corporate Affairs & Communications	0.75yr	no data	no data
 Kamilah Mitchell-Thomas	Senior Vice President of People	0.75yr	no data	no data
 Ilya Asnis	Senior Vice President of OS	no data	no data	no data
 Brian Pinkerton	Senior Vice President of Advanced Development	0.92yr	no data	no data

3.1yrs

Average Tenure

53.5yo

Average Age

✔ **Experienced Management:** ROKU's management team is considered experienced (3.1 years average tenure).

6.4 | Board Members

Name	Position	Tenure	Compensation	Ownership
 Anthony Wood	Founder	19yrs	US\$15.36m	12.44% \$ 5.4b
 Ray Rothrock	Independent Director	7.17yrs	US\$265.41k	0.028% \$ 12.0m
 Neil Hunt	Independent Director	4.17yrs	US\$252.41k	0.0015% \$ 632.0k
 Laurie Hodrick	Independent Director	0.83yr	US\$160.53k	0.00020% \$ 86.6k
 Ravi Ahuja	Independent Director	8.67yrs	US\$272.41k	0.0015% \$ 632.0k
 Gina Luna	Independent Director	0.83yr	US\$160.53k	0.00020% \$ 86.6k
 Jeffrey Hastings	Director	10.17yrs	US\$244.91k	0.0015% \$ 632.0k
 Rowenna Fyfield	Independent Director	3.42yrs	US\$254.91k	0.00046% \$ 199.1k

5.7yrs

Average Tenure

56yo

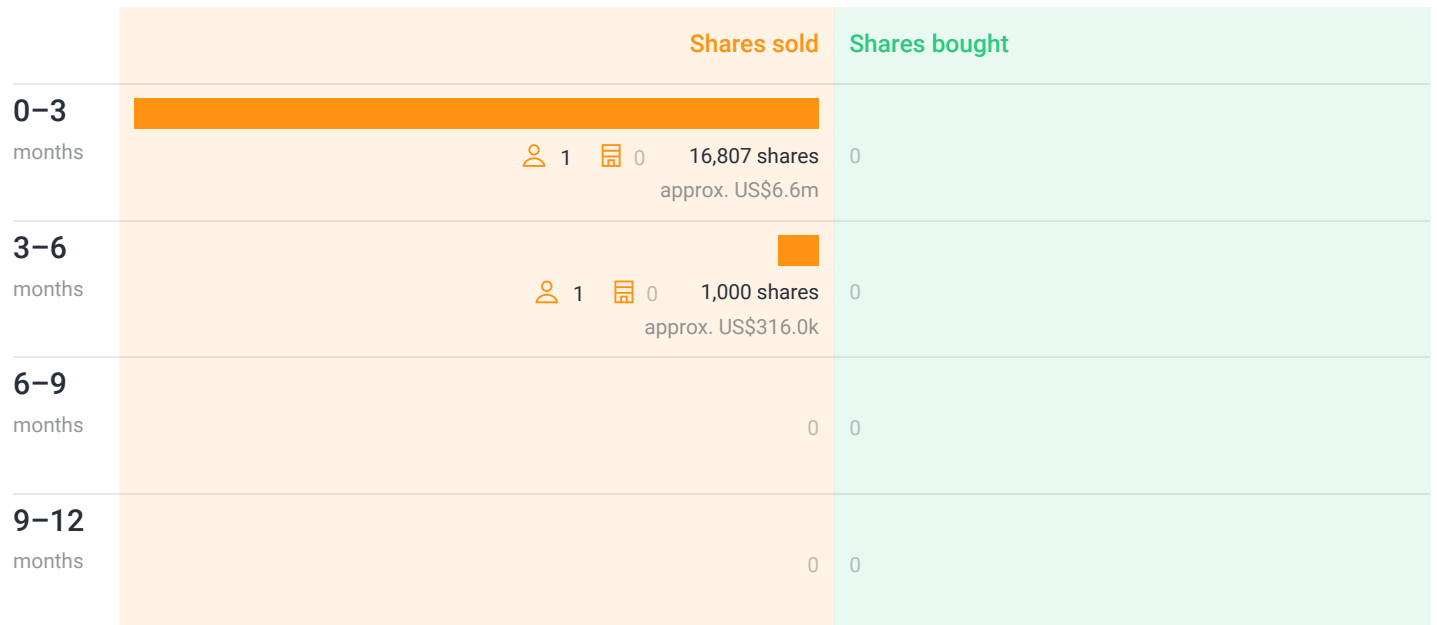
Average Age

✔ **Experienced Board:** ROKU's board of directors are considered experienced (5.7 years average tenure).

7 | Ownership

Who are the major shareholders and have insiders been buying or selling?

7.1 | Insider Trading Volume



● Sold By Individuals



● Bought By Individuals

● Sold By Companies

● Bought By Companies

⊗ **Insider Buying:** ROKU insiders have only sold shares in the past 3 months.

7.2 | Recent Insider Transactions

Date	Value	Name	Entity	Role	Shares	Max Price
08 Aug 21	Sell US\$6,550,820	Scott Rosenberg	Individual	 	16,807	US\$390.56
09 May 21	Sell US\$316,000	Alan Henricks	Individual		1,000	US\$316.00

NasdaqGS:ROKU Recent Insider Transactions by Companies or Individuals

7.3 | Ownership Breakdown

State or Government 0.05%

60,878 shares

Individual Insiders 12.6%

16,763,866 shares


General Public 25.6%

34,166,453 shares

Institutions 61.8%




















82,460,210 shares



 **Dilution of Shares:** Shareholders have been diluted in the past year, with total shares outstanding growing by 7%.

7.4 | Top Shareholders

Top 25 shareholders own 54.9% of the company

Ownership	Name	Shares	Current Value	Change %	Portfolio %	
12.44%	Anthony Wood  	16,596,815	\$5.4b	-2.5%	no data	
6.21%	FMR LLC	8,285,064	\$2.7b	-12.91%	0.18%	
5.92%	The Vanguard Group, Inc.	7,899,493	\$2.6b	3.66%	0.05%	
5.19%	BlackRock, Inc.	6,922,797	\$2.2b	-1.37%	0.05%	
3.55%	ARK Investment Management LLC	4,741,612	\$1.5b	-5.12%	3.11%	
2.85%	Baillie Gifford & Co.	3,800,996	\$1.2b	5.32%	0.33%	
2.34%	Allianz Asset Management AG	3,122,661	\$1.0b	16.88%	0.62%	
1.91%	Nikko Asset Management Co., Ltd.	2,547,110	\$826.2m	3.5%	0.27%	
1.91%	J.P. Morgan Asset Management, Inc.	2,545,035	\$825.6m	46.12%	0.11%	
1.79%	State Street Global Advisors, Inc.	2,383,636	\$773.2m	13.24%	0.01%	
1.23%	Gilder Gagnon Howe & Co. LLC	1,644,652	\$533.5m	-8.9%	2.64%	
1.12%	Geode Capital Management, LLC	1,492,220	\$484.0m	9.11%	0.06%	
0.95%	Whale Rock Capital Management, LLC	1,263,757	\$409.9m	0%	2.68%	
0.9%	T. Rowe Price Group, Inc.	1,206,297	\$391.3m	8.71%	0.03%	
0.81%	American Century Investment Management Inc.	1,076,213	\$349.1m	-2.93%	0.21%	
0.79%	D. E. Shaw & Co., L.P.	1,050,029	\$340.6m	-7.85%	0.46%	
0.7%	Norges Bank Investment Management	932,079	\$302.3m	0%	0.03%	

Ownership	Name	Shares	Current Value	Change %	Portfolio %	
0.62%	Fred Alger Management, LLC	833,020	\$270.2m	228.12%	0.64%	
0.61%	Two Sigma Advisers, LP	814,004	\$264.0m	2.31%	0.71%	
0.6%	Renaissance Technologies Corp.	795,816	\$258.1m	-45.33%	0.32%	
0.58%	Artisan Partners Limited Partnership	775,216	\$251.5m	12.34%	0.18%	
0.51%	Northern Trust Global Investments	680,759	\$220.8m	-0.43%	0.04%	
0.47%	Teachers Insurance and Annuity Association of America - College Retirement Equities Fund	628,544	\$203.9m	13.59%	0.05%	
0.47%	Franklin Resources, Inc.	621,456	\$201.6m	45.24%	0.06%	
0.46%	Two Sigma Investments, LP	608,434	\$197.4m	-25.27%	0.54%	

8 | Company Information

Roku, Inc.'s employee growth, exchange listings and data sources

8.1 | Key Information



Name: **Roku, Inc.**

Ticker: **ROKU**

Exchange: **NasdaqGS**

Founded: **2002**

Industry: **Movies and Entertainment**

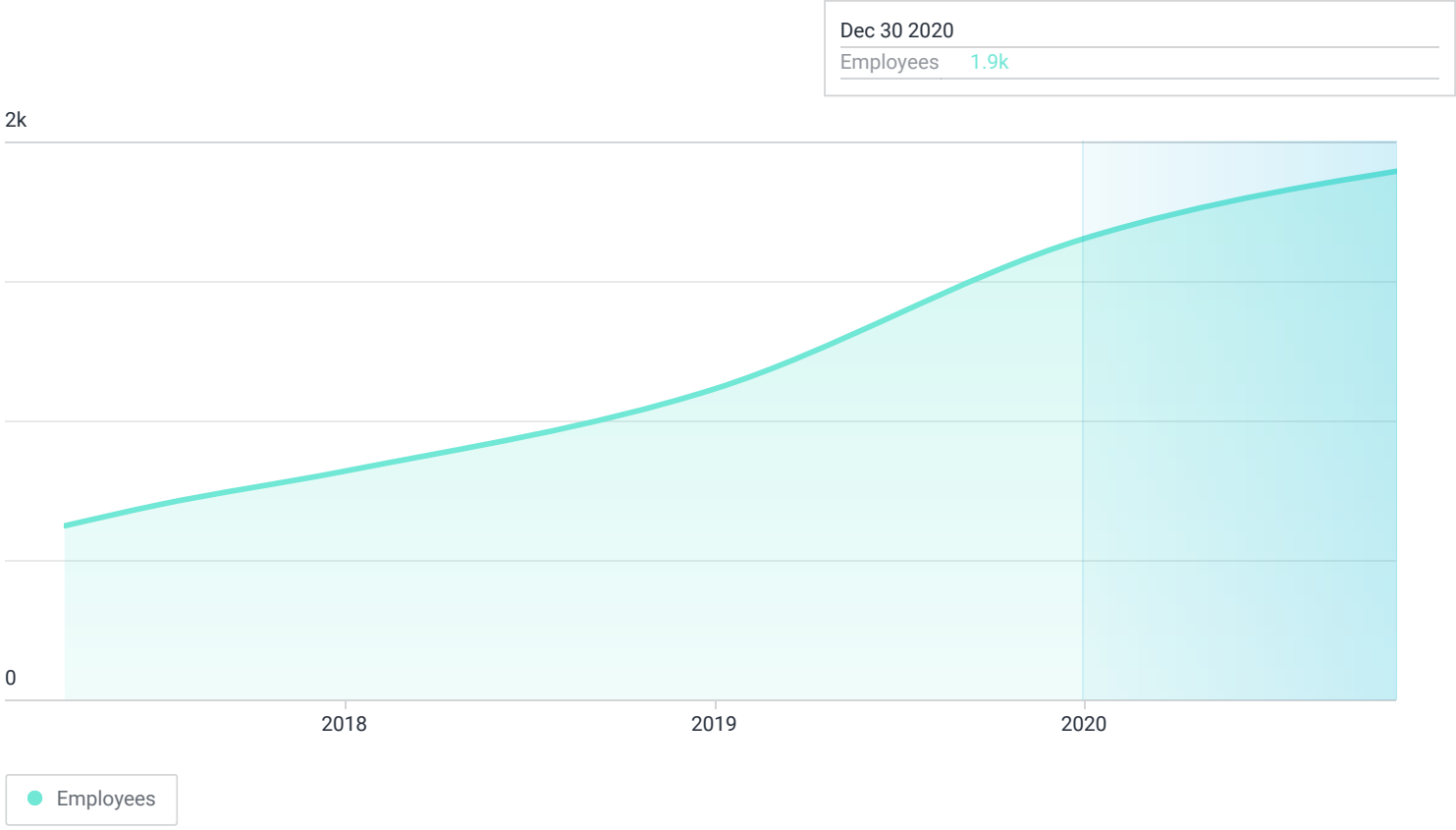
Sector: **Media**

Market Cap: US\$43.289b

Shares outstanding: 133.45m

Website: <https://www.roku.com>

8.2 | Number of Employees



8.3 | Location



Roku, Inc.
1155 Coleman Avenue
San Jose
California
95110
United States



8.4 | Listings

Ticker	Exchange	Primary Security	Security Type	Country	Currency	Listed on
ROKU	NasdaqGS (Nasdaq Global Select)	Yes	Class A Common Stock	US	USD	Sep 2017
R35	DB (Deutsche Boerse AG)	Yes	Class A Common Stock	DE	EUR	Sep 2017
OKXI	LSE (London Stock Exchange)	Yes	Class A Common Stock	GB	USD	Sep 2017
ROKU *	BMV (Bolsa Mexicana de Valores)	Yes	Class A Common Stock	MX	MXN	Sep 2017
R1KU34	BOVESPA (Bolsa de Valores de Sao Paulo)		BDR EACH 20 REPR 1 COM NPV	BR	BRL	Oct 2020

8.5 | Company Analysis and Financial Data Status

Data	Last Updated (UTC time)
Company Analysis	2021/10/17 22:22
End of Day Share Price	2021/10/15 00:00
Earnings	2021/06/30
Annual Earnings	2020/12/31