

Roku to cut about 10% of its workforce as it ups quarterly sales expectations and shares soar, again

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This Aug. 13, 2020 file photo shows a logo for Roku on a remote control in Portland, Ore. Roku is cutting about 10% of its employees, or 360 people, as the streaming company looks to lower expenses. Roku Inc. said in a regulatory filing, Wednesday, Sept. 6, 2023, that it anticipates a restructuring charge of \$45 million to \$65 million related to the job cuts Credit: AP Photo/Jenny Kane

Roku is cutting about 10% of its workforce, or 360 people, and it will limit new hiring as it cuts costs to stem a series of quarterly losses.

The streaming platform also said in a regulatory filing Wednesday that it expects adjusted third-quarter revenue of between \$835 million and \$875 million, which is much better than the \$828.6 million that Wall Street was projecting, according to analysts polled by FactSet.

Roku's shares, which have already doubled since the start of the year, ended Wednesday up about 3%.

Roku Inc. anticipates a restructuring charge of \$45 million to \$65 million related to the job cuts. The charge will mostly include severance and benefits costs, with the majority of the charge expected to occur in its fiscal third quarter.

The company also expects impairment charge of \$160 million to \$200 million in its third quarter as it consolidates some offices. An impairment charge of \$55 million to \$65 million is anticipated for removing certain existing licensed and produced content from Roku-operated services on its TV streaming platform.

The San Jose, California-based company had 3,600 full-time workers in 14 countries as of Dec. 31, 2022, according to its annual report.

Roku anticipates the job cuts being mostly complete by the end of its fiscal fourth quarter.

After a streak of profitable quarters during the pandemic, Roku has put up a string of quarterly losses that began in 2022.

The company said in late July, when it posted a \$107.6 million loss, that television advertising "remains muted industry-wide," but that it's in a

good place to accelerate growth as advertising recovers.

The tech industry underwent a wave of layoffs after hiring went into overdrive during the pandemic.

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