

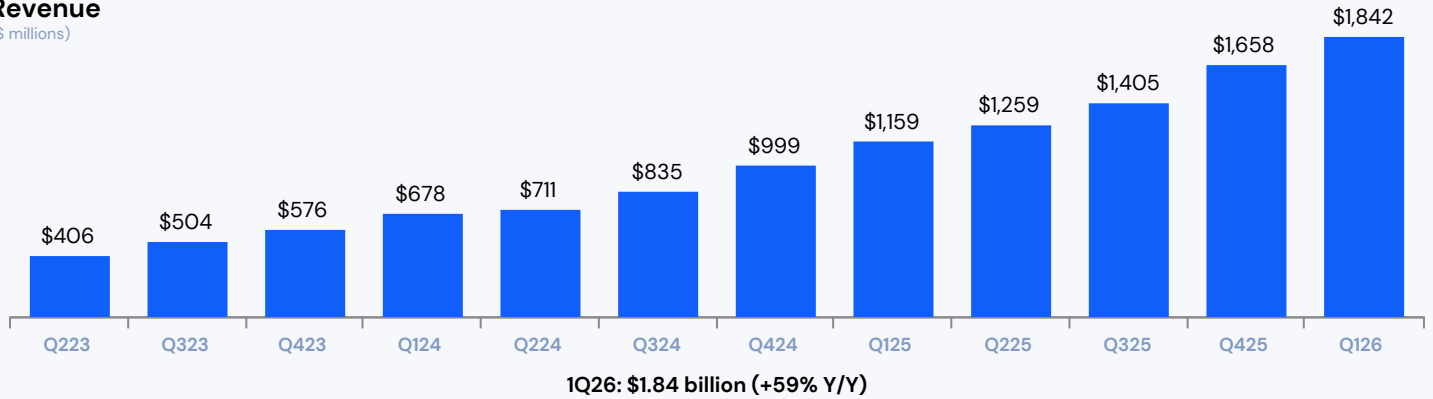
# Financial Update

1Q | 26

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# 1Q26 Financial Overview

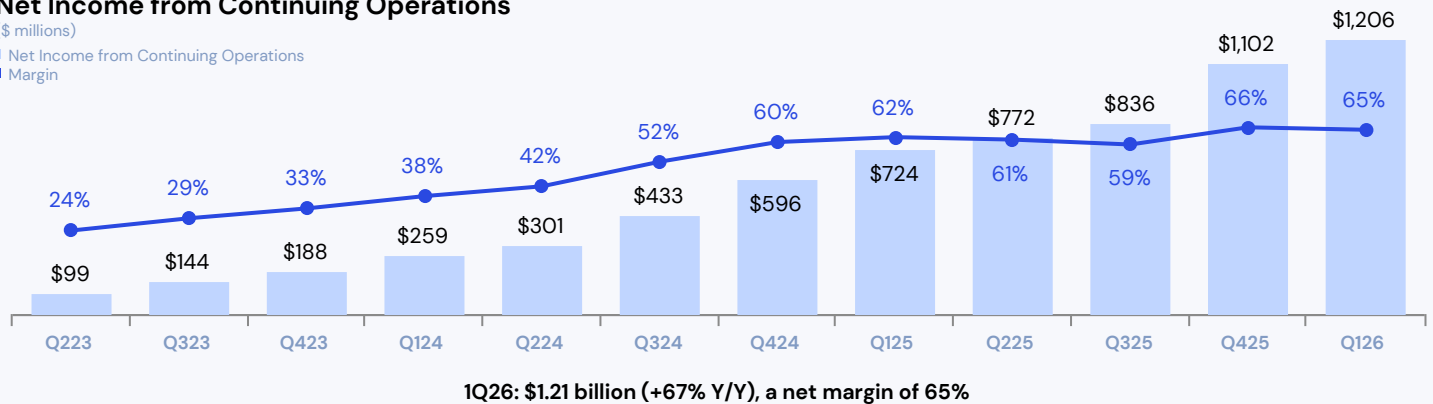
## Revenue (\$ millions)



## Net Income from Continuing Operations

(\$ millions)

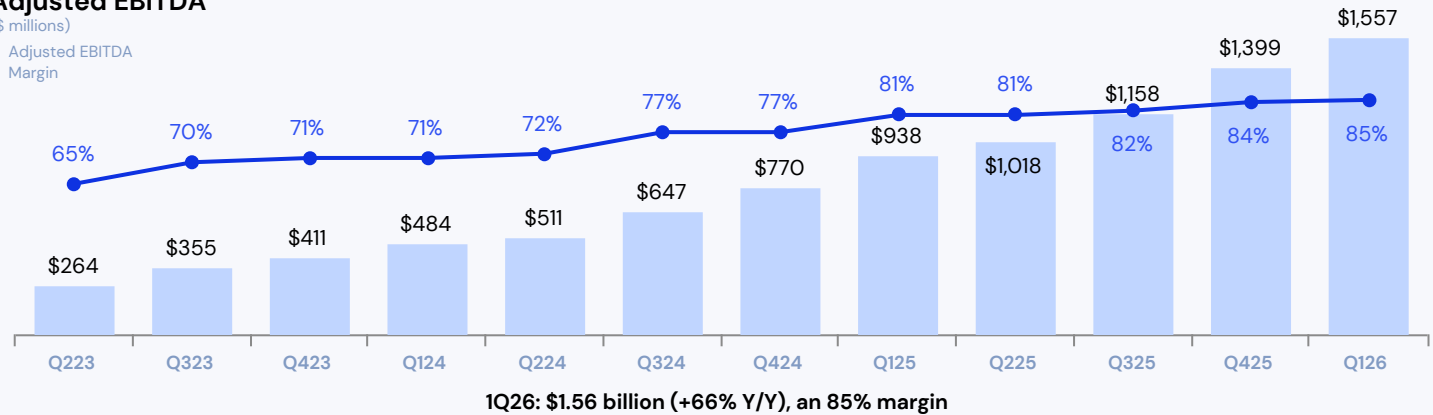
■ Net Income from Continuing Operations  
■ Margin



## Adjusted EBITDA

(\$ millions)

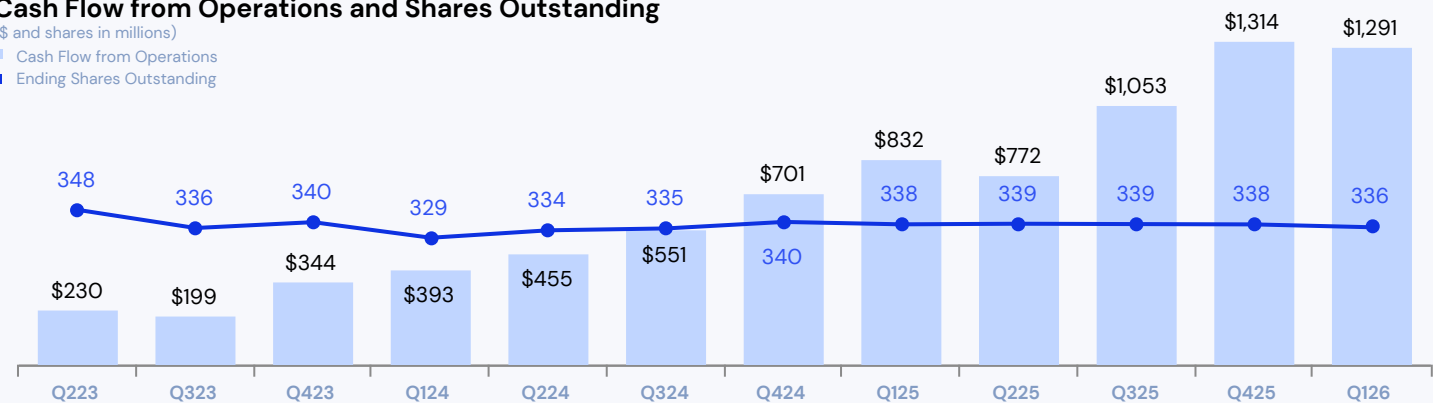
■ Adjusted EBITDA  
■ Margin



## Cash Flow from Operations and Shares Outstanding

(\$ and shares in millions)

■ Cash Flow from Operations  
■ Ending Shares Outstanding



Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP measures. Please see "Non-GAAP Financial Measures" and the reconciliation from GAAP to non-GAAP measures later in this update.

## Non-GAAP Financial Measures

To supplement our financial information presented in accordance with generally accepted accounting principles in the United States (“GAAP”), this financial update includes certain financial measures that are not prepared in accordance with GAAP, including Adjusted EBITDA and Adjusted EBITDA margin. A reconciliation of each such non-GAAP financial measure to the most directly comparable GAAP measure can be found below.

We define Adjusted EBITDA for a particular period as net income, adjusted for loss (income) from discontinued operations, net of income taxes, interest expense, other (income) expense, net (excluding certain recurring items), provision for (benefit from) income taxes, amortization, depreciation and write-offs and as further adjusted for non-operating foreign exchange (gain) loss, stock-based compensation, transaction-related expense, restructuring costs (benefits), as well as certain other items that we believe are not reflective of our core operating performance. We define Adjusted EBITDA margin as Adjusted EBITDA divided by revenue for the same period.

We believe that the presentation of these non-GAAP financial measures provides useful information to investors regarding our results of operations and operating performance, as they are similar to measures reported by our public competitors and are regularly used by securities analysts, institutional investors, and other interested parties in analyzing operating performance and prospects.

Adjusted EBITDA and Adjusted EBITDA margin are key measures we use to assess our financial performance and are also used for internal planning and forecasting purposes. We believe Adjusted EBITDA and Adjusted EBITDA margin are helpful to investors, analysts, and other interested parties because they can assist in providing a more consistent and comparable overview of our operations across our historical financial periods. We use Adjusted EBITDA and Adjusted EBITDA margin in conjunction with GAAP measures as part of our overall assessment of our performance, including the preparation of our annual operating budget and quarterly forecasts, to evaluate the effectiveness of our business strategies, and to communicate with our board of directors concerning our financial performance.

These measures have certain limitations in that they do not include the impact of certain expenses that are reflected in our consolidated statement of operations that are necessary to run our business. Our definitions may differ from the definitions used by other companies and therefore comparability may be limited. In addition, other companies may not publish these or similar metrics. Thus, our non-GAAP financial measures should be considered in addition to, not as substitutes for, or in isolation from, measures prepared in accordance with GAAP.

# AppLovin Corporation

## Consolidated Balance Sheets

(In thousands, except per share data)

(Unaudited)

	March 31, 2026	December 31, 2025
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 2,758,671	\$ 2,487,096
Accounts receivable, net	1,958,023	1,819,366
Prepaid expenses and other current assets	130,881	124,330
Total current assets	4,847,575	4,430,792
Property and equipment, net	114,820	122,445
Goodwill	1,523,050	1,539,986
Intangible assets, net	368,996	396,714
Equity method investments	288,669	287,666
Other non-current assets	564,595	482,007
Total assets	<u>\$ 7,707,705</u>	<u>\$ 7,259,610</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 697,524	\$ 746,977
Accrued and other current liabilities	796,858	586,811
Total current liabilities	1,494,382	1,333,788
Long-term debt	3,514,022	3,512,987
Other non-current liabilities	335,818	278,164
Total liabilities	<u>5,344,222</u>	<u>5,124,939</u>
Stockholders' equity:		
Preferred Stock, \$0.00003 par value—100,000 shares authorized, no shares issued and outstanding as of March 31, 2026 and December 31, 2025	—	—
Class A, Class B, and Class C Common Stock, \$0.00003 par value—1,850,000 (Class A 1,500,000, Class B 200,000, Class C 150,000) shares authorized, 336,294 (Class A 306,087, Class B 30,208, Class C nil) and 338,313 (Class A 307,955, Class B 30,358, Class C nil) shares issued and outstanding as of March 31, 2026 and December 31, 2025, respectively	11	11
Additional paid-in capital	504,342	446,550
Accumulated other comprehensive loss	(67,767)	(46,987)
Retained earnings	1,926,897	1,735,097
Total stockholders' equity	<u>2,363,483</u>	<u>2,134,671</u>
Total liabilities and stockholders' equity	<u>\$ 7,707,705</u>	<u>\$ 7,259,610</u>

# AppLovin Corporation

## Consolidated Statements of Operations

(In thousands, except per share data)

(Unaudited)

	Quarter Ended March 31,	
	2026	2025
Revenue	\$ 1,842,449	\$ 1,158,974
Costs and expenses:		
Cost of revenue	203,632	151,680
Sales and marketing	60,751	59,383
Research and development	94,104	56,406
General and administrative	44,029	51,523
Total costs and expenses	402,516	318,992
Income from operations	1,439,933	839,982
Other income (expense):		
Interest expense	(51,159)	(52,888)
Other income, net	42,634	7,512
Total other expense, net	(8,525)	(45,376)
Income before income taxes	1,431,408	794,606
Provision for income taxes	225,795	71,068
Net income from continuing operations	1,205,613	723,538
Loss from discontinued operations, net of income taxes	—	(147,119)
Net income	\$ 1,205,613	\$ 576,419
Net income (loss) per share attributed to Class A and Class B common stockholders - Basic:		
Continuing operations	\$ 3.57	\$ 2.13
Discontinued operations	—	(0.43)
Basic net income per share	\$ 3.57	\$ 1.70
Net income (loss) per share attributed to Class A and Class B common stockholders - Diluted:		
Continuing operations	\$ 3.56	\$ 2.10
Discontinued operations	—	(0.43)
Diluted net income per share	\$ 3.56	\$ 1.67
Weighted-average common shares used to compute net income (loss) per share attributable to Class A and Class B common stockholders:		
Basic	337,399	339,837
Diluted	338,729	344,878

# AppLovin Corporation

## Consolidated Statements of Cash Flows

(In thousands)  
(Unaudited)

	Quarter Ended March 31,	
	2026	2025
<b>Operating Activities</b>		
Net income	\$ 1,205,613	\$ 576,419
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization, depreciation and write-offs	33,665	79,887
Goodwill impairment	—	188,943
Stock-based compensation, excluding cash-settled awards	83,372	61,281
Other	(16,478)	8,086
Changes in operating assets and liabilities:		
Accounts receivable	(138,098)	(167,382)
Prepaid expenses and other assets	(9,827)	(51,861)
Accounts payable	(49,556)	32,545
Accrued and other liabilities	182,702	103,794
Net cash provided by operating activities	<u>1,291,393</u>	<u>831,712</u>
<b>Investing Activities</b>		
Purchase of non-marketable equity securities	—	(18,678)
Other investing activities	(5,247)	(3,986)
Net cash used in investing activities	<u>(5,247)</u>	<u>(22,664)</u>
<b>Financing Activities</b>		
Repurchases of common stock	(981,723)	(1,000,911)
Payment of withholding taxes related to net share settlement	(26,874)	(185,667)
Payments of licensed asset obligation	—	(13,532)
Proceeds from issuance of debt	—	200,000
Other financing activities	(3,635)	(2,107)
Net cash used in financing activities	<u>(1,012,232)</u>	<u>(1,002,217)</u>
Effect of foreign exchange rate on cash and cash equivalents	(2,339)	2,782
Net increase (decrease) in cash and cash equivalents, including cash from discontinued operations	271,575	(190,387)
Less: net decrease in cash from discontinued operations	—	(35,873)
Net increase (decrease) in cash and cash equivalents	271,575	(154,514)
Cash and cash equivalents at beginning of the period	2,487,096	697,030
Cash and cash equivalents at end of the period	<u>\$ 2,758,671</u>	<u>\$ 542,516</u>

# AppLovin Corporation

## Reconciliation of Net Income to Adjusted EBITDA

(In thousands, except percentages)

The following table provides our Adjusted EBITDA and Adjusted EBITDA Margin and a reconciliation of Net Income to Adjusted EBITDA for the periods presented:

	Quarter Ended											
	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26
Revenue	\$406,063	\$504,452	\$576,489	\$678,370	\$711,015	\$835,186	\$999,487	\$1,158,974	\$1,258,754	\$1,405,045	\$1,657,944	\$1,842,449
Net income	80,357	108,639	172,233	236,183	309,969	434,420	599,204	576,419	819,531	835,545	1,102,256	1,205,613
<i>Net margin</i>	20%	22%	30%	35%	44%	52%	60%	50%	65%	59%	66%	65%
Loss (income) from discontinued operations, net of income taxes	18,393	35,303	16,229	23,174	(8,987)	(1,347)	(3,092)	147,119	(47,675)	—	—	—
Net income from continuing operations	98,750	143,942	188,462	259,357	300,982	433,073	596,112	723,538	771,856	835,545	1,102,256	1,205,613
<i>Net margin from continuing operations</i>	24 %	29 %	33 %	38 %	42 %	52 %	60 %	62 %	61 %	59 %	66 %	65 %
Adjusted as follows:												
Interest expense	50,451	78,051	71,042	73,925	74,418	74,937	93,929	52,888	51,409	51,429	51,290	51,159
Other (income) expense, net	(15,218)	281	19,398	(3,014)	(8,763)	(3,778)	(7,841)	(8,644)	12,798	9,079	(28,927)	(41,360)
Provision for (benefit from) income taxes	14,814	35	19,860	32,253	16,894	34,656	(61,384)	71,068	112,148	185,401	151,098	225,795
Amortization, depreciation and write-offs	29,489	29,209	31,323	30,917	31,242	32,369	34,263	31,946	31,064	34,978	32,736	33,665
Non-operating foreign exchange (gain) loss	2,263	192	(1,408)	999	412	(2,479)	2,710	(320)	(1,210)	(570)	(1,849)	(1,266)
Stock-based compensation	81,938	103,122	81,933	88,944	93,559	77,402	97,526	59,115	34,552	33,767	80,524	83,469
Transaction-related expense <sup>1</sup>	247	231	52	369	485	26	5	4,583	5,097	6,565	11,334	(49)
Restructuring costs (benefits) <sup>1</sup>	1,024	—	—	—	1,936	811	14,512	3,598	633	1,460	217	(107)
Total adjustments	165,008	211,121	222,200	224,393	210,183	213,944	173,720	214,234	246,491	322,109	296,423	351,306
Adjusted EBITDA	\$263,758	\$355,063	\$410,662	\$483,750	\$511,165	\$647,017	\$769,832	\$937,772	\$1,018,347	\$1,157,654	\$1,398,679	\$1,556,919
<i>Adjusted EBITDA margin</i>	65 %	70 %	71 %	71 %	72 %	77 %	77 %	81 %	81 %	82 %	84 %	85 %

<sup>1</sup> Negative amount reflects a reversal of amounts expensed in prior periods



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