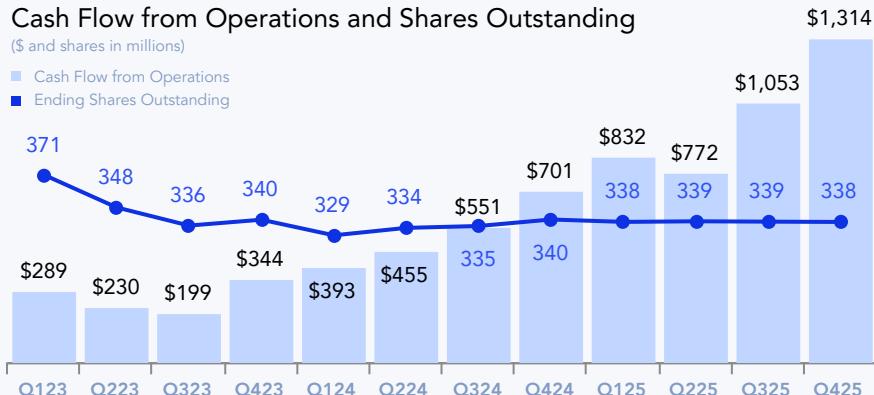
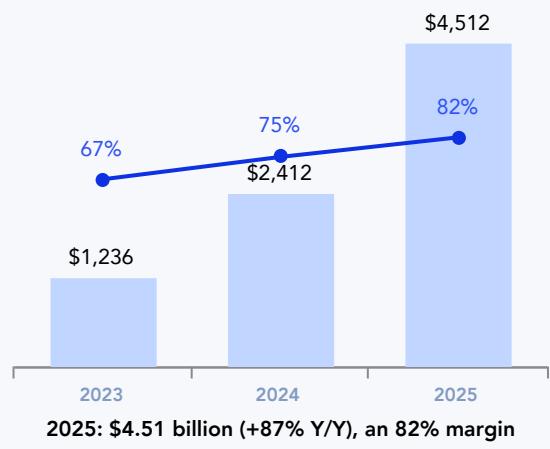
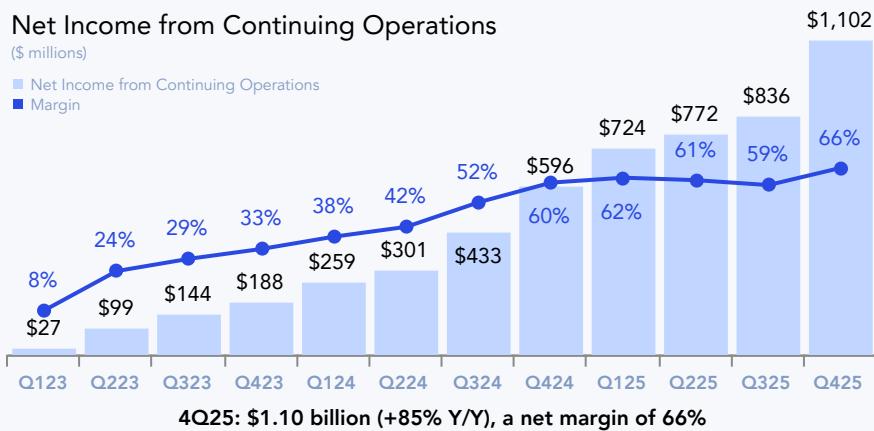
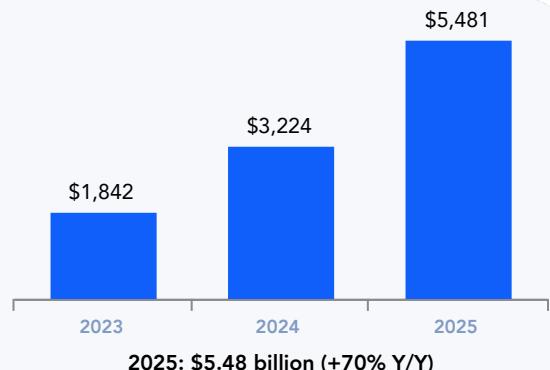




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4Q25 and 2025 Financial Overview



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 (loss) adjusted for loss (income) from discontinued operations, net of income taxes, interest expense and loss on settlement of debt, 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, 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)

	As of December 31,	
	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,487,096	\$ 697,030
Accounts receivable, net	1,819,366	1,283,335
Prepaid expenses and other current assets	124,330	140,470
Current assets of discontinued operations	—	191,355
Total current assets	4,430,792	2,312,190
Property and equipment, net	122,445	159,970
Operating lease right-of-use assets	25,457	36,473
Goodwill	1,539,986	1,457,685
Intangible assets, net	396,714	472,851
Equity method investments	287,666	—
Other assets	456,550	492,841
Non-current assets of discontinued operations	—	937,249
Total assets	<u><u>\$ 7,259,610</u></u>	<u><u>\$ 5,869,259</u></u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 746,977	\$ 504,302
Accrued and other current liabilities	572,868	401,531
Operating lease liabilities, current	13,943	14,526
Current liabilities of discontinued operations	—	137,113
Total current liabilities	1,333,788	1,057,472
Long-term debt	3,512,987	3,508,983
Operating lease liabilities, non-current	17,811	31,101
Other non-current liabilities	260,353	180,471
Non-current liabilities of discontinued operations	—	1,414
Total liabilities	<u><u>\$ 5,124,939</u></u>	<u><u>\$ 4,779,441</u></u>
Stockholders' equity:		
Preferred stock, \$0.00003 par value—100,000 shares authorized, no shares issued and outstanding as of December 31, 2025 and 2024	—	—
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, 338,313 (Class A 307,955, Class B 30,358, Class C nil) and 340,042 (Class A 309,353, Class B 30,689, Class C nil) shares issued and outstanding as of December 31, 2025 and 2024, respectively	11	11
Additional paid-in capital	446,550	593,699
Accumulated other comprehensive loss	(46,987)	(103,096)
Retained earnings	1,735,097	599,204
Total stockholders' equity	2,134,671	1,089,818
Total liabilities and stockholders' equity	<u><u>\$ 7,259,610</u></u>	<u><u>\$ 5,869,259</u></u>

AppLovin Corporation

Consolidated Statements of Operations

(In thousands, except per share data)
(Unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
Revenue	\$ 1,657,944	\$ 999,487	\$ 5,480,717	\$ 3,224,058
Costs and expenses:				
Cost of revenue	183,529	153,393	665,140	520,613
Sales and marketing	48,776	62,004	203,651	252,863
Research and development	82,220	105,863	226,510	374,710
General and administrative	68,176	49,893	233,502	164,916
Total costs and expenses	<u>382,701</u>	<u>371,153</u>	<u>1,328,803</u>	<u>1,313,102</u>
Income from operations	1,275,243	628,334	4,151,914	1,910,956
Other income (expense):				
Interest expense and loss on settlement of debt	(51,290)	(93,929)	(207,016)	(317,209)
Other income, net	29,401	323	8,012	18,196
Total other expense, net	<u>(21,889)</u>	<u>(93,606)</u>	<u>(199,004)</u>	<u>(299,013)</u>
Income before income taxes	1,253,354	534,728	3,952,910	1,611,943
Provision for (benefit from) income taxes	151,098	(61,384)	519,715	22,419
Net income from continuing operations	1,102,256	596,112	3,433,195	1,589,524
Income (loss) from discontinued operations, net of income taxes	—	3,092	(99,444)	(9,748)
Net income	<u>\$ 1,102,256</u>	<u>\$ 599,204</u>	<u>\$ 3,333,751</u>	<u>\$ 1,579,776</u>
Net income (loss) per share attributed to Class A and Class B common stockholders - Basic:				
Continuing operations	\$ 3.26	\$ 1.76	\$ 10.13	\$ 4.71
Discontinued operations	—	0.01	(0.29)	(0.03)
Basic net income per share	<u>\$ 3.26</u>	<u>\$ 1.77</u>	<u>\$ 9.84</u>	<u>\$ 4.68</u>
Net income (loss) per share attributed to Class A and Class B common stockholders - Diluted:				
Continuing operations	\$ 3.24	\$ 1.72	\$ 10.04	\$ 4.56
Discontinued operations	—	0.01	(0.29)	(0.03)
Diluted net income per share	<u>\$ 3.24</u>	<u>\$ 1.73</u>	<u>\$ 9.75</u>	<u>\$ 4.53</u>
Weighted-average common shares used to compute net income (loss) per share attributable to Class A and Class B common stockholders:				
Basic	338,159	339,168	338,781	336,922
Diluted	<u>339,898</u>	<u>346,424</u>	<u>341,970</u>	<u>347,808</u>

AppLovin Corporation

Consolidated Statements of Cash Flows

(In thousands)

(Unaudited)

	Year Ended December 31,	
	2025	2024
Operating Activities		
Net income	\$ 3,333,751	\$ 1,579,776
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization, depreciation and write-offs	194,778	448,680
Goodwill impairment	188,943	—
Stock-based compensation, excluding cash-settled awards	210,421	369,367
Gain on divestiture, net of transaction costs	(106,229)	—
Impairment of investments	50,000	—
Loss on settlement of debt	—	28,375
Change in operating right-of-use assets	12,295	12,689
Other	9,213	9,663
Changes in operating assets and liabilities:		
Accounts receivable	(542,219)	(467,028)
Prepaid expenses and other assets	134,658	(185,331)
Accounts payable	232,486	189,585
Operating lease liabilities	(15,229)	(14,106)
Accrued and other liabilities	268,226	127,341
Net cash provided by operating activities	<u>3,971,094</u>	<u>2,099,011</u>
Investing Activities		
Purchase of intangible assets	(28,318)	(25,553)
Purchase of non-marketable equity securities	(20,178)	(76,983)
Proceeds from divestiture, net of cash divested	407,297	—
Other investing activities	(373)	(4,218)
Net cash provided by (used in) investing activities	<u>358,428</u>	<u>(106,754)</u>
Financing Activities		
Repurchases of common stock	(2,191,944)	(981,297)
Payments of withholding taxes related to net share settlement	(392,410)	(1,143,525)
Principal repayments of debt	(200,000)	(4,225,223)
Principal payments of finance leases	(18,669)	(20,875)
Payments of licensed asset obligation	(13,532)	—
Payments of debt issuance cost	(1,843)	(35,563)
Proceeds from issuance of debt	200,000	4,614,841
Proceeds from issuance of common stock upon exercise of stock options and purchase of ESPP shares	25,329	41,798
Net cash used in financing activities	<u>(2,593,069)</u>	<u>(1,749,844)</u>
Effect of foreign exchange rate on cash and cash equivalents	<u>9,232</u>	<u>(3,154)</u>
Net increase in cash and cash equivalents, including cash classified within current assets of discontinued operations	1,745,685	239,259
Less: net decrease in cash classified within current assets of discontinued operations	(44,381)	—
Net increase in cash and cash equivalents	1,790,066	239,259
Cash and cash equivalents at beginning of the period	697,030	502,152
Cash and cash equivalents at end of the period	<u>\$ 2,487,096</u>	<u>\$ 741,411</u>

AppLovin Corporation

Reconciliation of Net Income (Loss) to Adjusted EBITDA

(In thousands, except percentages)

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

	Quarter Ended											
	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25
Revenue	\$354,758	\$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
Net income (loss)	(4,518)	80,357	108,639	172,233	236,183	309,969	434,420	599,204	576,419	819,531	835,545	1,102,256
Net margin	(1)%	20%	22%	30%	35%	44%	52%	60%	50%	65%	59%	66%
Loss (income) from discontinued operations, net of income taxes	31,190	18,393	35,303	16,229	23,174	(8,987)	(1,347)	(3,092)	147,119	(47,675)	—	—
Net income from continuing operations	26,672	98,750	143,942	188,462	259,357	300,982	433,073	596,112	723,538	771,856	835,545	1,102,256
Net margin from continuing operations	8 %	24 %	29 %	33 %	38 %	42 %	52 %	60 %	62 %	61 %	59 %	66 %
Adjusted as follows:												
Interest expense and loss on settlement of debt	73,964	50,451	78,051	71,042	73,925	74,418	74,937	93,929	52,888	51,409	51,429	51,290
Other (income) expense, net	(9,190)	(15,218)	281	19,398	(3,014)	(8,763)	(3,778)	(7,841)	(8,644)	12,798	9,079	(28,927)
Provision for (benefit from) income taxes	9,067	14,814	35	19,860	32,253	16,894	34,656	(61,384)	71,068	112,148	185,401	151,098
Amortization, depreciation and write-offs	29,131	29,489	29,209	31,323	30,917	31,242	32,369	34,263	31,946	31,064	34,978	32,736
Non-operating foreign exchange (gain) loss	(210)	2,263	192	(1,408)	999	412	(2,479)	2,710	(320)	(1,210)	(570)	(1,849)
Stock-based compensation	75,558	81,938	103,122	81,933	88,944	93,559	77,402	97,526	59,115	34,552	33,767	80,524
Transaction-related expense	517	247	231	52	369	485	26	5	4,583	5,097	6,565	11,334
Restructuring costs	1,292	1,024	—	—	—	1,936	811	14,512	3,598	633	1,460	217
Total adjustments	180,129	165,008	211,121	222,200	224,393	210,183	213,944	173,720	214,234	246,491	322,109	296,423
Adjusted EBITDA	<u>\$206,801</u>	<u>\$263,758</u>	<u>\$355,063</u>	<u>\$410,662</u>	<u>\$483,750</u>	<u>\$511,165</u>	<u>\$647,017</u>	<u>\$769,832</u>	<u>\$937,772</u>	<u>\$1,018,347</u>	<u>\$1,157,654</u>	<u>\$1,398,679</u>
Adjusted EBITDA margin	58 %	65 %	70 %	71 %	71 %	72 %	77 %	77 %	81 %	81 %	82 %	84 %

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:

	Year Ended December 31,		
	2023	2024	2025
Revenue	\$ 1,841,762	\$ 3,224,058	\$ 5,480,717
Net income	356,711	1,579,776	3,333,751
<i>Net margin</i>	19%	49%	61%
Loss from discontinued operations, net of income taxes	101,115	9,748	99,444
Net income from continuing operations	457,826	1,589,524	3,433,195
<i>Net margin from continuing operations</i>	25%	49%	63%
Adjusted as follows:			
Interest expense and loss on settlement of debt	273,508	317,209	207,016
Other income, net	(4,729)	(23,396)	(15,694)
Provision for income taxes	43,776	22,419	519,715
Amortization, depreciation and write-offs	119,152	128,791	130,724
Non-operating foreign exchange (gain) losses	837	1,642	(3,949)
Stock-based compensation	342,551	357,431	207,958
Transaction-related expense	1,047	885	27,579
Restructuring costs	2,316	17,259	5,908
Total adjustments	778,458	822,240	1,079,257
Adjusted EBITDA	\$ 1,236,284	\$ 2,411,764	\$ 4,512,452
<i>Adjusted EBITDA margin</i>	67 %	75 %	82 %



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