

**2Q | 25**

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# 2Q25 Financial Overview

ALL COMPARISONS ARE TO 2Q24

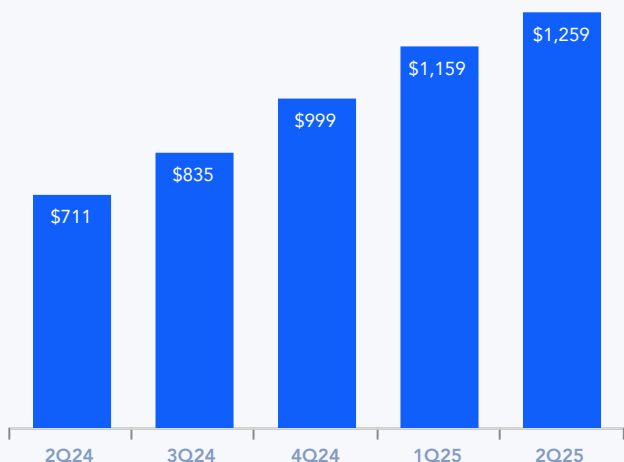
**Revenue** grew 77% to \$1.26 billion. Net revenue per installation increased 70% and installations increased 8%.

**Adjusted EBITDA**<sup>1</sup> increased 99% to \$1.02 billion, an 81% margin.

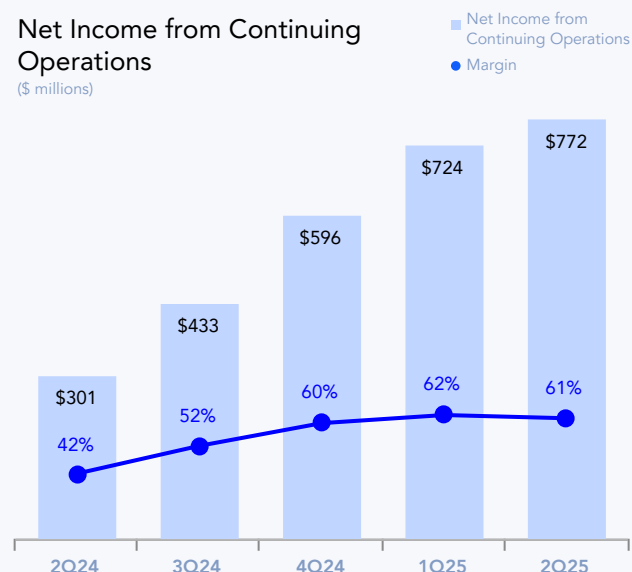
**Net Income from Continuing Operations** grew 156% to \$772 million, a net margin from continuing operations of 61%.

**Cash Flow**<sup>1</sup>: We generated \$772 million of net cash from operating activities and \$768 million of Free Cash Flow<sup>2</sup>.

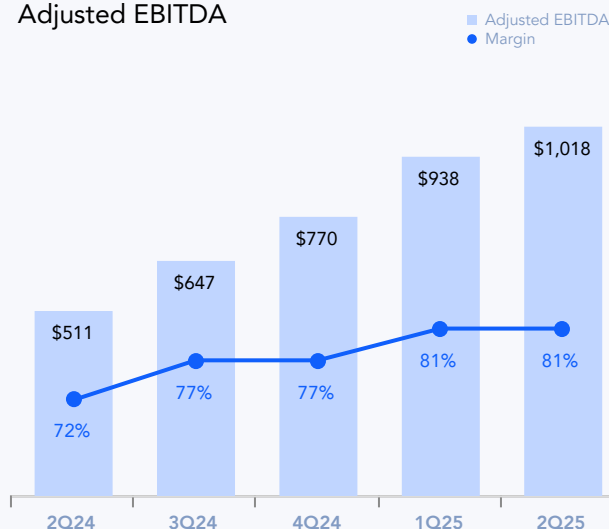
Revenue  
(\$ millions)



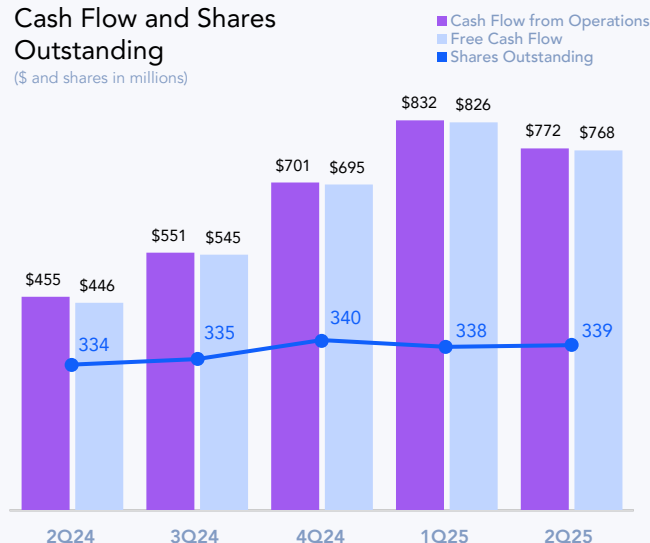
Net Income from Continuing Operations  
(\$ millions)



Adjusted EBITDA



Cash Flow and Shares Outstanding  
(\$ and shares in millions)



Note: Totals may not sum due to rounding

<sup>1</sup> Adjusted EBITDA, Adjusted EBITDA margin, and Free Cash Flow are non-GAAP measures. Please see "Non-GAAP Financial Measures" and the reconciliation from GAAP to non-GAAP measures later in this update.

<sup>2</sup> 2Q25 Free Cash Flow reflects the impact of semiannual cash interest payments on our senior notes issued in December 2024, which are made in the second and fourth quarters of each year.

## Non-GAAP Financial Measures

To supplement our financial information presented in accordance with generally accepted accounting principles in the United States ("GAAP"), this shareholder letter includes certain financial measures that are not prepared in accordance with GAAP, including Adjusted EBITDA, Adjusted EBITDA margin, and Free Cash Flow. 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 define Free Cash Flow as net cash provided by operating activities less purchases of property and equipment and principal payments on finance leases. We subtract both purchases of property and equipment and payment of finance leases in our calculation of Free Cash Flow because we believe these items represent our ongoing requirements for property and equipment to support our business, regardless of whether we utilize a finance lease to obtain such property or equipment.

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 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. We use Free Cash Flow in addition to GAAP measures to help manage our business and prepare budgets and annual planning, and we believe Free Cash Flow provides useful supplemental information to help investors understand underlying trends in our business and our liquidity.

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. Free Cash Flow reflects cash flows from both of continuing and discontinued operations. 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

## Condensed Consolidated Balance Sheets

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

	June 30, 2025	December 31, 2024
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,192,608	\$ 697,030
Accounts receivable, net	1,581,679	1,283,335
Prepaid expenses and other current assets	218,402	140,470
Current assets of discontinued operations	—	191,355
Total current assets	2,992,689	2,312,190
Property and equipment, net	129,600	159,970
Goodwill	1,539,301	1,457,685
Intangible assets, net	448,179	472,851
Other non-current assets	849,728	529,314
Non-current assets of discontinued operations	—	937,249
Total assets	<u>\$ 5,959,497</u>	<u>\$ 5,869,259</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 553,692	\$ 504,302
Accrued and other current liabilities	495,218	379,004
Deferred revenue	44,975	37,053
Current liabilities of discontinued operations	—	137,113
Total current liabilities	1,093,885	1,057,472
Long-term debt	3,510,958	3,508,983
Other non-current liabilities	187,527	211,572
Non-current liabilities of discontinued operations	—	1,414
Total liabilities	<u>4,792,370</u>	<u>4,779,441</u>
Stockholders' equity:		
Preferred stock, \$0.00003 par value—100,000,000 shares authorized, no shares issued and outstanding as of June 30, 2025 and December 31, 2024	—	—
Class A, Class B, and Class C Common Stock, \$0.00003 par value—1,850,000,000 (Class A 1,500,000,000, Class B 200,000,000, Class C 150,000,000) shares authorized, 338,782,503 (Class A 308,168,962, Class B 30,613,541, Class C nil) and 340,041,739 (Class A 309,353,198, Class B 30,688,541, Class C nil) shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	11	11
Additional paid-in capital	448,899	593,699
Accumulated other comprehensive loss	(5,149)	(103,096)
Retained earnings	723,366	599,204
Total stockholders' equity	<u>1,167,127</u>	<u>1,089,818</u>
Total liabilities and stockholders' equity	<u>\$ 5,959,497</u>	<u>\$ 5,869,259</u>

# AppLovin Corporation

## Condensed Consolidated Statements of Operations

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenue	\$ 1,258,754	\$ 711,015	\$ 2,417,728	\$ 1,389,385
Costs and expenses:				
Cost of revenue	155,076	121,759	306,756	246,301
Sales and marketing	46,917	66,965	106,300	127,875
Research and development	44,032	99,123	100,438	188,071
General and administrative	55,047	38,746	106,570	78,815
Total costs and expenses	301,072	326,593	620,064	641,062
Income from operations	957,682	384,422	1,797,664	748,323
Other income (expense):				
Interest expense	(51,409)	(74,418)	(104,297)	(148,343)
Other income (expense), net	(22,269)	7,872	(14,757)	9,506
Total other expense, net	(73,678)	(66,546)	(119,054)	(138,837)
Income before income taxes	884,004	317,876	1,678,610	609,486
Provision for income taxes	112,148	16,894	183,216	49,147
Net income from continuing operations	771,856	300,982	1,495,394	560,339
Income (loss) from discontinued operations, net of income taxes	47,675	8,987	(99,444)	(14,187)
Net income	<u>\$ 819,531</u>	<u>\$ 309,969</u>	<u>\$ 1,395,950</u>	<u>\$ 546,152</u>
<b>Net income (loss) per share attributed to Class A and Class B common stockholders - Basic:</b>				
Continuing operations	\$ 2.28	\$ 0.90	\$ 4.41	\$ 1.66
Discontinued operations	0.14	0.02	(0.30)	(0.04)
Basic net income per share	<u>\$ 2.42</u>	<u>\$ 0.92</u>	<u>\$ 4.11</u>	<u>\$ 1.62</u>
<b>Net income (loss) per share attributed to Class A and Class B common stockholders - Diluted:</b>				
Continuing operations	\$ 2.26	\$ 0.86	\$ 4.35	\$ 1.60
Discontinued operations	0.13	0.03	(0.29)	(0.04)
Diluted net income per share	<u>\$ 2.39</u>	<u>\$ 0.89</u>	<u>\$ 4.06</u>	<u>\$ 1.56</u>
<b>Weighted-average common shares used to compute net income (loss) per share attributable to Class A and Class B common stockholders:</b>				
Basic	<u>338,617,184</u>	<u>335,681,788</u>	<u>339,223,841</u>	<u>335,785,864</u>
Diluted	<u>342,194,433</u>	<u>347,964,201</u>	<u>343,528,576</u>	<u>348,327,848</u>

# AppLovin Corporation

## Condensed Consolidated Statements of Cash Flows

(In thousands)  
(Unaudited)

	Six Months Ended June 30,	
	2025	2024
<b>Operating Activities</b>		
Net income	\$ 1,395,950	\$ 546,152
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization, depreciation and write-offs	126,940	221,208
Goodwill impairment	188,943	—
Stock-based compensation, excluding cash-settled awards	97,026	193,977
Gain on divestiture, net of transaction costs	(106,229)	—
Other	41,617	10,300
Changes in operating assets and liabilities:		
Accounts receivable	(291,551)	(125,185)
Prepaid expenses and other assets	20,691	26,161
Accounts payable	39,040	15,453
Accrued and other liabilities	91,511	(40,760)
Net cash provided by operating activities	1,603,938	847,306
<b>Investing Activities</b>		
Proceeds from divestiture, net of cash divested	424,702	—
Purchase of non-marketable equity securities	(18,678)	(76,333)
Other investing activities	(27,140)	(23,658)
Net cash provided by (used in) investing activities	378,884	(99,991)
<b>Financing Activities</b>		
Repurchases of common stock	(1,272,429)	(752,224)
Payment of withholding taxes related to net share settlement	(256,650)	(436,480)
Principal repayments of debt	(200,000)	(677,863)
Payments of licensed asset obligation	(13,532)	—
Proceeds from issuance of debt	200,000	1,072,330
Proceeds from issuance of common stock upon exercise of stock options and purchase of ESPP shares	14,824	19,098
Other financing activities	(11,807)	(10,473)
Net cash used in financing activities	(1,539,594)	(785,612)
Effect of foreign exchange rate on cash and cash equivalents	7,969	(3,406)
Net increase (decrease) in cash and cash equivalents, including cash classified within current assets of discontinued operations	451,197	(41,703)
Less: net (decrease) in cash classified within current assets of discontinued operations	(44,381)	—
Net increase (decrease) in cash and cash equivalents	495,578	(41,703)
Cash and cash equivalents at beginning of the period	697,030	502,152
Cash and cash equivalents at end of the period	\$ 1,192,608	\$ 460,449

# AppLovin Corporation

## Reconciliation of Net Cash Provided By Operating Activities to Free Cash Flow

(In thousands)

The following table provides a reconciliation of net cash provided by operating activities to Free Cash Flow for the periods presented:

	Quarter Ended				
	2Q24	3Q24	4Q24	1Q25	2Q25
Net cash provided by operating activities	\$ 454,527	\$ 550,702	\$ 701,003	\$ 831,712	\$ 772,226
Less:					
Purchase of property and equipment	(3,928)	(131)	(490)	(138)	(42)
Principal payments of finance leases	(5,089)	(5,476)	(5,351)	(5,843)	(4,121)
Free Cash Flow	<u>\$ 445,510</u>	<u>\$ 545,095</u>	<u>\$ 695,162</u>	<u>\$ 825,731</u>	<u>\$ 768,063</u>
Net cash provided by (used in) investing activities	\$ (68,356)	\$ (6,396)	\$ (367)	\$ (22,664)	\$ 401,548
Net cash used in financing activities	\$ (361,000)	\$ (441,075)	\$ (523,157)	\$ (1,002,217)	\$ (537,377)

# 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
Revenue	\$354,758	\$406,063	\$504,452	\$576,489	\$678,370	\$711,015	\$835,186	\$999,487	\$1,158,974	\$1,258,754
Net income (loss)	(4,518)	80,357	108,639	172,233	236,183	309,969	434,420	599,204	576,419	819,531
Net margin	(1)%	20 %	22 %	30 %	35 %	44 %	52 %	60 %	50 %	65 %
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
Net margin from continuing operations	8%	24%	29%	33%	38%	42%	52%	60%	62%	61%
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
Other (income) expense, net	(9,190)	(15,218)	281	19,398	(3,014)	(8,763)	(3,778)	(7,841)	(8,644)	12,798
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
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
Non-operating foreign exchange (gain) loss	(210)	2,263	192	(1,408)	999	412	(2,479)	2,710	(320)	(1,210)
Stock-based compensation	75,558	81,938	103,122	81,933	88,944	93,559	77,402	97,526	59,115	34,552
Transaction-related expense	517	247	231	52	369	485	26	5	4,583	5,097
Restructuring costs	1,292	1,024	—	—	—	1,936	811	14,512	3,598	633
Total adjustments	180,129	165,008	211,121	222,200	224,393	210,183	213,944	173,720	214,234	246,491
Adjusted EBITDA	\$206,801	\$263,758	\$355,063	\$410,662	\$483,750	\$511,165	\$647,017	\$769,832	\$937,772	\$1,018,347
Adjusted EBITDA margin	58 %	65 %	70 %	71 %	71 %	72 %	77 %	77 %	81 %	81 %



# AppLovin Corporation

## Adjusted EBITDA and EPS Supplemental Information

(In thousands, except percentages and per share data)

The following table presents our historical Advertising segment Adjusted EBITDA as previously reported for the periods indicated as well as our Adjusted EBITDA for each period. This change is as a result of the divestiture of our Apps business in the second quarter of 2025. The difference between our previously reported Advertising segment Adjusted EBITDA and our Adjusted EBITDA relates to expenses which were previously allocated to the Apps operating segment in accordance with GAAP, generally related to sales and marketing and general and administrative overhead.

	Quarter Ended									
	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Advertising Adjusted EBITDA, previously reported	\$218,694	\$272,886	\$364,117	\$420,008	\$492,020	\$520,482	\$653,396	\$776,699	\$943,228	N/A
Adjusted EBITDA	\$206,801	\$263,758	\$355,063	\$410,662	\$483,750	\$511,165	\$647,017	\$769,832	\$937,772	\$1,018,347
Advertising Adjusted EBITDA margin, previously reported	62%	67%	72%	73%	73%	73%	78%	78%	81%	N/A
Adjusted EBITDA margin	58%	65%	70%	71%	71%	72%	77%	77%	81%	81%

The following table presents our diluted net income (loss) per share attributed to Class A and Class B common stockholders for the periods indicated.

	Quarter Ended									
	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Net income (loss) per share attributed to Class A and Class B common stockholders - Diluted:										
Continuing operations	\$0.07	\$0.27	\$0.40	\$0.54	\$0.74	\$0.86	\$1.24	\$1.72	\$2.10	\$2.26
Discontinued operations	(0.08)	(0.05)	(0.10)	(0.05)	(0.07)	0.03	0.01	0.01	(0.43)	0.13
Diluted net income (loss) per share	\$(0.01)	\$0.22	\$0.30	\$0.49	\$0.67	\$0.89	\$1.25	\$1.73	\$1.67	\$2.39



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