

Thursday, 28 Aug, 2025

Applovin Corporation (APP)

Still Loving It



Technical Outlook

Pending for breakout. APP has rallied +45% YTD. While the price appears to be forming a cup-and-handle pattern in our view, we expect some consolidation first, given the RSI is ranging in the upper percentile above 50. With stable volumes, we believe the price could continue its upward trajectory toward our anticipated resistance band of USD504–511, while a drop below USD439 would invalidate our setup.

Trading Catalysts

Earnings recap. APP registered 77% YoY software revenue growth to \$1.26bn, with an impressive 81% EBITDA margin and \$768m in free cash flow. Its gaming business continues to outperform targets, while the divestment of its App business should further strengthen its advertising segment.

Ecommerce set to drive growth. From what we gathered, APP is preparing for a wider rollout of its Ads Manager, Shopify app, and dynamic product ads, with a full global launch targeted as early as 2026. This segment could conservatively contribute ~10% of revenue by 2025, based on consensus estimates.

Justified premium valuations. While multiples have stabilized after a ~45% rally in share price, we believe APP's (i) revenue growth prospects, (ii) high margins, (iii) robust cash returns via buybacks, (iv) strong tech stack, (v) automation-driven scalability, and (vi) large e-commerce TAM should position the company ahead of its close peers.

Peer Comparison

	Ticker	Price (USD)	Market Cap (USD'bn)	P/E (x)	Forward P/E (x)	ROE (%)	NP Margin (%)	RSI	ST Trend
Applovin Corp	APP	462.9	156.6	61.4	41.3	245.1	33.5	Positive bias	Up
Adobe Inc	ADBE	356.4	151.2	22.8	16.3	52.3	25.9	Negative bias	Up
Intuit Inc	INTU	663.2	185.0	22.0	21.4	20.3	20.5	Oversold	Down
Synopsys Inc	SNPS	603.2	111.6	33.4	28.9	25.3	36.9	Oversold	Down
Avg ex-Applovin Corp			149.3	26.1	22.2	32.6	27.8		

Source: Bloomberg, M+ Research

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Applovin Corporation

Company profile

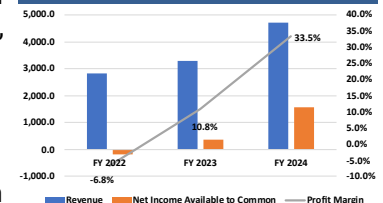
Applovin, founded in 2011 and based in Palo Alto, provides a global software platform for advertisers and publishers. Operating through Advertising and Apps segments, it offers solutions like AppDiscovery, MAX, Adjust, Wurl, and SparkLabs, while also managing free-to-play mobile games via owned and partner studios.

Technical Data

Price	465.00
R1	504.00
R2	511.00
S1	446.00
S2	439.00

M+ Research, Bloomberg

Financial Snapshot



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