

AppLovin Corporation (APP)

NASDAQ: APP | Digital advertising and adtech | Price-level review | 14 October 2026

Last close (13 October 2026)	\$272.28	Recommendation	WATCHLIST (unchanged), from fundamentals
Previous review (11 Oct)	\$277.04, Watchlist	Investment score	74.4 / 100 (prior 74.4)
Move since then	-1.7%	Weighted fair value	\$453 (unchanged); +66.4%
52-week low (2 Oct)	\$266.84; tested 13 Oct at \$267.00	Price of interest	A close back above \$300 on above-average volume
FY2026 P/E (consensus EPS \$16.67)	16.3x	Technical read (chart only)	Confirms: downtrend
10-year Treasury	5.21% (13 Oct close)	Next results	Q3 2026, 4 November after the close (confirmed)

The Low Was Tested and Held

Two sessions after the last review, the one fact worth recording is on the chart. On 13 October the shares traded down to \$267.00, sixteen cents above the \$266.84 low of 2 October, and closed at \$272.28. The low that serves as the stop reference has now been tested once and held. The stock is 9.2% below the \$300 level that would show the trend has turned, and volume on both sessions this week ran below the twenty-day average.

The sell side kept trimming. On 12 October Oppenheimer kept its Outperform rating and cut its target to \$490 from \$560, and Wells Fargo kept a Hold rating with a \$325 target. On 13 October Morgan Stanley kept its Overweight rating and lowered its target to \$400 from \$450. That makes five target cuts in under a week, with every rating left where it was. None comes with new company information. AppLovin has published nothing since setting its 4 November results date on 7 October, and the third-quarter revenue guide of \$2.055bn to \$2.085bn stands.

Verdict: Watchlist, unchanged, from fundamentals. Technical read (chart only): Confirms. The chart remains in a downtrend below every major average, which agrees with not buying yet. Fair value stays at \$453, 66% above the price, because no input to the scenarios has moved. The name becomes a Buy again on a close back above \$300 on volume above the twenty-day average, or on a third-quarter report that meets the guide with model uplift resuming.

1. The published levels at the new price

Level (11 Oct review)	Published	Status at \$272.28	Read
Price of interest	Close back above \$300 on volume above the 20-day average	Not reached; 9.2% below	The 20-day average, recomputed at \$297.49, has slipped below \$300, so a \$300 close would clear it with room
Stop reference if a Buy returns	Beneath the \$266.84 low	Tested at \$267.00 on 13 Oct; held	A \$300 entry would carry a 11.1% stop distance, about 2.4 ATRs
Fair value	\$453	+66.4%	Unchanged; no scenario input moved
Bear-case value	\$238	-12.6%	Slightly closer, on price alone

Averages and ATR(14) of \$13.80 recomputed in code from a 300-session daily series ending 13 October 2026. No entry range, stop or target is published for a Watchlist rating.

The \$300 level was set as a close to be won back, not as a moving-average anchor, so nothing has moved underneath it. The 20-day average fell to \$297.49 from \$303.62 two sessions ago, and the 50-day to \$312.99. A close above \$300 would therefore also put the price back above the 20-day average. The stop reference stays beneath \$266.84. A second test that breaks it on heavy volume would weaken the case for a quick turn and bring the bear-case value of \$238 into view.

2. Company developments

Items from 2 to 14 October 2026 that bear on what AppLovin earns or how it competes, with the open items carried from the previous review. Rating actions appear under Sentiment.

Development	Status and date	What is known	What is forecast (and by whom)	Impact
Third-quarter results date	Set 7 Oct 2026; report 4 Nov after the close, webinar 5:00pm ET	Date fixed by the company	Management guide: revenue \$2.055bn to \$2.085bn	High (scheduled)
San Diego County suit over children's data	Filed 5 Oct 2026, San Diego Superior Court	Alleges bypassed parental controls and opt-outs, device fingerprinting of children and adult-themed ads in child-rated apps. No penalty amount published; no new filing in the period	None published	Medium
Legal action against Unity over the Ad Quality SDK	Restraining order denied 2 Oct; arbitration under way; sealing hearing reported for 23 Oct	No new ruling in the period	No damages figure disclosed	Medium
Securities class action	Filed 22 Sep 2026, N.D. Cal.; lead-plaintiff deadline 16 Nov 2026	Further law-firm notices on 13 Oct; no new allegations	The 10-Q states legal matters are not expected to be material (management)	Medium

Company results-date release, 7 Oct 2026; court and county filings and law-firm notices as reported by established press; Form 10-Q for the quarter ended 30 June 2026.

Nothing new in the period reaches the threshold that would move the scenarios, the fair value or the scores. The company announced no product, pricing or partnership changes since the last review. The scheduled third-quarter report is rated High because it is the first hard evidence on the pace of model improvements since the August guidance miss. The verdict and levels would be the same without any of the legal items, whose risk cannot yet be sized and so sits in the Risk score rather than in the numbers.

3. Valuation at \$272.28

Method	Input	At \$272.28	At \$277.04 (9 Oct)	Assessment
Price / FY26E adj. EPS	\$16.67 consensus	16.3x	16.6x	Consensus unchanged
Price / FY27E adj. EPS	\$21.00, base case	13.0x	13.2x	Base case unchanged
Probability-weighted	\$453, unchanged	+66.4%	+63.5%	Same value, lower price
Bear-case value	\$238, 14x \$17.00	-12.6%	-14.1%	The downside case stays within reach

FY27 EPS and scenario values are this report's own estimates, not company measures. Multiples computed by this report.

At 16.3 times this year's consensus and 13.0 times the base case for next year, the shares price in something close to the bear case. The week's target cuts narrow the range of outside opinion, now running from \$325 (BofA Securities and Wells Fargo, both Hold) to \$510 (Evercore ISI) among the firms that acted. Even the lowest sits 19% above the price. The gap between this report's value and the market will be settled by the third-quarter numbers, not by targets.

The macro variables that matter here. The first is the long-end discount rate, because most of the value sits in earnings two or more years out. The ten-year Treasury closed at 5.21% on 13 October, little changed on the week, and New York Fed President John Williams said one more rate increase looked appropriate this year. September consumer prices are due on 14 October with headline inflation forecast at 3.6% on the year, and a hot reading would push long yields higher. The base multiple is left where it is. The second is advertiser budgets, which follow discretionary spending. Consumer confidence fell to a twelve-year low in September and payroll growth has slowed sharply, while jobless claims stay low. For a business whose newest vertical sells to online merchants, the holiday quarter is where any slowdown would show first.

4. Sentiment

Input	Reading	Interpretation
Broker actions since 11 Oct	Oppenheimer Outperform, \$490 from \$560 (12 Oct); Wells Fargo Hold, \$325 held (12 Oct); Morgan Stanley Overweight, \$400 from \$450 (13 Oct)	Ratings held, targets cut again
Earlier in October	Jefferies Buy, \$375 from \$550 (8 Oct); Evercore ISI \$510 from \$750 (8 Oct); BofA Securities Hold, \$325 from \$400 (9 Oct); Citi Buy, \$600 (5 Oct)	Most ratings remain Buy; targets falling toward the price
Insiders	No Form 4 sales since 21 Aug	No sign of insiders selling into the fall
Reported holdings (13F)	Cautionary, moderate confidence; as of 30 June 2026	See note below
News flow	Target cuts and law-firm notices; no company announcements	Bearish in tone, light on substance

Rating actions and company notices to 13 Oct 2026 from the moomoo news, notice and research channels; Form 4 filings from the SEC.

Reported holdings as of 30 June 2026, filings through 19 August 2026, read Cautionary with moderate confidence. Active managers made a net reduction over four quarters and in the latest quarter, with many more cutting than adding; one large buyer accounts for most of the offsetting purchases. Based on reported holdings filed by the cutoff. Late filers are not included, and passive, strategic and mixed holders are left out of the flow measure. The read describes positioning before the August guidance miss and is not a scored input.

5. Risks

Risk	Probability	Severity	Comment
Model-release cadence stays unobservable	Medium	High	Untested until the 4 November report
E-commerce adoption slower than the case assumes	Medium-high	Medium	The bull case needs consumer near a fifth of revenue
Competitive share in game advertising	Medium	Medium	Unity's data collection continues while arbitration runs
High volatility into the print	High	High	ATR at 5.1% of price; the \$266.84 low has held one retest
Discount-rate sensitivity	Medium	Medium	The ten-year above 5.2% with a hike still discussed; a further sustained rise would cut the base multiple
Litigation and regulation on several fronts	Medium	Medium	County suit, class action, Unity arbitration and a Dutch privacy action; the risk is a remedy limiting data collection

Probability and severity are this report's assessments. The Risk score of 5/10 below denotes a moderate-risk profile, consistent with this register.

6. Scorecard

Criterion	Weight	Score		Prior	Rationale and what moved
Business Quality	16%		8/10	8/10	Unchanged. Nothing disclosed changes an 88.5% gross margin and a 66% free cash flow margin.
Financial Strength	16%		9/10	9/10	Unchanged. Net debt near zero against earnings; buyback capacity in place at 30 June.
Competitive Advantage	16%		7/10	7/10	Unchanged. The Unity dispute is in arbitration with no new ruling; no reported loss of share.
Management	10%		7/10	7/10	Unchanged. No insider sales since 21 August; the August guidance miss still weighs on the record.
Growth Potential	16%		7/10	7/10	Unchanged. No new evidence on model uplift or e-commerce adoption until 4 November.
Valuation	16%		8/10	8/10	Unchanged. 16.3x this year's consensus EPS; fair value \$453, 66% above the price.
Risk (10 = lowest risk)	10%		5/10	5/10	Unchanged. Several legal fronts and a binary November print; no solvency issue.

Scored 1-10, where 10 is always best, including Risk. The 11 October review used the same direction and the same seven factors, so no restatement was required. Weighted total computed in code: 74.4 out of 100.

Overall Investment Score: 74.4 / 100

No factor score moved and the composite holds at 74.4. Target cuts are opinion rather than evidence and do not enter the scores. No company development moved a score.

7. Recommendation: Watchlist

Rating: WATCHLIST, unchanged, on the same grounds. The business case has not changed since 11 October and neither has the obstacle. The shares remain in a downtrend that only reported numbers or a reclaim of \$300 can break, and the 4 November report is three weeks away. Buying ahead of it means a binary bet on model uplift. A new buyer has a defined way back in.

The price of interest stays a close back above \$300 on volume above the twenty-day average, now about 5.3 million shares. At that price the stop would sit beneath the \$266.84 low, 11.1% away. The second route is the third-quarter report: revenue inside or above the \$2.055bn to \$2.085bn guide with model uplift resuming would restore the Buy even below \$300. A print below the guide would point toward the bear-case value of \$238.

Condition	Direction	Why it changes the view
Q3 revenue at or above the \$2.055-2.085bn guide, with model uplift resuming, on 4 November	Toward Buy	Answers the question the August miss raised
A close back above \$300 on volume above the 20-day average	Toward Buy	Shows the downtrend has turned
Company disclosure of e-commerce advertiser or spend growth	Up	Supports the consumer vertical in the bull case
A second quarter of light model uplift at the Q3 report	Toward Avoid	Points to the bear case
A ruling, settlement or government action limiting device-data collection	Down	Touches the data behind the ad model
An arbitration outcome restricting Unity's Ad Quality data collection	Up	Protects mediation data
A sustained further rise in long-end yields	Down	Cuts the base multiple
A sustained rise in jobless claims alongside softer consumer spending into the holiday quarter	Down	Hits advertiser budgets

Macro rows are directional. Numeric levels come from company guidance and the report's own price analysis.

8. Technical read

Chart as of the 13 October 2026 close.

Verdict: Watchlist, from fundamentals. **Technical read (chart only): Confirms.** The chart state is a downtrend. The price sits below the 50-day and 200-day averages, the 50-day is falling, and the shares closed below the 200-day within the last ten sessions. What to watch is a close back above \$300, which now also clears the 20-day average, then a higher low above \$266.84. The Technical read looks only at the price chart. It does not change the verdict or the Investment Score and only guides timing.

Indicator	Value	Reading
Price of record (13 October 2026)	\$272.28	-1.7% since the previous review
SMA 20 / EMA 20	\$297.49 / \$292.44	Price -8.5% and -6.9% away
SMA 50 / EMA 50	\$312.99 / \$324.51	Price -13.0% and -16.1% away; 50-day falling
SMA 100 / EMA 100	\$401.05 / \$370.09	Price -32.1% and -26.4% away
SMA 200 / EMA 200	\$441.23 / \$433.27	Price -38.3% and -37.2% away; long-term trend down
RSI (14)	34.2	Weak, not oversold
MACD (12,26,9)	-14.55, signal -13.33, hist. -1.22	Negative and below its signal
ATR (14)	\$13.80, 5.1% of price	High volatility
Volume, 20-day vs 50-day	5.3m vs 5.6m	Participation easing
Support / resistance	\$266.84 and \$268.22 / \$300 and \$336.94	52-week low (retested 13 Oct) and 60-session closing low; 20-session high overhead

Computed in code from a 300-session Twelve Data daily series, 5 Aug 2025 to 13 Oct 2026, all averages from that one series; distances against the price of record. Chart state classified by fixed rules.

9. Scenario analysis

Case	Prob.	Outlook	Fair value	vs \$272.28
Bull	20%	FY2027 revenue \$11.0bn, adjusted EPS \$25.00. Model cadence normalises and consumer reaches a fifth of revenue. 28x.	\$700	+157.1%
Base	50%	FY2027 revenue \$10.4bn, adjusted EPS \$21.00. Third-quarter guide met, growth near 28%; no e-commerce turn needed before 2027. 23x.	\$483	+77.4%
Bear	30%	FY2027 revenue \$9.2bn, adjusted EPS \$17.00. Model uplift fades, gaming saturates, consumer stalls. 14x.	\$238	-12.6%
Weighted	100%	Probability-weighted	\$453	+66.4%

Weighted fair value computed in code: \$452.9, rounded to \$453. Earnings assumptions, multiples and probabilities are unchanged from the 11 October review.

None of the scenarios depends on a development from the period. The probabilities stay where they are because the evidence that would move them, third-quarter revenue against the guide and the pace of model uplift, arrives on 4 November.

10. Final verdict

Would an investor buy AppLovin at \$272.28? Not yet. The valuation is undemanding at 16.3 times this year's earnings and the balance sheet is strong, but the shares are in a downtrend and the question that broke the trend in August, whether model improvements keep coming, is answered in three weeks. The retest of the October low held, which is a small point in the chart's favour and no more. The single biggest concern is a second quarter of light model uplift, which would make the bear case the base case. A close above \$300, or a third-quarter report that meets the guide with uplift resuming, restores the Buy.

Sources

- Company: AppLovin investor relations, 'AppLovin to Announce Third Quarter 2026 Results', 7 October 2026; 'AppLovin Announces Second Quarter 2026 Financial Results', 5 August 2026; Form 10-Q for the quarter ended 30 June 2026, sec.gov
- San Diego County complaint and Unity proceedings as reported by PocketGamer.biz, mobilegamer.biz and Seeking Alpha, October 2026; class-action notice, GlobeNewswire, 13 October 2026
- Price of record: Alpha Vantage global quote, 13 October 2026 close. Technicals: Twelve Data daily series of 300 completed sessions to 13 October 2026, computed in code
- Rating actions and notices: moomoo news, notice and research channels, to 13 October 2026
- Macro: Beating The Bull economic data posts of 2, 5, 7, 8, 9 and 13 October 2026
- Institutional positioning: Q2 2026 13F holdings read, quarter ended 30 June 2026, filings through 19 August 2026

This report is informational only and is not financial advice, nor a recommendation to buy or sell any security. It reflects the author's assessment as at 14 October 2026 and may change without notice. Scenario values and fair values are this report's calculations and are not company measures.