

AppLovin Corporation

NASDAQ: APP | Digital Advertising / Adtech | Price-level review | 29 September 2026

BUY	\$308.24	\$300 – \$325	\$284	\$420 / \$475	75/100
Rating, unchanged	Last close, 28 Sep 2026	Ideal buy range, stage in thirds	Cut-loss, -7.9%	Targets, +36.3% / +54.1%	Investment score, from 76

The rating stays at Buy. Probability-weighted fair value is trimmed to \$476 from \$493, and at \$308.24 the premium to it is 54%, against 51% at the 17 September review. AppLovin itself disclosed nothing in the period. The trim comes from the condition the last review named in advance: long-end Treasury yields rising rather than sitting still. The ten-year rose about twenty basis points to its highest level since 2007, and the base-case multiple comes down a turn as the last report said it would. The shares are back inside the published ideal buy range, the cut-loss is untouched, and every level still stands. The case is unchanged and still unproven. It turns on the third-quarter report, expected on 4 November, where model uplift has to show. All figures as at the 28 September 2026 close.

What has changed since the last review

The 17 September review reset the entry range to \$300 to \$325 because the price had moved above the previous one. The shares closed that day at \$326.56. They have since given back 5.6%, with a sharp two-day swing in the middle: a fall to \$308.06 on 18 September on 10.96m shares, twice the twenty-day average, then a 7.2% rebound to \$330.17 on 21 September. The range is usable again, and the base the last review built its stop around, the \$297.50 low of 24 August and the \$300.09 retest of 10 September, has not been challenged. The lowest trade since the last review was \$304.77 on 23 September.

Reference point	Price	Versus today	What it was
Close, 16 Sep (last review)	\$326.56	-5.6%	Above the ideal buy range the review reset
Close, 18 Sep	\$308.06	+0.1%	Heaviest volume of the period, 10.96m shares
Close, 21 Sep	\$330.17	-6.6%	Rebound high, on a broker note citing e-commerce client growth
Intraday low, 23 Sep	\$304.77	+1.1%	The session an independent research note called the stock a show-me story
Close, 28 Sep	\$308.24	—	Inside the \$300 to \$325 ideal buy range
Retest low, 10 Sep	\$300.09	+2.7%	The level the cut-loss is anchored beneath

Price path computed from a Twelve Data daily OHLCV series of completed sessions. The 28 September close of \$308.24 is the price of record.

Three pieces of market news moved the stock, and none is a company disclosure. On 21 September Citi reported that its count of AppLovin's e-commerce advertisers rose 5.1% in a week to 13,105, the fastest weekly gain in five months, and kept its Buy and \$600 target. On 23 September Edgewater Research, an independent shop that publishes no ratings or targets, argued that AppLovin's share gains in game advertising had stalled, that its MAX mediation platform was near a ceiling, and that competition from Unity was squeezing spreads. It expects fourth-quarter revenue growth of 8% to 9% sequentially, below what the company's trajectory implies. On 24 September Meta showed AI tools that build games from text prompts. That headline did more to the gaming group than to AppLovin, and it is dealt with below. The Citi figure is broker data relayed through secondary outlets and has not been independently confirmed. The Edgewater view is an opinion about data that has not been published. They point in opposite directions, and the right weight for each is small.

Company developments

Development	Status and date	What is known	What is forecast (and by whom)	Impact
Securities class action filed	Filed 22 Sep 2026, N.D. Cal.; lead-plaintiff deadline 16 Nov 2026	Plaintiffs' firms report a complaint covering 12 Feb to 5 Aug 2026, alleging misstatements about the pace of AI model improvement and undisclosed delays to the generative video creative tool. It cites the 13 July and 6 August price falls.	No damages estimate. The 10-Q states legal matters are not expected to be material.	Medium
Meta Horizon Create and Horizon Studio	Announced 24 Sep 2026; testing with a waitlist	Meta developer blog: AI tools that build 2D and 3D games from text prompts, distributed natively in Facebook, Instagram and Horizon. No advertising or Audience Network component announced.	None published. Unity fell about 5% and AppLovin about 1% on the day, per market reports.	Low
Company announcements	None in the window	No press release, 8-K, buyback, financing, pricing or leadership announcement since the 5 August second-quarter report. The last items were the 22 June opening of AppLovin Ads to all advertisers and the leadership succession announced in April.	Third-quarter report expected 4 November (not yet announced by the company).	—

Sources: plaintiffs' firm releases via GlobeNewswire, 22 to 28 Sep 2026; Meta for Developers blog, 24 Sep 2026; AppLovin 10-Q for the quarter to 30 June 2026 and investor relations releases.

Nothing in the window reaches High materiality. The class action is the kind of suit that routinely follows a 20% one-day fall, and it adds no new fact: the delays it describes are the ones management discussed on the second-quarter call. Its practical effect is to keep the model-delay story in the news until the November report, which is part of why the Risk score comes down a point. Meta's tools are a consumer game-creation product in testing, with no advertising component, and they do not compete with AppLovin's ad network or its mediation platform. The longer-term question is whether feed-native games draw players and developers away from the app-install economy AppLovin monetises. That is a real question with no evidence behind it yet, and this report gives it no weight in the numbers. The verdict and every level would be identical without either item.

Valuation

Method	Input	At \$308.24	At \$326.56 (16 Sep)	Assessment
Price / FY26E adj. EPS	\$16.76 consensus	18.4x	19.5x	Below the multiple at either of the last two reviews
Price / FY27E adj. EPS	\$21.00, base case	14.7x	15.6x	Cheap for 28% growth if the base case holds
Street average target	\$498, 33 analysts	+61.7%	+53.7% (\$502)	Targets drifting lower; ratings still held
Probability-weighted	\$476, trimmed from \$493	+54.4%	+51.0%	Base multiple trimmed to 23x from 24x

FY26 consensus adjusted EPS of \$16.76 as used at the last review; no subsequent estimate change was found. FY27 EPS is this report's base case. Street average from StockAnalysis.com, retrieved 29 September 2026.

The last review said a duration repricing is the version of the rate story that would bite, and that it would trim the base-case multiple if it came. On 16 September the ten-year rose one basis point on the day of the hike. Since then it has risen about twenty, to 5.18% on 24 September and near 5.23% on 28 September, the highest since 2007. The two-year rose by about the same amount, so the curve shifted rather than steepened. The condition was framed as steepening, but the discount rate on out-year earnings has moved materially, and that was the point of the condition. The base multiple comes down from 24 to 23 times fiscal 2027 earnings and the bull multiple from 29 to 28. The earnings estimates are unchanged because nothing in the window justifies changing them.

The macro variables that matter here

Two variables matter. The first is the long-end discount rate, for the reason above: this is a no-dividend, 2.5-beta stock priced mostly on earnings two or more years out. The second is advertiser budgets, which follow discretionary demand. That line is holding up. August retail sales rose 1.2% against a 0.8% forecast, the September composite PMI reached 58.4, its fastest expansion since July 2021, and jobless claims fell to 197,000. Consumer sentiment fell to a four-month low on gasoline prices, which is worth watching for the e-commerce vertical in particular. Policy rates matter mainly through the first variable. The balance sheet carries little net debt.

Sentiment and positioning

Indicator	Latest	At last review	Interpretation
Analyst consensus	Buy; 33 analysts, 27 Buy or Outperform	Buy	Holds rose from 3 to 6 since 30 June; no Sell ratings
Average target	\$498; MarketBeat range \$325 – \$790	\$502	Still drifting lower on multiple, not estimates
Actions since 17 Sep	Citi Buy, \$600 (21 Sep); Edgewater cautious note (23 Sep)	Four target cuts	No new target cuts; no downgrades from rated brokers
Short interest	10.56m shares, 3.63% of float (31 Aug)	Falling	Down for a fourth consecutive reading; not a crowded short
Insider activity	No sales found since 21 Aug	None in September	Tax-withholding filings in August only
Reported holdings (13F)	Cautionary, Moderate confidence	—	As of 30 June 2026; see below

Consensus from StockAnalysis.com and MarketBeat, short interest from Benzinga, retrieved 29 September 2026. Broker actions from the moomoo research feed and Benzinga.

Reported holdings as of 30 June 2026, filings through 19 August 2026, read **Cautionary** with Moderate confidence. Active managers made a net reduction of about 3.0% of reported shares over four quarters and 1.2% in the latest quarter, with 38 managers cutting against 21 adding. Four of the last six quarters were clearly negative, and active ownership has shrunk while passive ownership grew. One large manager accounts for most of the buying. Without it the net reduction would be roughly twice as large. 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. This cuts against the rating and is recorded as such. It describes positioning before the August guidance miss, and the 20% fall after it suggests the selling continued.

The digest over the news feed reads neutral with a bearish tilt: the show-me note, the class action and the Meta headline against a Citi data point and a maintained Buy. The raw feed added nothing the digest missed. No company notices were filed in September.

Technical picture

Indicator	Value	Reading
Close, 28 Sep 2026	\$308.24	52-week range \$297.50 – \$745.61; 3.6% above the low
SMA 20 / EMA 20	\$318.00 / \$319.89	Price 3.1% and 3.6% below; was above at the last review
SMA 50 / EMA 50	\$341.09 / \$349.18	Price 9.6% below the 50-day
SMA 100 / SMA 200	\$423.13 / \$464.32	Price 27.2% and 33.6% below; averages still in bearish sequence
RSI (14)	41.6	Neutral
MACD (12,26,9)	-7.23 vs -8.61	Histogram +1.37; line above signal but under zero
ATR (14)	\$16.27	5.3% of price
Volume, 20-day vs 50-day	4.8m vs 5.9m	Participation 18.6% below the longer average

Computed from a Twelve Data daily OHLCV series of 300 completed sessions, 21 July 2025 to 28 September 2026. Distances measured against the \$308.24 price of record.

The long trend is still down and the stock has slipped back under its twenty-day average, which is why the Technical score falls two points. What has not happened matters more for the trade plan. The base between \$297.50 and \$300.09 has not been retested in this period, the lowest trade was \$304.77, and the MACD line is back above its signal. Volume is fading rather than building on the down days. This is a stock drifting inside a base, not breaking out of one in either direction.

Scorecard

Factor	Score	Now	Prior	Rationale and what moved
Business Quality weight 15%		8/10	8/10	Unchanged. No new company information; 88.5% gross margin and a 66% free cash flow margin stand.
Financial Strength weight 10%		9/10	9/10	Unchanged. Net debt near zero against earnings; \$1.8bn of buyback authorisation remained at 30 June.
Competitive Advantage weight 15%		7/10	7/10	Unchanged. An independent shop says share gains have stalled; Citi's client count says the opposite. Neither is proof.
Management weight 10%		7/10	7/10	Unchanged. No new insider sales found; the class action restates the August guidance miss rather than adding to it.
Growth Potential weight 20%		8/10	8/10	Unchanged. The third-quarter guide of \$2.055bn to \$2.085bn is untested until the November report.
Valuation weight 15%		8/10	7/10	Raised one. 18.4x this year's estimate against 19.5x, as the price fell 5.6% on an unchanged estimate.
Risk (10 = lowest risk) weight 10%		6/10	7/10	Lowered one. The ten-year reached a 2007 high, the scenario the last report named, and a securities class action was filed.
Technical Setup weight 5%		5/10	7/10	Lowered two. Back below the 20-day average and within 3.6% of the 52-week low; the MACD histogram has turned positive.

Scored 1–10, where 10 is always best, including Risk. The 17 September review used the same direction, so no restatement was required. Weighted total computed in code: 75.0 out of 100, against 76.

Recommendation and trade plan

Rating: **BUY, unchanged**, on unchanged grounds. The case is that the second-quarter shortfall was a model-release timing problem rather than a structural one, that the consumer vertical is building, and that 18.4 times this year's earnings is too low for a business with this margin structure if that is right. The third-quarter report on 4 November tests it directly. No part of the rating depends on the September news. The fair value moves only because the discount rate moved.

Every level was recomputed and none needs to move except the second target. The cut-loss at \$284 was set one average range below the 10 September retest low of \$300.09. On today's range of \$16.27 that gives \$283.82, so the level stands. The first target at \$420 is anchored to 25 times the \$16.76 current-year estimate, which has not changed. The second target tracked the weighted fair value and comes down with it to \$475. The distance to the stop has narrowed to 7.9% because the price fell toward it, which makes the reward-to-risk arithmetic look better than the setup is. A close through the base would be a genuine break, and the stop exists for that.

Parameter	This review	17 September	Reasoning
Recommended entry	\$300 – \$335, three tranches	\$300 – \$335	Unchanged; the price is back inside it
Ideal buy range	\$300 – \$325	\$300 – \$325	17.9x to 19.4x this year's adjusted earnings
Cut-loss	\$284	\$284	One average range below the 10 September retest low; recomputed, unchanged

Parameter	This review	17 September	Reasoning
Take-profit 1	\$420	\$420	25.0x the FY26E of \$16.76, unchanged
Take-profit 2	\$475	\$490	Tracks the trimmed probability-weighted fair value
Expected upside	+36.3% / +54.1%	+28.6% / +50.0%	From the \$308.24 close
Expected downside	-7.9%	-13.0%	From the close to the cut-loss
Risk / reward	4.6 : 1	2.2 : 1	Against target one; 6.9 : 1 against target two
Position size	2 – 4% of portfolio	2 – 4%	Five-year beta of 2.49 and a 5.3% daily true range
Holding horizon	12 – 24 months	12 – 24 months	Two to four model release cycles

Upside, downside and risk/reward computed in code from the stated levels and checked against the printed values.

What would change the view

Condition	Consequence
A second consecutive quarter of light model uplift at the third-quarter report, expected 4 November	Sell, not average down. Turns a timing explanation into a structural one.
A third-quarter revenue print at or above the guided \$2.055–\$2.085bn	Raise conviction. The most likely single catalyst for a re-rating.
Fourth-quarter consumer advertiser spend failing to exceed the third quarter's	Sell. The seasonally strong quarter is where e-commerce must show.
Published evidence that game-advertising share has stalled, such as MAX publisher earnings ceasing to grow	Review the rating. This is Edgewater's claim; it becomes a fact only in reported numbers.
A close below \$284 on volume above the twenty-day average	Exit. Breaks a base that has held two tests.
A broker cutting its earnings forecast rather than its multiple	Review the rating.
Long-end yields extending materially beyond 2007 highs	Trim the base multiple again.
The class action adding a new factual allegation beyond what management disclosed in August	Review the Management and Risk scores.

Scenario analysis

Case	Prob.	FY27 revenue	Adj. EPS	Multiple	Fair value	Assumptions
Bull	25%	\$11.0bn	\$25.00	28x	\$700	Model cadence normalises, consumer reaches a fifth of revenue. Multiple trimmed from 29x
Base	50%	\$10.4bn	\$21.00	23x	\$483	Third-quarter guide met, growth near 28%. Multiple trimmed from 24x on the long end
Bear	25%	\$9.2bn	\$17.00	14x	\$238	Model uplift fades, gaming saturates, consumer stalls. Unchanged
Weighted	100%				\$476	+54.4% versus the close; was \$493

Probabilities sum to 100%. Weighted value 476.0, computed in code. Scenario figures are this report's own estimates, not company measures.

Probabilities are unchanged. Edgewater's note is the only new argument for the bear case, and it rests on unpublished data from a firm that upgraded the stock in May. Citi's client count is the only new argument against it, and it is secondary data. Neither is strong enough to move a probability. The whole change in fair value is the multiple.

Final verdict

Yes, in tranches, inside the published range. At \$308.24 the stock trades at 18.4 times this year's earnings, below the multiple at either of the last two reviews. The company has said nothing new, and the stop has a tested base beneath it. The single biggest concern is the one it has been since August: nobody outside the company can see whether the

model improvements that drive gaming growth are back on schedule, and the first real evidence arrives on 4 November. A light quarter there would make this a Sell, not a reason to buy more. Until then the position is sized for that outcome and the stop does the rest.

Sources and notes

Company: AppLovin second-quarter 2026 results release and 10-Q (SEC EDGAR); investor relations releases. Legal: plaintiffs' firm releases via GlobeNewswire. Competitor: Meta for Developers blog, 24 Sep 2026. Research and news: Benzinga (Edgewater, 23 Sep; bear-market commentary, 27 Sep), Citi via TipRanks and Yahoo Finance, moomoo news, notice and research feeds, 29 Sep 2026. Consensus: StockAnalysis.com, MarketBeat; short interest: Benzinga. Price of record: Alpha Vantage global quote, 28 Sep 2026. Technicals: Twelve Data daily series, computed in code. Macro: Beating The Bull economic posts of 16, 17, 23, 24 and 25 Sep 2026; 28 Sep yields from Yahoo Finance and Trading Economics. The third-quarter date had not been announced by the company at publication. Informational use only. Not financial advice.