

# Affirm notches strong growth and second straight quarter of profitability

Article

**By the numbers:** Affirm started off its 2024 fiscal year (ending September 30) with strong growth and its second straight quarter of profitability.

- Affirm's **gross merchandise volume (GMV) reached \$5.6 billion** in fiscal Q1 2024, per its earnings supplement. GMV increased 28% year over year (YoY), a deceleration from the 62% YoY growth the year prior.
- Active consumers and merchants grew 15% and 17%, respectively.
- Total revenue jumped 37% YoY to \$497 million.
- Affirm also netted profitability on an adjusted basis, with **operating income coming in at \$60 million** (versus a \$19 million loss in Q1 2023).

**In the spotlight:** The company once again highlighted the growth of the Affirm Card.

- The card boasted **400,000 users** in Q1, with as many as 75,000 consumers a month signing up for it.
- **GMV on the Affirm Card totaled \$224 million.**
- Card transactions are roughly split between installment payments and paying in full, CEO Max Levchin stated.
- Overall, 22% of transactions come directly from Affirm's mobile app, website, or the Affirm card, with the other 78% of transactions occurring at the point of sale.

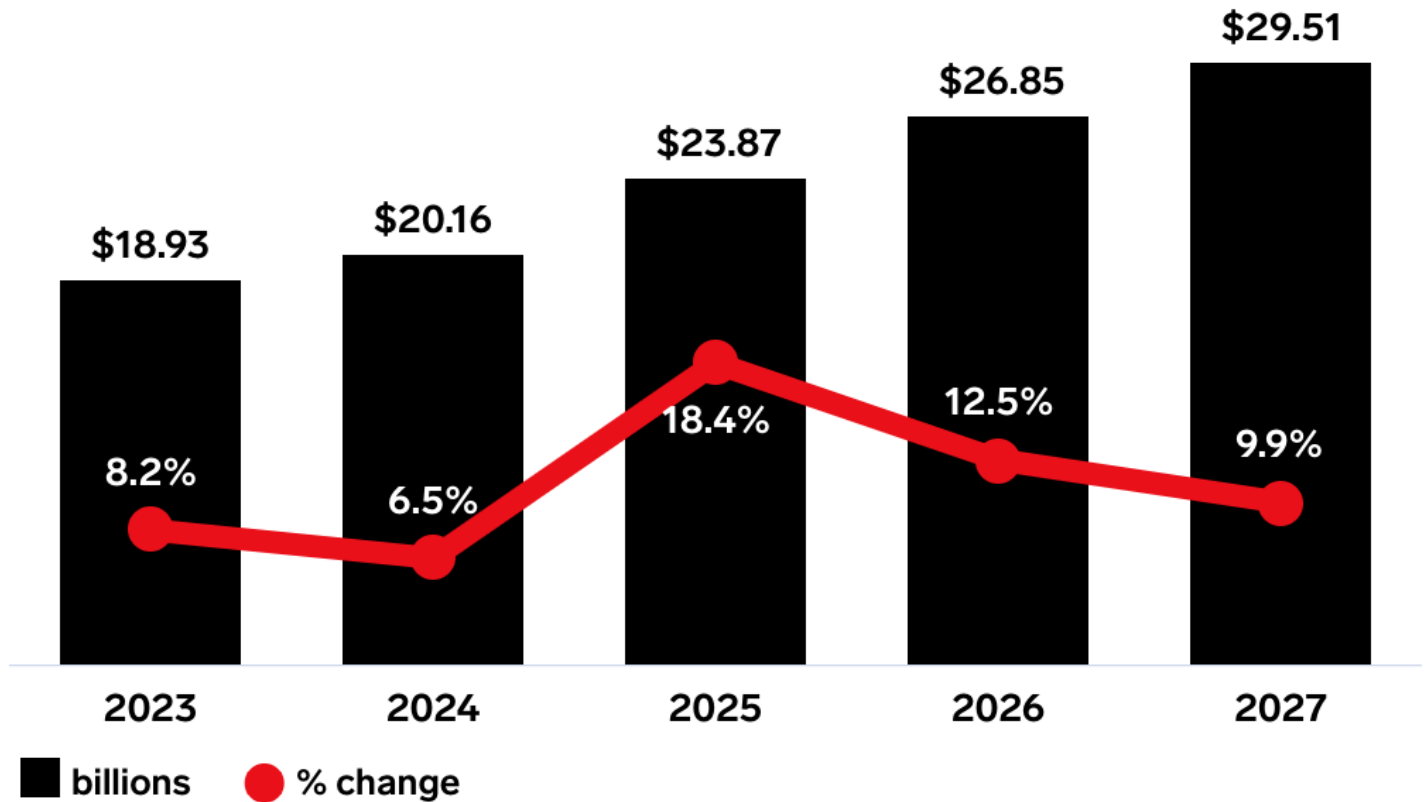
**What this means:** BNPL fintechs have long found profitability elusive, but Affirm expects to achieve full-year profitability on an adjusted basis this fiscal year. Klarna also just achieved its first quarterly profit since 2019 in its Q3 2023 earnings (ending September 30). This positions both companies for strong financial health moving forward. In the future, Affirm plans to reinvest some of its profits into growth initiatives.

**What's next?** Affirm hopes its growth will continue during the holiday season.

- More than one-third of US consumers plan to spend more this holiday season than last year, according to a Block and Afterpay survey.
- US holiday sales are projected to reach \$1.316 trillion in 2023, per our forecasts.
- And two-thirds of consumers plan to use BNPL to ease the stress of holiday shopping, per an Afterpay survey, creating a huge volume opportunity for BNPL fintechs like Affirm.

## Affirm Payment Value

US, 2023-2027



Note: includes products or services paid with Affirm; excludes payments such as bill pay, taxes, or money transfers, gambling and other vice goods sales

Source: Insider Intelligence | eMarketer, July 2023

Insider Intelligence | eMarketer

*This article originally appeared in Insider Intelligence's Payments Innovation Briefing—a three-times-weekly recap of top stories reshaping the payments industry. Subscribe to have more hard-hitting takeaways delivered to your inbox daily.*

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