Affirm and Sixth Street announce long-term capital partnership to invest up to $4 billion in Affirm loans

December 13, 2024

SAN FRANCISCO--(BUSINESS WIRE)--Dec. 13, 2024-- Affirm Holdings, Inc. (NASDAQ: AFRM), the payment network that empowers consumers and helps merchants drive growth, and Sixth Street, a leading global investment firm, today announced that they have entered into a long-term capital partnership whereby Sixth Street through its Asset Based Finance platform will invest up to $4 billion by purchasing Affirm loans in a unique AssetCo structure pursuant to a three year, forward flow agreement.

The transaction represents the largest capital commitment secured by Affirm to date. It offers flexibility, commitment, and alignment from both partners and provides additional off-balance sheet funding with the ability for Affirm to extend up to more than $20 billion in loans over the next three years as the company continues to scale its payment network. As an industry-leading underwriter, Affirm offers easy-to-use solutions for merchant partners and access to transparent and flexible financing for consumers, creating attractive risk-adjusted assets and bringing depth to the partnership.

“We are honored to establish this new long-term partnership with Sixth Street as we continue to strengthen and diversify our platform to support our ambitious growth plans with capital efficient funding,” said Brooke Major-Reid, Chief Capital Officer at Affirm. “Sixth Street’s expertise in asset-based finance, long-term capital and collaborative approach make them an ideal partner for Affirm. Over the last several years, we have been extremely thoughtful in working with a diverse mix of world-class investors as we empower more consumers and merchants with our honest financial products.”

“Affirm’s ability to provide flexible, scalable financing solutions is unparalleled, and we see tremendous opportunity in this partnership,” said Michael Dryden, Partner and Head of Asset Based Finance at Sixth Street. “We look forward to being a key funding partner for Affirm and continuing to build on this relationship to support the company’s growth in the years to come.”

“This partnership represents a major step forward in how we support Affirm’s future growth plans as we continue to generate quality assets at scale by underwriting every transaction,” said Michael Linford, COO at Affirm. “Our capital markets expertise is an important point of competitive differentiation, and we believe this partnership with Sixth Street’s world-class investment team reinforces that.”

Affirm maintains a diverse and durable funding model across multiple channels, including through warehouse facilities, forward flow agreements, and asset-backed securitizations. With more than 130 distinct investors representing a broad range of institution types, Affirm intends to continue its approach of regularly adding capacity across channels and building upon its relationships with its long-term capital partners. As of September 30, 2024, Affirm’s total funding capacity was $16.8 billion, which has grown by more than 50% over the last two years.

Affirm empowers more than 19 million active consumers with a transparent and flexible way to pay over time without late or hidden fees. The company generated over $28 billion in gross merchandise volume (GMV) for the last twelve months ending September 30, 2024.

About Affirm
Affirm’s mission is to deliver honest financial products that improve lives. By building a new kind of payment network – one based on trust, transparency and putting people first – we empower millions of consumers to spend and save responsibly, and give thousands of businesses the tools to fuel growth. Unlike most credit cards and other pay-over-time options, we never charge any late or hidden fees. Follow Affirm on social media: LinkedIn | Instagram | Facebook | X.

About Sixth Street
Sixth Street is a global investment firm with over $80 billion in assets under management and committed capital. The firm uses its long-term flexible capital, data-enabled capabilities, and One Team culture to develop themes and offer solutions to companies across all stages of growth. Founded in 2009, Sixth Street has more than 650 team members including over 250 investment professionals around the world. For more information, visit https://sixthstreet.com or follow Sixth Street on LinkedIn.

Forward Looking Statement
This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended, that involve risks and uncertainties. All statements other than statements of historical fact contained in this press release, including statements regarding Affirm’s future results of operations and financial condition, business strategy, and plans and objectives of management for future operations, are forward-looking statements. In some cases, forward-looking statements may be identified by words such as

“anticipate,” “believe,” “continue,” “could,” “design,” “estimate,” “expect,” “intend,” “may,” “plan,” “potentially,” “predict,” “project,” “should,” “will,” “would,” or the negative of these terms or other similar expressions. Forward-looking statements are based on management’s beliefs and assumptions and on information currently available. These forward-looking statements are subject to a number of known and unknown risks, uncertainties and assumptions, including risks described under “Risk Factors” in Affirm’s Annual Report on Form 10-K for the fiscal year ended June 30, 2024. Except as required by law, Affirm undertakes no obligation to update publicly any forward-looking statements for any reason after the date of this press release or to conform these statements to actual results or to changes in our expectations.

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