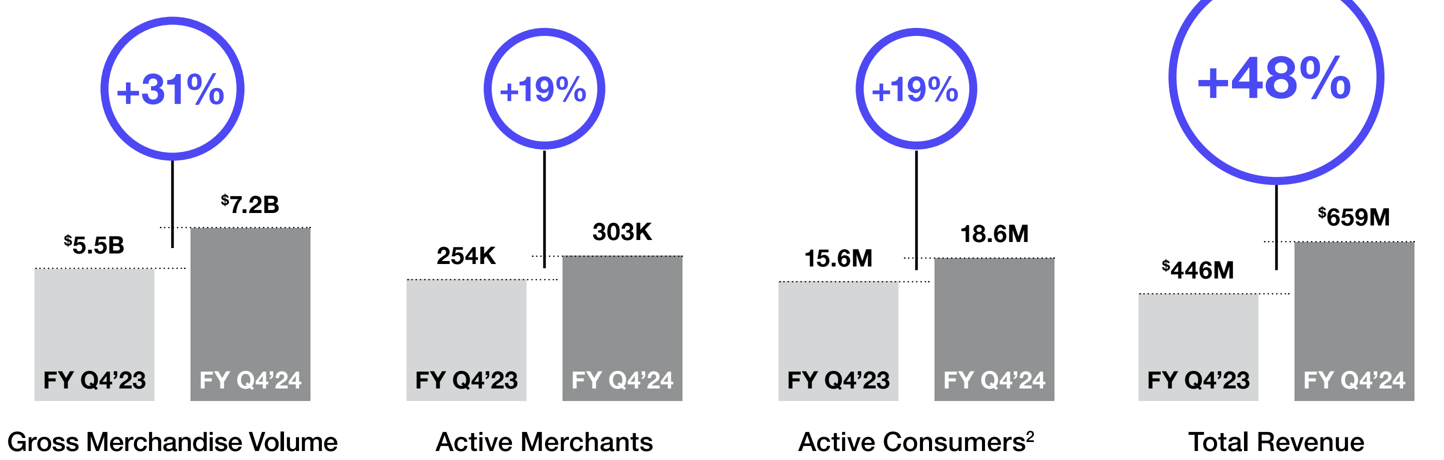
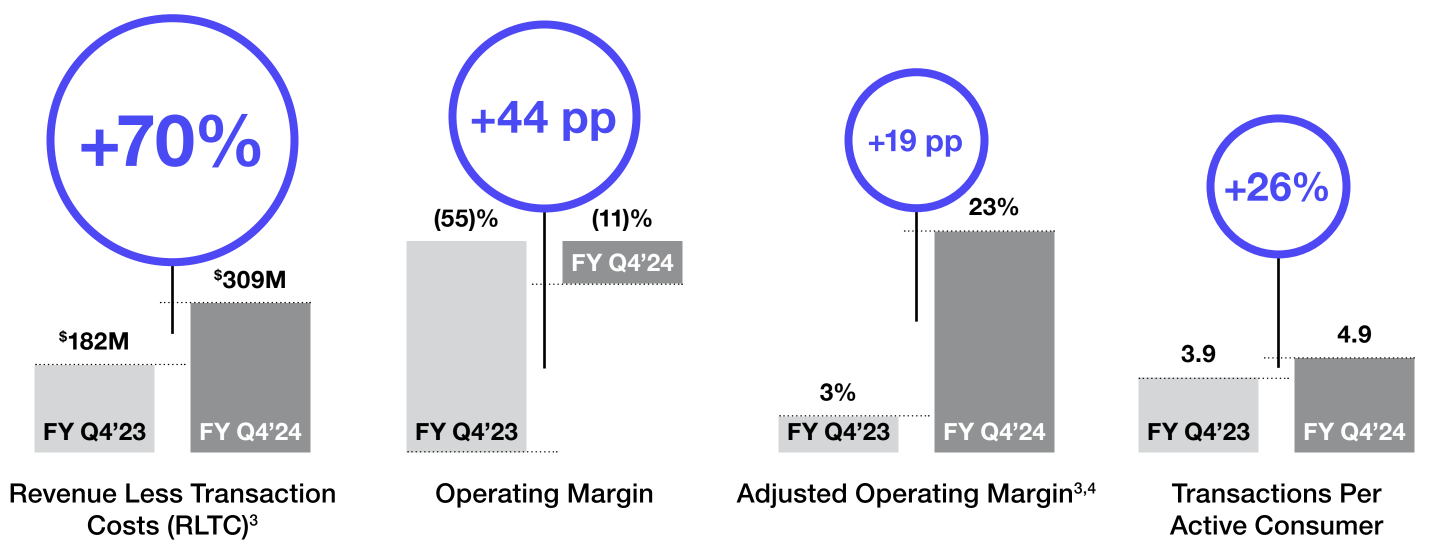
Q4 & FY 2024 Earnings

August 28, 2024

Our Q4 performance by the numbers[1]





1. For more information, please see our Shareholder Letter dated August 28, 2024.
2. Figures are ex-Returnly.
3. See "Use of Non-GAAP Financial Measures" below.
4. For FY Q4'23, operating income (loss) was ($244M) and adjusted operating income (loss) was $15M. For FY Q4'24, operating income (loss) was ($73M) and adjusted operating income (loss) was $150M.

Delivering strong growth with attractive unit economics

Key highlights from the 2024 fiscal year[5]

New active consumers
2.2M

Growth in GMV
32%

Increase in revenue
46%

Increase in RLTC
47%

Revenue as % of GMV
8.7%

RLTC as % of GMV[6]
3.7%

Operating margin increase
+49 pp

Adjusted operating margin increase
+21 pp

Affirm Card active consumers
1.2M

Growth in Affirm Card GMV
293%

% of all transactions from consumers transacting quarterly or more
40%

5. All comparisons are made versus the same period in fiscal year 2023 unless otherwise stated.
6. For fiscal year 2024, total GAAP net revenue was $2.3B, transaction costs were $1.3B, revenue less transaction costs was $994M, and GMV was $26.6B. See "Use of Non-GAAP Financial Measures" below.

Max Levchin
Founder and CEO

"We made great progress in FY'24. The opportunities ahead of us are significant, and we are excited to take full advantage of them. Scaling the Affirm Card, amplifying engagement with personalized incentives, launching exciting new integrations, going live in the UK, and doing it all while achieving GAAP profitability is our plan for FY'25, and we are off to a fine start."

Financial Outlook[7]

GMV

Fiscal Q1 2025
$7.1 to $7.4 billion

Fiscal 2025
More than $33.5 billion

Revenue

Fiscal Q1 2025
$640 to $670 million

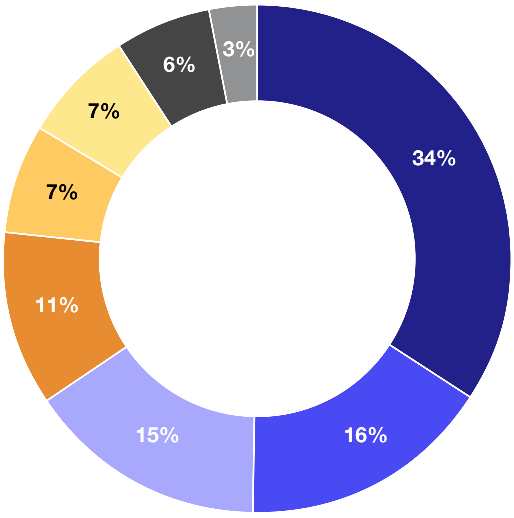
Fiscal 2025
At least 10 basis points higher than FY'24 as a % of GMV

Operating Income

Fiscal 2025
Based upon our current forecast, we expect to achieve operating income profitability on a GAAP basis in FQ4'25 and plan to operate the business going forward in a manner designed to maintain profitability on this basis.

7. Our financial outlook is based on assumptions that are described on page 13 of our Shareholder Letter dated August 28, 2024.

Diversified across categories



FY Q4'24 Industry Gross Merchandise Volume Mix	Category Volume Growth: Q4 Year over Year % Change
General Merchandise	+45%
Travel/Ticketing	+24%
Fashion/Beauty	+15%
Other	+60%
Electronics	+21%
Home/Lifestyle	+6%
Equipment/Auto	+20%
Sporting Goods and Outdoors	(5)%

Cautionary Note About Forward-Looking Statements

This document 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 are forward-looking statements, including statements regarding: the Company’s strategy and future operations, including the Company’s partnerships with certain key merchant partners and commerce platforms as well as its engagement with existing and prospective originating bank partners and card issuing bank partners; the development, innovation, introduction and performance of, and demand for, the Company’s products, including Affirm Card; the Company’s ability to execute on its initiatives; the Company’s ability to maintain funding sources to support its business; acquisition and retention of merchant partners, commerce platforms and consumers; the Company’s future growth, investments, network expansion, product mix, brand awareness, financial position, gross merchandise volume, revenue, transaction costs, operating income, provision for credit losses, and cash flows; and general economic trends and trends in the Company’s industry and markets. These forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Risks, uncertainties and assumptions include factors relating to: the Company’s need to attract additional merchants partners, commerce platforms and consumers and retain and grow its relationships with existing merchants partners, commerce platforms and consumers; the highly competitive and evolving nature of its industry; its need to maintain a consistently high level of consumer satisfaction and trust in its brand; the concentration of a large percentage of its revenue and GMV with a small number of merchant partners and commerce platforms; its ability to sustain its revenue growth rate or the growth rate of its related key operating metrics; its ability to successfully maintain its relationship with existing originating bank partners and card issuing bank partners and engage additional originating bank partners and card issuing bank partners; its ability to maintain, renew or replace its existing funding arrangements and build and grow new funding relationships; the impact of any of its existing funding sources becoming unwilling or unable to provide funding to it on terms acceptable to it, or at all; its ability to effectively underwrite loans facilitated through its platform and accurately price credit risk; the performance of loans facilitated through its platform; the impact of elevated market interest rates and corresponding higher negotiated interest rate spreads on its business; the terms of its securitizations, warehouse credit facilities and forward flow agreements; the impact on its business of general economic conditions, including the impact of inflation, ongoing recessionary concerns, the potential for more instability of financial institutions, the financial performance of its merchant partners and commerce platforms, and fluctuations in the U.S. consumer credit market; its ability to achieve sustained profitability in the future; its ability to grow effectively through acquisitions or other strategic investments or alliances; seasonal or other fluctuations in its revenue and GMV as a result of consumer spending patterns; pending and future litigation, regulatory actions and/or compliance issues; developments in its regulatory environment; the impact of the reduction in its workforce announced in February 2023, including its ability to continue to attract and retain highly skilled employees; and other risks that are described in its most recent Annual Report on Form 10-K and in its other filings with the U.S. Securities and Exchange Commission.

These forward-looking statements reflect the Company’s views with respect to future events as of the date hereof and are based on assumptions and subject to risks and uncertainties. Given these uncertainties, investors should not place undue reliance on these forward-looking statements. The forward-looking statements are made as of the date hereof, and the Company assumes no obligation and does not intend to update these forward-looking statements.

Use of Non-GAAP Financial Measures

To supplement the Company’s condensed consolidated financial statements, which are prepared and presented in accordance with generally accepted accounting principles in the United States (“GAAP”), the Company presents, among other non-GAAP financial measures, revenue less transaction costs, revenue less transaction costs as a percentage of GMV, adjusted operating income and adjusted operating margin.

- The Company defines “revenue less transaction costs as a percentage of GMV” as revenue less transaction costs as a percentage of gross merchandise volume. The Company defines “revenue less transaction costs” as GAAP total revenue less transaction costs. The Company defines “transaction costs” as the sum of loss on loan purchase commitment, provision for credit losses, funding costs, and processing and servicing expense. The Company believes that both revenue less transaction costs and revenue less transaction costs as a percentage of GMV are useful financial measures to the Company and investors of the unit economics and the economic value of transactions processed on the Company’s platform.
- The Company defines “adjusted operating income” as its GAAP operating loss, excluding: (a) depreciation and amortization; (b) stock-based compensation included in GAAP operating loss; (c) the expense related to warrants and share-based payments granted to enterprise partners; and (d) certain other costs as set forth in the reconciliation of adjusted operating income (loss) to GAAP operating loss included in the tables at the end of this letter. The Company defines “adjusted operating margin” as its adjusted operating income, as defined above, as a percentage of its GAAP total revenue. The Company believes that both adjusted operating income and adjusted operating margin are useful financial measures to the Company and investors for evaluating its operating performance and that it facilitates period to period comparisons of the Company’s results of operations as the items excluded generally are not a function of the Company’s operating performance.

The Company uses these and other non-GAAP financial measures in conjunction with financial measures prepared in accordance with GAAP for planning purposes, including the preparation of its annual operating budget, and for evaluating the effectiveness of its business strategy. However, these non-GAAP financial measures are presented for supplemental informational purposes only, and these non-GAAP financial measures have limitations as analytical tools. Some of these limitations are as follows:

- Revenue less transaction costs and revenue less transaction costs as a percentage of GMV are not intended to be measures of operating profit or loss as they exclude key operating expenses such as technology and data analytics, sales and marketing, and general and administrative expenses;
- Adjusted operating income and adjusted operating margin exclude certain recurring, non-cash charges such as depreciation and amortization, the expense related to warrants and share-based payments granted to enterprise partners, and share-based compensation expense, which have been, and will continue to be for the foreseeable future, significant recurring expenses; and
- Other companies, including companies in the same industry, may calculate these non-GAAP financial measures differently from how the Company calculates them or not at all, which reduces its usefulness as a comparative measure.

Accordingly, investors should not consider these non-GAAP financial measures in isolation or as substitutes for analysis of the Company’s financial results as reported under GAAP, and these non-GAAP measures should be considered along with other operating and financial performance measures presented in accordance with GAAP. Investors are encouraged to review the related GAAP financial measures and the reconciliations of these non-GAAP financial measures to their most directly comparable GAAP financial measures and not rely on any single financial measure to evaluate the business.