Affirm Holdings Inc

Promising GMV growth

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Company Overview

Affirm is a leading player in the fast-growing "buy now, pay later" (BNPL) space, which provides consumers with an alternative to traditional credit options, such as credit cards. By offering flexible, transparent loan options that can be paid over time, Affirm aims to make it easier for consumers to make purchases and manage their finances. The company's strong reputation and partnerships have helped to drive significant growth and increase its market share.

Investment Overview

Riding on BNPL adoption growth. BNPL continues to expand globally, offering consumers easy-to-access credit while helping merchants lift ticket size and conversion. Global BNPL volume is on track to grow at a double-digit CAGR through the end of the decade as e-commerce penetration deepens and AI-driven shopping creates new payment touchpoints. As the leading BNPL operator in the US — and the only player with a fully closed-loop network — Affirm is best placed to capture this tailwind.

Partnerships and Affirm Card driving faster-than-peers GMV growth. Affirm's deep integrations with anchor merchants (Amazon, Walmart, Shopify, Costco) and acquirers (Stripe, Adyen) have widened its distribution. The Affirm Card is now the standout growth engine — card GMV surged 146% y/y in FY3Q26, active cardholders reached 4.4mn (~16% of consumer base vs. ~10% a year ago), and cardholders spend ~3x more across the Affirm ecosystem than non-card users. We expect GMV to grow at a 27-30% CAGR over FY26-29F, supported by Card scaling, merchant expansion (515k merchants, +44% y/y), and international ramp via Shopify.

Agentic commerce, banking integration and bank charter unlock new TAM. Affirm's May 2026 Investor Forum laid out a path to USD100bn medium-term GMV anchored on three structural moves: (1) the Google partnership embeds Affirm's pay-over-time options into Google Search AI Mode, Gemini and Google Pay, positioning Affirm at the heart of agentic commerce; (2) Affirm Edge brings BNPL into bank and credit union apps (Fiserv, Old National Bank onboard), opening an estimated USD140bn debit-first TAM; (3) a pending Nevada industrial bank charter could lower funding costs and broaden Affirm's product set over time. Combined with deepening Card adoption, these moves position Affirm for durable GMV and margin compounding.

BUY with TP of USD88. We expect Affirm to deliver robust GMV growth fueled by Card adoption, Google/Gemini integration, Affirm Edge bank-app rollout, and a pending Nevada bank charter. Our valuation is based on 26x FY26F EV/EBITDA, higher than fintech peers, to justify its stronger topline growth in the mid-term.

Risks

Deterioration of customer credit profile, stricter regulatory supervision and loss of major enterprise merchant partners.

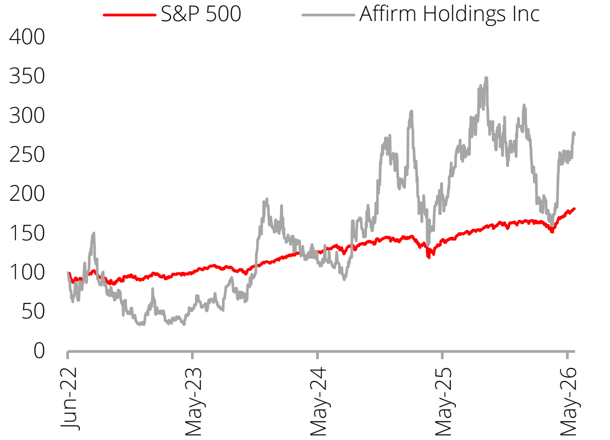
Key Financial Data

Bloomberg Ticker	AFRM US
Sector	Financial Services
Share Price (USD)	73.65
DBS Rating	BUY
12-mth Target Price (USD)	88.00
Market Cap (USD bn)	24.67
Volume (m shares)	6.44
Net Debt/Equity (x)	1.6
Fwd. P/E (x)	39.66
P/Book (x)	6.04
ROE (%)	11.87

Closing Price as of 29 May 2026
Source: Twelve Data, DBS, Visible Alpha

Indexed Share price vs Composite Index Performance

(normalised)



Source: S&P

DBS

Financial Summary (USDmn)

FY Mar	FY2023(A)	FY2024(A)	FY2025(A)	FY2026(F)	FY2027(F)
Sales	1,588	2,323	3,224	4,199	5,240
% y/y	*17.7*	*46.3*	*38.8*	*30.2*	*24.8*
Gross Profit	675.5	994.5	1,482	2,045	2,541
% y/y	*2.0*	*47.2*	*49.0*	*37.6*	*24.3*
EBITDA	14.6	431.9	825.4	1,222	1,565
% y/y	*(20.6)*	*2,856.9*	*91.1*	*48.0*	*28.1*
Net Profit	(985.3)	(517.8)	52.2	431.6	605.2
% y/y	*(239.3)*	*(152.5)*	*(89.9)*	*727.4*	*39.9*
FCF	(108.6)	290.8	601.7	904.1	1,182
% y/y	*(154.3)*	*167.8*	*106.9*	*50.3*	*34.3*
CAPEX	120.8	159.3	192.2	234.6	257.1
% y/y	*40.0*	*31.9*	*20.6*	*22.1*	*9.6*
EBITDA Margin (%)	0.9	18.6	25.6	29.1	30.0
Net Margin (%)	(62.1)	(22.3)	1.6	10.3	11.5
ROA (%)	(13.0)	(5.9)	0.5	3.4	3.7
ROE (%)	(38.2)	(19.7)	1.8	11.9	12.3
Tax Rate (%)	(0.4)	0.4	15.1	6.0	23.9

Source: Visible Alpha

Valuation Metrics

FY Mar	FY2023(A)	FY2024(A)	FY2025(A)	FY2026(F)	FY2027(F)
P/E (x)	(22.1)	(44.1)	460.3	57.5	42.7
P/B (x)	8.6	8.4	8.1	6.0	4.4
Dividend Yield (%)	0.00	0.00	0.00	0.00	0.00
EV/EBITDA (x)	nm	31.6	33.3	24.8	19.3
FCF Yield (%)	(0.5)	1.3	2.4	3.5	4.4

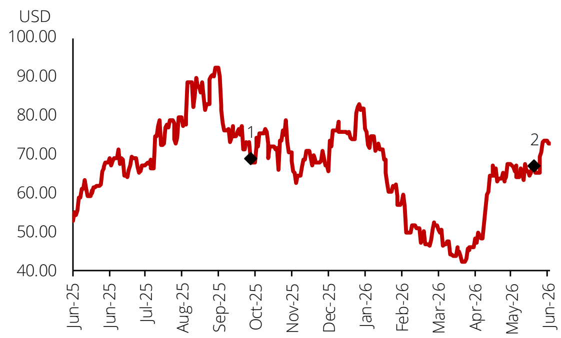
Source: Visible Alpha

Credit & Cashflow Metrics

FY Mar	FY2023(A)	FY2024(A)	FY2025(A)	FY2026(F)	FY2027(F)
Debt / Equity (%)	213.0	240.7	254.8	226.5	206.6
Net Debt / Equity (x)	1.3	1.6	1.8	1.6	1.2
Debt / Assets (%)	66.2	69.1	70.1	67.5	64.7
Net Debt / Assets (x)	0.4	0.5	0.5	0.5	0.4
ST Debt / Total Debt (x)	0.0	0.0	0.0	0.0	0.0
Debt / EBITDA (x)	369.6	15.2	9.5	7.8	7.8
[Cash + CFO] / ST Debt (%)	38.6	16.3	14.3	20.0	24.7
Receivables Days	45.8	55.5	48.2	31.9	31.6
Days Payable	6.6	6.4	9.4	6.6	6.1

Source: Visible Alpha

Target Price & Ratings History



Note: Share price and Target price are adjusted for corporate actions

S.No.	Date	Closing Price	Target Price	Rating
1	16-Oct-25	69.07	63.00	BUY
2	21-May-26	67.18	88.00	BUY

Source: DBS

Analysts: Edmond FOK
Ken SHIH

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**Share price appreciation + dividends*

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