



## Coverage Addition Report: AFRM

### Affirm Holdings, Inc. (NASDAQ:AFRM)

Affirm specializes in point-of-sale “financing”, allowing users to complete purchases that can be paid back in interest-free monthly installments. Buy now, pay back over time, for ordinary items.

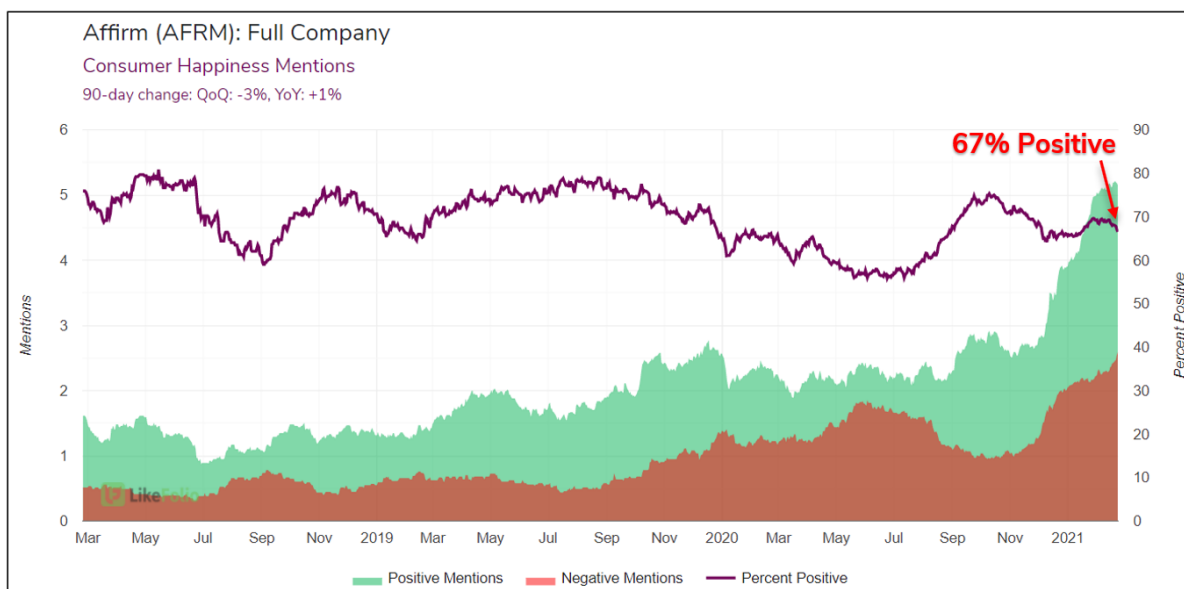
**Current Outlook:** *Bullish*

### Key Points

**Purchase Intent Mentions rose to an all-time high over the last 90 days: +122% YoY.**



**Consumer Happiness is average, but showing signs of improvement: 67% positive in the past 90 days.**



## Trader Commentary:

- **AFRM Purchase Intent Mentions are at an all-time high +122% YoY in the past 90 days** (mentions of using Affirm's point-of-sale loans to finance a purchase).
- **Consumer Happiness is maintaining strength:** Despite the recent influx of consumer demand, sentiment mentions improved **+1%** from the prior year in the past quarter, to an overall score **67% positive**.
- **Consumer Behavior is shifting:** The number of consumers talking about buying products with credit and paying for them later is up **+15% YoY** in the past month.
- **Affirm's [21Q2 earnings results](#) surpassed Wall St. expectations** for both EPS and revenue. The report also revealed growth in several key areas.
  - **Userbase** – AFRM finished the quarter with **4.5 million active consumers**, up **+52%** from the previous year.
  - **Engagement** – Transactions per active consumer increased to 2.2, up **+7%** from the previous year.
  - **Merchant Network** – Affirm reported partnerships with approximately **7,890 merchants**, up **+90%** from the previous year. Meaning, consumers can utilize Affirm's services directly inside retail partner check-out process.
- **Shares of AFRM rose nearly +100%** in its [January 2021 IPO](#), closing around \$97. The stock has since traded as high as \$145, but the recent selloff has brought it back within \$10 of its initial close price.

**We're Bullish.** Our data shows that demand for AFRM is surging to new highs, propelled by underlying consumer spending habits and an expanding merchant network, Affirm generates revenue from helping its partnered merchants, such as Walmart and Shopify, make a sale. We're expecting to see this market newcomer continue to improve sales going forward. Watch out for an official alert soon.

**Next Earnings:** 21Q3 release (for the quarter ending 3 /31/2021) has yet to be announced. Last earnings release for [21Q2](#) (ended 12/31/2020) was on 2/11/21.