

FlexShopper Inc. (FPAY:NASDAQ)

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All figures in USD unless otherwise stated

FlexShopper Inc.	FPAY:NASDAQ
Share Price	\$1.42
Average Daily Volume (K)	137.8
Shares Outstanding (M)	21.5
Market Cap (\$M)	\$30.5
Cash (\$M)	\$7.3
Debt (\$M)	\$149.6
Enterprise Value (\$M)	\$172.8

FYE Dec 31	2023A	2024E	2025E
Sales (\$M)	\$117.0	\$144.2	\$153.6
Sales Growth (YoY %)	4%	23%	6%
Gross Margin (%)	89%	N/A	N/A
EBITDA (\$M)	\$18.9	\$34.3	\$35.3
EBITDA Margin (%)	16%	24%	23%
Net Income (\$M)	(\$4.2)	N/A	N/A

Valuation	2023A	2024E	2025E
EV/EBITDA	9.1x	5.0x	4.9x
P/E	N/A	N/A	N/A
EV/Sales	1.5x	1.2x	1.1x

Please refer to the applicable disclosures on the back page
Source: Atrium Research, CapitalIQ, Company Documents



FlexShopper, Inc. is a leading national financial technology company that provides payment options to consumers. FlexShopper provides a variety of flexible funding options for underserved consumers through its online direct to consumer marketplace and in partnership with partner merchants both online as well as at brick and mortar locations. FlexShopper's solutions are designed to meet the needs of a wide range of consumer segments via lease-to-own and lending products.

What you need to know:

- FlexShopper is an innovative payments provider and online retailer that helps everyday Americans afford products for their homes and other everyday essential items.
- FPAY has major tailwinds in its markets and a strong business model with repeat customers, supporting 23% YoY revenue growth in 2024.
- FPAY also has increasing profitability with gross margins and EBITDA margins expanding significantly in 2024.
- Watch clips of the interview [here](#).

Company Overview

FlexShopper is a leading fintech company that provides lease-to-own (LTO) solutions for consumers seeking affordable access to durable goods, including electronics, furniture, appliances, and automotive equipment. Through its proprietary technology platform, FlexShopper enables consumers with limited credit history or financial constraints to acquire essential products via flexible weekly or monthly payments. The Company operates both an online marketplace, where customers can shop directly, and a point-of-sale (POS) financing solution that partners with retailers to expand payment options for their customers.

Headquartered in Boca Raton, Florida, FlexShopper leverages advanced underwriting technology and data analytics to assess credit risk and facilitate responsible lending. Its omnichannel approach allows consumers to access LTO options seamlessly through e-commerce platforms, retail partners, and direct-to-consumer channels. As the demand for alternative financing solutions grows, FlexShopper continues to innovate its financial technology capabilities, driving customer acquisition and retailer partnerships while positioning itself as a key player in the evolving consumer credit market.

Investment Thesis

Dual Channel Business Model. FPAY's B2C Channel has 50% repeat customers, 1.5x cash-on-cash returns in the first year, and >77K SKUs. Its B2B channel has 36% repeat customers and provides merchants with a 40% increase in financed orders. This resulted in a >500K customer base and 23% revenue growth in 2024.

Increasing Profitability. Over the past year, FlexShopper has significantly improved its profitability with gross margins increasing 400 bps in Q4 and adjusted EBITDA 45% YoY (vs. revenue increasing only 23%).

Large & Growing TAM. FPAY is tackling a large and growing market, targeting millennials and Gen X shoppers. The current TAM is \$40-50B with room to expand into new markets.

Management. FPAY is led by CEO Russ Heiser who assumed the role in 2023 after serving as CFO since 2015. Mr. Heiser brings decades of experience in capital markets. FPAY's Chairman Howard Dvorkin owns 45% of the common shares.

Valuation. FPAY trades at 4.9x 2025E EBITDA and 1.1x 2025E sales.

Conference Takeaways

- Recent rights offering allows the Company to raise capital accretively, paying down debt.
- Continuously growing product offerings with multiple businesses providing different SKUs at competitive price points for approved shoppers.
- Online sales platform creates higher repeat customer base compared to competitors who don't offer products through a similar platform.