

SOFTWARE AND TECHNOLOGY

Square to acquire Afterpay for \$29B

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Square is looking to expand its offerings to more consumers and businesses. Image credit: Square, Inc.

By LUXURY DAILY NEWS SERVICE

Financial services and digital payments company Square, Inc. has agreed to acquire all of the issued shares in Australian financial tech company Afterpay, one of the major players in the "buy now, pay later" ecosystem.

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The acquisition aims to enable the companies to better deliver compelling financial products and services that expand access to more consumers and drive incremental revenue for merchants of all sizes. The closing of the transaction is expected in the first quarter of calendar year 2022, subject to the satisfaction of certain closing conditions.

"Square and Afterpay have a shared purpose," said Jack Dorsey, cofounder/CEO of Square, in a statement. "We built our business to make the financial system more fair, accessible and inclusive, and Afterpay has built a trusted brand aligned with those principles.

"Together, we can better connect our Cash App and Seller ecosystems to deliver even more compelling products and services for merchants and consumers, putting the power back in their hands."

Payment services merge

Square plans to integrate Afterpay into its existing Seller and Cash App business units, enable merchants to offer buy-now-pay-later (BNPL) at checkout, give Afterpay consumers the ability to manage their installment payments directly in Cash App and give Cash App customers the ability to discover merchants and BNPL offers directly within the app.



Buy-now-pay-later makes large purchases more accessible for younger consumers. Image credit: Afterpay

As of June 30, Afterpay serves more than 16 million consumers and nearly 100,000 merchants globally, including major retailers across key verticals such as fashion, homewares, beauty, sporting goods and more.

Afterpay aims to empower consumers to access the things they want and need, while allowing them to maintain financial wellness and control. Afterpay also assists merchants in growing their businesses by helping to drive repeat purchases, increase average transaction sizes and provide their buyers with the ability to pay over time.

BNPL offerings are especially popular with younger consumers, including Gen Z shoppers.

Afterpay is committed to helping people spend responsibly without incurring service fees for those who pay on time, interest or revolving debt, and supports consumers in a number of countries across APAC, North America and Europe.

In May, New York Fashion Week announced a partnership with Afterpay for a multiyear sponsorship deal beginning this September. Through an agreement with IMG, the owner and producer of NYFW, Afterpay will become the event's presenting sponsor.

Afterpay and IMG will also unveil consumer-facing activations leading up to NYFW, including a partnership with New York-based designer LaQuan Smith ([see story](#)).

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