



Hims & Hers Health Inc (HIMS)

Healthcare Sector

March 31th, 2025 – Buy Recommendation Senior Analyst: Jack Valenti Analysts: Max Nannen, Antone Sperry, Michael Patric, Ryan Balland

Section I. Company Overview

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Section III. Risks and Catalysts

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Section I. Company Overview

Analyst(s): Michael Patric and Ryan Balland



Hims & Hers Health Inc (HIMS)

- Hims & Hers Health, Inc. provides health care software solutions. Multi-specialty telehealth platform connects consumers with licensed healthcare providers for conditions related to mental health, sexual health, dermatology, and primary care.
- Hims, initially focused on men's health, launched in 2017. Hers, targeting women's health, was launched in 2018
- Founded by CEO Andrew Dudum along with Jack Abraham and Hilary Coles
- IPO'd in 2021 with a valuation of \$1.6 billion
- Over 2 million active subscribers
- Mission is to eliminate stigmas and make quality healthcare accessible and affordable for all

Financial Summary

Current Price	\$28.94
Dividend Payout Ratio	N/A
52 Week High	\$72.98
52 Week Low	\$11.20
Fully Diluted Shares Outstanding (in millions)	222.17

Enterprise Value (in millions)

Market Cap	\$6,474.0
Add: Total Debt	\$11.34
Add: Minority Interest	\$0
Less: Cash & S.T. Investment	\$300.00

Enterprise Value

Capital Structure (in millions)

Debt	\$11.34
Equity	\$476.72
Total Capitalization	\$588.06

Financial Summary (in millions)

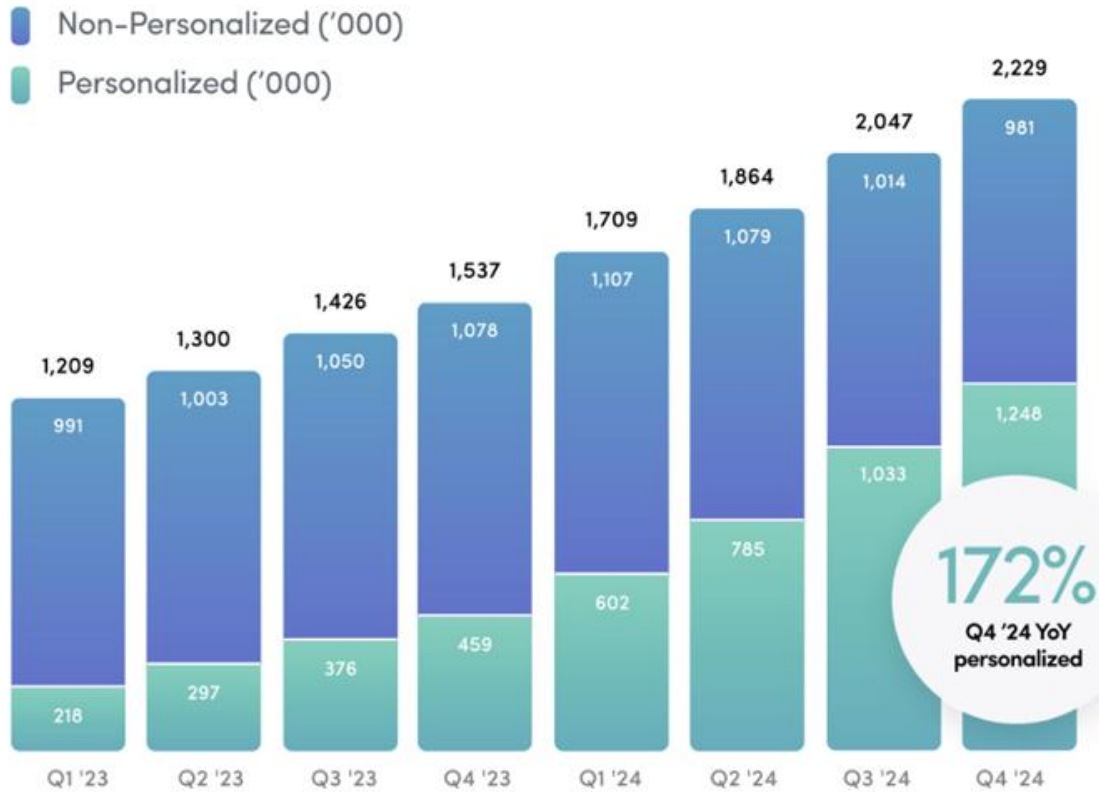
	2023A	2024A	2025E	2026E	2027E
Revenue	\$872.0	\$1,476.5	\$2,310.3	\$2,754.9	\$3,394.6
YOY Growth		69.3%	56.5%	19.2%	23.2%
EBIT	(\$26.0)	\$68.0	\$167.7	\$256.9	\$342.6
YOY Growth		361.5%	146.6%	53.2%	33.4%
EBITDA	(\$16.4)	\$85.1	\$294.9	\$379.4	\$490.0
YOY Growth		618.9%	246.5%	28.7%	29.2%
Net Income	(\$20.8)	\$130.9	\$258.2	\$292.0	\$376.2
YOY Growth		729.3%	97.2%	13.1%	28.8%
Fully Reported EPS	(\$0.10)	\$0.55	\$1.01	\$1.24	\$1.69
YOY Growth		650.0%	83.6%	22.8%	36.3%

- Total 2024 Revenue: \$1.48 billion (69% year-over-year growth from \$872 million in 2023).
- Subscription Revenue: 97% of total revenue
- Wholesale or Retail Partnerships: 3% of revenue
- Weight Management Programs: ~\$200 million from compounded GLP-1 medications. 15% of revenue

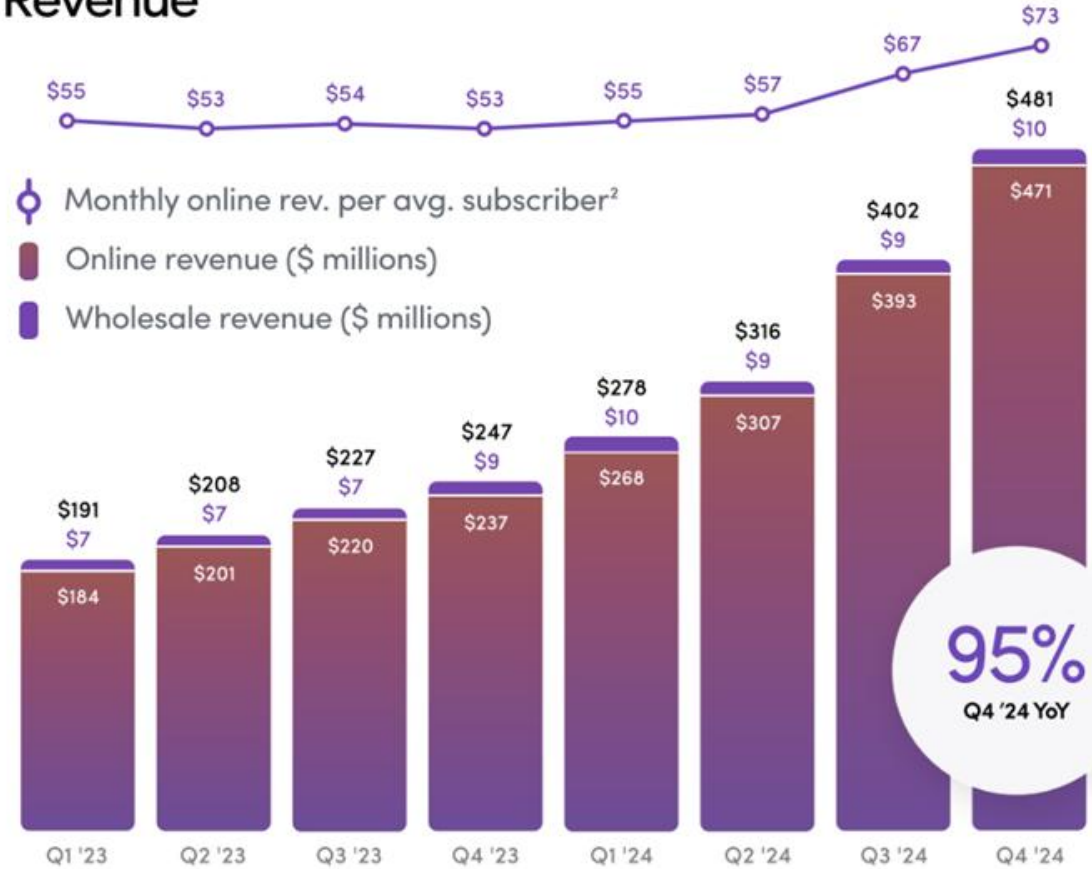
2025 Guidance: 59% revenue growth -> \$2.3 - \$2.4 billion

Revenue growth driven by expanding subscriber base, further complemented by increasing revenue per average subscriber

Subscribers¹



Revenue



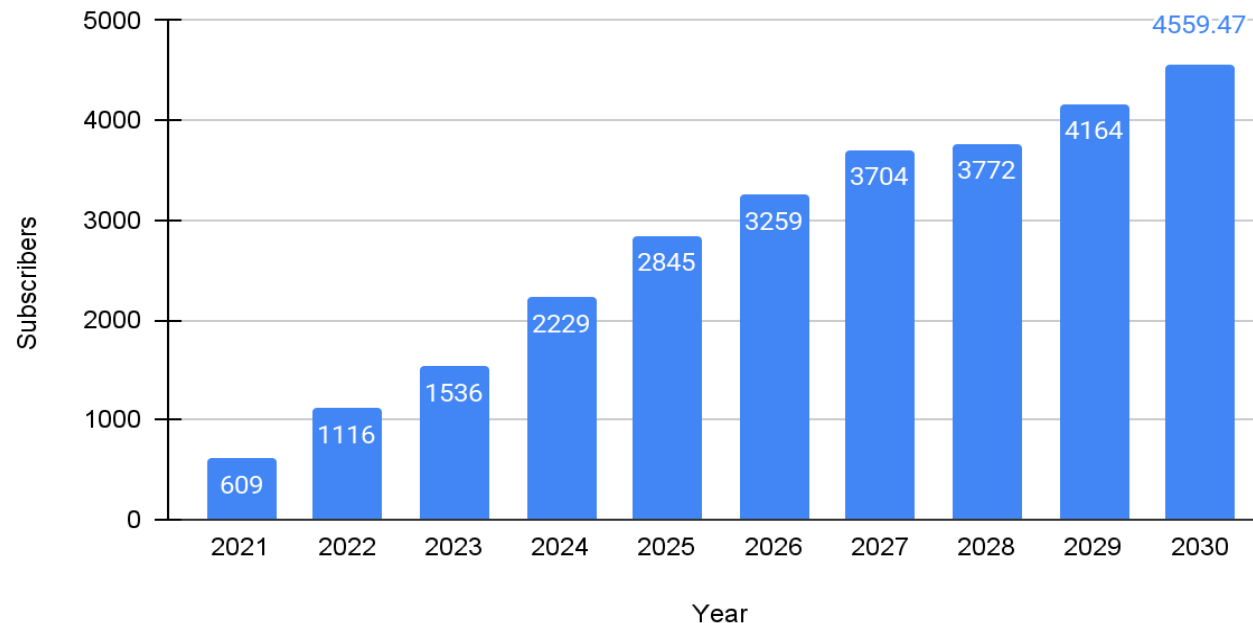
(1) "Subscribers" are customers who have one or more subscriptions pursuant to which they have agreed to be automatically billed on a recurring basis at a defined cadence. (2) "Monthly online revenue per average subscriber" is defined as online revenue divided by "average subscribers", which is presented in the fourth column of the table in this slide. Average subscribers are calculated as the sum of the Subscribers at the beginning and end of a reporting period, divided by 2.

Subscription-Based Telehealth Platform

Connects consumers with licensed healthcare professionals

- 2.2 million subscribers, 45% year-over-year growth
- 82% customer retention rate after three months

Forecasted Subscriber Growth



Monthly plans range from \$20–\$40 for basic services. \$50–\$75 for premium offerings.

Key Offerings

- Prescription medications, consultations, and ongoing care for conditions like sexual health, hair loss, mental health, weight loss, and skincare.

One Time Purchases

- Non-Prescription Products: Includes hair care products, supplements (e.g., biotin gummies), and skincare treatments.
- Over 10,000 medical visits daily
- 30% of customers opt for tailored treatment plans



We continue to address a large, unmet market opportunity

→ 90%

as much as 90% of applicable population yet to seek treatment in some conditions

Through normalizing and innovating, our platform can unlock solutions for millions of potential customers

Sexual Health

80M+ est. US population



Testosterone

Prostate

Menopause

Fertility

Dermatology

80M+ est. US population



Rosacea

Eczema

Mental Health

100M+ est. US population



PTSD

Insomnia

Substance Abuse

Weight Loss

100M+ est. US population

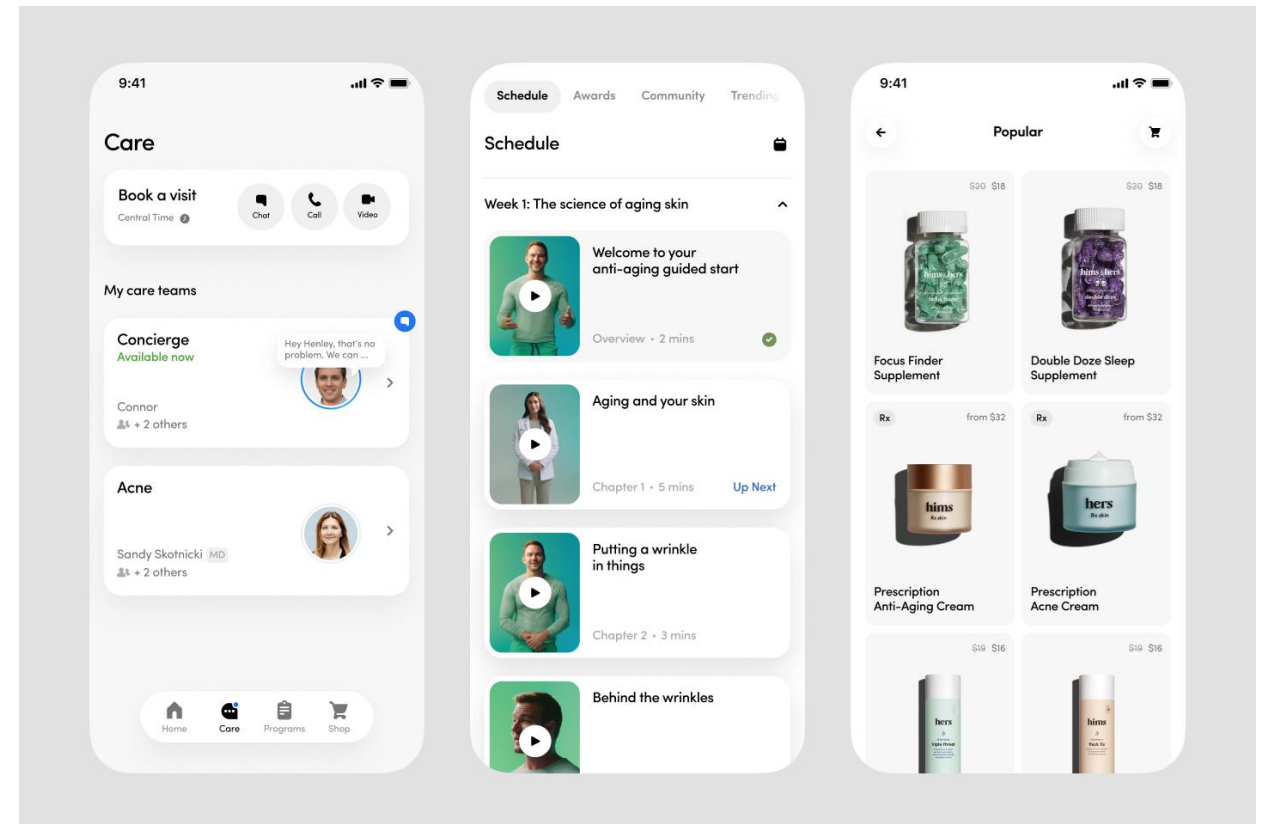


Digestion

Diabetes

Technology Infrastructure

- AI-powered system (MedMatch) for efficient treatment matching
- Website and mobile app offering 24/7 concierge services, virtual consultations, and educational resources.



Retail Partnerships

- Wholesale Revenue: Only accounts for ~3% of total sales but shows strong growth potential.
- Market Presence: Over 20,000 retail locations across the U.S., including Target and Walgreens.
- Purpose: Drives brand awareness and provides an easy entry point for new customers.



Weight Loss Drugs (GLP-1s)

Although this has driven hype to the stock, it's **NOT** the main part of their business (Only 15% of their revenue).

Compounded GLP-1: customized versions of FDA-approved GLP-1 receptor agonists, such as semaglutide or tirzepatide. They are created by compounding pharmacies to tailor the medication to individual patient needs.

The screenshot displays the hims website interface. At the top left is the 'hims' logo, and at the top right is a 'Log in' button with a menu icon. Below the header is a grid of four product cards:

- GLP-1 injections:** A dark brown card with a yellow tag that says 'FSA & HSA eligible'. It features an image of several injection pens and the text 'Doctor trusted treatment options, including daily or weekly injections'. A white button at the bottom says 'See if GLP-1s are right for me'.
- Ozempic®:** A light beige card with a price of '\$1799/mo' and an image of a blue Ozempic injection pen. A link for 'Important safety information' is at the bottom.
- Generic Liraglutide:** A light beige card with the text 'Starting at \$299/mo¹' and an image of a blue Liraglutide injection pen. A link for 'Important safety information' is at the bottom.
- Mounjaro®:** A light beige card with a price of '\$1899/mo' and a right-pointing arrow. A link for 'Important safety information' is at the bottom.

Risks and Limitations:

- **Not FDA-Approved:** While they use FDA-approved ingredients, the compounded medication itself is not subject to FDA safety and quality reviews.
- **Legal Restrictions:** Compounding is only allowed during drug shortages or under specific circumstances. The FDA recently declared the semaglutide shortage over, limiting compounded availability.
 - It remains to be seen how this will play out, but as of now they have until May 22 to stop selling compounded versions of semaglutide



Hims & Hers is scaling its infrastructure to handle up to 40,000 daily visits and investing in AI-driven tools to enhance provider efficiency

- They are positioning themselves to play a larger role in primary care, bridging the gap between telehealth and traditional healthcare.
- Also expressed interest in expanding into markets such as Australia, Germany, Canada, and eventually into key Asian and Middle Eastern regions.





Annotated Price Chart



1. Acquired lab facility for at-home testing and Super Bowl ad promoting cheaper GLP-1

2. FDA declared the semaglutide shortage resolved, requiring Hims & Hers to discontinue compounded GLP-1 offerings after Q1 2025.

Our mission is driven by a desire to improve the lives of our customers and make a positive impact on the wellness industry. We strive to create a supportive and inclusive community where individuals can feel empowered to prioritize their health and well-being.

- **Accessibility:** We are dedicated to making wellness products accessible to all individuals, regardless of their location or circumstances.
- **Affordability:** We believe that cost should not be a barrier to achieving optimal health, which is why we offer products at competitive prices.
- **Empowerment:** We empower our customers to take control of their health by providing them with the tools and resources they need to make informed decisions.
- **Inclusivity:** We are committed to creating a welcoming and inclusive environment where everyone feels valued and supported in their wellness journey.

Sustainability ⓘ

Risk Rating Assessment

Risk Rating Breakdown

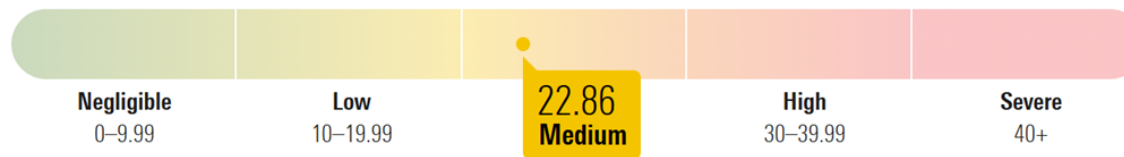
ESG Risk Rating Assessment



Highest Controversy Level (1 = Low, 5 = Severe)

⚠ No Data

ESG Risk Rating



Top Material ESG Issues

—

Overall

—

Overall

—

Overall

ESG Risk Rating is as of Mar 05, 2025. Highest Controversy Level is as of Mar 08, 2025. Sustainalytics Subindustry: Data Processing. Sustainalytics provides Morningstar with company ESG ratings and metrics on a monthly basis and as such, the ratings in Morningstar may not necessarily reflect current Sustainalytics' scores for the company. For the most up to date rating and more information, please visit: sustainalytics.com/esg-ratings/.

versies News

Overview ESG Scores Climate Nature EU Taxonomy SFDR

Inputs Latest

ESG Score

2.43

Below Median

Peer Distribution Pharmacies | CCB BECS »

Trend ESG Score Trending Down 3Y

Metric	Score Level	Weight	Score	Disclosure	Peer Rank
▼ Environmental	Pillar	11.11%	0.00	0%	Lagging
▶ Energy Management	Issue	100.00%	0.00	0%	Lagging
▼ Social	Pillar	55.56%	1.04	0%	Below Median
▶ Data Security & Customer Privacy	Issue	58.40%	2.00	0%	Median
▶ Product Quality Management	Issue	41.60%	0.00	0%	Lagging
▼ Governance	Pillar	33.33%	7.10	100%	Leading
▶ Board Composition	Theme	35.00%	8.23	100%	Leading
▶ Executive Compensation	Theme	24.94%	5.90	100%	Leading
▶ Shareholder Rights	Theme	24.94%	5.40	100%	Lagging
▶ Audit	Theme	15.12%	9.79	100%	Leading

Section II. Industry Overview

Analyst(s): Antone Sperry

What is Telehealth?

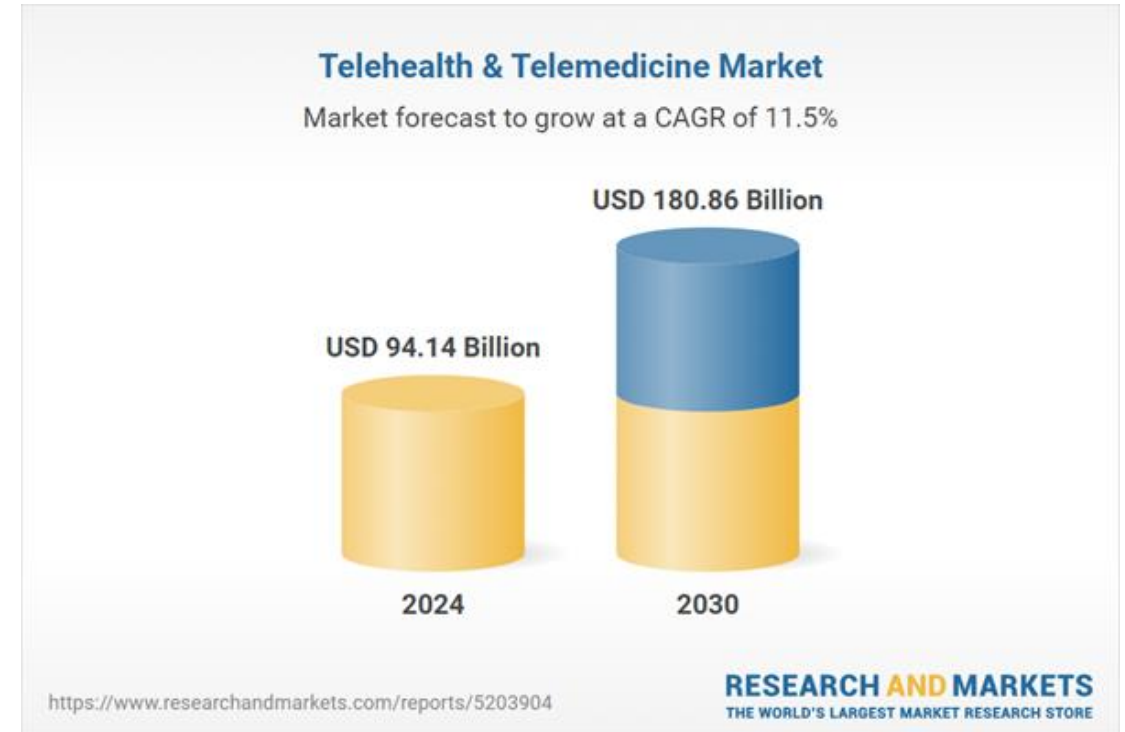
- Access to healthcare services digitally
- Virtual consultations
- Mobile health apps
- Prescription services and online pharmacies
- Patient monitoring





Telehealth

- Industry valued between \$90 - \$125 billion in 2024 (global)
- Convenient and easy
- Looked at as a very promising, high growth industry



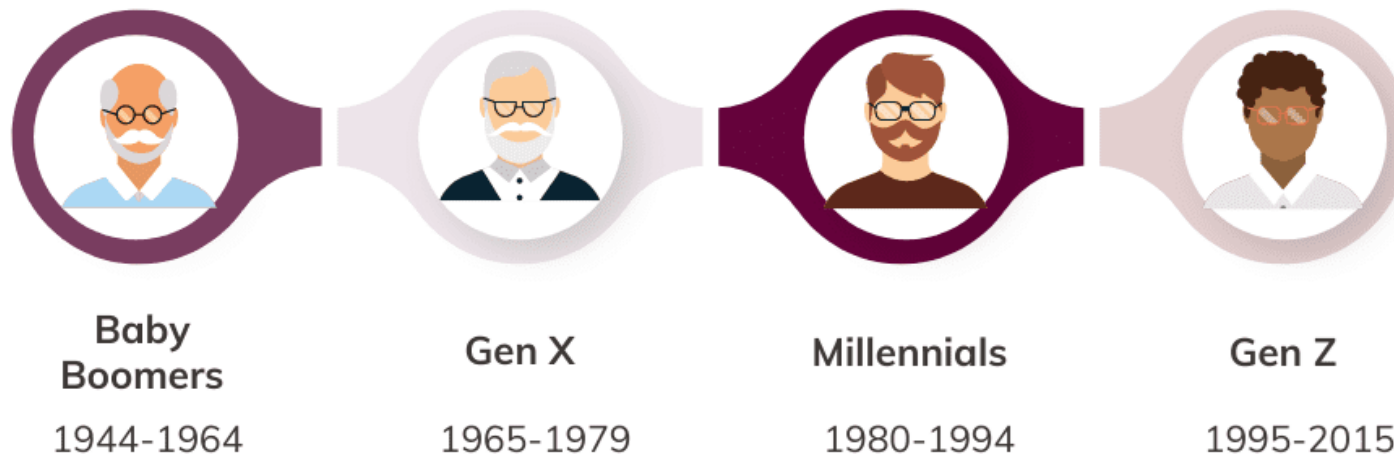
Expected CAGR : 11.5%

Young People are More Health-Conscience

Gen Z and Millennials are reported to be much more aware of their overall health.

They make up 55% of the world's population

These 2 generations are extremely familiar with the internet and online shopping



Keeps

 **GoodRx**

ro

 **one medical**
amazon


Section III. Risks and Catalysts

Analyst(s): Max Nannen



Risks and Catalysts

Risks

- **High Current Multiples:** (P/E Ratio at 54.98) (EV/EBITDA at 74.4)
- **Stock Volatility:** (Beta of 1.37) down 35% past month
- **Ultra Competitive Market:** Direct, established competition. Retail and E-Commerce giants like Amazon Pharmacy, Walmart and Costco are expanding their healthcare services.
- **Tariffs:** On Friday, March 28, President Trump announced incoming tariffs on pharmaceuticals.
- **Weight Loss Drug Shortage Is Over:** FDA declared shortage over, potentially ending Hims ability to sell compounds

Catalysts

- **Revenue Growth:** Hims & Hers has shown fantastic revenue growth, reporting a 95% YoY revenue increase in Q4 of 2024.
- **New Products:** Always looking for the next big trend. The opportunity for weight loss drugs was there and they pounced. This mentality will allow them to continue to keep growing
- **Branding and Marketing:** Strong branding and aggressive marketing ads featuring celebrities like Snoop Dogg and Rob Gronkowski.
- **Domestic Production:** Hims & Hers has vertically integrated operations, including domestic compounding pharmacies and manufacturing facilities (e.g., California and Arizona), reducing reliance on imported pharmaceuticals

Section IV. Valuation

Analyst(s): Jack Valenti

Comparable Company Analysis



Comparable Company Analysis

Company	Stock Price As of: 3/30/2025	Stock Performance YTD	Stock Price 52 Week Range	Market Value of Equity	Enterprise Value	EV / LTM			Margins / LTM			Total Debt / Equity	Levered Betas	Price / Book	
						Sales	EBITDA	PE	Gross	EBITDA	EBIT				
Option Care Health, Inc. (OPCH)	\$34.73	53.0%	\$21.39 - \$35.53	\$5,740.0	\$6,550.0	1.3x	16.5x	23.5x	20.3%	7.9%	6.7%	0.87x	1.33	4.1x	
Haemonetics Corporation (HAE)	\$63.19	(19.1%)	\$58.80 - \$97.97	\$3,170.0	\$4,080.0	3.0x	13.8x	12.6x	53.3%	21.5%	13.1%	1.43x	0.43	3.5x	
Chemed Corporation (CHE)	\$605.70	14.3%	\$512.12 - \$642.68	\$8,865.0	\$8,830.0	3.6x	19.0x	24.0x	35.1%	19.1%	16.5%	0.013x	0.43	7.9x	
CorVel Corporation (CRVL)	\$111.36	0.09%	\$76.20 - \$128.61	\$5,720.0	\$5,590.0	6.4x	40.3x	65.6x	22.4%	15.9%	12.6%	0.098x	1.07	19.0x	
						Mean	3.6x	22.4x	31.5x	32.8%	16.1%	12.2%	0.60x	0.8x	8.6x
						Median	3.3x	17.8x	23.8x	28.8%	17.5%	12.9%	0.48x	0.8x	6.0x
Hims & Hers Health Inc (HIMS)	\$29.14	20.5%	\$11.20 - \$72.98	\$6,470.0	\$6,180.0	4.2x	74.4x	49.0x	79.5%	5.7%	4.2%	0.024x	1.37	13.6x	

Source: SEC Filings 10K, 10Q and Yahoo Finance

Multiples Analysis



Share Price

\$29.14

Multiples Valuation

EBITDA Multiple Company Valuation (\$in millions, except per share data)	NTM EBITDA	Implied Reference Range			Implied Reference Range		
		Low	—	High	Low	—	High
EBITDA	\$294.00	14.0x		30.0x			
Implied Enterprise Value Reference Range					\$4,116	—	\$8,820
(-) Net Debt					(289)	—	(289)
Implied Equity Value Reference Range					\$4,405	—	\$9,109
Fully diluted shares (millions)					213	—	213
Implied Share Price					20.68	—	42.76
<i>Implied Price Premium (%) to current share price as of most recent close</i>					(29.0%)		46.8%

Sales Multiple Company Valuation (\$in millions, except per share data)	NTM Sales	Implied Reference Range			Implied Reference Range		
		Low	—	High	Low	—	High
Sales	\$2,310.31	2.5x		4.2x			
Implied Enterprise Value Reference Range					\$5,776	—	\$9,703
(-) Net Debt					(289)	—	(289)
Implied Equity Value Reference Range					\$6,065	—	\$9,992
Fully diluted shares (millions)					213	—	213
Implied Share Price					28.47	—	46.91
<i>Implied Price Premium (%) to current share price as of most recent close</i>					(2.3%)		61.0%

Multiples Analysis

Company	EV/NTM EBIT	Current FY Y/Y EBIT Growth	Fwrđ 2-yr EBIT CAGR	Current 12-Month Estimate Revision Trends	EBIT Multiple / 2-yr EBIT CAGR
CloudFlare	154x	19.6%	29.6%	+19.6%	5.20x
Palantir	141x	39.3%	35.7%	+52.4%	3.95x
CrowdStrike	92x	15.7%	26.7%	-4.9%	3.44x
Snowflake	142x	57.2%	53.8%	-6.9%	2.63x
Axon	66x	26.2%	26.0%	+12.3%	2.54x
Cava	66x	26.1%	26.5%	+159%	2.49x
Shopify	71x	29.3%	29.8%	+7.9%	2.38x
Airbnb	19x	5.5%	9.4%	-15.9%	2.02x
JFrog	45x	18.3%	22.8%	-2.6%	1.97x
Zscaler	49x	28.6%	26.7%	+8.8%	1.83x
Datadog	53x	-0.4%	32.2%	-5.5%	1.64x
Okta	26x	21.6%	17.5%	+26.9%	1.48x
Trade Desk	26x	12.0%	17.5%	-12.4%	1.48x
GitLab	65x	51.1%	47.3%	+125%	1.37x
Duolingo	54x	40.6%	40.6%	+26.1%	1.33x
MongoDB	60x	-23.7%	46.1%	-27.2%	1.30x
Roblox	40x	32.4%	32.6%	+34.9%	1.23x
Confluent	116x	160%	123%	+17.7%	0.94x
Adyen	31x	34.7%	34.1%	+0.8%	0.91x
On	28x	34.4%	31.8%	-13.2%	0.88x
Spotify	45x	77.8%	53.2%	+78.0%	0.84x
Celsius	25x	41.5%	32.9%	-32.6%	0.76x
Hims	30x	66.6%	46.6%	+84.3%	0.64x
Block	13x	20.1%	22.3%	+7.4%	0.58x
DraftKings	24x	57.2%	44.0%	-2.7%	0.54x
SoFi	18x	29.4%	34.5%	+4.7%	0.52x
Averages	57x	35.4%	36.3%	+20.8%	1.73x

Discounted Cash Flow - Base Case

Weighted Average Cost of Capital - WACC			
Stock Price	\$29.14		
Fully Diluted Shares Outstanding	222.17		
Equity Value	\$6,474.03		
Total Debt	11.4		
Cash	(300)		
Minority Interest	0		
Enterprise Value	\$6,185.13		
Equity	\$6,474.03	Cap %	99.8%
Debt	11		0.2%
Total Capitalization	\$6,485.38		100.0%
Capital Asset Pricing Model - CAPM			
10 year T-Bill / Risk Free Rate	4.36%		
Equity Risk Premium	4.639%		
Beta	1.37		
Cost of Equity	10.7%		
Tax Rate	9.5%		
Cost of Debt	5%		
Cost of Preferred Stock	0		
WACC	10.7%		
WACC Driver	10.7%		

Discounted Cash Flow - Base Case

hims & hers



SIMM
STUDENTS IN MONEY MANAGEMENT

Tax Rate

9.5%

hims & hers

Discounted Cash Flows (#'s in Millions, except per share data)	Period Ended Dec. 31st					
	2024A	2025E	2026E	2027E	2028E	2029E
EBITDA	\$85.1	\$294.9	\$379.4	\$490.0	\$663.5	\$841.0
Less: Depreciation & Deductible Amortization	(17.1)	(23.8)	(27.5)	(29.6)	(52.9)	(62.3)
EBIT	\$68.0	\$271.1	\$351.9	\$460.4	\$610.6	\$778.7
Taxes	(\$6)	(\$26)	(\$33)	(\$44)	(\$58)	(\$74)
Tax-Effectuated Unlevered Taxable Income	\$62	\$245	\$318	\$417	\$553	\$705
Plus: Depreciation & Deductible Amortization	17	24	28	30	53	62
Plus: Working Capital Surplus / (Deficiency)	(\$81)	22.0	(41.0)	(46.0)	(46.0)	(50.0)
Less: Capital Expenditures	(42)	(18.0)	(19.0)	(36.0)	(46.0)	(66.0)
Unlevered Free Cash Flow	(\$44)	\$273.2	\$285.9	\$364.3	\$513.5	\$651.0
Discount Periods - Mid Year Convention	(0.5)	0.5	1.5	2.5	3.5	4.5
Discount Rate - WACC	10.7%					
Present Value of ULFCF		\$259.6	\$245.5	\$282.5	\$359.7	\$411.9
Sum of Present Value of ULFCF	\$1,559.2					
NPV	\$1,481.9					

Discounted Cash Flow - Base Case

Valuation Methodology

Terminal EBITDA Method

Exit Year EBITDA	\$841.0
Multiple	13.5x
Terminal Value	11,353.5
WACC / Discount Rate	10.7%
Discount Period	4.5
Net Present Terminal Value	\$7,184.0
Present Value of ULFCF	1,559.2
Implied Enterprise Value	\$8,743.2
Current Debt	11
Cash	(300)
Minority Interest	0
Net Debt	(289)
Implied Equity Value	\$9,032.1
Diluted Shares Outstanding	222.17
Implied Share Price	\$40.65

Sensitivity Analysis

	Terminal EBITDA Multiple			
	13.0x	13.5x	14.0x	14.5x
\$40.65				
9.7%	\$40.76	\$42.01	\$43.26	\$44.51
10.2%	\$40.10	\$41.33	\$42.55	\$43.77
10.7%	\$39.46	\$40.66	\$41.86	\$43.06
11.2%	\$38.84	\$40.01	\$41.19	\$42.36
11.7%	\$38.23	\$39.38	\$40.53	\$41.68

Discounted Cash Flow - Base Case

Valuation Methodology

Perpetuity Method

Unlevered Free Cash Flow	\$651.0
Growth Rate	4.0%
Terminal Value	\$10,097.0
WACC / Discount Rate	10.7%
Discount Period	4.5
Net Present Terminal Value	\$6,388.9
Present Value of ULFCF	1,559.2
Implied Enterprise Value	\$7,948.2
Current Debt	11
Cash	(300)
Minority Interest	0
Net Debt	(289)
Implied Equity Value	\$8,237.1
Diluted Shares Outstanding	222.17
Implied Share Price	\$37.08

Sensitivity Analysis

Perpetuity Method

\$37.08	3.0%	3.5%	4.0%	4.5%
9.7%	\$37.99	\$40.53	\$43.52	\$47.09
10.2%	\$35.37	\$37.53	\$40.03	\$42.98
10.7%	\$33.10	\$34.95	\$37.08	\$39.54
11.2%	\$31.13	\$32.72	\$34.54	\$36.63
11.7%	\$29.39	\$30.78	\$32.35	\$34.14

Technical Analysis - 200 Day Moving Average



Section V. Investment Thesis

Analyst(s): Jack Valenti



hims and hers Investment Thesis

Company Overview - Growth

- Hims & Hers Health, Inc. provides health care software solutions. Telehealth platform connects consumers with licensed healthcare providers for conditions related to mental health, sexual health, dermatology, and primary care
- Over 2 million monthly subscribers
- Rapidly growing

Risks & Catalysts

- Recent stock volatility
- FDA declares GLP-1 shortage over
- Pharmaceutical Tariffs
- Strong growth
- Brand recognition
- Strong Leadership

Business Model / Growth Strategy

- Leverage their direct-to-consumer model and retain subscribers
- Expanding its product offerings into high-demand areas

Valuation

- We performed terminal and perpetuity DCF valuations
- In addition, we used comparable companies to derive market multiples to help derive a price target
- Of these values, we used an equally weighted valuation to come up with our price target of **\$40.00**

Investment Thesis - Buy

- Leader in rapidly growing industry
- Innovative solutions for real problems faced by many

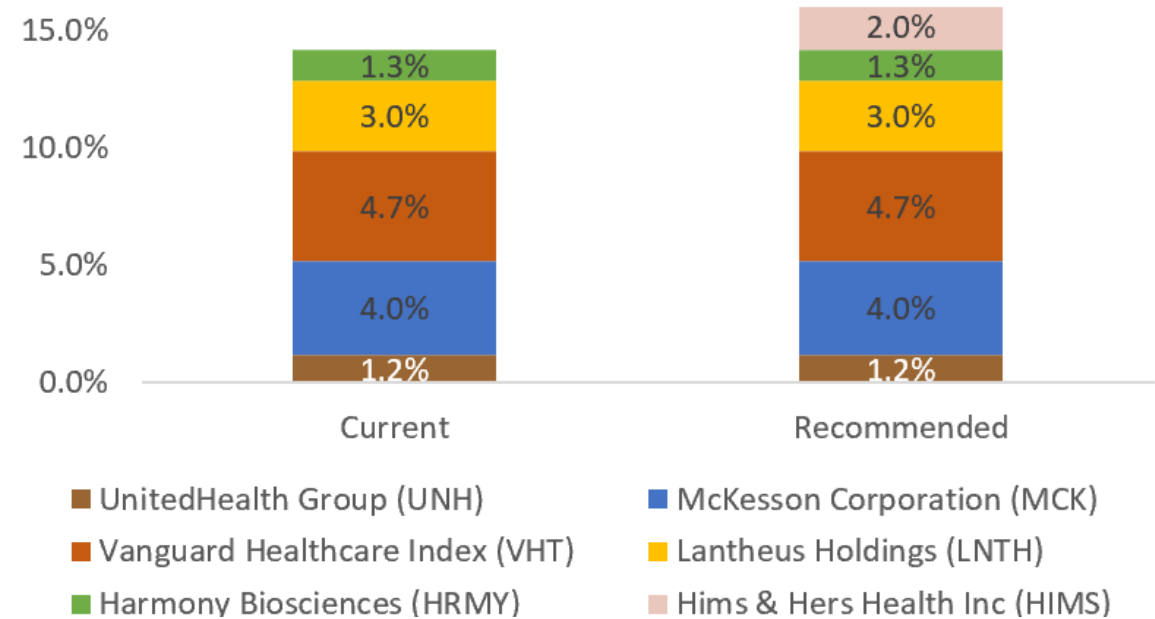


Recommendation

Recommendation

*“We want to initiate a **2.0%** position in Hims & Hers Health Inc at a price target of **\$40.00**, representing a **37.3%** potential upside from the current market price.”*

Change in Healthcare



Buy Recommendation

Endowment Shares	125.0
Unrestricted Shares	325.0
Total Shares	450.0
Market Price	\$29.14
Price Target	\$40.00
Potential Upside %	37.3%
Cost Basis	(13,113.0)
Potential Market Value	18,000.0
Potential Return	\$4,887.0
% of Portfolio	2.0%