

Hims & Hers' Q1 earnings highlight benefits of increased marketing spending and an online/in-store presence

Article

The news: Hims & Hers reported positive growth in its Q1 earnings report.

Key stats:

- **Q1 revenues swelled 94% YoY**, from \$52.3 million to **\$101.3 million**. This marked the **first time** Hims & Hers' quarterly revenues **surpassed \$100 million**.
- Hims & Hers witnessed its **largest ever bump in membership** this past quarter. Its subscriptions grew to 710,000 (an 82% YoY increase).
- Its massive subscription growth was attributed in part to its **new mobile platform**, which drove organic adoption, according to CEO Andrew Dudum.
- Hims & Hers **spent \$823,000** on marketing in Q1—less than half than what it spent in Q1'21 (\$1.85 million).

How we got here: Hims & Hers upped marketing spend and diversified its health offerings following its public debut in 2021.

Its membership spike shows that its hefty marketing investment in 2021 paid off.

- It increased its marketing investment from \$20 million in Q1 2021 to \$28 million in Q3 and Q4 of 2021.

And it's been expanding its footprint and product lines.

- It scaled its online and in-person sales to 20,000+ retail locations via partnerships with **CVS, Walgreens, Walmart, GNC, Bed Bath & Beyond, Amazon**, and fashion retailers **Revolve** and **Urban Outfitters**.
- It **acquired** virtual dermatology startup **Apostrophe** and UK-based virtual hair loss clinic **Honest Health** in June 2021.
- And it **expanded** its digital mental health offerings in July 2021.

What's next? Rising inflation and the slowdown of pandemic-era economic growth could make it harder for Hims & Hers to meet sales expectations and membership growth milestones.

The company's omnichannel presence could cushion it from a sales slump, though.

- **80% of consumers prefer to use digital channels** (like online messaging and virtual appointments) when communicating with their healthcare providers at least some of the time. **44% prefer it a majority of the time**, [per](#) Redpoint Global's December 2021 research.
- Most of Hims & Hers' revenues in Q1 came from its online sales (\$94.1 million) vs. its retail sales (\$7.2 million).

Leading Venture Capital Funded Digital Health Categories Worldwide, Q1 2021

millions

Telemedicine	\$2,000
mHealth apps	\$912
Analytics	\$906
Clinical decision support	\$661
Wellness	\$559

Source: Mercom Capital Group, "Q1 2021 Digital Health Funding and M&A Report" as cited in company blog, April 15, 2021

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