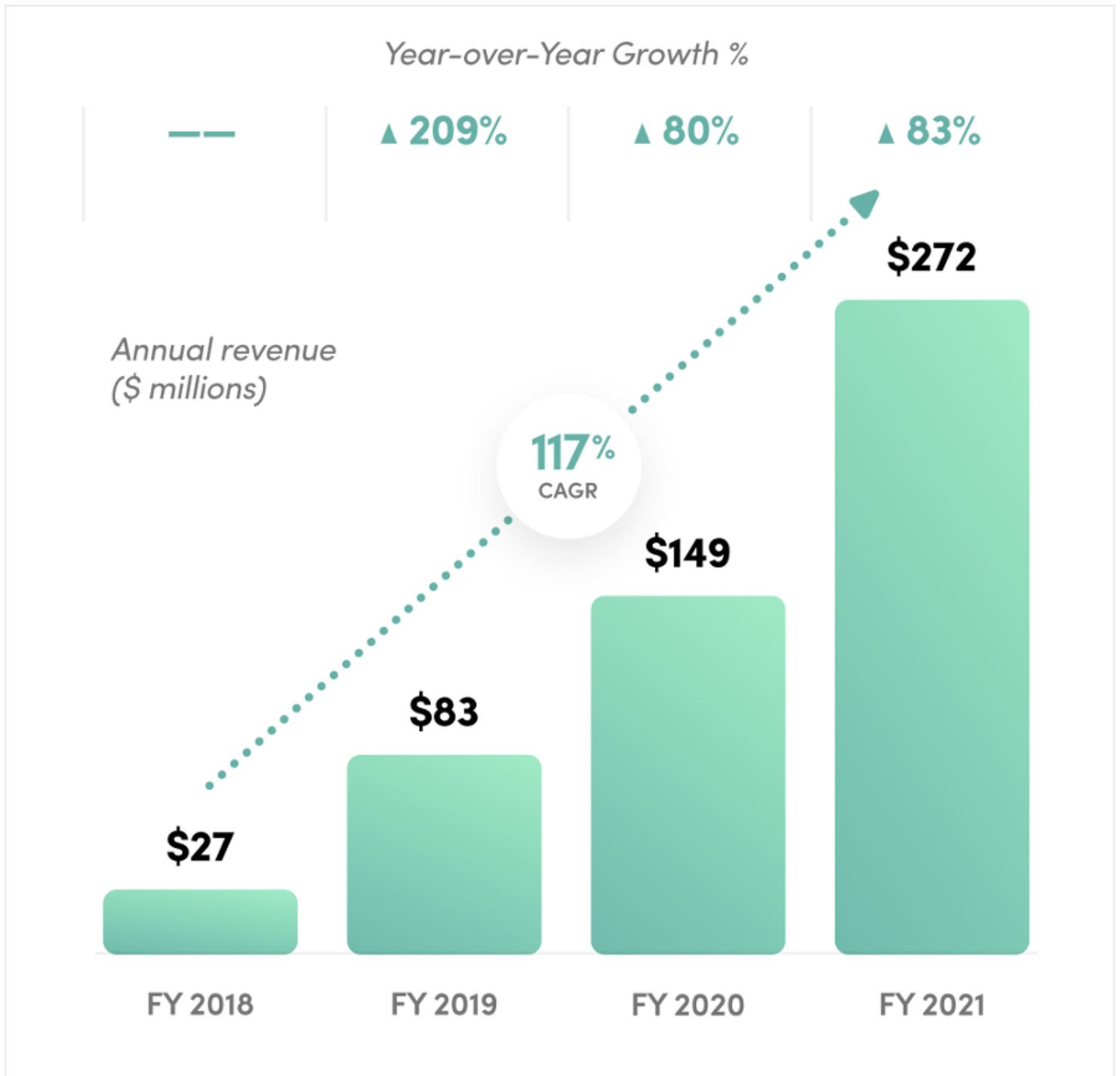


# Hims & Hers' boost in revenues and users underscores the rise of D2C healthcare

Article

**The news:** Direct-to-consumer (D2C) telehealth firm **Hims & Hers** reported strong growth in revenues and users for 2021 and the last quarter in its recently released [Q4 2021 earnings](#).

- Its revenues grew **83% year-over-year** from **\$148.8 million** in 2020 to **\$271.9 million** in 2021.
- Hims & Hers also reported **2.4 million virtual visits** in 2021—**up from 1.6 million** in 2020.
- And its **membership nearly doubled** year-over-year from **312,000** in 2020 to **609,000** users in 2021.
- It's projecting **2022 revenues to grow from 34% to 40%** to reach between **\$365 million and \$380 million**.



**How we got here:** Hims & Hers was busy scaling in 2021, and it's reaping the benefits of its banner expansion year.

- It hit the ground running with a January 2021 [public debut](#) via a SPAC deal.
- It also increased its marketing to boost customer acquisition—and it paid off: It **increased its marketing investment from \$20 million in Q1 2021 to \$28 million in Q3 and Q4**, and saw its

member base skyrocket in the same time period.

- And 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**.



Hims & Hers has also been spending time to verticalize its business:

- For example, it's gradually shifting its pharmacy fulfillment services in-house, away from its **Truepill-powered** operations.
- And it's been expanding its product lines. It **acquired** virtual dermatology startup **Apostrophe** and UK-based virtual hair loss clinic **Honest Health** in June 2021, and **expanded** its digital mental health offerings in July 2021.

**Trendspotting:** D2C healthcare companies are on a growth tear—Hims & Hers is just one of the most notable key players.

- In H1' 2021, **over one-quarter (27%) of all funded digital health companies were operating solely on a D2C model**, up from 22% of cash recipients last year, **per** Rock Health.

**The appeal of D2C healthcare:** For consumers, subscription-based healthcare can be a more affordable option than the traditional care funnel. Meanwhile, D2C companies and investors

can quickly reap returns without dealing with administrative hoops of the traditional healthcare chain (involving insurers/employers, for instance).

**The challenge:** While the D2C healthcare model can ease access to healthcare for consumers, it also creates unique challenges.

- For example, since D2C companies rely on widespread marketing to capture customers. That means they have to deal with high customer acquisition costs compared with traditional providers who already have built-in channels (insurance) sending patients their way.