

hims

Hims & Hers Acquisition Proposal

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hims & hers

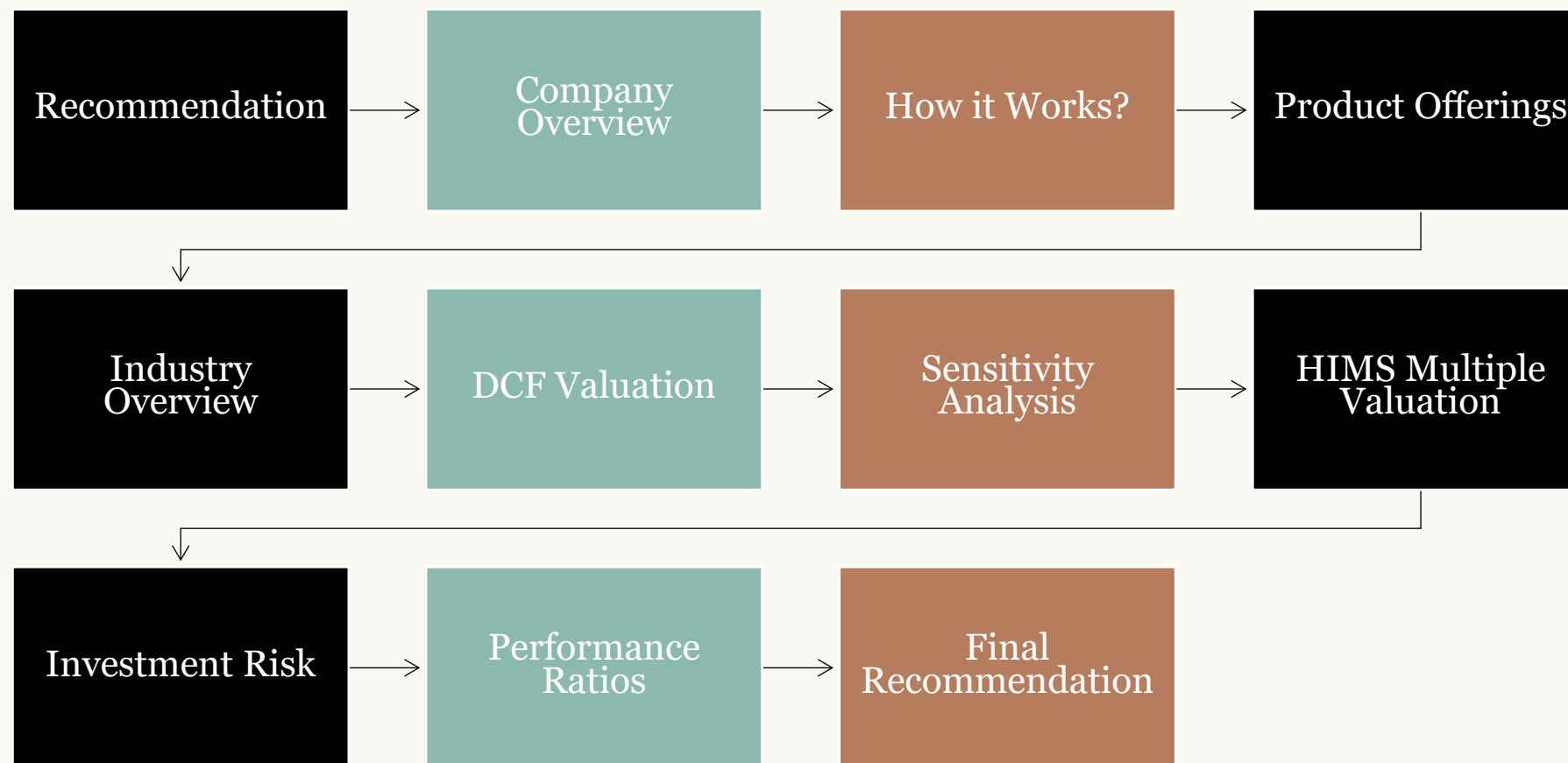
“For Him. For Her. For You.”

Owen Brinker, Carson Neuer, Brendan Buback, Sam MacAlpine

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Agenda

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Recommendation: Buy

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Recommendation Overview

Share Price	*\$31.49
Target Price	\$48.80
Upside	54.96%
Position in Fund (546 Shares)	~5%

*Valuation Share Price as of 3/18/2025

Investment Basis

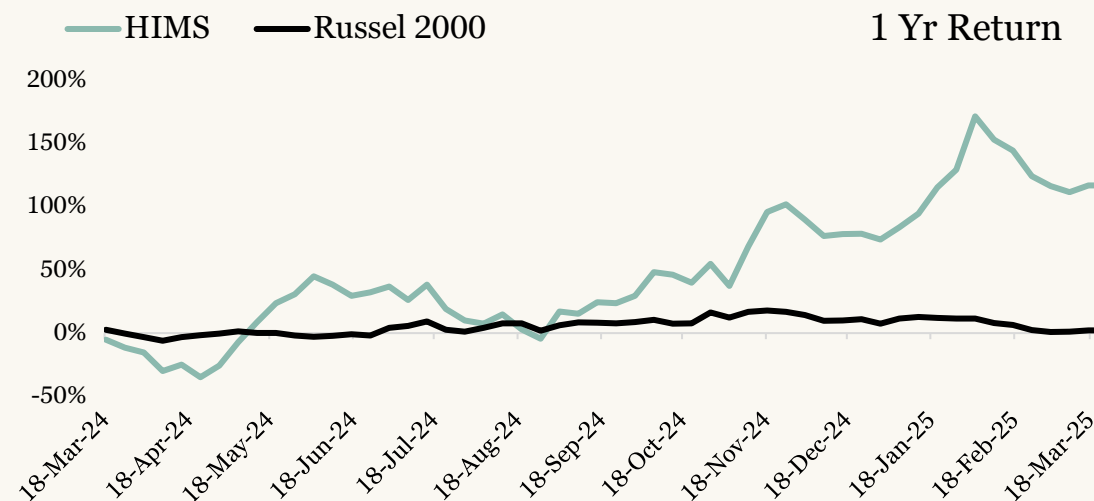
High
Expected
Revenue
Growth in
Coming Years



Leader in
Growing
Industry



Strong DCF
and Multiples



Data Source: Bloomberg

Hims & Hers Health stock is continuing to gain strength on the back of reports out last week, that the company's exit from the GLP-1 market may not be as imminent as feared. On Wednesday last week, The Wall Street Journal reported that Hims & Hers "will keep offering pharmacy-made, or compounded, versions of Ozempic and Wegovy tweaked to individual prescriptions."



Founded: 2017 | Headquarters: CA | Employees: 1600+



First-Mover in the Direct-To-Consumer Digital Health & Wellness Space



Over 2.2 Million Active Subscribers



Vertically Integrated Telehealth and Consumer Health Products



Current CEO: Andrew Dudam, Co-Founded Hims In 2016

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How Hims and Hers Works

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Input health history

Health information is
sent safely and securely
for privacy

Connect with a licensed
provider

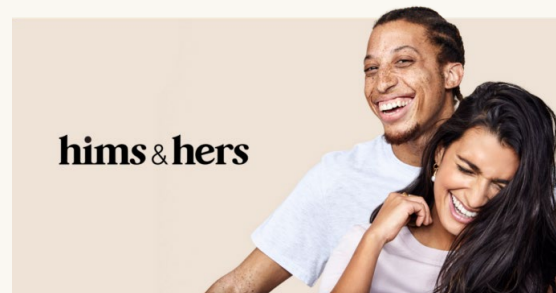
Obtain prescription plan

"The difference was noticeable from the first night! I was able to get it up faster, last longer, and was able to go multiple rounds with my partner."

Trevor, 31
Hard Mints



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"When my treatment arrived, let's just say: my wife and I haven't had that much fun in a long time. Now, we schedule weekly date nights and get to enjoy one another again. I couldn't be happier with the results."

Patrick, 49
Sildenafil Chews



"I am down 18 pounds. Weight Loss by Hers curbs my appetite, the doctors are amazing, and I have no doubt I will be my goal weight in no time."

Toni, 41

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Product Offerings

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- Weight loss
- Hair regrowth
- Having longer sex
- Having better sex
- Anxiety medication
- Skin care

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- Weight loss
- Anxiety medication
- Control your cycle
- Grow fuller hair
- Skin care
- Wellness supplements

"Revenue excluding our GLP-1 offering increased 43% year-over-year to over \$1.2 billion in 2024, meeting our previous 2025 revenue target a year early"



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Product Offerings Cont.

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Sexual Health

80M+ est. US population

ED



PE



Cardio



Birth Control



STDs



Libido



Testosterone

Coming Soon

Prostate

Menopause

Coming Soon

Fertility

Dermatology

80M+ est. US population

Hair Loss



Acne



Aging



Rosacea

Eczema

Mental Health

100M+ est. US population

Anxiety



Depression



PTSD

Insomnia

Substance Abuse

Weight Loss

100M+ est. US population

Metabolic Disorders



Insulin Resistance



Appetite Control



Digestion

Diabetes

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Industry Overview

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📁 Sector: Healthcare

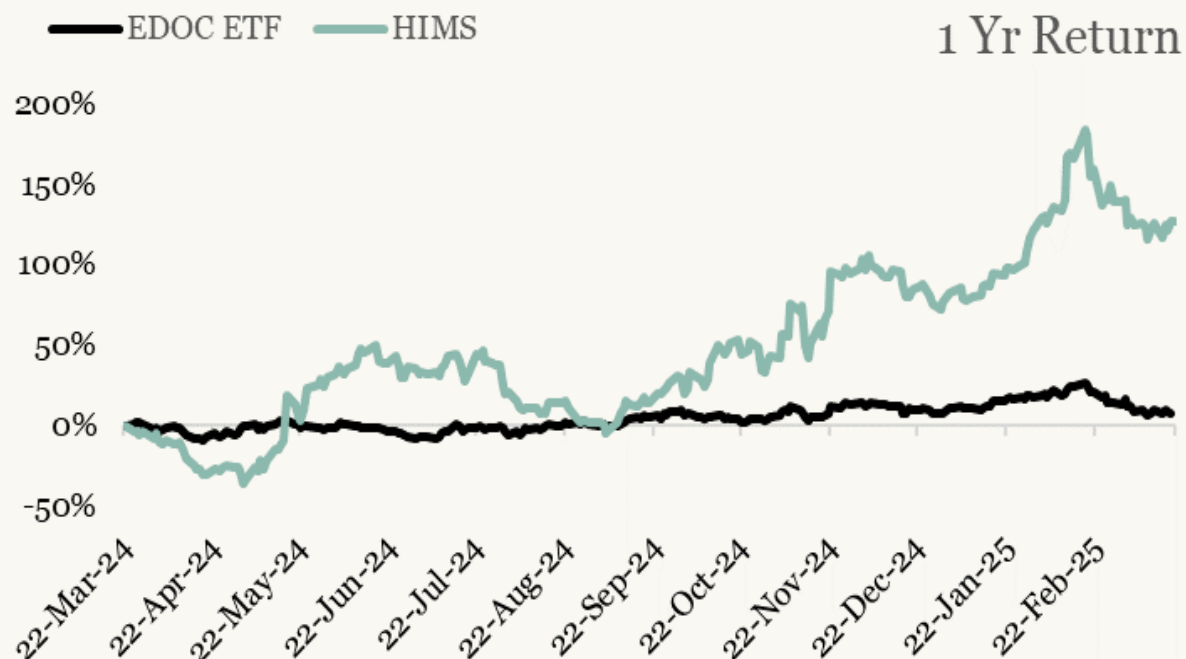
📈 Projected Market Growth is increasing

🏠 Appeals to those who value convenience, privacy, and ease of access to healthcare

➡ Provides direct to consumer healthcare products

🧠 Tele-pharmacy: online pharmacy and medication management

"Today, more than two million customers trust Hims & Hers daily with their care. Through their experiences on our platform, we know that it has never been more true that the time is now for high-quality, accessible, affordable, personalized care for people across the country."



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Ratio Analysis

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HIMS

Current Ratio: 1.79

Quick Ratio: 1.36

Debt-to-Equity: 1.98%

Gross Margin: 79.45%

Profit Margin: 8.54%

ROC: 29.94%

EDOC (Industry)

Current Ratio: 1.67

Quick Ratio: 1.33

Debt-to-Equity: 50.82%

Gross Margin: 41.67%

Profit Margin: -3.35%

ROC: 6.23%

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DCF Valuation & Bull/Bear

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FCFF DCF	Bull	Base	Bear
Revenue CAGR	50.41%	46.88%	34.44%
R&D Expense Margin	5.3%	5.3%	10.6%
Target Price	\$55.07	\$48.80	\$28.65
Upside (Downside)	74.87%	54.96%	-9.01%

Avg EBCOGS Growth Rate since 2021:
77.22%

WACC: 12.93%

Long-Term Growth Rate: 2.74%

Enterprise Value: \$2.552 Billion

Net Debt: (\$222.584 Million)

Equity Value: \$2.72 Billion

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Sensitivity Analysis

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WACC						
Long Term Growth Rate	\$48.80	11.50%	12.00%	12.93%	13.00%	13.50%
	4.00%	\$65.44	\$61.02	\$54.13	\$53.68	\$50.59
	3.50%	\$62.04	\$58.08	\$51.84	\$51.42	\$48.59
	2.74%	\$57.62	\$54.21	\$48.77	\$48.40	\$45.91
	2.50%	\$56.38	\$53.12	\$47.90	\$47.54	\$45.14
	2.00%	\$54.00	\$51.01	\$46.20	\$45.87	\$43.64

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HIMS Multiple Valuation

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Multiple Valuation - NVO Multiples

HIMS Implied Share Price - EV/Revenue Multiple	\$68.08
HIMS Implied Share Price - EV/EBITDA Multiple	\$64.72
HIMS Implied Share Price - PE Multiple	\$54.43
HIMS Implied Share Price - Average of Multiples	\$62.41
HIMS Market Price as of close on 3/18/25	\$31.49
Undervalued	98.20%

Comparable Analysis: Novo Nordisk (NVO) is used due to strong presence in the healthcare and wellness industry

NVO Multiples: When applying Novo Nordisk's valuation multiples to HIMS, the implied valuation for HIMS is lower than its current market price

Valuation Risk: NVO is viewed as a stable healthcare company; HIMS can still be perceived as a high-growth but riskier bet in the telehealth space

Factors**Market Risks**

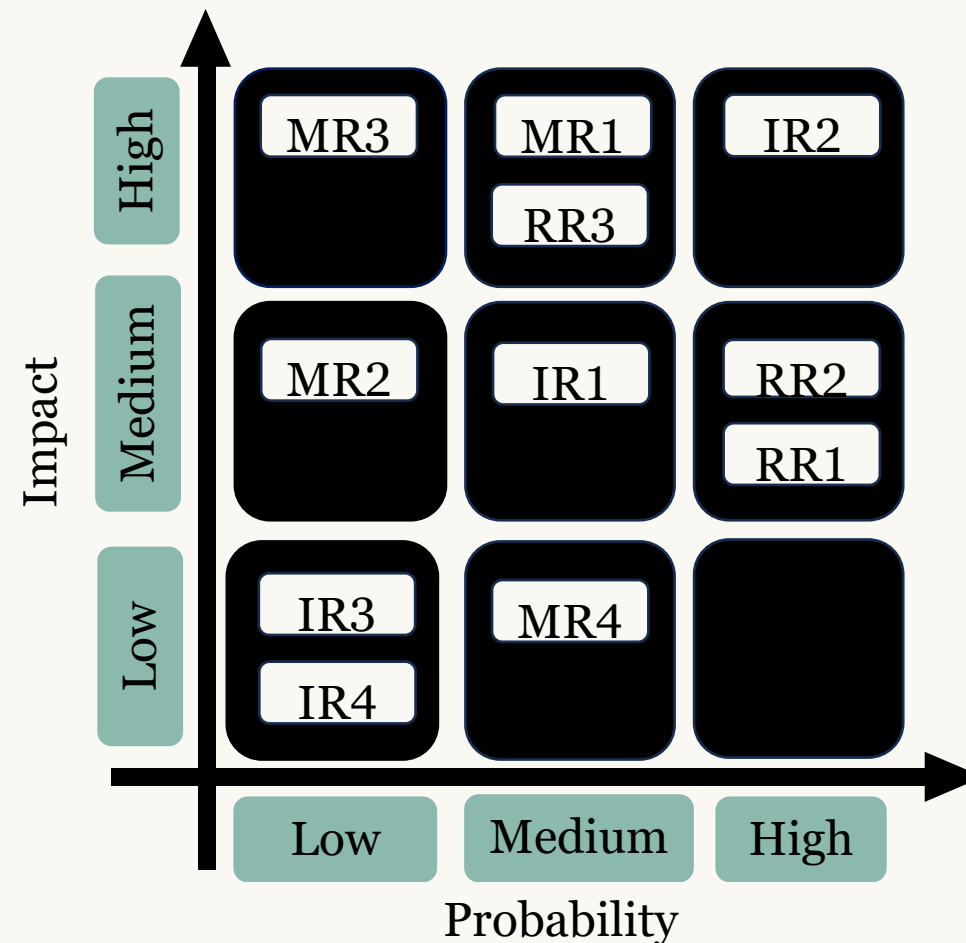
- MR1: Competitive pressure
- MR2: Consumer acceptance
- MR3: Customer acquisition
- MR4: Dependence on partner pharmacies and shippers

Internal Risks

- IR1: Innovation
- IR2: Sustainability of revenue growth rate
- IR3: Executive retention
- IR4: Customer retention

Regulatory Risks

- RR1: Telehealth regulation
- RR2: Compliance & licensing
- RR3: Liability risk



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Performance Ratios

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Before

Sharpe Ratio: .39

Jensen Alpha: 6.39

Treynor Ratio: .08

After

Sharpe Ratio: .51

Jensen Alpha: 9.77

Treynor Ratio: .11

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Final Recommendation

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FINAL
RECOMMENDATION:
BUY TOTAL OF 546
SHARES (~5%)



HIGH SALES GROWTH
POTENTIAL FOR YEARS
TO COME



COMPANY IS AN
INDUSTRY LEADER IN
A HIGH-DEMAND
MARKET



DCF ANALYSIS AND
MULTIPLES SIGNAL
CONTINUED GROWTH

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Exit Strategy & Vote

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Exit Strategy

Downside: \$30.00 (~20%)

Upside: Target Price of
\$48.80

Reevaluate at either prices

HIMS for Seger?

