

FINANCIALS

- Q2 2025 revenue: \$545 million, 73% YoY growth
- Subscribers: over 2.4 million, +73,000 QoQ, 31% YoY growth
- Adjusted EBITDA: \$82 million in Q2; margin north of 15%, +3 points YoY
- Gross margin: 76%, +3 points QoQ, driven by growth outside weight loss specialty
- G&A costs: increased due to executive hiring and organizational restructuring; G&A as % of revenue improved 1 point YoY but deleveraged 4 points QoQ
- Tech & development costs: 7% of revenue, up 1 point YoY and 2 points QoQ due to talent investment; expected to increase further
- Marketing: 40% of revenue, investment slowed in Q2 due to volatility, expected to increase in H2 2025 with seasonality and new geographies/offering launches
- Free cash flow: negative \$69 million in Q2 due to investments in new form factors, automation, and working capital; expected to turn positive in H2 2025
- Cash & short-term investments: over \$1.1 billion
- Buyback program: \$65 million remaining

GUIDANCE

- Q3 2025 revenue: \$570 million - \$590 million (42%-47% YoY growth)
- Q3 adjusted EBITDA: \$60 million - \$70 million (~11% margin midpoint)
- Full year 2025 revenue: \$2.3 billion - \$2.4 billion (56%-63% YoY)
- Full year adjusted EBITDA: \$295 million - \$335 million (~13% margin midpoint)
- Weight loss revenue target for 2025: at least \$725 million (inclusive of oral weight loss offering >\$100 million)
- Expect temporary headwinds from GLP-1 shipment cadence changes and sexual health on-demand specialty rotation; daily sexual health growing strongly (~40% of total sexual subscribers and ~65% of new sexual subscribers in Q2)
- Marketing investment to increase in H2 2025 supporting new geographies, specialties, and lab/hormonal support launches with adherence to capital allocation framework targeting payback period < 1 year
- Long-term revenue retention target: 85%+
- Continued investment in technology, especially AI and engineering talent, focused on personalization and platform scaling
- Inventory increase in Q2 seen as a near-term supply chain strengthening due to specialty launches and global volatility; not expected to continue at same pace
- No meaningful tariff or capacity pressures currently expected; robust CapEx plans to support subscriber growth long-term

PRODUCTS & SERVICES

- Serving over 2.4 million subscribers with personalized medical treatments
- Weight loss specialty:
 - Customers on personalized GLP-1 inclusive treatment for 6 months lost 10.3% average body weight
 - Treatment discontinuation rate at 6 months only 25%, much better than ~80% seen in publicly available studies
 - Key retention drivers: provider access (average 6 provider interactions in first 3 months), white-glove customization (dose adjustments), and app-based tools (trackers, education)
 - Oral weight loss offering contributes over \$100 million of 2025 revenue target
- Sexual health specialty:
 - Daily offerings growing strongly and yielding better retention compared to on-demand; deliberate rotation from on-demand to daily
 - Daily treatments now include hair loss, cardiovascular health, soft tissue support, and vitamin optimization
- Upcoming launch of hormonal health specialty (menopause, low testosterone treatments) expected soon with wide range of treatments including compounded generics, branded, and specialty products
- Vertical integration of lab testing via recent acquisition to support hormonal health and future standalone lab testing service
- Planned future expansion into longevity health offerings integrating lab work, compounding, peptides, and proactive interventions
- Platform enhancements with AI-powered personalized agents for 24/7 patient support, global-ready scalable architecture for international expansion, and strong focus on AI governance and ethics
- Membership model vision similar to Amazon/Netflix/Costco for more accessible, preventive health care options

INTERNATIONAL EXPANSION

- July acquisition of Zaba to expand presence in UK and Europe (Germany, Ireland, France) with plans to integrate UK operations and accelerate growth in these markets
- Entry planned into Canada in 2026 focusing initially on holistic weight loss program, especially aligned with availability of generic semaglutide
- Canadian pricing for generics anticipated to be ~\$75-\$100 vs branded \$200-\$400, enabling significant market access increases given 2/3 adult overweight or obese population
- Long-term plan to enter Latin America and Asia leveraging expanded technology and engineering capability
- International business considered a key growth lever toward 2030 targets; long-term multibillion-dollar revenue potential in a limited number of focused markets (not a broad spray approach)
- Canada expansion to use both Hims & Hers and acquired Zaba brands independently

SUPPLY CHAIN & OPERATIONS

- Ensuring durable inventory levels and supply chain resilience amid global volatility and tariff uncertainty; Q2 inventory build seen as a near-term anomaly to strengthen supply for new specialties
- API sourcing from high-quality FDA-registered, GMP-compliant facilities domestically and overseas with rigorous testing; no meaningful tariff impact expected
- Capacity for 503A and other products sufficient to support subscriber growth for this year and beyond as per management confidence and ongoing CapEx investments
- Lab testing acquisition and vertical integration to enhance control over diagnostics and testing capabilities, initially supporting hormonal health and future offerings

TECHNOLOGY & PLATFORM

- New Chief Technology Officer appointed, bringing experience from partnerships with regulatory bodies and AI scaling for decision-making
- Focused on building a unified data and intelligence platform to:
 - Personalize and scale care delivery
 - Automate fulfillment, inventory, routing processes to increase efficiency
 - Continuously improve with AI over time
- Developing AI-powered personalized agents to offer 24/7 support and increase patient engagement and outcome likelihood
- Platform designed for global scalability with modular, secure, cost-effective architecture to adapt to varied regulatory environments
- Emphasis on AI governance, safety, human oversight, and bias mitigation to build ethical technology
- Planned integration of data from lab testing and wearables to enhance diagnostics, treatments, and follow-up care
- Upcoming developments include AI models, chatbots, and dynamic customer support enhancing personalized treatments and engagement

LEADERSHIP & TALENT

- New CTO hired with demonstrated experience in AI and regulatory collaboration
- Investments in technology talent increasing, with expectations for continued hiring to support AI initiatives and platform development
- Organizational restructuring undertaken to improve agility and scalability globally
- Executive additions contributed to elevated G&A costs and operational restructuring expenses, including severance and sign-on bonuses in Q2
- Multimarket and specialty expansion supported by recent acquisitions and engineering talent growth

CATALYSTS & STRATEGIC INITIATIVES

- International expansion accelerated by acquisition of Zaba, setting up footprint in UK, Europe, and planned 2026 launch in Canada
- Hormonal health specialty launch imminent, supported by verticalized lab testing capabilities
- Laboratory testing to be introduced as a standalone offering in upcoming quarters, expected to become a significant revenue category
- Future longevity care initiatives planned combining lab data, compounding, and peptide facilities to shift toward proactive, preventive care
- Continued transition toward personalized treatment offerings to drive retention and long-term revenue stability
- Planned marketing ramp in H2 2025 for specialty launches and geographic expansions, maintaining disciplined capital allocation with payback periods under 1 year
- AI-driven platform improvements expected to rapidly deliver operational and engagement benefits within 3 to 6 months
- Commitment to build a preventive health platform transforming patient interaction from reactive treatment to proactive health maintenance, with membership options akin to subscription models in other industries

CUSTOMER & MARKET INSIGHTS

- Strong engagement demonstrated across specialties with high provider interaction frequency and personalized treatment plans driving retention and clinical success
- Sexual health on-demand business consciously being rotated out in favor of higher-retention daily offerings
- Weight loss specialty showing robust demand despite headwinds from GLP-1 offboarding and regulatory shipment cadence changes
- Expansion into new specialties expected to broaden addressable market and improve holistic subscriber health management
- Customer-centric platform positioning as disruptive alternative to traditional healthcare systems, emphasizing personalized, accessible, and high-quality care

RISK & UNCERTAINTY

- Revenue recognition and shipment cadence shifts in GLP-1 specialty cause temporary revenue headwinds expected to normalize by end of 2025
 - Marketing efficiency volatility observed in Q2 due to previous collaborations onboarding/offboarding; expect stabilization and improvement in H2
 - Operating internationally involves regulatory complexity and market-specific challenges requiring careful management and focus on select key markets
 - Organizational changes and investments increase near-term costs but aim to enhance long-term scalability and competitiveness
 - Regulatory and competitive pushback on personalized treatment approaches especially in newer specialties acknowledged but company confident in market trends favoring its model
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This structured summary captures key topics and details from the Hims & Hers Q2 2025 earnings call.