

Global Health (ASX:GLH) rockets 20% higher on business update

[Aaron Teboneras](#) | October 26, 2020

The **Global Health Limited** ([ASX: GLH](#)) share price has rocketed higher following the release of a trading update for FY21.

On the opening bell, shares in the med tech company lifted 38% to 47 cents from the news. However, its shares have slightly come back to earth, and are now trading up 20.59% to 41 cents.

Let's take a look and see how Global Health performed for the quarter.

Q1 performance update

For the period ending 30 September, Global Health reported a strong result. The uplift in its key financial metrics continues to track a positive trend over the past 2 years.

Monthly recurring revenue from its software-as-a-service (SaaS) platforms achieved 13% growth on the previous corresponding period (pcp).

Underlying customer revenue increased by 21% to \$1.46 million, driven by demand in healthcare providers switching to digital technology.

[Earnings before interest, tax, depreciation and amortisation \(EBITDA\)](#) jumped more than 315% to roughly \$262,000. Net profit after tax (NPAT) also rose, up 188% to \$225,000.

COVID-19 impact

Global Health advised that management and staff are continuing to operate from home using the Microsoft TEAMS collaboration platform. Productivity and support tickets have been mainlining expected levels, without disruption.

New sales and project revenue however, has been impacted, particularly in Victoria. Sales commitments have been deferred, while community health opportunities remain under consideration, including those that require interstate travel.

Contracted Victorian projects have slipped past 6 months, with the implementation of MasterCare EMR to go live commencing December. The three locations of the new launch will be at the Bellarine Community Health, Ballarat Community Health and Peninsula Health.

Pipeline opportunities

The fallout from [COVID-19](#) has led to a focus on mental health services. Global Health has seen a shift in digital technology offerings from healthcare providers to improve service delivery.

The company's flagship MasterCare EMR platform is currently involved with proposals worth over \$4 million. The outcome of those tenders is to be decided in the coming months, with Global Health to provide an update.

Outlook

The company noted that post-COVID-19, the healthcare landscape will be substantial and long-term, particularly mental health.

Global Health recognises the need for digital platforms to address mental health, drug and alcohol, and other chronic disease issues. New expansion opportunities such as the company's Lifecard Personal Health platform are anticipated to meet this need.

In addition, the company believes that healthcare services in future will be provided without the need for face to face consultations. This in-turn will benefit remote and rural communities.

Global Health managing director, Mathew Cherian spoke about the rising challenges. He said:

Many areas of the Australian Life have been forever changed by COVID-19 pandemic. Businesses have to be more aware of the physical and mental health of their workforce. Sporting organisations also have to rethink their approach to the healthy participation of their members, coaching staff and volunteers to ensure that sporting activities can go ahead in a responsible manner.

Special attention of the needs of the elderly members of our community also needs to be addressed. Global Health's digital technology platforms can make a significant contribution to these issues as Australia works towards effectively managing the environment we face.

<https://www.fool.com.au/2020/10/26/global-health-asxglh-rockets-20-higher-on-business-update/>