



Why Viamed Healthcare Surged 21% on Tuesday

Description

Viamed Healthcare ([TSX:VMD](#))([NASDAQ:VMD](#)) shares surged 21% on Tuesday after reporting strong earnings along with a share-repurchase program.

What happened?

Viamed stock climbed 21% on Tuesday after reporting earnings that nearly doubled estimates. After analysts estimated earnings per share around \$0.08, the company reported \$0.13 per share on Tuesday. Net revenue increased to \$29 million for the quarter, creating a new company record and a year-over-year 11% increase.

Adjusted EBITDA reached \$9.5 million for the quarter, and \$29.3 million for the year. Its cash balance reached \$28.4 million, with long-term debt at \$4.3 million. Viamed stock also announced guidance for the next year of between \$29.2 and \$30.2 million for the first quarter of 2022. And along with its core [business](#), Viamed stock expects to find more COVID-19-related revenue streams.

So what?

Viamed stock fell from superb heights due to the pandemic. COVID-19 provided the in-home respiratory operator a path to serious revenue. However, many feared it was short term. With vaccination rates increasing, investors feared the company couldn't keep up the record-setting revenue it achieved.

However, clearly, this earnings report stated the opposite — so much so that Viamed stock announced a share-repurchase program on the **Nasdaq**. The company will purchase up to 5% of total common shares, or about 1,984,014 shares. Chief Executive Officer Casey Hoyt stated the current share price offers an opportunity “based on the strength of our balance sheet and excess free cash flow.”

Now what?

Viemed stock continues to trade far below where it was at the beginning of [COVID-19](#). After reaching \$14.54, it now trades at \$5.53, even after the share price surge. Yet analysts give it a consensus target price of \$13.38. That would represent a potential upside of 141% as of writing!

With a record-setting, estimate-beating quarter behind it, and trading at 18.01 times earnings, it may be a good time to get in on Viemed stock.

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