

OrganiGram Holdings

11:08 15 Jan 2020

Buds & Duds: Investors cheer as Organigram doubles revenue, beats expectations in quarterly results

Cannabis stocks saw healthy gains Wednesday as one Canadian producer proved that cannabis companies can indeed post strong revenue.

The North American Marijuana Index, which tracks the top cannabis stocks in the US and Canada, gained 3.3% at 123.3 points. Elsewhere, the Horizons Marijuana Life Sciences Index ETF lifted 3.6% at C\$9.43, while the OTCQX Cannabis index grew 2.4% to 480.1 points.

Buds

Canadian cultivator Organigram Holdings Inc (NASDAQ:OGI) (TSE:OGI) popped on Wednesday on first quarter fiscal 2020 results that saw the firm double its net revenue to C\$25.2 million from C\$12.4 million during the year-ago period.

The revenue figure, coupled with a much-narrowed net loss of just under C\$900,000, far exceeded analyst expectations of around C\$21 million for the three-month period ended November 30, 2019.

The \$25.2 million revenue was largely comprised of about \$16.7 million of sales to the adult-use recreational and medical markets and about \$9.5 million to the wholesale and international markets, according to the Moncton, New Brunswick-based producer.

Investors, hungry for some good news in the sector, cheered the results and sent Organigram shares an eye-popping 36.7% higher in Toronto and 35.6% higher in New York, trading at C\$3.81 and US\$2.93 respectively.

Other companies that saw a lift on Monday included BevCanna Enterprises Inc (CSE:BEV), which jumped 2.6% to C\$0.40 in Canada and 4% over the counter at US\$0.30 after announcing it is acquiring cannabis genetics expert Carmanah Craft Corp.

Helix Technologies Inc (OTCMKTS:HLIX) also rose 1.6% to US\$0.64 when it told investors that its software subsidiary BioTrack completed a technical audit.

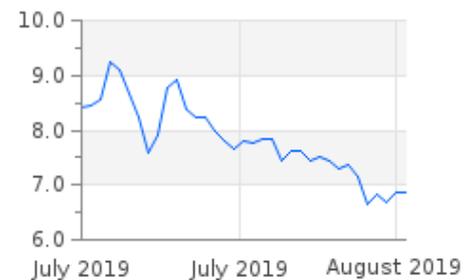
Duds

On a rare day that saw most cannabis companies trading in the green, a few firms lagged behind.

All of the big names were in the green save for Tilray Inc (NASDAQ:TLRY), although it was only down 0.2% at press time at US\$21.18.

Of the small caps, Leviathan Cannabis Group Inc (CSE:EPIC) (OTCMKTS:LVCNF) found itself falling 11.6% to C\$0.19 on no new news, while Cultivar Holdings Inc (CSE:CULT) sank 16.2% at C\$0.16 as it began trading on the Canadian Securities Exchange.

1 Year Share Price Graph



Share Information

Code: OGI
Listing: TSX-V
Sector: Pharma & Biotech
Website: www.organigram.ca

Company Synopsis:

Headquartered in Moncton, NB, ORGANIGRAM, Inc. specializes in the production of Condition Specific Medical Marijuana under license from Health Canada. Our company is subject to the Marijuana for Medical Purposes Regulation (MMPR), including the Good Manufacturing Practices as well as the security directives as defined by the Office of Controlled Substances.

action@proactiveinvestors.com

Contact Angela at angela@proactiveinvestors.com

Follow her on Twitter @AHarmantas

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Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

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