



## Organigram (TSX:OGI) Stock Jumps 12.5% on Q4 Earnings

### Description

**Organigram Holdings** ([TSX:OGI](#))([NASDAQ:OGI](#)) shares jumped 12.5% on Tuesday morning with the company beating analyst estimates in its fourth-quarter earnings report. The stock is now one of the very few cannabis stocks to see positive [momentum](#), as its peers crash around it.

### Organigram stock jumps 12.5% on 22% growth in net revenue

- Organigram stock saw a 22% quarter-over-quarter increase in net revenue, beating out analyst estimates of \$23.4 million and reporting \$24.9 million.
- Management sees a variety of strong growth factors growing revenue even further in the next quarter and beyond.
- Adjusted EBITDA remained at a loss of \$4.8 million but topped projections, with analysts averaging a loss of \$9 million.

### What happened in Q4 for Organigram?

Shares of Organigram stock jumped 12.5% after the company released better-than-expected financial results. This sent Organigram stock price to about \$2.70 as of writing. The company reported a 22% quarter-over-quarter increase in net income. It now has a market share of 7% of the [recreational](#) cannabis market, up from 5.4% the quarter before.

Furthermore, management remained confident that further growth is imminent. This comes from a variety of factors, but the most important remained new products and shipments. Organigram stock launched new brands, including SHRED, which became the most-searched brand on the Ontario Cannabis Store website. That's in 11 out of the last 12 months!

The company also launched gummies back in August, achieving a 5.8% market share of the cannabis gummy category. With \$172 million in unrestricted cash, Organigram stock believes it can continue to expand on its growth strategy in this and other categories.

## What did Organigram management say?

Chief Executive Officer Beena Goldberg stated in the report these results show the strong momentum Organigram stock continues to offer. Not only did the company increase its sales, it also increased its efficiencies, dropping the cost per gram to produce their cannabis. The company continues to work in this area to create cost efficiencies to improve its gross margin profile. Goldberg said the following:

“We are excited for what Fiscal 2022 holds for Organigram. Looking ahead, we expect to continue our momentum as we maintain our focus on increased points of distribution, bringing new, impactful and innovative products such as Edison Jolts, SHRED and SHRED’ems to market, and improve our ability to fulfill the growing demand for our products.”

## What’s next for Organigram stock?

Organigram stock continues to climb on the momentum of a new executive team. Analysts believe this transitional phase of new leadership, including the new CEO, will create new strategic changes. While exciting, especially as it now holds the fourth-highest market share in the country, there are still issues to be solved.

One, of course, is the adjusted EBITDA loss. While it beat estimates, this remains a negative that Goldberg and her team will need to address. But as Organigram stock continues to prove it's on the path to profitability, this could be one of the few cannabis stocks that climbs rather than crashes in 2022.

Shares of Organigram stock are up 25% year to date compared to 18% on the **TSX**. Shares trade at \$2.70 as of writing.

### CATEGORY

1. Cannabis Stocks
2. Investing

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**Date**

2025/06/29

**Date Created**

2021/11/23

**Author**

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