



3 Cryptocurrency Stocks You Should Buy for 2022

Description

Canadians who are bullish on the [cryptocurrency](#) space can look to gain exposure by purchasing stocks of **Hut 8 Mining** ([TSX:HUT](#))([NASDAQ:HUT](#)), **Coinbase** ([NASDAQ:COIN](#)), and **Voyager Digital** ([TSX:VOYG](#)) right now. While Hut 8 Mining mines cryptocurrencies, Coinbase and Voyager allow you to trade these digital assets.

In the last 20 months, cryptocurrencies have gained significant traction and are now viewed as an alternative asset class. If the bull run extends to 2022, the three stocks could continue to derive market-beating returns.

Hut 8 Mining

Shares of Hut 8 Mining have tripled year to date, valuing the company at a market cap of \$1.73 billion. However, the recent selloff in the cryptocurrency space has dragged Hut 8 stock lower by 47% from 52-week highs.

Hut 8 has installed 10,000 **NVIDIA** GPUs, or graphics processing units, that are mining **Bitcoin** at a cost of less than US\$3,000 per BTC token. The company's CEO Shane Downey emphasized that Hut 8 already has more than 5,000 Bitcoins held in reserve valued at a cumulative US\$250 million at current prices.

In the last 12 months, Hut 8 reported revenue of \$128.85 million, compared to just \$40.7 million in 2020. Analysts expect revenue to touch \$432 million in 2022 valuing the stock at a forward price-to-sales multiple of less than four. Its adjusted earnings per share are also estimated to increase from \$0.06 in 2020 to \$0.84 in 2022, indicating a price-to-earnings multiple of just 12.4, which is very cheap.

Coinbase

One of the world's largest cryptocurrency exchanges, Coinbase is valued at a market cap of US\$66.7 billion. Similar to most other trading platforms, Coinbase derives a majority of its sales from transaction

fees. So, its top line is dependent on the volatility of cryptocurrencies listed on the exchange, making it difficult to forecast future sales and earnings.

In Q3, the number of [monthly transacting users](#) on Coinbase rose by 252% year over year to 7.4 million, and it now has 73 million verified users. Further, the company also enjoys robust profit margins and ended Q3 with an adjusted EBITDA margin of 50%.

Due to its massive size and expanding user base, Coinbase is the perfect ancillary bet for investors looking to benefit from exponential growth in the cryptocurrency industry. You don't need to speculate on the long-term prospects of specific digital tokens and can instead buy Coinbase stock if you expect the value of cryptocurrencies to move higher in 2022 and beyond.

Voyager Digital

Another cryptocurrency exchange that should be on your shopping list is Voyager Digital, a company valued at a market cap of \$2.63 billion. The [Canada-based exchange](#) has increased revenue from just \$1.15 million in 2019 to \$175 million in 2020. Bay Street expects sales to climb by 205% to \$691 million this year and surpass \$1 billion in 2022. The company's stellar top-line growth will allow it to improve profitability from a loss of \$0.5 per share in 2020 to earnings of \$1.16 per share in 2022.

Voyager stock is trading at a price-to-2022-sales multiple of 2.6 and a price-to-earnings ratio of just 14. VOYG stock is up 224% year to date but is also trading 55% below record highs, allowing you to buy the dip.

CATEGORY

1. Cryptocurrency
2. Investing

TICKERS GLOBAL

1. NASDAQ:COIN (Coinbase Global)
2. NASDAQ:HUT (Hut 8 Mining)
3. TSX:HUT (Hut 8 Mining)

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Date

2025/07/19

Date Created

2021/12/23

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