



## Top 2 Growth Stocks for 2022

### Description

Growth stocks have reached a tipping point. Most high-growth companies have forecasted strong demand and steady expansion in 2022. However, their valuations have dipped in recent months. That presents an opportunity for investors.

Here are the top two growth stocks to have on your radar in 2022.

### Growth stock #1

**HIVE Blockchain** ([TSXV:HIVE](#))(NASDAQ:HVBV) wouldn't have made it to anyone's list for *cheap stocks* last year. The company's market value was so astronomical that even triple-digit growth didn't justify it.

Fortunately, times have changed, and investors aren't as excited about crypto as they used to be. HIVE stock has lost roughly 48% of its value since February. It is now trading at a price-to-earnings ratio of 10! As long as **Bitcoin** and **Ethereum** remain elevated, HIVE should experience significant margins and strong book value.

In 2022, the company is set to expand mining operations, which should boost revenue significantly. The team also says they no longer need to sell their digital assets to fund growth since they have access to capital in the equity market. A combination of these factors should make HIVE an excellent growth stock for the new year.

### Growth stock #2

**Dye & Durham** ([TSX:DND](#)) is another growth stock that deserves a mention. The stock had a 23% rally to all-time highs at the start of the year. Since then, it has been flat for the better part of the year compared to 20% gains registered by the TSX Index.

Nonetheless, the underperformance does not paint an accurate picture of the company's long-term

prospects. Dye & Durham is becoming a key player in the provision of cloud-based software and technology solutions to legal and business professionals. Its client base also includes large financial service institutions and government agencies.

The company delivered better-than-expected Fiscal Q1 2022 results. Revenue and adjusted EBITDA grew 414% and 398%, respectively, with net income landing at \$22.1 million. The solid results underscore the scale and pace of Dye & Durham underlying growth.

## Acquisition drive

Looking into the future, Dye & Durham is set to complete the acquisition of **Telus's** financial solutions. While the acquisition is expected to cost the company [\\$500 million](#), it should go a long way in strengthening its digital infrastructure

The company has also inked a deal to acquire Link Group, a technology-driven market leader that connects people with their assets for \$3.2 billion. The acquisition affirms the company's ambition to achieve \$1 billion in adjusted EBITDA.

## Valuation

A strong diversified customer base backed by a high retention rate and geographical expansion affirms Dye & Durham's long-term prospects. While the stock has barely moved in 2021, the consolidation phase provides an ideal entry point.

The stock is trading at a premium with a price-to-earnings multiple of 116. However, if it can sustain its current pace of growth, this valuation is certainly justified.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:DND (Dye & Durham Limited)
2. TSXV:HIVE (Hive Blockchain Technologies)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
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