



Why Hive Stock Jumped 11% on Tuesday

Description

HIVE Blockchain Technologies ([TSXV:HIVE](#))(NASDAQ:HVBT) shares climbed 11% in early trading on Tuesday after Hive stock reported record earnings.

What happened?

Hive stock reported earnings up 397% year over year and 30% quarter over quarter to \$68.2 million. The cryptocurrency company's net income also rose 273% to \$64.2 million, achieving record results.

Hive stock ended the quarter with 1,813 **Bitcoin** worth \$83.1 million and 23,290 **Ether** worth \$84.9 million. The gross value increased from \$15 million to \$168 million the year before — an [incredible](#) 11 times increase.

So what?

The chief financial officer puts the massive growth on the decision to not sell the mined cryptocurrency. Instead of borrowing at expensive rates, it took on a “modest equity” funding strategy, and this helped generate the highest returns possible, even compared to peers.

And while a lot of the growth comes from cryptocurrency prices [skyrocketing](#), it also has to be noted that Hive stock increased production as well. This comes from its acquisitions in Quebec and the Atlantic, along with the purchase of miners for these facilities.

Yet with all this growth, the cryptocurrency stock remains incredibly cheap. It currently trades at 8.26 times earnings and 3.09 times book value. Analysts mark it as a solid buy and believe it could almost double in share price during the next year.

Now what?

Hive stock has had quite the journey over the last few years. It's come down from 52-week highs and is 18% down so far in 2022. This comes not from the company's [performance](#), however, but from the performance of Bitcoin and Ether during this time.

Meanwhile, it continues to take on acquisitions through a conservative approach that should continue to garner investor trust. That being said, the cryptocurrency market remains volatile. While long-term investors may see great growth from Hive stock, there's no telling what the next year will bring.

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