



HIVE Blockchain (TSXV:HIVE) Stock: Is it Cheap or a Falling Knife?

Description

HIVE Blockchain Technologies ([TSXV:HIVE](#))([NASDAQ:HIVE](#)) is a Vancouver-based [cryptocurrency](#) mining company that operates in Canada, Sweden, and Iceland. Today, I want to discuss whether this crypto stock is worth snatching up on the dip in the middle of this very tough period for digital currencies. Let's jump in.

How has this stock performed during the cryptocurrency collapse?

Top cryptocurrencies like **Bitcoin** and **Ethereum** achieved all-time highs during the crypto boom throughout 2021. The mania went beyond the most well-known cryptos. [Non-fungible tokens \(NFTs\)](#) also drew major interest among celebrities and other major buyers. Their valuations climbed into the millions, confounding many onlookers.

Shares of HIVE Blockchain, meanwhile, have plunged 66% in 2022 as of late-morning trading on September 21. That has pushed the stock into negative territory in the year-over-year period. It is down 10% over the past month. Is HIVE Blockchain headed further south, as the crypto space suffers in this bear market? Or is this a great time to add this crypto miner on the dip?

Should investors be encouraged by HIVE's recent earnings?

In the previous fiscal year, HIVE Blockchain achieved record annual revenues of \$211 million. The company reported that it mined 2,368 Bitcoin and 32,397 Ethereum. Investors who want a clearer picture of this company's profitability may want to use EBITDA, which stands for earnings before interest, taxes, depreciation, and amortization. Adjusted EBITDA rose to \$52.3 million in fiscal 2022 — up from \$29.2 million in the previous year.

This company released its first-quarter fiscal 2023 earnings on August 16. It generated total revenues of \$44.2 million — down from \$49.8 million in the prior year. The company mined 1,338 Bitcoin

equivalent. That included 821 clean and green Bitcoin and 7,675 green and clean Ethereum. Ethereum, the world's second-largest crypto by market cap, has greatly improved its ecological footprint with the introduction of "the Merge," a significant software upgrade. Its overall digital currency production jumped 7% in the quarter-over-quarter period.

Meanwhile, it posted gross mining margin of \$27.0 million. That was up 18% from the fourth quarter of fiscal 2022. The company achieved this on the back of its strong global Bitcoin and Ethereum mining operations. Better yet, HIVE has posted the best operational uptime compared to its peers.

HIVE Blockchain was bolstered by acquisitions in Quebec and New Brunswick that improved its production capacity. Moreover, it expanded its flagship European operation in Boden, Sweden. Adjusted EBITDA was reported at \$11.2 million — down from \$11.8 million.

HIVE Blockchain: Should you avoid this stock or take a chance?

It is hard to trust Bitcoin, Ethereum, or its other peers in the crypto space at the time of this writing. Top digital currencies have been throttled in the face of central bank interest rate tightening. High inflation rates likely mean that the rate-tightening cycle will not abate anytime soon. Shares of this crypto stock currently possess a very favourable [price-to-earnings ratio of 0.7](#). HIVE Blockchain is trading in attractive value territory, but I'm still avoiding the crypto space in the fall of 2022.

CATEGORY

1. Cryptocurrency
2. Investing

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3. TSXV:HIVE (Hive Blockchain Technologies)

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