



## Nuvei (TSX:NVEI): The Hottest Canadian Tech IPO Just Landed! Should You Buy?

### Description

Forget about the white-hot Warren Buffett-approved **Snowflake** IPO. The **TSX Index** just landed its hottest new tech issue ever with Montreal-based digital payments firm **Nuvei** ([TSX:NVEI](#)), which skyrocketed over 55% on its first day as a publicly traded firm.

There's no question that the coronavirus pandemic has sparked an increase in the appetite for pandemic-resilient tech firms, and that's a huge reason why both the Snowflake and Nuvei IPOs have been soaring right out of the gate amid this [nasty September pullback](#).

### Should you buy the hottest tech IPO in Canadian history? Or is Nuvei stock too hot to handle after its post-IPO pop?

Nuvei is experiencing an absurd amount of momentum here. A digital payments play is precisely what the doctor ordered for the tech-light TSX Index. Philip Fayer, Nuvei's founder, is one of Canada's newest minted billionaires thanks to the incredibly successful NVEI IPO.

Now that the company has the capital it needs to amp up its growth profile, the firm could be in a spot to make a name for itself, not just in Canada, but on the international scene, as it looks to follow in the footsteps of Canadian e-commerce darling **Shopify**, which exploded onto the scene a few years ago, enriching many Canadian investors who stuck by the name through the ups and downs.

Now, nobody knows if Nuvei has what it takes to become the next Shopify. However, Victoria Hetherington, my colleague here at the Motley Fool, thinks Nuvei stock will be a big hit, as the pandemic continues to plague the world economy. Nuvei is helping its customers (many of whom are in the retail, gambling, and financial service industries) navigate through this unprecedented crisis and is likely to be a significant winner through and after this pandemic.

### Nuvei: A pandemic-resilient payments play that Canadians

## have been longing for

“Any business that can make e-commerce a smoother experience is going to be a big hit so long as the pandemic continues to ravage the economy. Nuvei is well placed for this trend, with its business operations pertaining to merchant and payment services. Transaction facilitation is likely to continue as a growth trend well into 2021, with more upside for investors likely to be forthcoming in this hot industry.” said Hetherington in a [prior piece](#).

I think Hetherington is right on the money and that it will be tough to stop Canada’s latest tech sensation in its tracks, regardless of what comes next with this pandemic. That said, investors should expect some serious volatility with the name, as IPO booms tend to be followed by massive busts.

Like most other white-hot mid-cap growth stocks, Nuvei faces a rocky road to profitability. The company posted US\$246 million worth of revenues last year, with a net loss just shy of US\$70 million. As it should given its young age, Nuvei is going all-in on its growth endeavours.

## The Foolish takeaway on Canada’s hottest new IPO

Nuvei stock seems tough to value as it rockets out of the gate. Although there are high hopes for what could be Canada’s next big tech play, I’d urge investors to only nibble into a small position today with the intention of backing up the truck should a post-IPO bust be in the cards amid this recent tech-driven sell-off.

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