



Nuvei (TSX:NVEI) Stock Soars at IPO: Is it the Next Lightspeed (TSX:LSPD)?

Description

In a record-breaking IPO, shares of **Nuvei** ([TSX:NVEI](#)) began trading on the TSX last week.

Although shares were expected to be offered in the range of \$20 to \$22, strong demand allowed the company to price its shares at \$26 each. Nuvei raised \$700 million in the biggest IPO of a tech company in the history of the TSX.

Nuvei stock soared straight out of the gate, advancing more than 50% within the first hour of trading!

Nuvei

Montreal-based Nuvei is an electronic payment-processing company.

Through June of this year, Nuvei had processed more than \$35 billion worth of transactions over its network. Nuvei is the payment technology partner of companies in various industries, including online retail, digital goods and services, network marketing, travel, developers, and banks and financial services. Many of Nuvei's customers are in the fast-growing world of sports betting.

Comparison to Lightspeed POS

It's interesting that Nuvei's IPO comes within days of [Lightspeed's \(TSX:LSPD\)\(NYSE:LSPD\) debut on the New York Stock Exchange](#). Originally, Lightspeed hoped to list on the exchange approximately one year after the company's March 2019 IPO on the TSX. Due to the pandemic, however, the listing was pushed to mid-September.

After its IPO on the TSX, Lightspeed quickly became one of the hottest stocks in Canada. The stock began trading in March 2019 at around \$18 per share. As of this writing, shares of Lightspeed are trading near \$39 per share.

Like Nuvei, Lightspeed is headquartered in Montreal. The company offers its cloud-based,

omnichannel commerce platforms to complex small- and medium-sized businesses.

Lightspeed intends to be a one-stop shop for SMBs. The company provides all of the core needs for its clients, including software tools, POS, e-commerce, and analytics. Lightspeed also offers lines of capital to some of its business partners. The company recently rolled out Lightspeed Capital. Through analytics, Lightspeed can identify areas of potential investment that best suit its clients' needs.

95% of North American IPOs are tech companies

With its IPO, Nuvei joins the fast-growing market for tech IPOs. Almost 95% of all North American IPOs this summer have been tech companies.

The global pandemic increased the public's appetite for tech stocks. In addition to Lightspeed, this sector includes **Dye & Durham** and **Docebo**. The tech sector has rocketed 33% this year!

Digital commerce has seen a huge rise in interest during COVID-19. **Shopify** recently became the most valuable company in Canada, passing **Royal Bank**.

The bottom line

As we have seen this year, tech stocks show no sign of slowing down. Although shares of these companies dipped with the broader market during the early days of the pandemic, tech stocks have rebounded quickly. For example, Lightspeed is well above its March low of \$10.50 per share.

According to regulatory filings, [Nuvei made US\\$245 million in revenue last year](#), but lost US\$69.5 million after expenses were deducted. Of course, it's not uncommon for companies to lose money and see their stocks skyrocket! Based on the history of similar stocks, Nuvei is likely to reward investors.

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1. Investing
2. Tech Stocks

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1. Editor's Choice

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