



Nuvei (TSX:NVEI) Q3 Earnings Recap

Description

In its short history as a publicly traded company, **Nuvei** ([TSX:NVEI](#)) has already made a big splash in the market. If you were unaware of the company leading up to its initial public offering, there is a large possibility that you were one of many that took note later that day.

Nuvei's first day as a public company is notable for closing as the [largest tech IPO in the history](#) of the **Toronto Stock Exchange**. On Wednesday, Nuvei held its first earnings call. In this article, I will provide the details that you should consider moving forward.

What does Nuvei do?

One of the hottest spaces today, Nuvei operates within [the fintech industry](#). The company's mission is to allow businesses to transact at any place, anytime, using any method. Currently, Nuvei has a presence in over 200 global markets, is compatible with 450 different payment methods, and allows the use of about 150 different currencies.

What sets the company apart from its competitors is its ability to support in-store and unattended transactions, while also having mobile and e-commerce payments solutions.

Nuvei's Q3 earnings call

In Wednesday's earnings call, Nuvei reported a 62% year-over-year increase in its total volume. In Q3 2020, the company processed \$11.5 billion USD worldwide, compared to \$7.1 billion in Q3 2019. Nuvei also reported a quarterly revenue of \$93.6 million USD compared to \$70.8 million USD the year prior. This represents an increase of 32% year-over-year.

How does Nuvei's future look?

The company is currently supporting a plethora of industries. Examples include regulated online

gaming, online marketplaces, digital goods and services, and travel. Many of the markets addressed by Nuvei are expected to see double-digit compound annual growth rates over the next decade.

Nuvei plans to focus on four aspects to employ its growth strategy. First, it will continue to expand its geographic footprint. Nuvei has recently began launching local processing partnerships in Russia, Brazil, Singapore, Columbia, and Hong Kong. The company is also focusing on continued merchant growth. In its latest earnings report, the company listed several new large merchants as Nuvei customers.

It plans on adding more product offerings in the future. Recently, Nuvei received gaming service licenses in Indiana and Colorado and the company has onboarded two cryptocurrency exchanges. Finally, Nuvei intends to continue pursuing mergers and acquisitions. This is a strategy that has worked very successfully for Canadian public companies in the past. Nuvei's most recent notable acquisition was the closing of Smart2Pay, a global one-stop payment solutions provider.

Foolish takeaway

This is a company that has a firm place on my watch list. I intend to watch the company's performance over the next quarters and assess its potential for growth at a later time. Currently, it sees a lot of competition from global competitors.

However, its earnings call this week shows many positives. Its customer base is impressive, and the numbers indicate strong growth. Nuvei could be a monster in the coming years.

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Date

2025/08/16

Date Created

2020/11/14

Author

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