



3 Fintech Stocks Set to Explode in 2021

Description

In the last few years, the fintech space has disrupted the global payments and processing industry. The COVID-19 pandemic has accelerated this pace as several businesses have leveraged technology to stay relevant amid economic lockdowns.

Here, we take a look at three stocks part of the fintech universe that should be on your radar for 2021 and beyond.

Nuvei

Nuvei ([TSX:NVEI](#)) is the first stock on this list. The company is Canada's first [non-bank electronic payment processor](#). NVEI has grown its top-line at a fast clip via acquisitions. In 2018, it acquired the U.K.-based SafeCharge for US\$890 million which allowed the company to double its top line.

Last year, it acquired Netherlands-based Smart2Pay for US\$300 million giving it access to 13 international markets in Europe. Nuvei processes close to US\$35 billion in annual transactions generating sales north of \$350 million.

According to Bay Street estimates, Nuvei is well poised to increase sales by 27.5% to \$458 million in 2021. The stock went public in September 2020 and has since surged over 45% in less than six months.

In Q4, the company's total gross transaction volume was between \$13.8 billion and \$14.1 billion, which was a year-over-year growth of 50%. Sales were up 40% while adjusted EBITDA soared 50% as well.

Lightspeed

Another high-growth tech stock that has crushed broader market returns since its IPO in March 2019 is **Lightspeed** ([TSX:LSPD](#)). The shares of this Canada-based company have more than doubled in the last year and LSPD ended 2020 with a customer base of 115,000.

In its latest quarter, Lightspeed sales rose 79% year over year to US\$57.6 million. After considering the incremental sales due to acquisitions, top-line growth stood at a healthy 50%. Lightspeed managed to post revenue higher than its previous guidance that stood between US\$44 million and US\$47 million.

LSPD generated a significant amount of sales from software and payments. In the last quarter, this vertical accounted for 91% of total revenue. The company is also improving its bottom line as it reported an EBITDA loss of US\$6.6 million which was 11.5% of its total sales. In the prior-year period, Lightspeed's EBITDA loss was US\$5.2 million, or 16% of total sales.

Euronet Worldwide

The final stock on my list is US-based **Euronet Worldwide**. This company is a transaction processor and offers ATM (automated teller machine), card outsourcing, and point-of-sale services.

In July 2015, Euronet acquired XE and HiFX and merged the two firms in 2018. The [XE money transfer review is quite positive](#) and it seems Euronet has successfully integrated the two companies.

Shares of the company have risen by 121% in the last five years. However, the stock is still trading 10% below its record high. Euronet stock is valued at a market cap of \$8 billion, which means it's trading at a forward price to sales multiple of 2.8 and a reasonable price to earnings multiple of 27.5.

Wall Street expects the company to increase its sales by 17.5% to \$2.92 billion in 2021 and by 16.9% to \$3.41 billion in 2022. Comparatively, its earnings are forecast to rise by 99.3% in 2021 and by 45.7% in 2022.

CATEGORY

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2. Tech Stocks

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:LSPD (Lightspeed Commerce)
3. TSX:NVEI (Nuvei Corporation)

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