



Better Tech Stock: Nuvei or Shopify?

Description

Canadian markets are dominated by the financials, energy, and materials sectors. Technology stocks are not nearly as plentiful as they are in U.S. markets, but that does not mean that Canadian investors are without options in this arena. Today, I want to look at two top tech stocks: **Nuvei** ([TSX:NVEI](#)) and **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). These tech stocks have been very solid in the first half of 2021. Which is the better buy today?

Nuvei is a tech stock that just debuted on the TSX in 2020

Nuvei is a Montreal-based company that provides payment technology solutions to merchants around the world. Its shares have climbed 41% in 2021 as of late-morning trading on June 30. This tech stock has [soared 126%](#) from the prior year.

The payment solutions market is geared up for big growth this decade. Companies like Nuvei have found their services in high demand, especially as online shopping accelerated in the face of the COVID-19 pandemic. Valuates Reports recently projected that the global payment processing solutions market would reach \$52 billion by 2026 compared to \$33 billion in 2019. This would represent a CAGR of 5.9% over the forecast period stretching from 2021 through 2026.

In Q1 2021, Nuvei delivered revenue growth of 80% to \$149 million. Adjusted net income rose to \$51.2 million or \$0.35 per share — up from \$9.8 million, or \$0.11 per share, in the previous year. It announced two new acquisitions that will bolster its footprint in the gaming and crypto spaces. This is a tech stock that has strong potential in the 2020s.

Why you shouldn't sleep on Shopify this summer

Shopify should require no introduction for Canadian investors at this stage. The e-commerce giant debuted on the TSX back in 2015. Since then, it has proven to be one of the most explosive techstocks in North America. Shares of Shopify have climbed 29% in the year-to-date period. The techstock is up 40% year over year.

Earlier this month, I'd [discussed](#) how continued growth in the e-commerce space and a global expansion could power Shopify in the 2020s. The company released its first-quarter 2021 results on April 28. Total revenue rose 110% from the prior year to \$988 million. Meanwhile, subscription solutions revenue jumped 71% to \$320 million.

Growth in the e-commerce sector accelerated significantly during the COVID-19 pandemic. This is one of the main reasons to scoop up this top tech stock for the long haul. Adjusted gross profit increased 114% to \$565 million. In 2020, Shopify businesses generated over \$307 billion in global economic impact. Its partner ecosystem also generated \$12.5 billion in revenue for the full year.

Which tech stock is the better buy?

These tech stocks have benefited from impressive growth in their respective fields. However, I'm more inclined to snatch up the newcomer Nuvei in this environment. Shopify's valuation has ballooned significantly, especially since the March 2020 market pullback. Nuvei is a tech stock that has plenty of room to run going forward.

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2. TSX:NVEI (Nuvei Corporation)
3. TSX:SHOP (Shopify Inc.)

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